

**EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL**

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EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

Trustee Council Teleconference Meeting

April 28, 1994
10:00 a.m.

TRUSTEE COUNCIL MEMBERS in attendance:

State of Alaska

MR. CRAIG TILLERY
Alternate for Bruce Botelho,
Attorney General, Alaska
Department of Law

State of Alaska Department
of Environmental Conservation

MR. JOHN SANDOR, Commissioner
MR. MARK BRODERSON, Alternate

United States Department
of the Interior

MR. GEORGE FRAMPTON, JR.
Assistant Secretary
MS. DEBORAH WILLIAMS, Alternate

State Department of Fish
and Game

MR. CARL ROSIER
Commissioner

United States Department of
Agriculture - Forest Service

MR. MIKE BARTON
Regional Forester
MR. JAMES WOLFE, Alternate

United States Department of
Commerce - NOAA

MR. STEVE PENNOYER
Director, Alaska Region

TRUSTEE COUNCIL STAFF

MR. JIM AYERS	Executive Director, Trustees Council
MS. MOLLY MCCAMMON	Director of Operations
MS. L.J. EVANS	Public Information Officer
MR. ERIC MYERS	Project Coordinator

OTHERS IN ATTENDANCE in Anchorage/via teleconference

MR. ALEX SWIDERSKI, Alaska Department of Law
DR. ROBERT SPIES, Chief Scientist, Trustee Council
BARRY ROTH, Department of Interior
DAN SAKURA, Special Assistant to Secretary of U.S. Department of
the Interior
SANDY RABINOWITCH, Department of Interior, National Parks Service
NATALIA PHILLIPS, Anchorage Daily News
PAMELA BRODIE, Sierra Club
CORDOVA LEGISLATIVE INFORMATION OFFICE
VALDEZ LEGISLATIVE INFORMATION OFFICE

P R O C E E D I N G S

(On Record at 10:14 a.m.)

3 MR. PENNOYER: I think we might as well go ahead and get
4 started then. I might not -- this is not a palace coup, I'm not
5 attempting to be chairman, but I was asked if I would chair this
6 meeting, so I guess I will. We have Craig Tillery here from the
7 Attorney General Office, John Sandor from the Department of
8 Environmental Conservation, Carl Rosier -- Fish & Game, Deborah
9 Williams for Interior for George Frampton, and Mike Barton is here
10 for a little while longer. (Laughter) So, we have the agenda that
11 I think has been faxed out to all of you. First is the approval of
12 the agenda. Does anybody have anything we need to add to this
13 agenda? I have one item before we get into anything contentious,
14 perhaps we should cover that. One of our members, I know the rumor
15 has leaked out now, has been a member of this body and other
16 similar bodies for sometime, has suddenly announced that he sees
17 greener fields elsewhere. I can't imagine why he didn't want to
18 continue doing this, but he's announced that he's going to retire.
19 And Mike Barton has been in the process since the very start, the
20 damage assessment period of time and all the work and studies that
21 went on through that that we're basing a lot of work we're doing
22 now on, Mike was there and helped craft and approve and oversee,
23 and of course has also been in this latest evolution since the
24 settlement where we're trying to devise a program to restore the
25 resources that were damaged and injured by the spill. I think all
26 of us leaned heavily on Mike during that period of time, and I know

1 he's been of the boulders for me, certainly, and spinning ideas off
2 of and talking about them, and a trusted friend and associate to
3 get things done when they needed to get done, and I, for one, am
4 going to very severely miss Mike's presence in this process. I'm
5 sure others feel the same way. And what I'm going to propose is
6 that -- of course, each of you may say what you wish now, but that
7 we draft a resolution of a similar type to what we did for Attorney
8 General Cole, and I don't unfortunately have the words in front of
9 me because Mike caught all of us a little bit by surprise, but I
10 would endeavor to do that and would appreciate your input and would
11 hope that we could have a resolution signed by all of the Trustees
12 to give to Mike to take wherever he's going to go. So, anybody
13 else want to comment on that?

14 MS. WILLIAMS: Steve, this is Deborah Williams. We
15 certainly endorse your proposal, and we thank Mike for all of his
16 outstanding work.

17 MR. PENNOYER: Thank you, Deborah. If any of you want to
18 send me some suggestions, I'd appreciate that -- sometime in the
19 next few days. I think Mike's going to go somewhere for a while,
20 so we're not going to get an opportunity to present him with this
21 first hand, but we'll drag him in at some point and do that. Okay,
22 then, if there's nothing additional on the agenda, I think I'll
23 turn this over to Jim Ayers to start with. The first item on the
24 agenda then is pacific herring in Prince William Sound. I think
25 you've all been sent a funding resolution fax, and, Jim, do you
26 want to lead this then -- the discussion of it?

1 MR. AYERS: Mr. Chairman, members of the Council, as
2 many if not all of you know, the Prince William Sound pacific
3 herring population continues to show not only a significant decline
4 but also indications of disease. It is a viral disease, at least
5 that is what has been diagnosed and reported at this time. What we
6 have done is we held a quick meeting -- it was fortuitous that the
7 Chief Scientist and a number of other scientists were in Anchorage
8 on or about April 15th, as the first signs of problems in Prince
9 William Sound with this year's herring harvest were reflected --
10 met with the biologists and Fish & Game and the Chief Scientist, as
11 well as other peer review scientists, to discuss the issue of the
12 herring problems in Prince William Sound. Fortunately, we also had
13 a couple of members of the public available at that time. The
14 recommendation by the Chief Scientist as well as the Department of
15 Fish & Game -- the recommendation emanated from Evelyn Biggs of the
16 Department of Fish & Game -- to propose that we put a pathologist
17 on site and begin to do a full-scale investigation to determine if
18 the viral infection is in fact continuing to spread and to
19 ascertain if the disease is the cause of the weakened run or its an
20 opportunistic pathogen at this time that is present in the
21 population that is already weakened from other causes. As you
22 know, there was no record of VHS in the Sound herring prior to
23 1993, or at least none recorded, and there were substantial herring
24 harvests at that time. The proposal before you is that we transfer
25 funds from already existing projects, specifically from Project
26 94320, which has available funds as a result of a savings from the

1 vessel charter bids which came in under expectation -- or under
2 exactly what was budgeted -- and also some funds from Project
3 94139, which was an in-stream enhancement program, and that
4 particular portion was at Port Dick. The proposal is to fund the
5 herring project by utilizing the funds from those two projects.
6 Both the Chief Scientist and I highly recommend this, and in fact,
7 I must say, have taken action to move this project forward.

8 MR. BARTON: Well, Mr. Chairman, I move we accept the
9 recommendation of the Executive Director and the Chief Scientist.

10 MR. ROSIER: I second it.

11 MR. PENNOYER: It's been moved and seconded. Is there
12 any further discussion? Is there any opposition to that? (No
13 audible response.) Okay, then we need to sign this resolution, do
14 we then -- or, since everybody is on line, we don't really need, do
15 we not -- this motion passed?

16 MR. AYERS: That's correct, Mr. Chairman. And not
17 knowing if we were going to be able to get everybody on line as soon
18 as possible, we had prepared the resolution, but the motion is --
19 is sufficient.

20 MR. PENNOYER: Okay, Jim, thank you very much. The other
21 item for today is an executive session to discuss habitat
22 protection and acquisition strategies, and I'm unclear as to how we
23 are going to do this. I think probably what we need to do is
24 actually disconnect and come back in the executive session. Mr.
25 Ayers, do you have something set up in regard to that?

26 MR. AYERS: Mr. Chairman, I actually have to seek

1 counsel, so to speak, both in the professional and also the staff
2 has -- it's my understanding, Molly, that the bridge operator is
3 prepared to accommodate the executive session by disconnecting the
4 various LIO's and then reconnecting them when we come back --
5 reconvene into public session, is that correct?

6 MS. MCCAMMON: That is correct, assuming the Trustees are
7 all comfortable with that process.

8 MR. PENNOYER: I'm not sure what other process we would
9 use, Molly, except to disconnect, come back, and then reconnect
10 after.

11 MS. MCCAMMON: Right. That would be the other option.

12 MR. AYERS: That is the --

13 MR. PENNOYER: The Executive Director presented you with
14 that option. I didn't hear the alternative.

15 MS. MCCAMMON: There are two alternatives. One is for
16 everyone to completely disconnect, and then the bridge operator
17 would just reconnect the Trustees. The other option is for the
18 bridge operator now to disconnect those we do not wish to include
19 on this portion of the teleconference.

20 MS. EVANS: We would go to a different bridge
21 operator. We would go to an Alascom bridge operator if you were to
22 disconnect, separate completely from the LIO network.

23 MR. PENNOYER: Not understanding the fickle niceties
24 about all this is, what we obviously want to do is something that's
25 reasonably quick and creates an atmosphere conducive to an
26 executive session, Molly, so I don't know what you're advising us.

1 I thought we were just going to disconnect entirely and then
2 reconnect as the best of doing it.

3 MR. TILLERY: This is Craig Tillery. I would feel more
4 comfortable, I think, if we disconnect and then had the Alascom
5 operator reconnect us.

6 MR. PENNOYER: Thank you. Why don't we proceed in that
7 fashion. I thought that's what we were going to do anyhow, and
8 then we'll discuss how to reconnect when we get done with the
9 executive session.

10 UNIDENTIFIED VOICE: Fair enough.

11 MS. EVANS: Okay.

12 MR. PENNOYER: If everybody will hang up right now, and
13 then we'll get reconnect.

14 MS. WILLIAMS: Then, Molly, we are to assume then that a
15 call will come to us to reconnect, is that correct?

16 MS. EVANS: That is correct.

17 MR. PENNOYER: The meeting is in recess, not adjourned.

18 MS. MCCAMMON: For approximately five minutes until you
19 will be reconnected.

20 MR. PENNOYER: Thank you.

21 UNIDENTIFIED VOICE: Thank you.

22 (Off Record at 10:24 a.m.)

23 (On Record at 12:55 p.m.)

24 (James Wolfe is seated in place of Mike Barton for this
25 portion of the meeting)

26 UNIDENTIFIED VOICE: Good afternoon.

1 MR. PENNOYER: Okay. I think we've got all of the
2 Trustee Council members. Are we still waiting on Cordova?

3 BRIDGE OPERATOR: This is the bridge operator. Cordova
4 is on line and George Frampton's office in Washington, D.C. is on
5 line also.

6 MR. PENNOYER: I guess we're ready to proceed then. This
7 is Steve Pennoyer. We've got a full complement of Trustee Council
8 members or alternates, and we are returning from the recess we took
9 from the meeting which commenced at ten o'clock this morning. The
10 recess was for executive session to discuss habitat protection and
11 acquisition strategies, and I'd ask is there a motion from the
12 Trustee Council members in this regard?

13 MR. WOLFE: Mr. Chairman?

14 MR. PENNOYER: Mr. Wolfe.

15 MR. WOLFE: I believe I have a motion that I would
16 like to make at this point in time. I'd like to make a motion that
17 the Executive Director work with representatives from the Forest
18 Service, Department of Law, Department of Environmental
19 Conservation to draft a letter to Eyak Corporation, Sherestone
20 Corporation, expressing the Trustee Council's interest in
21 protecting habitat owned by the corporations that are of particular
22 interest to the Trustee Council in protecting special interests --
23 there -- imminent activities that would affect habitat in the near
24 term.

25 MR. ROSIER: Second.

26 MR. PENNOYER: Okay. Is there any discussion of that

1 motion? This would be prepared in the short term then? This is an
2 immediate thing.

3 MR. WOLFE: We need to get that out the next day --
4 the next few hours -- so that it can go to the representatives to
5 these corporations prior to their board meeting tomorrow if at all
6 possible.

7 MR. PENNOYER: Okay. Is there any further discussion of
8 this item? Is there any objection to the motion and proposed
9 activity? (No audible response.) Hearing none, it has been
10 passed. Is there a further motion?

11 MR. WOLFE: Mr. Chairman?

12 MR. WOLFE: Mr. Wolfe.

13 MR. WOLFE: Another motion that the Executive Director
14 prepare a current status report on habitat acquisition efforts that
15 are under way currently for the Trustee Council's instructions and
16 bring those back to the Trustee Council next session.

17 MR. PENNOYER: Do I hear a second?

18 MR. ROSIER: Second.

19 MR. PENNOYER: It's been moved and seconded. Is there
20 further discussion, Mr. Wolfe?

21 MR. WOLFE: It's just that I believe that we need to
22 catch up on exactly where we're at in negotiations on all the
23 activity -- on all the negotiations that are going on at this point
24 in time and ensure that the Trustee Council is -- understands the
25 negotiations and the scope of the negotiations that are going on.

26 MR. PENNOYER: Is the intent that we do this in the near

1 term, perhaps in the next week or so?

2 MR. WOLFE: I would hope that we could do this fairly
3 soon -- maybe as early as next week.

4 MR. PENNOYER: And that would constitute a continuation
5 of the business of this meeting, therefore we will simply recess
6 instead of adjourning this meeting?

7 MR. WOLFE: That would be my preference.

8 MR. PENNOYER: It's been moved and seconded that we so
9 instruct the Executive Director of the intent that we receive this
10 type of review in the near term as it affects our discussions of
11 these issues. Is there any further discussion of that motion? Is
12 there any objection to the motion? (No audible response.) Hearing
13 none, it is so moved. Is there further business that we need to
14 take up at this session?

15 MR. BRODERSON: Mr. Chairman, I move we recess until a
16 later date when we can hear the Executive Director's report on the
17 status of habitat negotiations and whatever other business may come
18 before us at time.

19 MR. PENNOYER: Is there a second to that motion?

20 UNIDENTIFIED VOICE: Second.

21 MR. PENNOYER: Is there any objection? (No audible
22 response.) Okay, if not, then we stand in recess until we meet in
23 the near future to further discuss habitat acquisition strategies.
24 Thank you all for your help, we'll be talking to you soon. Thank
25 you.

26 UNIDENTIFIED VOICE: Mr. Chairman?

1 MR. PENNOYER: Mr. Rosier? (No response.) I heard
2 somebody cut in and request the floor -- (pause). If there's no
3 further business, then we stand in recess. Thank you.

4 (Off Record at 12:57 p.m.)

5 END OF PROCEEDINGS

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CERTIFICATE

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

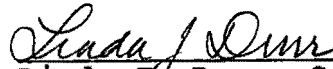
I, Linda J. Durr, a notary public in and for the State of Alaska and a Certified Professional Legal Secretary, do hereby certify:

That the foregoing pages numbered 03 through 12 contain a full, true, and correct transcript of the Exxon Valdez Oil Spill Settlement Trustees Council meeting taken electronically by Ladonna Lindley, court reporter, on the 28th day of April, 1994, commencing at the hour of 10:00 a.m. at the Restoration Office, 645 G Street, Anchorage, Alaska;

That the transcript is a true and correct transcript requested to be transcribed and thereafter transcribed by me to the best of my 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 2nd day of May, 1994.



Linda J. Durr, Certified PLS
Notary Public for Alaska

My commission expires: 10/19/97

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