

TRUSTEE COUNCIL MEETING
TRANSCRIPT

DECEMBER 11, 1995

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

RECEIVED
JAN 02 1996

TRUSTEE COUNCIL MEETING
Monday, December 11, 1995 EXXON VALDEZ OIL SPILL
9:00 o'clock a.m. TRUSTEE COUNCIL
ADMINISTRATIVE RECORD

645 G Street
First Floor Conference Room
Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

U.S. DEPARTMENT OF THE INTERIOR: **MS. DEBORAH WILLIAMS (Chair)**
Special Assistant to the
Assistant Secretary

STATE OF ALASKA: **MR. CRAIG TILLERY**
Trustee Representatives
for the Attorney General

STATE OF ALASKA - DEPARTMENT
OF FISH AND GAME: **MR. FRANK RUE**
Commissioner

U.S. DEPARTMENT OF AGRICULTURE - **MR. PHIL JANIK**
U.S. FOREST SERVICE: Regional Forester
MR. JAMES WOLFE, Alternate

U.S. DEPARTMENT OF
COMMERCE - NOAA: **MR. STEVE PENNOYER**
Director, Alaska Region

STATE OF ALASKA - DEPARTMENT
OF ENVIRONMENTAL CONSERVATION: **MR. ERNIE PIPER**
Alternate for
Commissioner Gene Burden

1 **TRUSTEE COUNCIL STAFF PRESENT:**

2 MS. MOLLY McCAMMON Executive Director
 EVOS Trustee Council

3 MS. REBECCA WILLIAMS Executive Secretary
4 EVOS Trustee Council

5 MS. L. J. EVANS Public Information Specialist
 EVOS Trustee Council

6 MR. STAN SENNER Science Liaison
7 EVOS Trustee Council

8 DR. ROBERT SPIES Chief Scientist
 EVOS Trustee Council

9

10 **OTHER PARTICIPANTS:**

11 MS. GINA BELT U.S. Department of Justice

12 MR. JOHN FRENCH Public Advisory Group

13 MS. CARRIE HOLBA Director, Oil Spill Public
14 Information Center

15 MR. BARRY ROTH U.S. Department of Interior

16 MR. DAVE GIBBONS

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PUBLIC TESTIMONY (Location Testifying From)	PAGE
MR. BRAD MEIKLEJOHN (Anchorage)	84
MR. DAVID GRIMES (Anchorage)	86
MR. DUNE LANKARD (Anchorage)	91
MS. MARIE SMITH (Anchorage)	96
MS. TABITHA GREGORY (Anchorage)	99
MR. GARY C. PATTON (Anchorage)	102
MS. PATTY BROWN-SCHWALENBERG (Anchorage)	103

Proceedings recorded by electronic sound recording. Transcript produced by transcription service.

ANCHORAGE, ALASKA - MONDAY, DECEMBER 11, 1995

(Tape No. 1 of 4)

(On record at 9:00 a.m.)

CHAIR WILLIAMS: Good thank you. Good morning. I would like to call the December 11th, 1995, meeting of the Exxon Valdez Oil Spill Trustee Council to order. Let me begin by introducing the members of the Council who are with us today:

We have Jim Wolfe, representing the Forest Service. We have Ernie Piper, representing the Alaska Department of Environmental Conservation. We have Commissioner Frank Rue, representing the Alaska Department of Fish and Game. We have Steve Pennoyer, representing NOAA and NMFS. And we have Craig Tillery, representing the Attorney General's Office. My name is Deborah Williams. I'm representing the Department of Interior, and I will be chairing the meeting today.

We will begin by reviewing and approving the agenda. Have all the Trustee Council members had an opportunity to review the agenda?

(No audible response)

CHAIR WILLIAMS: Are there any additions or corrections to the agenda?

(No audible response)

CHAIR WILLIAMS: If not, do I hear a motion to

1 approve?

2 MR. PENNOYER: So move.

3 CHAIR WILLIAMS: A second?

4 COMMISSIONER RUE: Second.

5 CHAIR WILLIAMS: It's been moved by Mr. Pennoyer,
6 seconded by Commissioner Rue to approve the agenda as written.
7 Are there any objections to approving the agenda as written?

8 (No audible response)

9 CHAIR WILLIAMS: It is so approved.

10 MR. PENNOYER: Madam Chair?

11 CHAIR WILLIAMS: Yes. Mr. Pennoyer.

12 MR. PENNOYER: I'd like to simply announce that I'll
13 probably have to leave by about 3:00 o'clock this afternoon,
14 and my alternate, Bill Hines, may have to sit in. I'm not sure
15 of that yet, but I have another meeting I know I have to go to
16 at that time.

17 CHAIR WILLIAMS: Okay.

18 MR. PENNOYER: If we're still in session.

19 CHAIR WILLIAMS: Good. Thank you, Mr. Pennoyer. We
20 will strive to be done by 3:00 o'clock. Right, Ms. McCammon?

21 MS. McCAMMON: Absolutely.

22 CHAIR WILLIAMS: Yes. All right. The second item is
23 the approval of the November 20th, 1995, meeting notes. Have
24 all the Trustee Council members had a chance to review those?

25 (No audible response)

1 CHAIR WILLIAMS: Are there any additions or
2 corrections to the meeting notes?

3 (No audible response)

4 CHAIR WILLIAMS: Hearing none, do I -- I will
5 entertain a motion to approve the meeting notes for November
6 20th, 1995.

7 COMMISSIONER RUE: So moved.

8 CHAIR WILLIAMS: And do I hear a second?

9 MR. PENNOYER: Second.

10 CHAIR WILLIAMS: It's been moved by Commissioner Rue
11 and seconded by Mr. Pennoyer that the meeting notes of November
12 20th, 1995, be approved as written. Are there any objections?

13 (No audible response)

14 CHAIR WILLIAMS: Hearing none, they are approved.

15 The next item on our agenda is the Public Advisory
16 Group report of Vern McCorkle. Do I see Vern in the audience?

17 MS. McCAMMON: Madam Chair, it's actually going to be
18 given by John French, who is Vice Chair.

19 CHAIR WILLIAMS: Excellent. Mr.....

20 MS. McCAMMON: And he's via teleconference.

21 CHAIR WILLIAMS: Oh, very good. Mr. French, are you
22 on the teleconference at this time?

23 MR. FRENCH: Yes, I am.

24 CHAIR WILLIAMS: Thank you so much. We're looking
25 forward to hearing your report.

1 MR. FRENCH: The Public Advisory Group met on
2 December 6th, and unfortunately, well, I had to chair because
3 Vern McCorkle was ill and absent. Unfortunately, also a number
4 of the other Public Advisory Group members were not able to
5 attend the meeting, so we ended up short of a quorum, which
6 forced us to simply work as an informational meeting as opposed
7 to being able to take any action on any items.

8 We did, however, have a good discussion relating to a
9 sub-group that we had working, chaired by Chris Beck on
10 information, particularly the positive aspects of EVOS
11 restoration activities out to the public. His main emphasis --
12 or the main emphasis of the sub-group really focused down on
13 the general public as opposed to scientific groups or agency
14 technical type people.

15 And I think that after the suggestions, it also
16 became very apparent that especially L. J. Evans and the
17 communications group are doing a lot of things that we, in
18 general, were not as aware of as we should be. And I think
19 that the two may work very well together to kind of help
20 balance improvements in that area. I think an awful lot of
21 things, positive things, have been done in the last year, and I
22 don't think we, as the Public Advisory Group, were really
23 giving the appropriate people enough credit.

24 With respect to the '96 Work Plan, we went through
25 the whole proposed edition for the December meeting's actions,

1 and there were a curious concerns expressed by a few PAG
2 members, but generally, I'd have to say the consensus was to
3 support the Executive Director's recommendation, with a little
4 bit of discussion particularly by two PAG members with respect
5 to concern over -- further concern over the pink salmon issues
6 and the fact that the pink salmon returns weren't anywhere near
7 as good as they were when we had met previously in July.

8 One of the PAG members, particularly, was
9 questioning, well, the project that I think many of us refer to
10 as the PWSSC project. I can get the number out of the file if
11 necessary, although Molly can probably get it faster than I
12 can.

13 MS. McCAMMON: 093.

14 MR. FRENCH: With respect to the other group's
15 project, I think, generally, there was a good consensus on the
16 recommendations of the Executive Director. I don't see
17 anything that really stands out in my notes as major points of
18 concern. There was continuing concern as to the lack of
19 quality of business projects that are being submitted. That's
20 not really a problem for this Work Plan. We did concur, I
21 think, with the Executive Director's recommendations on those
22 specific projects that were under consideration. I think many
23 of us are a little disappointed that there aren't more quality
24 consistent projects and that maybe it'll be remedied in the
25 future.

(Pause)

MR. FRENCH: In general, there was good concurrence with the recommendations, and there really was not as much discussion as there had been in many previous PAG meetings. I think part of that was due to the small number of members in attendance. Part of that may have been due to the extensive discussion we went through in July, and much of this was kind of a reiteration of those recommendations at that point. We did mostly continue to concur with our recommendations as well as the Executive Director's recommendation sheet, at least, that was given to us.

And then we adjourned early, mid-afternoon, on the first day. So it was a relatively short meeting. And I think rather than to try to dig more information out of my notes here, I can just answer questions from the Trustee Council.

CHAIR WILLIAMS: Thank you. Are there any questions regarding the Public Advisory Group report from the Trustee Council members.

MR. PENNOYER: Yes, Madam Chair.

CHAIR WILLIAMS: Mr. Pennoyer?

MR. PENNOYER: What was the PWSSC project number that was.....

MS. McCAMMON: 093.

MR. PENNOYER: 093? Okay.

MS. McCAMMON: A., B., and C.

1 MR. PENNOYER: Thank you.

2 (Pause)

3 CHAIR WILLIAMS: Any other questions from the Trustee
4 Council members?

5 (No audible response)

6 CHAIR WILLIAMS: When do you expect the next PAG
7 meeting?

8 MR. FRENCH: The next PAG meeting should be -- I lost
9 my notes here. I think we ended up scheduling it not till the
10 first week of March, if I remember right. Is that correct,
11 Molly?

12 MS. McCAMMON: It's scheduled for mid-March.

13 MR. FRENCH: Mid-March. That's right. Here it is.
14 The 13th and 14th of March. I expect that many of the PAG
15 members will be present at the Restoration Workshop in January,
16 and if there seem to be some action items that need discussing
17 at that point, I imagine we could get at least an informal
18 working group together. But our next official meeting is
19 scheduled for March 13 and 14.

20 CHAIR WILLIAMS: Very good. I had just one last
21 question. As you, I'm sure, recall, based on a recommendation
22 from the PAG, we asked staff to look at the question of
23 defining "normal agency management." Did the PAG have an
24 opportunity to look at the draft language that has been
25 prepared, and did you have comments on it?

1 MR. FRENCH: Yes, we did look at the draft language
2 that had been prepared, but we recognized it did come from a
3 request from us. In that context, Martha Vlasoff felt that it
4 was a positive step forward. I'd have to admit that several of
5 us, including myself, felt that the language itself probably
6 allowed as many loopholes as the language that's in the
7 Restoration Plan right now, and that perhaps we should continue
8 to work on defining that, but rather than adopt further
9 language that's still somewhat flawed, maybe we should live
10 with the fairly broad statement that's in the Restoration Plan.

11 CHAIR WILLIAMS: Okay. Good. Thank you. And thank
12 you for your input on that.

13 Ms. McCammon, you had a comment, a question?

14 MS. McCAMMON: Madam Chair, I just wanted to make one
15 point, and that is that before the Council takes any major
16 action on a land acquisition or some item like that, that I
17 have been scheduling an informal briefing session, by
18 teleconference, of the PAG. So if any major actions happen
19 between now and the March meeting, then they will be briefed on
20 it.

21 CHAIR WILLIAMS: Great. Okay. Any further questions
22 or comments?

23 (No audible response)

24 CHAIR WILLIAMS: Well, thank you very much, and we,
25 again, continue to appreciate the work of the PAG very much.

1 MR. FRENCH: Thank you.

2 CHAIR WILLIAMS: Our next item is a report on OSPIC.
3 Carrie Holba?

4 (Pause - Side comment)

5 MS. HOLBA: Good morning. I'm Carrie Holba. I'm the
6 Director of the Oil Spill Public Information Center. Last
7 August, at the Trustee Council meeting, Commissioner Rue
8 requested some statistics about the usage of the OSPIC. So I
9 provided a report giving an overview of the OSPIC, some
10 background, history of its establishment, staffing, current
11 projects, and some statistics from the FY '95 and an overview
12 of a comparison of the statistics from fiscal year '92 through
13 '95, with information on to-date for fiscal year '96.

14 At this point, two of our current projects, aside
15 from providing reference to the public, is the administration
16 of the Trustee Council administrative record. That collection
17 of documents is currently containing approximately 3,000
18 documents. In FY '95, we added over 1,000 documents to that
19 collection. The OSPIC staff is also responsible for the
20 collection and distribution of the final reports for the damage
21 assessment studies and restoration annual and final reports.
22 We have 38 final reports and 8 annual reports currently in the
23 OSPIC, and we are participating in a format review for those.

24 In April the OSPIC staff established a World Wide Web
25 home page to provide on-line access to information on the

1 spill, restoration activities, and Trustee Council activities.
2 That home page contains, at this time, some information from
3 the '95 status report, a bibliography of currently available
4 final reports and annual reports, and information on what the
5 Trustees are doing. We've linked that site with 32 other
6 related sites on the Web, and then have had a number of other
7 sites, you know, link their pages to us as well.

8 We've started tracking those statistics in May.
9 Through fiscal year '95, we were averaging about three requests
10 a week related to the home page. Now, these are requests where
11 people would look at the home page, send us an e-mail or a
12 phone call asking for additional information. Since October
13 1st, we've been averaging 23 requests a week. Up until
14 Thursday, we weren't able to track the number of statistics,
15 the usage of the home page, unless people contacted afterwards.
16 In other words, where people would go on line, look at what was
17 available there, and then move on.

18 On Thursday, Jeff Lawrence, our library technician,
19 installed some statistical hardware that -- or software that's
20 been able to track the number of hits that the home page
21 receives, and since Thursday, we've received 240 hits. So
22 that's -- we ex-.....

23 CHAIR WILLIAMS: Hmm. Almost as many as Doonesbury;
24 right?

25 MS. HOLBA: Right. We expected it to be a lot, but

1 it was more than we even expected.

2 Right now, at the end of fiscal year '95, the OSPIC
3 receives about 33 visitors a week. We get an average of 72
4 phone calls a week. Total reference requests, 63 a week; now,
5 that includes on-site and off-site. I should note that the
6 number of visitors does not equal the number of on-site
7 requests because about a third of the people coming into the
8 OSPIC do their own research. They don't require the assistance
9 of a librarian, so we don't count those as reference requests
10 requiring our help.

11 We're currently getting 22 off-site reque- -- on-site
12 requests a week, 41 off-site requests a week. There's been a
13 jump in statistics -- a slight jump in statistics since the
14 beginning of FY '96, mostly due to the activity of the Web home
15 page.

16 CHAIR WILLIAMS: Very good. Are there any questions
17 or comments for Ms. Holba?

18 COMMISSIONER RUE: I'm interested in the future. I
19 thought that was an interesting section of.....

20 MS. HOLBA: Mm hmm (affirmative).

21 COMMISSIONER RUE:of your report.

22 MS. HOLBA: Currently, I've been meeting weekly with
23 the librarians in Anchorage who are involved in natural
24 resource related libraries. This includes Minerals Management
25 Service, Alaska Resources Library in the Bureau of Land

1 Management. It also includes the Department of Fish and Game
2 Habitat Library, AEIDC, which is affiliated with the
3 University, and it includes the OSPIC.

4 What precipitated this move was that the Interior
5 libraries were facing down-sizing, budget cuts, and possible
6 closure. And the library -- these libraries, which have been
7 meeting to share resources for quite some time, began looking
8 at the possibility of combining collections to reduce operating
9 costs and yet provide expanded staff services to agencies and
10 the general public.

11 To that end, the Department of Interior granted this
12 group reinvention laboratory status. What this allows us to do
13 is take the reinvention laboratory training that will give us
14 the techniques to put together a business plan, and that that
15 business plan, once written, will be presented to the parent
16 agencies of these libraries. They'll look it over, see if it
17 meets their needs, and make decisions or request modifications.

18 At this time, as of 8:00 o'clock this morning, the
19 reinvention lab training began, so as soon as I'm done here,
20 I'm going to rush over to the Federal Building and take part in
21 that. We began with one session last week, and then we'll have
22 the training all this week. And then a business plan will be
23 written up, and it will be presented to the agencies within six
24 months.

25 MR. PENNOYER: Madam Chair?

1 CHAIR WILLIAMS: Yes, Mr. Pennoyer.

2 MR. PENNOYER: So the time table is six months for a
3 presentation of a plan? Any idea how this all plays out in
4 terms of timing?

5 MS. HOLBA: At this time, I don't. Because of the
6 combination of State agencies involved, federal agencies, and
7 the University, there will need to be possibly a memorandum of
8 understanding put into place, and there are a lot of details to
9 work out, so that's my best guess at this time. We've been
10 meeting all this time, so we figure we're ahead of the game and
11 that we've worked out a lot of the library related details. So
12 we're hoping that the business plan will be put in place ahead
13 of schedule.

14 MR. PENNOYER: Thank you.

15 CHAIR WILLIAMS: Yes. Ms. Piper.

16 MR. PIPER: Madam Chair. Just one thing is, as most
17 of you know, DEC doesn't have as active a role in the day-to-
18 day management of the restoration as some of the other agencies
19 because we don't have a resource or a land base in the same way
20 that some of the other agencies do. And the OSPIC and the
21 resources there have turned out to be the place that we
22 participate in a lot.

23 The Exxon Valdez oil spill, as you might expect, was
24 a real touchstone for response techniques and other things.
25 And what the library gets in, we can relate back to what

1 happened during the Exxon spill, and that helps us build on our
2 work -- everyday work at DEC in Spill Response.

3 And I know that may not have a direct restoration
4 benefit, and I don't intend to argue that it does, but just so
5 that people know, it's a very, very valuable collection to the
6 state, and we hope that you find a good home that works out for
7 all of us.

8 CHAIR WILLIAMS: Good. Any other questions or
9 comments?

10 (No audible response)

11 CHAIR WILLIAMS: I just want to thank you very much,
12 Ms. Holba, and I'm very pleased you're participating in the
13 reinvention lab. We're looking forward to seeing the results
14 of that effort, and good luck.

15 MS. HOLBA: Thank you.

16 MR. PIPER: Thank you.

17 CHAIR WILLIAMS: Thank you.

18 MS. McCAMMON: Madam Chair?

19 CHAIR WILLIAMS: Yes. Ms. McCammon.

20 MS. McCAMMON: As part of this effort in trying to
21 figure out the future of OSPIC, we've also been doing a lot of
22 internal work and work with the Public Advisory Group on our
23 communications plan and various efforts at public information.
24 And one of the handouts that you have before you this morning
25 is entitled, "Public Information and Communications Analysis."

1 One of the benefits of having the PAG interested in this is
2 that it forced us to actually sit down and draft a plan and
3 describe all of the efforts that we currently have underway.
4 And that's the first document in this group.

5 The second part of it, we then went through a further
6 analysis of the various sectors of the general public that we
7 spend efforts on. This is, I think, going to be an ongoing
8 effort as we figure out the future of OSPIC. Certainly, if
9 this new consortium library goes forward, that may be the home
10 for the collection. But this also leaves a lot of questions
11 about what to do with the Web site, what to do with just the
12 general requests for information.

13 We've been spending a lot of time in trying to figure
14 out what are the most commonly asked questions, and can we
15 prepare handouts that would be easy to distribute.....

16 CHAIR WILLIAMS: Mm hmm (affirmative).

17 MS. McCAMMON:and reduce staff time.

18 CHAIR WILLIAMS: Mm hmm (affirmative).

19 MS. McCAMMON: And we'll be -- in conjunction with
20 the OSPIC plan, we'll also be presenting a plan later in this
21 year on kind of further communications efforts.

22 CHAIR WILLIAMS: Good. Any questions or comments
23 from the Council members on the memo or Molly's presentation?
24 Yes. Commissioner Rue?

25 COMMISSIONER RUE: Madam Chair, just one quick

1 comment. I applaud this sort of effort. I think it's good to
2 be thinking in these terms, and help to make the best use of
3 our resource that way. Thanks.

4 CHAIR WILLIAMS: Good. All right. Thank you again,
5 Ms. Holba. The next item on our agenda is the Executive
6 Director's report. Ms. McCammon?

7 MS. MCCAMMON: Madam Chair, under the tab labeled
8 "Financial Report," you'll see a statement as of November 30th,
9 1995, which indicates the joint trust fund account balance is
10 \$106-1/2 million, approximately. Less the current year
11 commitments and less the restoration reserve balance, there's a
12 total of approximately \$46 million available for expenditure
13 that's uncommitted.

14 We're hopeful that when the audit -- we get the
15 results of the audit, that we'll be 100 percent certain of
16 these numbers, whereas right now I think we're 95 percent
17 certain of them. The audit is on schedule; we're still
18 expecting the draft report February 1st.

19 The audit team and myself and Traci Cramer will be
20 meeting in Houston on Thursday with the Court Registry
21 Investment System. We have not been successful to this date in
22 having the long-term investment structure put in place. At the
23 last meeting, there was a suggestion that the Council may want
24 to do a resolution or a letter or something to that effect.

25 I think at this point, until we've had the meeting

1 with CRIS, that it would be my recommendation to defer on that
2 until we've had the opportunity to meet face to face with the
3 CRIS. We're not -- I think we're still establishing a
4 relationship directly there, and it may be more beneficial just
5 to meet with them directly. But I think that's up to the
6 Council as to where you would like to proceed on that.

7 Another tab in your binder is "Past and Future
8 Estimated Expenses," and this was actually handed out
9 separately, and it's a one-page sheet that looks like this.
10 And this is just for planning purposes, but at the last meeting
11 in August, there was a request to be a little bit more specific
12 about some of the items on here. For example, the items that I
13 think in our old chart said "reimbursements," and there was
14 also a very confusing one that said "adjustments."

15 This is very rough; it's not specific. We don't have
16 final audited numbers for prior years. So the numbers that we
17 have used in -- especially in the Work Plan items and in the
18 administration, are all authorized numbers. These are not
19 actual expenditures. I would expect after the audit is
20 completed, we'll have a lot firmer numbers to put in here.

21 But basically, this shows that the original \$214
22 million for the reimbursements to the governments and to Exxon,
23 habitat protection is still estimated at approximately \$375
24 million, the restoration reserve at \$108 million, public
25 information/science management and administration at \$35

1 million, research monitoring and general restoration, \$180
2 million, for a total of \$912 million. This includes the \$900
3 million in Exxon payments plus the accumulated interest, minus
4 the port fees.

5 So I hope this is a little bit clearer presentation.
6 This is one of those charts that we keep looking at and
7 tweaking and trying to find the best way of presenting
8 information to the public. And if you have any comments or
9 suggestions on this, we'd be happy to hear them because this
10 has been a very dynamic document here.

11 CHAIR WILLIAMS: Any questions or comments from the
12 Council members?

13 (No audible response)

14 MS. McCAMMON: Madam Chairman, since the last
15 meeting, there's been some activity on the habitat protection
16 front. As you know, at the November 20th meeting, the Council
17 took action on the first.....

18 CHAIR WILLIAMS: Actually, Ms. McCammon, I'm sorry.
19 Before we go on, as you know, I have been very interested in
20 our return we make on the money -- and concerned. What -- tell
21 me what you hope, ideally, to achieve at your meeting down in
22 Houston with the CRIS fund folks. What would you hope to walk
23 away with, and what would our -- how quickly do we think we
24 could implement it?

25 MS. McCAMMON: What I'm hoping that will come from

1 the meeting, first of all, is the fact that no one from the
2 Council has met with any of the CRIS folks face to face since
3 the Council's inception. What I'd like to do is impress upon
4 them the importance of -- from the Trustees' perspective, on
5 maximizing the value of the dollar that's invested with CRIS.
6 And somehow, I think that message has not quite gotten through.

7 I'd like to come back with a firm commitment and a
8 firm time line on when the long-term accounts will be
9 established. I'd like to come back with some kind of a plan on
10 having electronic deposits so that we don't have checks going
11 back and forth through the mail system and losing interest.
12 Those are the two major things that I'd like to see
13 accomplished.

14 CHAIR WILLIAMS: And in terms of our goals for a
15 long-term investment strategy, what is the most we can hope
16 for, do you think? Or do you have that fairly clearly defined
17 in your mind?

18 MS. McCAMMON: Well, if the -- given the fact that
19 we're pretty much -- have to live with keeping the funds in
20 CRIS, then we're somewhat limited on how they can be invested.
21 And I guess my personal recommendation would be to find some
22 way to get them out of CRIS and have them invested in some
23 other account that would attain a higher interest rate. But
24 the ruling from -- or at least the interpretation from
25 Department of Justice has been that that's not possible.

1 So if we live -- if we have to live with investments
2 in the CRIS account, probably the best that we can hope for is
3 6 or 7 percent.

4 CHAIR WILLIAMS: And right now we're making?

5 MS. McCAMMON: Three and a half, four percent.

6 CHAIR WILLIAMS: And do we expect fees to go down
7 with the longer term strategy, or would the fees be about the
8 same?

9 MS. McCAMMON: I don't believe the fees go down, but
10 I'd have to check on that. They're based on the actual amount
11 of cash that's in the account. But I'd have to check on that.

12 MR. TILLERY: I think they -- well, I think we hope
13 they do go down.

14 CHAIR WILLIAMS: I thought we were hoping for that
15 also.

16 MR. TILLERY: But it's going to -- until they get
17 their contract with that new bank, and they're in -- have been
18 in some competitive bid process or something, then we're not
19 going to know exactly what they're going to be. The fees will
20 stay the same for the regular account.

21 CHAIR WILLIAMS: Okay. Well, I just -- you know,
22 you've suggested you don't want a resolution from the Board,
23 and I will defer to that suggestion, but boy, I just want you
24 to impress upon them that -- how frustrating this has been, how
25 much money we have lost that we could be applying to

1 restoration. This is very, very frustrating.

2 And again, keep in mind that I think this Board's
3 willing to do whatever you think appropriate to help this
4 process along. But I just have, you know, seen millions of
5 dollars not be available to us because of these problems we've
6 had. And I just hope that the people in Houston can help us.

7 MS. McCAMMON: I think this is something the audit
8 team is definitely going to highlight in their management
9 letter also.

10 CHAIR WILLIAMS: Yes. Yeah. Not, it is -- you know,
11 it's a real shame. Okay. Any other questions or comments
12 before we go to habitat protection status report?

13 (No audible response)

14 CHAIR WILLIAMS: Okay. Ms. McCammon?

15 MS. McCAMMON: There's a separate report under
16 habitat protection. At the November 20th meeting, the Council
17 took action on the first package of small parcels, and attached
18 to the November 20th meeting notes is a copy of that final
19 resolution.

20 Since that time, six landowners have indicated
21 they're willing to sell their parcels at appraised value; two
22 others are likely; others are in various stages of discussion
23 but look promising. Appraisals for the remaining parcels under
24 consideration are either under review or are still being
25 completed. Although we have -- I do have a recommendation

1 later this afternoon for action on three additional parcels.
2 Those appraisals were completed, and the reviews were completed
3 last Friday.

4 Koniag, as you'll recall, was signed; Phase 1 was
5 signed in November. Since that time, the corporation has
6 indicated they're anxious to begin negotiations on Phase 2 as
7 soon as possible. This would include long-term protection of
8 the Karluk and Sturgeon Rivers.

9 For Shuyak, agreement was reached conceptually at the
10 November 20th meeting with the Kodiak Island Borough for a
11 price of \$33.32 million plus interest over a multi-year payout
12 period, for a total of \$42 million. In the packet -- well,
13 actually, not in the packet, but a more detailed resolution and
14 purchase agreement have been under extensive review over the
15 past week. I believe all of the attorneys have finally seen
16 them and signed off on them, and we do have copies here that
17 will be distributed for your consideration later this
18 afternoon.

19 On Chenega, the data obtained during the additional
20 field work in October is still being assessed, and this will be
21 discussed during Executive session.

22 On Tatitlek, the expected date for the preliminary
23 draft of the timber appraisal is late December. Tatitlek is
24 very anxious to have this completed, and we have tentatively
25 targeted a January 30th Council meeting for action on the

1 Tatitlek acquisition, or possible action.

2 For Eyak, we're still trying to set up, at the Board
3 President's request, an informal meeting with several Board
4 members. We have still not been able to find a date that works
5 for everyone, but we will continue to pursue this. In
6 addition, I'm drafting a letter to the full Eyak Board
7 expressing that the Trustee Council is still interested in
8 continued discussions, and suggesting that we possibly meet in
9 January.

10 The Forest Service, in the meantime, is reviewing the
11 timber cruise data, and will be -- and is developing a schedule
12 for finalizing that appraisal. And we hope to have that
13 schedule work done in the next few weeks.

14 On Afognak Joint Venture, Alaska Department of
15 Natural Resources is preparing to issue an RFP for this
16 appraisal in January, and we would expect work would commence
17 as early as possible in the spring.

18 And for Kenai Fiords, there's been no further action
19 recently in Kenai Fiords.

20 (Pause)

21 CHAIR WILLIAMS: Any questions or comments on the
22 habitat protection acquisition report?

23 (No audible response)

24 CHAIR WILLIAMS: Ms. McCammon, could you just list,
25 very quickly, the six landowners for small parcels that

1 indicated they're willing to sell their parcels?

2 MS. McCAMMON: Madam Chair, Grouse Lake with the
3 Forest Service; they have accepted. And I'm going to ask Mr.
4 Tillery, if I forget any here, to -- the Tulin parcel, the
5 Hayward parcel, Ellamar, Kobylarz. I'm trying to think of
6 which one's the sixth one now. I believe it was a Kenai River
7 parcel.

8 MR. TILLERY: It was another Kenai River one.

9 MS. McCAMMON: Yeah. Not River Ridge.

10 (Pause - Side comments)

11 MR. TILLERY: Was it the Cone one?

12 MS. McCAMMON: The Cone one.

13 MR. TILLERY: No, there was.....

14 MS. McCAMMON: No, Coal Creek moorage. I'm sorry.

15 MR. TILLERY: Yeah, Coal Creek. Yeah.

16 MS. McCAMMON: It was Coal Creek moorage. Yeah. And
17 then we're real hopeful on the Cone parcel and the Girves
18 parcel.

19 CHAIR WILLIAMS: Good. Thank you. And thank you,
20 landowners, for the six parcels who have agreed. That's great.
21 Any questions or comments?

22 (No audible response)

23 CHAIR WILLIAMS: All right. Research, monitoring,
24 and general restoration?

25 MS. McCAMMON: Madam Chair, this has been -- this

1 part of the program has been the major focus this fall. Last
2 summer the Council voted to add several species to the injured
3 species list. You also asked that we review cormorants and
4 scoters for possible consideration, and in addition, we were
5 awaiting further information on black-legged kittiwakes.

6 Since that time, staff has undertaken a total review
7 and rewrite of Chapter 5 in the Restoration Plan. This is the
8 chapter that describes, species by species, the status of the
9 injured species and the recovery objective and suggests several
10 strategies to aid in restoration. The main focus of this
11 review has been looking at the recovery objectives and
12 strategies based on the information that has come to light from
13 all of the research programs in the last few years.

14 A draft of this revised chapter will be sent around
15 to the agencies for their review probably in mid- to late
16 December. The goal here is to have a draft that is acceptable
17 to the agencies, present -- and then present that to the annual
18 workshop in January, and based on comments following then, it
19 will be sent out for public review and comment at the same time
20 that the FY '97 invitation is sent out. We would expect that
21 to be in mid-February.

22 Our initial look at it is that there won't be
23 anything real major. There will be some species that we're
24 recommending go onto the recovering list, as opposed to the not
25 recovered. And there'll be some minor -- quite a bit of

1 revision, actually, in the recovery objectives based on new
2 information that has come up.

3 In addition, we've been working extensively on the
4 1996 restoration workshop, and I believe there's a copy of the
5 draft agenda in your packet, as well as an updated version
6 that's been distributed to everyone -- oh, is being distributed
7 to everyone.

8 (Pause)

9 MS. McCAMMON: This workshop is scheduled for January
10 16th through 18th at the Captain Cook Hotel. It is considered
11 a mandatory workshop for all of the principal investigators and
12 researchers that are funded through the Trustee Council. Last
13 year we had over 150 people attend, and we expect at least that
14 many this year.

15 But it provides a really excellent opportunity to
16 hear exactly what's going on with all of the elements of the
17 Restoration Program and a real good opportunity for scientists
18 across disciplines to exchange information and to really help
19 us focus on where we're going with this program.

20 And I would strongly encourage all of you to attend
21 if you could. And if any of you would like to attend and say
22 something to the group assembled, I'd be happy to put that into
23 the agenda.

24 CHAIR WILLIAMS: That was an observation I was going
25 to make. I know last year, Mr. Tillery and I spoke briefly to

1 the assemblage, and I thought that was very helpful. I think
2 people enjoyed that, and I think it might be useful again to go
3 ahead and actually identify and include in the agenda a
4 statement from a Trustee from the State and a statement from a
5 Trustee from the federal government.

6 I don't know if we have volunteers. Maybe
7 Commissioner Rue this year and.....

8 (Laughter)

9 COMMISSIONER RUE: That sounds like a volunteer to
10 me.

11 CHAIR WILLIAMS:either Mr. Pennoyer or Mr.
12 Janik. But since Mr. Janik's not here, I think Mr. Pennoyer,
13 if this wouldn't be too inconvenient for your schedules.

14 MR. PENNOYER: I thought since Mr. Janik wasn't here,
15 it was automatically.....

16 (Laughter, side comments)

17 MR. PENNOYER:volunteer.

18 COMMISSIONER RUE: Maybe he did volunteer. I thought
19 I heard him volunteer.

20 MR. PENNOYER: Mr. Janik or I will be pleased to do
21 it.

22 CHAIR WILLIAMS: Good. I think that'll.....

23 MR. PENNOYER: And I'll talk with him.

24 CHAIR WILLIAMS:work very nicely.

25 COMMISSIONER RUE: I would too.

1 CHAIR WILLIAMS: Good.

2 COMMISSIONER RUE: I would too.

3 CHAIR WILLIAMS: Good. I do recommend we include
4 that then.

5 MS. McCAMMON: It will be added. And so Mr. Janik,
6 was that it or.....

7 MR. PENNOYER: Either he or I will.

8 (Side comments)

9 MS. McCAMMON: Okay.

10 MR. PENNOYER: We'll arm wrestle.

11 MS. McCAMMON: Right.

12 (Pause)

13 CHAIR WILLIAMS: Any other questions or comments
14 about the draft agenda? Yes, Mr. Pennoyer?

15 MR. PENNOYER: Yeah. Well, I assume it's 1996, by
16 the way, that you're going to hold the meeting.....

17 CHAIR WILLIAMS: Yes.

18 MR. PENNOYER:not in 1995, but.....

19 MS. McCAMMON: Good point. That's why it's marked
20 "Draft."

21 MR. PENNOYER: Again, would you again reiterate the
22 purpose of the workshop and how it relates to the '97 Work
23 Plan?

24 MS. McCAMMON: The main purpose of the workshop is
25 for all of the PI's from FY '95 to report on the results of

1 last year's field season. It -- we've tried to set up the
2 sessions so they're cross-disciplinary and bring folks together
3 who will then -- based on that, we will be able to map out
4 exactly what additional work needs to be done in the future as
5 part of our adaptive management process. So it's a continual
6 write and rewrite and review kind of process that we have.

7 This will be the first opportunity, other than the
8 mini-review sessions we've had this fall, where all of the PI's
9 will actually present their data from last year.

10 MR. PENNOYER: I just -- I guess why I asked is I
11 note the time on your sessions is very brief, or each of them.
12 Are they going to be held separately contiguously, or are
13 they -- for all the PI's under fisheries management, for
14 example, to present their results of their works in an hour and
15 a half, and do anything about, it seems to be a rather heroic
16 task.

17 MS. McCAMMON: Not everyone is going to be giving a
18 paper at this workshop, because there is some projects that it
19 was felt are either just close-out projects or there's nothing
20 real -- very significant about the findings from '95. And so
21 the session Chairs have been working with all of the PI's in
22 their group, and they've been identifying who exactly will be
23 speaking at the workshop.

24 Last year we had sessions that ran concurrently, and
25 there were a lot of complaints from people; they really wanted

1 to hear everything. And on that basis, we decided just to do
2 it this way instead of running sessions concurrently.

3 In addition to these papers, most of the major groups
4 have been subject to major reviews this fall. And in addition,
5 each presenter will also do a one-page abstract that we'll
6 publish into a separate document and distribute.

7 CHAIR WILLIAMS: Yes, Mr. Pennoyer?

8 MR. PENNOYER: Well, as a follow-up, then, I was just
9 trying to -- you've des- -- you have passed out the time line
10 on the '97 Restoration Work Plan, with us meeting sometime in
11 late January to take the first shot at looking at what an
12 invitation might look like for that Work Plan. I'm trying to
13 see how this fits in with other things you've done to get us to
14 that point.

15 At that point when we send the invitation out or --
16 and, of course, even later when we have to approve the Work
17 Plan, those questions of, 'Where are we?' and 'How do we figure
18 out how this comes together, and how much is appropriate to
19 start to come into focus?' And the workshop is brief
20 presentation, but obviously, it's backed up by all these other
21 cyclic events you undertake for workshops by species. And I'm
22 just trying to see how all these come into focus on January
23 30th or whatever that is.

24 MS. McCAMMON: We actually have a draft of the Work
25 Plan that's being written right now, and that will be ready for

1 agency review probably in early January. And this is based on
2 the action that the Council has taken for this year.

3 And when we get into the Work Plan, what you can see
4 is that by taking action on these \$18 million worth of projects
5 this year, you are, in effect, committing to nearly \$14 million
6 of actions in FY '97. And so if we're -- if we continue to
7 maintain that goal of a gradual reduction of the overall work
8 plan, getting to the year 2002 at a level that could be
9 sustained by the restoration reserve, then that leaves about
10 \$2 million worth of new projects for FY '97.

11 And so part of the focus will be on, first of all,
12 looking at what's been committed this year and seeing if there
13 should be any modification to it, because in some cases, maybe
14 the field work has indicated that this is not a good effort to
15 pursue. And so maybe there -- some of these projects might
16 close out early. Or it might show that some other areas that
17 were discovered during the field season had a lot of promise,
18 and the project should be modified and may actually cost more.

19 In addition, we have a couple of different sessions
20 with the PI's where we want to start talking about the future
21 of especially the major -- the three major ecosystem projects.
22 After the review of the forage fish project last week, or two
23 weeks ago, the core reviewers sat down for an afternoon and
24 discussed what they would like to see in the future. And they
25 believe that the time is now ripe in this next year to begin a

1 major integration synthesis effort of the three ecosystem
2 projects. And so this will probably be one of the major
3 sections in the draft invitation when it goes out.

4 MR. PENNOYER: So, Madam Chair?

5 CHAIR WILLIAMS: Yes, Mr. Pennoyer.

6 MR. PENNOYER: So in essence, the workshop, then, is
7 a chance for some cross-review by all these people that have
8 been meeting separately to hear what's happening, but in
9 effect, the '97 Work Plan is based on an awful lot of other --
10 it's not based on these presentations.

11 MS. McCAMMON: Absolutely. Correct.

12 MR. PENNOYER: All right. I just wanted to get
13 that.....

14 MS. McCAMMON: Correct.

15 MR. PENNOYER:in context. And just as a
16 comment, I don't feel like we're committed to \$16 million worth
17 of continuation of projects. I feel that, basically, it is
18 looking at what we have, and particularly in the areas of bird
19 nature expenditure, like the coordination of these ecosystem
20 studies. We heard for the first year and a half we really
21 couldn't do much 'cause there were no results yet to evaluate.

22 So I don't feel like we've just sort of blindly
23 committed ourselves to \$16 million worth of projects in '97.
24 It's going to presumably be a review of the results obtained to
25 date. And I think that's how you're proceeding, but it isn't

1 just the workshop. The workshop is sort of a.....

2 MS. McCAMMON: Absolutely. Yes, that's correct.

3 MR. PENNOYER:formal combination of a lot of
4 other work when people come together. Thank you.

5 MS. McCAMMON: And following the workshop, on January
6 19th and 20th will be the first major review of the SEA
7 program. It will have been in the field for two major -- for
8 two full years, and this will be the first really extensive
9 review of that program.

10 CHAIR WILLIAMS: Good.

11 MS. McCAMMON: So where that programs goes is -- we
12 should have a better idea after that review.

13 MR. PENNOYER: Okay. Thank you.

14 CHAIR WILLIAMS: Any other questions or comments
15 about the workshop or the Work Plan?

16 (No audible response)

17 CHAIR WILLIAMS: All right. Anything else, Ms.
18 McCammon?

19 MS. McCAMMON: I think the only thing else I'd like
20 to mention is that last year you asked staff to start drafting
21 a long-range plan. And the closest we came to that was the FY
22 '96 invitation for FY '96 and beyond, where we actually started
23 to map out kind of the future and where these projects were
24 going. And I see that as almost an annual event. It's very
25 difficult to foresee things beyond about three years in terms

1 of where some of these projects are headed. But one of the --
2 there are a number of things that we intend to focus on this
3 coming year, and it seems like the time is right for these
4 items.

5 One of them is really starting to focus on this whole
6 concept of integration and synthesis of the ecosystem projects.
7 And we'll be spending a lot of time with agency staff and with
8 PI's at the workshop and with others to figure out how exactly
9 to go forward with that, whether we do it as a separate call
10 for proposals or how exactly.

11 In addition, another major effort that we intend to
12 make, we have spent a lot of time in the last year haranguing
13 PI's to get their final reports in and to ensure that the
14 report status and the accountability to the public is updated.
15 And I think there has been great progress made on that. But
16 there has been -- one of the things that has concern to the
17 Chief Scientist and to others is that there are a number of
18 projects that, after the last three or four years, have really
19 shown very -- I don't know -- in their words, "brilliant work."
20 And it's time to get some of those results into the peer-
21 reviewed scientific literature.

22 And so we also will be making a major effort this
23 next year to encourage PI's to publish and to get the story out
24 more. We've been talking about various ways to do that and to
25 encourage people to do this. For folks in a university setting

1 or maybe even national biological service, where it's your job
2 to publish, it seems to be easier. I think it's much more
3 difficult when you have PI's that are in management agencies
4 like Fish and Game or NOAA where it may not be part of their
5 job description, actually, to publish in the scientific
6 literature.

7 So we've been looking at various ways, and in the
8 near future, we'll have some proposed ideas to come back to you
9 on that.

10 In addition, after almost seven years after the
11 spill, it seems like we're getting to the point of having to --
12 to be in a position to tell "the story." And we've had a
13 number of discussions about this, and there are actually a
14 number of stories to be told. The effects of oil on the
15 various resources, for some resources, is actually coming not
16 to a close, but at least to a point where it's time to get that
17 report out to the public and out to the greater scientific
18 community.

19 So the story of the damage, actual damage, from the
20 oil spill, I think, needs to be focused on in the next year.

21 In addition, we've talked a lot, I know, with Mr.
22 Pennoyer about trying to capture some description of the
23 process that has been underway for the last six years, kind of
24 the interplay of science, litigation, policy, and describe that
25 since this effort is being viewed as a model for future oil

1 spills. And I think in terms of trying to capture lessons
2 learned and how to do things in the future, this is an
3 opportune time to do that.

4 So between those two efforts and then trying to pull
5 together the three major ecosystem projects and, in addition,
6 trying, species by species, to tell what exactly has happened
7 from the oil spill and from restoration and recovery, or on the
8 way to recovery, we have a lot of work ahead of us in the next
9 year. We've been talking about having an agency retreat in the
10 next month where we'd focus on these efforts and really try to
11 brainstorm and lay out a plan of attack for a number of these
12 items and then come back to you, maybe at the end of January,
13 with some recommendations there.

14 CHAIR WILLIAMS: Questions or comments?

15 MR. PENNOYER: Madam Chair?

16 CHAIR WILLIAMS: Mr. Pennoyer?

17 MR. PENNOYER: I think that's excellent. I guess my
18 comments on the restoration workshop is we come to these
19 meetings sometimes, and this sort of appears as a single item,
20 and it really is in the context of an awful lot of other stuff.
21 And several meetings ago you presented the adaptive management
22 cycle that outlined some of the workshops that occur, but too
23 often, I think we in the public come to these meetings and
24 don't see all this background and things that are going on in
25 the meeting you're going to have on looking at the ecosystem.

1 studies and combining them.

2 And it might be just great to have an ongoing chart
3 that you present showing these things so people will realize.
4 When we get to this -- your recommendations on this Work Plan,
5 for example, one of the things I'm going to talk about is the
6 fact that you have a process, and we have engaged that process
7 with you, and we're happy and satisfied with it. But it might
8 be helpful for others to see this background and the things
9 leading up to this workshop.

10 For example, when you go to this workshop, you're
11 going to have the '97 Work Plan partially worked out anyhow,
12 based on all these other individual.....

13 MS. McCAMMON: Right.

14 MR. PENNOYER:sessions you've had. And it
15 might just be nice to just lay those out and have an ongoing
16 chart that we can look at that shows them, because I don't
17 think everybody from the public, and I'm not sure all of us
18 even, remember them from session to session. So that might be
19 helpful.

20 MS. McCAMMON: I'd be happy to do that.

21 MR. PENNOYER: Thank you.

22 CHAIR WILLIAMS: Other questions or comments?

23 (No audible response)

24 CHAIR WILLIAMS: Ms. McCammon, with respect to the
25 "telling the story," which I think is an exciting prospect, is

1 there some hope of having that effort completed by March of
2 next year to coincide with the seventh anniversary, or is that
3 something you see taking longer? And if you don't see it
4 coinciding with the seventh anniversary, have you started
5 developing any thoughts on how we're going to mark the seventh
6 anniversary?

7 MS. McCAMMON: I'd say the eighth anniversary is more
8 likely. And at this point, we haven't made any plans for the
9 seventh anniversary. Last year we did hold a public meeting
10 here at the Restoration Office and invited the public and held
11 it by teleconference, and I think we had a grand total of maybe
12 three or four people at that.

13 Trying to get something that -- you know, I'm not
14 sure if this is because the public isn't as interested in it,
15 because it is getting farther away from the actual spill event
16 and the public has moved on to other things, or if we aren't
17 just presenting something in an interesting and exciting enough
18 fashion. But I'd be happy to hear any kind of suggestions or
19 comments from people about anything they'd like to see.

20 CHAIR WILLIAMS: Seven seems to be a magical number,
21 as Congressman Gingrich and others seem to have identified.
22 Something sexy about that number, I don't know. Ernie?

23 MR. PIPER: Well, I think that Molly correctly
24 identifies that there are different stories, as opposed to in
25 "the story." And they can come -- they're going to come to a

1 conclusion at different times. For example, one that I feel
2 that we're fairly close to telling "the story" about is
3 residual oiling. I think what we know now -- and particularly
4 from what came out of the workshop, we have a pretty good sense
5 of where -- what the rest of the story is likely to be in terms
6 of its fate and persistence and those kinds of things.

7 And other ones, like associated with the ecosystem
8 work, are less likely to come to a conclusion more quickly. So
9 perhaps in thinking of telling "the story," we think about
10 releasing chapters of it as opposed to the whole story at one
11 fell swoop.

12 CHAIR WILLIAMS: Any Council members have other
13 ideas, either about the seventh anniversary or "the story," or
14 chapters of "the story"? I think that's a good perspective.

15 (No audible response)

16 CHAIR WILLIAMS: Okay. Let's do think about it. I
17 do think, again, you know, there are magical numbers sort of:
18 five, I see seven as possibly one, ten, and so forth. And I
19 think on those numbers that seem to have more appeal for
20 whatever reason, people may expect something. I think people
21 may expect something on the seventh anniversary.

22 (Pause)

23 CHAIR WILLIAMS: Okay? Anything else, Ms. McCammon?

24 MS. McCAMMON: Madam Chair, the only other thing I'd
25 like to just mention is that in your binder, and I believe it's

1 in the -- kind of the pocket in the back, is a copy of the
2 report from the subsistence conference held in late September,
3 as well as a copy of the response that I sent back to all of
4 the participants.

5 This was a very beneficial conference, very well
6 attended, with representatives from every community, except for
7 Tatitlek; they were weathered out. And I think they had a lot
8 of good suggestions. I'm pleased to say that a number of
9 them -- of the suggestions were things that we already had
10 underway, but I think it makes for -- it's a very interesting
11 document.

12 And kind of in line with that, too, I would also like
13 to mention that Martha Vlasoff has been hired by the Chugach
14 Regional Resources Commission as the Community Involvement
15 Coordinator. This is through Project 96-052. Martha is in the
16 audience there. As part of the project, she is actually housed
17 in this building and is working closely with staff here, and
18 her job is to form a liaison to the communities and to work
19 with the community facilitators and improve that two-way
20 communication between the Trustee Council and the communities
21 in the spill area.

22 So I think she's a very welcome addition to the
23 program.

24 CHAIR WILLIAMS: Great. And, Martha, all the Council
25 members do welcome you in your -- in this role.

1 Anything else, Ms. McCammon?

2 MS. McCAMMON: That's it for today.

3 CHAIR WILLIAMS: All right. Let's proceed, then,
4 with the report by Stan Senner on definition of "normal agency
5 management." Where did Stan go? There he is.

6 MS. McCAMMON: There is a tab in your binder on this,
7 too.

8 (Pause)

9 MR. SENNER: I've got to find the tab myself. Just
10 bear with me a moment.

11 (Pause)

12 MR. SENNER: Madam Chair, you've already had a brief
13 discussion with John French about this, but at the request of
14 the Public Advisory Group and then the Trustees, we took a look
15 at the policy that's in the Restoration Plan in regard to
16 "normal agency management," and this is reproduced in the
17 memorandum from Bob Loeffler and me, dated November 22nd. It's
18 on the first page of that memo, just the line beginning,

19 "Government agencies will be funded only for
20 restoration projects that they would not have
21 conducted had the spill not occurred."

22 And then it goes on from there and amplifies that.

23 At your request, we looked over that policy and
24 looked how we could amplify on that to see if there were some
25 more firm criteria that might help make decisions about what is

1 "normal agency management" and what is not. We made some
2 suggestions, which are on the last page of that same
3 memorandum. But as John French indicated, from the Public
4 Advisory Group, we really didn't come up with a smoking gun, if
5 you will, that, 'Here are some firm criteria that if you read
6 them and apply them, you will just automatically make a great
7 decision.'

8 Our best judgment is that there's no way to avoid
9 making a judgment call, and which is -- still has a substantial
10 subjective element to it. The problems are really pretty
11 simple, and that -- these are such things as the fact that
12 agencies have mandates but don't necessarily have funds to
13 carry out those mandates. And they -- thus, defining what is
14 "normal" and what is not with respect to the oil spill just
15 simply is not a clear-cut decision.

16 It's also further complicated by the fact that, in
17 our view, for many resources, some of the most appropriate
18 stuff that can be done for restoration falls in that category
19 of agency management. Fisheries management, in particular, is
20 an area where we think we're having an impact on the
21 restoration of species and its stuff -- or for its projects,
22 activities that, at least arguably, are normal agency
23 management.

24 I'm happy to discuss the language we did suggest,
25 which is, again, on that third page of the memo, but our bottom

1 line was that it was sort of arguable whether it helped or not.
2 And at least a couple of people argued that if we were to
3 follow these factors or criteria literally, it might in fact
4 open more doors rather than close them.

5 CHAIR WILLIAMS: Mr. Senner, am I correct in
6 understanding, though, that you're recommending that we put
7 back into the project proposals a section that asks agencies to
8 sort of verify it's not normal agency management and explain
9 that? Could you.....

10 MR. SENNER: We are do-.....

11 CHAIR WILLIAMS:elaborate on that?

12 MR. SENNER: Yes. We are doing that; I should have
13 mentioned it. In the instructions for what we call detailed
14 project descriptions, we are putting back in a section which
15 simply asks a principal investigator to outline what it is that
16 their agency has been doing in the area that this project is
17 and how their project goes beyond normal agency management.

18 Mr. Pennoyer, you probably remember, in the early
19 days of the oil spill proposals, we had a similar provision in
20 there for a while. It was useful, but again, it did not get us
21 away from the need to bring some judgment to bear about what's
22 what. But yes, we will put that in.

23 CHAIR WILLIAMS: I think I strongly concur with
24 putting that in. I think that will be helpful for us to have
25 the agencies actually explain in their own words why they do

1 not believe it's normal agency management, and then we can
2 apply judgment to that explanation.

3 Mr. Pennoyer?

4 MR. PENNOYER: Yeah, I fully concur with that. I
5 guess my only question was the memo that you wrote versus the
6 memo, Molly, you wrote are somewhat different. And Molly's
7 memo really indicates there's going to be a section in there
8 and they have to explain it. Your memo goes into a little more
9 detail of the type of things they might include in their
10 explanation.

11 MS. McCAMMON: Right.

12 MR. PENNOYER: And I think things like.....

13 MS. McCAMMON: That's correct.

14 MR. PENNOYER:as we've talked before, like
15 previous expenditures in the area or what you have done in the
16 pa- -- now, that may not be pertinent. Maybe it ended for some
17 reason, but that -- not related to anything, but the fact it
18 was decided to be normal. But, you know, some qualification to
19 the PI's as to what type things, other than just saying, 'Well,
20 we don't normally do this.'

21 MR. SENNER: Right. We.....

22 MR. PENNOYER: You know, it's kind of.....

23 MR. SENNER: We're working on the paragraph now that
24 will go in the request for project descriptions, and we'll get
25 the right language in there.

1 CHAIR WILLIAMS: Yes. Mr. Wolfe?

2 MR. WOLFE: Yeah. Somehow I'm losing this because
3 most of the people sitting around this Trustee Council table
4 are Trustees, and they have Trustee responsibility for the
5 injured resources. And so one could conclude that anything
6 they do is a normal agency activity for those resources. So
7 really, we've lost sight, or we may be trying to lose sight, of
8 the fact that the reason for the restoration activities are to
9 restore some resources that were injured, not that we don't
10 have Trust responsibilities for our management and ensuring
11 that those resources continue in the future.

12 But so it is cloudy, and we've recognized that for
13 years. And I think where Stan and Molly are coming from is
14 great, but to link to the spill and why the resource needs
15 restoration or enhancement or replacement as a result of the
16 spill is what we should be emphasizing, not how it relates to
17 normal agency responsibilities, in my view.

18 CHAIR WILLIAMS: Well, I guess I would only comment
19 on this to -- comment on that to this extent: I think we have
20 limited Trustee dollars, and part of our Trustee responsibility
21 is to use those dollars wisely. And I -- because there are so
22 many good proposals before us, we have to make hard decisions.
23 And I think one of the decisions we can make up front is, Is
24 this something that would have been ordinarily funded by the
25 entity that is bringing the proposal?

1 If we answer yes to that, then I think given the
2 competition for the limited Trustee dollars, we should say,
3 'Well, you know, ideally the agency should continue funding
4 that, and we should use our Trustee dollars for things that
5 agencies wouldn't have done but for the spill, or that other
6 organizations wouldn't have done but for the spill. I still
7 believe there is a purpose to asking and answering this
8 question because, again, we're only going to face tougher and
9 tougher decisions in the future, and I hope we, you know, to
10 the extent possible, don't fund projects that agencies would
11 have otherwise been doing so that we can maximize the return on
12 the dollars we have.

13 Ernie?

14 MR. PIPER: I would hope, though, that what would --
15 whatever the outcome is of what the policy is, that it not put
16 people in a position where they have an all or nothing
17 situation. I think just an observer -- as an observer of the
18 process over the last five or six years, from damage assessment
19 right through to this, as Jim is pointing out, the reality is
20 that sometimes it's not an all or nothing proposition.

21 And particularly as we get further out from the event
22 and the complexity becomes more apparent to us in some of the
23 studies that we do, that I think it's certainly conceivable
24 that projects are going to come in that have a 20- or 30-
25 percent link to restoration. And in that case, I could see the

1 Trustees making a judgment about whether that 20 or 30 percent
2 is so significant that it's worthy of all Trustee funding, or
3 that perhaps it's worthy of part Trustee funding if somebody
4 else can show that they're anteing up.

5 But again, I would just hope that whatever the policy
6 is recognizes the complexity that Stan's pointing out, the
7 real -- the realities of normal agency management, that Jim's
8 pointing out, and that we don't put the PI's in a position of
9 trying to shoehorn an explanation into a project, rather than
10 being up front about its partial link.

11 CHAIR WILLIAMS: I certainly concur with that. Mr.
12 Pennoyer?

13 MR. PENNOYER: Well, I think that's exactly right.
14 I'm just anxious that enough of a database be there so the
15 judgments can be made as to whether those factors you brought
16 in are really there or not. I mean, obviously, there are
17 things we all do that we may not be doing anymore, just because
18 without the spill, there wasn't a reason to do it or because we
19 couldn't see an actual avenue that this was getting us anywhere
20 in our agency management.

21 And if the Trustee Council comes along and looks at a
22 methodology to do a better job of management, that they --
23 nobody was -- had the ability to go after, or maybe the reason
24 to go after, then you do that. And then the question starts to
25 come in, if we've done something, is it going to be picked up

1 and used? There's that element, too.

2 So I think there's a lot of pieces to this, and I
3 just think you need the informa- -- and the other thing is I'm
4 not sure this all comes out of the PI's. These PI's work for
5 agencies. Now, many times a PI person out there is doing
6 research, can't judge what agency management responsibility is.
7 So the PI's going to have to work with their agency reps; this
8 isn't just a PI question.

9 MR. SENNER: Mr. Pennoyer, in fact, in the draft of
10 the language we're putting in the detailed project description
11 request, it's -- the suggestion is that the investigator work
12 with their agency liaison to craft that language.

13 MR. PENNOYER: I assumed.....

14 CHAIR WILLIAMS: That's.....

15 MR. PENNOYER:they would anyway, but I just
16 wanted to make.....

17 CHAIR WILLIAMS: Yes, that's very important.

18 MR. PENNOYER:that point.

19 CHAIR WILLIAMS: And again, I'll say one more thing
20 why I think this is important. Occasionally people have
21 suggested that agencies are feathering their nests with this
22 process, and we just have to be careful that, you know, that
23 does not occur. I mean, I really do think we have to meet this
24 test that this is something that is responsive to the spill and
25 not just a feathering our nest exercise, as our funds from

1 Congress and State legislature go down.

2 And so I think we have to be more rigorous in this
3 analysis. So I commend putting it back into the proposal
4 process.

5 Yes, Mr. Wolfe?

6 MR. WOLFE: Okay.

7 (Laughter)

8 MR. WOLFE: Given that I prompted several reactions
9 there, I think whatever we do, we have to be prudent in what
10 we're doing to not be just funding organizations to -- and the
11 agencies to do things that they would like to do. It needs to
12 be linked to the spill, and that was my key point.

13 CHAIR WILLIAMS: Yes.

14 MR. WOLFE: Because we all have normal agency things
15 that we are going to be doing that relate to spill activities,
16 and it would be a very cloudy line at best, but we do need to
17 be prudent.

18 The second thing is if we're -- are we proposing to
19 accept.....

20 CHAIR WILLIAMS: No.

21 MR. WOLFE:this language at this point.....

22 CHAIR WILLIAMS: No.

23 MR. WOLFE:in time? Okay.

24 CHAIR WILLIAMS: No. We're not. I don't think
25 we.....

1 MS. McCAMMON: The actual criteria will be submitted
2 for agency review, actually, I think tomorrow it's going to go
3 out. So.....

4 CHAIR WILLIAMS: Good.

5 MR. WOLFE: I have some suggestions for revising the
6 language, but I would prefer not to get into it.....

7 CHAIR WILLIAMS: Right. I think you can give that to
8 Molly or.....

9 MS. McCAMMON: Yeah.

10 CHAIR WILLIAMS:Stan directly.

11 Any other questions or comments on this item?

12 (No audible response)

13 CHAIR WILLIAMS: Okay. What I'd like to propose, in
14 that we have these large cups, is to take a ten-minute break
15 now, and then when we -- and, of course, we have to go to the
16 second or third floor to go to the bathrooms, so that's why I'm
17 giving us ten minutes instead of five minutes. When we come
18 back at 10:20, I never like starting the public comment period
19 before it's been announced, and so what I would propose is that
20 we proceed with some of the explanations on policy on habitat
21 acquisitions and maybe additional small parcel recommendations,
22 but not take action on any items until after the public comment
23 period.

24 And we'll just go ahead with the background
25 informational sections on those, and then start public comment

1 at 11:00, and then take action on the items after the public
2 comment. Is that agreeable to everyone?

3 COMMISSIONER RUE: Sounds good.

4 MS. McCAMMON: Yeah.

5 CHAIR WILLIAMS: Okay. Ms. McCammon?

6 MS. McCAMMON: Madam Chair, I would like to make --
7 as people go up to the second and third floor, they'll notice
8 that the building is under extensive renovation. We're not
9 paying for that.

10 (Laughter)

11 MR. PENNOYER: I was going to ask you about that.

12 MS. McCAMMON: I thought somebody might ask. The
13 building was recently sold, and the new owner is doing a total
14 revamping of the -- it's going to be all redone. The one thing
15 we are paying for is that the bathrooms are being brought up to
16 ADA standards on the first and fourth floors, and that is
17 something that was included in our renegotiated lease.
18 Fortunately, in spite of all these new renovations, we're
19 locked into a five-year lease, so I think we got a pretty good
20 deal.

21 CHAIR WILLIAMS: Good.

22 MR. PENNOYER: Good.

23 CHAIR WILLIAMS: Can you take the stairs to the
24 second and third floors?

25 MS. McCAMMON: Yes.

1 CHAIR WILLIAMS: Okay. Very good.

2 MS. McCAMMON: You can. Right there.

3 CHAIR WILLIAMS: Okay. We'll see everyone at 20
4 after.

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

6 (Tape Change - Tape No. 2 of 4)

7 (On record at 10:25 a.m.)

8 CHAIR WILLIAMS: I'd like to call the Trustee Council
9 session back into order. And as we described before the break,
10 we will defer the public comment period until 11:00 a.m. when
11 it was scheduled and go forward with Item 8, but the Council
12 will not vote on any items we get to before 11:00 until after
13 the public comment period. But we'll go ahead with the
14 background explanation.

15 Ms. McCammon, if you'd like to talk about policy on
16 habitat acquisition, please.

17 MS. McCAMMON: Madam Chair, at the November 20th
18 meeting, you had before you a discussion paper on this issue,
19 and at your request, I brought this back to you in the form of
20 a draft policy on habitat acquisition costs, logistics, and
21 processes. This has been circulated for agency and legal
22 review. Since this most recent draft was distributed, there is
23 one recommended change by the attorneys, and this is in the
24 section on title evidence, line 6, to delete the word
25 "reasonable" before "compliance." So the sentence would read:

1 "The title evidence to the land or interest in
2 land must be in compliance with the standards."

3 Otherwise, I believe that everyone has who has --
4 everyone has reviewed this and has agreed to this language, and
5 the agency.....

6 CHAIR WILLIAMS: Any Trustee questions or comments?
7 Yes. Commissioner Rue?

8 COMMISSIONER RUE: Madam Chair. Are we going to
9 discuss the idea of changes to this.....

10 CHAIR WILLIAMS: Mm hmm (affirmative).

11 COMMISSIONER RUE:language right now?

12 MS. McCAMMON: Yeah.

13 COMMISSIONER RUE: Yeah.

14 CHAIR WILLIAMS: I think we can.

15 COMMISSIONER RUE: Okay. I think one suggestion I
16 would make is, under the large parcel resolutions and offers,
17 it says,

18 "Landowners for personal various interests in
19 lands."

20 I'd be interested in other people's thought on the words "based
21 on" versus "at."

22 CHAIR WILLIAMS: Okay. So this is.....

23 COMMISSIONER RUE: I negotiated.....

24 CHAIR WILLIAMS:in the first sentence
25 (indiscernible).

1 COMMISSIONER RUE: Right.

2 (Pause)

3 MR. PENNOYER: I'm sorry. Where would.....

4 COMMISSIONER RUE: Put the word.....

5 CHAIR WILLIAMS: In the third line.

6 COMMISSIONER RUE: "based on" versus "at."

7 (Pause)

8 COMMISSIONER RUE: Just as a matter of discussion,
9 that's the point of departure you discussed, you deba- -- I'm
10 not sure we've gone below.

11 (Pause)

12 COMMISSIONER RUE: I don't know if anyone has a
13 reaction to that suggestion, but I'd be curious. Or if you
14 believe it makes any difference.

15 (Pause)

16 CHAIR WILLIAMS: Are there Council reactions to that?
17 Mr. Tillery?

18 MR. TILLERY: That sentence is a -- I think it's a
19 statement of history, as I read it. Is that right? What it's
20 intended to be?

21 MS. McCAMMON: I'm not sure which sentence you're on.
22 I'm still trying.....

23 MR. TILLERY: The first one on.....

24 MS. McCAMMON:to find it.

25 COMMISSIONER RUE: The first sentence of.....

1 CHAIR WILLIAMS: First sentence.....

2 COMMISSIONER RUE:large parcels.

3 CHAIR WILLIAMS:under large parcel. So the
4 proposed change, it now.....

5 MS. McCAMMON: Oh.

6 CHAIR WILLIAMS:reads: "The Trustee
7 Council....."

8 COMMISSIONER RUE: If it's simply a statement of
9 history, then maybe it's not -- we can't rewrite history,
10 so.....

11 MS. McCAMMON: Yes, it was a statement of what -- I
12 think.....

13 COMMISSIONER RUE: Okay.

14 MS. McCAMMON:that's correct.

15 COMMISSIONER RUE: Okay.

16 MR. PENNOYER: But I'm -- basically, I'm not sure
17 it's historically correct.

18 (Laughter)

19 COMMISSIONER RUE: Yeah. Well, that's why it.....

20 CHAIR WILLIAMS: Why don't we read it so.....

21 MR. PENNOYER: I think Mr. Rue made a point.

22 CHAIR WILLIAMS:people who don't have it in
23 front of you in the.....

24 MS. McCAMMON: These are the offers that are
25 currently.....

1 COMMISSIONER RUE: It's not worth spending a lot
2 of.....

3 MS. McCAMMON:ongoing.

4 COMMISSIONER RUE:time on, I don't think, with
5 those.

6 (Pause)

7 CHAIR WILLIAMS: Yeah, I think that is historically
8 correct. Barry or Gina or Mario, anyone?

9 COMMISSIONER RUE: I'm not sure it's worth
10 spending.....

11 CHAIR WILLIAMS: Okay. All right. So okay.

12 COMMISSIONER RUE: So it's simply a statement of
13 history rather than a future policy.

14 CHAIR WILLIAMS: Okay.

15 MR. PENNOYER: Okay. Yeah.

16 CHAIR WILLIAMS: All right.

17 MR. PENNOYER: So you're leaving that?

18 CHAIR WILLIAMS: Keep it "at"?

19 COMMISSIONER RUE: Leave it "at." That's fine.

20 CHAIR WILLIAMS: Okay. Are there any other comments
21 or questions about the policy on habitat acquisition?

22 MR. TILLERY: I would like to.....

23 CHAIR WILLIAMS: Yes, Mr. Tillery?

24 MR. TILLERY: Ms. Chair. Like to note under the
25 restoration costs provision where it -- there is some

1 discussion about additional restoration work on parcels. And I
2 think this is a modification from one of the previous drafts,
3 and I want to make sure that I understand the intent of it.
4 That in the middle of that, it talks about,

5 "Any additional restoration work above and
6 beyond compliance that is necessary to achieve
7 restoration benefits should be addressed within
8 the negotiation process or, at the very least,
9 should be identified at the time of closing if
10 known."

11 And my understanding is that that means if actual
12 restoration work is needed to achieve the benefits for which we
13 are buying the land, or to achieve the benefits that make it
14 something that the Council wishes to buy, that those must be
15 included and identified, to the extent possible, but that it is
16 not necessary, at the time of acquisition, to identify any
17 restoration projects that may necessarily occur on the land.

18 Simply because, you know, we want to do a fish
19 project or something like that, we don't have to identify those
20 at the time, only if doing that fish project is necessary for
21 the land to achieve its restoration benefits. Am I -- did I
22 make that clear?

23 MR. PENNOYER: Yeah, I -- Madam Chair? I think.....

24 CHAIR WILLIAMS: Mr. Pennoyer?

25 MR. PENNOYER:what you were saying was the

1 MR. WOLFE: We can explore it.

2 CHAIR WILLIAMS: Yes. But I only meant the
3 exploration stage.

4 MS. McCAMMON: Right.

5 MR. WOLFE: If you.....

6 CHAIR WILLIAMS: Didn't want to commit you any
7 further down the line than that.

8 MR. WOLFE: If you need anybody on dark nights to
9 deliver bags of money anywhere, I'll volunteer for that also.

10 (Laughter)

11 MR. PENNOYER: I thought your revenues from your song
12 were going to carry you over.

13 (Laughter)

14 CHAIR WILLIAMS: Well, very good. I think that is
15 definitely worth exploring. So I hope we can proceed with
16 that.

17 Any other questions or comments for Mr. Grimes?

18 (No audible response)

19 CHAIR WILLIAMS: Thank you very much, Mr. Grimes.

20 MR. GRIMES: Thank you.

21 CHAIR WILLIAMS: The next person I have on the list
22 who's indicated an interest in testifying is Dune Lankard. Mr.
23 Lankard?

24 MR. LANKARD: Yes. Marie is going to come up with me
25 as well. Is that okay?

1 basic -- that this is not something if, later on, you want to
2 do a project that you identify, you don't have to identify that
3 at the time of purchase. But if we say this land is worth X
4 amount of dollars for restoration value and it includes
5 something at that time, that needs to be clearly identified.

6 MR. TILLERY: Yeah. It has a high value, but only a
7 high value if you reseed it or something.....

8 MR. PENNOYER: Right.

9 MR. TILLERY:or if you, you know, put a fish
10 stock in or something like that. Then it's got to be
11 identified at the time, but if it's just that -- I mean, a year
12 down the road, we're not foreclosed from coming in and saying,
13 'Hey, we've just come up with a good restoration project,' and
14 there won't be any recriminations for, 'Why didn't you identify
15 that earlier?'

16 CHAIR WILLIAMS: Mmm. I believe that is the intent
17 here. I also think the language necessary for the land to
18 achieve the restoration benefits identified in the habitat
19 protection analysis confirm that analysis.

20 MR. PENNOYER: Well, Madam Chairman, I'm sure.....

21 CHAIR WILLIAMS: Yes, Mr. Pennoyer.

22 MR. PENNOYER:they do. It's sort of -- this is
23 sort of a question of value. It's a question of, Is the value
24 of the land that you're paying the money for dependent on doing
25 something restore.....

1 MR. TILLERY: Yes.

2 MR. PENNOYER:it?

3 CHAIR WILLIAMS: Right.

4 MR. PENNOYER: And if it is.....

5 CHAIR WILLIAMS: Right.

6 MR. PENNOYER:then that needs to be identified
7 in part.....

8 CHAIR WILLIAMS: Right.

9 MR. PENNOYER:of the negotiation process. And
10 I'm not sure what the benefits identified in the habitat
11 protection analysis means. I think it's open to some
12 interpretation, obviously, or Mr. Tillery wouldn't have had to
13 interpret it.

14 So does that mean when you've analyzed it that this
15 analysis says this property is a Grade 22 or something, and --
16 but to really be a Grade 22, you've got to go and reseed the
17 land, and that's something that doesn't work. I mean, if the
18 reason we're buying the land is because it's a Grade 22 based
19 on its restoration benefit to eagles and murre and whatever,
20 then it doesn't really have that value unless you go ahead and
21 reseed it all. Then you've got a problem, and the cost of the
22 reseed is -- detracts from the cost of the land. And I'm
23 not clear what that in the habitat protection analysis means.

24 CHAIR WILLIAMS: Ms. McCammon?

25 MS. MCCAMMON: Madam Chair, the intent of this

1 language was that -- was basically to identify, as much as
2 possible, what the actual cost of the acquisition is going to
3 be, for the Council's purposes and also for the public, so that
4 if the Council's spending twenty or thirty or forty million
5 dollars on a piece of land, but it's known at the time that
6 some substantial piece of restoration work is planned for that
7 property, then it becomes a \$22 million or \$32 million piece of
8 property, in effect, even though where the money is going may
9 be different.

10 And this was just to provide some impetus to be a
11 little bit more proactive about trying to identify those kinds
12 of restoration needs and identify actually what was essential
13 to getting maximum restoration benefit from the land. I mean,
14 there's a whole other question of enhancement of it, too, which
15 is almost in another piece to it. But I think that would come
16 under just a regular restoration project.

17 CHAIR WILLIAMS: Yes.

18 COMMISSIONER RUE: Madam Chair?

19 CHAIR WILLIAMS: Commissioner?

20 COMMISSIONER RUE: I can imagine an example would be
21 a parcel that has a degraded bank on a river that's going to
22 cost you some money to rehab the bank, and then at that point,
23 it's very valuable. It seems to me this language covers that
24 kind of a situation, something that's predictable, you can
25 analyze, and it's up front. So I -- do you think there needs

1 to be a change?

2 MR. TILLERY: No, I think the language does it, but
3 I.....

4 COMMISSIONER RUE: Okay.

5 MR. TILLERY:think this is different language
6 than we looked at the last time, and I think.....

7 COMMISSIONER RUE: Okay.

8 MR. TILLERY:it's important -- the change is
9 important, and I wanted to.....

10 COMMISSIONER RUE: Okay.

11 CHAIR WILLIAMS: Okay.

12 MR. TILLERY:to point that out. And you're
13 right, then; the Kenai River parcel would be a pretty clear
14 example.

15 CHAIR WILLIAMS: Actually, Barry Roth just gave to
16 me -- and I don't know who wrote this, but I think it is a good
17 change. Instead of -- looking at the second-to-the-last line
18 of the document, and looking at the phrase, "closing," really
19 to tie on what Ms. McCammon just said and Mr. Tillery and so
20 forth, it shouldn't be at closing. That's too late.

21 MR. PENNOYER: No, that's correct.

22 MS. McCAMMON: It should be at the approval.

23 CHAIR WILLIAMS: Yeah. It should be submissioned
24 (sic) to the Trustee Council for final approval or -- the
25 language that's proposed here is to cross out "closing," and

1 "submission to the Trustee Council for final approval," and
2 then when it is intended to be paid -- with settlement funds?
3 Isn't that a given? Is it just enough to say, "submission to
4 the Trustee Council for final approval"? I think so.

5 MR. PENNOYER: I think that's adequate, yeah.

6 MS. McCAMMON: Yeah.

7 CHAIR WILLIAMS: I think so.

8 COMMISSIONER RUE: Yeah.

9 CHAIR WILLIAMS: That's a good change.

10 (Pause)

11 CHAIR WILLIAMS: I'll pass this to Ms. McCammon.

12 (Pause)

13 CHAIR WILLIAMS: Other questions or comments?

14 (No audible response)

15 CHAIR WILLIAMS: All right. Let's proceed to small
16 parcel, if you would like, or we can skip over that and go --
17 would you like to go all the way down to Work Plan?

18 MR. PENNOYER: I think that's pretty specific
19 relative to public comment, I would think.

20 MS. McCAMMON: Madam Chairman.

21 CHAIR WILLIAMS: Yes.

22 MS. McCAMMON: I would recommend that we go on to
23 Shuyak if.....

24 MR. TILLERY: Are you going to take up that Ellamar
25 one?

1 MS. McCAMMON: Well, we might as well do them all
2 together and wait to see. We've got a -- some additional
3 information that needs to be checked out before we do the small
4 parcel.....

5 CHAIR WILLIAMS: Okay.

6 MS. McCAMMON:recommendations. So I'd suggest
7 we go to Shuyak.

8 CHAIR WILLIAMS: Good. Let's go to Shuyak.

9 (Pause)

10 CHAIR WILLIAMS: Mr. Tillery, are you going to be
11 leading the discussion?

12 MR. TILLERY: Apparently. I noticed that.....

13 (Laughter)

14 MR. TILLERY:in the agenda. Does everyone have
15 a copy of the resolution?

16 CHAIR WILLIAMS: Everyone have a copy?

17 MR. TILLERY: Yeah.

18 MR. PENNOYER: Yes.

19 MR. TILLERY: This is a resolution for the
20 acquisition of Shuyak Island. It provides for the State to
21 receive title to the surface estate in it. The -- I believe we
22 went through -- everybody's pretty familiar with Shuyak; I
23 won't go through the restoration benefits unless someone has
24 some questions about them.

25 Suffice it to say that there are numerous injured

1 species on the island. It is one of the highest rated parcels
2 that we had at the Public Advisory Group meeting. And I'm not
3 sure who made this report, but it was noted that in the recent
4 oiling survey in the Kodiak area, Shuyak was the only place
5 that still had a significant oiling in evidence, that there
6 was -- it was fairly heavily hit along the northern portion.

7 The -- what we have done with this resolution is to
8 provide for acquisition at a price of \$33,320,000 in present
9 value, which is within the range that was given to us by the
10 appraisers. Because it will be over a number of years, the
11 ultimate amount of money that will be paid out is \$42,000,000,
12 and there is a schedule in here on page 6 that basically
13 provides for \$8,000,000 to be paid down upon closing and with
14 additional sums to follow. It's a change from the original
15 schedule, the original proposal, but that's to -- because we
16 ended up stretching the payments out over an additional year.

17 The conveyance to the -- there are certain conditions
18 on the purchase. The standard ones, that is: We've got to get
19 the money from Exxon; the court has to give the money to us; we
20 have to be satisfied with title, which we are, but we will be
21 doing an additional title abstract on it; and that there is
22 nothing -- no activities on the land, such as timber harvesting
23 or road development, prior to the time of acquisition -- or
24 time of closing.

25 In addition, there is a provision that conveyance of

1 the land to the State will be subject to certain conditions.
2 There will be a restrictive covenant in the deed that there
3 will be no commercial timber harvest on the land or any other
4 commercial use of the land, except in limited commercial use.
5 This is language that we used for the Seal Bay deal, and it
6 seemed to work well there.

7 There is also a covenant that public use of the
8 island will be allowed. That appears to be an issue of some
9 public confusion, at least as evidenced by an editorial in the
10 "Voice of the Times" the other day where there was a question
11 raised as to whether there would be public access. It makes
12 this real clear here that it will include sport and subsistence
13 hunting, fishing, trapping, and recreational uses insofar as
14 they are consistent with public safety and permitted under laws
15 and regulations of the Board of Fisheries and the Board of Game
16 and the Department of Natural Resources.

17 Now, in addition to the protections that are provided
18 for the land through the restrictive deed with the Borough,
19 there will be a conservation easement that will be provided,
20 granted by the Kodiak Island Borough prior to the closing, to
21 the United States. That easement is attached to the
22 resolution, and it is very similar to the one previously
23 approved by the Council for the AKI and Old Harbor
24 acquisitions.

25 The other item here that's a little bit unusual has

1 to do with the lands owned by the Kodiak Island Borough, within
2 the Kodiak National Wildlife Refuge.

3 I don't know if you want me to go through those or if
4 you'd like to speak to those?

5 CHAIR WILLIAMS: Oh. Go ahead, please.

6 MR. TILLERY: Yeah. Okay. The Kodiak Island Borough
7 owns the lands at certain waterfront locations in the Kodiak
8 Island Refuge. These are small parcels that have been
9 forfeited to the Borough through tax delinquency problems.
10 They are within the previous large parcel areas that we have
11 approved for acquisition. They have a high rating for
12 restoration purposes.

13 And what we have done through this resolution is to
14 authorize and provided funding not to exceed a million dollars
15 for the United States to acquire these lands at their approved
16 appraised values. So we would have to go out, we would
17 appraise them, we would purchase them from the Kodiak Island
18 Borough, then the Kodiak Island Borough would get that portion
19 of the appraised value that is equal to their -- what's due to
20 them under the taxing laws. The remainder would then go back
21 to the original owner.

22 The -- is -- my understanding is that, actually, on a
23 case-by-case basis, these parcels will be coming back to the
24 Council, though, for approval. This is not the approval to buy
25 them at a particular price, but simply really, I think, more of

1 a statement of intent and commitment on the part of the Council
2 that we're going to do this. We're going to spend up to a
3 million dollars, but on a case-by-case basis, each parcel will
4 have to come back to the Council again.

5 Is that in accord with your.....

6 CHAIR WILLIAMS: Yes.

7 MR. TILLERY:understanding?

8 The agreement for sale and purchase is an attachment
9 to the document. The -- in accordance with the Council's
10 comments at the last meeting, it is a straightforward sale to
11 the State. It will be held by the State; title, the State will
12 be receiving title to the land directly.

13 The problems that we had that had required a more
14 circuitous route previously related primarily to Mental Health
15 Lands issues. We have discussed that with the attorneys who
16 deal with the Mental Health Lands issues; they have indicated
17 that there is a theoretical problem, but one they believe is so
18 remote that a reasonable person would ignore it and go forward.

19 And therefore, on that basis, we are recommending
20 just a straight fee acquisition by the State of Alaska.

21 The purchase price, again, the exact dollars are set
22 out in the purchase agreement. These numbers are based on our
23 conversations with the consultant we use for oil spill matters,
24 who indicates that these represent a present value of
25 \$33,320,000.

1 There is nothing else, I think, that is unusual about
2 this. The Kodiak Island Borough will be reserving all of its
3 claims it might have against Exxon based upon any damages to
4 this land. That is in accord with previous agreements we have
5 entered into. It is certainly in accord with the wishes of the
6 State of Alaska, which does not intend to get back into the
7 litigation with Exxon. Again, conditions of sale include the
8 fact that there is clear title; there's hazardous survey
9 inventory.

10 The -- another matter that there was some discussion
11 about this past week had to do with the unlikely event that
12 there was some kind of a default. As you know, when the
13 federal government has been doing its parcels, it's been doing
14 them as sequential closings. We would be doing one closing,
15 but in the event that an installment payment cannot be made
16 when it is due, then the Borough can terminate this agreement.

17 And essentially, it will be a partition action that
18 would segregate out the properties, looking at restoration
19 value and looking at the economic development opportunities of
20 the Borough and essentially trying to maximize the interests of
21 both parties in the land that was to be partitioned. I --
22 there would be an arbitrator, would be used. It's a fairly
23 unlikely scenario, but I think this provision takes care of it
24 in a fairly reasonable manner, and one that would be the least
25 costly to the parties.

1 Then in -- after the purchase agreement, there is
2 attached a conservation easement, which is Exhibit B. That is
3 the easement that goes to the United States of America. And
4 again, if you look on page 9, you will get the relevant -- or
5 the rest of it's the legal description, but when you get to
6 page 9, you get the relevant provisions.

7 Very similar to the AKI deal, it does prohibit the
8 cutting of trees and plants. It prohibits the placement of
9 buildings and so forth, with the exception -- recognizing that
10 this will likely become a state park -- with the exception of
11 the Division of Parks, the construction of public use cabins
12 and other kinds of necessary low-impact parks infrastructure.

13 And the last two attachments to it are the special
14 warranty deed and then a warranty deed. The difference is
15 occasioned by the fact that there is a -- I think just one
16 parcel, actually, that a patent is -- the Borough already has
17 patent to. With respect to the other parcels, the Borough has
18 an absolute right to it, but hasn't received patent because it
19 hasn't come -- just the whole process hasn't happened. It
20 hasn't been surveyed; it hasn't come from the federal
21 government. It's based on TAs. Therefore, it was necessary to
22 do two separate deeds. Those have been approved by the
23 Department of Justice and by the Department of Law.

24 And that is a summary of where we are.

25 CHAIR WILLIAMS: Very good. Thank you, Mr. Tillery.

1 Questions or comments?

2 (No audible response)

3 MR. PENNOYER: Good deal.

4 CHAIR WILLIAMS: And Department of Justice,
5 Agriculture, Interior, attorneys are all satisfied with the
6 agreement as written.

7 MS. BELT: Department of Justice will be reviewing
8 the deeds and the title abstract at some point in the coming
9 months.

10 MR. TILLERY: I would note that in each of these
11 cases, these attachments are -- the resolution provides that
12 the documents will be executed substantially in accord with
13 these. It has been our experience that we come back and find
14 that there's something in the legal description, a small change
15 that needs to be made or something like that, but that there
16 will not be any substantive changes to these documents without
17 coming back to the Council.

18 CHAIR WILLIAMS: And when would we hope to achieve
19 closing?

20 MR. TILLERY: February would be a nice month.

21 MS. McCAMMON: Madam Chair?

22 CHAIR WILLIAMS: Yes. Ms. McCammon?

23 MS. McCAMMON: This will be before Legislative Budget
24 and Audit Committee on January 8th. They'll be taking up the
25 expenditure for the full amount.

1 CHAIR WILLIAMS: Okay. We don't anticipate any
2 problem there, I expect?

3 MS. McCAMMON: According to Mr. Selby, no.

4 (Laughter, side comment)

5 CHAIR WILLIAMS: Any other questions or comments?

6 (No audible response)

7 CHAIR WILLIAMS: All right. What would the Council
8 like to address now? Does it make sense to talk about Chenega,
9 or to wait until after Executive session?

10 MS. McCAMMON: Madam Chair, I would recommend that be
11 done in Executive session.

12 CHAIR WILLIAMS: Yes. Ms. McCammon, do you think it
13 makes sense to give kind of overview about the Work Plan? I
14 agree with our -- we have 10 minutes where you can at least
15 start on that. I agree with the statement that I anticipate
16 we're going to have public comment on that, but I think it
17 wouldn't be inappropriate to just sort of talk about -- remind
18 us all where we are and how we got here.

19 Mr. Tillery?

20 MR. TILLERY: Mmm, I guess my view would be that it
21 might help to focus public comment to.....

22 CHAIR WILLIAMS: Exactly.

23 MR. TILLERY:some extent.

24 CHAIR WILLIAMS: Precisely.

25 MS. McCAMMON: Madam Chair, I'd be happy to do that.

1 Let me just pull out my materials here.

2 MR. PIPER: While Molly's doing that, I'll just.....

3 CHAIR WILLIAMS: Yes, Mr. Piper?

4 MR. PIPER:add one thing. Since Craig brought
5 it up, there -- the editorial by Lew Williams in the "Voice of
6 the Times" the other day, I'd -- Mr. Williams is one -- a
7 member of one of the royal families of the Southeast empire, a
8 very respected Alaskan, and his views on the forest products
9 industry are well known, and I respect him.

10 I think he went overboard on one thing that affects
11 the -- that makes reference to the reputation of people who
12 have sat on this Council, which don't include me.....

13 (Laughter)

14 MR. PIPER:over the last two administrations,
15 in that he made a comment that the Trustee Council took the
16 high end of the appraisal in settling on a purchase price for
17 the Kodiak Borough land. Quote:

18 "That doesn't say much for the fiduciary
19 responsibility of the Trustees, but since they
20 are appointees of democratic administrations, we
21 guess it's appropriate."

22 Regardless of whether one is a Democrat or
23 Republican, I would like to point out that of the 10 or 12 or
24 13 or 14 people that have served as Trustees or as alternates,
25 I can't think of any of them who've been involved in partisan

1 politics, except for myself, and that, for the most part, they
2 are people who are professional managers, like professional
3 foresters, professional biologists with long careers in the
4 public resource management. And I didn't see huge shifts in
5 policy among the administrations. I think it's been a fairly
6 consistent group.

7 And throwing the political partisan, political red
8 herring in there I didn't think was fair to the reputations of
9 the people who've sat on the Council the last two terms and
10 have done really good work.

11 CHAIR WILLIAMS: Well, and it's also not true
12 because, of course, the decision on Kodiak was made with the
13 previous Council that had.....

14 MR. PIPER: Previous.

15 CHAIR WILLIAMS:three people.....

16 MR. PIPER: But, you know, but the politics aren't
17 important to me; it's the fact that the people that have been
18 on it have, regardless of their political stripe, have shown a
19 lot of leadership that is not partisan in any way.

20 CHAIR WILLIAMS: Okay. Thank you. Ms. McCammon?

21 MS. MCCAMMON: Madam Chair, thank you. In talking
22 about the FY '96 Work Plan recommendations today, I think we
23 have to go back a couple of years to the direction from the
24 Council to begin some long-range planning for the Work Plan and
25 the science program.

1 Nearly two years ago, we held a series of workshops
2 here at the Restoration Office, bringing in members of the
3 Public Advisory Group, key members from various interest
4 groups, and agency folks, as well as a number of key peer
5 reviewers and the Chief Scientist, to begin mapping out a
6 strategy, a long-term strategy, for all of the injured
7 resources and injured spill area ecosystem.

8 We had initially, I think, three planning sessions.
9 This culminated nearly -- almost two years ago at what we
10 called the Church Group meeting, which was held in April of
11 1994. That Church Group meeting was put together into a
12 document that was largely written by NOAA and some of the staff
13 here that actually started laying out some of the processes and
14 strategies for the science part of the program.

15 We used that document as the basis for the FY '95
16 invitation. Based on the FY '95 invitation and the process
17 that we have set up, last year, in January, January of '95, we
18 had the First Annual Restoration Workshop. That was considered
19 mandatory attendance for all of the PI's. As I mentioned
20 earlier, it was very well attended; we had more than 150 people
21 there. And that provided a substantial review of all of the
22 field results from the '94 field season, which resulted in the
23 development of the FY '96 invitation and beyond.

24 For the first time, in the '96 invitation, we
25 actually started looking at costs and activities down the road.

1 If, for example, in pink salmon we had six projects ongoing,
2 when was the logical conclusion of some of those? Were there
3 new ones that we anticipated to be started up? Exactly where
4 were we going with various projects? How did they tie
5 together? Were all of the questions being answered by the
6 kinds of projects that were being undertaken?

7 The '96 invitation and beyond went out to the public
8 last March. At the same time, we went around to most of the
9 communities in the spill area and held public meetings on that
10 document to get feedback from people as to what they thought
11 was the most important -- what were the most important
12 activities that the Council should be undertaking.

13 Based on that feedback, and based on public
14 comment -- let's see -- \$35 million worth of proposals were
15 submitted last May. At that time, when those proposals were
16 submitted, we knew -- in our first look at them, we knew that
17 we were doing a better job in that the quality of the proposals
18 had greatly increased, the number had greatly increased, and
19 yet if we were to keep to our planning target of trying to
20 transition into a long-term restoration reserve, we were going
21 to have to make some tough decisions this year.

22 In May we held a week-long session with the core peer
23 reviewers. And if you'll recall, at one time, we considered
24 actually establishing formally a science review board that
25 would actually hold public sessions and look at all the

1 proposals, and it would be more of a formalized board. Because
2 of some of the complications dealing with this, with the
3 Federal Advisory Committee System and the fact that for some
4 projects it was more appropriate to have some different kinds
5 of peer reviewers, we decided to keep it a more informal type
6 process.

7 But we do have some key peer reviewers that are of
8 national stature that are familiar with all of the proposals
9 that come before the Council. They basically read all of the
10 proposals, have a really good idea of everything that's
11 happening in each cluster, in each area, and then have
12 recommendations on where the overall program is going.

13 This group met in May of last year, read through all
14 of the proposals, and gave their advice to the Chief Scientist,
15 Dr. Spies. At that time, Dr. Spies developed his
16 recommendation for which projects should go forward for FY '96.
17 If you'll recall, at that time, there were a number of
18 proposals that seemed obvious that they should go forward based
19 on the information that was known. There were a number of
20 projects that required some additional work. And in most
21 cases, this was a review of the '95 field results before a
22 final decision could be made.

23 In addition, the one cluster that was particularly
24 troublesome was pink salmon. There was definitely, at that
25 time, no clear consensus among all of the folks involved,

1 whether they be the core reviewers or the agency personnel, as
2 to what the scope and direction of the pink salmon program
3 should be. So a good number of the pink salmon projects were
4 deferred until a more extensive review session could be held.

5 This draft of the '96 Work Plan then went out to
6 public review. The Public Advisory Group met twice during its
7 development and had a substantial involvement in its early
8 development. It went out for public comment during the month
9 of July; comment was received at -- literally until the day the
10 Council took action on August 25th.

11 On August 25th, the Council voted to approve
12 approximately \$14 million worth of projects for research,
13 restoration, and -- restoration, research, and monitoring.
14 There were an additional seven to eight million dollars worth
15 of projects that were deferred for further analysis.

16 Since August, I would -- I'm actually very pleased to
17 report that of those projects that were approved on August
18 25th, with the exception, I believe, of one, all of the
19 projects received final Executive Director authorization and
20 approval by the beginning of the fiscal year. So I think for
21 the first time this year, we actually had the go-ahead at the
22 very beginning of the fiscal year for projects to begin
23 spending money.

24 We had already received -- the court request had
25 already gone in; we'd received the money from the court. LBNA

1 authority had been granted. NEPA had been complied with.
2 Detailed project descriptions had been reviewed and approved by
3 the Chief Scientist. So I think this was an incredible
4 accomplishment in the past year.

5 Since September, we've been extremely busy in this
6 office trying to get all of the technical review sessions
7 underway. We've had a number of them, in addition to the
8 Subsistence Conference and the Residual Oiling Conference and
9 the Seabird Restoration put on by the Pacific Seabird Group.
10 We also had technical review sessions on harlequin ducks,
11 clams, the octopus project, and then on pink salmon, herring,
12 sockeye, and the APEX project.

13 These have all involved having experts in these
14 fields come to Anchorage, meet with all of the PI's involved,
15 and in some cases, potential PI's. They, for the most part,
16 have all been attended by at least some members of the Public
17 Advisory Group and other members of the public if they were
18 interested. We tried to get the word out on all of these
19 sessions to -- through the newsletter and through other means.

20 And you will see in your packet, behind the draft
21 spreadsheet, some summary comments from those technical review
22 sessions. These are not the complete memos that will be coming
23 from Dr. Spies, especially for pink salmon, sockeye, herring,
24 and APEX. Those review sessions just concluded last week, and
25 we're still -- Dr. Spies is still putting together the final

1 memos.

2 But I think what this shows is that the entire
3 program has really undergone extensive scrutiny and review. I
4 don't think, in a situation like this, that you can come to
5 100-percent consensus on every issue. And in particular, I
6 would probably say pink salmon still continues to be the big
7 challenge in terms of where we're going with those efforts.
8 But I think it does reflect a continuing improvement over past
9 efforts.

10 And this is something, again, that is constantly
11 evolving, and we're very responsive to people's comments on
12 this and ways to improve it, and especially to get the public
13 involved in these kinds of things. It has been an incredible
14 effort on the part of the Chief Scientist to pull all of this
15 together and in this kind of a time period.

16 But what you see before you is a result of that
17 process: The summary of the Executive Director's
18 recommendation, including the August and December
19 recommendations here, for a total of \$18.2 million this year.
20 A pie chart here, which includes the projects approved in
21 August and recommended for December, which shows, by cluster,
22 how the \$18 million Work Plan is divided up.

23 And then also a draft, which you saw for the first
24 time in August, that shows, on very -- in very rough terms,
25 where we are today in terms of the Work Plan, at approximately

1 \$18 million, and where we're looking at in the future, in 2002,
2 with the restoration reserve. And in addition, not firm
3 commitments, but at least some rough ideas of what, if these
4 projects were to continue along the lines they are today, we
5 would be expecting in terms of financial needs in the future.

6 So with that, that pretty much sums up until we have
7 Dr. Spies ready.

8 CHAIR WILLIAMS: Very good overview. What I'd like
9 to do, since it's 11:00 o'clock, is go into public comment. I
10 would like to remind everyone here to please sign up. The
11 sheet is at -- there we are.

12 MS. EVANS: Well, they can -- you know.

13 CHAIR WILLIAMS: Yes.

14 MS. EVANS: Just sign it.

15 CHAIR WILLIAMS: And let us begin by identifying who
16 is on the teleconference bridge. Who do we have on the
17 teleconference bridge, and do people want to testify at the
18 sites identified?

19 OPERATOR: At this time, we have Juneau, and that is
20 the only site on the bridge.

21 CHAIR WILLIAMS: Only Juneau. Not Seward and Valdez?

22 OPERATOR: They have not called in. They haven't.

23 CHAIR WILLIAMS: Fine. And is there anyone who
24 wishes to testify in Juneau?

25 (No audible response)

1 MS. EVANS: There's no answer.

2 CHAIR WILLIAMS: Okay. I'll check in with Juneau a
3 little bit later. We do have at least four people who have
4 indicated that they wish to testify here in Anchorage, and I'll
5 begin with Brad Meiklejohn.

6 (Pause - Whispered conversation)

7 CHAIR WILLIAMS: And, if you could, please spell your
8 last name for the record.

9 (Pause - Whispered conversation)

10 MR. MEIKLEJOHN: Can you hear that?

11 MS. EVANS: Yes.

12 MR. MEIKLEJOHN: Is that working?

13 **PUBLIC TESTIMONY OF MR. BRAD MEIKLEJOHN**

14 Brad Meiklejohn with the Conservation Fund. The last
15 name is spelled M-e-i-k-l-e-j-o-h-n, and I'm with the
16 Conservation Fund here in Alaska.

17 Madam Chair and Trustees, I'd like the record to show
18 that in October of this year, the Conservation Fund purchased
19 and donated 320 acres of land at the head of Uyak Bay on Kodiak
20 Island. We donated this property to the U.S. Fish and Wildlife
21 Service in October.

22 This tract of land was ranked moderate in the
23 Trustees' small parcel evaluation process. The Conservation
24 Fund made this donation to help stretch the Trustees' small
25 parcel acquisition funds. We hope that the Trustees will fund

1 the acquisition of additional small parcels on Kodiak,
2 particularly in the Karluk and the Ayakulik Rivers.

3 That's all I have to say.

4 CHAIR WILLIAMS: Very good. Questions or comments
5 for Mr. Meiklejohn?

6 (No audible response)

7 CHAIR WILLIAMS: Mr. Meiklejohn, I personally want to
8 take the opportunity, on behalf of Fish and Wildlife Service,
9 and hopefully the Trustee Council, to thank Conservation Fund
10 for the donation of Uyak Bay. It's an extremely valuable piece
11 of property, and it will help us stretch our dollars here, and
12 we thank you very much.

13 MR. MEIKLEJOHN: Thank you.

14 CHAIR WILLIAMS: Any other questions or comments for
15 Mr. Meiklejohn?

16 (No audible response)

17 CHAIR WILLIAMS: The next person in Anchorage who has
18 indicated an interest in testifying is David Grimes.

19 (Pause)

20 MS. EVANS: Oh, the other way.

21 MR. GRIMES: Yeah. How about that?

22 MS. EVANS: Or on the other side.

23 CHAIR WILLIAMS: And again, Mr. Grimes, if you could
24 spell your last name for the record.

25 MR. GRIMES: Yeah.

PUBLIC TESTIMONY OF MR. DAVID GRIMES

Hi. I'm David Grimes from Cordova, and the last name is spelled G-r-i-m-e-s. And I wanted to sing the first part of my little presentation:

"Habitat, habitat, got to have some habitat.

Forest is a habitat, very special habitat. The salmon and the eagles and the murrelets need this habitat. Habitat, habitat, got to have some habitat."

You'll be hearing that one on the radio soon, I'm sure.

(Laughter)

The -- in some of the current Trustee documents, I see that it looks like about near half a billion dollars will be spent on original damage assessment, research, monitoring, what we could generally call in quotations, "science." What I would like to -- being something of a scientist, I would like to point out that if that science is any good, it's going to tell us something that we already know, which is: Prevent oil spills and protect habitat -- protect habitat before it's damaged.

And just as in prevention of oil spills it's better to prevent oil spills than try to clean them up later, the same with habitat, it's much better to prevent it from being destroyed first. And -- or as in -- as we always like to say as physicians, with their hippocratic oath, the very first

1 thing that they say is, First, do no harm. Second is trust in
2 nature's own healing aptitude.

3 So as the Trustees are physicians for the -- for oil
4 spill restoration, first your job is to prevent new harm to the
5 area while time and nature provide the healing. So I think
6 that you should be looking at your restoration reserve. That's
7 sort of a strange thing, in my book, to be putting \$108 million
8 in the bank that's needed right now for protection of critical
9 habitat that's threatened.

10 In the original settlement, there's a \$100 million
11 reopener clause if there's more money that's needed if you
12 haven't met all your restoration needs at the end of Exxon's
13 payments. Whether it's -- I think it's -- I think there's a
14 lot more valuable things that could be done with that money
15 than to be putting it in the bank.

16 The third thing I'd like to say is, in terms of
17 particular habitat, Knight Island, which, as you all know, the
18 oil went down both sides, and the little fiord arms of it open
19 up to the north. Knight Island probably took more oil than any
20 other place. There is a private in-holding there at Bay of
21 Isles. Chugach Corporation, I believe Koncor, has the timber
22 lease. It's unthinkable that that area would be clear-cut
23 right in the heart of the oil spill. So I would encourage you
24 to look at that one.

25 I'm fascinated by the way the oil spill went as far

1 as Kodiak, and we're making acquisitions there and we're
2 working our way back, back to the heart of the oil spill. So I
3 see encouraging signs with your acquisition program.

4 I understand that you're hopefully getting closer
5 with a possible acquisition deal in Tatitlek. I wanted to
6 point out there that it's my understanding that, as you know,
7 some clear-cutting's been going on since just before the oil
8 spill at -- in Port Fidalgo, Two Moon Bay, Knowles Head. I
9 understanding you might be buying protection on those lands
10 that -- after they have been clear-cut, and I want to tell you
11 again, your science is going to tell you to protect those lands
12 before they're damaged.

13 There is lands on Tatit- -- there are Tatitlek lands
14 on the north side of Fidalgo, and Landlocked Bay and Fish Bay.
15 I would encourage you to use your funds to protect those
16 forests that haven't been damaged before you use your funds to
17 buy protections for lands that have already been clear-cut on
18 the south side of Fidalgo.

19 And the last thing is I also understand in Tatitlek
20 there's a -- I'm glad to see that it looks like there's a lot
21 of different techniques for protection that you've gotten
22 there, various schemes: some fee simple, some conservation
23 easements, some land that nothing is done at all, some that --
24 most has public access, some that doesn't. I'm glad to see
25 there's lots of different tools.

1 Some of those things that you're entertaining in
2 Tatitlek have been deal-breakers in Eyak. So I'm hoping that
3 the precedents that you set with these other deals as you get
4 closer to Eyak will help solve some of the recurring problems
5 at Eyak.

6 So habitat, habitat, got to have some habitat. Thank
7 you.

8 CHAIR WILLIAMS: Thank you, Mr. Grimes. Questions or
9 comments for Mr. Grimes?

10 (No audible response)

11 CHAIR WILLIAMS: I have, actually, a question for Ms.
12 McCammon. The Bay of Isles parcel on Knight Island, what is
13 the status of that?

14 MS. McCAMMON: Madam Chair, Chugach Corporation has
15 indicated that they are not interested in selling any of their
16 lands within the spill area. However, they would entertain a
17 proposal to them for some form of the timber exchange. It --
18 the indications were that they weren't going to craft such an
19 exchange, but if one of the member agencies had something that
20 we wanted to go back and present to them. This may be one that
21 it might be appropriate for us to meet with the Forest Service
22 on this and to talk about the possibility of actually putting
23 together some kind of a proposal to take to them.

24 CHAIR WILLIAMS: Is that something you'd be willing
25 to do, Mr. Wolfe, sit down and talk about it?

1 CHAIR WILLIAMS: Yes, please.

2 (Pause)

3 CHAIR WILLIAMS: Thank you. Please place the
4 microphone on your lapel.

5 **PUBLIC TESTIMONY OF MR. DUNE LANKARD**

6 Again, Marie is the Chief of the Eyak people. It's
7 nice to see everybody here today.

8 First off, I'd like to thank the Trustee Council for
9 pursuing protecting land in the Prince William Sound region.
10 And it sounds as if the Chenega and the Tatitlek deals are
11 tracking well. It's finally nice to see that some areas in
12 Prince William Sound, the site of the oil spill, will hopefully
13 be protected soon.

14 I'm a bit upset and concerned about the appraisal
15 process because in talking with the Eyak Corporation, they have
16 mentioned that the appraisal process has been quite slow, and
17 if there's any way to speed that up, it would be wonderful. I
18 think it would help all negotiating parties if people could
19 come together and try and speed up this process somewhat
20 because there's a lot of trees that are continuing to fall in
21 the spill zone.

22 I have a suggestion for the anniversary, the seven-
23 year anniversary, and the EVOS story. And the one idea that I
24 have on the seventh anniversary is that in order to increase
25 awareness and public participation and support of the EVOS

1 process, March 24th would be a good day to do the Eyak deal.
2 It sounds like you could very well do the Chenega deal here
3 real soon. It sounds like Tatitlek could happen in February.
4 And March would be the perfect time to protect Eyak lands.

5 And on the story, I think if you include Chapter 11
6 in your story, what you will find is that we've gone through a
7 great deal of physical bankruptcy that includes the damage to
8 the lands because of the spill. The people are in a state of
9 spiritual bankruptcy. We do not trust that this process is
10 moving along quickly enough or in the speed to protect what is
11 left in the spill zone.

12 Also, the financial bankruptcy of the EVOS process,
13 if you cannot protect the region, then I believe that it is a
14 financial bankruptcy for this committee for not taking the
15 responsibility and the steps to see that Prince William Sound
16 is protected. I feel that the Eyak Corporation meeting with
17 Sharestone and Eyak Corporation and the Trustee Council has to
18 happen in less than the next three weeks.

19 And the reason that I emphasize that is the Eyak
20 Corporation is going to enter new timber contract deals and buy
21 new logging equipment for helicopter logging along Eyak River,
22 Eyak Lake, and Power Creek. They anticipate starting in
23 February, and they anticipate taking 20 percent of what you
24 visually see.

25 This area is highly regarded as a culturally

1 significant region to the Eyak people. Now, to give you a
2 little bit of history of the area, in the late 1890s, the
3 region known as Eyak River once supported a return of a quarter
4 of a million sockeye to Eyak Lake alone. Now, this is one-
5 quarter, this is equal to one-quarter, of the returning run in
6 the Copper River delta. If this area was protected and none of
7 the old-growth habitat, which are the seedlings for the future
8 trees there, if those are taken out, I think it's going to be
9 very difficult to have a restoration process to be effective
10 for the salmon in that region.

11 The area is also the -- the lake area is also one of
12 the most polluted lakes in the country, and I think if this
13 area was -- the first step was to be taken was to protect the
14 region, then I think the restoration process would have a
15 chance of some sort of recovery, especially if more restoration
16 monies was put into cleaning up Eyak Lake. And it could very
17 well, in the future, support 250,000 sockeye into the future.

18 Now, I understand that you've been busy protecting
19 rocks and grass in Kodiak, that you've also been thinking about
20 protecting Two Moon Bay and purchasing clear-cuts. Now, I
21 think that as far as restoration goes, it makes more sense to
22 buy living rain forests that are alive, and it would be in the
23 best use of the public monies, as well as the public interest,
24 of protecting the region in perpetuity.

25 The -- I would like to go on record once again as

1 saying that fee simple acquisition does not make any sense.
2 I've never supported it. If it goes to a shareholder vote, I
3 will not support it. It makes more sense to purchase timber
4 rights only or conservation easements. And even if Eyak River,
5 Eyak Lake, and Power Creek were turned into super-restrictive
6 easement areas where there wouldn't be any intrusive
7 development, I would support that.

8 But I cannot support fee simple title, one, because I
9 don't believe in it, and two, I think that you would have more
10 money if you were to protect timber rights or conservation
11 easements only. You would have more money to protect more land
12 in the spill zone rather than buying fee simple from the Native
13 people. And it's also -- it goes against the intent of the
14 Alaska Native Claims Settlement Act.

15 I wish that the environmental community as well would
16 back off of fee simple acquisition. It makes sense that in
17 some of the transactions that have transpired thus far, that
18 fee simple has been a part of that negotiating process. I
19 understand that. But I think in the Eyak deal that it would
20 make more sense if timber rights or conservation easements,
21 again, were the only thing that were pursued.

22 As far as a comprehensive plan, what I've done is
23 I've just drawn a little map here, and I'd be happy to give it
24 to somebody to copy. And the pink area is the fee simple
25 acquisition area, which is known as the core tracts. I've

1 changed this to super-restrictive conservation easements
2 because I'm sure that you wouldn't go with limited ones. And
3 the orange is the Rainier contract, and that's the 13,700 acres
4 that approximately 500 to 1,000 acres are leveled right now.

5 The little yellow dot, that's the only 2,000-acre
6 parcel protected in Prince William Sound since 1991, I believe.
7 And then the black is the other lands, which is west of Simpson
8 Bay. And I think that that could be conservation easements;
9 the orange could be timber rights only; and conservation
10 easements in the core tract regions.

11 So you can pass that around and feel free to make
12 copies or however you have to.

13 In closing, I would like to emphasize this: The
14 process is not going to go to a shareholder vote, and we're not
15 going to be in the position to decide on the -- our future
16 until there is a deal on the table. I would encourage both
17 sides to come together and at least agree to a timber rights
18 purchase, in perpetuity, working out the conservation easements
19 over a period of time that allows the imminent threat to be
20 taken away from the region.

21 If timber rights or conservation easements were the
22 only things protected, this right here is a picture of the
23 Copper River delta region. It's part of the emergency
24 conveyance lands and the existing 15,000-acre clear-cut in
25 Prince William Sound. We do not want the rest of our land to

1 look this way.

2 The last thing I would like to say is that by
3 protecting the land without fee simple title, in conservation
4 easements or timber-rights-only purchases, what this would do,
5 it would be the first time in American history that the
6 American government has protected indigenous people's land
7 without having to destroy it or buy it from them. So I would
8 like to emphasize that, please, do not pursue fee simple
9 acquisition of our lands. Thank you very much.

10 CHAIR WILLIAMS: Thank you. Marie, would you like to
11 say anything?

12 **PUBLIC TESTIMONY OF MS. MARIE SMITH**

13 The only thing I want to say is I want my ancestral
14 grounds to be protected. The last word my father said to me
15 was, As long as you're able, please don't let no one bother our
16 ancestral lands. And these -- what Dune is talking about is
17 all our ancestral lands, spiritual lands. And I think you know
18 in my heart, how I feel about this, and I want them all
19 protected, please. Thank you.

20 CHAIR WILLIAMS: Thank you very much. Are there.....

21 MR. LANKARD: Is there any questions?

22 CHAIR WILLIAMS:questions or comments from the
23 Trustee Council?

24 (No audible response)

25 CHAIR WILLIAMS: I have a couple. Molly, you

1 mentioned earlier in your Executive Director's report, I
2 believe, that you were preparing a letter to go to the Eyak
3 Board of Directors stating that we were prepared to sit down
4 and talk with them. What's the status of that again?

5 MS. McCAMMON: That's correct, Madam Chair. In the
6 last month I sent letters to both Chenega and Tatitlek
7 Corporations basically indicating that some kind of coming to
8 some conclusion on those negotiations was a high priority of
9 the Trustee Council. And I would -- was planning on sending a
10 similar letter to Eyak, just to let them know that -- to let
11 the full Board know that the Council was still interested in
12 it.

13 CHAIR WILLIAMS: Is that something we can get out by
14 the end of this week?

15 MS. McCAMMON: Absolutely.

16 CHAIR WILLIAMS: Okay. Yes, Mr. Lankard?

17 MR. LANKARD: Could I make a comment on that?

18 CHAIR WILLIAMS: Please.

19 MR. LANKARD: I would like to emphasize that if
20 there's any way to meet with even a few of the Board members as
21 soon as possible, at least you can understand or maybe mitigate
22 the amount of monies that will be used to purchase away their
23 logging equipment that they plan on purchasing. And exactly
24 how much that is, I don't know, but I think the sooner you come
25 together, you might be able to plan a meeting in January and

1 get them to hold off on purchasing that equipment, because that
2 money gets deducted from the shareholders. That doesn't get
3 deducted from anybody but that. So if that could be averted,
4 that would be wonderful.

5 CHAIR WILLIAMS: My second question, Mr. Lankard, is
6 for you. I think the Trustee Council members would all be
7 please with seeing this map and the concept of conservation
8 easements instead of timber rights only for much of the land
9 that's indicated here.

10 Is the idea of purchasing conservation easements one
11 you think that the Board is now prepared to entertain?

12 MR. LANKARD: I -- I believe so. I know that they
13 have emphasized timber rights as a priority. I think the deal-
14 breaker issues on the conservation easements and development
15 restrictions, whatever the coined phrase is now, I think that
16 those areas that I think can be negotiated.

17 In talking with the Board, they said their door is
18 open. I would like to see both sides come together and figure
19 out, you know, what can be done as quickly as possible, because
20 I know in February, by the time they start up clear-cutting
21 again, you know, I'll probably be back in the courts trying to
22 protect that land.

23 I think all of this could be averted. And it just
24 seems that it's just negotiating, you know, some sort of a deal
25 in perpetuity that you'll come to an agreement to protect the

1 land, one, and then work on the development restrictions in the
2 future, 'cause I don't see any gas pipelines or nuclear waste
3 dump sites being built in the next year or two. And that'd
4 give us ample time to come up with those restrictions and put a
5 price on them.

6 CHAIR WILLIAMS: Any other questions or comments?

7 (No audible response)

8 CHAIR WILLIAMS: All right. Thank you very.....

9 MR. LANKARD: All right.

10 CHAIR WILLIAMS:much, Marie and.....

11 MR. LANKARD: Thank you.

12 CHAIR WILLIAMS:Mr. Lankard.

13 (Pause)

14 CHAIR WILLIAMS: The next person who's indicated a
15 desire to testify is Ms. Gregory.

16 (Pause)

17 CHAIR WILLIAMS: And if you could please spell your
18 last name and place the microphone on, for the record.

19 MS. GREGORY: Sure.

20 (Pause)

21 MS. GREGORY: How's this? Is that going to work?

22 (No audible response)

23 MS. GREGORY: Great.

24 **PUBLIC TESTIMONY OF MS. TABITHA GREGORY**

25 My name is Tabitha Gregory, G-r-e-g-o-r-y, and I am

1 representing the Alaska Center for the Environment today. As
2 you may know, our members, most of our members, come from
3 Southcentral Alaska, from Anchorage, from Prince William Sound,
4 Kodiak Island area, and the Kenai Peninsula, but we also have
5 members spread out throughout the state.

6 We would like to express thanks for showing a good
7 faith effort towards spending the settlement money on
8 purchasing and protecting habitat in the oil spill region. Our
9 members have supported this direction since you began taking
10 input from the public about how you should spend the settlement
11 money. We also wish to applaud you today for -- you and the
12 Kodiak Island Borough, for your recent successes in protecting
13 habitat on Shuyak Island.

14 However, recently, a number of our members are
15 beginning to express serious concern that there has yet to be
16 substantial protection, permanent protection, of habitat at
17 ground zero in Prince William Sound. The population of the
18 fish and wildlife, and therefore, the people, in that region
19 continue to be impacted by the oil spill. In order to maintain
20 the integrity of this process, think it's vital that we start
21 to see some protection of habitat in Prince William Sound.

22 It looks like, you know, you are definitely moving in
23 that direction. According to the agenda, you're going to be
24 talking about your agreements with Chenega today. And we
25 definitely support that deal, or anything you can work out in

1 that regard in that region. And we do realize that the
2 agreements take an incredible amount of time and effort on
3 everyone's part. And we do wish to express strong support for
4 all of you, as well as the Chenega Corporation.

5 I also wish to convey that we do expect to see
6 continued concerted commitment by all of those on the Trustee
7 Council and staff and in assuring that there is a deal worked
8 out with the Eyak Corporation and Tatitlek Corporation in the
9 near future to assure that there is protection of these vital
10 habitat areas in Prince William Sound.

11 Thanks for the time and for the opportunity to speak.
12 Any questions?

13 CHAIR WILLIAMS: Thank you, Ms. Gregory. Any
14 questions for Ms. Gregory?

15 (No audible response)

16 CHAIR WILLIAMS: Thank you so much.

17 MS. GREGORY: Thanks a lot.

18 CHAIR WILLIAMS: The next person who's indicated an
19 interest in testifying is Mr. Patton. Mr. Patton, if you would
20 please come to the microphone, spell your last name for the
21 record, and put on the microphone. Gary?

22 MR. PATTON: Oh.

23 (Laughter)

24 MR. PATTON: I missed out on that.

25 **PUBLIC TESTIMONY OF MR. GARY C. PATTON**

1 I'm interested in what's the recent decisions here on
2 tribal -- the tribes being recognized up here in Alaska now.
3 Until the tribes are down at the table, and you're just dealing
4 with corporations, corporations, yes, they represent
5 shareholders. Under the Clean Water Act, I believe that the
6 tribes should be sat down with and discussed on things up here.
7 And we would like to know if you are going to base things on
8 corporate rights or human rights at the village level.

9 There's a major concern there that all these dealings
10 are going on. I don't see a lot of the tribes sitting here.
11 And with the recent decision to drop the issue on tribes here
12 by the State, we would like to make sure that the tribes are
13 going to sit down at the bargaining table on any of this from
14 now on, and that Clean Water Act is something we have to look
15 at very closely. It's there.

16 And Indian Country may not be declared up here, but
17 again, the tribes are now being recognized, and these hearings
18 here should now be sat down with the tribes, drop the
19 negotiations with the corporations, and get down to the tribal
20 level.

21 That's all I have to say.

22 CHAIR WILLIAMS: Very good. Are there any questions
23 or comments for Mr. Patton?

24 (No audible response)

25 CHAIR WILLIAMS: Thank you very much for your

1 comments today. Is there anyone in Juneau who wishes to
2 testify?

3 (No audible response)

4 CHAIR WILLIAMS: Juneau?

5 (No audible response)

6 MS. WILLIAMS: There was no one in the conference
7 room when I called.

8 CHAIR WILLIAMS: Okay. Very good. Is there anyone
9 else in Anchorage who wishes to testify? Yes, please. Come
10 forward.

11 (Pause)

12 MS. BROWN-SCHWALENBERG: Good morning. Is.....

13 MS. EVANS: Ma'am, could you attach it to your shirt,
14 please?

15 MS. BROWN-SCHWALENBERG: Well, I don't know where I'm
16 going to attach it.

17 (Pause)

18 MS. BROWN-SCHWALENBERG: Okay.

19 **PUBLIC TESTIMONY OF MS. PATTY BROWN-SCHWALENBERG**

20 My name is Patty Brown-Schwalenberg, and that's
21 spelled B-r-o-w-n -- S-c-h-a-l-e-n-b-e-r-g. And I hadn't
22 planned on testifying, but as I was sitting here, I thought of
23 a couple things that I might like to share with the Trustee
24 Council.

25 First of all, I'd like to express my appreciation for

1 the past support that we've received from the Trustee Council,
2 and request consideration -- positive consideration for the
3 projects that we have submitted for FY '96 Work Plan.

4 And just as an update, I was here at the last public
5 comment period, and I had discussed with the Trustee Council
6 about our clam restoration project. I had a meeting with Fish
7 and Game Commissioner Rue, and we had a very good meeting. The
8 plans for the construction of the mariculture technical center
9 are going forward now. Looks like they're going to be going
10 out for bid on the construction of the project in January, and
11 we hope to be -- have the facility completed by the fall.

12 We've also met with the Kenai Peninsula Borough
13 Economic Development District, and they're willing to, through
14 a contract with the Fish and Game, the lead agency, subcontract
15 with us to operate the hatchery. So that looks like those
16 issues have been resolved, and the Katchuchak Native Tribe will
17 be able to go forward with their operations.

18 A second point I'd like to make is in regards to the
19 Public Advisory Group. With Martha Vlasoff serving as the new
20 Oil Spill -- or -- yeah, Oil Spill Areawide Community
21 Involvement Coordinator, through the Community Involvement TEK
22 Project, I understand that her position is going to be vacant,
23 so the Chugach Native Villages would request that consideration
24 be given to filling that position with an individual who has a
25 similar background as Martha and is familiar with subsistence

1 issues in the affected communities. We'd like to maintain that
2 kind of support on the PAG if we could.

3 Finally, I notice that there are some subsistence
4 projects that did not get recommended for funding due to lack
5 of technical merit. And I think this is due in part to the
6 fact that when the community meetings were held with the
7 Trustee Council and the communities, it left little time for
8 them to put together good technically sound proposals. Now, we
9 are working with them, and Martha is working with them, so I'd
10 request that the Trustee Council give some special
11 consideration to those subsistence proposals in FY '97.

12 And that's all I have to say, so thank you.

13 CHAIR WILLIAMS: Thank you. Are there questions or
14 comments for Patty?

15 (No audible response)

16 CHAIR WILLIAMS: I actually have two, I think. First
17 of all, with respect to Martha's PAG position, Ms. McCammon,
18 what's the status of that?

19 MS. McCAMMON: The status of that, Madam Chair, is
20 that she has resigned; there is an opening there. We also
21 received another resignation from Carl Becker on Friday, who is
22 the aquaculture member. So there are actually two openings
23 now, and I've been discussing with Doug Mudder how to go
24 forward with those, and we'll be getting back to you in the
25 near future on that.

1 CHAIR WILLIAMS: Okay.

2 MS. McCAMMON: Since we're more than one year into
3 the PAG's term, we're trying to do something as expeditiously
4 as possible.

5 CHAIR WILLIAMS: Good. Good. And in terms of the
6 clam restoration project, then, you are satisfied with the
7 restoration project as it's in the works right now?

8 MS. BROWN-SCHWALENBERG: Yes. We sat down with Molly
9 and Fish and Game representatives and we worked out a bunch,
10 and I think that's going to be beneficial to everyone, and
11 we'll still be able to complete the objectives of the project,
12 although it is still back a bit, but that'll be fine.

13 CHAIR WILLIAMS: Good.

14 MS. BROWN-SCHWALENBERG: So I appreciate your help.

15 CHAIR WILLIAMS: Thank you. Any other questions or
16 comments for Patty?

17 (No audible response)

18 CHAIR WILLIAMS: Thank you very much. Is there
19 anyone else who wishes to testify in Anchorage? Mr. Patton?

20 MR. PATTON: On that, filling that position, I
21 understand that there are only two Alaska Natives sitting on
22 there now, out of eighteen. We would like to make sure that
23 spot is filled with one of our Natives.

24 CHAIR WILLIAMS: I'm sure that will be one of our
25 goals.

1 Any other questions or comments?

2 (No audible response)

3 CHAIR WILLIAMS: All right. Then this closes the
4 public comment period. Thank you all for testifying. And I'm
5 correct in assuming there's no one else on the line who wishes
6 to testify; is that right?

7 (No audible response)

8 CHAIR WILLIAMS: Thank you very much. The -- we have
9 one of two things we can do now. We can either break for
10 Executive session, or we can go ahead and vote on the policy on
11 habitat acquisition and the Shuyak resolution, since we had
12 discussion on that. Would the Council like to go ahead and
13 vote on Items 8 and 10 and then go into Executive session?

14 (No audible response)

15 CHAIR WILLIAMS: Okay. Let's do that.

16 MR. PENNOYER: Yes. Thank you.

17 CHAIR WILLIAMS: Let's bring up, then, Item 8, which
18 is the policy on habitat acquisition. We did have a thorough
19 discussion of this item, and so I would entertain a motion to
20 adopt the policy on habitat acquisition with the modifications
21 that we discussed. Is there a motion to that effect?

22 MR. PENNOYER: So move.

23 MR. PIPER: Second.

24 CHAIR WILLIAMS: So moved by Mr. Pennoyer; seconded
25 by -- was that Commissioner Rue?

1 COMMISSIONER RUE: No.

2 CHAIR WILLIAMS: Or Mr. Piper, to adopt the policy on
3 habitat acquisition. And, Ms. McCammon, if you can just remind
4 us of the proposed changes that we made in the previous
5 discussion.

6 MS. McCAMMON: The two changes that were made is
7 under the section on title evidence. It removes the word
8 "reasonable" before "compliance" in line 6. And on the second
9 page, in the last section, on Restoration Costs, the next-to-
10 the-last sentence would end,

11 "...should be identified at the time of
12 submission to the Trustee Council for final
13 approval, if known."

14 CHAIR WILLIAMS: Very good. Is there any further
15 discussion or recommended changes?

16 (No audible response)

17 CHAIR WILLIAMS: Hearing none, all those in favor of
18 adopting the policy on habitat acquisitions as modified by
19 those two changes, indicate by saying aye.

20 (Unanimous audible affirmative response)

21 CHAIR WILLIAMS: All opposed?

22 (No audible response)

23 CHAIR WILLIAMS: It passes. Thank you very much.

24 Let us now move to the Shuyak resolution and purchase
25 agreement. As you recall, Mr. Tillery went over the resolution

1 and purchase agreement with care. I will entertain a motion to
2 adopt the Shuyak resolution and purchase agreement as contained
3 in our package, or as passed out this morning.

4 COMMISSIONER RUE: So move.

5 MR. WOLFE: Second it.

6 CHAIR WILLIAMS: It's been moved by Commissioner Rue
7 and seconded by Mr. Wolfe to adopt the Shuyak resolution and
8 purchase agreement as passed out this morning, described by Mr.
9 Tillery. Is there any further discussion of the purchase
10 agreement? Any recommended changes to the resolution or
11 purchase agreement?

12 (No audible response)

13 CHAIR WILLIAMS: All right. Hearing none, all those
14 in favor of adopting the Shuyak resolution and purchase
15 agreement, indicate by saying aye.

16 (Unanimous audible affirmative response)

17 CHAIR WILLIAMS: Opposed?

18 (No audible response)

19 CHAIR WILLIAMS: It is so approved. Very good. Is
20 there any other business that the Council would like to take up
21 before going into Executive session?

22 (No audible response)

23 CHAIR WILLIAMS: Okay. I'll entertain a motion to go
24 into Executive session. Mr. Tillery?

25 MR. TILLERY: Madam Chairman, I would move we go into

1 Executive session for purposes of discussions of the Chenega
2 acquisition and the -- believe we're also going to have to have
3 a brief discussion on one of the small parcel acquisitions,
4 proposed acquisitions, and then the Executive Director
5 evaluation. And I believe that covers -- what's the last.....

6 CHAIR WILLIAMS: Is there some possibility we might
7 talk about any of the other large parcel.....

8 MS. McCAMMON: And other.....

9 CHAIR WILLIAMS:acquisitions?

10 MS. McCAMMON: And other habitat acquisitions.

11 CHAIR WILLIAMS: Yes. I think just to give us
12 flexibility in case we wish to discuss any other matters. Very
13 good.

14 MR. TILLERY: I so move.

15 CHAIR WILLIAMS: It's been moved by Mr. Tillery. Do
16 I hear a second?

17 MR. PENNOYER: Second.

18 CHAIR WILLIAMS: Okay. Moved by Mr. Tillery,
19 seconded by Mr. Pennoyer that we go into Executive session to
20 discuss Chenega acquisitions, small parcel acquisitions, and
21 other large parcel acquisitions as appropriate. All in favor,
22 indicate by saying aye.

23 (Unanimous audible affirmative response)

24 CHAIR WILLIAMS: Opposed?

25 (No audible response)

1 CHAIR WILLIAMS: We will go into Executive session.
2 is it going to be upstairs?

3 MS. McCAMMON: Fourth floor.

4 CHAIR WILLIAMS: Oh, and also -- excuse me. For
5 clarification, also to talk about Ms. McCammon's evaluation.
6 Let -- why don't we have the Trustee Council members meet at 10
7 minutes to 12:00? That'll give us 10 minutes, and I believe
8 lunch will be served.

9 MS. McCAMMON: That's correct.

10 CHAIR WILLIAMS: And what do we estimate? Two hours?
11 Less than two hours? Hour and a half?

12 MS. McCAMMON: Hour and a half.

13 MR. TILLERY: Hour and a half to two hours.

14 MS. McCAMMON: Hour and a half.

15 MR. TILLERY: Two hours, to be safe, I think.

16 MS. McCAMMON: Two, maximum.

17 CHAIR WILLIAMS: Let's estimate that we'll be back in
18 public session sometime between 1:30 and 2:00. That will be
19 our goal. Is that reasonable?

20 MR. PENNOYER: We are going to have to make this
21 quick.

22 CHAIR WILLIAMS: Yes.

23 MR. PENNOYER: Because.....

24 MS. McCAMMON: I think it's going to be quicker
25 than.....

1 CHAIR WILLIAMS: I think -- let's.....

2 MS. McCAMMON: It's.....

3 MR. PENNOYER: I don't think we want it to.....

4 CHAIR WILLIAMS: Between 1:00 and 1:30?

5 MR. PENNOYER: 1:30, yeah.

6 CHAIR WILLIAMS: Okay. Our goal, we'll be back into
7 public session between 1:00 and 1:30. Thank you very much.
8 We'll see you then.

9 (Off record at 11:40 a.m.)

10 (Tape Change - Tape No. 3 of 4)

11 (On record at 1:40 p.m.)

12 CHAIR WILLIAMS: I'd like to call back into order the
13 meeting of the Trustee Council for December 11th, 1995. We
14 have finished our Executive session, and I believe that we are
15 ready to go to Item No. 9 on the agenda, which is Additional
16 Small Parcel Recommendations. Molly?

17 MS. McCAMMON: Madam Chairman, there are three
18 additional parcels that are ready for your action. The
19 appraisals have been completed, reviewed, and approved. These
20 three are KAP 220, KAP 226, and four additional lots at the
21 Ellamar Subdivision in Prince William Sound.

22 KAP 220 is a 56-acre parcel that's owned by Ayakulik
23 Associates. It's second only to the -- the Ayakulik River is
24 second only to the Karluk River for sockeye and chinook salmon
25 production potential. This parcel consists of six lots and an

1 adjacent tract at the mouth of the river. One of the lots
2 contains a collection of four new buildings operated as a sport
3 fishing lodge. Fish and Game maintains a fish weir about a
4 quarter-mile upstream from the mouth of the river.

5 Public ownership of this parcel will protect salmon
6 stocks and the fisheries that depend on them by ensuring
7 continued operation of the weir. Acquisition would also
8 provide public access to the beach so that recreationists can
9 continue to fish, float the river, and camp while waiting to be
10 picked up by air taxi operators.

11 Key habitat and other attributes of this parcel
12 include cultural resources, subsistence fisheries, and
13 recreation/tourism. The appraised value for KAP 220 is
14 \$213,000.

15 KAP 226 is located on the Karluk River just upstream
16 from the head of Karluk Lagoon. The parcel is in a village
17 selection area, excluded from the Refuge. The Karluk River is
18 world renowned for its highly productive fishery resources.

19 Public ownership of the parcel would ensure continued
20 public access to lands along the lower river and lagoon for
21 sport fishing and subsistence use. Acquisition would also
22 allow agencies to protect fish habitat and archaeological sites
23 from damage should the property be developed for commercial
24 purposes in the future.

25 Key habitats and other attributes of this parcel

1 include sockeye salmon, archaeological resources, subsistence,
2 and recreation/tourism. The appraised value of this property
3 is \$146,000.

4 The third parcel is actually the addition of four
5 lots to a core group of lots that were approved at the November
6 20th meeting. Block 10, Lots 1, 2, 3, and 12, and U.S.M.S.
7 556-A in the Ellamar Subdivision. The four sub-parcels are on
8 Virgin Bay about two miles north of Tatitlek. The area is
9 mostly flat, well forested, protected by Bligh and Busby
10 Islands to the west, and surrounded by mountains to the east.

11 Public ownership of these parcels will protect
12 habitat for pink salmon, Pacific herring, intertidal/subtidal
13 organisms, sea otters, and recreation/tourism by preventing
14 further construction on these sub-parcels. Acquisition will
15 also ensure public access to the uplands for camping and
16 preserve the option to enhance public recreational
17 opportunities, for example, by installing mooring buoys or
18 similar facilities.

19 Key habitat and other attributes include pink salmon,
20 herring, intertidal/subtidal organisms, and sea otters, and
21 recreation/tourism. Prince William Sound 17-A, which is Lots 1
22 and 2, Block 10 was appraised at \$26,500. Prince William Sound
23 17-B, Lot 12 in Block 10, was appraised at \$29,000. Prince
24 William Sound 17-C, which is Lot 3 in Block 10, was appraised
25 at \$40,000. And Prince William Sound 17-D, which is referred

1 to as the Central Alaska Mission Tract, was appraised at
2 \$250,000.

3 The recommendation today is to offer to purchase, at
4 appraised value, these lots, which total 88.9 acres, at a total
5 appraised value of \$704,500.

6 CHAIR WILLIAMS: Very good. Are there questions or
7 comments regarding any of these three parcels? Mr. Wolfe? No?

8 MR. WOLFE: No.

9 CHAIR WILLIAMS: With respect to the Ellamar parcels,
10 would someone -- and I don't know, Mr. Tillery, whether you'd
11 like to do this or Ms. McCammon -- would you talk about the
12 intent of the State to achieve contiguity with these parcels
13 and how that will present itself?

14 MR. TILLERY: Thank you, Madam Chairman. The
15 State -- these parcels would be used for a -- set aside as a
16 State marine park; at least that was the current thought.
17 Division of Parks believes that it is necessary that they be
18 contiguous. They're not really interested in having some kind
19 of a split fee where they have fee on two sides of a tract that
20 they don't own or control along the coast here.

21 Currently, we have done that with the Phase 1 of
22 Ellamar, which is Lots 5 through 11 plus 30. Those we passed a
23 resolution ask -- suggesting we buy those as a unit. That is
24 being worked out with the landowner. Even though there are a
25 couple of landowners in the middle, the majority landowner is

1 working that out so that we will be able to get a contiguous
2 parcel.

3 As -- in order to really achieve the restoration
4 values here, we believe that for these Phase 2 tracts, it would
5 be necessary that they also be contiguous to that core tract.
6 And I guess what it would mean by this, there's a map that
7 everyone has on this draft resolution. It would be
8 appropriate -- if we do the Phase 1, if that works, it is
9 appropriate to buy Parcel D. If Parcel D can be acquired as
10 well as Phase 1, then Parcels 1 and 2 become appropriate. But
11 Parcels 1 and 2, we, you know, do not believe would be
12 appropriate to buy unless D can be acquired.

13 Similarly, on the other side, Parcel C, because it
14 connects with the others, is appropriate, but Parcel B only
15 becomes appropriate once we know that we can get Parcel C.

16 I guess in my view that if a motion is made to adopt
17 this resolution, it should be recommended -- or the resolution
18 should probably be modified to specify that these offers are to
19 be contingent upon their being part of a contiguous
20 acquisition.

21 CHAIR WILLIAMS: Very good. Any other additional
22 questions or comments?

23 (No audible response)

24 CHAIR WILLIAMS: Do I hear a motion to adopt the
25 resolution before us, which would seek to purchase KAP 220,

1 KAP 226, and the Ellamar Subdivision parcels as specified in
2 the resolution now, with the modification that Mr. Tillery just
3 described? Do I hear a motion to adopt that resolution?

4 COMMISSIONER RUE: So move.

5 CHAIR WILLIAMS: Is there a second?

6 MR. PENNOYER: Second.

7 CHAIR WILLIAMS: Okay. It's been moved by
8 Commissioner Rue and seconded by Mr. Pennoyer to adopt the
9 resolution in front of us on the three parcels, or two parcels
10 and third grouping of parcels, with the modification as
11 described by Mr. Tillery. Any further discussion on the
12 resolution?

13 (No audible response)

14 CHAIR WILLIAMS: Okay. All in favor, indicate by
15 saying aye.

16 (Unanimous audible affirmative response)

17 CHAIR WILLIAMS: Opposed?

18 (No audible response)

19 CHAIR WILLIAMS: Thank you. Ms. McCammon, I believe
20 that -- well, we have next on the agenda Chenega acquisition.
21 Would either you, Mr. Wolfe, or you, Ms. McCammon, like to say
22 anything about Chenega at this time?

23 MS. MCCAMMON: I think, Madam Chair, at this point,
24 we're not ready to make a formal offer, that there's still work
25 that needs to be done on the new information that was received.

1 It's still not finalized, and we'll just be working on that in
2 the next week to two weeks.

3 CHAIR WILLIAMS: Anything, Mr. Wolfe, you'd like to
4 add?

5 MR. WOLFE: I can't really add. Just we'd like to
6 keep it moving as fast as we can, so we will continue pushing
7 that.

8 CHAIR WILLIAMS: Okay. Any questions or comments
9 from the Trustee Council members on Chenega?

10 (No audible response)

11 CHAIR WILLIAMS: All right. Let's, then, move to the
12 deferred fiscal year '96 Work Plan projects. Ms. McCammon?

13 MS. McCAMMON: Madam Chair, before we took our break
14 earlier, I gave you an overview of where we were with the Work
15 Plan. I think the documents that you have before you, first of
16 all, is a summary spreadsheet that lists what was approved in
17 August, what was deferred until December, the Executive
18 Director's recommendation. This also, at the very head of each
19 of the clusters, indicates the August PAG recommendation, if
20 there was any new comment at this last meeting, and then also
21 what kind of our response was to the PAG comments.

22 So the summary spreadsheet here, and then the more
23 detailed spreadsheet goes through project by project, has an
24 abstract of the project, the Chief Scientist's recommendation,
25 and the Executive Director's recommendation. So we'll be

1 working off of these, going cluster by cluster. And with that,
2 I'll turn it over to Dr. Spies to start with pink salmon.

3 MR. PENNOYER: Could I.....

4 CHAIR WILLIAMS: Yes. Mr. Pennoyer, before.....

5 MR. PENNOYER: Could I say something first?

6 CHAIR WILLIAMS:Dr. Spies speaks?

7 MR. PENNOYER: I think that's a very appropriate way
8 to proceed, and I just want to say that I'm looking at this as
9 the culmination of a lot of experts reviewing these projects.
10 So I'm -- by and large, I don't have questions of the nature
11 of, you know, you take 10 samples or 15 samples type thing.
12 It's not technical at this moment. I think that type of review
13 has been carried out through a series of workshops and
14 discussions in very fine fashion.

15 There may be questions about why this is appropriate
16 and this isn't appropriate, but basically, I'm -- want to
17 commend you on the amount of work you've done on this and want
18 you to understand that I -- it's not -- this is not, to me,
19 technically reviewing the merits of these projects because,
20 basically, I think they've done a wonderful job putting that
21 together. So that is a preamble to going -- explaining them.
22 I think that they've done a lot of good work here.

23 CHAIR WILLIAMS: Any other comments the Council
24 members would like to make before Dr. Spies speaks?

25 (No audible response)

1 CHAIR WILLIAMS: All right. Dr. Spies?

2 DR. SPIES: Thank you, Madam Chairman. I'm pleased
3 to be here to make some technical recommendations to the
4 Trustee Council with regard to the many projects in the '96
5 Work Plan. To do this, as Dr. Pennoyer has pointed out, we've
6 had a long series of workshops through the fall to address
7 various clusters of projects.

8 And those included a meeting on -- to look at the
9 clam restoration project and actually went down to that
10 hatchery and looked at the operations there and brought some
11 experts from outside the state who are very experienced with
12 raising little-neck clams, and went through that. There was a
13 meeting on the octopus project, a very interesting subsistence
14 project that's going on. That was a half-day meeting.

15 We had a -- Dan had a meeting on herring. We had a
16 two-day meeting on pink salmon strain and genetics proposals,
17 which the remaining projects mainly address those particular
18 aspects of the pink salmon project. We had a two-day review of
19 the APEX ecosystem project that we just completed less than a
20 week ago.

21 We had an informal meeting on the various harlequin
22 duck, the principal investigators talking about what could be
23 done there in terms of future coordination and, in particular,
24 in relation to the proposal from the Park Service. And then
25 the DEC, through the efforts of Ernie Piper and Bob Loeffler,

1 organized a shoreline oiling workshop, which we also attended.

2 So there's been a lot of work that's gone on. I'd
3 like to thank all the principal investigators that worked very,
4 very hard to put their presentations together and, in some
5 cases, analyzed their data under very tremendous pressure and
6 time constraints. Also, the Trustee Council staff,
7 particularly Stan Senner, the science liaison, worked very hard
8 to put this all together, as well as the reviewers.

9 So what I'd like to do, then, for each cluster, is to
10 present some of the -- what I -- it's kind of tidbits of really
11 interesting information that are coming out of some of these
12 projects, very briefly, just to give you a taste of what's
13 going on, and then move on to the recommendations. And we can
14 discuss each cluster if that would be satisfactory to you.

15 CHAIR WILLIAMS: Yes.

16 DR. SPIES: First, with pink salmon, let me just talk
17 a little bit about the findings from Project 95-19A and B. As
18 you'll recall, one of the main lingering effects associated
19 with the oil spill, with pink salmon, was the mortality that
20 was consistently greater in oiled streams versus unoiled
21 streams. And what this is, is a plot. You can't see it very
22 well because of the screen, but there's a plot of low water to
23 high water, and these are essentially intertidal spawners. And
24 this is above the intertidal; this is super-tidal part of the
25 streams. And the black circles are the oiled, and the open

1 circles are the unoiled.

2 And we can see that we have greater in 1989, '90,
3 '91, '92, and '93, all significantly greater in all tidal zones
4 of embryo mortality of pink salmon in oiled streams over
5 unoiled streams. Now, '94 and '95 were the first two years
6 where we've had that -- the differences are disappearing.
7 There's no significant difference now between oil mortality
8 rates in oiled and unoiled streams.

9 So I think that is a solid indication of a start of
10 recovery for the species. We'd like to be able to do it for
11 two years for an odd-year line and two years for the even-year
12 line before we conclude that this effect is from the --
13 apparently associated with the spill is gone.

14 In association with that, there has been a laboratory
15 effort at DeNowe Auke Bay Laboratories and National Marine
16 Fisheries Services and has -- they have exposed the young eggs
17 to oil and then raised up the young and released them into the
18 wild and have got fish now returning that were exposed as young
19 eggs to oil. And those fish have -- are now -- have now been
20 spawned, and the egg -- growth of the embryos and the egg
21 mortality and so forth looked at and evaluated. And this is
22 the results of what we call the F-1.

23 These fish have never seen oil themselves, but their
24 parents were exposed to oil. And we do have an effect in the
25 high dose here of -- in the F-1 generation. And the -- kind of

1 the culmination of the experiment is to get into the F-2
2 generation. So the fish that have survived from this group are
3 going to be raised up, released next spring into the ocean;
4 when they come back for F-2, we're going to look at them.

5 MR. PENNOYER: Well, when you say "high dose," it's
6 part per billion. What's the.....

7 DR. SPIES: Well, there's a series of doses of oil
8 given to the gravel, and they measured the amount of pointed or
9 metacardial carbon disorders.

10 MR. PENNOYER: I had more in mind of whether 17.6 was
11 something like being in a sump tank somewhere or whether it's
12 a -- now, there's -- you said it's a high dose. It's high
13 relative to the others, but is it high relative to the.....

14 DR. SPIES: It's a relatively low dose, except that
15 if you can measure -- pH's are very diffi- -- they're very low
16 solubility in water. So this is on the edge of what's been
17 shown (indiscernible) for effects on marine organisms. Ten to
18 twenty parts a billion's about the lowest that have been shown.
19 So these are pretty sensitive animals.

20 MR. PENNOYER: Okay. Thank you.

21 DR. SPIES: We don't know how this corresponds to
22 what was seen in the field yet; we still have to get to that.
23 It's -- could be below this, but, you know, it's in the ball
24 park.

25 MR. SENNER: And, Mr. Pennoyer, that does, as I

1 recall, Bob, was actually close to what the State water quality
2 standard is.

3 DR. SPIES: Right.

4 MR. SENNER: And so there's -- that's not a heck of a
5 lot of oil, but that's what the -- is still considered at the
6 margin of acceptable.....

7 MR. PENNOYER: That's what I was trying -- going
8 back.

9 MR. SENNER:of the State standards. Yeah.

10 DR. SPIES: And to touch briefly on the -- another
11 project, this is the genetic stock identification work on
12 96190, I believe the number is. Lisa See presented some
13 information that came out of their laboratory on genetic stock
14 identification within Prince William Sound. And they analyzed
15 the fish, both with more traditional allozyme analysis, looking
16 at the muscle proteins and also the messenger RNA -- I mean,
17 the mitochondrial DNA -- excuse me -- approach.

18 And what they found was most of the variation was
19 within populations that were samples, a lot of variability
20 within a population. And -- but there were among different
21 regions. I mean, those regions that correspond roughly to the
22 management regions in Prince William Sound, there were
23 significant differences between those regions. We were, in a
24 few cases, one and five, getting upstream from a tidal spawner
25 difference. In other words, the upstream pink salmon were

1 different from the intertidal spawners. And there were
2 temporal differences in run timing in one of the six cases that
3 were looked at between early-run pink salmon and late-run pink
4 salmon to the same stream.

5 The -- in a general way, the mitochondrial DNA
6 work -- and this is -- only shows female inheritance because
7 the mitochondria of the male doesn't contribute anything in the
8 sperm in terms of mitochondrial DNA. So this is mother-to-
9 daughter type inheritance. Showed a similar -- generally
10 similar kind of thing with -- there is some heterogeneity
11 between regions, again. There's significant diversions between
12 tidal and upstream collections where a couple of -- for at
13 least one of the streams, and there also -- the upstream
14 portions of these streams were looked at and show a lot of
15 divergence relative to the tidal portions.

16 So those were some -- I think, some very interesting
17 results coming out of that particular project. In terms of the
18 overall recommendations that have -- that we're suggesting that
19 the -- in general, that the damage assessment projects, which
20 would include 96191A, 96191B, be continued kind of to their
21 logical conclusions.

22 And that would include wrapping up a lot of the
23 detailed genetic work that's going on at the present time, and
24 we think that the haplogenesis or androgenesis approach here
25 that's being taken -- and this is where the eggs are irradiated

1 and then it's fertilized with the sperm, and then what gets
2 expressed is the male component in the egg, and that has a
3 greater chance of seeing kind of the recessive genetic
4 damage -- that that work go on.

5 And the particular work on the -- oh, this is 191A.
6 The particular work on the damaged gene sequences has been
7 carried out very well. We haven't found anything; we're
8 literally kind of looking for a needle in a haystack here. We
9 knew it was a high-risk venture, but we thought it was worth at
10 least a couple of approaches. So the haplogenesis/androgenesis
11 work, we're recommending we do, as the most promising thing, to
12 continue on at this time.

13 The other damage assessment project is -- or
14 projects, was looking more at the damages from the oil, was
15 95076. This was initiated last year. It's looking at the
16 effects of oil on strain in pink salmon. It's also looking at
17 the effects of tag-shedding and strain in general. In '95,
18 there was new data gathered during this project that would
19 indicate that the costs of actually trying to measure some of
20 these things, in terms of field effort, to look at the strain
21 of fish is a little bit more than originally proposed.

22 I think there's some -- there was some question in my
23 mind, and some of the reviewers, whether this was worth
24 continuing on a large scale. The investigators have just, in
25 the last few days, come forward with some recommendations in

1 terms of savings that would be realized since 95076 and 191 are
2 both closely related. And the cost of actually -- and it
3 actually laid out in the review three different cost options
4 there. And we're looking at an overall cost increase of
5 several hundred thousand dollars over the life of the project
6 to really do it correctly, as indicated by the results from
7 '95.

8 So the Executive Director is endorsing continuing on
9 with that particular project. And so, in general, we're
10 talking about continuing what we started in damage assessment,
11 bringing it to a logical conclusion.

12 96093, which is a new proposal from PWSSC but has
13 been revised several times -- that's the Prince William Sound
14 Aquaculture Corporation -- has a couple of very good scientific
15 studies in it, but since the overall orientation of the project
16 has been to look at the possibility of run timing alteration or
17 remote release, through the revisions of the proposal, the
18 Prince William Sound Aquaculture Corporation continues to focus
19 mostly on the run timing aspects of this.

20 And since the whole package is more pointed towards
21 run timing, we feel that this is contrary to State and
22 (indiscernible) policy at the present time, and we're not
23 recommending that we go forward with this particular project.
24 Although they had some good technical aspects in the supporting
25 projects that were reviewed fairly favorably.

1 And 96196, the -- I just showed you some results on
2 the allozyme and mitochondrial DNA work. That's the genetic
3 stock identification project. The first results are just
4 coming in; we need to continue this for at least another year,
5 as originally proposed, and we're recommending that we continue
6 that.

7 And finally, there's one new project that's fairly
8 ambitious and large, 96190, perhaps a little bit controversial
9 in terms of recommendations, but the reviewers were very
10 favorably impressed with it. And this was to build a linkage
11 map with the pink salmon geno. And this is a long-range
12 project; it'll probably take at least seven years to undertake.
13 It ha- -- we -- in our view, it has a very good chance of
14 getting complimentary funding from other sources once it's
15 started. And it is one of those long-term projects that's
16 going to, I think in 10 or 15 years, it's -- we're going to be
17 glad we have the knowledge, if we look forward and that is
18 funded at the present time.

19 Some of the advantages of the pink salmon geno
20 project would include the ability to identify new markers for
21 genetic stock identification, locating genes for disease
22 resistance and growth in pink salmon, so forth. And I think
23 they're also likely to be many, many dividends from this
24 project that we can't really foresee at the present time. But
25 it is a new and fairly substantial commitment. I think we're

1 somewhere in the range of \$200,000 for the first year, as
2 recently been adjusted.

3 So that is the -- well, there is one more project
4 that was looked at, and that was 96194, and that was a proposal
5 by DeNowe Auke Bay Laboratory to examine the existing samples
6 of gravel that were just -- that were taken after the spill by
7 the Response Division of Alaska Department of Fish and Game.
8 The kind of -- the institutional knowledge of the logistics of
9 these things has somehow gotten lost, and it slipped through
10 the cracks, and somebody was about to throw them out. And
11 those samples, we think, will be very, very key to trying to
12 interpret, eventually, this whole picture on pink salmon
13 damage.

14 And so we think that this project ought to be done
15 now, but in order to meet the \$18 million, this is one that
16 we're recommending delaying to -- for a year.

17 So that is the technical aspect of the pink salmon
18 project and our recommendations.

19 CHAIR WILLIAMS: Mr. Pennoyer?

20 MR. PENNOYER: Yeah. Thank you, Bob. But that last
21 one you mentioned could be done next year? It was -- I note it
22 says they're in their freezer. So we should highlight this as
23 something we want to bring up firmly for next year?

24 MS. McCAMMON: Yeah.

25 DR. SPIES: Definitely.

1 MR. PENNOYER: Okay. Thank you.

2 CHAIR WILLIAMS: Any other questions about pink
3 salmon? Any comments? Yes, Mr. Pennoyer?

4 MR. PENNOYER: One other question. The comment from
5 the public was that we were keying more toward research than
6 restoration by disapproving those genetic hatchery related
7 projects. Would you care to elaborate on that distinction?
8 The three we turned down that had genetics to do with hatchery
9 production were called restoration projects on the chart. Now,
10 I'm not sure what the distinction is. And we disapproved
11 those. Well, or you recommend disapproval of those while
12 approving some of the others that have, as you say, long-term
13 implications that might be national in importance.

14 DR. SPIES: Right.

15 MR. PENNOYER: Would you care to comment on the
16 distinction?

17 DR. SPIES: Well, I think somebody was making a
18 distinction between -- you know, talking about the hippocratic
19 oath, and the first principle is to do no harm. And I think
20 the -- what the reviewers are saying in this process is the
21 alteration of run timing and release of large numbers of
22 hatchery fish with altered run timing would -- with what we
23 know now, is a considerable potential for risk there, genetic
24 risk.

25 MR. PENNOYER: To wild stocks?

1 DR. SPIES: Yes, and to the wild stocks. And so that
2 is the basis of that recommendation.

3 MR. PENNOYER: Thank you.

4 CHAIR WILLIAMS: Yes, Ms. McCammon?

5 MS. McCAMMON: Madam Chair, I think the other thing
6 that we have to note here is that the whole SEA program is
7 geared towards pink salmon and herring. And that's been a \$4.6
8 million commitment for the last three years. It will have its
9 first really major review, from two years' worth of results, in
10 January, and I think at that time, we don't really know what
11 restoration potential there is that may come out of that
12 project also.

13 So I think that's still -- when you look at just
14 these projects for pink salmon, this isn't all that the Council
15 is doing for pink salmon. They're also doing a major
16 commitment with the SEA program.

17 DR. SPIES: There's also -- you remember that we've
18 been funding coded-wire tag studies for quite a few years in
19 Prince William Sound. And it's because of those coded --
20 implantation of those coded-wire tags in the fry that we're
21 able to a little close -- the Fish and Game is able to a little
22 closer manage the wild stock runs, and we're getting better
23 fulfilling of the escapement goals in the wild stock streams,
24 and I was just telling, because of that.

25 And they're also sponsoring the otolith mass marking

1 work in Prince William Sound. There's a lot of other things
2 that we're doing for pink salmon that are outside of what's
3 being considered particularly for this package at the time.

4 CHAIR WILLIAMS: Mr. Pennoyer?

5 MR. PENNOYER: I'm sorry.

6 COMMISSIONER RUE: Well, go ahead.

7 CHAIR WILLIAMS: Yes.

8 MR. PENNOYER: As a follow-up, then, but when you did
9 your pink salmon review, you did it with the background of all
10 these other studies and.....

11 MS. McCAMMON: Yes.

12 DR. SPIES: Yeah.

13 MR. PENNOYER: I mean, this is the total. Okay. And
14 the last item I had is -- that's not a criticism. We're glad
15 that you had the new pages, but if you would three-hole-punch
16 these before you give them to us, then I could stick it in the
17 book.

18 MS. McCAMMON: I saw that, too.

19 CHAIR WILLIAMS: Commissioner Rue?

20 COMMISSIONER RUE: And when you do the three-hole
21 punch, make sure you knock out the numbers again so that we can
22 be confused.

23 MR. PENNOYER: That helps, right.

24 COMMISSIONER RUE: Yeah. That way, we're unbiased
25 when we get your notes. I was actually going to get to some of

1 the same questions.

2 When we do the review of the SEA program -- you said
3 that was coming up this year -- we'll be relooking.....

4 MS. McCAMMON: January 19th and 20.

5 COMMISSIONER RUE:at all of these and seeing
6 how some of these things might be combined?

7 MS. McCAMMON: For FY '97, absolutely.

8 COMMISSIONER RUE: Right. Right.

9 MS. McCAMMON: Yeah.

10 COMMISSIONER RUE: Okay. Great. The only other
11 thing I'd say is I really appreciate the work you did to try
12 and force efficiencies and focus on the pink salmon effort. I
13 think it was good, and I think it was -- Mr. Pennoyer knows
14 that our genetics policy is to mimic the local situation. And
15 the reason our -- we had a problem with that one pink salmon
16 study -- is to import an early-run stock, which is what you
17 have to do, from another place into this part of the Sound, is
18 what gave us heartburn.

19 And if we started doing it here, it sort of opens a
20 door that we don't want to open because it's been the downfall,
21 I think, of some of the hatchery programs in the rest of the
22 world, that we've avoided. So that's what -- that was our
23 serious concern with that project.

24 DR. SPIES: Yeah, I think if Fish and Game wanted to
25 move in that direction that we -- I think we might have been a

1 little bit more responsive.

2 COMMISSIONER RUE: Right. But it's a serious issue.

3 CHAIR WILLIAMS: Mr. Tillery?

4 MR. TILLERY: Yes. The -- one of the comments by
5 Thea Thomas and the Public Advisory Group is that we -- it
6 looks like she's suggesting we should be funding 96093B, which,
7 do I understand that your recommendation is that that is
8 actually a very good project, just not now?

9 DR. SPIES: Yes. That's correct. And we think it --
10 and the reviewers looked at it fairly favorable -- favorably,
11 and because it is looking at actual gene flow between
12 strains -- not only -- it goes beyond just the strain between
13 strains, but it looks at putting genetic markers in fish in two
14 streams and looking at how the genetic markers move back and
15 forth. And the reviewers felt that has a lot of technical
16 merit because nothing like that has been done in this area
17 before.

18 MR. TILLERY: And how -- it talks about a significant
19 commitment of funds. How much are they talking about over how
20 long a period of time?

21 DR. SPIES: For 093?

22 MR. TILLERY: B.

23 DR. SPIES: Oh, B. Well, it's difficult to say
24 because the logistics for that were supported in 093C. It was
25 being requested for about a hundred and -- a hundred, a hundred

1 fifty thousand a year for seven years. And -- but the -- that
2 was without the logistics. It would be significant.

3 MR. TILLERY: So it'd be more than that unless you do
4 the other one.

5 DR. SPIES: Yeah.

6 MR. SENNER: Also, Mr. Tillery, the -- part of the
7 concern was there that that project only addressed two streams.
8 And if you really wanted to do that at a scale that would have
9 significant management benefit, you then need to expand it to
10 more than two streams, which then makes it even more expensive
11 than it is presented right now.

12 (Pause)

13 CHAIR WILLIAMS: Any other questions on salmon, pink
14 salmon?

15 (No audible response)

16 CHAIR WILLIAMS: Okay. Oh, yes, Molly?

17 MS. McCAMMON: Madam Chair, there was only one
18 additional comment that I'd like to make to Project 96190, and
19 that's in my recommendation. There's apparently currently some
20 work that's been done at the University of Alaska, Fairbanks,
21 in Juneau. And I would just add a sentence to that saying that
22 the proposers should coordinate efforts -- ongoing efforts
23 currently underway with the University.

24 CHAIR WILLIAMS: Okay. Anything else?

25 (No audible response)

1 CHAIR WILLIAMS: All right. Dr. Spies, herring?

2 DR. SPIES: Does the Council want to move through
3 each package and then come.....

4 MS. McCAMMON: Yeah.

5 DR. SPIES: Okay. The story with the overall state
6 of the resource in Prince William Sound is that it's still
7 depressed and is not showing much evidence of recovery at the
8 '92/'93 crash. This is a run biomass in tons, both anticipated
9 and actual, and you can see that between '92 and '93, we
10 dropped from 120,000 tons to 22,000 tons, and we're in the
11 range still of about 20,000 tons in the last two years. And,
12 of course, the fishery has been closed.

13 We're doing a number of different things to look at
14 herring, both within this package and within the SEA program,
15 which is -- herring's one of the focal species. One of the
16 things that's been done is evaluation. We had some indications
17 of reproductive impairment and -- both at the time of the spill
18 and later on. Some years of -- in '93, after the spill, Dick
19 Kosan, from the University of Washington, did cross some fish
20 from the oiled areas and apparently got some lower reproductive
21 success.

22 And so there was a -- there's a laboratory study, it
23 was follow-up, that was done exposing both the herring eggs
24 directly to oil. And this is some of the results that were
25 generated by Mark Carls of DeNowe Laboratory in Auke Bay in his

1 laboratory experiments. And you can see that, again, we have a
2 series of treatments here, and in the highest treatments, we
3 had reduced hatching, and this was significant. Increased the
4 number of dead eggs, and increased some embryos dying, and not
5 dissimilar to some of the things we're seeing in pink salmon.

6 Now, the work that was followed on in that project
7 with exposing adults first and then looking at and evaluating
8 the eggs that were spawned didn't show any effect. So it's
9 pretty much the direct exposure, seems to be the story here.
10 So I'll get to how that -- what kind of implications that has
11 for the overall program.

12 COMMISSIONER RUE: What was the level of exposure?
13 Was it similar to what we saw in the pink salmon?

14 DR. SPIES: We're down in the less than 50 parts per
15 billion, generally there. Yeah, again. And again, these
16 are -- these compounds are sparingly soluble in seawater,
17 so.....

18 In the herring disease project, 96162, '95 was the
19 first big year that that has been carried out, that the project
20 was -- took a while to get organized and pulled together. But
21 the disease part is a very important part of this whole
22 picture, this disease investigation. And the -- crucial to
23 kind of resolve, was to look at some of the laboratory
24 exposures to resolve some of these questions. And the
25 biohepticemi- -- the bioscepticemia and biohemorrhagic

1 scepticimia -- I always seem to have trouble with that one.

2 (Laughter)

3 MS. McCAMMON: BHS.

4 DR. SPIES: Virus was shown to be transmissible to --
5 isolated from fish from Prince William Sound, exposed to
6 juvenile herring in laboratory. It did infect them; we did get
7 a good rate of mortality in those exposed. And we've also got
8 transmission between individuals. It got kind of a bimodal
9 mortality curve, which strongly suggested kind of transmission,
10 and we saw transmission from infected to non-infected
11 individuals.

12 So all these things tend to keep the hypothesis alive
13 that VHS may have had some role in this population crash. The
14 story is a little bit complex because VHS occurrence now is
15 only about 5 percent of the population and may have decreased
16 since '93; we don't know. But the other organism that has been
17 implicated in this is a fungus called ichthyofonus hoferei, and
18 its incidence has jumped up to about 29 percent in the last two
19 years, from less than 16 in previous years. And however, in
20 the laboratory, the exposure to the fungus has not shown any
21 morbidity, and it's not as easily transmitted as VHS.

22 So we don't understand exactly everything that's
23 going on, but we are getting some -- I think, starting to get
24 some answers here. And we're proposing that 9619 -- 162 be
25 funded next year, to continue on with that multi-year program.

1 Again, with 96074 we saw effects on -- directly on
2 eggs, but when the parents are exposed, that we did not find
3 any effect on the progeny. The investigators and the reviewers
4 agreed that we should close out the herring reproductive work
5 in '96, not do any more field or laboratory work, and simply
6 write up the results. And that's our recommendation.

7 The stock identification work, the contract for that
8 was just let, and that's 96165. And we're recommending that
9 that work, of course, go forward, but we don't have much to
10 report in terms of results yet. But we will probably see some
11 results by February or March on that.

12 Kind of the baseline natal habitat work on spawn
13 deposition, 96166, is continuing to operate fairly successfully
14 in tracking the state of the resource. And we're suggesting
15 that that go on for another year, but we need to think about
16 transferring back to Alaska Department of Fish and Game the
17 management of this resource as kind of a baseline management
18 program of the agency, in our view.

19 And finally, 96164, we've had a little bit of a
20 reversing of our field here. We -- one of the reviewers and I
21 felt last year that since we're sponsoring about a million
22 dollars' worth of herring research, we ought to have somebody,
23 put them in charge of the whole package to look at it. And
24 conversations with Fish and Game and kind of the way the
25 program's running, we think it's running reasonably well

1 without leadership. And also, it's apparent that Fish and Game
2 is not going to be able to take on this program after the
3 Trustee Council has sponsored it.

4 So we don't see the sense of just doing this for a
5 yea or two and then having to drop it. So we're reversing our
6 field here and asking not to fund the herring leadership.

7 CHAIR WILLIAMS: Yes, Mr. Pennoyer?

8 MR. PENNOYER: Thank you, Madam Chair. Well, first,
9 Stan, my detailed project description jumps from page 7 to
10 page 10, which is why I was having trouble finding the herring
11 disease project.

12 MR. SENNER: You've got a great packet there.....

13 MS. McCAMMON: Yeah.

14 MR. SENNER:I'm afraid.

15 MS. McCAMMON: Why don't I just give you mine?

16 MR. SENNER: Take mine.

17 MR. PENNOYER: But in terms of the.....

18 MS. McCAMMON: Do we have any extras?

19 MR. PENNOYER:herring disease project.....

20 MS. McCAMMON: Do we have any extras in the audience?

21 MR. PENNOYER:what -- relative to restoration
22 results -- now, I can see genetics projects or even spawn
23 deposition that might lead to forecasts and better management.
24 How does this lead to better management, or how does that --
25 what is the role played.....

1 DR. SPIES: Yeah, we discussed this.....

2 MR. PENNOYER:by the herring disease project?

3 DR. SPIES:somewhat, and it was thought that
4 the -- there might be implications for the results of this in
5 the pound fishery for herring in that fish are often under
6 fairly high levels of stress, and there's a chance for
7 transmission of disease.

8 Now, whether the results of this project would
9 actually ever alter the way that fishery is carried out,
10 whether the information is certain enough to make those kind of
11 judgments, we're not sure. But there is that -- there is, I
12 think, that potential management benefit from the project.

13 But you are right. It is essentially trying to
14 reconstruct what happened, and there was a bit of a panic in
15 this whole process back in '93 when the fishery went out and it
16 hasn't recovered. And so there is some interest in trying to
17 understand what happened. And that's really where this whole
18 project's headed.

19 MR. PENNOYER: So this might lead to better forecasts
20 for management, then, or something like that?

21 (Pause)

22 DR. SPIES: I couldn't say that it would lead
23 necessarily to better forecasts. It could lead to a better
24 understanding of how these populations might cycle relative to
25 the role of disease. And that would have maybe some

1 implications for the future.

2 CHAIR WILLIAMS: Mr. Pennoyer?

3 MR. PENNOYER: Last comment. I noticed that this
4 project is predicted to be funded at about a half-million a
5 year through '98. And that is also essential to.....

6 DR. SPIES: If we're going to do the project
7 correctly, I was quite concerned about the cost of this, too,
8 and really got in with this one and tried to look at the
9 figures and what was being done. And essentially, if you're
10 going to do it correctly, it does need the level of support
11 that is indicated in the Work Plan. Otherwise, you probably
12 shouldn't have started it last year. So it is, in a sense, a
13 multi-year commitment to do it correctly.

14 COMMISSIONER RUE: I don't think I have it. Which
15 one is this again?

16 MR. PENNOYER: 162. 96162.

17 COMMISSIONER RUE: What page?

18 MR. PENNOYER: Page 8.

19 (Side comments)

20 MS. McCAMMON: You may be missing page 8 also.

21 COMMISSIONER RUE: Page 8.

22 MR. PENNOYER: Yeah, I couldn't find it in my
23 package.

24 (Pause)

25 CHAIR WILLIAMS: Any other questions or comments

1 regarding herring? Mr. Tillery?

2 MR. TILLERY: On 96166 -- maybe I missed this --
3 which seems to be dependent on the Department of Fish and Game
4 taking it over, is there such a commitment?

5 COMMISSIONER RUE: Which one is this now?

6 MR. TILLERY: 96166.

7 DR. SPIES: Herring spawn deposition. We're
8 recommending one more year of support for that with ADF&G.

9 COMMISSIONER RUE: Yeah. We may not take it on the
10 same level of sophistication. We may use different techniques
11 to assess the biomass out there. We may not do spawn
12 deposition.

13 DR. SPIES: There's a number of different techniques
14 that are being used now. The aerial surveys of the -- extent
15 of melt, there's these spawn deposition surveys. There's an
16 acoustic program that's going on. There may also be coming
17 some work out of SEA relative to looking at the abundance of
18 juveniles in shallow water.

19 MR. TILLERY: Okay. I guess my point is, your
20 recommendation is one more year of support, provided there's an
21 explicit plan developed for transfer of the program back to
22 ADF&G. Is there an explicit plan? Without it, it would seem
23 like we shouldn't do this. Is that right?

24 COMMISSIONER RUE: If an explicit plan means yes,
25 we'll be doing herring assessment, but we may be using a

1 different technique. We may not be doing spawn deposition to
2 assess the -- Molly, you want to add to that?

3 MS. McCAMMON: Well, Madam Chair, when we have a
4 contingency like this, what happens is that through our -- the
5 rest of our process, there has to be NEPA compliance and a
6 final review of the detailed project description and a final
7 review of the budget. And one of the final things would be
8 getting from the Department some kind of a description of their
9 plan for that transfer. So that wouldn't -- something like
10 that would occur.

11 MR. TILLERY: So you menti- -- then this would be one
12 of those that we would approve contingent upon there being.....

13 COMMISSIONER RUE: Us having a.....

14 MR. TILLERY:an explicit plan for transfer.

15 COMMISSIONER RUE: Right.

16 MR. TILLERY: Is that.....

17 CHAIR WILLIAMS: Yes. Is that agreeable to everyone?

18 COMMISSIONER RUE: Right. But it's not a commitment
19 to do the same level of.....

20 MS. McCAMMON: Right.

21 COMMISSIONER RUE:analysis that's being paid
22 for here.

23 MR. TILLERY: But something that makes sense to Dr.
24 Spies and.....

25 COMMISSIONER RUE: Right.

1 MS. McCAMMON: Mm hmm (affirmative).

2 COMMISSIONER RUE: Right.

3 MR. TILLERY:to the Executive Director.

4 COMMISSIONER RUE: It's going to be a less rigorous
5 analysis technique. Okay?

6 DR. SPIES: I think that.....

7 COMMISSIONER RUE: I want to make it clear. I'm
8 not.....

9 DR. SPIES: I think that the detailed program that
10 was done under Trustee Council funding for the last several
11 years is going to be useful in evaluating the.....

12 COMMISSIONER RUE: Right.

13 DR. SPIES:the role of various kinds of
14 forecasting tools. So I think there will be some benefit; it
15 won't be lost.

16 CHAIR WILLIAMS: Mr. Pennoyer?

17 MR. PENNOYER: Yeah, just back on the disease project
18 again. I hate to come back to that one too often, but you said
19 we have to do it for at least two additional years to have
20 resul- -- why? We've got to wait until the disease goes away
21 and see if it rebounds, or what is the purpose for having to
22 wait?

23 DR. SPIES: Well, it's a study that has both field
24 components and laboratory components.

25 MR. PENNOYER: Okay.

1 DR. SPIES: The field monitoring of the occurrence
2 and incidence of these two diseases in the population is
3 important to do, I think, until the fishery recovers, and then
4 we've got a series of laboratory experiments that are raising
5 up disease-free fish, exposing them to the pathogens, and
6 trying to look at Cook's postulates, which are kind of needed
7 to do this rigorously to kind of pinpoint the cause of these
8 things in terms of the organisms (indiscernible). And those
9 will take a couple of years to complete.

10 MR. PENNOYER: Madam Chair?

11 CHAIR WILLIAMS: Mr. Pennoyer?

12 MR. PENNOYER: I'm still a little concerned with the
13 applicability to restoration. So if -- I mean, we got this;
14 you've recommended approval. As we go ahead, though, in the
15 evaluation, maybe we look at one which we're getting something
16 out of it and how it might be applied and what we're going to
17 do with it when we get it. So before we have two more years --
18 this comes along the line you mentioned earlier about we've
19 bought off on certain projects, and if you continued them.
20 Well, I think this one still needs to be looked at in terms of
21 whether we continue, depending on where we're getting.

22 MS. McCAMMON: Madam Chair, it's my understanding
23 that the whole purpose of this project is to determine what
24 kind of -- what the role of disease is in the crash of the
25 herring population. And there is a strong indication, at least

1 from the initial results, that the stress brought upon by the
2 oil spill increased the rate of disease and the amount of
3 disease, which result -- then ended up resulting in the crash
4 of the population.

5 So I think this, in some ways, is a -- is almost a
6 damage assessment type -- or at least trying to discover what
7 the cause of the.....

8 MR. PENNOYER: Okay.

9 MS. McCAMMON:damage was, type of project.

10 CHAIR WILLIAMS: Mr. Pennoyer?

11 MR. PENNOYER: But then that requires also drawing a
12 link between the disease and the oil-induced stress, and I'm
13 not clear.....

14 MS. McCAMMON: What do we do after that?

15 MR. PENNOYER:that we've shown we're going to
16 get there. So I just -- whatever.

17 DR. SPIES: It's not entirely certain to me that
18 we're going to have this story completely sewn up, but I think
19 we're going to make a lot of progress. Even some of the
20 results from the Auke Bay Laboratory have shown that herring
21 exposed -- in their reproductive work, they.....

22 MR. PENNOYER: Right.

23 DR. SPIES:had adult herring, and they looked
24 at disease incidents of VHS in those oil-exposed herring, and
25 they got a dose-response relationship. So it is being

1 expressed in the laboratory in relation to oil. I was quite
2 surprised; I've been kind of skeptical about this one. And
3 then when Dick Kosan did this work showing how it can be
4 transmitted and it causes mortality by itself in disease-
5 free -- it sounds like the idea is kind of holding together.
6 I'm a lot less skeptical than I was at the beginning.

7 But you are right; it is mainly damage assessment,
8 with some small potential for management of spills along the
9 line.

10 MS. McCAMMON: Joe Sullivan from Fish and Game.

11 CHAIR WILLIAMS: Joe?

12 MS. McCAMMON: I want to ask him.

13 MR. SULLIVAN: There's a couple of other interesting
14 things you need to be aware of. The -- one of the reasons Dick
15 Kosan was able to get as far as he could already -- and he did
16 get farther than I thought he would by now with VHS -- is that
17 that's essentially an acute disease. The problem with
18 ichthyofonus is not that it isn't just as deadly as VHS, but
19 it's a chronic disease. And so it takes a long, long time to
20 kill things.

21 And I know you're aware of BKD, for example, in
22 salmon. Real bad disease, but it takes forever to kill the
23 fish, but it will kill the fish. Our researchers think that
24 that is indeed what can be -- ichthyofonus may be doing as well
25 here. On the East Coast, ichthyofonus has had a major

1 documented impact on herring stocks there. Here we've got two
2 pathogens to worry about, and how they interface and how they
3 both relate to what's going on, is a little tough to find out.

4 One scenario that one of our researchers is looking
5 at -- and I don't -- and I'm not saying this is the way it is,
6 but this is one of the thing he's hypothesizing -- is that they
7 have the portion of fish that you see with ichthyofonus one
8 year may help account for that portion that's missing the next
9 year because if it -- if within a -- if a fish that's infected
10 this time this year is dead within a year, then that may help
11 account for the.....

12 MR. PENNOYER: So, Madam Chair?

13 MR. SULLIVAN: So there's some predictive value, is
14 what I'm saying.

15 MR. PENNOYER: Yeah, so there might be pre-.....

16 MR. SULLIVAN: Potentially. But we're not there yet.

17 MR. PENNOYER: Okay. All right. Thank you.

18 CHAIR WILLIAMS: Commissioner Rue?

19 COMMISSIONER RUE: Yeah. I have one other question;
20 this might be for Ernie. Are we seeing any beaches with
21 residual oiling that approach the levels of oil that we saw in
22 some of these experimental situations? In other words, could
23 we have continuing contamination anywhere, particularly where
24 herring might be spawning or attempting to spawn?

25 MR. PIPER: I can't give you a definite answer to it,

1 but I would doubt it. I mean, the -- for the most part, the
2 oil that's anywhere where it's a -- would be available normally
3 is so weathered and so degraded that it's not.....

4 COMMISSIONER RUE: You're not seeing any then.

5 MR. PIPER:it's not likely to reach those.....

6 DR. SPIES: Yeah, these water-soluble.....

7 COMMISSIONER RUE: Yeah.

8 DR. SPIES:fractions are mainly with fresh oil,
9 and so the toxic components are the (indiscernible) aromatics,
10 and those are generally.....

11 MR. PIPER: They're gone.

12 DR. SPIES:evaporated very quickly. So.....

13 MR. PIPER: Even on some of those protected beaches.

14 DR. SPIES:probably not. Even if it were, it's
15 fairly local and liable to be dispersed. I sound like a
16 representative from industry now, but it's fairly well
17 dispersed fairly quickly from these sources.

18 MR. PIPER: Right.

19 CHAIR WILLIAMS: Any other questions regarding
20 herring?

21 (No audible response)

22 CHAIR WILLIAMS: All right. Now, I note it is 2:30,
23 and.....

24 MR. PENNOYER: I'm sorry.

25 CHAIR WILLIAMS: No, no, no, no. I'm just looking.

1 I think, in some respects, going over, with some detail, pink
2 salmon and herring was very important.

3 Does the Council wish to go over the other resource
4 service clusters with the same level of detail at this time?
5 Or -- yes, Mr. Pennoyer?

6 MR. PENNOYER: I was the one with the time bind. I
7 guess if Dr. Spies put his little summary up there and could go
8 through them, and if we didn't need it, we wouldn't ask
9 questions, it wouldn't take so long. So.....

10 CHAIR WILLIAMS: That's.....

11 MR. PENNOYER:maybe I'll shut up, is what I'm
12 saying.

13 (Laughter, side comments)

14 CHAIR WILLIAMS: Okay. Very good.

15 DR. SPIES: Well, perhaps it was a mistake to try to
16 give you some of the technical results. I was trying to just
17 give you a taste, but I guess it sometimes opens more doors
18 than it closes.

19 CHAIR WILLIAMS: Well, I do think it was appropriate
20 to go over with that care on pink salmon and herring,
21 particularly because the Executive Director's recommendation is
22 different than the number of projects we deferred. Some of
23 these other ones, like cut-throat and marine mammals, your
24 recommendation is the same as that which we deferred, so we
25 probably, since we went over the projects before, don't need to

1 go over them with that much detail.

2 Molly?

3 MS. McCAMMON: Madam Chair, I just -- I think I
4 recommended mainly just sockeye and APEX.

5 CHAIR WILLIAMS: Yes.

6 MS. McCAMMON: Was the major review of the APEX
7 program, and then there's some major changes in.....

8 MR. PENNOYER: That'd be great.

9 MS. McCAMMON:the sockeye program.

10 MR. PENNOYER: Okay. Thank you.

11 CHAIR WILLIAMS: Good.

12 MS. McCAMMON: Otherwise, I think we can go through
13 it.....

14 CHAIR WILLIAMS: Good.

15 MS. McCAMMON:pretty quickly.

16 CHAIR WILLIAMS: Let's do that.

17 DR. SPIES: Just to bring your attention, then, to
18 SEA related proposals, there is one, 96195, looking at
19 pristine, and we are recommending pristine as a monitoring
20 tool, and we are recommending that the proposal be funded.

21 As I understand your comments, just a few technical
22 comments on the sockeye and the APEX programs.

23 This is a fairly remarkable graph that was shown by
24 Danny Schmidt in the sockeye salmon review. He's been looking
25 through the data that's been collected in the limnological

1 studies from Skilak Lake. And what this represents is a -- the
2 data from 1984 through 1995, looking essentially at a fall fry
3 per spawner -- this is essentially egg survival -- versus the
4 spring clock's biomass.

5 What happens is that the ice in Skilak Lake melts in
6 April or so, and before the summer bloom, there are fry that
7 are coming up and need things to feed on. And what they have
8 to feed on, essentially, is the carry-over in this lake system
9 of these little cupa pods from the year before. And we're
10 getting a very nice relationship that accounts for about
11 95 percent of the variance here between the amount of the
12 zooplanktons around at the time the fry come out and,
13 eventually, the survival of the fry.

14 And this may well explain these five-year cycles that
15 go on in sockeye salmon lakes. This is a glacier lake; it's
16 liable to be a little bit different than the clearwater systems
17 that have other kinds of zooplankton. A kind of remarkable
18 find, I think, and the -- something that is just very
19 preliminary but very promising.

20 As far as the sockeye salmon recommendations are
21 concerned, with relationship to 96255, I think that the Exxon
22 Valdez Trustee Council funding which has supported genetic
23 stock identification work and hydrocoustic work has essentially
24 developed a couple of tools in those two that are being applied
25 very, very practically and has improved the management of the

1 stocks in upper Cook Inlet. That includes the Kenai River
2 stock that we're concerned about, and the stocks in Kodiak as
3 well.

4 And these tools are essentially almost fully
5 developed now. The GSI, which was only used in '94 to a kind
6 of marginal degree, is now used in a major way in '95 to help
7 manage the fishery. The hydroacoustic sampling was the key in
8 reopening a fishery after closure and was very accurate in its
9 predictions based on some other fisheries data. So I think
10 that it -- we've done our job here, essentially, and we're
11 really recommending that we use '96 to transition this program
12 back to the Department of Fish and Game in '97.

13 95258, which is the limnological aspects of both in
14 the Kenai system and in some of the Kodiak systems, I just
15 showed you some data from that that indicates a very
16 interesting relationship. And we're suggesting that this next
17 year be used essentially to do some more data analysis.

18 We're suggesting kind of deleting and not funding any
19 of the Kodiak Island work any longer at Red and Akalura or
20 lakes of secondary production systems. In terms of the
21 zooplankton has returned to normal, there are some problems
22 with depressed fry production in Red Lake, but the -- it is the
23 considered opinion of the reviewers here that that is unrelated
24 to the spill. And so that's our recommendations for 258.

25 96048 is a proposal by the Natural Resource Company

1 in Seattle, and it's essentially looking at the growth of adult
2 sockeye salmon in a number of different systems based on
3 measurements of scales. And we think that this will provide
4 some interesting information on over-escapement in the Chignik
5 Lake systems and also some of the other system -- complimentary
6 data for some of the other systems that have been studied in
7 the last five years. And we're recommending that that proposal
8 be funded.

9 And finally, we're recommending continued funding of
10 the Coghill Lake fertilization. There is some concern about
11 the effects of the pretty small plants made in '95 by PWSSC and
12 the ability for us now to look at the relationship clearly
13 between fertilization and secondary production in that system.
14 And we need to have further discussion, objectives, and methods
15 of monitoring the program there. So that is the sockeye salmon
16 proposal package. Is there any.....

17 CHAIR WILLIAMS: Mr. Pennoyer can't help himself
18 (laugh).

19 MR. PENNOYER: Although I promised, I've got to ask
20 just one question. In a previous project, we talked about the
21 transition being somehow documented. And I don't -- I know the
22 long-term desire to develop a good stock separation methodology
23 in Cook Inlet and the fact that, now that we've got it, it's
24 very probably it's going to be used. But I think we're just
25 going to follow with interest how that occurs. So tell Frank

1 if we can just get updates periodically on how that
2 transition's occurring so we can see what good our money did in
3 benefitting management.

4 COMMISSIONER RUE: Yeah. I think it's my
5 understanding that the transition will be -- it'll end next
6 year, and then we'll use it as a tool.

7 MR. PENNOYER: Yeah. I mean to say.....

8 COMMISSIONER RUE: Be happy.....

9 MR. PENNOYER:remain interested in.....

10 COMMISSIONER RUE:to come in.

11 MR. PENNOYER:getting reports on how it's
12 doing.....

13 COMMISSIONER RUE: All right.

14 MR. PENNOYER: 'cause it's.....

15 COMMISSIONER RUE: Okay.

16 MR. PENNOYER:it sounds great.

17 COMMISSIONER RUE: Okay.

18 MR. PENNOYER: Thank you.

19 CHAIR WILLIAMS: Very good. Any other questions or
20 comments on sockeye?

21 (No audible response)

22 CHAIR WILLIAMS: All right. APEX?

23 DR. SPIES: Okay. The last big package here I think
24 that deserves a little bit of discussion is the results of
25 the -- and the proposals for the APEX program and the seabirds/

1 forage fish package in general for next year. Before I get to
2 the bottom line here, let me just -- I think there's been some
3 concern expressed, or some -- maybe a little bit of confusion
4 as to these various ecosystem programs that we've initiated in
5 the last several years and how they relate to one another, and
6 what kinds of questions are they trying to answer, and do they
7 overlap and are we realizing (inaudible) efficiencies.

8 I won't go through this diagram in a lot of detail,
9 but this is my attempt to try to conceptualize some of the
10 relationships here. And it's just one perspective on the
11 system, but we've got essentially three projects here. The
12 near-shore vertebrate predator project, which is looking at the
13 questions about the effects of residual oil in the near-shore
14 area, and toxicity and exposure, and what is actually
15 constraining the populations of river otters, sea otters,
16 harlequin ducks, and pigeon guillemots. So that is focused on
17 this near-shore area.

18 The big and first program that we got going is the
19 Sound ecosystem assessment in Prince William Sound, and that is
20 looking at pink salmon and herring production and the
21 relationship between predation and production, and the role
22 that physical forcing may be having from year to year in
23 changing these relationships. And I've tried to diagram, you
24 know, the fact that it's dealing mainly with the water column,
25 food chains, phytoplankton, zooplankton, and anecton, and their

1 relationship to the fish and some of the complex interactions
2 between the various species of fish, both juvenile and adults,
3 that may occur here. Provide some kind of a predation refuge,
4 and the system then oscillates depending on what the climate's
5 doing in terms of currents and other kinds of physical forcing.

6 And APEX is closely related to that in that it is
7 looking at the -- at a top-down, from the birds' point of view,
8 on what this system looks like and what these -- what this fish
9 part of the food web and the things that they depend on, and
10 anectons, such as ufos, entados, how those things are
11 interrelated, both in terms of the availability of food to
12 forage on and the quality of the food that is available to
13 them.

14 So I hope that that kind of relationship is useful to
15 us as we'd think about what sort of things we need to do in the
16 future of these programs and how they may be related to one
17 another.

18 We've carried out a very interesting review of the
19 APEX program. And I -- just let me show you one bit of data
20 here that I think that is extremely interesting. There was a
21 series of trawls taken in the Gulf of Alaska by National Marine
22 Fisheries Service starting in the early '70, and the data has
23 not been looked at. The APEX had a part of it that was looking
24 at the historical perspective here.

25 And what we have here is a plot of the composition of

1 those trawls. From 1972 to 1992, that includes crustaceans,
2 mainly shrimp here, that dove in '78 and then gadids fish, and
3 this include the pollock and then the flatfish. And what we
4 see is a tremendous change here in about 1979 -- 1978/1979,
5 where the shrimp are crashing like made. The -- we see a
6 build-up in flatfish subsequent to that date, and then a
7 tremendous dominance in the pollock fishery.

8 And we think that this kind of relationship, I think,
9 is very important, looking at the state of that ecosystem out
10 there and what it's doing. Interestingly enough, the North
11 Atlantic, one of our reviewers has been involved in the cod
12 fisheries out -- problems on -- off of the -- off Newfoundland,
13 where they've had a crash in cod populations, and they're
14 seeing now tremendous catches of shrimp. So it seems to be
15 doing kind of the opposite thing to what's happening here.

16 So I think that's the kind of perspective that we can
17 get from these sort of ecosystem projects. And I think that's
18 extremely valuable information to have about what this
19 ecosystem's doing.

20 So as far as the APEX project itself, 96163, it was
21 undertaken in a pilot mode this year, and very remarkable
22 progress was achieved, in our view. And we're beginning to
23 have links established between seabird productivity and
24 reproduction in the forage fish populations in this spill
25 areas, particularly in the Gulf Alaska. The inter-colony

1 comparisons have provided evidence of food limitation to
2 seabird colonies.

3 I've just mentioned the historical trawl data and the
4 value of this. We essentially recommend funding this project
5 in 1996 with a revised detailed project description as a result
6 of the review. And we intend to have another short round of
7 review in January to kind of focus in on what they should be
8 doing next year. They just did a remarkable job in getting out
9 of the field and getting some data analyzed in time for the
10 review.

11 Moving on to a couple of the other projects here, the
12 tufted puffin work, 96031, we've got some unexplained -- very
13 good results, but some unexplained mortality following
14 implantation of the satellite transmitters. And we're
15 suggesting that really need -- and our investigator agrees,
16 that we really need to get into the laboratory and make some
17 observations, and that's really a bit beyond what I think the
18 Trustee Council.....

19 MR. SENNER: That one's 021, Bob, instead of 31.

20 DR. SPIES: 021? Okay. Sorry.

21 MR. SENNER: Yeah.

22 DR. SPIES: Yeah, 021. Sorry. And let's see.

23 (Pause)

24 DR. SPIES: As with the marbled murrelet project --
25 what's the number of that one?

1 MR. SENNER: That's 031.

2 DR. SPIES: 031, okay. The number was in the wrong
3 place. We did have successful application of monitoring
4 technique that relates to the early summer abundances of
5 fledgling marbled murrelets to the adults late in the season.
6 And they had requested an additional \$50,000 for secondary
7 field work. We're essentially recommending \$10,000 to
8 integrate this project with the APEX project and maybe go back
9 out in the field in '97 and redo this -- that particular
10 monitoring technique.

11 There's also money being asked for a seabird
12 restoration symposium, help in publication costs of \$22,000.
13 We're recommending that that go forward; I think it's a
14 valuable contribution to the literature. Pulled together
15 something that was not previously available in that subject
16 area.

17 And 96144 was the murre colony proposal, for starting
18 another round of murre colony monitoring in the Gulf of Alaska.
19 We think it may be a little bit premature, but there is a
20 component of APEX that's currently out in the Barren Islands
21 doing seabird productivity work, and we're recommending that
22 the -- at least on the Barren Islands, that this monitoring
23 project be carried out for next year.

24 So that is the forage fish/seabird package.

25 CHAIR WILLIAMS: Very good. Questions or comments on

1 forage fish?

2 (No audible response)

3 CHAIR WILLIAMS: All right. Are there any other
4 resources or service clusters that the Trustee Council would
5 like an overview on?

6 I'd like one on subsistence, and I don't know, Dr.
7 Spies, if you would like to do that or Molly?

8 MS. McCAMMON: Do you want me to do it, Bob? Or
9 you?

10 DR. SPIES: Let's see. I can start it.

11 MS. McCAMMON: Okay.

12 DR. SPIES: If you want me to.

13 MS. McCAMMON: Why don't you go ahead.

14 DR. SPIES: Okay.

15 (Pause)

16 DR. SPIES: There's a number of subsistence projects
17 that are up for consideration. 96009D, which was the
18 preliminary work on looking at octopus in Prince William Sound
19 last year. David Shields, of Prince William Sound Science
20 Center, did this, a very favorable review. He did a very
21 careful job of looking for octopus, intertidally and
22 subtidally. We think that the further work is needed to
23 realize the full benefits of this project, and we're
24 recommending another year of funding in '96.

25 96212, which was the paralytic shellfish poisoning

1 request for monitoring PSP in shellfish beds in the Kodiak
2 Island area because of the recent problems we've had with PSP.
3 We thought that the -- there was some merit in the proposal.
4 There's also some -- still some questions about how the
5 technique would be able to actually produce usable results
6 quickly.

7 And the main problem we found with it was more of a
8 policy problem, that there seems to be no agency that's really
9 willing to assume the funding of this beyond Trustee Council
10 development. And I'm not sure the Trustees want to be funding
11 this work forever, so there's some promise in the future there
12 perhaps, but right now, we don't think it's something we want
13 to necessarily get involved in.

14 And the Chenega Bay/Anderson Creek salmon
15 restoration, the revised proposal has addressed concerns about
16 the stocks of native species and wild and pink salmon in this
17 area. We're recommending funding in '96. I think it's
18 \$16,000.

19 And then finally, the Solf and Columbia Lakes
20 proposal by the Forest Service. We think there's reasonable
21 prospects for establishing successful self-sustained sockeye
22 runs. And at least Solf Lake, that used to have a sockeye run,
23 that's on the northern end of Knight Island, and perhaps
24 Columbia Lakes, which is a -- recently there's been some shift
25 in the glaciers there. It's made it perhaps more accessible to

1 sockeye salmon; they apparently haven't colonized it yet. We
2 don't know how good the food base is in Columbia Lakes; it
3 probably it pretty good in Solf Lake.

4 We recommended fuzzing (sic) -- funding a feasibility
5 study in '96, which would go out and do -- gather some
6 limnological data, look at the fish ladder at Solf Lakes, make
7 sure it's in good repair and can be unblocked and opened up for
8 use. And I think there's some environmental assessment work
9 perhaps that needs to be done there as well.

10 CHAIR WILLIAMS: Okay. Ms. McCammon.....

11 DR. SPIES: I don't know if there are any other.....

12 CHAIR WILLIAMS:anything you'd like to add?

13 DR. SPIES:other ones in the subsistence
14 package that we need to talk about.

15 MS. McCAMMON: Yeah, Madam Chairman, the only thing
16 I'd like to note is that in FY '95, I believe the Council
17 funded approximately a million dollars of subsistence projects.
18 And this year, in spite of bringing the total Work Plan down,
19 the total funding for subsistence is going up.

20 Primarily, the projects that did not go forward due
21 to technical concerns, other than the PSP project, were
22 aquaculture enhancement type projects from the Kodiak region.
23 And one of our plans this winter, through the Community
24 Involvement Project, is to go out -- we haven't done individual
25 meetings in the communities of Kodiak for -- since the major

1 Work Plan -- or Restoration Plan efforts several years ago. So
2 we plan to go out there in February or March and meet with
3 those communities and see if there are other projects that
4 might be worthwhile there.

5 CHAIR WILLIAMS: Good. Mr. Pennoyer?

6 MR. PENNOYER: Yeah, thank you, Madam Chair. The
7 only -- maybe I missed it. I didn't hear you -- did you talk
8 about 131, the clam project?

9 CHAIR WILLIAMS: Mm hmm (affirmative).

10 MR. PENNOYER: Was that in your -- okay, fine. I
11 ju- -- I -- that was the -- your topic of discussion, I think.
12 Okay.

13 CHAIR WILLIAMS: Any other projects or clusters or
14 resources? Yes, Mr. Tillery?

15 MR. TILLERY: There was some comment in our packet
16 about the landowner assistance program. And at the Public
17 Advisory Group, I had the impression you were going to try to
18 meet with some of those people.

19 MS. McCAMMON: That's correct, Madam Chair. On
20 Friday I met with John Sturgeon of Koncor on -- specifically on
21 the landowner assistance project. I think we both agreed that
22 somehow, the project as its been designed in the past isn't
23 quite meeting the mark. He had a number of good ideas that
24 some of my staff are going to be pursuing.

25 These are things I need to discuss with Fish and Game

1 and the Forest Service before we go forward, but I think
2 there's a different approach of taking this kind of effort, and
3 we'll be pursuing that in the next few months.

4 CHAIR WILLIAMS: Okay.

5 MR. WOLFE: Madam Chair?

6 CHAIR WILLIAMS: Yes, Mr. Wolfe.

7 MR. WOLFE: Does this mean we won't be doing anything
8 in this area at this point in time then? Or other than just
9 exploring a different way of doing the project? I'm not sure I
10 understand what you're.....

11 MS. McCAMMON: Well, the recommendation.....

12 MR. WOLFE:trying to do.

13 MS. McCAMMON:is to have this project not.....

14 COMMISSIONER RUE: Not do it.

15 MS. McCAMMON:go forward.

16 COMMISSIONER RUE: For now.

17 MS. McCAMMON: There are some specific targeted
18 projects that Koncor would like to see come before the Council
19 in the future, and we'll actually be working with them as to
20 trying to get those specific.....

21 MR. WOLFE: Madam Chair?

22 CHAIR WILLIAMS: Yes, Mr. Wolfe?

23 MR. WOLFE: There were a number of public comments
24 dealing with this project, and supporting this project. And I
25 believe, if my count is right, it was 6 out of 22 who supported

1 this, which is a pretty -- I think a strong indication that
2 there's more than just Koncor that's interested in this
3 project.

4 I don't mind deferring the funding for a period of
5 time, but I would like to keep it on the table such that when
6 we've had a chance to explore some of these other activities,
7 or other sources of concerns or ways to approach this, that we
8 can bring it back on the table at a later date because I think
9 there is an interest, and we definitely have. We, the
10 Departments of Agriculture, Forest Service, have an interest in
11 pursuing this because I see this as probably one of the best
12 ways we have of getting at some of the resources on the ground,
13 or habitats on the ground, without necessarily having to buy
14 the land to do something to help the injured resources.

15 So we'd like to see this stay alive yet this fiscal
16 year, but preferably for next field season.

17 CHAIR WILLIAMS: Mr. Tillery?

18 MR. TILLERY: Yeah. I also think -- I mean, I think
19 this project has good potential. I understand it's had
20 problems to date, and I would not be averse to having this
21 project come back before us at a later date when things have
22 been sorted out this year.

23 CHAIR WILLIAMS: Yes.

24 COMMISSIONER RUE: Yeah.

25 CHAIR WILLIAMS: Commissioner Rue?

1 COMMISSIONER RUE: I would agree with that, and I
2 thought that, in fact, was the intent. Wasn't it, Ms.
3 McCammon?

4 MS. McCAMMON: Well, the recommendation is actually
5 to not fund this project as it's.....

6 COMMISSIONER RUE: At this point.

7 MS. McCAMMON:as it is currently conceived and
8 proposed, but to come back to you with some suggestions for
9 some additional action items for your consideration.

10 COMMISSIONER RUE: Okay. Good. And.....

11 MS. McCAMMON: And if those would be.....

12 COMMISSIONER RUE: That's fine.

13 MS. McCAMMON:possible to do this field season,
14 we'd bring them back; otherwise, we'd just roll them into the
15 '97 invitation. But we'd try to do it for this field season if
16 it was possible.

17 MR. WOLFE: That -- Madam Chair, that was my concern,
18 is we try to get something on board and deal with it this field
19 season if there are people that really and truly do desire some
20 assistance. Thank you.

21 CHAIR WILLIAMS: Okay. Any other projects,
22 resources, or other issues that the Council would like to raise
23 at this time?

24 (No audible response)

25 CHAIR WILLIAMS: I would just like to make a couple

1 of observations. First of all, I want to congratulate the
2 Executive Director and staff and everyone who worked on this
3 for basically attaining the \$18 million budget goal for the '96
4 Work Plan. I know that was a very great effort, couldn't have
5 been accomplished without the cooperation of the restoration
6 work force, the Chief Scientist, the peer reviewers, the
7 principal investigators, and everyone else who worked on this
8 effort. So thank you. The Council gave you direction in
9 trying to bring it to 18, and you really did an excellent job.

10 I also want to -- of course, this is something I
11 raised, was the need and desirability of expanding our focus to
12 include, of course, not only Prince William Sound but also
13 other areas impacted by the oil spill. And I do want to thank
14 everyone involved, the Chief Scientist, Stan and the work
15 groups, for making sure that the harlequin duck study and the
16 APEX program were funded to have a full perspective on the
17 impacts of the spill.

18 And, Stan, I asked Katherine Berg to jot down some
19 thanks, and she has on her list -- I'll just read it because:

20 "Express special appreciation of Stan Senner.

21 He has been invaluable in maintaining
22 coordination and communication with the Science
23 Program."

24 So from all of us, thank you for your great work on this.

25 Other comments and observations?

1 MR. PENNOYER: Madam Chair?

2 CHAIR WILLIAMS: Yes, Mr. Pennoyer?

3 MR. PENNOYER: Yeah, I'd like to thank Dr. Spies,
4 too. I think the peer review process has been carried through
5 very well. And based on that, I would like to make a motion
6 that we accept the Executive Director's recommendations as
7 presented in these tables and carry forward with the balance of
8 the '96 projects as recommended.

9 CHAIR WILLIAMS: Okay. It's been moved that we
10 accept the recommendations as presented. Do I hear a second?

11 COMMISSIONER RUE: Second.

12 CHAIR WILLIAMS: Seconded by Commissioner Rue. Moved
13 by Mr. Pennoyer, seconded by Commissioner Rue. Any further
14 discussion of the Work Plan?

15 COMMISSIONER RUE: Madam Chair?

16 CHAIR WILLIAMS: Yes, Commissioner?

17 COMMISSIONER RUE: I would just make a quick
18 observation also. I think that the pressure to take a hard
19 look at some of these projects has helped the overall Work
20 Plan, and I know my own staff has felt that the way it was
21 handled by Molly and her staff has been very professional and
22 sort of has headed us in the right direction, even though some
23 of it was painful.

24 CHAIR WILLIAMS: We really do appreciate the hard
25 work, and we know it's going to have to continue as we continue

1 to winnow down.....

2 COMMISSIONER RUE: Right.

3 CHAIR WILLIAMS:our expectations and go down
4 the curve that Molly has drawn. But I think we're getting
5 better projects, better focused projects, and again, thank you,
6 Chief Scientist and Stan and everyone else who's worked on this
7 to achieve that.

8 Other comments, questions?

9 (No audible response)

10 CHAIR WILLIAMS: I think, then, we will act on the
11 motion. All of those in favor of accepting the additions to
12 the Work Plan as presented today, say aye.

13 (Unanimous audible affirmative response)

14 CHAIR WILLIAMS: Opposed?

15 (No audible response)

16 CHAIR WILLIAMS: It passes. Thank you.

17 MS. McCAMMON: One more item.

18 CHAIR WILLIAMS: All right. Ms. McCammon.

19 MS. McCAMMON: The last action item today is action
20 on the budget for habitat protection and acquisition support.
21 At the August meeting, as part of this review of the
22 acquisition policy, you asked us to go back and look at the
23 budget that was approved in August, look for cost savings, and
24 report back to you with a modified budget.

25 Well, the good news is that we looked at the budget,

1 and there were cost savings on the items that were identified,
2 such as surveys and title insurance and things like that. The
3 bad news was that the budget went up by more than \$800,000 --
4 well, actually, \$967.9 thousand as a result of additional
5 appraisal costs.

6 And so the request today is for an additional \$967.9
7 thousand for additional appraisal costs. This is primarily to
8 complete the appraisals for Chenega, Tatitlek; to pay for the
9 additional work that was done on the Shuyak appraisal; and
10 \$300,000 for the AJV appraisal.

11 MR. PENNOYER: Madam Chair?

12 CHAIR WILLIAMS: Yes, Mr. Pennoyer?

13 MR. PENNOYER: Do you suppose if we throw the
14 additional appraisal costs into the deal, we can sweeten some
15 of these deals and make them (laugh) quicker?

16 (Laughter)

17 CHAIR WILLIAMS: Ms. McCammon, do we have this broken
18 out in our folders?

19 MS. MCCAMMON: There is a separate budget here that
20 indicates -- don't -- that the two major increases were in the
21 Forest Service's budget and in DNR's budget. There's an
22 additional \$300,000 in DNR's budget for the AJV appraisal, and
23 then an additional \$657,000 or so in the Forest Service's under
24 Contractual.

25 And then following that, there's a memo from Phil

1 Janik describing what the original estimate was for each of
2 these appraisals, what has been paid so far, and what the total
3 amount of billing is. So you can see a number of them have
4 gone over significantly the original estimate. And I
5 think.....

6 CHAIR WILLIAMS: Commissioner Rue?

7 MS. McCAMMON:we have a very good timber
8 appraiser right now, but he's expensive.

9 CHAIR WILLIAMS: Commissioner Rue?

10 COMMISSIONER RUE: Yeah. Thank you, Madam Chair.
11 How much of this is to pay for work that has to be redone? And
12 if so, are we going to collect from the folks who didn't
13 perform under the contract?

14 MS. McCAMMON: Well, I -- Madam Chair, I don't have
15 an exact breakdown of that, but we could go back and just pull
16 out the additional work that needed to be done, was work for --
17 actually, some for Eyak, Shuyak, and Chenega. I could break
18 that out. But I know that the Forest Service is pursuing some
19 kind of action under their contracting rules, but it's unclear
20 whether they'll have any success with it.

21 COMMISSIONER RUE: Okay. I'd be interested in
22 hearing if you do have some success.

23 MR. WOLFE: Madam Chair?

24 CHAIR WILLIAMS: Yes, Mr. Wolfe.

25 MR. WOLFE: You know, we hired people for their

1 technical expertise, and then we accept what they do, and then
2 when we have questions, we go back and we find some differing
3 opinions of value. And that's a lot of what we're dealing with
4 here. So we are continuing to pursue it, but right now, our
5 contracting officer is not real optimistic that we're going to
6 have any avenue for recouping any of the costs.

7 (Pause)

8 MR. WOLFE: But we -- Madam Chair?

9 CHAIR WILLIAMS: Now, in -- looks like Tatitlek takes
10 a -- I don't know if I'm reading this memo right. On page 3 of
11 the memo from Mr. Janik. Can you just walk us through
12 Tatitlek, Mr. Wolfe?

13 MR. WOLFE: I can do that, but Dave is here, and he's
14 the one that keeps tabs on this.

15 CHAIR WILLIAMS: Okay. Dave.

16 MR. WOLFE: And I'd rather he do it, since he's.....

17 CHAIR WILLIAMS: That's fine. Dave, could you?

18 MR. WOLFE: Do you have your copy?

19 (Laughter, side comments - Pause)

20 MR. GIBBONS: Can you hear me?

21 CHAIR WILLIAMS: Mm hmm (affirmative).

22 MR. GIBBONS: Well, I'll try to walk you through it.
23 The original Trustee Council authorized was for \$200,000.

24 CHAIR WILLIAMS: Now, when we authorized \$200,000 --
25 I'm trying to refresh my recollection.

1 MR. GIBBONS: That was based on estimate by Tim
2 Manley, Pacific Forest Consultants.

3 CHAIR WILLIAMS: Okay. All right.

4 MR. GIBBONS: That's what that was based on.

5 CHAIR WILLIAMS: All right.

6 MR. GIBBONS: After his successful work at Shuyak and
7 Chenega, we -- he's no longer under contract to the Forest
8 Service. The new contractor, Cascade Appraisal Services, gave
9 us an estimate of doing that same amount of work for \$570,000,
10 and that estimate was provided to us on June 23rd, 1995. We
11 thought it was very high. We touched base with the Executive
12 Director; we talked about it and decided to move forward with
13 it at that cost. We did that.

14 After he gave us that estimate, some of the land to
15 be appraised was changed. There was some increased timber
16 volumes in along Tatitlek for him to appraise that upped the
17 cost both in aerial photography, flights needed to go over that
18 area, and also due to the work, field work, involved with
19 collecting the additional information. So he revised that
20 estimate to be \$680,000, and that was given to us on 11/95.

21 The non-timber appraisal portion of that by Black,
22 Smith & Richards is estim- -- is \$75,000 to do that. And what
23 that does is it takes the timber data, plugs it into an overall
24 appraisal looking at fee simple land values, those types of
25 things, to make it a complete appraisal. Timber is one partion

1 (sic) -- portion of an appraisal. So -- but it's a large
2 portion of it.

3 So that, then, has created an appraisal, overall
4 appraisal. The payments made as of 11/8 have been \$622,305.
5 Ray Granville of Cascade Appraisal Services has promised us the
6 timber appraisal; the last time I heard, it was around
7 Christmas. So that would give us the draft timber appraisal;
8 that would be reviewed by state and federal timber appraisers,
9 hopefully approved, and move forward.

10 (Pause)

11 COMMISSIONER RUE: Madam Chair?

12 CHAIR WILLIAMS: Yes. Commissioner Rue?

13 COMMISSIONER RUE: It has been your experience that
14 this is a typical appraisal cost? I'm not an appraiser.

15 MR. GIBBONS: No.

16 COMMISSIONER RUE: I have no idea what it takes
17 to.....

18 MR. GIBBONS: I'm not either.

19 COMMISSIONER RUE:cruise timber.

20 MR. GIBBONS: I didn't know what appraisals were two
21 years ago, and now I hope I don't hear about them again
22 (laugh). But Cascade Appraisal Services seems to be the only
23 one that some of the landowners will accept. We don't want to
24 make another mistake of going down south and picking up an
25 appraiser. That's what happened with Pacific Forest

1 Consultants, who is from Oregon; had no Alaska experience. And
2 so we don't want to do that.

3 It seems to me to be high. He seems to be high, but
4 he also seems to be the only one that can get the damned job
5 done. Excuse my English there, but it's frustrating. He's --
6 he seems to be the only one who can give us an acceptable
7 appraisal.

8 CHAIR WILLIAMS: Commissioner Rue?

9 COMMISSIONER RUE: Yeah, one last question. I don't
10 understand the estimated balance at minus \$555,000 on that one.

11 MR. GIBBONS: Well, what I did there is just the
12 Trustee Council authorized funding; that's what we have in
13 hand.

14 COMMISSIONER RUE: Gotcha.

15 MR. GIBBONS: And then the 745 cost.

16 COMMISSIONER RUE: Okay, \$10,000.

17 MR. GIBBONS: Whoops. There's \$10,000 missing there.
18 There is an error in it.

19 COMMISSIONER RUE: Okay, 45, 545.

20 CHAIR WILLIAMS: Yeah, it was confusing. Should be
21 545; right?

22 (No audible response)

23 CHAIR WILLIAMS: Okay. Then looking at the summary
24 of expenditures on page 4, you indicate a deficit of \$650,000.
25 But if we fund the \$658,000 -- I'm now looking back at Afognak.

1 We authorized funding for 200 on that; we have a remaining
2 balance of 182. Does that 658 absorb that sort of 182 so,
3 at.....

4 MR. GIBBONS: It does.

5 CHAIR WILLIAMS:Afognak, then, we're basically
6 starting from scratch.

7 MR. GIBBONS: Well, on Afognak, Cascade Appraisal
8 Services will provide a plan of attack for the appraisal for
9 the Afognak.

10 CHAIR WILLIAMS: So that could be a hundred -- it
11 could be a million dollars on top of this.

12 MR. GIBBONS: Well, I think what Ray Granville is
13 going to do is say, 'If I was going to do this appraisal, this
14 is the approach I would take to do it.'

15 MR. WOLFE: It's a proposal.

16 MR. GIBBONS: It's a proposal to do it. It's not any
17 cost associated with it. He -- you know, he'll say -- there's
18 a lot of timber data on AJV, and I would guess that he would
19 say he would use the existing cruise data, maybe do some check
20 cruise -- I'm guessing -- some check cruise on it, and do an
21 appraisal by early summer. That would be his approach. I'm
22 not saying he's going to be doing it, but I mean, that might be
23 his plan of attack.

24 MS. McCAMMON: Madam Chair?

25 CHAIR WILLIAMS: Yes.

1 MS. McCAMMON: I think what happened is that a
2 certain amount of money was authorized for certain appraisals,
3 and as we went through the process and appraisals got more
4 expensive, the money that was in that budget was used for those
5 appraisals. And then Tatitlek was postponed, it was later, and
6 so the existing money was used. And in order to complete these
7 appraisals now, approximately \$658,000 is needed for the Forest
8 Service. And then there's no funding for AJV, so an additional
9 \$300,000 for AJV.

10 MR. GIBBONS: Madam Chair?

11 CHAIR WILLIAMS: Yes.

12 MR. GIBBONS: If I -- if you go through there, you
13 can see that Eyak work and aerals went over by \$92,000, too.
14 It's just not all in Shuyak/Chenega. And that was due to
15 bringing Ray Granville in again and doing the timber exchange
16 proposal, the work on that, those types of activities.

17 CHAIR WILLIAMS: Commissioner Rue?

18 COMMISSIONER RUE: Two questions. Are there other
19 competing firms, or is this the only firm that has any
20 expertise? And then second -- and I don't want to drag this on
21 forever -- but it seems to me -- I'd be curious. And if
22 someone's spending \$650,000 to appraise timber, is that mostly
23 in personnel costs, people on the ground wandering around
24 taking measurements, or is it in -- how do you spend that much
25 money?

1 MR. GIBBONS: The best bulk of it is in field costs:
2 helicopters.....

3 COMMISSIONER RUE: Just on the ground.....

4 MR. GIBBONS:crews.....

5 COMMISSIONER RUE:walking.

6 MR. GIBBONS:doing transsex.

7 COMMISSIONER RUE: Mm hmm (affirmative).

8 (Pause)

9 MR. GIBBONS: It'd be nice to be an appraiser.

10 (Pause - Side comments)

11 COMMISSIONER RUE: How about the other question?

12 Other firms that.....

13 MR. GIBBONS: We -- when we looked at -- for --
14 initially, for Pacific Forest Consultants, there were some that
15 were ruled out here, that had Alaska experience, due to the
16 conflict of interest with Native corporations. And so we were
17 pushed to go down south. Ray Granville surfaced; he was
18 considered initially and thrown out for conflict of interest,
19 but then brought back by popular demand.

20 (Laughter)

21 MR. GIBBONS: And so the State will have a real good
22 handle on that here, I think, early in the year when they go
23 out with an RFP to see what kind of people are still around.

24 MR. TILLERY: Madam Chair, we'll be doing a complete
25 RFP this winter for the AJV, and we'll find out how many people

1 are out there.

2 MR. PIPER: What seems wonderful about being -- to be
3 an appraiser is not just that you -- the numbers are big, it's
4 that the data that you come up with at the end can be sort
5 of -- fairly subjective.

6 MR. PENNOYER: You can pick your own schedule.

7 MR. PIPER: Yeah.

8 MR. TILLERY: Yeah, I would -- you should note, to
9 date, I mean, we have -- a lot of this money's been spent going
10 back and fixing things. I mean, we had to bring -- we've kind
11 of brought Ray Granville in, and he got the Bomb Point deal
12 done. We had troubles with Shuyak; the appraisal wasn't right.
13 We brought in Granville; he put some more people on up there,
14 and we got the deal done.

15 The Tatitlek one he has done from the very beginning.
16 It's expensive, but it's a whole lot cheaper, in my view, than
17 having a bad appraisal out there, which has cost us not only
18 dollars, but a lot of grief and time and everything else. And
19 I think it's worth paying extra money up front to get the job
20 done right the first time, if in fact we're doing it now. If
21 the Tatitlek one blows up, then I don't know what to say.

22 (Side comments)

23 (Off record)

24 (Tape Change - Tape No. 4 of 4)

25 (On record)

1 CHAIR WILLIAMS:discussion. Who wants to make
2 this motion?

3 (Laughter)

4 MR. PENNOYER: Well, Madam Chair, I.....

5 (Laughter)

6 MR. PENNOYER: I move we approve the request for
7 additional funding for the appraisal, with the commitment that
8 we're going to get a better fix on who's available in
9 appraisers in the future and some feedback on whether some of
10 us recover from it. But I don't see a choice right now; we've
11 got to get on with the job.

12 CHAIR WILLIAMS: Is there a second?

13 MR. PIPER: Second.

14 CHAIR WILLIAMS: Okay. It's been moved by Mr.
15 Pennoyer, seconded by Mr. Piper, that we approve this
16 additional payment to cover the appraisals as discussed. Any
17 further discussion?

18 (No audible response)

19 CHAIR WILLIAMS: All in favor, indicate by saying
20 aye.

21 (Unanimous audible affirmative response)

22 CHAIR WILLIAMS: Opposed?

23 (No audible response)

24 CHAIR WILLIAMS: It passes. Now, Mr. Tillery, you
25 expressed an interest in recessing instead of adjourning. Is

1 that still necessary?

2 MR. TILLERY: It is. We believe there may be at
3 least two more small parcel proposals that could be ready
4 within the next week, and rather than wait until the January
5 meeting -- and we'll probably try to get the Council together
6 pretty quickly on a teleconference during the holiday season.
7 It'd be a lot easier if, rather than noticing it, we can just
8 recess and bring us back together in a week. And if it doesn't
9 happen, then we'll do something different.

10 CHAIR WILLIAMS: Okay. It's been moved that we
11 recess. Is there a second?

12 COMMISSIONER RUE: Second.

13 CHAIR WILLIAMS: Oh. Before we do that, let me see
14 if there are any last comments. I would just like to wish
15 everyone happy holidays. I think it's been -- no. I'll let
16 one of you guys do that.

17 COMMISSIONER RUE: Do what?

18 CHAIR WILLIAMS: Talk about Molly. Okay? Anyway,
19 let me wish you all happy holidays. Let me say that I think
20 1995 was a very successful year. Sometimes it was a
21 frustrating year, and I think we encountered more challenges
22 than we anticipated last year at this time, but I think we've
23 met many of those challenges successfully. And again, on
24 behalf of the Council, I want to thank staff for tremendous
25 work, consistently excellent work. And all the staff from our

1 respective agencies that work on this effort, thank you for
2 outstanding work. And we certainly look forward to 1996 being
3 a very successful year.

4 Commissioner Rue, would you like to add anything?

5 COMMISSIONER RUE: Yeah, Madam Chair. I guess I
6 would just say -- add to that though, I think the Executive
7 Director, as we've all said, has been doing a terrific job, and
8 I think she got a very good review from all of us, and we look
9 forward to another good year with the leadership of Molly
10 McCammon as the Executive Director and her very qualified
11 staff.

12 So everything I heard from the other members was that
13 she's doing a terrific job; reflects the comments you just
14 made, and I'd like to thank her specifically for the fine job
15 she's done this past year. And we look forward to another
16 year.

17 MR. PENNOYER: Hear, hear.

18 CHAIR WILLIAMS: Hear, hear. Any other comments
19 before we recess?

20 (No audible response)

21 CHAIR WILLIAMS: Again, happy holidays, and all in
22 favor of recessing, indicate by saying aye.

23 (Unanimous audible affirmative response)

24 CHAIR WILLIAMS: Opposed?

25 (Laughter)

1 CHAIR WILLIAMS: Thank you.

2
3 (Whereupon, the teleconference meeting of the Exxon
4 Valdez Oil Spill Trustee Council was recessed at 3:10
5 p.m., to be reconvened at the call of the Chair at a
6 later date for the purpose above-mentioned.)
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5

STATE OF ALASKA)
)
) ss.
THIRD JUDICIAL DISTRICT)
_____)

I, CINDY S. CARL, do hereby certify:

(1) That the foregoing pages contain a full, true, and correct transcript of proceedings in the above-entitled matter, transcribed by me, or at my direction and supervision, to the best of my knowledge and ability.

(2) That I have been certified for transcript services by the United States Courts.

(3) That I was certified for transcript services by the Alaska Court System prior to January 1, 1993.

SIGNED AND CERTIFIED:

BY: Cindy S. Carl
Cindy S. Carl
Certified Court Reporter

DATE: 12/18/95

