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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

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TRUSTEE COUNCIL MEETING
Thursday, August 29, 1996
8:00 o'clock a.m.

10 First Floor Conference Room
11 654 G Street
12 Anchorage, Alaska

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15 **TRUSTEE COUNCIL MEMBERS PRESENT:**

16 STATE OF ALASKA -
17 DEPARTMENT OF LAW:

MR. CRAIG TILLERY (Chair)
Trustee Representative
for the Attorney General

18 STATE OF ALASKA - DEPARTMENT
19 OF FISH AND GAME:

MR. FRANK RUE
Commissioner

20 U.S. DEPARTMENT OF THE INTERIOR:

MS. DEBORAH WILLIAMS
Special Assistant to the
Assistant Secretary

21 U.S. DEPARTMENT OF AGRICULTURE -
22 U.S. FOREST SERVICE:

MR. PHIL JANIK
Regional Forester

23 U.S. DEPARTMENT OF
24 COMMERCE - NMFS:

MR. STEVE PENNOYER
Director, Alaska Region

25 STATE OF ALASKA - DEPARTMENT
OF ENVIRONMENTAL CONSERVATION:

MR. ERNIE PIPER
for MICHELE BROWN
Commissioner

TRUSTEE COUNCIL STAFF PRESENT:

MS. MOLLY McCAMMON	Executive Director EVOS Trustee Council
MS. TRACI CRAMER	Director of Administration EVOS Trustee Council
MS. REBECCA WILLIAMS	Executive Secretary EVOS Trustee Council
MS. VERONICA CHRISTMAN	EVOS Staff
MS. SANDRA SCHUBERT	EVOS Staff
DR. BOB SPIES	Chief Scientist
MR. STAN SENNER	Science Coordinator
MR. ALEX SWIDERSKI	State of Alaska Department of Law
MR. BUD RICE	National Park Service
MS. MARTHA VLASOFF	
MR. VERN McCORKLE	Chairman Public Advisory Group
MR. JOE SULLIVAN	State of Alaska Department of Fish and Game
MR. KIM SUNDBERG	State of Alaska Department of Fish and Game
MR. DAVE GIBBONS	U.S. Forest Service
MR. JOHN HARMENING	U.S. Forest Service

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ANCHORAGE, ALASKA - THURSDAY, AUGUST 29, 1996

(Tape No. 1 of 6)

(On record at 8:10 a.m.)

CHAIRMAN TILLERY: We can bring this meeting of the Exxon Valdez Trustee Council to order, this meeting of August 29th. The first item I believe we have before us is the approval of the agenda. Is there a motion related to that?

MS. WILLIAMS: So moved.

MR. PIPER: Second.

CHAIRMAN TILLERY: Any questions or discussions?

(No audible response)

CHAIRMAN TILLERY: All in favor of approving the agenda as provided in the meeting packet?

TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

CHAIRMAN TILLERY: The second item of business has to do with the approval of the June 28th, 1996 meeting notes and the June 15th public hearing summary. Is there a motion on that?

COMMISSIONER RUE: Move to approve.

MR. PENNOYER: Second.

CHAIRMAN TILLERY: Any discussion?

(No audible response)

CHAIRMAN TILLERY: Anyone opposed?

(No audible response)

1 CHAIRMAN TILLERY: It is approved. The first
2 substantive item on our agenda will be a report from the Public
3 Advisory Group. Vern, I believe you're up.

4 MR. McCORKLE: Use the table mike or the lapel mike?

5 MS. REBECCA WILLIAMS: The lapel.

6 MR. McCORKLE: Okay. Thank you. Good morning ladies
7 and gentlemen. My report this morning is on the minutes --
8 actually, the summary of the meeting of the Public Advisory
9 Group of August 7, 1996. The meeting was opened at 8:15, and
10 we heard a report from the Executive Director, which was able
11 to bring us up to date on all the actions that had taken place
12 on the approval of the work plan since we had last met.

13 The minutes that you have really do explain in detail
14 the kinds of things that were accomplished at that meeting, but
15 I would like to just maybe stress three or four points that are
16 important.

17 First of all, we passed unanimously the approval of
18 the fiscal '97 work plan as recommended by the Executive
19 Director. That was after a great deal of excellent
20 presentation by members of staff, which elicited from the
21 Public Advisory Group a round of applause and a unanimous atta
22 boys and girls for their good work. We really have appreciated
23 the work the staff has presented to the Public Advisory Group
24 in the last couple of years because it's -- as time has moved
25 on, I guess everybody's gotten better at their jobs, and we

1 really have appreciated the information given to us by the
2 staff.

3 I would like to call attention to a resolution which
4 we unanimously passed, having to do with the idea that the
5 Trustee Council should strive to eliminate court fees for
6 management of the Exxon Valdez oil spill funds, and there is a
7 resolution which was passed unanimously that the -- you be
8 reimbursed for all past fees and waive all future fees paid by
9 the Trustee Council to the court registry investment system,
10 and I hope that will be of some benefit and value to you in
11 achieving that goal.

12 There was again discussion on how we might view the
13 restoration fund, and a great deal of discussion centered on
14 whether or not there should be funded chairs at the University
15 of Alaska, and there was a long discussion on whether or not we
16 should invite the member -- or the presidents of the University
17 to work with others to prepare a study on the benefits and
18 feasibility of the use of the restoration reserve. However,
19 after that long discussion, the motion was defeated, four in
20 favor, seven opposed and one to abstain. The underlying score
21 here is that the Trustees, I'm sure, are aware that the
22 restoration reserve is a vital interest to the Public Advisory
23 Group and we always take an opportunity to talk about how that
24 might be used.

25 I've saved until the last topics that have appeared

1 in our meeting three times, which is something that I think the
2 advisory council is coming to grips with and will eventually, I
3 guess, come to the advisory -- the Trustees, and that is, is
4 how the Public Advisory Group is structured. We've discussed
5 this a number of times in the past, but our minutes record that
6 we discussed options on changing the group size and
7 composition.

8 One of those has to do with the numbers of members
9 necessary for a quorum, particularly with the activities of
10 members of a group in the summer or fall seasons. They often
11 times can't get to the PAG meetings because of their work, so
12 it's been increasingly difficult to get a quorum of 12, and we
13 recommend to you, and I think there will be presented later, a
14 proposed action to revise that quorum from 12 to 10, which will
15 be a great accommodation to being able to get business done.
16 The last two or three meetings, we've missed one person along
17 the way to achieve a quorum. We finally did achieve that last
18 meeting and were able to ratify a number of minutes and so
19 forth.

20 But beyond that, the Public Advisory Group is
21 becoming increasingly concerned with the representation of
22 rural communities on the Public Advisory Group, and a great
23 deal of discussion has been entered into with respect to
24 outreach, with the smaller communities in the spill area to get
25 participation on the Public Advisory Group. The -- there were

1 a couple of motions in an attempt to reach an action on
2 restructuring, all of which failed because of, I guess, not
3 really having studied it long enough.

4 There are five members of the public-at-large on that
5 group, and then the others represent other interests. One by
6 one, the public-at-large membership is being changed. We now
7 have a person who represents conservation as a public
8 advisory -- public-at-large group, and a local indigenous
9 advocacy group, and then there are three or four -- there are
10 two or three others of us that represent the general public-at-
11 large. The reason for this discussion is that it's felt that
12 the villages don't have an adequate opportunity to be heard and
13 to vote on the Public Advisory Group, so we had a motion that
14 the Public Advisory Group recommend the Trustee Council
15 restructure the Public Advisory Group to include two village
16 representatives. After discussion, that motion was tabled and
17 in spite of the efforts of the chair to table also a motion to
18 reconsider, the members of the group said no, they would like
19 to have that reconsidered, so that motion will be coming back
20 in the future to be discussed.

21 So I -- the message I wish to, I think, leave with
22 the Trustees is that the changing face of the Public Advisory
23 Group is something that should be dealt with, and depending
24 upon how much representation the public-at-large, who
25 represents perhaps just the public policy aspects on that

1 group, should have is something that will be coming for you to
2 see again and again.

3 In close, I guess I should mention that the Public
4 Advisory Group will be having one of its field trips. It will
5 be visiting Homer, Port Graham, Seldovia, and fly over Port
6 Dick on September 18 and 19, in attempt to become more familiar
7 with the progress being made in those communities -- so we are
8 also in a position now where we are coming to the end of the
9 present term of the Public Advisory Group, and that's why this
10 discussion of membership and composition of the group is
11 important because that will be on the agenda in the next couple
12 of months, I think.

13 I'd be glad to respond to any questions if there are
14 any.

15 CHAIRMAN TILLERY: Vern, before I -- we do have some
16 questions, I know. Before I get to that, I would -- we should
17 note that this is going to be a very long meeting. That's one
18 of the reasons we started early and one of the reasons we're
19 probably going to move through pretty quickly, but I think for
20 the benefit of people who are on the line, I did forget to note
21 the Council members who are present today. Just for the
22 record, that is Phil Janik with the Forest Service. Ernie
23 Piper is representing Alaska Department of Environmental
24 Conservation. Commissioner Brown is out of the country, I
25 believe, today. Steve Pennoyer, from NOAA, and Frank Rue from

1 the Department of Fish and Game, and Deborah Williams from the
2 Department of Interior, and I'm the chair, Craig Tillery, from
3 the Department of Law. With that out of the way, Mr. Pennoyer,
4 I believe you have a.....

5 MR. PENNOYER: Yeah.

6 CHAIRMAN TILLERY:question.

7 MR. PENNOYER: Thank you. Vern, thank you for a good
8 report. Your vote on endowed chairs. I know you've been up
9 and done that a number of times. Your vote wasn't against
10 endowed chairs or against -- addressing a piecemeal, waiting
11 until we have a comprehensive look, and were you giving a time
12 at which we would do that?

13 MR. McCORKLE: We voted it down because it didn't
14 seem that it -- enough staff work had been done either on our
15 behalf or on the staff, or perhaps the Council's position as to
16 know if this was the right time to do that. I think probably,
17 and I don't have authorization to speak to this, and it's not
18 in the minutes, but I think if we were to poll the Public
19 Advisory Group, there would not be a majority in favor of
20 funding chairs at the University at least at this time.....

21 MR. PENNOYER: Thank you.

22 MR. McCORKLE:although there are strong voices
23 in favor of.

24 MR. PENNOYER: Thank you.

25 CHAIRMAN TILLERY: Are there further questions of Mr.

1 McCorkle?

2 (No audible response)

3 CHAIRMAN TILLERY: Does the -- does anyone on the
4 Council have a motion or which to address the issue of the
5 forum that was brought up by the Public Advisory Group?

6 MS. WILLIAMS: I would move to reduce the quorum
7 requirement -- and was the recommendation 10?

8 MR. McCORKLE: Yes, ma'am.

9 MS. WILLIAMS: To 10, for the Public Advisory quorum.

10 MR. PENNOYER: Second.

11 CHAIRMAN TILLERY: Is there any discussion? Mr.
12 Pennoyer?

13 MR. PENNOYER: Refresh my memory of how many people
14 are on the Public Advisory Group now.

15 MS. McCAMMON: Seventeen.

16 MR. PENNOYER: Seventeen?

17 MS. McCAMMON: Yes.

18 MR. PENNOYER: So 10 is still the majority?

19 MS. McCAMMON: Yes.

20 CHAIRMAN TILLERY: I guess I certainly would have to
21 agree this is, I mean, I have seen these meeting where -- and
22 there won't be quite that many show up. It is a difficult task
23 and people are -- this is volunteer and it's not -- it's
24 understandable, and -- that that is happening, but I think to
25 me, that is a good motion. It should be reduced so that

1 business can go forward. Is there any further discussion?

2 (No audible response)

3 CHAIRMAN TILLERY: Is anyone opposed to such a
4 change?

5 (No audible response)

6 CHAIRMAN TILLERY: Hearing no opposing, the motion
7 passes. And is there any -- is anybody -- I guess I would --
8 if no one else has any comments, I would like to address just
9 briefly the rural representation issue. Is it the sense of the
10 Public Advisory Group that the way to address this would be to
11 designate, say, two of the five, at least two of the five at-
12 large members should be from rural communities, or something
13 like that, or are you intending that we should enlarge the
14 Public Advisory Group?

15 MR. McCORKLE: No. I don't believe there was any
16 thought to enlarge the group. It was that within the group,
17 there should be a provision made for rural representation,
18 particularly of indigenous villages. If one looks at the
19 composition of the Public Advisory Group now, you'll see that
20 there are -- in addition to the five public-at-large groups,
21 there are five people who have specific interests which could
22 be addressed by members of the rural villages. However, only
23 one of those chairs is held by a person who is an Alaskan
24 Native or who resides in a rural village, and my suggestion is,
25 and of course this was not voted upon by the group but was

1 discussed, is that some of those chairs that are presently held
2 by people such as environment, subsistence, native landowners,
3 conservation. All of those are topics which are of great
4 interest to people in the rural villages, and some of those
5 seats might also be considered for replacement.

6 My particular concern is that if we lose the
7 opportunity for people who come close -- not quite a third of
8 the membership, to comment on the activities and
9 recommendations of the Public Advisory Group from a standpoint
10 of broad public policy which extends the breadth and length of
11 the spill area, that we then may not have the benefit of
12 looking at things from a broad view. Many folks do a splendid
13 job of representing their specific interest or perhaps even
14 their locality on the Public Advisory Group. There needs to be
15 a strong voice, I think, for a view across the broad spectrum
16 that looks at things from the north to the south and east and
17 west of the spill group. That might not occur the more narrow
18 focus becomes to local and indigenous arguments particularly or
19 only.

20 MS. McCAMMON: Mr. Chairman, if I could just comment.
21 Currently on the current PAG we have three Alaskan Natives
22 sitting in the subsistency, native landowners, and one of the
23 public-at-large. We also have representatives from Chenega,
24 Cordova, Valdez and Kodiak. In the past -- two years ago, we
25 did try to get more representation from the smaller

1 communities, either the smaller Kodiak villages, or from
2 Tatitlek or Port Graham or Nanwaluk. We were not successful in
3 doing so.

4 Our intent with the nomination period this year would
5 be to work with the community facilitators and our community
6 involvement coordinator and try to do more outreach, and try to
7 get additional nominations for any of the seats. We had -- as
8 Mr. McCorkle mentioned, we did have a lengthy discussion on
9 whether the whole composition of the PAG should be changed, and
10 kind of going back and forth, there was no real consensus on
11 how to change it, and so it was kind of left at the end of just
12 trying to do a better job of additional outreach and trying to
13 get more nominations to those seats, and that's exactly what we
14 plan to do in this next round.

15 MR. PIPER: Mr. Chairman?

16 CHAIRMAN TILLERY: Mr. Piper.

17 MR. PIPER: One thing -- I think the PAG has operated
18 very well. One thing that I think it's important for the
19 Council to keep in mind too, is that the Public Advisory Group
20 isn't the only place that we reach out to the public and work
21 with the public, particularly in rural communities. There have
22 been special work shops on specific issues such as traditional
23 knowledge, residual oiling -- (cough) excuse me -- and we have
24 an outreach coordinator on the staff in the office, and so
25 we -- I think that the Trustee Council has worked pretty well

1 to try to reach out to rural communities without commenting on
2 the benefit of having a change in the PAG, but I think that's
3 important to keep in mind.

4 MR. McCORKLE: Mr. Chairman?

5 CHAIRMAN TILLERY: Mr. McCorkle.

6 MR. McCORKLE: There was discussion on our group, and
7 I think it's very meaningful, but just having representation is
8 not quite the same as having a vote or, you know, sitting at
9 the table. It was my suggestion that we try and bring in as
10 many of the public facilitators as we could to make sure that
11 communications takes place, but it was recommended even beyond
12 that, and it's at the point that I just in fairness must
13 mention, that sitting in the audience and having information
14 available or having contact in other ways as Mr. Piper mentions
15 is still not the same as getting there to vote your point of
16 view. I think that's a thread that is going more and more
17 through the Public Advisory Group, is the feeling that
18 empowerment is something that at least needs to be considered.
19 How that should proceed may be open to discussion, but some
20 speakers have been very eloquent in the fact that, well, yeah,
21 we show up but we really do want to vote, and I think that's
22 the consideration that needs to be made.

23 MS. WILLIAMS: Mr. Chairman?

24 CHAIRMAN TILLERY: Ms. Williams.

25 MS. WILLIAMS: Following up on Ms. McCammon's

1 comments, and of course Mr. McCorkle's comments, let me say, I
2 am supportive of the idea that we do better average to try
3 within the existing PAG structure to get more village
4 representation, and Mr. McCorkle, what you might do at your
5 next meeting, if you would, is talk about the average efforts
6 more and get comments from PAG and share them with Ms. McCammon
7 and the EVOS staff on how we can do a better job letting people
8 know that we have PAG position openings and encouraging them to
9 apply. And then after a year, if that has not succeeded, then
10 I think revisiting a restructure of the PAG makes sense, but I
11 think it would make most sense as a first order of business to
12 do a fuller outreach and see if we can address village
13 representations through that mechanism.

14 MR. McCORKLE: Thank you. I think that's very
15 encouraging to know that that has Council support. Of course,
16 Ms. McCammon has already begun, and I should say that two or
17 three correspondences have taken place within the last couple
18 of weeks addressing the outreach, to expand the opportunities
19 to participate in Public Advisory Council. A number of Council
20 members -- or pardon me, a public -- a number of group members
21 who have been on the group a number of years have expressed
22 their willingness to step aside and let new folks take those
23 seats, so I think that there is going to be an opportunity in
24 the next couple of months to fulfill the outreach mission. It
25 certainly is something that I think we're becoming increasingly

1 aware must be done.

2 CHAIRMAN TILLERY: Is there any further comment from
3 the Council? Questions?

4 (No audible response)

5 CHAIRMAN TILLERY: Thank you, Mr. McCorkle.

6 MR. McCORKLE: Thank you very much.

7 CHAIRMAN TILLERY: The next order of business is the
8 Executive Director's report. Ms. McCammon?

9 MS. McCAMMON: Thank you, Mr. Chairman. In your
10 packet, you'll note financial reports as of July 31st and June
11 30th. I guess the bottom line as of July 31st is that there
12 are a total of \$357.9 million that remain uncommitted through
13 the life of the settlement. This number is somewhat fluid in
14 that it includes an estimate of the interest we anticipate
15 earned over the life of the income stream, however, that
16 depends on interest rates and such. This does not include \$34
17 million for Chenega, which is still subject to shareholder
18 vote -- so if that does get approved by the shareholders, we
19 are at about \$324 million of uncommitted funds.

20 Regarding the station of CRIS fees, there is nothing
21 new to report at this time. Since this does involve somewhat
22 some legal strategy, I would like to defer it and bring it up
23 during our executive session at the noon hour.

24 Also in your packet there is a project status report
25 which goes through the status of all the projects funded by the

1 Council since 1992. This is as of June 30th, 1996. There has
2 even been more progress since that time. I think the good news
3 is that we continue to make progress on getting final reports
4 done, getting them reviewed and having them made available in
5 the Oil Spill Public Information Center. These are available
6 not only in OSPIC, but they're available at other libraries
7 throughout the state and also throughout the nation. And I
8 guess I -- even though there are a number of projects that the
9 reports are still pending, I think there are very few that have
10 presented some significant problem that we have not been able
11 to resolve.

12 I think last year's decision by the Council to not
13 fund current projects if there was a late report was very
14 successful in bringing a lot of these past reports in, so --
15 Mr. Chairman?

16 MR. PENNOYER: Mr. Chairman?

17 MS. McCAMMON: Mr. Pennoyer?

18 MR. PENNOYER: My question is, Molly, are any of
19 these now that are outstanding affecting the funding decisions
20 we're going to make at this meeting? Are there any projects
21 that are not -- that we don't reports today that affect the
22 decisions we have to make at this meeting? Will you outline
23 those when we get to the projects if there are any?

24 MR. McCAMMON: Mr. Chairman, the answer is yes.
25 There are a number of reports that are still outstanding, and

1 if you look in the large spreadsheet, there are several
2 projects that are fund-contingent on receipt of a final report,
3 and the process is that if the Council were to take action on
4 that particular project, the actual funding is not released
5 until receipt of that report.

6 CHAIRMAN TILLERY: Ms. Williams -- or Mr. Pennoyer,
7 excuse me.

8 MR. PENNOYER: Can I follow up on that? So when you
9 make your recommendation, you think you've got enough
10 discussion with PIs and in work shops and so forth, to decide
11 that the project is proceeding and the results justify
12 continuing it or expanding it, or whatever, but this is a
13 formal report mechanism enforcing that custom in essence?

14 MS. McCAMMON: That's correct.

15 MR. PENNOYER: Okay. Thank you.

16 CHAIRMAN TILLERY: Ms. Williams?

17 MS. WILLIAMS: As the Trustee Council knows, we
18 discussed at some length in our last several meetings the
19 importance of publishing and peer review periodicals, our
20 reports that we fund, and Ms. McCammon, is -- I know in some
21 instances we discussed whether things had been submitted for
22 publication and so forth. Do we have anything like a tally
23 sheet for that, how many reports have been published in peer
24 review periodicals, how many are submitted at this point and so
25 forth, and if not, is that something that could be done?

1 MS. McCAMMON: Mr. Chairman, we have been collecting
2 a list of those. The requirement that the Trustee Council puts
3 on this is to have a report under our process that gets put in
4 OSPIC, and so we can track those. That's a requirement of
5 funding.

6 CHAIRMAN TILLERY: Right.

7 MS. McCAMMON: In the past, we have not required that
8 there also be published a manuscript in a peer review -- some
9 peer review literature, so in the past we have not necessarily
10 received copies or been informed of what publications might
11 have occurred. Mr. Senner, the science coordinator, and Mr.
12 Spies have been working with all of the PIs over the last year
13 to do that, to collect all of the reports. We do have a
14 bibliography of those that's been put together. We are
15 encouraging PIs to submit copies to us and to the library so we
16 have -- so we know exactly where things have been published,
17 and that will be put on our Internet when we get that a little
18 bit further advanced.

19 MS. WILLIAMS: Mr. Chairman, if I could direct this
20 perhaps to Mr. Senner and Dr. Spies. What's our batting
21 percentage, would you say, and I know that may be hard
22 because -- let me say it this way. Of the amount of money we
23 have spent on res- -- no. I don't know whether we had talked
24 about project per project or whatever, but give me a -- give,
25 if you would, the Council a sense of where we are in terms of

1 both -- maybe a number on actually published and then currently
2 submitted -- just ballpark percentage.

3 MR. SENNER: That's almost -- I don't think I can
4 even give you a ballpark on that. What I can say is that the
5 list of publications in peer reviewed outlets, including our
6 own 1993 symposium series, which was peer reviewed, will -- is
7 in the dozens of publications, and certainly we know of a
8 number that have been submitted but not yet made it through the
9 process. If you take away the publications in our own
10 symposium proceedings, which is now in print I think as of this
11 week, then you're talking only maybe a couple dozen articles
12 that have appeared in a, you know, an external scientific peer
13 reviewed journal. I think that's going to change dramatically.
14 Let's say at this meeting a year from now, we should be able to
15 double that number.

16 It's also fair -- and jump in, Bob, here -- but it's
17 also fair to say that the publication record from the Exxon
18 studies is very strong.

19 MS. WILLIAMS: Yes, I know.

20 MR. SENNER: They've got a number of them in print.
21 There are more appearing all the time. We're a little behind
22 that curve, but I think it's picking up steam, and one of the
23 things you'll see in the work plan that we'll describe today is
24 that we have a number of projects for which we are explicitly
25 approving some expenses to provide for publication in a peer

1 review journal, so that's going to improve dramatically.

2 DR. SPIES: And as you know, the process of
3 submitting manuscripts, getting it peer reviewed and so forth,
4 is -- can be fairly lengthy.....

5 MS. WILLIAMS: Mm hmm (affirmative).

6 DR. SPIES:so I think that we're still seeing
7 the results of early efforts now, although in the case of the
8 symposium, I think there are some other manuscripts as well out
9 there, but in terms of damage assessment, the symposium pretty
10 much did most of that, and there are some other things that are
11 coming through, and some of those are noted in the work plan --
12 those efforts, but I think Stan's correct in saying that the
13 studies that have been sponsored by Exxon are -- they're making
14 a very strong effort now to get those out. There's a
15 couple that just came out last week, and.....

16 MS. WILLIAMS: I know. Mr. Chairman, I don't think
17 we have to address it now, but I would like -- and Ms.
18 McCammon, I would like the staff, and particularly the
19 scientific consultants and staff, to focus on this even a
20 little more, and I think we've become increasingly concerned as
21 we approach the tenth anniversary, knowing that Exxon studies
22 are being published, how we can do a better job in that regard.
23 What incentives, and we're going to, as you say, talk about
24 some of that in our work plans, but what incentives, what sort
25 of status reports we can publish, how we can between now and

1 our tenth anniversary maximize the number of published in peer
2 reviewed publications pieces of work, and maybe come up --
3 maybe not do it again today, but ask the staff to come up with
4 a strategy for maximizing publications in between now and our
5 tenth anniversary. Does that make sense?

6 DR. SPIES: It sure does.

7 CHAIRMAN TILLERY: Is there further discussion on
8 this issue before we proceed with the Executive Director's --
9 Mr. Pennoyer.

10 MR. PENNOYER: Not further discussion -- I'm trying
11 to decide exactly what that means in terms of instructions. As
12 far as I know, we left the formal publication process up to
13 individual agencies, and this isn't something we funded or
14 sponsored, and probably there's not a one-to-one relationship
15 to the type of reports we're getting on the projects to what's
16 published because people take pieces of something they've done
17 and published them in articles, so I'm not totally sure how we
18 equate -- don't get me wrong. I think it's desirable.....

19 MS. WILLIAMS: Mm hmm (affirmative).

20 MR. PENNOYER:to get this out and make sure the
21 information's available to the scientific community in general,
22 rather than more closely than just our "family," but I'm not
23 exactly sure how we evidence that, or we tell PIs or agencies
24 they ought to do. In our agency, for example, our scientific
25 community is supposed to publish, but often one of the

1 difficulties is that more pressure that is put on people to
2 stay up with their work and get things done, and tend to get
3 the business that they're being paid for done, the harder it is
4 to set aside the time to do some of these things that take a
5 lot of time, so I'm not clear -- I think it's a worthwhile
6 instruction. I'm not clear exactly how you're going to do it,
7 and I'm looking forward to seeing your.....

8 MS. WILLIAMS: That's why I think that.....

9 MR. PENNOYER:instruction.

10 CHAIRMAN TILLERY: Mr. Senner?

11 MR. SENNER: Well, I can just add, Mr. Chairman, that
12 the one specific thing we're doing in the '97 work plan is that
13 we allowed in budgets to include up to a month and a half of
14 time for the PI to prepare a manuscript, and what we asked for
15 was the title of that manuscript and the journal to which they
16 expected to submit it, and allowed also a modest amount, I
17 think it was a thousand dollars, for page costs, which as you
18 know are often asked for, and a number of people have taken
19 advantage of that opportunity and that's why I'm pretty
20 confident that a year from now we're going to see a number of
21 articles in print that perhaps would have made it eventually
22 but not in such a timely way, and that's what we're interested
23 in is getting this material out in a timely way.

24 CHAIRMAN TILLERY: Mr. Pennoyer?

25 MR. PENNOYER: One follow-up to that. I know

1 personally people who have taken rather small projects and run
2 50 publications out of them. I know others that have worked on
3 ecosystem-wide huge things and have managed maybe one
4 publication, and in the case that the 50 were run out you'd
5 have a hard time picking up anyone of the 50 and figuring out
6 what the overall thing was about, so I don't know you've
7 addressed that, but somehow what gets out also needs to be a
8 meaningful thing that people can use -- the purposes of this
9 Council originally dedicated its research, not just individuals
10 putting out some obscure article on some piece of something,
11 so.....

12 MR. SENNER: If I may follow up to that. We can't be
13 sort of traffic cops in.....

14 MR. PENNOYER: Oh yeah, sure.

15 MR. SENNER:every sense there, but the one
16 thing we have done, Mr. Pennoyer, is that in some cases a PI
17 asked for support for several publications and in view of the
18 need to keep an eye on the budget targets and everything else,
19 in those cases we were able to say well, you've asked for three
20 of them here but two of these really are not terribly germane
21 to the main point of the research, it's not, you know, a focus
22 of interest for the Trustee Council, we're only going to
23 support, you know, one of these three that really is on target
24 here, so we've been able to exercise some guidance there in
25 just choosing which ones to support.

1 MR. PENNOYER: Good.

2 MR. SENNER: Ultimately, we hope they all appear in
3 print, but some are perhaps not so important for us to actively
4 encourage.

5 CHAIRMAN TILLERY: Thank you. Mr. Janik?

6 DR. SPIES: I might comment very briefly that one of
7 the reasons I think that the Exxon studies are a little bit
8 ahead of the curve is that some of those have wound down and I
9 think the investigators have had time to sit back and look at
10 their data, interpret it and write the manuscripts, where a lot
11 of our PIs are still pretty fully engaged in the projects and
12 have not come to logical ends of the projects, so -- and so
13 we'll see much better representation of the balance I think in
14 the future.

15 CHAIRMAN TILLERY: Mr. Janik?

16 MR. JANIK: Yeah. Listening to this discussion, it
17 seems to me that we're really in a sense talking about
18 accountability as far as reporting out results funded by the
19 Council, and I tend to agree with the recommendations that have
20 been brought forward here, and also I recognize the reality of
21 what Mr. Pennoyer pointed out in terms of the agencies
22 basically being responsible ultimately for this. Someone
23 mentioned a tally sheet earlier. I don't know if that already
24 exists or if it maybe needs more profile, but, you know, maybe
25 that at a minimum is something that we could use to update

1 periodically and track, and that would help the agencies focus
2 in on things that might appear tardy, and have us take some
3 independent action within our agencies to check into why or
4 whatever, because I do think the timely reporting of results is
5 important and something we all.....

6 MR. SENNER: Mr. Chairman, we do have a draft of that
7 sheet. We'll have a -- with your encouragement, we'll have a
8 more polished version to give you here not too far down the
9 road. The problem has been, as the Executive Director
10 mentioned, that for the first several years of this program no
11 one bothered to keep a list of these things, so we're now
12 having to go back and try and recapture stuff that's already
13 out there. Some of the PIs have moved on. We're trying to get
14 that up to speed, and then our regular quarterly reporting
15 mechanism can be the vehicle for bringing to our attention new
16 material that appears in print, so once we have the backlog
17 taken care of then we should be able to use the regular
18 mechanism to keep it updated.

19 CHAIRMAN TILLERY: Thank you. Ms. McCammon?

20 MS. McCAMMON: Mr. Chairman, I should also note that
21 what you see here is the status of the reports funded by the
22 Trustee Council for restoration efforts. What we are not
23 dealing with are the NRDA reports, and we have had some
24 internal discussion on what to do with those. There are a
25 number of damage assessment projects that the final reports

1 were never completed and that's something we really haven't
2 totally resolved. It's not really a direct function of the
3 Trustee Council, however, it directly relates to the work that
4 the Council is currently doing, so there is an outstanding
5 issue there with those reports also. I don't have an obvious
6 solution to give you at the moment.

7 MR. PENNOYER: Well, I don't know. The way the
8 Executive Director is looking at me, I feel obliged to.....

9 MS. McCAMMON: No. I.....

10 MR. PENNOYER:to smile. I'm not sure.....

11 MS. McCAMMON: I'm not looking at no one in
12 particular.

13 MR. PENNOYER: I'm not sure what the tally is, but I
14 think it's something that -- well, it's not maybe directly this
15 Trustee Council's "responsibility" -- we'd be interested in,
16 and I think if you produce something like that, the agencies
17 involved would probably get behind encouraging those to bring
18 the reports in, so.....

19 MS. McCAMMON: I'll do a report on that for the next
20 meeting.

21 MR. PENNOYER: Thank you.

22 CHAIRMAN TILLERY: Being mindful of the lengthy day
23 we have ahead of us, is there any further discussion on this
24 issue?

25 (No audible response)

1 CHAIRMAN TILLERY: Ms. McCammon, could you continue
2 with your report?

3 MS. McCAMMON: Going onto habitat protection and the
4 status of our current efforts there, you do have in your packet
5 a status report as of August 16th for both the large parcel
6 program and the small parcel program. There's not too much new
7 to report in terms of the large parcel program. The most
8 recent offer that the Council made to Chenega Corporation is
9 still going through the process of having a detailed purchase
10 agreement written and all of the final details being ironed
11 out.

12 We are very close to having that purchase agreement
13 completed. At that time, Chenega will go out for a proxy vote.
14 They are anticipating that that vote to the shareholders will
15 occur no later than mid-October.

16 CHAIRMAN TILLERY: Mm hmm (affirmative).

17 MS. McCAMMON: It does require two-thirds approval of
18 the shareholders; there are 67 shareholders in Chenega
19 Corporation. I think most of you -- I did send around a copy
20 of the letter from four members of the Chenega IRA Council who
21 are supporting the proposed acquisition. The reports that we
22 have have been fairly positive, so we're hopeful that that will
23 be accepted by the shareholders.

24 We do still have active negotiations continuing with
25 Afognak Joint Venture, English Bay, Eyak, Koniag, Port Graham

1 and Tatitlek. The Tatitlek Board is meeting this morning and
2 we may have something on our agenda this afternoon; we're
3 hopeful on that.

4 For Afognak Joint Venture, the timber appraisal is
5 currently underway. As of yesterday, 25 percent of the timber
6 crews has completed. Five days of work were lost last week
7 because of weather, however, they have extra -- a larger work
8 force than they had anticipated, so they're hoping -- and they
9 plan to work over the Labor Day weekend which they had
10 originally not scheduled, so they're hoping to catch up on
11 those extra days. They're focusing right now on the remote
12 plots that require helicopter access, and then using those that
13 they can get to by boat or road maybe as the weather
14 deteriorates a little bit into September.

15 The anticipated completion date of this appraisal is
16 mid-November, and we have been following this on a weekly
17 basis. It is -- it ended up being about a week off of
18 schedule. We're hoping they'll make up that time over this
19 Labor Day weekend, weather permitting.

20 In addition, we've been having discussions with
21 English Bay. There's nothing new to report there. With Eyak,
22 a number of the Council Members met with a few members of the
23 Eyak Board in the past -- the recent month -- recent weeks. We
24 also had the opportunity to fly over the core lands which had
25 been helicopter-logged in the spring, and to see those, and

1 we're hopeful that this fall we might -- those negotiations
2 might pick up.

3 Nothing new to report on Koniag at this time.
4 Nothing new to report on Port Graham, and I'd be happy to
5 answer any questions on those.

6 CHAIRMAN TILLERY: Mr. Pennoyer?

7 MR. PENNOYER: I have a question. In your
8 observations of helicopter-logging of the core lands, would you
9 care to share those with us?

10 MS. McCAMMON: Mr. Chairman, I was -- it was very
11 difficult to see where the actual logging had occurred from the
12 air. Of the 10,000 acres of the core lands, apparently 1,000
13 acres had been logged. Of those 1,000 acres, approximately one
14 out of every five trees have been removed. It looked pretty
15 good from the air.

16 CHAIRMAN TILLERY: Thank you. Mr. Rue?

17 COMMISSIONER RUE: Yeah, Mr. Chairman, thank you. I
18 had wanted to reemphasize the importance of the AJV purchase.
19 I had a chance to fly over that area when I went down to Kodiak
20 and was once again impressed by it, and I know that the Council
21 acted in '94 by resolution to get things going on it. It has
22 gone back and forth and back and forth, and I'm glad to hear
23 that we're beginning to make progress on it it looks like, and
24 I guess I had drafted up a resolution -- asked Ms. McCammon to
25 draft up a resolution simply reemphasizing the Council's

1 interest in the ports of this area, asking that we put it --
2 continuing having it as a high priority to try and purchase
3 this area, and that sort of to show this interest, asked that
4 we get a report fairly frequently from the Executive Director
5 and -- on the status of negotiations. Certainly it is one of
6 the most productive areas that will provide some of the best
7 benefits for restoration of the species injured by the spill,
8 and it's also an area that I think there is truly a risk of it
9 being lost because of the other values on the parcel sale.

10 Just to reemphasize our interest -- it's been a
11 couple of years since we've made a statement about it -- and to
12 spur folks onto trying to get a resolution, so I've drafted it
13 here. I don't know when we'd want to -- or I haven't drafted
14 it; I asked the Executive Director to draft it, and.....

15 CHAIRMAN TILLERY: Do you wish to move it?

16 COMMISSIONER RUE: I would like to move that we adopt
17 this resolution.

18 CHAIRMAN TILLERY: Is there a second?

19 MR. PIPER: Second.

20 CHAIRMAN TILLERY: Second by Mr. Piper. Is there
21 discussion of the resolution? Mr. Pennoyer?

22 MR. PENNOYER: I really have no disagreement with
23 Commissioner Rue's observations of the value of the area. I'm
24 wondering, relative to the other outstanding negotiations we're
25 still in, does this -- what is the affect of singling one out

1 and why we're singling this one out as opposed to the not
2 very -- the off again/on again Eyak or any other -- Kenai
3 Fjords or anything else. I'm not against this, believe me. I
4 think it's necessary to get on with it and I think the piece of
5 property, as you said, is a high restoration value. I'm just
6 wondering why this one and not something else.

7 COMMISSIONER RUE: One thing that I would say is I
8 think the public has felt -- some public have felt that this
9 has been languishing, and so part of it is to just make a
10 statement to the public that yes, we continue to be concerned
11 about it and we do have a strong interest in consummating a
12 deal, so I think it's more public expression of a desire to get
13 this property purchased and protected, so you could say it for
14 anyone of them, but it's been a couple of years since we've
15 said anything formally about this one.

16 CHAIRMAN TILLERY: Mr. Pennoyer?

17 MR. PENNOYER: I guess the one I had in mind -- we
18 had had a lot of public expressions about Eyak, for example,
19 and lots of public expressions about the fact that we're not
20 really interested or on the other hand, we're too interested,
21 or one way or the other, and that's of course at a different
22 stage obviously than this is. I don't know how you distinguish
23 between those and these, and that there is a distinction. I'm
24 not against doing this at all. I just am wondering whether it
25 should be for other places too or that it should be a more

1 encompassing thing that emphasizes certain places more than
2 others, or something like that.

3 CHAIRMAN TILLERY: Just to briefly address that
4 myself if I may. I think that I agree with Mr. Rue that this
5 is a very important issue for the Council and it's a very
6 important acquisition. It's probably the -- certainly the
7 largest one that we have left that's outstanding. As I read
8 this resolution, what it provides is for the Executive
9 Director -- or for the lead negotiators to provide through the
10 Executive Director an ongoing report on the status of the
11 appraisal and to assist the negotiators -- assistants from the
12 Executive Director as requested.

13 I believe that that is particularly appropriate for
14 AJV, and perhaps not for some others because following up on
15 what -- the lengthy appraisal we did in Tatitlek, this is kind
16 of the same process. That one finally got going and got
17 consummated when there was just a lot of follow-up and a lot of
18 watching and reporting that went on, and I think that that's a
19 lesson that we learned, and I think this is an entirely
20 appropriate response to that lesson, and AJV is the one that's
21 left that really -- that will, I think, make a difference on,
22 and for that reason I think this is somewhat different. It is
23 appropriate to do a resolution such as this at this time.

24 COMMISSIONER RUE: Thank you.

25 CHAIRMAN TILLERY: Mr. Janik?

1 MR. JANIK: I agree with the importance of the AJV
2 parcel. I have a similar struggle with this, however, singling
3 out in a separate resolution, as I understand Mr. Pennoyer
4 does. What I guess I would rather see is looking at this
5 section here on your large parcel status report, Molly, on page
6 2, where it says negotiations are continuing, and somehow if we
7 are trying to serve two purposes here, one being informing the
8 public number 1, that we are very much interested and
9 aggressively addressing each of these as best we can with the
10 resources available and the appraisal's resources available to
11 us somehow reinforce all of these as a preference of the
12 Council, and that we're highly interested in all these parcels.

13 And in terms of the actual appraisal subject
14 addressed here in the last paragraph, and I'm not sure I
15 understand the total of the focus here, but I know we have had
16 discussions on the appraisal process with AJV trying to see how
17 that can be expedited, and I know everyone's committed to that
18 and maybe that can be handled separately. I'm not sure about
19 that part, but if sending a signal to the public about
20 continued interest in all of these, and they're all very
21 important, I would tend to agree with Mr. Pennoyer on this.
22 I'd have trouble with a single resolution.

23 CHAIRMAN TILLERY: Mr. Rue?

24 COMMISSIONER RUE: Yeah, Mr. Chairman. Thank you.
25 My original purpose here was to bring attention to the

1 (indiscernible), and as Mr. Tillery said, make sure we
2 dedicated the effort that's needed to get it done. A
3 resolution is one way to do that; there may be other ways to
4 make that known to people, and I don't particularly care how
5 the Council expresses its concern and intent and interest, so
6 I'm open to any method of expressing that.

7 MR. JANIK: You know, I don't know if it's timely,
8 for instance, to issue a press release or something that would
9 simply update the public in where we're at; I think some of
10 that's been done.

11 CHAIRMAN TILLERY: Ms. McCammon?

12 MS. MCCAMMON: Mr. Chairman, usually the press isn't
13 as much interested in kind of what might be as to when
14 something actually happens. I think the only difference here,
15 I mean, it's certainly my goal to have all of these done by
16 January. I'd like to see all of these, being the acquisitions,
17 complete or at least have some conclusion to these by January,
18 so that's the goal the staff has right now is to see a
19 conclusion by that time.

20 I think the only difference with Afognak Joint
21 Venture is that it's the only one that has a major appraisal
22 that's current underway. Appraisals can often be lengthy; they
23 often require, you know, more oversight than other portions of
24 the negotiations, and it's also the only one that is -- the
25 areas at least close to prime interest are being actively

1 logged, and so there's more of an imminent threat feature, I
2 think, to this acquisition than to any of the others, so I
3 think that's the only thing that really differentiates it from
4 the other ones that are currently underway.

5 CHAIRMAN TILLERY: Mr. Pennoyer?

6 MR. PENNOYER: Is there a way to do that in this --
7 say something like that in this resolution, that this does not
8 diminish the Trustee Council's interest in these other parcels,
9 however, this one is at a stage and needed -- I don't know.
10 Maybe it's self-evident, but as other people get out there,
11 somebody in Cordova looks at this and said oh, okay, they're
12 going -- they're really going for the Kodiak thing, they've
13 kind of dropped interest in our area, or some feeling like that
14 by us singling out this. This is a priority statement; it can
15 stand by itself, and it doesn't necessar- -- we all recognize
16 it doesn't have to. We all are interested in the other areas,
17 but other people who look at this may not, and I just wonder if
18 there's a way to say this -- what you just said, relative to
19 the urgency in this case or at a certain stage but it doesn't
20 diminish our interest in other parcels or -- I don't -- I'm
21 not.....

22 CHAIRMAN TILLERY: Are you offering an amendment to
23 the motion? It sounds like it.

24 MR. PENNOYER: Why don't you just -- why don't you
25 put it off until this afternoon and I'll think about it.

1 MR. JANIK: Yeah.

2 CHAIRMAN TILLERY: Mr. Janik?

3 MR. JANIK: I'm sorry. I'll defer to Deborah.

4 MS. WILLIAMS: I concur with Mr. Janik and Mr.

5 Pennoyer's comments, and I do think it would do a disservice to
6 our efforts at Eyak, Kenai Fjords areas and other acquisitions,
7 including Koniag, that we're looking at, to single out AJV in
8 this manner. I think we could -- I do think it is appropriate
9 at this point to reaffirm to the public that we are committed
10 to the large parcel acquisition process, and so my proposal
11 would be just to expand this resolution to refer to the other
12 large parcel areas that we are pursuing, to affirm our support,
13 if appropriate, and Ms. McCammon you know this better, you
14 know, areas we can highlight, like you've highlighted the
15 appraisal process here.

16 We actually have an appraisal issue with Eyak. We
17 have -- we are in an appraisal process with Eyak that I think
18 needs to be diligently pursued, and with Port Graham, we can
19 highlight a few things as we can with Koniag, so my
20 recommendation would be between now and this afternoon that
21 some effort be made at expanding this to be all inclusive, that
22 we don't short-change any of the processes, but that we
23 continue -- I wouldn't remove any of the language here with
24 respect to AJV and Afognak because I do think that's important
25 to highlight the appraisal process and let the public know that

1 we are very committed to being diligent about appraising this
2 property and pursuing our acquisition efforts in this area, but
3 to expand it to include the other areas.

4 CHAIRMAN TILLERY: Mr. Pennoyer?

5 MR. PENNOYER: It's sort of like a press release. I
6 guess I'd do the same thing Commissioner Rue did when he said
7 he drafted this motion and then corrected himself and said oh,
8 I asked the Executive Director to do it. You've heard the
9 discussion, Ms. McCammon, could you.....

10 MS. McCAMMON: I'm looking at my staff right now.

11 MR. PENNOYER: Can you give us some ideas by this
12 afternoon?

13 MR. McCAMMON: Yes.

14 MR. PENNOYER: I think that would be appropriate.....

15 MS. McCAMMON: Yes.

16 MR. PENNOYER:if you could.

17 CHAIRMAN TILLERY: Commissioner Rue?

18 COMMISSIONER RUE: Well, I was just going to say
19 one -- I believe one other reason we ought to think about
20 AJV -- didn't it rank number one on the restoration value?

21 CHAIRMAN TILLERY: I believe that's correct.

22 COMMISSIONER RUE: I think it was number one on the
23 parcel, so I mean it's.....

24 MS. WILLIAMS: Mr. Wolfe is shaking his head quite
25 adamantly.

1 COMMISSIONER RUE: No?

2 MS. McCAMMON: It has a number of the sub-parcels
3 ranked very highly, but it's comparable to Jackpot, Eshamy, and
4 Two Moon Bay, and.....

5 COMMISSIONER RUE: Okay. Okay.

6 MS. McCAMMON:some others in Prince William
7 Sound.

8 COMMISSIONER RUE: The other point is, I'm at this
9 point wondering whether it's worth the effort.....

10 MS. WILLIAMS: I think it is.

11 COMMISSIONER RUE:we like it all, it's great,
12 let's go for it, and that's fine. I guess I'm not going
13 to.....

14 MR. PENNOYER: Mr. Chairman, I didn't mean to dilute
15 what you were trying to do by the comments at all, and I don't
16 think we need to do that. I think it's simply a matter of
17 emphasis. This is, as was brought out earlier, at a stage of
18 development and need that it might get emphasized, but I simply
19 don't like a news release going out that says.....

20 CHAIRMAN TILLERY: Okay.

21 MR. PENNOYER:the focus, and we kind of -- it
22 implies that the rest of the stuff is not important, and I
23 don't think that's the case. This seems to be the next place
24 that's on the list. It needs the emphasis, but I think as some
25 type of an addendum we ought to be adding an oh, by the way, so

1 by January we intend to, you know, this type of thing, so
2 people don't.....

3 CHAIRMAN TILLERY: Okay.

4 MR. PENNOYER:feel like we've oh, dropped
5 everything and focused.....

6 CHAIRMAN TILLERY: Mr. Janik?

7 MR. JANIK: Just an add-on. Regardless of how we may
8 treat this eventually, the subject of priority and use of
9 appraisal resources, I think that's something we need to follow
10 up on from this discussion, and I think other folks need to be
11 involved in that discussion so that we have a true sense of how
12 we're most efficiently using those resources that are available
13 to us, and the Council pretty much is aware of those
14 priorities, and I don't think it has as much to do with
15 "importance" or our interest in these as maybe some of the
16 urgencies that have been described here, and simply the
17 efficiencies of how to use those appraisers -- so that part I
18 think we need a technical follow-up to.

19 CHAIRMAN TILLERY: Is there any -- yeah, I think
20 where we are procedurally is that perhaps we can move --
21 someone has moved somehow to table this motion; is that.....

22 MS. WILLIAMS: So moved.

23 MR. PENNOYER: Vote to a time certain, Mr. Chairman?

24 CHAIRMAN TILLERY: To -- following the executive
25 session this afternoon.

1 MR. PENNOYER: Thank you.

2 CHAIRMAN TILLERY: I believe we can bring it back,
3 and that will -- should give your staff time to look into this.

4 MR. RUE: I move that.

5 CHAIRMAN TILLERY: I believe Ms. Williams already
6 moved, and Mr. Pennoyer has seconded it. Is there further
7 discussion?

8 (No audible response)

9 CHAIRMAN TILLERY: Is anyone opposed to tabling this
10 motion?

11 (No audible response)

12 CHAIRMAN TILLERY: The motion is tabled until later
13 this afternoon. Ms. McCammon, could you move onto the next
14 non-controversial issue?

15 MS. MCCAMMON: Moving onto the small parcel program,
16 you also have a status report as of August 16th in your packet,
17 and you can note from this that of the small parcels that are
18 under active consideration that seven have actually been
19 completed. We have another probably four or five that are very
20 close to being completed and we anticipate those being done in
21 the next couple of weeks.

22 Between the acquisitions completed, offers accepted
23 and offers under review, the total potential protection is over
24 15,000 acres for a total of over \$8 million.

25 Under table 3, you can also see that we are still

1 continuing to receive small parcel nominations. A number of
2 these were reviewed last week. At this point, when we were
3 setting up the agenda for this meeting I had asked the agencies
4 if there were any small parcels that were ready to go for final
5 approval from Council. A week ago there weren't any; a couple
6 of days ago there were. Rather than put something before you
7 at the last minute without the proper maps and backup and such,
8 what I would like to suggest is that the Council have a meeting
9 probably in late September on small parcels, and this is
10 something that could be done by teleconference and would be a
11 fairly short meeting, but it would give us time to pull
12 together all of the backup material and get it to you, but
13 these would be small parcels that are already on the active
14 consideration list but the appraisals have been completed and
15 now they're ready to come before the Council for active
16 consideration. So with your permission, what we would be doing
17 is working with staff to try to set a date for something like
18 that, but I would suggest late September.

19 As you can see, things are moving along. The next
20 big appraisal for small parcels that we're hoping to do is
21 Termination Point, and the intent is to have that rolled into
22 the appraisal being done by Afognak Joint Venture. It would be
23 done by the same company; they'll be doing it at the same time
24 as time permits.

25 The next thing I would like to highlight is the work

1 we've been doing on the tenth anniversary symposium. We have
2 been working with SEA grant to be a co-sponsor and to be the
3 actual kind of facilitator of the symposium. We've actually
4 set dates; we have meeting space booked at the Egan Center.
5 This is anticipated to be a five-day symposium starting March
6 23rd, 1999. We are working with various groups now to try to
7 figure out who would publish the symposium proceedings, to get
8 that underway now.

9 The problem we have with the symposium proceedings
10 from the prior symposium is that it's been almost three years
11 since the symposium occurred before the time the proceedings
12 actually get published. Our goal by starting the planning
13 early is to have those proceedings published within the year
14 following the symposium, but things are actively underway
15 there. We have invited the involvement of the Prince William
16 Sound Regional Citizens Advisory Council. We've talked to the
17 Public Advisory Group about this.

18 There is also interest in doing some other events,
19 and with this, perhaps not just that week but throughout the
20 entire tenth year, it's our intent to work with some public
21 members and some PAG members in September, kind of after the
22 summer season is over, to start preliminary discussion on
23 those.

24 We've also met with the University of Alaska at
25 Anchorage and with the Institute of Social and Economic

1 Research about the possibility of doing a symposium or some
2 kind of a workshop or -- on the process of the Trustee Council.
3 That would include a documentation, some kind of a report,
4 analysis of the process, probably some kind of an event, and
5 we're in the very preliminary discussions of that and I would
6 hope within the next three to four months to have a proposal
7 come back to you for your consideration for that, and I'd be
8 happy to answer any questions on that.

9 CHAIRMAN TILLERY: Mr. Pennoyer?

10 MR. PENNOYER: Oh, just one. This is sort of
11 wrapping a lot of things up type of event. I think there would
12 be a great interest in where the whole thing's going from here
13 at that time, so the restoration reserve and where we're going
14 down the pipe with various research centers and so forth, and
15 how this all fits together, I think would be a clear area. I
16 don't know if we'll have it done by then or what, but
17 something -- certainly reporting on that is going to be
18 something of major interest to people, so I'm just throwing
19 that in. If we're doing the anniversary, we need to have made
20 up our mind by that time of where we are going.

21 MS. McCAMMON: That's correct, and one of the reasons
22 that I told the Public Advisory Group that I oppose the motion
23 to start an intensive planning research effort on the idea of
24 endowed chairs was that I support doing that as a -- kind of on
25 a comprehensive basis looking at a number of alternatives,

1 putting those before the public, before the Public Advisory
2 Group and before the Trustee Council. Given that this is a
3 ten-year process and we're five years through it, in the past
4 it has seemed a little premature to start that major of a
5 planning effort on the future of the restoration reserve, but I
6 would think in the next year, we do intend to have staff to
7 start working on developing those alternatives, and then
8 starting the public process on that.

9 MR. PENNOYER: I just -- what I meant is that it
10 might be a major item too in here.....

11 MS. McCAMMON: And it would be a major item.

12 MR. PENNOYER:in this discussion -- part of the
13 symposium.

14 MS. McCAMMON: Yes.

15 CHAIRMAN TILLERY: Commissioner Rue?

16 COMMISSIONER RUE: Not to complexify (sic) things,
17 but I'm wondering -- it's obviously a lot easier to do
18 something like this in Anchorage, but I'm wondering have we
19 even thought about the community inside the spill area, I mean,
20 what a wonderful thing.

21 MS. McCAMMON: Mr. Chairman, we have -- the decision
22 was to do the symposium in Anchorage. When we're looking at
23 over a thousand people, you just can't do that anywhere else
24 but Anchorage. However, the idea of meeting with the
25 communities, with a number of community representatives and the

1 PAG representatives in the fall, is to start talking about some
2 other kinds of events that could occur in the communities
3 themselves in some kind of a coordinated fashion and to see if
4 we could facilitate that, so I think the idea would be to have
5 other things in the smaller communities.

6 COMMISSIONER RUE: Right. Right.

7 CHAIRMAN TILLERY: Ms. Williams?

8 MS. WILLIAMS: One minor issue, and then a large
9 issue. Are we working with Anchorage Convention Visitor Bureau
10 at this point?

11 MS. McCAMMON: Not on this, no.

12 MS. WILLIAMS: Okay. We should definitely talk with
13 them, get it on the schedule, you know, block out the hotels.
14 It's not too early to do that because we'll want them to know
15 not to, you know, seek another major convention during that
16 time period because it will be a large number of people. More
17 importantly -- of course, at our last symposium, my
18 recollection is it was pretty much 100 percent research. What
19 are our plans in terms of highlighting habitat protection?

20 (Pause - Laughter)

21 CHAIRMAN TILLERY: Ms. McCammon is nodding her head
22 for the record.

23 MS. McCAMMON: Stan, maybe you could offer -- at this
24 point, we do intend to highlight it. How exactly, I mean, the
25 focus here has been on the science, to highlight the science

1 part of it, but certainly this also includes some other aspects
2 which is habitat protection. It's also the socioeconomic
3 aspects of the spill. The first day was intended to be a more
4 general session which would be something geared towards the
5 general public, and at that time, certainly habitat protection
6 would be highlighted. Now we're also looking at putting
7 together some itineraries for field trips and things like that
8 to highlight the research projects and the habitat protection,
9 so habitat protection is definitely included in that, and I'm
10 sure we'll do some other things.

11 CHAIRMAN TILLERY: Mr. Janik?

12 MR. JANIK: Just a suggestion. I think that broad
13 spectrum is really going to be important because I think many
14 people will be coming at the 10-year mark to say, what has
15 happened, how has the money been spent, what are the payoffs
16 that have been realized, and again, your comment, Steve, about,
17 and where are we going from here in terms of where we're at at
18 that point, and this has such national and international
19 interest.

20 I really think we need to give some thought to some
21 type of travel kit here, if I could call it that, where we
22 would have a video or something associated with an event that
23 could be held in D.C. or Seattle or wherever, and maybe that's
24 already been given some thought. If not, I would encourage the
25 group to do so because I do think that even though the focus

1 here -- I have no problems with that being in Anchorage, the
2 big event.

3 I think there really ought to be some satellite
4 events throughout the country in points of interest, and I'm
5 sure based on the history of this whole event and follow-up, we
6 might be able to easily select where those locations might be.

7 MS. McCAMMON: Mr. Chairman, absolutely one of the
8 things -- one of our -- the priorities of our new
9 communications coordinator, and I think this is actually a good
10 time to introduce him, the replacement to L.J. Evans is Joe
11 Hunt, and Joe is in the back of the room, and one of Joe's
12 primary tasks will be to develop a relationship with a number
13 of the environmental media on a national level and start
14 working on things of that nature, putting together a press kit
15 about the program, working with various groups on a video,
16 starting to get people interested in this whole concept.

17 I think this year it has really struck me that the
18 program has matured to the level that -- this just really hit
19 me this year that what the Council is doing is incredibly
20 significant in two respects. First of all, there is not
21 another habitat protection program like this underway anyway in
22 the country to this level. I was at a conference in Berkeley
23 in June talking about our program; people are astounded at what
24 we're looking at. People elsewhere in the Lower 48 are
25 fighting over 10,000 acres here, 35,000 acres here; they're

1 talking levels of half a million dollars, a million dollars.
2 We're looking at protecting more than 800,000 acres of land for
3 over \$400 million total, so, I mean, the level of this program
4 is truly of national significance.

5 The other nationally significant aspect is the
6 science program that's currently underway. Nowhere else in the
7 country is the level of spending and the level of attention and
8 focus going into ecosystem research that the Trustee Council is
9 putting on a spill area. This is not being done elsewhere.
10 When this has been starting to get out at various conferences,
11 and as papers get published, people are truly astounded when
12 they hear what the Council is doing up here, and I think again,
13 this is a question of the program maturing to the point, and
14 the studies maturing, that now people are going to conferences
15 and reporting on the kind of work they've been doing.
16 Publications are appearing, and I think what's happening here
17 is really of national significance.

18 CHAIRMAN TILLERY: Ms. Williams?

19 MS. WILLIAMS: What Ms. McCammon just said
20 underscored a couple of things. One, may I suggest that the
21 group in thinking about tenth anniversary have a half-day on
22 habitat protection, and it may be the second day, and it may be
23 parallel or coincident with research, but it is nationally
24 significant. I think we need a half-day to bring everyone in,
25 talk about each area, and our accomplishments, and I think the

1 media will be as interested in that as in the research, and may
2 also need half a day, and you can be a better judge, on
3 socioeconomic, subsistence impacts, psychological impacts and
4 so forth, and what we've found in that area.

5 I -- we're going to have to address those issues in
6 addition to the pure science and the pure research, and I think
7 up front we ought to think about a half-day for each of those
8 topics.

9 MS. McCAMMON: In preparation for that also, Mr. Hunt
10 has been working on a number of publications that are in the
11 works. One of them we have talked about is -- we refer to it
12 as the synthesis reports, and this is something where we look
13 back over the last five years and then also into the damage
14 assessment days, and actually put into a three to five page
15 publication, a synthesis of all the work the Council has
16 funded. We actually have the first one of those done. The
17 intent is to have both a hard copy similar to Fish and Game's
18 wildlife notebook series that you can easily Xerox and
19 distribute, and then also this will go into our electronic data
20 base on the Internet and will be available that way, and Joe
21 has been working on this and wanted to show it to you today.
22 The first one is on harbor seals. It's a little bit longer
23 than three to five pages; it's actually eight.

24 And the process that we're using is that we're asking
25 the PIs to write the first draft. This is then reviewed by the

1 Chief Scientist and any other peer reviewers as needed, and
2 then it's given to Joe to put into some kind of an interesting
3 visual graphic format. This is still considered a draft; it
4 has the draft stamp on it (indiscernible) on the front page, so
5 if you have any feedback or comments on this -- but this is
6 something the public has really asked us for because right now,
7 you know, they come and say well, what do you know about harbor
8 seals, and we can give them ten reports now, which is the good
9 news. We have those reports, but for a public person to kind
10 of pull it all together and what exactly does this mean is a
11 pretty daunting task.

12 These would be -- these are easily updatable, and our
13 intent -- some of them wouldn't need to be updated that
14 frequently, but certainly on a, you know, every year or two
15 years these would be updated to include any new information
16 that was discovered, so I think this will go a long ways to --
17 to meeting that need for information from the public. Our goal
18 is to have 20 or so of these done by January, February, March,
19 right around that time, so pink salmon will probably take a
20 little longer than harbor seals took.

21 So this is the first then, and then Joe has also been
22 working on more of a regional description of what the Council
23 has underway to describe to the public the various efforts, and
24 the first one that he's been working on is on the Kenai
25 Peninsula, and this again has "draft," "draft," "draft,"

1 "draft," "draft" all over it, so it's still subject to a lot of
2 review and revision, but we're trying to look for a way of
3 saying what exactly has the Council, and in this case I know
4 most of you know that the public looks at the Council funds and
5 they look at the criminal, whether its federal or state funds,
6 it's all EVOS funds; it's all one pot of money, and so when we
7 put this together, we've combined the federal criminal
8 restitution efforts and the state criminal restitution efforts
9 just because they do see it as one effort. But again, this is
10 in draft; it's a description of the habitat protection on the
11 Kenai River in the Kenai Peninsula, and then on the back, a
12 summary of the research, monitoring and restoration projects
13 that have been done there.

14 So again, kind of a, you know, an effort to get
15 things out to the public -- the other aspect that Joe is
16 working on is taking some of these materials and then putting
17 together a national press kit. We have made contacts with the
18 National Environmental Writers Association, the Outdoor Writers
19 Association, making contacts with those and starting to get on
20 their agendas to make presentations at their national
21 conferences -- so this is all in anticipation of the tenth
22 anniversary and part of our mission to give information out to
23 the public.

24 CHAIRMAN TILLERY: Question, Ms. Williams?

25 MS. WILLIAMS: It's my last broken record comment,

1 but going back to the tenth anniversary and going back to, I
2 think, the Trustee Council's directive to the staff to maximize
3 publications, we sure don't want at the tenth anniversary -- I
4 don't know how much money we'll have spent on research then --
5 \$300 million, \$400 million -- and have that equate into 20
6 published articles in peer reviewed literature outside of our
7 symposium papers, and if that would -- and I can -- I'm sure
8 someone will ask that question, so we should make sure that the
9 amount of money we've spent is commensurate with a published
10 bibliography in non-symposium -- outside of our own symposium
11 papers, or I think that could be quite an embarrassment.

12 MS. McCAMMON: I think for the non-scientists -- I
13 was not aware that the reports that the Council funds and
14 produces are considered gray literature and are not eligible
15 for citing for other purposes in other publications, and so I
16 think in ord- -- they have a very limited distribution as a
17 result, and so it really is critical to get it into their
18 regular literature.....

19 DR. SPIES: I think.....

20 MS. WILLIAMS:the citable literature.

21 CHAIRMAN TILLERY: Mr. Janik?

22 MR. JANIK: My off, you know, kind of off-the-cuff
23 estimate, we would expect probably at least a dozen
24 publications to be out on each of the major ecosystems by that
25 time and maybe as many as 20 or 25 from each one, and then

1 many, many more publications from other aspects of the science
2 programs, so.....

3 CHAIRMAN TILLERY: Mr. Janik?

4 MR. JANIK: At the risk of, I hope not insulting the
5 planning committee here and you, Joe, but, you know, these are
6 very good, but they're going to be reaching a very limited
7 audience and maybe other printed material as well. I would
8 really encourage us, given the significance of this event, to
9 really look at TV and radio.....

10 MS. McCAMMON: We are.

11 MR. JANIK:types of things.

12 MS. McCAMMON: We are.

13 MR. JANIK: I think that's where we're going to have
14 some real payoffs in helping all of the people understand
15 what's happened over the past 10 years.

16 MS. McCAMMON: As a matter of fact, one of the
17 proposals before the Council that's -- recommendation is to
18 defer until December, is a pilot TV program that would be --
19 would go out to bid, competitive bid, and the idea that it
20 would have national distribution, but I think there will also
21 be interest from -- we intend to make contacts with others such
22 as NOVA and other groups, National Geographic, to try to give
23 them the information and get their interest in doing something
24 on their own.

25 MR. JANIK: You may want to appear on the "Larry King

1 Show," Molly.

2 (Laughter)

3 UNIDENTIFIED MALE SPEAKER: That's your job.

4 CHAIRMAN TILLERY: Commissioner Rue?

5 COMMISSIONER RUE: Yeah, thank you. I don't want to
6 bog us down here, but I'm a little bit concerned that we just
7 shifted gears. We had a discussion about the journals and how
8 to encourage people to do it. I think -- I don't want to be
9 unfair to PIs who had no expectation, in terms of the money
10 that they were given to do a project, that they would then
11 necessarily be required to make the effort to put it in a
12 journal, so I don't want to give them a -- treat them with a
13 double standard. If we -- I think it's great that we do it.
14 It's a good idea that we get as much as possible in journals,
15 but I think that we ought to be careful about what our
16 expectations are and whether we ought to go back to people who
17 may have finished projects some time ago, and if we want to
18 encourage them to publish maybe give them time and money to do
19 it.

20 MS. WILLIAMS: Oh, yes.

21 COMMISSIONER RUE: That kind of makes up.....

22 MS. WILLIAMS: Right, indeed.

23 COMMISSIONER RUE: That -- I'm just concerned about a
24 pronouncement coming out of the Council saying go forth and
25 publish, and people reacting to it, what.....

1 MS. WILLIAMS: Right.

2 COMMISSIONER RUE:I've got a real job, I don't
3 have time to do that.

4 MS. WILLIAMS: That's why.....

5 COMMISSIONER RUE: So I just wanted to.....

6 MS. WILLIAMS: That's why we need a, you know,
7 analysis.....

8 COMMISSIONER RUE: Right.

9 MS. WILLIAMS:by Molly and the scientists on
10 how we get from here to there.

11 MS. McCAMMON: I think the difference is, it's in
12 some people's job descriptions to publish. The University
13 researchers.....

14 COMMISSIONER RUE: Correct, okay. That's fine.....

15 MS. McCAMMON:are supposed to publish.

16 COMMISSIONER RUE:but it isn't in everyone's.

17 MS. McCAMMON: Others within some of the agencies are
18 supposed to publish. There are others that aren't.

19 COMMISSIONER RUE: That's correct.

20 MS. McCAMMON: And I -- and we definitely take that
21 into consideration.....

22 COMMISSIONER RUE: Good.

23 MS. McCAMMON:as we look at things.

24 COMMISSIONER RUE: Good.

25 CHAIRMAN TILLERY: Mr. Pennoyer?

1 MR. PENNOYER: One last time to comment, and I think
2 this is excellent. I really like it, and it does quote the
3 references and the citations and publications in here too for
4 this species. Obviously this is a -- if we're going to do this
5 for everything, it's a huge project, I mean, is this, you know,
6 I think it ought to be done. Is this equated in the work plan
7 stuff we're going to look at in terms.....

8 MS. McCAMMON: Yes.

9 MR. PENNOYER:of synthesis and.....

10 MS. McCAMMON: Yes.

11 MR. PENNOYER:outreach and so forth. So you
12 will.....

13 MS. McCAMMON: Yes.

14 MR. PENNOYER:cover that when we get to it?

15 MS. McCAMMON: Yup.

16 CHAIRMAN TILLERY: Is there any further discussion at
17 this point on this?

18 (No audible response)

19 CHAIRMAN TILLERY: Thank you, Ms. McCammon. We're
20 almost on time.....

21 MS. McCAMMON: And I only have one other item to
22 bring up, and that is a personnel item, a change in personnel,
23 and I know most of you know Dan Sakura, with Department of
24 Interior, and I just wanted to let you know if you hadn't heard
25 that Dan has left the Department of Interior to pursue other

1 interests, and we do have a resolution honoring his dedication
2 and commitment, and extending deep appreciation to Dan for his
3 contribution to the restoration of the resources and services
4 injured by the Exxon Valdez oil spill on behalf of the United
5 States Department of Interior.

6 CHAIRMAN TILLERY: Thank you, Ms. McCammon. I will
7 sign this with pleasure. Having worked with Dan for the past
8 several years, it has been truly delightful. I have personally
9 enjoyed working with him. I think professionally it's been
10 good to work with him, and I'm going to miss his presence in
11 this process.

12 MS. WILLIAMS: And on behalf of the Department, I
13 just wanted to underscore what both Ms. McCammon and Mr.
14 Tillery said. Dan has been essential, particularly to the
15 habitat protection program that we have pursued, and he has
16 been indispensable in communicating Trustee Council activities
17 to Washington, D.C.

18 MR. JANIK: I'll add my compliment with regard to
19 Dan's performance. Following up on Deborah, what she just
20 said, you know, a lot of work has gone on, especially with the
21 land acquisitions, in terms of coordination among the federal
22 agencies, and not all that's very visible to the public, and
23 Dan was very instrumental in helping with all that.

24 MR. PENNOYER: Yeah, I will too. Dan was an
25 excellent communicator, and it often was a difficult task

1 because the agencies between here and D.C. and the state -- it
2 was a difficult communications task, and Dan was up to it and I
3 think he was one of the reasons we did get as much done in this
4 kind of mixed forum as we did, so I -- appreciation too.

5 CHAIRMAN TILLERY: The -- are we through.....

6 MS. McCAMMON: Mr. Chairman.....

7 CHAIRMAN TILLERY:with your.....

8 MS. McCAMMON:the only other thing I wanted to
9 note in your packet was a report, community involvement
10 report -- this is a copy of the report that Martha Vlasoff
11 prepared and sent around to the communities, and also a summary
12 of a teleconference that we had with them regarding the work
13 plan that was held on August 5th, so I just wanted to note that
14 in your packet. And with that, that concludes my report.

15 CHAIRMAN TILLERY: Thank you, Ms. McCammon. I
16 actually did note that community -- or reviewed that community
17 involvement stuff, and I thought that was very helpful and
18 would hope that this information would show up in future --
19 will continue to show up in packets.

20 MS. McCAMMON: That is our intent.

21 CHAIRMAN TILLERY: (Indiscernible.) Are there any
22 questions, any further questions for Ms. McCammon on the
23 Executive Director's report before we move on?

24 (No audible response)

25 CHAIRMAN TILLERY: Hearing none. The next item of

1 business on the agenda, and like I said I believe we are on
2 time, is the -- an update on injured resources and services.

3 MS. McCAMMON: Mr. Chairman, in the restoration plan
4 there is a provision for periodically updating the status of
5 injured resources and services based on the current
6 information. Our scientific staff undertook that process over
7 the winter. They produced a draft revision to the recovery
8 status, and I also looked at the recovery objectives that have
9 been included in prior years and tried to refine those.

10 Our goal was to make recovery objectives that were
11 actually achievable at some point, and so there was some
12 revisions, and I guess an example would be instead of for a
13 recovery objective saying try to have the recovery of this
14 species back to pre-spill levels when we didn't know what those
15 pre-spill levels were, the recovery objective might be changed
16 to the objective is to have the population stable and
17 increasing, or something that actually staff felt was something
18 that we could actually look at and see whether we had achieved
19 or not.

20 These changes went through multiple agency reviews.
21 They went out for public comment on April 10th. Eight public
22 comments were received; there are copies of those attached.
23 Seven of the comments we received do not directly address any
24 of these proposed changes. There was one comment that did
25 regarding inter-tidal habitats, and as a result of that there

1 is a recommended change to this draft.

2 We also had the Forest Service look at this as to
3 whether it -- from the standpoint of its compliance with the
4 National Environmental Policy Act, and they have determined
5 that no supplement to the EIS on the restoration plan is
6 needed. We will be using -- if adopted by the Council, we
7 would be using these as kind of our current operating list in
8 terms of injury and recovery status and recovery objectives.

9 I don't know if you wanted to.....

10 CHAIRMAN TILLERY: Ms. Williams?

11 MS. McCAMMON:add anything to that, Stan?

12 (Off record)

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

14 (On record at 9:30 a.m.)

15 MR. SENNER:major changes, if you like; it's
16 really at your pleasure. The material was provided you,
17 particularly the key document in your notebooks has a blue
18 cover and this is what was circulated for public comment.

19 CHAIRMAN TILLERY: Is the wish of the Council to have
20 Mr. Senner take us through the major changes? Is there
21 any.....

22 MR. PENNOYER: Mr. Chairman?

23 CHAIRMAN TILLERY: Mr. Pennoyer?

24 MR. PENNOYER: I'm sorry. The action item is to
25 approve this document for publication?

1 CHAIRMAN TILLERY: That is my understanding.

2 MR. PENNOYER: Is that correct?

3 MS. McCAMMON: That's correct.

4 MR. PENNOYER: You're requesting that at this
5 meeting?

6 MS. McCAMMON: Yes.

7 COMMISSIONER RUE: I guess I'm interested in hearing
8 what the major change is.

9 MR. PENNOYER: I am too.

10 CHAIRMAN TILLERY: Okay.

11 COMMISSIONER RUE: Major changes -- I don't think we
12 need the whole.....

13 MS. WILLIAMS: Right.

14 CHAIRMAN TILLERY: Ms. Williams, before we start with
15 that, did you have any.....

16 MS. WILLIAMS: No. I have two small modifications,
17 and mayb- -- I could either make those -- if they coincide with
18 a major change or at the end of the discussion.

19 CHAIRMAN TILLERY: Okay, thanks. Mr. Senner, why
20 don't you go through with a brief description.....

21 MR. SENNER: I'll.....

22 CHAIRMAN TILLERY:with where we're headed.

23 MR. SENNER: I'll give you the short version. If you
24 would open the blue-cover document to its last page, 23.

25 (Pause)

1 MR. SENNER: Everyone find that?

2 (No audible response)

3 MR. SENNER: Okay. What I'll simply do is quickly
4 highlight the categories -- or the items that have changed in a
5 significant way from their status as published in the
6 restoration plan. The first one is that -- the bald eagle
7 previously had been listed as a recovering species. We propose
8 that it is now recovered, that we have met the recovery
9 objectives outlined in the restoration plan, and that the key
10 facts are that within a couple of years after the spill
11 productivity had returned to normal, and in 1995, the surveys
12 of adult birds indicated that there were as many or more bald
13 eagles in Prince William Sound as there had been pre-spill, and
14 this is a case where the work supported by the Trustee Council
15 is in close agreement with work supported by Exxon as well, and
16 they might have declared them recovered a year or two before we
17 did but I think it's a convergence here of our information, so
18 that's a significant change.

19 In the category of recovering resources, we've been
20 able, we feel, to recommend to you that several resources that
21 previously were not -- considered not recovered can now be
22 called recovering. I'll call your attention to archeological
23 resources, which as we all know are non-renewable and in a
24 strict sense can't recover, however, our recovery objective
25 speaks to -- that recovery will have been achieved when there's

1 no longer vandalism and looting at sites. That is our
2 indication, that there's now been a recovery of information at
3 these sites, excavations and other investigations at them;
4 those are all well underway that we feel a recommendation or a
5 classification of recovering is appropriate.

6 Common murre, again somewhat like bald eagles,
7 productivity has returned to normal. We have surveys going on
8 in '96 and '97 to see whether the counts of adult murre in
9 fact are at pre-spill levels. We don't have that information
10 yet, but quite clearly productivity is back to normal range,
11 and on that basis, again, we recommend that this species is
12 recovering.

13 Inter-tidal communities previously had been split
14 between a recovering category and a not-recovered category, and
15 it was kind of handled rather vaguely in the restoration plan.
16 We propose that inter-tidal communities are in fact at least
17 recovering. This was the subject of one of the public
18 comments. An individual from the University of Alaska campus
19 at Juneau felt that it was more accurate to say that some parts
20 of the inter-tidal community are recovering and that in fact we
21 don't know the status of some of the other parts of the
22 community. We're proposing to handle this through a footnote,
23 which is not on your document, but what we would propose to say
24 is that the status of inter-tidal communities is based largely
25 on monitoring in sheltered rocky habitats in Prince William

1 Sound, and that the status of other inter-tidal habitats is
2 less certain or unknown, though some recovery is anticipated --
3 so we would like to be able to have that caveat here associated
4 with inter-tidal communities.

5 No change in the status of mussels. We are
6 recommending, however, that pink salmon be shifted from the
7 not-recovered category to the recovering, and this relates
8 directly to very measurable recovery objectives that were in
9 the restoration plan that -- specifically that the mortality --
10 egg mortality in oiled and unoiled streams would not show a
11 significant difference for two odd years and two even years,
12 and we are well on the way to in fact demonstrating that that
13 recovery objective is met, and on that basis we recommend that
14 pink salmon be considered as recovering -- not recovered, but
15 recovering.

16 I won't go through all the details on some of the
17 other sediments. Clearly our studies are showing that levels
18 of oil detected in sediment samples is declining to the
19 background levels. In most cases, recovering seems
20 appropriate.

21 Sockeye salmon is based on adult return to spawn
22 ratios, and again, at least seems to be recovering and
23 approaching being within normal bounds in the lakes that we
24 have been following, and similarly, sub-tidal communities. All
25 of our most recent data indicate recovery underway.

1 If I may, I'll just finish going through these, and
2 then if you have questions let's just come back to them. Under
3 the not-recovered category, you may recall that a year ago at
4 this time we -- rather, you made the decision to add Kittlitz
5 murrelets to the injured list and also the common loon, and at
6 the same time, Dr. Spies and I had recommended not adding
7 cormorants or scoters to the list. You asked us to take
8 another look at those data and we did, and on that basis we do
9 in fact recommend now that all three cormorant species be added
10 as injured in the not-recovered category. We continue to
11 believe that scoters do not -- that we do not have the
12 information to justify adding them to the list.

13 What we learned in that -- the additional work we did
14 on this is very simple, and that is, that in the case of
15 scoters, our information last time, we believe, is correct,
16 that we have a regional population of at least the three
17 species of scoters, probably well in excess of a hundred
18 thousand birds in the oil spill area, and that the indications
19 of injury based on the morgue counts and other very limited
20 data suggest only 2, 3, 4 percent kind of mortality, and that's
21 being generous to the mortality. We really don't know. The
22 information are very limited.

23 In the case of the cormorants, however, our
24 information is that there are probably a lot fewer of them out
25 there than we thought there were last August when we talked

1 with you, and that their populations may, for all three
2 species, number only a few tens of thousands, and when you then
3 look at the estimated mortality, we could be seeing mortalities
4 as high as let's say on the order of 10 percent, so in fact it
5 could have been a substantial injury to cormorants.

6 I want to add the caveat in both cases that
7 background information are limited. This is a matter of sort
8 of cobbling together estimates from different sources and just
9 trying to establish orders of magnitude for what's out there in
10 the way of a population and what we think the level of injury
11 was, but our recommendation is that the cormorants be listed
12 and not the scoters.

13 There was only one other change in this not-recovered
14 category and that is, that killer whales had previously been
15 listed as recovering, and we're recommending in fact that they
16 are in the not-recovered category, and the basis for this is
17 that at the time the restoration plan had been drafted there
18 were a couple of years in a row where there had been the
19 addition of a calf -- I guess that's the right term -- to the
20 killer whale pod. It looked like at least something positive
21 was happening. Those additions of a couple of animals have
22 been wiped out essentially by the additional loss of adult
23 animals, and there's always been the question of the killer
24 whale, of how much -- how strong is the link to the oil spill
25 to begin with. We did not revisit the question of whether it

1 should be on the injured species list or not. It was on there.
2 Our sort of deliberations were which category is the
3 appropriate one given that it's on the list, and based on those
4 additional losses of adult animals we think the not-recovered
5 category is the most appropriate.

6 Then just lastly to finish up, under recovery
7 unknown, we believe we simply don't have any current
8 information on the black oyster catcher and that the recovery
9 unknown category is the best place for that. Similarly,
10 designated wilderness areas -- there's been no new information
11 generated one way or another on oil residue or the public
12 perception about whether wilderness areas have recovered, so we
13 believe recovery unknown is simply the honest category to put
14 those in.

15 We did not address changes in the status of lost or
16 reduced services. You may recall these were not classified as
17 to level of recovery in the original restoration plan and we
18 did not revisit their status. So that's the overview, and I'd
19 be happy to try and respond to questions.

20 CHAIRMAN TILLERY: Mr. Pennoyer?

21 MR. PENNOYER: Just a quick one, Stan. I think you
22 covered this at the start and I missed it. Would you
23 distinguish being recovering and not-recovered categories?

24 MR. SENNER: Okay. Recovering is the category where
25 we feel there is measurable progress toward a recovery

1 objective, that we have some substantial indication that in
2 fact progress is being made toward the stated objective. Not-
3 recovered is the absence of information -- affirmative
4 information that recovery is underway. Not-recovered is not to
5 say that their status has necessarily worsened or anything, but
6 we simply don't have affirmative information of recovery or
7 that recovery is underway.

8 CHAIRMAN TILLERY: Commissioner Rue?

9 COMMISSIONER RUE: Yeah, just quickly. How many
10 adult killer whales have we lost, do you know?

11 DR. SPIES: Initial losses were 13 adults and since
12 that time we've been looking at how that particular A/B pod has
13 progressed and that's the one we're -- that's where the losses
14 were 13. There's some questions about some of the other pods,
15 and some of those are more transient pods and there are
16 resident pods, and it's more difficult to survey those and know
17 that there's -- the same kind of cohesion, so the 13 adults
18 came from the A/B pod which is one we've been focusing most of
19 our attention on, and the -- I think reconsideration, as Stan
20 said, of the status is based on the rate of calving,
21 introduction of new calves into the pod, and that looked like a
22 couple of years, as Stan said, like it was progressing pretty
23 well, but now there's been some regression.

24 MR. SENNER: Five adults were lost in '94 and '95,
25 and I have no information from the '96.....

1 COMMISSIONER RUE: Okay.

2 MR. SENNER:season.

3 DR. SPIES: That means they weren't seen for two
4 years in a row.

5 CHAIRMAN TILLERY: Ms. Williams?

6 MS. WILLIAMS: Just a -- looking at harbor seals --
7 and I've been skimming through the harbor seal draft report and
8 I thought oh, boy, a graph. I can't wait to see a graph, but I
9 realize I don't understand this graph at all on page 4. I
10 can't figure it out at all, and.....

11 MR. SENNER: That's why it's in draft.

12 MS. WILLIAMS: That's why it's in draft. But I think
13 the goal of having graphs on as many species as we can is most
14 commendable. It shows a 13 percent annual decline before EVOS,
15 and then gosh, it looks like, you know, the decline dropped
16 after EVOS. I read in here that we lost 300 harbor seals, but
17 I don't know where that's reflected, and then there's the
18 molting period numbers and the pupping period numbers, and I
19 realize I can't interpret this.

20 DR. SPIES: Most of the losses were based on the
21 molting surveys; that's where the harbor seal biologists feel
22 they can get the best count, so when we talk about losses and
23 declines of harbor seals over this period, we're referring
24 mainly to the molting. There is some discussion, and -- of the
25 pupping data as well and what they tell us about the rate of

1 reproduction of that species. Those are -- the main losses are
2 based on the molting.

3 MS. WILLIAMS: Now why don't we see a big 300, and
4 maybe the '89 reflect -- where is the loss of 300 harbor seals
5 as a result -- immediate and direct result of the oil on this
6 graph?

7 MS. McCAMMON: I think it says two blocks.....

8 MR. SENNER: You see this.....

9 MS. McCAMMON:between '88 and '89.

10 MR. SENNER:the steep decline in.....

11 MS. WILLIAMS: Okay. So '89.....

12 MR. SENNER:the midpoint.

13 MS. WILLIAMS:the end of '89, and so the 13
14 percent annual decline before EVOS, I see, is between '84 and
15 '88, and then we've got -- and then a 6 percent annual decline
16 since EVOS. Does that -- that doesn't reflect though the
17 loss -- the immediate loss following the spill; right?

18 MR. SENNER: That's the rate of decline since the
19 spill, so the -- kind of the take-home message is it was in
20 steep decline to begin with, the decline went even steeper as a
21 result of a spill event, and then post-spill it has continued
22 to decline but not at the same level or rate of decline as
23 previously.

24 MS. WILLIAMS: Okay. I think what's -- if I'm
25 confused, I hate to say that most people will be confused by

1 this. Here's the spill da- -- yeah, you need some kind of
2 thing that shows spill event; you need to highlight obviously
3 the decline as an immediate result of the spill because
4 otherwise, if I were Exxon, I would use this graph to say hey,
5 oil.....

6 DR. SPIES: That's one of the reasons it's stamped
7 draft.

8 MS. WILLIAMS:decreased.....

9 DR. SPIES: It's the first time I've seen it in this
10 particular form. In the other drafts we've been dealing with,
11 the reports are a lot more complex and they show different
12 rates of change through time, but Stan's right. There was a
13 steep decline before the spill. The year following the spill
14 there was an even steeper decline indifferential between the
15 oiled and unoled area and this is what's not shown here, is
16 the difference of decline between the oiled and unoled areas.
17 There was even a greater differential between the oil and
18 unoled areas after the spill relative to the pre-spill, and
19 then there has been a tendency -- well, there still.....

20 MS. WILLIAMS: And that.....

21 DR. SPIES:is a loss.

22 MS. WILLIAMS:is obviously what we want to
23 show.

24 DR. SPIES: Since '90, there still is a decline.
25 There is a tendency of that decline not to be as great as it

1 was previously.

2 MS. WILLIAMS: Correct. That's what we want to show
3 is.....

4 DR. SPIES: Right. Right.

5 MS. WILLIAMS:the difference between oiled and
6 unoiled. All right. But this would be, you know, if we have
7 intelligible graphs, that would be just wonderful information
8 for the public. Mr. Tillery, I did have two small
9 modifications that I want to discuss.

10 CHAIRMAN TILLERY: Could you go ahead and bring those
11 to Stan, I assume, will address them.

12 MS. WILLIAMS: The Department of Interior folks who
13 worked on EVOS activities brought two small modifications to
14 the recovery plan to my attention which I'd like to discuss.
15 The first one is on page 6, involving cormorants. Under
16 recovery objectives at the very bottom of the page at page 6,
17 Department of Interior believes that it would be a much better
18 recovery objective statement to say an increasing population
19 trend in the spill affected area will indicate that recovery is
20 underway.

21 The reason we bring this to everyone's attention is
22 that the bulk of the cormorants are actually outside of Prince
23 William Sound in other parts of the spill-affected area. In
24 fact, my notes here reflect that over 99 percent of the
25 population as outside of Prince William Sound, and so to

1 reflect, I believe, a better statement of recovery, we do want
2 to include the entire spill-affected area and not just Prince
3 William Sound.

4 MR. SENNER: I think -- the difficulty that that
5 poses is, and just to explain the recovery objective. We tried
6 in each case to have a statement of the objective, which is a
7 return to the pre-spill levels in the oil spill area, and then
8 secondly, we tried in a sentence to stage something that we
9 thought was an indication that recovery was underway, and the
10 focus there is on something we can measure where we have the
11 data to make that judgment, and the key thing here is that
12 we've got statistically robust boat surveys in Prince William
13 Sound going back to 1972 and '73, '84, '85, '89 through '94.
14 Those give us a rigorous basis to say the fact that a
15 population is recovering, and that's why we specifically chose
16 to make that second statement relate to the Prince William
17 Sound situation where we actually have data to measure. We
18 don't have comparable data outside the Sound; that's our
19 problem.

20 MS. WILLIAMS: I understand. Bud, would you like to
21 comment on that?

22 MR. RICE: Sure. For the record, this is Bud Rice of
23 the National Park Service. We do -- I wouldn't say that we
24 have the statistically sound data that maybe you have in the
25 Sound and not as many data, but there is data on the Kenai

1 Peninsula that indicates that there was a -- we had survey data
2 in '86 that I participated in with the Fish and Wildlife
3 Service, and we can show that there was a 75 percent drop. We
4 did several surveys, I should say in '89 after the spill, and
5 we could detect -- what we determined to be a 75 percent drop
6 in the red-faced cormorant population, about a 44 percent drop
7 in the pelagic cormorant population, a drop of 10 percent for
8 unknown identified cormorants and double-crested cormorants.
9 But nevertheless, we thought we could detect a drop, and in
10 reviewing the Alaska Sea Bird Colony atlases, if you look at
11 where the primary cormorant colonies exist, the bulk of them
12 are in the Gulf of Alaska, and that's where the information
13 about 99 percent of that population in the spill-wide affected
14 area are outside of Prince William Sound.

15 In particular, if you look at the Seward quadrangle,
16 which was the -- which is the north -- which is the
17 southwestern part of Prince William Sound -- covers most of
18 that. There are only supposedly 20 nesting cormorants in that
19 part of the Sound. Now if you look at the very southern part,
20 or the exit, of Prince William Sound in the Bligh Sound
21 quadrangle, you pick up a number of cormorant colonies there.
22 Again, the number's not anywhere in the magnitude of the
23 cormorant colonies in the nesting island areas, the Chiswells,
24 the Barren, et cetera, where we have the large cormorant
25 colony, so one reason why we thought we ought to expand the

1 objectives -- we do have some information outside the Sound to
2 indicate drops in cormorant populations, and that's where the
3 bulk of the population is.

4 One thing I might suggest though in thinking about
5 this further is that we look at where cormorant carcasses are
6 recovered from the spill. Were the bulk of them recovered
7 outside the Sound or in the Sound? Although we don't know the
8 origin of the death of that bird, maybe it died in the Sound
9 and floated out and was recovered outside, but if we looked at
10 the morgue counts and the origin of those carcasses that might
11 give us an indication of where the impact to cormorants really
12 occurred. Thank you.

13 CHAIRMAN TILLERY: Mr. -- well, before we move
14 further, we have a public session -- public comment period
15 coming up at 10:00. We're going to need to take a break for
16 people and have an opportunity to get set up for it. I guess I
17 don't think this is going to finish in time for that break, and
18 my suggestion would be that we take a break now, that you can
19 even have some of this discussion, perhaps with Stan, during
20 the public comment period and then we rejoin this discussion
21 following the public comment period, in an effort to keep the
22 public comment period on time so people aren't inconvenienced.
23 Is that.....

24 COMMISSIONER RUE: Then perhaps if you have another
25 comment or suggestion.....

1 MS. WILLIAMS: Right.

2 COMMISSIONER RUE:you could bring that to their
3 attention.....

4 MS. WILLIAMS: Exactly.

5 COMMISSIONER RUE:(indiscernible).

6 CHAIRMAN TILLERY: Bring that to Stan's attention.

7 MS. WILLIAMS: Exactly. Lisa, if you could talk with
8 Stan about NVP.

9 LISA: Sure.

10 MS. WILLIAMS: Thank you.

11 MR. SENNER: Mr. Chairman, would it make sense for
12 Ms. Williams to just mention the other -- did you have another
13 item?

14 MS. WILLIAMS: Yes. That was it.

15 (Indiscernible - Multiple speech)

16 CHAIRMAN TILLERY: We'll entertain a motion to recess
17 until 10:00 o'clock, if that's appropriate.

18 COMMISSIONER RUE: So moved.

19 MR. PENNOYER: Second.

20 CHAIRMAN TILLERY: Any discussion?

21 (No audible response)

22 CHAIRMAN TILLERY: We're in recess.

23 (In recess at 9:54 a.m.)

24 (On record at 10:04 a.m.)

25 CHAIRMAN TILLERY: We could begin the public comment

1 period. I think we have all the Council Members here except
2 for Mr. Janik, and Mr. Wolfe has indicated that we can move
3 forward to take public comments at this time. We have people
4 in Anchorage, people in Juneau, Kodiak, Homer, and there are
5 people in Seward but apparently there's no one there who wishes
6 to comment yet. I think what I'll do is -- want to start with
7 Bob here in Anchorage?

8 MS. McCAMMON: Yes, Bob in Anchorage.

9 CHAIRMAN TILLERY: Okay. Bob Henrichs has indicated
10 that he has a plane to catch or something and has requested
11 that he can go first, so why don't we do that, and then I think
12 we'll start going around some of the other areas.

13 PUBLIC TESTIMONY OF MR. BOB HENRICHs

14 My name is Bob Henrichs. I'm President of the Native
15 Village of Eyak Traditional Council. I commented to Martha
16 Vlasoff this morning that I was coming here to testify in front
17 of you guys before you make your decisions, and I made the
18 comment that it was about as effective as throwing snowballs in
19 hell, but I know you guys will want to prove me wrong so one
20 thing I'd like to touch on -- I'd like to see a Native Trustee
21 on here because we do make up a very large segment of the
22 population of Alaska and I don't believe anybody speaks for us.

23 We'd like to have a say in that restoration reserve,
24 that those dollars -- there doesn't seem to be enough money to
25 fund a lot of our projects; maybe there should be more money

1 put in the criminal side there because the Justice Department
2 seems to have problems with some of the things that we come up
3 with.

4 I'd like to put a plug in for 97-286, elders/youth
5 conference. I think that's important to our villages and that
6 it should be funded. I'd like to put a plug in for the forest
7 workshops, 97-281, where your -- the recommendations that the
8 Executive Director and the Chief Scientists came up with were
9 that the corporations come in with 50 percent of the dollars,
10 yet you guys have settled your claims against Exxon a long time
11 ago and we are still in the courts with our claims, which were
12 just as valid as the state's and the United States'
13 governments, yet you guys have settled yours and we're still in
14 court but you want us to cough money up. If you would have
15 been standing with us shoulder-to-shoulder, we would have had
16 all these things done with Exxon now, but the fact that you
17 guys, you know, I'm not saying you guys as individuals but the
18 way the process went, so I think that should be funded 100
19 percent, that the corporations shouldn't have to come up with
20 anything because they haven't settled their cases yet. I think
21 that would go a long ways towards meeting some of the goals
22 that you guys have in mind, and that it would be good to have
23 the corporations talking as members of the community and it
24 would be money well spent. Let's see what else I have here.

25 We'd like to be involved in the tenth anniversary

1 that's coming up. The injured resources, crab and shrimp, you
2 know, but we don't see much being done on that, and that was --
3 a lot of that was used for subsistence in Prince William Sound.
4 And on the PAG, we'd like to see some seats set aside for the
5 villages.

6 And I know you guys don't feel bound by the Executive
7 Director and the Chief Scientist recommendation, and that you
8 guys have minds of your own. This would be a good chance for
9 you guys to prove it, and fund some of these things a little
10 differently than they were recommended, and give -- the natives
11 would see that there's actual people behind these faces here,
12 on these Trustees, instead of computers. That's all I have to
13 say. Any questions?

14 CHAIRMAN TILLERY: Thank you. Are there questions
15 from Council Members or comments?

16 (No audible response)

17 CHAIRMAN TILLERY: Thank you very much.

18 MR. HENRICHS: I got to go.

19 CHAIRMAN TILLERY: Well, let's move to -- is there
20 someone in Homer who wishes to comment?

21 MS. BRODIE: Yes. This is Pamela Brodie. I'd like
22 to comment.

23 CHAIRMAN TILLERY: Go ahead, please.

24 MS. BRODIE: Thank you.

25 PUBLIC TESTIMONY OF MS. PAMELA BRODIE

1 I'm Pamela Brodie. I represent the environmentalists
2 on the Public Advisory Group. Molly McCammon remarked that
3 habitat acquisition is truly of national significance, that is,
4 that acquisition that the Trustee Council is doing, and we
5 certainly agree with that, and the national press is growing
6 more and more interested in this, as I believe, and especially
7 when the Trustees complete this process there will -- they'll
8 want press attention and will be recognized as a great legacy
9 for the Clinton Administration, the Knowles Administration and
10 (indiscernible) Administration.

11 I want to say to the Trustee Council, for your
12 successful negotiations with Chenega leading to the recent
13 offer, this is a very important area to conservationists and to
14 Prince William Sound fishers and Prince William Sound
15 residents. I think that this agreement, plus the tourist --
16 tourism development that Chenega is planning will provide for a
17 potential -- for a very hopeful financial future for Chenega
18 Village.

19 Regarding Eyak, we are very happy to see that there
20 is once again some hope for habitat protection there, and I
21 appreciate the fact that the Trustee Council was still open to
22 working with Eyak.

23 We'd like to urge you to try to rapidly conclude
24 agreements with English Bay and Tatitlek. We hope that the
25 Trustee Council can be creative in its approach to English Bay,

1 to come up with a mutually beneficial agreement.

2 And the last one I'll mention is Afognak Joint
3 Venture, which is a very important place to conservationists,
4 as you know, as well as to residents of Kodiak. We appreciate
5 Commissioner Rue and Commissioner Tillery looking at this as an
6 area with special needs. It's the one area where we're afraid
7 that the flow process in itself could lead to lost opportunity,
8 even before the parties get the disagreements on terms, and I'm
9 afraid there will be disagreements on terms but even the
10 process itself could lead to lost opportunity.

11 I don't mean to single out only the Trustee Council
12 and staff as the reasons for the -- the delays because I know
13 that the corporation has not always responded in a timely
14 manner, but we want to urge both sides to really concentrate on
15 coming to agreements as soon as possible with Afognak. Thank
16 you very much.

17 CHAIRMAN TILLERY: Thank you, Ms. Brodie. Are there
18 questions or comments from the Council Members?

19 (No audible response)

20 CHAIRMAN TILLERY: Thank you very much. Let us move
21 to Juneau. Is there someone in Juneau who wishes to comment?

22 PUBLIC TESTIMONY OF MR. BRUCE WRIGHT

23 There's one person in Juneau. This is Bruce Wright.
24 Actually, I -- I work for NOAA. I'd like to bring up just
25 briefly the discussion you had earlier on old reports, old NRDA

1 reports, what their -- these are '89 to '91, and some of these
2 reports were done only in '89 and then dropped. There's a fair
3 amount of data involved in some of these, and some of the PIs
4 have -- have left from their areas, retired, so there's a lot
5 of data that could be useful if these reports were finalized.
6 I think it would take -- it would take some financial help
7 to -- to bring some people on board to finalize these, and --
8 and I think the Trustee Council should enforce this type of
9 activity. That's all I have.

10 CHAIRMAN TILLERY: Thank you. Are there any
11 questions or comments for Mr. Wright? Mr. Rue, Commissioner
12 Rue?

13 COMMISSIONER RUE: A quick question of the Executive
14 Director. Were you planning to look at the -- you were
15 planning to look at the NRDA studies that had never been
16 finished?

17 MS. McCAMMON: That's correct.

18 COMMISSIONER RUE: Good. Okay.

19 MS. McCAMMON: And we'll put together a
20 recommendation on that.

21 COMMISSIONER RUE: All right, great.

22 CHAIRMAN TILLERY: Any additional questions?

23 (No audible response)

24 CHAIRMAN TILLERY: Thank you. Let us then move to
25 Kodiak, and I understand there are two people there that wish

1 to comment.

2 KODIAK TELECONFERENCE OPERATOR: Yes.

3 CHAIRMAN TILLERY: Okay. Please state your name and
4 go ahead.

5 PUBLIC TESTIMONY OF MAYOR JEROME SELBY

6 Yeah. This is Jerome Selby, Mayor of the Kodiak
7 Island Borough, and I appreciate the opportunity to comment. I
8 would like to urge you to move ahead with the Afognak Joint
9 Venture acquisition, which obviously you are. I think that's a
10 very important acquisition for the Council to complete. I'd
11 certainly like to encourage you to continue to press on the
12 small parcel acquisitions. We're particularly interested in
13 Termination Point obviously and would like for you to really
14 take a close look at Long Island acquisition as well, but
15 mainly I'm here this morning to talk about project 97-304,
16 which is the master waste management plan primarily for the
17 villages on Kodiak Island. We've put this together with the
18 villages and the Kodiak Area Native Association. We think it
19 will be an excellent project in terms of long-term impact for
20 the species that were injured during the spill, and obviously
21 (indiscernible) is it will upgrade what's going on in those
22 villages in term of solid waste management hopefully for a
23 long, long time into the future, and to good environmentally
24 sound ways of dealing with that problem.

25 So it's kind of a win-win situation. I certainly

1 would be glad to answer any questions that maybe you might have
2 on the project, but would certainly ask you to please fund it
3 today, and we're ready to go on the project.

4 CHAIRMAN TILLERY: Okay. Are there questions for
5 Mayor Selby? Mr. Pennoyer?

6 MR. PENNOYER: I had a question for the Executive
7 Director. Molly, in terms of -- the public or anybody refers
8 to projects by number. Do you have a good key for how you go
9 through this list to find the project and the explanation?

10 MS. McCAMMON: Mr. Chairman, we've gone through
11 having one by numerical order and one by clusters, and the one
12 with numerical order really gets used. It's on page B-55; it's
13 under the cluster of marine pollution -- reducing marine
14 pollution.....

15 MR. PENNOYER: Yes, you're right.

16 MS. McCAMMON:and our recommendation is to
17 fund.....

18 MR. PENNOYER: I found the project. I just -- I
19 couldn't find the last one that was brought up for quite a
20 while though, and I just wondered is there a special way to do
21 that or.....

22 MS. McCAMMON: No.

23 CHAIRMAN TILLERY: Over the years, that has been a
24 source of continual wonderment I have with the Council.

25 MR. PENNOYER: It does keep you busy. Thank you.

1 MS. McCAMMON: It seems like one more spreadsheet to
2 key into all of this, some kind of -- I don't know. If it
3 would be useful, we'd be happy to provide that for you.

4 MR. PENNOYER: Well, maybe members of the public
5 could refer to it -- well, they don't have the page numbers
6 necessary or the detail, though, do they; right?

7 MS. McCAMMON: They were sent -- all of the
8 legislative information offices were sent all of these
9 materials last week.

10 MR. PENNOYER: It might be nice to reference the.....

11 MS. McCAMMON: So they should have.....

12 MR. PENNOYER:page number when the project
13 is -- thank you.

14 CHAIRMAN TILLERY: Are there additional questions or
15 comments relating to Mayor Selby's comments?

16 (No audible response)

17 CHAIRMAN TILLERY: Why don't -- thank you, Mayor
18 Selby -- and why don't we go ahead and finish with Kodiak if
19 there is one additional individual there.

20 PUBLIC TESTIMONY OF MS. BRENDA SCHWANTES

21 Hi. My name is Brenda Schwantes. I'm on the Public
22 Advisory Group, and again, I would like to also thank the
23 Trustee Council for considering the proposal that Mayor Selby
24 just mentioned, on page B-55, project number 97-304, which is
25 called the Kodiak Island Borough Master Waste Management Plan.

1 I -- I think it's going to be a very productive project, and
2 I'd like to also encourage the Council to fund that.

3 The other -- the other idea that I wanted to -- to
4 bring up, and we talked about this at our last Public Advisory
5 Group meeting, is -- I'm interested because I've gotten a lot
6 of the public feedback from the communities around Kodiak. I'm
7 interested in informing and talking with the Trustee Council
8 about possibly filling some of the new -- the Public Advisory
9 Group seats with rural residents of Alaska. Currently, the
10 seats that are being filled, they're all filled with basically
11 urban areas -- Anchorage, Fairbanks and Juneau. Kodiak
12 actually is considered rural, but I'd like to encourage the
13 Trustee Council when the nominations come in for the -- the new
14 Public Advisory Group, I'd like to encourage the Trustee
15 Council to look strongly at the rural residents, and I'd like
16 to see -- and I know that a lot of people around Kodiak Island
17 in the villages have expressed interest in sitting on the
18 Public Advisory Group, to have some input into the process.
19 And that would be all that I have today. Thank you.

20 CHAIRMAN TILLERY: Thank you. Are there comments or
21 questions from the Council? Ms. Williams?

22 MS. WILLIAMS: I thank you for those comments, and as
23 we discussed earlier, we're going to make a concerted effort to
24 do that. Is Mayor Selby still there? Jerome?

25 MAYOR SELBY: Yes, I'm still here.

1 MS. WILLIAMS: Oh, you know, I should have asked you
2 this when you were testifying before, but every once in a while
3 there are positive unintended consequences of the Trustee
4 Council's actions, and if you wouldn't mind sharing the news
5 about the nice little check you got the other day, I think the
6 rest of the Council Members might like to hear about that.

7 MAYOR SELBY: Is this supposed to be a paid
8 commercial or.....

9 MS. WILLIAMS: Yeah, exactly, exactly -- brought to
10 you by Department of Interior, Fish and Wildlife Service, yes.

11 MAYOR SELBY: We really do appreciate the
12 consequences, then basically because of the program -- our
13 program receipts from Fish and Wildlife activities in refuges
14 are shared back to the local government. The Kodiak Island
15 Borough got a check a couple of weeks ago for \$238,000 for our
16 program receipts portion of that, and the reason that changes
17 is because lands that are acquired back into the refuge carry a
18 computation that is a payment in lieu of tax in effect for
19 those acquired lands, and it's different -- we don't get any
20 money in effect for the land that was always owned by the
21 federal government, but when lands are acquired back in from
22 private properties then they get -- under a different formula,
23 there's a value that's calculated and that we will receive on
24 an annual basis.

25 As Deborah indicated, it was kind of unexpected,

1 quite frankly, (indiscernible) that section of wildlife. We've
2 been working real hard under the old other payment
3 (indiscernible) program, that I think most of you are familiar
4 with, where because of large federal land holdings, primarily
5 the Coast Guard base, that were all received monies under
6 another program also through the Department of Interior, but
7 this one was an unexpected bonus. It's a great bonus, and it's
8 kind of a real nice payback to the community as an ongoing
9 basis for the -- and as a result of what you folks have done on
10 these acquisitions. Again, we really appreciate it. We -- it
11 was an unexpected thing; it's going to be an ongoing thing.
12 It's going to be a real big boost to us in times when budgets
13 are declining, and you're all aware of that, and, you know, I
14 can't say thanks enough because not only is the -- the refuge
15 being put back into tact because of these acquisitions, but the
16 community -- the island -- this community is going to benefit
17 directly monetarily as well on an ongoing basis. It doesn't
18 get any better than that, obviously we really.....

19 (Laughter)

20 CHAIRMAN TILLERY: Is there additional comments from
21 Council Members or.....

22 (No audible response)

23 CHAIRMAN TILLERY: Thank you, Mayor Selby.

24 MS. WILLIAMS: Thanks, Jerome, well done.

25 CHAIRMAN TILLERY: That concludes everyone that I

1 know of that's currently from the rural areas. We will go to
2 Anchorage right now, and then I'll come back after we finish
3 here and see if anyone has any additional comments. And I --
4 at this point, the only person on the list in Anchorage who has
5 indicated a desire to comment is Rick Steiner. Rick, if you
6 can come on up, and if anybody else does wish to comment,
7 I'll -- after Rick is through, I'll ask that question.

8 PUBLIC TESTIMONY OF MR. RICK STEINER

9 Good morning, folks. Rick Steiner, from Cordova.
10 First of all, I'd just like to thank all of you sincerely for
11 the progress it seems that you're making on habitat
12 acquisitions. It's been a long time in coming; most of us feel
13 it's about time. I'd encourage you to continue negotiations
14 with Afognak, English Bay; renew negotiations with Port Graham;
15 and certainly, in Prince Williams Sound, complete Tatitlek; and
16 good luck on Eyak, and I -- we all wish you well there and
17 hope -- hope that you can close on some sort of deal with the
18 Eyak Corporation.

19 I would encourage you as well to look more favorably
20 on less than fee title transfer in all these deals. That's a
21 particularly sensitive issue for the native people, as you all
22 know, and I think it's one that's going to come back to bite
23 everybody ten years from now, so if -- if you can place more
24 priority on restrictive conservation easements rather than
25 going for fee title transfer on some of these lands, I think

1 it's the more innovative and creative approach to this.

2 And lastly, I didn't come here just simply to
3 compliment you and thank you this morning. As you know, there
4 has yet to be a thorough comprehensive review of the
5 government's damage assessment and restoration program. It's
6 the most precedent setting program ever conducted by the
7 governments to assess damage to the environment and to conduct
8 a restoration program. My question to you is simply, why does
9 the Trustee Council oppose such a review? You're on the record
10 as opposing it, and I mean this with all sincerity and respect
11 and candor and friendship. I -- I would sincerely like to know
12 for the record why the governments oppose a review thoroughly
13 and comprehensively and independently of what has been done via
14 damage assessment and restoration to date.

15 CHAIRMAN TILLERY: To at least start from the
16 perspective of the Department of Law. The Department of Law,
17 and I believe the State of Alaska, and I believe I can include
18 the federal government, does not oppose review. We would
19 welcome a review; we have no problems with a review. We've
20 said that repeatedly, that our books are open, our documents
21 are open. Any individual, any agency, whoever, is welcome to
22 come in and look at those, and in fact, I -- there is several
23 groups, I believe, like U.S. News, at one point I gave
24 substantial, or access to substantial, numbers of documents
25 to -- I do this -- I give documents and so forth to people

1 almost on a -- well, it used to be a weekly basis; now it's
2 more probably like a monthly basis or something like that.

3 There has never been any -- it is incorrect to say
4 that, at least from the -- to state that we do not welcome a
5 review. We -- the books are open. If there are other Council
6 Members that wish to comment?

7 MS. McCAMMON: Mr. Chairman, I would.

8 CHAIRMAN TILLERY: Ms. McCammon?

9 MS. McCAMMON: The Council is not on record opposing
10 any kind of a review, and if anything was underway, all of the
11 Council Members have indicated they would be more than willing
12 to help with such a thing. What we have indicated is -- Mr.
13 Steiner, you have requested that the Council support a National
14 Academy of Sciences review. The Council currently funds a
15 National Academy of Sciences level review on an annual basis of
16 all of its program. What we've also been doing is looking at
17 ways to incorporate various reviews and assessments as we
18 approach the tenth anniversary, and we're looking at various
19 means of doing that, either through something at the science
20 symposium or something a little bit broader from a policy
21 perspective. So I would really, I guess, challenge your
22 interpretation of what the Council's position is on that.

23 MR. STEINER: Mr. Chairman, if I might because my
24 comments.....

25 CHAIRMAN TILLERY: Please, Mr. Steiner.

1 MR. STEINER:were contradicted by the Council.
2 I'd just like to say that out of frustration with the Council's
3 refusal to submit to a thorough -- completely thorough, over
4 the seven-year review, which has yet to be done. We had gone
5 to court a couple of years ago -- or in the spring of '95, I
6 believe it was, simply asking that the court appoint a review
7 commission. Both the state and federal government opposed that
8 in court.

9 Subsequently -- actually, previous to that I had
10 requested for Senator Stevens to investigate -- to take a look
11 at whether the National Academy should or should not initiate a
12 review. Both the state and the federal government, via this
13 Council, opposed that -- so you're on record as opposing a --
14 the sort of review I am talking about, and that's pretty much
15 all I have to say, and if you're -- if there is such a review
16 or if you're willing to do it, then let's go, but if not, then
17 I'd certainly like to know why, and that's all I have to say.

18 MS. McCAMMON: Mr. Chairman, just to clarify.....

19 CHAIRMAN TILLERY: Ms. McCammon?

20 MS. McCAMMON:one more thing. The Council, and
21 I wrote the letter on behalf of the Council and submitted it to
22 the Council for review. The Council is not on the record
23 opposing such a review. In fact, if Senator Stevens or anyone
24 else would like to initiate such a review, that is -- it's more
25 than welcome, and all of the Council Members would join with

1 it.

2 What we did say in that letter was that given the
3 level of scientific review that the Council is currently paying
4 for, that it didn't seem appropriate for the Council to pay for
5 such a review at this time. We didn't think that it was
6 needed, and that there might be other mechanisms in the future
7 that would accommodate those kinds of concerns, so I think
8 there is a difference there.

9 CHAIRMAN TILLERY: And to follow up on that, your
10 words were that we have been unwilling to submit to review, and
11 I believe -- it's been a while, but I believe in those papers
12 that we emphasized the fact that we were more than willing to
13 submit to a review, and I.....

14 MR. STEINER: That -- I.....

15 CHAIRMAN TILLERY:continue to state that.....

16 MR. STEINER:probably misstated that. You're
17 right. Yeah.

18 CHAIRMAN TILLERY:we are willing to submit to
19 review. We -- our books are open, our business is open, our
20 documents are open. If you want to review us, just come and
21 ask.

22 MR. STEINER: Perhaps I should have restated that as,
23 why doesn't the Council initiate such a review? It is in the
24 public's interest, it's in the national interest, and I believe
25 it's part and parcel of your public trust to not only submit to

1 open your books but to initiate, to commission the National
2 Academy or some truly independent body to look at the whole
3 seven years. I, you know, it's risky. It can be a fearful
4 thing to submit to review; all of us have to do it. But I
5 think -- and this is such a precedential initiative. Never
6 before has such a thing of this scale been done that I think
7 it's clearly in the public's interest to do it, so that's all I
8 have to say. Thank you.

9 CHAIRMAN TILLERY: Mr. Piper?

10 MR. PIPER: Just on that -- on the issue of the
11 process for damage assessment and restoration. Under OPA '90,
12 there's a new rule that exists now that takes some of the
13 process that we used here, and uses that, but it doesn't use a
14 lot of it, and I think that merely a historical review would be
15 somewhat moot, I mean, the procedure that exists now under OPA
16 '90 calls for a public process. It calls for a restoration
17 plan. It has science-based restoration objectives in general,
18 and I think that it was part of learning from our experience,
19 both the good and the bad, that helped the creation of that
20 rule.

21 So I'm not opposed to review either, but really a
22 historical look at it has somewhat limited utility because we
23 have a new rule in place that addresses some of those things,
24 at least from the standpoint of damage assessment and
25 restoration.

1 CHAIRMAN TILLERY: Thank you. Is there further
2 comments?

3 (No audible response)

4 CHAIRMAN TILLERY: Thank you, Rick.

5 MR. STEINER: Thank you.

6 CHAIRMAN TILLERY: Appreciate it. Is there anyone
7 else in Anchorage who wishes to comment at this time? Yes,
8 Gary?

9 PUBLIC TESTIMONY OF GARY THOMAS

10 My name is Gary Thomas. I'm the President of the
11 Prince William Sound Science Center, and I didn't plan to make
12 a comment until the last discussion. And coming from inside of
13 the research program of the Sound Ecosystem Assessment Program,
14 I think there's probably some work that's going on that isn't
15 noticed as much as -- to the public, and maybe we could do
16 something about it. They've -- when the Sound Ecosystem
17 Assessment Program started, there was a panel of really world-
18 renown scientists brought in to review the scientific process.
19 A few of these names are Bill Percy, Pete Peterson, George
20 Rose, and several others. These are -- are world-renowned
21 scientists, and -- and they have been a tremendous benefit to
22 the program.

23 The reviews that we've got -- we've had reviews every
24 year -- sometimes special workshops to bring in other experts,
25 and -- and we've really benefited by this, so -- so I'm in --

1 in the same spirit that -- that Rick has said; review may be
2 scary but it is also good, and -- and I just want to thank the
3 Trustees Council for -- for spending the money to bring the
4 kind of -- of people, and the caliber of people that we have
5 had in our program. Thank you.

6 CHAIRMAN TILLERY: Thank you. Mr. Pennoyer?

7 MR. PENNOYER: I wasn't getting into this discussion
8 either because I agree with Rick that a review in any program
9 is a good idea, and I guess the names you have mentioned I
10 think are names we brought in for peer review in all of our
11 programs and all the workshops, so I'm not clear what this
12 review and non-review is. It's true that like Bering Sea, it
13 goes (indiscernible) the National Academy undertake a study,
14 and these things do happen, and we're going to do some of that,
15 and we have a summation coming up, (indiscernible) synthesis
16 and review, and synthesis projects we have, their species under
17 that, but the names you have mentioned are names, I assume,
18 were in these workshops, had heard, had met with various
19 anniversary groups and were doing some of these program
20 reviews.

21 So I agree with you, but I think some of that's
22 happening already. Now whether enough is or not, we'll discuss
23 that every time we go over a work plan, I think, so as Craig
24 said, I think the books are open, and I don't think there's
25 been any secret. We're lagging on publication, and certainly a

1 review that occurs every time you publish something if it's in
2 a peer review journal, and so all of that still has to happen
3 and is being caught up on, so I'm -- I guess, Rick, I'm not
4 totally clear on where you want to go with this that makes it
5 different than some of the things that we're doing now and
6 anticipate doing in the future. And Gary, I think the
7 workshops (indiscernible). I think that's happened across the
8 board in a lot of areas.

9 MR. THOMAS: You know, I've -- I've heard they are,
10 but I would just want to reflect my personal experience, I
11 mean, I have really in -- in my experience not been under such
12 close review by outside peers in any program -- research
13 program that I have ever been in, and I was at the University
14 of Washington doing research for 17 years prior to this.

15 CHAIRMAN TILLERY: Thank you. Mr. Janik?

16 MR. JANIK: I just want to add one comment because
17 I -- what I hear Rick asking for is a complex reporting out on
18 the total time period since all this started, and every
19 conversation that I've ever been involved in in serving as a
20 member of this Council has been one where the -- all the
21 members have been very willing to subject that to whatever
22 review is considered appropriate, and I think we are under the
23 perception that that's happening to a level of sufficiency.

24 I do think, though, that the comments that we heard
25 here might be something we want to look at as we prepare for

1 the tenth anniversary because, as I mentioned earlier, I think
2 that is an opportunity for the Council to demonstrate
3 accountability, and maybe really look at how we can prepare
4 material that'll provide assurances to the public in a very
5 open-profiled way of just what has happened over the past seven
6 years. That's different than a review, but nevertheless, it
7 might satisfy the needs of some of the publics who don't seem
8 to think they have yet seen enough information on this.

9 CHAIRMAN TILLERY: Is there additional comment or
10 questions? Thank you, Gary. Is there anyone else in
11 Anchorage?

12 (No audible response)

13 CHAIRMAN TILLERY: At this time, has anyone joined us
14 other than Juneau, Kodiak, Homer and Seward?

15 (No audible response)

16 CHAIRMAN TILLERY: Okay. Is there anyone else in
17 Juneau that would wish to comment?

18 JUNEAU TELECONFERENCE OPERATOR: No, thanks.

19 CHAIRMAN TILLERY: Anyone in Kodiak?

20 KODIAK TELECONFERENCE OPERATOR: No one else, thank
21 you.

22 CHAIRMAN TILLERY: Anyone at Homer?

23 HOMER TELECONFERENCE OPERATOR: No, thank you.

24 CHAIRMAN TILLERY: And anyone in Seward?

25 (Pause)

1 SEWARD TELECONFERENCE OPERATOR: No, thank you.

2 CHAIRMAN TILLERY: That would then seem to end the
3 public comment period. Thank you for your comments and for
4 taking the time to come in today and to listen. I guess what
5 we should do now is to go back and finish up with the
6 restoration plan update, and Ms. -- perhaps Ms. Williams could
7 give us a staff report of whether her problems have been solved
8 or.....

9 MS. WILLIAMS: And I'm going to ask Mr. Senner
10 whether he had the opportunity to discuss the two issues with
11 Mr. Rice and Lisa, and whether you came to a resolution.

12 MR. SENNER: I think so.

13 (Laughter)

14 MR. SENNER: On the matter of -- that you did not
15 address, of in the pigeon guillemot account adding some
16 language citing the near-shore bird a bird predator project,
17 that's no problem at all. In the case of the cormorant, what
18 Mr. Rice and I discussed, and I think this is acceptable to
19 him, is that in the summary of injury and recovery, which is
20 the more extended discussion, that we would make reference to
21 the fact that there are some data from the Kenai Coast
22 indicating population declines -- or indicating declines in
23 numbers of breeding cormorants there, but that we would leave
24 the recovery objective as -- the language in the recovery
25 objective as it is, and I think that's what we discussed.

1 MS. WILLIAMS: Very good. And just for the Trustee
2 Council and public's benefit, the other item that Mr. Senner
3 referred briefly to was the desire, particularly
4 (indiscernible) to expand the discussion, and I'll direct your
5 attention to it quickly -- on page 13, injury and recovery
6 under pigeon guillemot, of the fact that not only is the APEX
7 project looking at this issue but also the MVP project, and to
8 reap out that fact in the discussion there.

9 MR. SENNER: And that was an oversight on our part;
10 that should have been in there. Mr. Chairman, I think I've
11 done what I can.

12 CHAIRMAN TILLERY: Are there additional questions for
13 Mr. Senner?

14 (No audible response)

15 CHAIRMAN TILLERY: Does someone wish to.....

16 MS. WILLIAMS: Yeah. Mr. Chairman, with the two
17 small modifications we've talked to, the cormorant section and
18 the pigeon guillemot section as discussed, I would move that
19 the Trustee Council approve the plan at this time.

20 MR. PENNOYER: Second.

21 CHAIRMAN TILLERY: Is there discussion on the motion?

22 (No audible response)

23 CHAIRMAN TILLERY: And I understand that the motions
24 would include the oral changes that you indicated would be made
25 but have not yet been made in a written.....

1 MR. SENNER: That's correct.

2 CHAIRMAN TILLERY:document. Is there further
3 discussion of the motion?

4 (No audible response)

5 CHAIRMAN TILLERY: All in favor?

6 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

7 CHAIRMAN TILLERY: Opposed?

8 (No audible response)

9 CHAIRMAN TILLERY: It's so moved and passed. The
10 next item of business will be the operating and financial
11 procedures. Ms. McCammon, are you going to bring that or
12 is.....

13 MS. McCAMMON: Yes.

14 CHAIRMAN TILLERY:Ms. Cramer?

15 MS. McCAMMON: Mr. Chairman, in -- when the Council
16 was -- began, following the settlement with Exxon in 1991, the
17 Trustee Council adopted operating procedures on January 10th,
18 and also adopted financial operating procedures on September
19 21st. Since that time, these procedures have become obsolete
20 over time partially due to a restructuring of the organization
21 here, with an Executive Director and more of a central office,
22 partially due to just -- more of a history with dealing with
23 the process and trying to accommodate some of the issues and
24 concerns with the agencies in terms of accounting.

25 And then also, a number of issues were brought up

1 during our recent audit on how to better present information in
2 terms of accountability by the various agencies. So with all
3 of these things, we undertook last winter a review and started
4 a revision of the operating procedures. What you see in front
5 of you today has gone through multiple agency reviews. The
6 agencies have all had a number of copies of these. We have
7 been working with all six Trustee agencies to ensure that these
8 procedures reflect something that is achievable -- and also
9 respond to concerns that were raised by the auditors, by the
10 public, and also reflect the current organizational structure.

11 In the memo to you, I did highlight a couple of items
12 that, as we went through this revision, were ones that the
13 agencies did not have consensus on. We, for the most part,
14 kept those procedures as they have been in the past and did not
15 recommend a change, but I did want to bring those to your
16 attention.

17 One of them was the issue of emergency action. In
18 the original procedures, the Council did adopt a provision for
19 interim emergency action. To my knowledge, this has never been
20 used. Given that the Council currently operates -- allows the
21 use of alternates and allows the use of teleconferences, I
22 don't anticipate the need to use this provision but we did
23 leave it in there, and I don't know if the Trustees have a
24 problem with that or not, but we did leave that provision in
25 there.

1 In addition, there was some concern presented by a
2 couple of agencies about how far in advance briefing materials
3 should be provided to the Council prior to any action, and
4 again, we did not reach a consensus on that either, and so the
5 question of whether that's actually putting in the materials is
6 left silent.

7 The question of public notice was raised. The
8 revised procedures require reasonable public notice be given
9 for all meetings of the Trustee Council. This is the same as
10 it was in the prior procedures. I did raise this particular
11 issue with the Public Advisory Group to get their feedback on
12 it. They felt comfortable with the term reasonable. They
13 realize that in some cases it may not be possible to give two
14 weeks or a month's notice, and they felt comfortable with the
15 kind of notice that they have been given thus far.

16 The same is true with the issue of public review and
17 comment, how much should be allowed in terms of a minimum
18 review period. Certainly for any major action we try to give
19 at least 60 days comment period, for example, on the work plan,
20 on any changes to the restoration plan, any major item, on
21 other items; it may be less than that. Some of it depends on
22 whether the public comment period occurs during the summer when
23 people are busier or during the winter. Again, the Public
24 Advisory Group did not have a problem with past practices and
25 believed that reasonable was appropriate.

1 Another issue that was raised was the question of
2 general administration, and the current practice is to use for
3 agencies 15 percent general administration costs, 15 percent of
4 personnel costs, and then 7 percent of the first \$250,000 of a
5 contract, 2 percent of any amount over that. So basically you
6 have two general administration, GA, prices there. There was
7 some discussion about doing just one fixed amount across the
8 board for each agency, and I did have staff kind of go back
9 over the years and see if there was an average amount that
10 might be appropriate. The amount averaged out to about 8
11 percent, and so we did have a discussion about whether we
12 should just put an 8 percent GA on each of the projects.

13 This does make -- we also broke down the impact this
14 would have by project and by agency. It has a big impact on
15 agencies that do most of the work in-house using their own
16 staff. They would see a significant drop in general
17 administration support. Those agencies that do a lot of
18 contracts, a lot of pass-through type projects, would see a
19 significant increase. And because there was such a shift
20 there, and we had quite a discussion about that and there is no
21 consensus on that at this point. There may be at some future
22 point, and this may come back to you with a recommendation but
23 at that point we haven't.

24 There was also a lot of discussion about requiring
25 the lapse of funds after -- at the end of the fiscal year.

1 Currently under Congressional authorization, the NRDA funds do
2 not lapse at the end of the fiscal year. However, the current
3 operating proced- -- the previous operating procedures and this
4 proposal would require them to be lapsed and would clarify that
5 those funds would be lapsed. I strongly recommend that this be
6 adopted; the auditor strongly recommended. We are now in a
7 situation of trying to figure out exactly how much money has
8 been lapsed over the prior three years.

9 There is about a million dollars of lapsed money that
10 we're not certain of at this point. We're trying go clean up
11 those numbers and make sure whether those are solid numbers,
12 whether I can come to you with confidence and say yes, I am
13 positive those -- this amount is available basically for
14 reappropriation for new use, and this problem has been
15 exacerbated by the fact that funds have not been lapsed at the
16 end of fiscal years. And so I strongly recommend that the
17 Council really affirm this in these operating procedures.

18 I did also want to note that one of the
19 recommendations of the auditors was the question of segregating
20 direct and indirect costs, and spending them accordingly. And
21 this sounds kind of like, I don't know, administrative mumbo-
22 jumbo, but the way it is now, an agency or a project gets X
23 amount for -- to do the direct project, and then they get Y
24 amount for the general administration or indirect support.
25 What the auditors have recommended is that that Y amount be

1 spent proportionately with the X amount.

2 So for example, you have a project and let's say
3 nothing -- for some reason it doesn't go forward and you don't
4 spend any of that money, then the auditors are saying none of
5 the general administration should be spent also. In the past,
6 the general administration has been considered pretty much gone
7 into one pot and spent whether the project was actually fully
8 expended or not.

9 All of the agencies have indicated they have the
10 ability to segregate those costs and to do this, except for
11 Fish and Wildlife Service, which is the one entity within
12 Department of Interior. We have been working with Fish and
13 Wildlife Service to see if there is a way to be able to do
14 this. Folks in Washington, D.C. think there is; folks in
15 Anchorage don't think there is. We've been spending probably
16 the last three months trying to do this. I think it is still a
17 goal that we should be striving for. It may not be possible to
18 reach. We think it may be, but it may not be possible, and so
19 I do have a motion to address the fact that there may be in one
20 particular case not the ability to achieve these operating
21 procedures, to be in total compliance with them.

22 COMMISSIONER RUE: Molly?

23 MS. McCAMMON: Yeah.

24 CHAIRMAN TILLERY: Mr. Rue?

25 COMMISSIONER RUE: While you're on that -- how do you

1 deal with the problem of a project moving ahead, they won't
2 know how much they're going to lapse until a month after the
3 project and all the billing are done and when they figure out
4 the final amount. The general administration has gone on until
5 the end of the fiscal year and you'll have to commit general
6 administration dollars or lay someone off, you know, do
7 whatever you do to spend proportionately. Have you -- did you
8 address that problem?

9 MS. McCAMMON: Is Traci here? Traci, do you want to
10 address that? I think.....

11 COMMISSIONER RUE: I don't if you need -- just if you
12 guys.....

13 MS. McCAMMON: The idea.....

14 COMMISSIONER RUE:would address that.

15 MS. McCAMMON:is that it would be approximately
16 proportional.

17 COMMISSIONER RUE: Okay.

18 MS. McCAMMON: So I don't think.....

19 COMMISSIONER RUE: (Indiscernible.)

20 MS. McCAMMON:it's exactly dollar-for-dollar
21 because.....

22 COMMISSIONER RUE: Okay.

23 MS. McCAMMON:in some cases, the way the
24 agencies use general administration is to support staff, that
25 you kind of -- you have to commit up front.

1 MS. CRAMER: Yeah, and the procedures do allow for a
2 closeout period of, I think it's four months, to allow the
3 agencies to go in and make sure that they've taken care of
4 everything they were supposed to have taken care of. In
5 addition, there is another six-month period that they can come
6 back and continue to adjust it with Molly's approval, within
7 these revised procedures.

8 CHAIRMAN TILLERY: So you did address that question
9 then?

10 MS. McCAMMON: Yeah.

11 CHAIRMAN TILLERY: Good. Thanks.

12 MS. McCAMMON: I'd be happy to answer any other
13 questions. Traci Cramer, the Director of Administration, and
14 Eric Myers have spent a lot of time working at the agencies on
15 these and I think they reflect a number of the issues that were
16 identified by the auditors, and a number of issues identified
17 by the agency folks to clarify what procedures, so we're all
18 working from a consistent set of rules.

19 CHAIRMAN TILLERY: Are there questions? Ms.
20 Williams?

21 MS. WILLIAMS: I would like to talk just a little bit
22 more about the lapsed fund situation. So going back to
23 Commissioner Rue's statement, looking at lapse on page 13 to
24 14, it says,

25 "However, an undisclosed obligation may be

1 established and/or paid during the closeout
2 period."

3 And then there's a section on the closeout period. So a
4 project or a agency could come and say this is how much we have
5 left over, this is how much we need for closeout.....

6 MS. CRAMER: No.

7 MS. WILLIAMS:and then they -- no? How would
8 it work?

9 MS. CRAMER: No. During the closeout, they would
10 report for the period ending September 30th of that fiscal
11 year, what they think -- what they understand at that time to
12 be their obligations.

13 MS. WILLIAMS: Mm hmm (affirmative).

14 MS. CRAMER: They would then report in their report
15 for the period ending December 31st, the final prior year
16 obligations. And during that period of time, they would have
17 the ability to go in and say a phone bill comes in that they
18 didn't know about.....

19 MS. WILLIAMS: Right.

20 MS. CRAMER:so they could -- even though
21 September 30th has already passed, they have the ability to go
22 in and take that bill and book it against that prior year.

23 MS. WILLIAMS: Mm hmm (affirmative).

24 MS. CRAMER: After December 31st, if they continue to
25 have bills coming in, what the.....

1 MS. WILLIAMS: Mm hmm (affirmative).

2 MS. CRAMER:procedures allow is another six-
3 month period that rather than simply adjust their books for
4 current year activity relating to the prior year, they would be
5 able to come back to Molly and say Molly, we didn't know this
6 was out there, we have to pay it, Molly can give the nod. Once
7 that six-month period has expired, that's the point in time in
8 which I do the court request. I start working on the court
9 request for determining how much of unobligated funds are
10 available to offset the next work plan.

11 MS. WILLIAMS: Mm hmm (affirmative).

12 MS. CRAMER: If they come in after that point in
13 time, after we've already scooped up that unobligated balance,
14 they have to come back to the Trustee Council.

15 MS. WILLIAMS: Okay. So the unobligated balance is
16 not scooped up then until the court requests essentially?

17 MS. CRAMER: Correct.

18 MS. WILLIAMS: All right.

19 MS. McCAMMON: I should clarify. An obligation
20 doesn't mean it's something that's actually paid out at the
21 time; an obligation could be a contract for a certain amount
22 that you're still getting bills on too.

23 MS. WILLIAMS: And Molly, could you describe the
24 million dollar lapsed fund issue?

25 MS. McCAMMON: I'll have Traci do that since she's

1 been working on the numbers.

2 MS. WILLIAMS: Oh.

3 MS. CRAMER: Basically, Bob Baldauf in the Department
4 of Interior, and I have been trying to determine how much money
5 is truly out there. I have been receiving reports from the
6 agencies that say they were authorized to expend X amount, and
7 they have expended Y; the difference would be this number.
8 When I compare the information that's being provided to me in
9 the quarterly reports to the information that is coming out of
10 the Department of Interior, the NRDA fund, we're getting a
11 difference of a number. Now we have settled on a number of 1.2
12 million to offset the current '97 work plan, but we are -- we
13 think there is more money out there, and we're not 100 percent
14 positive what that amount is.

15 It could be that the information that's being
16 provided by the agencies in the quarterly may need to change so
17 that the numbers start to correspond a little bit more. It
18 could be that the amount of transfers that have been coming out
19 of the NRDA fund have been adjusted for offsets that need to be
20 backed out so you can actually see the money going out, the
21 money coming in -- so we're still working to do that, and
22 probably in December we'll have another chunk of money for you.

23 MS. WILLIAMS: And is this solely a Department of
24 Interior issue?

25 MS. CRAMER: No. The reason it's Department of

1 Interior is because Department of Interior controls the NRDA
2 fund. No.

3 MS. WILLIAMS: Okay. I see.

4 MS. CRAMER: And it's not, I mean, it's not solely, I
5 should say, that the quarterly reports and the information
6 we're receiving is not solely a problem we're seeing with the
7 federal government. We also occasionally -- I also
8 occasionally have questions in relationship to the information
9 coming to me from the agencies.

10 (Pause - Whispered conversation)

11 CHAIRMAN TILLERY: Additional questions? Mr. Janik?

12 MR. JANIK: Is it time to give opinions?

13 CHAIRMAN TILLERY: All right. Additional questions
14 or opinions?

15 (Laughter)

16 MR. JANIK: Based on our staffing of this lapsed
17 language here, we have no problem with the annual kind of
18 tracking with the provision here that's provided. We think
19 that carries a certain level of additional accountability too
20 that's healthy. We do, however, have a problem with the line
21 item tracking. I think that's on page 15, the annual financial
22 report, number 4 section, where it talks about,

23 "Reflect the total amount authorized by line

24 item, any revision approved by the Trustee

25 Council, any adjustment between projects and any

1 adjustments between line items."

2 Again, with accountability as the primary focus we
3 think this may be an overdose and cause some busyness that's
4 unnecessary. I think the shifting of money to get a project
5 done -- there should be flexibility associated with that to
6 some degree anyway, and if in fact this is a provision that the
7 Council seems to think needs to be included, where shifting
8 among line items is necessary, then I think we need to put a
9 tolerance limit on this, I don't know, 10, 15 percent or
10 something because if we're going to have to report or
11 demonstrate a report on each shift of money from one block to
12 another, we're going to really establish for ourselves a very
13 difficult tracking process, unless I'm not understanding what's
14 being proposed here.

15 MS. McCAMMON: Mr. Chairman, there would be no
16 requirement that that had to come back for any Council
17 approval, and at one point I believe that we had talked about
18 actually doing that on a quart- -- I think it's required now on
19 a quarterly basis, and this actually would make it only on an
20 annual basis, so it would be cumulative transfer. It wouldn't
21 require each individual transfer to come back. Is there.....

22 MS. CRAMER: Correct. Correct. The existing
23 procedures require that the agencies provide the information
24 variances and object classes, or line items, on a quarterly
25 basis. That hasn't been taking place. It was a concern of the

1 Restoration Work Force. What we did was we compromised in a
2 sense and said okay, on an annual basis provide us with the
3 final, and if we can call it the final, the final line item
4 distribution which would be do after the closeout period. So
5 if the Trustee Council approved a project with \$300 in
6 contractual, and the agency actually expended that money in
7 another line, they don't have to provide the justification for
8 why they expended it in another line; they would provide a
9 report that says this is what we were approved, 300 in
10 contractual, this is how we expended it, 300 in commodities.

11 If when we look at that report we felt that there was
12 a question that needed to asked, we could go back and ask well,
13 why did you spend it in the commodities line, or why did you
14 spend it in equipment, you know, it's just a -- the final tying
15 up of, the Trustee said this is your plan, this is what we
16 approve, this is how we implemented it, and this is our final
17 expenditures.

18 MS. McCAMMON: Mr. Chairman, this kind of reporting
19 actually gives the staff the ability that when we're reviewing
20 proposed budgets -- we go back and look at what was approved
21 for the prior year -- it gives you the ability to say okay,
22 this is what was approved, this is what they're asking this
23 year, this is actually how they spent it. Is there some
24 question here, you know, that might arise in doing that kind of
25 a review, so I think we tried to work with all of the staff to

1 see something that was less onerous than the current procedure
2 that still would provide some useful information.

3 MR. JANI: And maybe I could call Dave Gibbons up
4 here to explain the concern in a little more detail, but our
5 impression is that we're moving into a busier process that may
6 be unnecessary. Dave, why don't you describe the details on
7 it?

8 MR. GIBBONS: Yeah. They can get a little history
9 from my perspective of trying to deal with those budgets. We
10 prepared '97 budgets, you know, four or five months ago, and
11 the project wasn't really solidified, and we solidify them
12 through the detail project description peer review and all
13 kinds of things, and so you estimate in line item. You
14 estimate how much time in personnel, how much time in travel,
15 how much time in contractual, and then there's the GA
16 associated with the personnel and the contractual, so in my
17 view, if you move something from contractual that has a 7
18 percent GA associated with it you have to track the contractual
19 amount that you moved and also the GA associated with that that
20 you moved to a different line item, and it gets very, very
21 busy.

22 You have to report it at the end of the year, but you
23 need to track it during the year to know what you've got at the
24 end of the year, so it becomes very, very complicated, and it
25 just seems, you know, very -- too much tracking. The real job

1 is, did the intent of the project change and did you get the
2 project done with the allocated money, and that's really the
3 goal, is to get the project done successfully. And if you move
4 a lot, like I'm saying, if you got \$100 in travel and you move
5 50 -- well, is that significant to the project? But if you got
6 20,000 in travel and you move 15,000, then I think you need to
7 track that -- so there needs to be some kind of a reasonable
8 limit of movement between these line items, and that's my
9 concern.

10 MS. CRAMER: Well, I guess I would say that what the
11 procedures currently request is that at the end of the year
12 when they do their final report, that they provided on a line
13 item basis, or an object class basis, rather than a total
14 amount basis.

15 MR. JANIK: That's -- excuse me. That's the current
16 procedure?

17 MS. CRAMER: No, the current procedures.....

18 MS. McCAMMON: Current procedures are quarterly.

19 MS. CRAMER:say to report it.....

20 MR. JANIK: Quarter-.....

21 MS. CRAMER:on a quarterly basis. But I do
22 have to say in all fairness that has not been submitted, and to
23 the best of my knowledge it has never been submitted. I tried
24 to get it but they told me no.

25 (Laughter)

1 CHAIRMAN TILLERY: Questions, further discussion?

2 MR. GIBBONS: That's my point. It's very hard to
3 track that.

4 CHAIRMAN TILLERY: Commissioner Rue?

5 COMMISSIONER RUE: I guess I see a reason to do it,
6 and I think the Executive Director said why. It's particularly
7 useful to see as the projects go from year to year why are
8 people thinking one way one year and suddenly another year.
9 One concern I would have is -- or a question I would have is,
10 are people padding budgets in personnel because you get a
11 higher G&As, and then they're really doing contractual, which
12 is a lower rate of overhead or whatever, general
13 administration? I mean, is that kind of a game going on? That
14 seems to me, that we should avoid just by don't do it (sic).
15 So is there -- are you trying to.....

16 MS. McCAMMON: Mr. Chairman, I don't think anything
17 like that is going on, to my knowledge, at least on any large
18 scale. I think this just provides more correct, accurate
19 information for us to track and for the auditors to track. I
20 mean, it's certainly not the goal of the operating procedures
21 and the financial procedures to be so onerous that it requires
22 the addition of, you know, multiple staff people to keep up
23 with the various reporting requirements. We've tried to look
24 at what was previously in place, whether it was complied with,
25 why it wasn't complied with, and see if there was something

1 that made sense that the agencies could do.

2 What I would recommend is that we go ahead with this
3 procedure and if a year from now it's still not being complied
4 with for whatever reason, then we take another look at it.

5 COMMISSIONER RUE: A quick question, follow up to
6 what I was saying. Would we see an adjustment downward at the
7 end of the year on general administration, then, if for
8 instance.....

9 MS. McCAMMON: You're supposed to, yes.

10 COMMISSIONER RUE: Right -- so you may have.....

11 MS. McCAMMON: Yes.

12 COMMISSIONER RUE: You may have to eat some costs?

13 MS. McCAMMON: In the past, you did not see a
14 reduction in the general administration; under the new
15 procedures you would.

16 COMMISSIONER RUE: So that's a good reason for an
17 agency to track it during the year and cut down on those costs
18 or efforts, if in fact they're moving.....

19 MS. McCAMMON: That's correct.

20 COMMISSIONER RUE:large chunks of money between
21 lines?

22 MS. McCAMMON: That's correct.

23 MR. JANIK: And I guess that's one of the points.

24 MS. McCAMMON: And it's primarily the difference, I
25 mean, it's just personnel and contractual. It's not

1 commodities or travel, those items. It would be whether you
2 decided to do a project in-house or versus contractual.

3 MS. CRAMER: If I may say, the reporting by line item
4 that we're discussing here is not the same as the GA issue.
5 The GA -- the general administration and the taking the
6 proportional amount of general administration based upon the
7 formula that is in the procedures is different than at the end
8 of the year when you do your final report, rather than provide
9 one number we want a number that tells us this is what the plan
10 was by object class, this is what the final expended was.

11 Now how the agencies deal with the GA varies by
12 agency, and will probably continue to vary by agency. Some
13 agencies actually go in and on a quarterly basis evaluate the
14 line item distribution and the expenditures that have been
15 made, and make a calculation of what the actual amount of
16 general administration they can retain, and then transfer that
17 to the correct area. Other agencies wait until the end of the
18 year and do it at that point. Still other agencies simply
19 spend it off the top and hope that they expend sufficient funds
20 to get to the end.

21 But I think the issue here is, should the final
22 report that is due December 1st, be by object class or is one
23 number sufficient?

24 MR. JANIK: And to clarify my position, just based on
25 how I understand it, is that large transfers of money -- I

1 think you used that word, Frank -- obviously that needs to be
2 reported back, shifts among the line items. But if there is
3 like a -- within the tolerance range of 10 percent or
4 something, or 15 percent -- I don't know what the right number
5 is, but that to me sounds like about a good threshold -- then
6 there would be no need to report that difference at the end of
7 the year because those kinds of track-.....

8 MS. McCAMMON: Mr. Chairman, I guess I don't
9 understand the difference because the agency has that on their
10 books anyway, that transfer, so it's merely reflecting what the
11 agency should have on its own books, so I guess I don't
12 understand why that's a.....

13 MR. JANIK: Dave, why don't you give a couple of
14 examples.....

15 MR. GIBBONS: Yeah. We.....

16 MR. JANIK:if you can.

17 MS. McCAMMON:big deal.

18 MR. GIBBONS: Yeah. Mr. Chair, we track that way,
19 yes, and -- but if you're going to have to report the GA --
20 I'll use another example. What if you move it from travel to
21 personnel? At the end of the year you're going to need more
22 GA, supposedly, because you moved it from a non-GA line item to
23 a line item that requires GA in tracking, and so you're going
24 to need to track that, and that's the difficulty part of it.
25 That's why I'm saying, you know, it comes in but it takes a lot

1 of time to do that, and so the GA rate now is pretty low, you
2 know, compared to other charges, so it's just -- it's very --
3 it's a complicated thing, and that's where I'm getting at.

4 CHAIRMAN TILLERY: Mr. Pennoyer?

5 MR. PENNOYER: I'm probably missing something here
6 again. I don't argue with you, but at the end of the year,
7 I -- it sort of depends what you do with it, I mean, if we're
8 going to go back at the end of the year and take into account
9 these \$50 changes and say oh, you owe us \$2.50 or something,
10 then I'm going to object to this process because I don't think
11 it's necessary to keep track to that extent.

12 MS. McCAMMON: It's not the intent.....

13 MR. PENNOYER: But of just reporting it so that it's
14 obvious if there are big discrepancies, like somebody comes in
15 every year and proposes to do something in-house and every year
16 spends it all in contractual. I don't think that's happening,
17 but if it did, you'd certainly want to know that and it's
18 something you should highlight, and I think we all report by
19 some type of line item breakdowns. I'm not clear why I have
20 any -- I don't have any problem with doing it at the end of the
21 year.

22 Now what we do with that, I might have a problem with
23 it because if we start to nit-pick down to different pieces and
24 the \$50 shifts all of a sudden meaning you either come with
25 your hand out because I made.....

1 MS. McCAMMON: With another request.....

2 MR. PENNOYER:\$2 extra for last year or.....

3 MS. McCAMMON:for additional GA, which is not
4 the intent.

5 MR. PENNOYER:I owe you \$2. I'm going to
6 object to that.

7 MS. McCAMMON: Yeah.

8 MR. PENNOYER: I don't think that ever works.....

9 MS. McCAMMON: Yeah.

10 MR. PENNOYER:because we need to know
11 somebody's GA ahead of time. But if it's just the reporting, I
12 don't know why it's a major problem once a year.

13 CHAIRMAN TILLERY: Mr. Janik?

14 MR. JANIK: And if the process does not lead us into
15 what you just said at the last, then.....

16 MR. PENNOYER: Well, we got a vote?

17 MR. JANIK:I don't have a criticism of this,
18 but we've been led to believe in our homework that there's risk
19 of that happening, that these minute amounts are shifting from
20 line item to line item, are going to have to be tracked.....

21 MS. McCAMMON: I do not believe so.

22 MR. JANIK:and recorded, and if that's not the
23 case then we don't have an issue.

24 COURT REPORTER: Excuse me, Mr. Chairman.

25 (Off record at 10:08 a.m.)

1 (Tape Change - Tape No. 3 of 6)

2 (On record at 10:08 a.m.)

3 COURT REPORTER: On record.

4 CHAIRMAN TILLERY: Mr. Pennoyer?

5 MR. PENNOYER: To clarify then, who decides how we're
6 going to use this stuff? I mean, if it comes back in, do our
7 procedures mean that you're then going to send me a bill for
8 \$3.50 because we have a \$20 difference in something that
9 happened from what we predicted? I mean.....

10 MS. McCAMMON: No.

11 MR. PENNOYER:who decides.....

12 MS. McCAMMON: No.

13 MR. PENNOYER: Mr. Janik's concern is still something
14 we'd have to vote to do, isn't it? I mean, or is it just
15 automatic?

16 MS. McCAMMON: No. There would not be any changes
17 there. What would happen, I mean, you would still be expending
18 the money. What would happen is the auditors would come in and
19 they would be able to say look at your project and make note of
20 the fact that for example, and this would be kind of I guess an
21 extreme case, that you did think you were doing it all --
22 \$200,000 worth of work, and you got 15 percent personnel, GA,
23 you put it into all contractual, we'd be able to say what
24 happened here, we thought you were doing this in-house, what
25 happened, you're doing it on contractual, and then just note

1 that oh, by the way, you've spent a lot more GA than you would
2 have. It would just be noted. There would be no bill coming
3 back. There would be no penalty or anything like that. It
4 would be something that you might note.

5 But the main purpose isn't for that -- so much for
6 that segregating and tracking of the GA. The main purpose is
7 to be able to look at things, and we look at -- when a budget
8 gets submitted, as part of our trying to reduce budgets and see
9 if budgets are reasonable, we look at it by line item now. We
10 look at what -- how many personnel are being requested, what
11 kind of travel, what kind of equipment -- we're looking at
12 that. We talk to people, we look at past budgets and we try to
13 see whether those seem appropriate and whether there are areas
14 to reduce, and we make recommendations on how to reduce those,
15 and then the agency comes in with a revised budget.

16 Once the agency gets that revised budget, they can
17 transfer between those line items at will. We have no control
18 over that. We could approve a budget and the agency can go off
19 and do whatever it deems appropriate for that, and all we're
20 asking is that at the end of the year we actually see how the
21 budget got spent so you can actually kind of look at, here's
22 what you thought was going to happen, here's what actually
23 happened.

24 MR. PENNOYER: Mr. Chairman?

25 CHAIRMAN TILLERY: Mr. Pennoyer.

1 MR. PENNOYER: But again -- and I think that's a
2 perfectly reasonable thing and I have no problem that I'm aware
3 of, unless there's some accounting problem.....

4 MS. McCAMMON: There will be nothing coming back to
5 the Council other than.....

6 MR. PENNOYER:but we could do.....

7 MS. McCAMMON:reports.

8 MR. PENNOYER:it, but then to actually take
9 action on that, like not granting money the next year, saying
10 oh, yeah, next year, you know, owe us \$3,000 on the next
11 year's, but would it.....

12 MS. McCAMMON: No.

13 MR. PENNOYER: That would require Council.....

14 MS. McCAMMON: No.

15 MR. PENNOYER:action.

16 MS. McCAMMON: No.

17 MR. PENNOYER: We'd have to vote for that, so I don't
18 know that there is -- unless -- there's no formula in here that
19 automatically would do what you.....

20 MS. McCAMMON: No.

21 MR. PENNOYER:are concerned about, so I think
22 as long as that's the case, then we come back and we treat it
23 with logic and decision as to whether it makes sense to do
24 something with that or not, and I -- anyway, I don't have a
25 problem with it.

1 CHAIRMAN TILLERY: Rue, did you have a concluding
2 comment?

3 COMMISSIONER RUE: Can I call (indiscernible).

4 (Laughter)

5 CHAIRMAN TILLERY: I think we need a motion, perhaps,
6 on this whole.....

7 MR. PENNOYER: We have a motion.

8 COMMISSIONER RUE: I think we have a motion.

9 CHAIRMAN TILLERY: Well, this hasn't been -- nobody's
10 made it.

11 MR. PENNOYER: Okay, move then that we adopt the
12 operating and financial procedures as presented in the August
13 16th, 1996 draft. It is recognized the goal is complete
14 compliance with these procedures, however, in those cases where
15 an agency is unable to comply for technical reasons they are
16 urged to work with the restoration office to do so in the
17 future.

18 COMMISSIONER RUE: Second.

19 CHAIRMAN TILLERY: It is moved by Mr. Pennoyer and
20 seconded by Commissioner Rue. Is there further -- is there a
21 discussion on the operating procedures?

22 (No audible response)

23 CHAIRMAN TILLERY: Ms. Cramer, I had spoken to you
24 the other day about a couple of comments I had, and I don't
25 think they're in -- they wouldn't be in the draft that's

1 subject to this motion. If I could just bring those up -- one
2 is on page 6 at the bottom, and these are -- it -- and under
3 recusal, it talks about how a Council Member may request a
4 decision be deferred on a voting matter. As a practical
5 matter, I think it's -- that seems to suggest that there's some
6 leeway in there; there really isn't. We have to be unanimous.
7 I think you might as well -- that might as well read the
8 Council Members shall request that the decision be deferred, I
9 mean, it's just, we can't vote without -- when somebody recuses
10 we can't vote.

11 And the other comment I have, and Mr. Janik might
12 also be interested in this one, is on page 9, up at the top
13 under, "Title and Management," it -- this statement reads that,

14 "The title of any lands or ownership rights will
15 be specified in the resolution adopted by the
16 Trustee Council."

17 For -- this is for habitat acquisitions. My experience has
18 been that oftentimes we don't know that. We know that there is
19 going to be -- the state's going to get, for example, some
20 portion and the U.S. might get some other portion, but we don't
21 have -- we don't know what the specifications of those are
22 going to be at the time we adopt the resolution, and I would
23 suggest that that be changed simply to read,

24 "Insofar as possible, the title of any lands or
25 ownership rights will be specified

1 making it not mandatory at what I think is an earlier stage
2 than is necessary.

3 MR. PENNOYER: Do I accept those as friendly
4 amendments? Is that what I.....

5 CHAIRMAN TILLERY: I am asking -- moving those as
6 friendly amendments to your.....

7 MR. PENNOYER: We accept those as friendly
8 amendments, if the second agrees.

9 COMMISSIONER RUE: Yes.

10 CHAIRMAN TILLERY: Thank you -- and those were my
11 comments. Is there anyone else who wishes to comment on the
12 motion before us?

13 (No audible response)

14 CHAIRMAN TILLERY: No? Having no further comment,
15 all in favor?

16 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

17 CHAIRMAN TILLERY: Opposed?

18 (No audible response)

19 CHAIRMAN TILLERY: Congratulation, Traci, the
20 new.....

21 MS. CRAMER: Gee, thanks.

22 CHAIRMAN TILLERY:procedures are adopted. The
23 next item before the Council is technical budget amendments.
24 Ms. McCammon?

25 MS. McCAMMON: Yeah. Mr. Chairman, in your packet

1 there is a request for authority to transfer funds between two
2 FY '96 SEA projects in the amount of \$93,400. The changes
3 would be between project 320N and 320J. The Chief Scientist is
4 aware of this proposed transfer, and in fact it is a reflection
5 of the peer review process that we had and the Chief Scientist
6 and I recommend your support.

7 MS. WILLIAMS: Move to adopt.

8 COMMISSIONER RUE: Second.

9 CHAIRMAN TILLERY: It has been moved by Ms. Williams
10 and seconded by Commissioner Rue. Is there discussion on the
11 motion? Mr. Pennoyer?

12 MR. PENNOYER: Just a brief question.
13 (Indiscernible.) So this actually is a change in project
14 direction, not just an unanticipated expense?

15 MS. MCCAMMON: That's correct, yes.

16 MR. PENNOYER: Okay. So -- but this is supported by
17 the Chief Scientist in terms of the change in emphasis?

18 MS. MCCAMMON: Yes. Do you want to speak to that,
19 Bob?

20 MR. PENNOYER: Thank you.

21 CHAIRMAN TILLERY: Are there further questions or
22 comments on the motion?

23 (No audible response)

24 CHAIRMAN TILLERY: All in favor of the motion?

25 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

1 CHAIRMAN TILLERY: Any opposed?

2 (No audible response)

3 CHAIRMAN TILLERY: The motion passes. I believe that
4 leads us on time, almost, to the beginning of our discussion on
5 the FY '97 work plan. Ms. McCammon, you gave us at the
6 beginning of the meeting a.....

7 MS. McCAMMON: At the beginning, you have an
8 additional.....

9 CHAIRMAN TILLERY:sub-agenda.

10 MS. McCAMMON:packet with a sub-agenda, and
11 what I would like to do is start out with an overview of the
12 work plan by Stan Senner, go into a discussion of the ecosystem
13 projects and some major scientific themes in this work plan by
14 Dr. Spies, go through then cluster by cluster with a
15 description of what's in the proposal. In this packet is a
16 revised totals page with a list of those projects that are
17 recommended to be deferred for action until early December.
18 There is also a new page -- I found it very interesting to see
19 what kind of new projects were being considered for funding
20 this year as opposed to those that are continuing projects, so
21 there is a list of new projects that are recommended for
22 funding and new projects that are deferred.

23 In addition, there are some minor changes that have
24 happened to the Executive Director's recommendations since the
25 original package was distributed. There's a one-page list -- a

1 one-and-a-half page list -- it's grown -- of those changes, and
2 then there is a revised spreadsheet A. Spreadsheet A is the
3 spreadsheet that has the actual numbers on it in terms of
4 requests, the recommendation for fund defer and future funding.
5 I also have spreadsheets, and I haven't made copies of these
6 but I can do so as we get set up here, of the history of
7 project costs too. There was a request for -- we have kind
8 of -- out here as to what the future costs are, we also have
9 copies of what's been funded for these various projects in the
10 past, so I'll get copies of those made and distributed too so
11 we can look at those.

12 And then the last item, I believe, are some
13 additional public comments that have been received since your
14 packet went out, and I believe there are three or four of those
15 attached. So what we will be working from is the revised
16 numbers list, spreadsheet A. We did not make copies of -- we
17 thought people had probably written notes on spreadsheet B,
18 which is the more detailed one, so rather than making copies at
19 this time, as we go through it we'll note any changes that have
20 been made.

21 CHAIRMAN TILLERY: Ms. Williams?

22 MS. WILLIAMS: One initial question. On spreadsheet
23 A, page A-8, we indicate a recommendation by the Executive
24 Director of \$15,400,000 and defer of one million. If we add
25 those two together, to \$16.3, how does that compare with those

1 nice declining funding charts that you presented to us last
2 time?

3 MS. McCAMMON: Our target, Mr. Chairman, for this
4 year for kind of the core work plan is \$16 million.

5 MS. WILLIAMS: So potentially we're about.....

6 MS. McCAMMON: We're very close.

7 MS. WILLIAMS:\$400,000.....

8 MS. McCAMMON: We're very close.

9 MS. WILLIAMS: Okay.

10 CHAIRMAN TILLERY: Before we begin, just sort of a
11 little of a procedural issue. Does the Council wish to comment
12 on this sort of -- at anytime, wait until the end of each
13 presentation, or wait until the end of the whole presentation?
14 Is there.....

15 MS. WILLIAMS: Anytime.

16 CHAIRMAN TILLERY: Just -- I think that at times
17 we're going to have a darkened room so I guess, with the
18 permission of chair, please just speak up if you wish to stop
19 to ask questions. Okay. Ms. McCammon?

20 MS. McCAMMON: I'll turn it over now to Stan. I
21 guess maybe I -- actually, I should do a little bit of a
22 summary here, in that when we did put the invitation out for
23 two months -- it was out to the public -- we received I think
24 something like 130 proposals, 21 over \$33 million worth, so it
25 went through an initial review by the core reviewers, which are

1 as Gary Thomas mentioned, are nationally renowned scientists --
2 George Rose, Pete Peterson.

3 We also have a cultural anthropologist on the core
4 review group. These folks advise the Chief Scientists. They
5 did the initial screening. We also had staff do screening,
6 looking at restoration policies, local involvement, past
7 reports, NEPA compliance, you know, budgets, a number of items.
8 And between those two, we put out a draft recommendation in
9 mid-June.

10 That recommendation then went out to public comment
11 for 60 days, and so the revised recommendation is a result of
12 PAG comment, further comments from the proposers, and further
13 information that's come in -- there's been some revisions based
14 on that -- legal review and a number of other items, so.....

15 MR. SENNER: Mr. Chairman, the Executive Director has
16 given most of my introduction for me.

17 MS. McCAMMON: Oh, we didn't talk about what his
18 introduction was going to be.

19 MR. SENNER: So we'll be able to move right along
20 here. I'll go back and just fill in a few spaces though. In
21 terms of the process, it is the one you're familiar with now.
22 It begins each January with the annual restoration workshop to
23 which you're all invited, and at least some of you have been
24 able to attend. That's followed by an annual science
25 invitation. It goes out usually in February. We required the

1 submission of proposals -- the shorthand is DPDs if you -- we
2 slip into jargon here. That stands for detailed project
3 disposal (sic) -- detailed proposal description. That usually
4 comes in April, then we have the science review that Molly just
5 described in May, followed by reviews by the Restoration Work
6 Force and the Public Advisory Group, development of a draft
7 work plan which then goes out for public comment. Then early
8 in August, an additional round of Work Force and Public
9 Advisory Group review, taking into account public comment, and
10 the public comments received this year were in your packets. I
11 believe it was 18 comments. Am I -- Sandra, am I -- I think
12 that's the right number, 18 comments that are in your packets.

13 The Executive Director makes adjustments in her
14 initial recommendations for the work plan. There's the meeting
15 today for action -- consideration by the Trustee Council.
16 Following this meeting we'll follow up on any contingencies
17 that are unresolved as of today. There will be some deferred
18 projects that require additional action. A final Trustee
19 Council decision on those deferred projects probably in
20 December, and then publication of a final work plan, and then
21 it begins all over again -- so that's the process.

22 Molly already mentioned that in your -- these packets
23 that describe the work plan, we have right now a total of
24 \$16,484,000 that's sort of the table, and that includes
25 projects that are recommended today for funding as well as

1 those that are considered deferred requests for funds. The
2 target that we've been working toward is \$16 million, so you
3 can see that we have about \$1 million -- or 1.1 million in
4 deferred projects, and we're going to have to reduce that by
5 roughly half a million dollars to reach the \$16 million target,
6 so that's kind of our task.

7 I didn't pull out the numbers from last year, but I
8 believe last year at this time we only had -- we made decisions
9 or recommendations to you on about 80 percent of the project
10 funding as of this day last year. This year we have
11 considerably less money that's still sort of unresolved, and
12 the goal is to have as little unresolved as possible at this
13 time so we can move forward at the start of the new fiscal year
14 with as much certainty as possible.

15 I did prepare -- I'm going to shift mikes over here.

16 (Pause)

17 MR. SENNER: I just did -- prepared one overhead
18 showing you the rough allocation by cluster, we call it, of the
19 dollars. This does not take into account the projects that are
20 on the deferred list; it's just a breakout of the monies
21 recommended for funding today. And so this may change a little
22 bit, but it gives you a relative idea of the emphasis. The --
23 obviously the biggest ticket items are 12 percent of the work
24 plan, still in pink salmon, 21 percent accounts for the SEA
25 project and one related project, the pristane monitoring

1 project. The near-shore ecosystem group, which includes the
2 near-shore vertebrate predator project and related work is 19
3 percent, and then the sea bird cluster on the left at 14
4 percent, that includes the APEX project and some related work,
5 so it gives you some idea of emphasis there.

6 One other area I'd call your attention to is that the
7 subsistence cluster is at about 8 percent of the package, and
8 this again represents an increase in kind of the proportionate
9 emphasis on that particular cluster. So as we go through the
10 details of the work plan, kind of bear in mind this, and if you
11 have guidance as we go about areas that should receive more or
12 less emphasis, I think that's something we'd like to hear and
13 it's always a question that we ask of the Public Advisory Group
14 when we meet with them. Are we kind of hitting things about
15 right? Any questions specifically on this before I turn this
16 off?

17 (No audible response)

18 MR. SENNER: Okay. Hearing none.

19 (Pause)

20 MR. SENNER: The Executive Director referred your
21 attention in your packet to those, the second and third sheets,
22 the one that details the projects that are still considered in
23 a deferred status, and you can see it's not too bad of a list,
24 so -- but we will be coming back to you with recommendations on
25 those later in the year. And then go the, what's the third

1 page there, which is the new project list. We've been very
2 concerned that we don't just fund continuations of projects
3 that are already underway. We think it's important for kind of
4 the health and integrity of the program that we are able to
5 initiate some new work each year, and this at least gives you
6 an idea of what we're recommending for new work. That top half
7 of the list are the ones that are recommended for funding now,
8 with some additional projects -- new projects there that are
9 right now in a deferred status, but our hope is that at least
10 some of those will be able to go forward in the fall.

11 So again, this is something from a scientific
12 standpoint we've been real concerned, that we do preserve the
13 ability to initiate some new work each year. Okay.

14 With that as a brief introduction, what we'll do is
15 turn to Dr. Spies, the Chief Scientist, to give kind of an
16 overview of the ecosystem projects and some of the other major
17 scientific themes, and see how long that takes, and then when
18 Bob is done we'll dive into the clusters group by group, and
19 we'll have to see where we want to break for lunch and how we
20 do that, but let's get through the next 15 minutes or so and
21 then see what we want to do.

22 DR. SPIES: Thank you, Stan. I thought I'd make a
23 few comments generally about the ecosystem projects, and that
24 they are very large and are considered a very important part of
25 the scientific work plan, and I don't think it -- I think they

1 deserve a little bit of attention on your part, and if there's
2 any questions that come up I certainly would like to hear those
3 and be able to answer those.

4 This is a little bit of a cartoon that I made up last
5 year trying to show the relationship between the major
6 ecosystem programs that we've sponsored in the restoration
7 program and how they relate to one another, and it's just a
8 cross-section of a section of coasts and shows some of the
9 processes going on here in the planktonic community, and then
10 it relates them to -- and then, of course, this is the
11 shoreline here. And the real thing that we're trying to get at
12 here is not -- we had a program that started off with a
13 detailed damage assessment on a species by species level that
14 really didn't deal too much with the ecological constraints
15 under which those species lived.

16 We were counting animals, we were surveying, looking
17 for damage and so forth, and that was quite appropriate, but it
18 was -- there came a time where it was important to shift over
19 in the restoration program in order to obtain more scientific
20 value from the program, to focus more on the ecological context
21 of these species that were recovering, what thing -- what other
22 sorts of factors may be affecting them in terms of natural
23 variability. And I think this is also going to leave a legacy
24 beyond just documenting what the damage was and recovered from
25 the spill -- a legacy of information about the resources that

1 will last longer than the -- much longer than the -- our memory
2 about what happened during the oil spill.

3 So if we look at this kind of in terms of somewhat
4 natural forces, we've got climactic influences here that affect
5 physical forcing in the marine environment. Those things are
6 relayed through the food chain starting with phytoplankton.
7 It's kind of a hard time, doing things in reverse here --
8 starting with the phytoplankton and then up to the zooplankton,
9 and we'll get annual variability based on the kind of forcing
10 and climatological phenomena occurring in the Gulf of Alaska
11 and over the general spill area. And that kind of variability
12 on a year basis will be reflected in the success of the young
13 juvenile fish, and this is where the SEA program has
14 concentrated on, these interactions between the juvenile fish,
15 their predators and their food supply -- and that kind of
16 defines the SEA program here.

17 And then overlapping with the SEA program -- I'm
18 looking at the forage fish base populations and things like
19 herring and salmon eggs and so forth, and the sea birds that
20 feed on them, and what -- we know that there's been long-term
21 declines in a lot of these sea bird populations, and what's the
22 basis of those sort of declines. What kind of -- that explain
23 them, and the APEX project is focused on those kind of
24 questions, looking at these complex interactions between fish,
25 and particularly the variability of those forage fish to the

1 sea bird predators.

2 And finally, the near-shore vertebrate predator
3 program is looking at some near-shore vertebrate such as the
4 sea otter, river otter, pigeon guillemot, and try and
5 understand the recovery of those species and whether there's
6 any residual toxicity that may be still affecting those
7 populations, looking at food supply and looking at some of the
8 inherent limitations of the growth of those populations.

9 So that's kind of how these three systems kind of --
10 these three large programs kind of relate to one another. I
11 think it would be desirable in the long run, if the Trustee
12 Council was really interested in pursuing this on a long-term
13 basis, whether it be under restoration preserve or linking up
14 with other kinds of programs that may be going in North
15 Pacific, in terms of understanding the natural variability of
16 important marine populations over time.

17 I think it'll be very important to probably have one
18 integrated program, but I think for the purposes of process, it
19 was pretty efficient to start with three separate programs, and
20 they do overlap to some extent and they're not gathering the
21 same data in the same place on the same species, but for
22 herring, for instance, and for some of the benthic fish that
23 they will be measured in each of these three at different times
24 and places, but we don't really truly have a lot of overlap, in
25 my opinion.

1 Also, there's quite a bit of coordination and
2 cooperation between the various projects that are ongoing, and
3 this shows you an example of some of the interactions that
4 we're aware of, and I won't dwell on it much, but there is --
5 in SEA and APEX and the harbor seal program and the harlequin
6 duck project -- they're given over here as examples -- there's
7 all kinds of exchange of specimens and information, sampling
8 platforms and so forth that goes on, and I feel very good about
9 the degree of integration that we're achieving with our
10 resources.

11 And finally, I think that we have an opportunity in
12 the future to leverage these large efforts that we've
13 undertaken and extend them if the Trustee Council would be
14 inclined to do so. There's some other large efforts that are
15 going on in terms of (indiscernible), the large ecosystem
16 project that's been funded by NSF, is going to have a North
17 Pacific component to it in the next several years, and there
18 have been discussions that have been initiated as to how our
19 efforts might tie into those efforts in the long term -- and
20 there's opportunities like that to kind of further this kind of
21 approach that we've started in these last couple of years.

22 I'd like to turn, and make just a few comments about
23 the major scientific schemes in the science program just to
24 kind of reinforce the direction that we've been taking the last
25 several years in restoration program. The first of those

1 themes that's been very strongly supported by the Trustee
2 Council is looking at management tools that are available for
3 injured resources, and either improving those management tools,
4 developing new management tools, or making the ones that we
5 have, you know, more applicable to the injured resources, and
6 this is particularly true with fisheries. What we've done with
7 sockeye in the Cook Inlet is a good example of genetics
8 (indiscernible).

9 And then the other major theme that the science
10 program's been organized around includes the tracking of the
11 injured resources, and we've done that, I think a pretty
12 faithful job -- pretty good job of dealing with recovery of
13 these injured resources given the unknowns about what those
14 populations were before the spill and the difficulty of getting
15 extremely precise estimates of those populations at the time.

16 And then of course we have a whole category of
17 projects that are on the ground -- restoration projects that
18 involve some scientific component or technical component that
19 are actually trying to achieve some things like getting fish
20 past a barrier and getting more production of a stream. So I
21 thought I -- at least with those comments, if you have any
22 questions, I'd be glad to try to.....

23 MS. WILLIAMS: What are Exxon studies showing, and do
24 we have studies that are parallel to theirs or going to address
25 their findings?

1 DR. SPIES: That's a big question. We know that
2 there's ongoing studies out there, when PIs bump into other PIs
3 out in the field and there's a big effort we know that had gone
4 on with -- recently with harlequin ducks, sparked by our -- the
5 studies that we've done showing the lack of reproduction of
6 harlequin ducks in the western side of Prince William Sound.
7 Exxon's been very interested in the Trustee Council studies.
8 They've funded some of their own experts to go out there and
9 look, and so -- and there's been some communications. It's
10 been very positive as a result of the two sets of studies.

11 We're not sure of the whole shape of their program.
12 We know that they are very aggressively pursuing publication of
13 their results. For instance, in the journal Environmental
14 Toxicology and Chemistry this last week, there was two articles
15 published, one by Paul Boehm and a whole series of chemists
16 that have been supported by Exxon dealing with the background
17 hydrocarbon concentrations in Prince William Sound, and it
18 claims that natural seepages play a very important role,
19 even -- not only deep in the Sound where we quite recognize
20 that factor, but also in the shallow, and I think our -- the
21 chemists that have done our work are looking closely at those
22 results and trying to reconcile some of the data that we have
23 along the same lines.

24 Another example from the same journal published in
25 the same volume was a study of the mussel beds, and oiling the

1 mussel beds, and what the -- because we have sponsored quite a
2 bit of scientific study over the years, beginning in about '93
3 when we discovered there was extensive oiled mussel beds -- or
4 at least extensive oiling of mussel beds in the Sound. We're
5 of some concern. We've sponsored studies to look at those
6 populations and try to understand what kind of doses they've
7 been getting. There is an article that's been published -- we
8 were aware of the work going on, but just published on trying
9 to evaluate the dose of oil to predators such as harlequin
10 ducks and river otters, and that's why there's a study out
11 there that -- it takes a certain point of view in relation to,
12 you know, the threat that that oil in the mussel beds may pose
13 to predators. And I think they would have concluded in at
14 least that publication and earlier papers by Stubblefield (ph),
15 that there is not a threat based on consumption of oils. We're
16 just kind of trying to evaluate those things as they arise.

17 Does that help answer, I mean, those are just two
18 examples, I mean, there's a lot of Exxon studies that have come
19 out in the last year as a result of their symposium in Atlanta.

20 MR. SENNER: Bob? Mr. Chairman, I'd just add that
21 we're aware this summer of some level of Exxon field work --
22 harlequins ducks, as Dr. Spies mentioned, also harbor seals,
23 sea otters, possibly pink salmon. We don't -- we find out
24 about these things through indirect means, and so we really
25 don't have any picture of what that program is like, but we are

1 aware of some attention to these several different resources.

2 CHAIRMAN TILLERY: Mr. Pennoyer?

3 MR. PENNOYER: Yeah, Bob. That was a good general
4 overview, and I suppose we can jut go back to the different
5 projects when talking a little bit more detailed, but from a
6 general standpoint on where we are in some of these ecosystem
7 relationship studies and where we think they may go, you
8 mentioned that there were opportunities and future efforts,
9 like the North Pacific glowback and things like that. Those
10 are -- I don't know what's going to happen on that even. It's
11 out there somewhere, and I don't know whether it gets
12 adequately funded, how it's going to (indiscernible). There
13 are a lot of questions out there for organization.

14 DR. SPIES: Even your own agency has the ocean
15 carrying capacity program.

16 MR. PENNOYER: Oh, I know. We have one going on, and
17 there are lots of different studies going on, and given -- so
18 we've got three major ecosystem-related projects, and I think
19 your relationship there shows how they do relate to each other,
20 and logically they do come together to look at all the parts of
21 this. They have a life history now of another, what, two or
22 three years?

23 DR. SPIES: That's right.

24 MR. PENNOYER: In your view, where are we going to
25 be? I mean, we're going to be in two or three years saying

1 well, now if we can only get together with these glowback guys
2 and somebody's else's thing's going to show us something. Are
3 we going to be to a point where we've got something to put on
4 the table that's going to be of lasting use? In your view, how
5 does this all come together?

6 DR. SPIES: Well, I think that those -- the studies
7 are going to make the major contributions to our knowledge
8 about how this ecosystem works. Will there be more to do after
9 the end of these studies? Certainly. There will be lots of
10 unanswered questions. There's not going to be the final
11 product, so no matter how much the system -- how much pulling
12 together; there's still going to be lots of questions, and
13 there are the opportunities out in the future to lengthen some
14 of these programs. And it depends really on the view that's
15 taken in this program as to how much we want to invest in a
16 long-term understanding of the marine environment with the
17 resources available.

18 MR. PENNOYER: Maybe more specifically, and, I mean,
19 anybody who has been involved in any type of natural resources
20 research knows there's always going to be more to do. That is
21 a given, and the ecosystem's going to change (indiscernible)
22 climate shifts. A lot of things are going to happen that are
23 going to have to be evaluated over time, but within what we're
24 doing, where do you think we'll be at the end of that two or
25 three years, in terms of are we're going to be available to

1 forecast herring populations in Prince William Sound better?
2 Are we going to be able to manage pink salmon better or are we
3 going to simply be able to say okay, now we need to go do this.
4 Where do you think we'll be?

5 DR. SPIES: It's going to be very diff- -- it's very
6 difficult to say. I'm very optimistic that we'll be quite
7 further down the road than where we were when we started the
8 SEA program, for instance, several years ago. We're going to
9 have a lot more knowledge about controlling factors for
10 populations of pink salmon and herring, and whether we'll
11 have -- how much a predictive capacity you'll have is very
12 difficult to know until we actually get there, and we're kind
13 of in the middle of the process and I that gets difficult to
14 predict exactly how much power we're going to have in these
15 studies, but certainly be, as I said, a lot further along in
16 understanding the controlling factors.

17 Predicting, you know, unique events with precision
18 and complex systems is -- I think we'd -- I'd be arrogant to
19 say that we will have -- we'll be able to make strong
20 predictions. We may, but it's easy to be proven wrong.

21 (Pause)

22 MR. PENNOYER: When we get to individual projects, I
23 might have some other questions, but for this point
24 (indiscernible).

25 CHAIRMAN TILLERY: Okay.

1 DR. SPIES: The next part of the agenda is stepping
2 through clusters in the work plan, starting with the pink
3 salmon, and I would -- don't know if you want to.....

4 CHAIRMAN TILLERY: Probably.....

5 DR. SPIES:get into that before lunch, or do
6 you want to take a lunch?

7 CHAIRMAN TILLERY: We've got about 15 minutes. I
8 guess I would suggest that we go ahead and get into it if we
9 can -- I don't know if we can get through a cluster in 15
10 minutes, but you might want to think about a logical breaking
11 point.....

12 DR. SPIES: Okay.

13 CHAIRMAN TILLERY:for that cluster.

14 DR. SPIES: Well, why don't we see. How do you want
15 to do this? Do you want to -- I'll give you -- kind of go
16 through the cluster, for instance, the pink salmon, and talk
17 about the projects a little bit, and then do you want to hold
18 for questions or do you want to kind of deal with them.....

19 CHAIRMAN TILLERY: I believe the Council would prefer
20 just to, as you're going through it bring up questions.....

21 DR. SPIES: Okay.

22 CHAIRMAN TILLERY:as they arise.

23 MR. SENNER: Dr. Spies, let me just introduce what
24 we've got under each of these clusters. We have the projects
25 that are proposed for continued funding. We have not

1 distinguished between those that are a fund or a fund
2 contingent for purposes of this overhead, so a continue simply
3 means funded. We have used the terminology start for new
4 projects, and in some cases you'll see closeouts or defers.
5 The lists on these overheads do not show projects that are
6 recommended for no funding. So just to keep things simple,
7 these are all in a fund category of one kind or another, and
8 the headings -- the sub-headings kind of indicate what the
9 basic rationale is for undertaking the work, providing
10 management information, supplementing a population or whatever.

11 DR. SPIES: So under the pink salmon, we've got these
12 three kind of major headings -- or sub-headings of categories
13 for things we're doing with the pink salmon restoration
14 program. The first is research and monitoring the toxic
15 effects of oil. There's three projects under there recommended
16 for continuing funding. Project 076, which is looking at the
17 effects of (indiscernible). There's also incidental
18 information being gathered on tag loss rates and coded-wire
19 tags and so forth, and survival of pink salmon exposed to oil
20 substrates, and there's a component there that's actually a
21 continuation of project 090, which is looking specifically at
22 that, oil -- gravel effects on life history of pink salmon --
23 so that's recommended for continuing.

24 191A, which is the tracking, the recovery of pink
25 salmon in Prince William Sound, particularly in relation to

1 rates of egg mortality in oiled and unoiled streams. And as
2 Stan referred to earlier, we are seeing now two years -- an odd
3 and even year of no difference between oiled and unoiled
4 streams, and that's slated for two more years to meet the
5 restoration objective of no difference for two odd and two even
6 years.

7 And finally, project 194, which is a new project. It
8 was proposed last year and deferred but is back on the table,
9 and this is a -- kind of the last piece of the damage
10 assessment program. It's looking at samples of oiled sediment
11 from Prince William Sound gathered in 1989 and 1990 by the
12 Department of Fish and Game. These were kind of recently
13 discovered several years ago, that these samples actually
14 existed, and they're such that I think we're going to be able
15 to answer some questions about levels of effect on egg
16 mortality survival by analyzing the samples. This is a NOAA
17 program -- relatively modest cost.

18 Moving onto the next group is things that we're doing
19 to provide better management and the basis for the pink salmon
20 managers. Project 186, which is the coded-wire tag study
21 that's been supported by the Trustee Council since '89, is
22 continuing and overlapping specifically with the otolith mass
23 marking, which is 188, the next project. We want two years of
24 overlaps so that we're introducing this new otolith mass
25 marking technology to Prince William Sound. This is the second

1 year -- we got two full years of overlap there in those two
2 approaches to understanding the proportion of hatchery and wild
3 stocks and the returning catch for better management.

4 Everybody said that we needed overlap in case otolith
5 mass marking didn't work out for some reason, just be to safe.
6 So that's also transitioning as you've seen in the past back to
7 private fundings by the hatcheries out of the Trustee Council.
8 The Trustee Council's contribution to that is declining.

9 The next project is project 190.....

10 MR. PENNOYER: Mr. Chairman, this is a question. You
11 said everyone said we needed overlap, sort of like you didn't
12 believe it, I mean, how much overlap.....

13 DR. SPIES: Oh. Well, I probably misstated that. We
14 were -- I was advised by our fisheries experts, the reviewers,
15 that that was desirable. I have no reason to doubt that.

16 MR. PENNOYER: And the amount of overlaps requested
17 is how long?

18 DR. SPIES: Two years.

19 MR. PENNOYER: Two years?

20 DR. SPIES: Project 190, the genetic linkage map --
21 this is a new project that was started last year and is looking
22 at the -- mapping some of the genetic traits of Prince William
23 Sound on the chromosomes, providing basic information about the
24 genetic makeup of the pink salmon.

25 And then finally, 196, which is the genetic stock

1 identification, which is a different use of genetics, and this
2 is using genetics to try to determine if there are sub-
3 populations of pink salmon in Prince William Sound. That
4 project has been making good progress and is actually going to
5 be winding down through '97 and '98.

6 The last group of projects in pink salmon is the
7 supplementation of populations, and there's three projects
8 under there that are continuing; two are continuing and one's a
9 closeout. Little Waterfall Creek, which is a bypass -- it's
10 been constructed in the northern end of Kodiak Island, and it's
11 being evaluated and we've asked them to continue evaluating the
12 results of that for several years to know how successful we are
13 with that particular supplementation.

14 The next project is the Port Dick Creek.

15 CHAIRMAN TILLERY: Little Waterfall Creek -- is that
16 on Kodiak or Afognak?

17 DR. SPIES: Afognak.

18 MR. SENNER: That's on Afognak.

19 DR. SPIES: That's Afognak.

20 MR. SENNER: On the north side.

21 CHAIRMAN TILLERY: The north end of Afognak. I think
22 I recently had a conversation with State Parks, which they
23 indicated that clearcutting had begun in the upper part of that
24 watershed and was progressing rapidly down that creek. Is
25 anybody looking at how that is going to impact what we're

1 doing?

2 MR. SENNER: The short answer is no, and I think that
3 project is on in the Laura Lake drainage, I believe that.....

4 CHAIRMAN TILLERY: I think it's on the other side on
5 the Shuyak Strait area.

6 UNIDENTIFIED MALE SPEAKER: It's up top.

7 MR. SENNER: It's up -- okay.

8 CHAIRMAN TILLERY: Perenosa Bay, I believe.

9 MR. SENNER: Okay. But no, no one is -- right now,
10 no one is programmed to look at that kind of an impact on that.
11 Dr. Spies and I.....

12 DR. SPIES: Maybe we need to.....

13 MR. SENNER:had planned to fly there.....

14 DR. SPIES: Yeah, yeah.

15 MR. SENNER:this -- we were in Kodiak a month
16 ago and then we got weathered out, so.....

17 DR. SPIES: We had actually flown -- or I might have
18 known I was on Afognak Island.

19 CHAIRMAN TILLERY: If you do get over there, I'd be
20 curious as to what kind of -- how that is working out.

21 MR. SENNER: Okay.

22 CHAIRMAN TILLERY: Sorry.

23 COMMISSIONER RUE: Mr. Chairman, the question being
24 what level of impact -- sort of observing.....

25 CHAIRMAN TILLERY: Well, if we're building a fish

1 bypass for these fish and then all the trees are coming down
2 and the creek's going to get silty or not usable for fish or
3 whatever, I don't know.

4 COMMISSIONER RUE: Theoretically, it won't.

5 CHAIRMAN TILLERY: Theoretically it won't because
6 it's protected, but it might.

7 COMMISSIONER RUE: Well, I think you're acting.....

8 DR. SPIES: The buffer strips are in place there.

9 COMMISSIONER RUE:in the capacity for visual
10 observation. I think a research project would be fairly a
11 significant effort, and probably we've already lost the
12 opportunity to get the baseline if it's been cut, so.....

13 CHAIRMAN TILLERY: Well, again, what I have heard,
14 and this again was from the ranger on Shuyak, was that they had
15 started cutting in the upper part of the watershed, and he was
16 worried that they were heading towards -- and all the way down
17 the creek very quickly.

18 DR. SPIES: We've asked them to keep monitoring that
19 stream, and our concern there was that the populations of fish
20 that are already there, how they might be impacted by
21 additional andromous populations (indiscernible).

22 MS. WILLIAMS: Mr. Tillery, given your concerns, do
23 you recommend a deferral until we have a better sense of the
24 impact because I don't see how you could use this data then, if
25 you have dramatic change in upstream environment and potential

1 impact upstream. I don't know how you could use the data in
2 the wake of that change to indicate what impact the various
3 improvement projects have.

4 CHAIRMAN TILLERY: I guess what -- I'm not suggesting
5 so much we defer it; I'm actually suggesting that since we seem
6 to be in a monitoring phase anyway, as part of that monitoring
7 somebody ought to be looking closely at whether there are
8 changes and whether it is impacting this data. And again, I'm
9 not -- this is all second-hand; I haven't seen this. I don't
10 know the answer, but it should be a part of this project. It's
11 something that should be a focus.....

12 COMMISSIONER RUE: Mr. Chairman, maybe what we are
13 asking is that the project leader come back to us with what it
14 would take to monitor the change in the environment and
15 watershed because it could be a very sig- -- I mean, it's not a
16 small item to monitor change over time with a watershed based
17 on logging.

18 CHAIRMAN TILLERY: Is there a problem -- is it
19 being -- I don't even, you know, I don't even know first-hand
20 if it's being logged. Is it being logged? Does that make a
21 difference? Are there any changes in how they would approach
22 this in terms of either adding to it or.....

23 DR. SPIES: Yeah. We'll get back.....

24 CHAIRMAN TILLERY:dropping it.

25 DR. SPIES:to the principal investigator. I

1 think it's Nick (indiscernible).

2 MR. SENNER: No, it's not. It's Steve Honnold from
3 Kodiak.

4 DR. SPIES: Yeah.

5 MR. SENNER: Yeah.

6 DR. SPIES: Okay. Okay.

7 MS. WILLIAMS: What I would like, and this may
8 deviate from Mr. Tillery, I would like a statement from the
9 principal investigator that if this much clearcutting is going
10 on that it is still useful to continue this project, and
11 whether you can get any useful information in terms of
12 evaluating their bypass improvement project. If there's this
13 much of a variable.....

14 MR. SENNER: Confounding, right.

15 MS. WILLIAMS:in the environment. Yeah.

16 CHAIRMAN TILLERY: I agree with that, and that's.....

17 MR. SENNER: Yeah.

18 CHAIRMAN TILLERY:what I was.....

19 MS. WILLIAMS: Okay.

20 CHAIRMAN TILLERY:trying to get at, so.....

21 MR. SENNER: That's -- would you like to make that
22 essentially then a fund contingent upon our resolution of
23 that.....

24 MS. WILLIAMS: Yes.

25 MR. SENNER:of those quest- -- several.....

1 MS. WILLIAMS: Yes.

2 MR. SENNER:questions?

3 MS. WILLIAMS: Yes.

4 CHAIRMAN TILLERY: I think when -- yes. I think that
5 when we get to the motion time on this that I would -- yeah.

6 MR. SENNER: Okay.

7 MS. WILLIAMS: Yeah.

8 CHAIRMAN TILLERY: I would like to incorporate that.

9 DR. SPIES: 139A2 is the Port Dick Creek habitat
10 improvement project. That's -- work on that project is
11 actually taking place. We've supported the engineering for the
12 last couple of years and feasibility studies, so that work is
13 going on right now and we need to follow up on that in '97 in
14 terms of monitoring the affect again. (Indiscernible)
15 principals, we just don't want to fund a supplementation
16 project without knowing in the end what the result was of those
17 activities.

18 And finally, to close out 139C1, which is the
19 Montague riparian, and (indiscernible).

20 MS. WILLIAMS: Mr. Chairman?

21 CHAIRMAN TILLERY: Ms. Williams.

22 MS. WILLIAMS: Dr. Spies, I'm going to -- probably
23 I'll sound a little (indiscernible) about this, but I'll ask
24 you and Stan as we go through all of these, since clearly I'm
25 very concerned about publication, which of these have

1 expectation of publications?

2 MR. SENNER: Okay. Let me -- I think I can help with
3 that and a couple other caveats I wanted to throw in. I think
4 the project 191A on the egg mortality is going to lead to a
5 very significant publication because that's the core of kind of
6 the injury statement on pink salmon. We're still -- we're not
7 there yet because it needs another year of data gathering
8 beyond this, but that one will lead to it.

9 The PIs on 076, the strain, and on 194, the habitat
10 recovery.....

11 DR. SPIES: They have an excellent publication record
12 already.

13 MR. SENNER:excellent track records there.

14 MS. WILLIAMS: And there is expectation of
15 publications on those?

16 DR. SPIES: Oh, certainly.

17 MS. WILLIAMS: Okay.

18 MR. SENNER: Yeah. And in that second group, the
19 coded-wire tags, genetic linkage mapping, genetic stock
20 identification, I'm not aware that right now there are any
21 publica- -- I'm sort of looking at Bill Houser or Dan Moore
22 from Fish and Game. I'm not aware that there's any publication
23 in the pipeline on those, but the last two of those, the
24 genetic work, is not yet at a point where you'd be looking at
25 publications.

1 MS. WILLIAMS: Now is it -- again, as Commissioner
2 Rue said, well, before there weren't expectations, you know,
3 what -- as part of the project we asked you to do. I'd like,
4 you know, let's put expectations in if we think that the
5 material should be published so that a year or two years down
6 the line the PIs say ah, look what they're, you know, on this
7 group or the next group, there was no expectation so I didn't
8 gear my work in that regard.

9 Clearly we put a lot of money into markings and
10 coded-wire tags over the many years and -- millions, I
11 think.....

12 DR. SPIES: Well, the thermal mass marking will be
13 the largest application of that technology.....

14 MS. WILLIAMS: Right.

15 DR. SPIES:that I'm aware of anywhere, and I
16 would think that that would be a very good subject for
17 publication.

18 MS. WILLIAMS: I do too. I do too. And again, I
19 think we ought to start putting the expectations in that.....

20 DR. SPIES: And.....

21 MS. WILLIAMS:given how much money we've
22 put.....

23 DR. SPIES:I'd like.....

24 MS. WILLIAMS:into these projects.

25 DR. SPIES: Just to run through a couple of examples

1 here -- genetic linkage map, Fred Allendorf's probably, who is
2 working with Jim Seeb, is probably one of the best known fish
3 geneticists in the country -- highly respective and extremely
4 good publication record, but genetic stock identification of
5 the Seeb's have a very active publications (sic) -- very active
6 publications, we'd expect that to result.

7 And then by contrast, I think these supplemental
8 things are things that journals might not take, I mean, just --
9 you're out in the field, you're doing things, it's not
10 appropriate. You're just trying to make some change, and
11 unless you come across some new phenomenon or something
12 unexpected, I wouldn't expect those to result.

13 MR. SENNER: The -- we should also mention that Jim
14 Seeb, who's the PI on 196, is just this week at a symposium in
15 Michigan on fisheries genetics that he organized, and has
16 essentially Trustee Council's support through his project, and
17 so we're very actively out there working with peers in the
18 genetics arena.

19 The other thing I wanted to mention, though, these
20 are a couple of cleanup items. On your spreadsheet, 191A, at
21 the top, egg mortality, has a deferred portion of 74 thous- --
22 yeah, \$74,900. That is now been taken off the table and is a
23 do not fund, and the reason is that that work was primarily
24 report writing on the genetic injury component of 191A. They
25 need a little time to catch their breath and let their

1 contractors, who are doing some work, get their reports into
2 the PIs, and what we expect then is to come back in '98 with an
3 actual closeout budget on the genetics component of that, but
4 there's no need to do it in '97, so we're taking the \$74.9
5 and -- that's in the deferred category and making that a do not
6 fund, and that's with concurrence from the PIs.

7 And then the second part of it is just -- you asked
8 which ones have contingencies about reports, and project 196,
9 genetic stock identification, does still have a late report
10 coming. And secondly, that one needs some revision to the
11 detailed project description. That newly revised project
12 description has been received, but we just have not had time to
13 review whether it's now satisfactory -- so those are the
14 contingencies on 196. None of the others of these have any
15 late report issues.

16 CHAIRMAN TILLERY: These are -- are we at a natural
17 break point?

18 DR. SPIES: Sir, if we could break here before we --
19 and pick up the hearing after the executive session.

20 CHAIRMAN TILLERY: That would seem to be good. Okay.
21 If.....

22 DR. SPIES: We're going to be taking this kind of
23 tag-team approach because Stan and Sandra's done so much work
24 in the administrative aspects of this.

25 CHAIRMAN TILLERY: I guess the Chair would entertain

1 a motion to recess for lunch and a motion to go into executive
2 session. I believe that the items that have been mentioned for
3 executive session are habitat acquisition issues and the CRIS
4 fees issues. Is there.....

5 MS. WILLIAMS: So moved.

6 CHAIRMAN TILLERY: Is there a second?

7 MR. JANIK: Second.

8 CHAIRMAN TILLERY: Any discussion?

9 (No audible response)

10 CHAIRMAN TILLERY: Any opposition?

11 (No audible response)

12 CHAIRMAN TILLERY: So moved. We're recessed until --
13 according to the proposed agenda, about 1:30.

14 MS. WILLIAMS: And we're going upstairs?

15 CHAIRMAN TILLERY: We're going upstairs.

16 MR. PENNOYER: Is lunch being brought in?

17 CHAIRMAN TILLERY: Yes. Lunch is being brought
18 upstairs.

19 (In recess at 12:05 p.m.)

20 (On record at 1:52 p.m.)

21 (Pause - Whispered conversations)

22 CHAIRMAN TILLERY: Just -- do you want to report on
23 the executive session, that we discussed habitat and CRIS and
24 that we.....

25 (Off record at 1:53 p.m.)

1 (On record at 1:53 p.m.)

2 CHAIRMAN TILLERY: The Trustee Council meeting is
3 back in session. Ms. Williams, if you could, for the record,
4 just give a report of the executive session.

5 MS. WILLIAMS: Yes, Mr. Chairman. The Trustee
6 Council in executive session discussed what we informed the
7 public we would be discussing. We discussed small parcel
8 acquisition issues. We discussed large parcel acquisition
9 issues, and we also discussed the CRIS issue. Ms. McCammon
10 will be working further with the Department of Justice on
11 various constraints that the Department of Justice faces now so
12 that we can respond more quickly to items such as CRIS, and we
13 recessed the executive session because we anticipate we may
14 need to go back under executive session as developments on a
15 certain large parcel acquisition proceeds.

16 CHAIRMAN TILLERY: Thank you. And I believe that
17 when we left off, Dr. Spies, you were just about to -- we were
18 moving on.

19 DR. SPIES: Yes.

20 CHAIRMAN TILLERY: Could you continue?

21 DR. SPIES: Moving onto the hearing. Clusters?

22 (Pause - Side comments)

23 DR. SPIES: On the top of this view graph, you can
24 see the hearing projects that are either being recommended for
25 continuation or deferral, and there's two classes here.

1 Looking at the cause of the crash, this is kind of a follow-up
2 on damage assessment, and the project there is project 162,
3 what's shaping up to be a major -- study of major importance in
4 understanding herring fish disease in Alaska and involvement of
5 a virus and a VHS and the fungus ichthyophagous and their roles
6 relative to development and stress in relation to the
7 population crash that were experienced by herring in '92, '93
8 and '94. This study's continuing and should come to a logical
9 end in another season beyond '97. I think it's being closed
10 out in '98 or '99.

11 The next project cluster under herring is providing
12 better management information, and there's two projects
13 recommended for continuation; one is the herring natal
14 habitats. This is the evaluation of the quality of the spawn
15 and running that back to the forecast of the population that's
16 been done since just after the spill -- so that's kind of
17 the -- spawning bio-mass part of that, and there's also hydro-
18 acoustics parts, so there's really tools being developed here,
19 and the investigators had put forward a proposal for '97 that
20 tried to relate the -- those two measurements, and we feel like
21 there's still some remaining questions relative to how these
22 two should be related and the design of the project, so we're
23 recommending some deferral of the hydro-acoustics component
24 until the principal investigator has a chance, after the field
25 season is over, currently to give further consideration and

1 address those issues a little bit further for the peer review
2 process.

3 On project 97-165, genetic stock identification, that
4 project is continuing. There will be no new samples collected
5 in '97, but there will be a follow-up and completion of the
6 samples in-hand, and the basic idea there, of course, is to try
7 to see, using some molecular approaches as to how many stocks
8 we have within the Prince William Sound, whether it's one or
9 two or more stocks.

10 MR. SENNER: On this one, a clarification, because
11 your spreadsheet indicates that project 165 is a defer until
12 December, and we have been able to work out an arrangement
13 there that's satisfactory to we think everyone, that what we
14 would like to recommend to you is that we in fact fund 41 plus
15 some change -- \$41,000 of this in FY '97 to continue work with
16 the subcontractors who are working on the genetic samples
17 already collected. And so to follow through, do the lab work
18 and the data analysis and interpretation on samples already
19 collected, and not gather any new data in '97.

20 And once those data have been gathered -- or excuse
21 me -- once those analyses are in and the reports from the
22 subcontractors are in, then we're in a position -- in '98 we
23 expect to close this project out, and the original reason for
24 the deferral was that people wanted to see well, what is being
25 learned, what has been learned to date -- and the answer is we

1 think there's some good stuff being learned to date, but a lot
2 of it is still tied up in the subcontractors' hands. We need
3 to get reports from subcontractors, thus, the 40-some thousand
4 to finish that up.

5 Once we have those reports, we can get a report
6 from -- an integrated report from the PIs and see what we want
7 to do -- so no new data gathering, follow through on
8 subcontractors' reports at this point.

9 DR. SPIES: Thanks, Stan. And on project 248, which
10 is a sociological, local knowledge -- traditional knowledge
11 investigation of herring -- data on herring has been deferred
12 pending a consideration of the whole issue of the traditional
13 and ecological knowledge -- so that is the Pacific herring
14 cluster. Are there any questions on that from anyone?

15 CHAIRMAN TILLERY: Ms. Williams?

16 MS. WILLIAMS: The publication expectancy?

17 DR. SPIES: Publications, yes. The investigators
18 that are -- in 162, the herring disease, all have excellent
19 publication records and are attending in conferences, and some
20 of the information has already been presented at professional
21 conferences, and I have every expectation of further
22 manuscripts from that particular investigation, and more than
23 one certainly.

24 Herring natal habitats, I think if the hydro-acoustic
25 and egg deposition studies, those comparisons, are made in an

1 appropriate way it may provide the -- a basis for publication.
2 There also has been a number of publications coming out of the
3 whole herring effort. It was kind of headed by Evelyn Brown in
4 damage assessment in early stages of restoration, and there is
5 a whole series of publications coming out out of that, and
6 there's a special (indiscernible) effect of being dedicated to
7 the -- containing a journal of fisheries that's devoted to
8 the herring work. And so that's going to be a good payoff
9 there.

10 Genetic stock identification, again, that's the
11 Seeb's, and there are subcontractors there. I expect because of
12 their excellent publication record to receive publications out
13 of that -- so I think all those projects, we could say, have
14 good potential (indiscernible).

15 CHAIRMAN TILLERY: Mr. Pennoyer?

16 MR. PENNOYER: Yeah. I have a question, Mr.
17 Chairman. Dr. Spies, under the spawn deposition survey, it
18 notes that ADF&G has now provided a plan to take over full
19 support of this work after FY '98, so what's the relevance of
20 the Council doing it between now and FY '98? Has the state
21 already decided this is a viable component to the management
22 system so they're going to take it over after FY '98?

23 DR. SPIES: My understand-.....

24 MR. PENNOYER: What's that decision based on?

25 DR. SPIES: My understanding is they're going to make

1 a decision every year, kind of at the end of this process, as
2 to whether they're going to take it over. I don't think we've
3 had any real rock solid assurances from Fish and Game that this
4 program's going to continue beyond the Trustee Council.

5 COMMISSIONER RUE: Right. I'm not.....

6 DR. SPIES: Is that correct?

7 COMMISSIONER RUE: That's my understanding, and I'd
8 have to -- if you've got a specific question, I can get back to
9 you, but I don't have an understanding that we're going to.....

10 MR. SENNER: Mr. Pennoyer, what we do have is their
11 intention of -- regardless of what they ultimately choose to do
12 with the program, they have proposed to us that there be a
13 phase-out of the Trustee Council support of the spawn
14 deposition work.

15 MR. PENNOYER: I guess that's sort of my question
16 because spawn deposition surveys used to be a very significant
17 part of management of herring in several parts of the state,
18 and still are in others. I was trying to get at, in terms of
19 us doing this project, however, recognizing that it has been
20 used elsewhere, what is the relevan- -- what are we going to
21 know by FY '98 that we need to know relative to spawn
22 deposition surveys? What is this contributing to our ability
23 to understand oil spill effects in Prince William Sound? It's
24 going to kind of end in FY '98. What is the logical period of
25 time we should do it?

1 COMMISSIONER RUE: I think.....

2 DR. SPIES: I think it's a.....

3 COMMISSIONER RUE: I was going to say if Joe -- Joe
4 Sullivan might be able to answer some of the Fish and Game
5 management questions, but Dr. Spies obviously.....

6 DR. SPIES: Sure.

7 COMMISSIONER RUE:can go ahead and answer.

8 MR. SULLIVAN: I don't know a whole lot about -- as
9 much about this as I'd like to, but basically with the deferred
10 part of this is that we are still trying to find out what is --
11 and in fact the best component to use in management, and that
12 that's when Mark Willette gets back in out of the field this
13 year and has a chance to look at that, then that's when we'll
14 come back and say this is where we want to go with this, but
15 we're not sure -- the different techniques have different
16 complicating features to them, but the goal is, you know,
17 assuming that we can afford this, and I certainly hope that we
18 will be able to in two years, that we pick it up and use it. I
19 mean, it's similar to some of the other things that the Trustee
20 Council has funded. The Trustee Council funds advances in the
21 techniques; they expect us to pick it up at the point at which
22 we think we can in fact use it in our management practices.

23 MR. PENNOYER: I was trying to determine if we were
24 achieving advances in a technique or what we were really doing
25 by doing a spawn deposition survey. When we did stock I.D.

1 and.....

2 DR. SPIES: I don't think the spawn de- -- there's
3 three -- actually, three different things -- three different
4 tools here kind of at various stages. There's a spawn
5 deposition technique that is -- hasn't changed all the much
6 since it was initially started after the spill, and that -- I
7 think you could look at the next several years as we have a
8 population of herring out there who is not recovering and you
9 need to use an established tool to try to track the recovery.
10 There's also the hydro-acoustic surveys that were very useful
11 last year in identifying the probable bio-mass of herring out
12 there and in fact influenced the -- whether the fishery could
13 open or not last year.

14 There's also a third one that's not here but it comes
15 under SEA, and it's been recommended by some of our reviewers
16 because it's being used in the Strait of George in British
17 Columbia, which is a 0-plus age class. In other words, the
18 juveniles, just after they hatch, a survey to try to use that
19 as a forecasting tool for age classing -- so we have kind of
20 three competing tools here in the way, and our -- I think kind
21 of the reviewers' concerns here is that we have two tools that
22 are being provided under 97-166, and we need to give -- some
23 further thought given to how we can evaluate the use
24 (indiscernible) one of those tools. We don't have a real
25 ground zero measurement. We can say there's so many herring in

1 Prince William Sound. We have three different ways of looking
2 at it.

3 MR. SULLIVAN: Right.

4 MR. PENNOYER: But -- so the notation means that in
5 two years a judgment will be made and we'll pick which of these
6 we're going to say with, and we'll stay with and adopt it as a
7 management tool.

8 MR. SULLIVAN: Right.

9 MR. PENNOYER: Okay.

10 COMMISSIONER RUE: Pending budgets.

11 MR. PENNOYER: Pending budgets.

12 CHAIRMAN TILLERY: Are there further questions on
13 herring?

14 (No audible response)

15 DR. SPIES: Okay. The next cluster is the Sound
16 Ecosystem Assessment project and related projects, and
17 recommended for funding are the basic SEA program, at about --
18 something about \$3 million; that's 97-320, which is, as I
19 explained earlier, is investigating the factors in the
20 environment that determine the age class strength -- of
21 biological and physical factors that determine the age class
22 strength of pink salmon and herring within Prince William
23 Sound. It's giving us a very good look at the ecosystem and
24 some of the basic processes that are important in fish
25 production.

1 I might just clarify by way of comment -- a further
2 comment on this project, that we do expect in fact to have some
3 sort of a predictive management tool at the end of this
4 process -- of the SEA program, and to have some sort of a model
5 that's going to be an improvement, we hope, and we feel pretty
6 sure about we can improve our ability to forecast pink salmon
7 and herring in Prince William Sound at the end of this process.
8 We don't know exactly how accurate that's going to be; it's
9 very difficult to say at this time, but we believe it will be
10 an improvement.

11 And then under developing monitoring techniques, we
12 have this project, 97-195, that has gone on for a couple of
13 years now and we're recommending for a continuance in '97
14 because we need multiple years of data on monitoring pristane
15 levels in various compounds of the ecosystem as a indication of
16 how productive each year the system is, and that's likely to be
17 a very good monitoring tool for us in the future. Are there
18 any questions on that cluster?

19 MS. WILLIAMS: Publications?

20 DR. SPIES: Publications? We expect at least a dozen
21 publications out of 320 in the near future, and some of those
22 have already been published, some are in manuscript form, some
23 have been submitted to journals already. So we expect a very
24 high level of publication from this, and also Jeff Short, I
25 think, is a very conscientious scientist interested in getting

1 the pristane work. I believe that's going to be part of his
2 PhD work, so we expect publications (indiscernible).

3 CHAIRMAN TILLERY: Other questions on the SEA
4 program?

5 MR. RUE: Is it possible to indicate what page on the
6 spreadsheet we're on? I'm starting to get lost.

7 CHAIRMAN TILLERY: We're -- you're heading toward B-
8 15, I think.

9 MR. PENNOYER: Right.

10 MR. RUE: Yeah, okay.

11 MS. McCAMMON: A-2, B-15.

12 MR. RUE: Thank you.

13 CHAIRMAN TILLERY: I was there a few minutes ago.

14 DR. SPIES: Onto sockeye salmon -- three sub-
15 categories in the sockeye salmon cluster. First of those is
16 provide management information, and we're recommending closeout
17 for project 97-255. That's a Kenai in-season management tools,
18 the genetics work, that's been successfully developed, needs to
19 be closed out in '97. This will undoubtedly result in
20 publications -- and then the hydro-acoustics is also part of
21 this. It's being closed out as well.

22 The next part of the -- the next sub-cluster is
23 research on overescapement effects, and we're recommending
24 closeout of -- the main project there is 97-258A. That's the
25 Kenai overescapement work. We believe that the -- those

1 populations in that escapement generally is healthy, and that
2 we don't have a problem in terms of the oil spill at this time,
3 so we're recommending closeout of those projects in '97.

4 Project 97-239, which would investigate the
5 contribution by way of stable isotope measurements of salmon
6 carcasses to the juvenile chinook and others, the importance of
7 the fertilization that the escaping sockeye bring to that
8 system. It's picked up by and supports the juvenile chinook
9 growth. It's something that we're -- seemed to be
10 scientifically a good project, but it's in that category of
11 perhaps if we have enough money to fund it when we look at the
12 whole package we may consider it, and so we have a defer on
13 that.

14 Likewise, with the Akalura Lake work, operation of
15 the.....

16 MR. PENNOYER: Coming back to that one -- do you want
17 to come back to that one for a second?

18 DR. SPIES: Sure.

19 MR. PENNOYER: What -- Mr. Chairman?

20 CHAIRMAN TILLERY: No, go ahead. Sorry.

21 MR. PENNOYER: I think it's a good theory and
22 important, but what relevance does that have specifically to
23 EVOS, in the sockeye carcasses and juvenile chinook? I mean,
24 the sockeye salmon link to EVOS was overescapement presumably,
25 although we've had a couple of years of overescapement prior to

1 the one during the oil spill, and this is a link that might
2 show you that overescapement is good for chinook. Is that --
3 I'm not sure what.....

4 DR. SPIES: It's trying to relate the contributions
5 that the returning sockeye to the river system make to the
6 ecosystem as a whole, as exemplified by looking at the chinook
7 salmon. The reviewers I think would prefer a little broader
8 range of the ecosystem, not only the chinook but other
9 components of that ecosystem, the insect life and the other
10 parts of that food web that might be important. That would be
11 the kind of general ecological -- how the overescapement
12 relates to the general ecology of the system.

13 MR. SENNER: Mr. Pennoyer, that -- those questions
14 about what the management and restoration benefit would be were
15 in fact raised by the Work Force earlier on and are one of the
16 reasons this is still recommended in the defer category, so
17 that there can be some further thinking about whether those
18 linkages really exist at a level that this is worth funding, so
19 others have raised that question as well.

20 MR. PENNOYER: Yeah. Don't get me wrong, because
21 the -- any question evaluated on what appropriate escapement
22 sizes are may have more relevance than just the one species
23 you're dealing with. But, you know, you're going to have to
24 measure that within certain parameters and I'm not sure how
25 you, you know, for sure can get there for one thing, and the

1 second thing I'm not sure is the tie to EVOS. Anyway, that's
2 fine. So that's why it's deferred.

3 MR. SENNER: No, that's a fair question.

4 MR. PENNOYER: Okay. Thank you.

5 MR. SENNER: Bob, right there we might just mention
6 on publications, since I know some of the Trustees will be
7 interested, both projects, 255 and 258, have scheduled in '97
8 publications as part of the project, and so both of those do
9 have publications mapped out already.

10 MS. WILLIAMS: Good.

11 DR. SPIES: I just might mention also that the work
12 that's come out of 258A, in terms of Dana Schmidt's (ph) work,
13 that shows that the factor that seems to be important for the
14 success of any particular age class of sockeyes related to the
15 holdover of zooplankton from the year before, so there's a link
16 between years there. It's been established for this glacial
17 system and it's, I think, a fundamental important finding for
18 thermology of these glacial systems for sockeye, so I think
19 that's been -- I think the Trustee Council would be very proud
20 of having sponsored that work -- very, very good piece of work.
21 Undoubtedly it will be published in a first-rate journal.

22 Project 97-251, Akalura Lake -- and this is money
23 that's being requested to monitor the outflow of the lake and
24 look at the smolt counts, and we visited this project. It
25 seems to be a good project, but again, it's in this kind of a

1 little bit of an indefinite area as far as whether we really
2 should be funding this or not, so we would look at it as an
3 optional -- a good quality project, but optional at this stage
4 for funding depending on how much money is available.

5 The last cluster of sub-projects under sockeye is the
6 supplementation of the populations, and we're recommending
7 closeout of project 97-259, the Coghill Lake fertilization
8 project. We believe that this project has achieved its goals
9 of restoring productivity to Coghill Lake, and so we're
10 recommending closeout of that project in '97. And project 97-
11 254, Delight and Desire Lake feasibility study. Again, this is
12 a project that the Trustee Council may or may not decide to
13 fund if funds are available. It's probably a worthwhile
14 supplementation if we have -- think we can afford it.

15 MS. WILLIAMS: Mr. Chairman?

16 CHAIRMAN TILLERY: Ms. Williams?

17 MS. WILLIAMS: On 254, during the next three months
18 when you are reexamining the deferral projects, if you could
19 also look at the situation that I understand to be the case --
20 the University of Alaska has been doing studies in Delight and
21 Desire, and whether doing fertilization would interfere with
22 those studies. We understand they're doing studies.

23 DR. SPIES: Yeah.

24 MS. WILLIAMS: This might interfere with it. We
25 would see that as a problem, and (indiscernible).

1 DR. SPIES: That's a nice little point. That came up
2 with the project on chum salmon supplementation near Montague
3 Island, the same issue, where we're going to be doing something
4 in the environment in terms of supplementation -- or maybe
5 possibly interfere with another project.

6 MS. WILLIAMS: And I understand it's Milner (ph)
7 that's doing those studies at the University.....

8 DR. SPIES: Okay.

9 MS. WILLIAMS:of Alaska.

10 MR. SENNER: What was the name?

11 MS. WILLIAMS: Milner.

12 MR. SENNER: Okay.

13 CHAIRMAN TILLERY: Are you through with sockeye now?

14 DR. SPIES: Yeah.

15 UNIDENTIFIED MALE SPEAKER: I just want to throw in
16 another variable.

17 CHAIRMAN TILLERY: Are there any other questions on
18 sockeye?

19 (No audible response)

20 CHAIRMAN TILLERY: Okay.

21 DR. SPIES: On the Dolly Varden cutthroat trout
22 cluster, project 97-145, which is, again, is looking at the
23 different life history strategies in both of these species in
24 the spill area and doing some basic genetics which we think
25 will contribute greatly to how we can manage these injured

1 species and possible restoration options. We're recommending
2 continuation of 145.

3 Under supplementation of populations, 97-043B, which
4 is monitoring the improvement structures. Those structures are
5 in place and we feel that we -- that another year of monitoring
6 the effects of those improvements is justified in the case of
7 043.

8 MR. SENNER: Bob -- Mr. Chairman, on that one a
9 clarification. Your spreadsheet on page B-19 indicates that
10 what we're recommending is to fund the closeout of that project
11 in '97, and that is in error. We are recommending that '97 be
12 the final year of actual monitoring on that project. That'd
13 make two years of monitoring, and that in fact the closeout for
14 \$8,000 would be in '98, not in '97, so our recommendation is
15 we're continuing it in '97 and that the closeout would be in
16 '98.

17 DR. SPIES: And finally, the project 97-302, which is
18 going to be inventory in streams, we recommend starting that
19 but giving -- make sure that we're getting good interaction
20 between that and 145 because there's a genetic component there
21 and we want to make sure we're not duplicating efforts, so that
22 one's being suggested for moving forward with careful
23 consideration of coordinating with 97-145.

24 Are there any questions?

25 (Off record at 2:20 p.m.)

1 (Tape Change - Tape 4 of 6)

2 (On record at 2:20 p.m.)

3 COURT REPORTER: On record.

4 DR. SPIES: The marine mammals cluster includes only
5 research and monitoring of populations. Again, two high-
6 profile species that are of concern are the harbor seals
7 because of the ongoing decline in the populations in the spill
8 area -- is getting attention through two projects, 97-001, and
9 that -- the first -- that project is addressing harbor seal
10 health through monitoring body condition and various health
11 indices that may indicate how the health of these populations
12 is fairing, and project 97-064, which is the population
13 monitoring that is continuing, and has continued, since the
14 spill, and it's looking not only at the populations but
15 satellite tagging and, you know, a host of other studies aimed
16 at understanding those populations and what may be causing that
17 decline.

18 So those two projects are working very closely, and
19 they're also working closely with project 170, which is isotope
20 ratios of marine mammals. There's a lot of interchange of
21 samples between these three, and we're getting some very, very
22 good information -- a very productive group of studies.

23 And finally, killer whales project is deferred just
24 because we haven't looked at the killer whales for a couple of
25 years in terms of a review workshop forum where you bring a

1 couple of investigators together with the reviewers and go
2 through what -- and detail what has been done on the killer
3 whale projects and what the options are and where we want to go
4 with those, so that's being deferred for a fall review date,
5 and that'll be in November.

6 CHAIRMAN TILLERY: Mr. Pennoyer?

7 MR. PENNOYER: Just a question, Bob, on the harbor
8 seals. It has been pointed out before, there was a long-term
9 decline in several marine mammal species around the Gulf and
10 Bering Sea before the spill, and obviously harbor seals were
11 damaged in the spill. We have a lot of good evidence that that
12 occurred. How long is this kind of suite of things, in your
13 view, going on until we reach a point whereby there's a eureka
14 or -- don't say eureka?

15 DR. SPIES: I think that the -- having these harbor
16 seal studies specifically going on at this time is a good idea
17 because of the -- kind of the attendant studies that are going
18 on in the Sound in terms of the ecosystem studies, and having
19 those all go one I think is going to -- we're going to realize
20 the benefits when we go sit down and try to look at
21 comparability of data that's been monitored, but I think there
22 is going to be a time where you say eureka or no, let's go
23 home, we've got all the answers out of here that are useful. I
24 don't think we've reached that stage yet.

25 We're -- Kathy Frost and Dick Schell and Mike

1 Castellini, are all interacting very well. We're getting good
2 information on movement of harbor seals, good information on
3 diet through stable isotopes and also through the fatty acids,
4 and we're making a lot of ground right now, so I think we
5 haven't come to the useful end of these studies.

6 MR. PENNOYER: So you'd say consistent with the SEA,
7 then another two or three years and we'll be at a point where
8 we can say, yeah, or -- it's not a facetious question. Our
9 agency is doing much of the same thing on sea lions.....

10 DR. SPIES: Yeah, yeah, yeah.

11 MR. PENNOYER:in the open Gulf and Bering Sea
12 and.....

13 DR. SPIES: Yeah.

14 MR. PENNOYER:sort of looking at it and trying
15 to decide when we don't have answers yet, we know there's a
16 problem, and.....

17 DR. SPIES: Right.

18 MR. PENNOYER:we keep looking for a new avenue,
19 but I'm not quite sure when we're going to get there.

20 DR. SPIES: Exactly.

21 MR. SENNER: Mr. Chairman, on both 001 and 064, the
22 harbor seal health and monitoring, '97 would be their last
23 years at sort of the current full-funding level. Both of them
24 in '98 already start to pull back, and that's consistent with
25 the track, as Dr. Spies says, of what the SEA project and the

1 other ecosystem projects are doing, so it's pretty much on that
2 same cycle, but we're really only looking at '97 of full-
3 funding; '98 you pull back; in '99, their final report time.
4 Not to say there may not be some new generation proposed,
5 but -- under the current scenario.

6 MR. PENNOYER: Right. Thank you.

7 CHAIRMAN TILLERY: Are there -- we now through with
8 marine mammals?

9 DR. SPIES: Yeah.

10 CHAIRMAN TILLERY: Are there additional questions on
11 marine mammals?

12 MS. WILLIAMS: Publications, publications,
13 publications?

14 DR. SPIES: Yes, many. I think Mike Castellini on
15 the harbor seal health has a good publication record. We
16 expect -- there already is a manuscript out on that initial
17 part of that work and we expect out of that project. The
18 harbor seal monitoring, I think, is going to as well. Kathy
19 Frost is one of our most productive in study and inventive, and
20 good PIs, and also Dick Schell, University of Alaska, has a
21 very strong and long publication record and we expect
22 publications on those as well, and I think also Craig Matkin
23 on the killer whales has produced a number of good
24 manuscripts through the life of the study, so I think overall
25 we've got a very good potential and it's being partly realized

1 already here.

2 Let's move onto the near-shore ecosystem, and that
3 includes a couple of different clusters here -- the research
4 mechanisms -- the research on mechanisms, limiting recovery,
5 and of course the big project here is the near-shore vertebrate
6 predator project, 97-025. It's looking at limiting factors for
7 harlequin ducks and river otters, pigeon guillemots and sea
8 otters. That's being recommended for funding, except that
9 the -- there's a component in here this year, in '96, it's
10 looking at avian co-predators, and we want an evaluation of how
11 useful that work is going to be before we want to commit to
12 another year of it, so we're recommending that we defer that
13 until we have a chance to review the most recent data for that
14 project.

15 MR. SENNER: Dr. Spies, there we wanted to clarify
16 that the reference to avian co-predators is in reference to the
17 work on gulls and shore-birds.....

18 DR. SPIES: Exactly, right.

19 MR. SENNER:which has been an addition to the
20 project.

21 DR. SPIES: Project 161, which is the harlequin duck
22 genetics, which has just got underway this year and is an
23 attempt to use, again, just like the stock identification that
24 we've undertaken with fish, in terms of harlequin genetics
25 there's now some genetic tools that can be applied to sea birds

1 to try to see what sub-stocks or sub-populations may exist in
2 the oil spill area, and so that study is -- I think it's going
3 to pay off quite well for us, and we're looking forward to
4 seeing the results of that in '97, '98 and beyond.

5 Project 427, the harlequin duck recovery -- and this
6 is an ongoing population monitoring and study out in Prince
7 William Sound that's gone on since about 1990, '91. The
8 project is now, I think, doing some very, very good population
9 recovery monitoring based on tools that were brought into the
10 project a couple of years ago, and so that we're recommending
11 another year of that because we're still concerned about
12 harlequin ducks and what the populations are doing out
13 particularly in the western side of Prince William Sound.

14 Closing out -- we recommend closeout of project 090,
15 which is the mussel bed project, and this is just a
16 publication. This is support for publication. Again, we did
17 call in the science invitation -- said that we would make some
18 funds available for funding publication for those investigators
19 who haven't had time to write it up, and this is, again,
20 another one of those -- it is a project supplying a small
21 amount of money to Malin Babcock and the NOAA Auke Bay
22 laboratory to publish the results in the mussel bed work up to
23 this time.

24 Sea otter publications -- again, another one of this
25 sort. This is project 97-223. We're supplying a modest amount

1 of funds to some principal investigators who did a lot of sea
2 otter work just before and after the spill, and it's work that
3 we feel needs to get out into the open peer review literature,
4 and the investigators are very short of funds and haven't been
5 able to complete those projects, and so we're kind of -- they
6 submitted a proposal to fund five or six publications. We
7 found only some of those were those that we wanted to get done
8 and were -- well, I think we got a pretty controlled mechanism
9 for doling out the money here according to what the publication
10 will deliver, so -- very good-quality investigators, they've
11 just been, I think, in a kind of a bind financially, so I think
12 that's going to be a good investment of Trustee Council funds.

13 MR. SENNER: Dr. Spies, on that one -- just an
14 additional comment. Dr. Spies' recommendations on B-27 is that
15 the funding for these four manuscripts be done on sort of a
16 program payment basis so that the contract, which would be
17 through NOAA in this case, would be set up in a way that you
18 deliver a manuscript that's acceptable to the Chief Scientist,
19 then you get -- you can bill for that increment and sort of in
20 pieces because there has been some history with these
21 investigators of -- well, I won't go into what all the history
22 is, but we think they've got some really good data that are
23 important to our process to interpretation of the NVP results
24 and so on, and it's in our interest to get this stuff
25 published -- analyzed and published, but we do want to keep

1 kind of a tight reign on it.

2 MS. WILLIAMS: Mr. Chairman?

3 CHAIRMAN TILLERY: Ms. Williams.

4 MS. WILLIAMS: I've heard very similar concerns, and
5 I have I guess two questions. One is, do we have deadlines in
6 here -- actual deadlines?

7 MR. SENNER: We don't yet, but through the
8 contracting process that would be where one would spell that
9 out.

10 MS. WILLIAMS: Okay. So there will be deadlines in
11 the contract, because I understand that's of concern to people,
12 and then payment upon satisfactory completion of the
13 manuscripts.

14 MR. SENNER: That's right.

15 MS. WILLIAMS: Okay. If those two are -- if those
16 two items are agreeable to.....

17 DR. SPIES: And again to kind of very briefly review
18 what we expect in terms of publications out of these in a
19 general sense, I think we're going to get -- I think it's a
20 very -- we've got lots of investigators here with good
21 publication records. Most of them do, and we expect that to
22 continue, so I think we're going to get a good harvesting, if
23 you will, out of 025.

24 97-961, again, the investigators involved on this do
25 have good publication records and we expect that to continue.

1 I think there's an opportunity here in 427 for publications
2 on -- especially new ways to recognize various age classes of
3 harlequin ducks and subtleties of plumage here that are
4 probably worthy of publication. Although I'm not an
5 ornithologist, that would be my guess.

6 These two, of course, are funding publications
7 themselves, so it could get -- guarantee there, I think, as
8 well.

9 CHAIRMAN TILLERY: Other questions on near-shore?

10 DR. SPIES: I have a few more -- one more at least,
11 and -- yeah, one more project. The small sub-cluster here is
12 shoreline, subtitle oil. Again, this is a project we have
13 supported since the damage assessment date, 97-290. It's the
14 maintenance of the hydrocarbon data at the Auke Bay laboratory,
15 and we need to continue that, and that be continued at a modest
16 level -- recommended for continuation, modest level '97. So
17 that's it's then; that completes that cluster.

18 CHAIRMAN TILLERY: Any questions?

19 (No audible response - Pause)

20 DR. SPIES: And just a final cluster that I'll be
21 addressing, then I'm going to hand off to some of the other
22 staff -- but this is the sea bird forage fish and related
23 projects cluster, and we have under that the research on
24 mechanisms that are limiting recovery. Again, some of our
25 classification that we had for near-shore, project 163, which

1 is the Alaska predator ecosystem experience, APEX; it's the
2 third large ecosystem project that falls under this cluster.
3 I'm recommending continued funding of this, and there will be,
4 as with the other ecosystem projects, fall and winter reviews,
5 of those.

6 Project 97-231, marbled murrelet, a productivity
7 index that's been developed by Cathy Kulis at the Department of
8 Interior, and that is being recommended for a second year of
9 monitoring in '97, and then also to start project 97-306, which
10 is a project looking at sand lance ecology. We've come to
11 realize through analyzing historical data, and observations in
12 the field, that the sand lance are perhaps a very key forage
13 fish from the standpoint of sea birds and we know very, very
14 little about them. They're difficult to sample and difficult
15 to deal with ecologically, but we need to do something on these
16 because they appear to be so key to the success of some sea
17 birds in their breeding. Feeding on those near-shore schools
18 could be very, very important to sea birds. There's also going
19 to be a literature survey done within this. It was
20 (indiscernible) two submitted proposals.

21 And finally, in the sub-cluster, 97-305, which is a
22 sea bird stable isotope analysis, we're recommending deferral
23 due to some potential overlap with some of the other stable
24 isotope projects. This doesn't seem to be a high priority
25 right now.

1 MR. SENNER: Dr. Spies, then if we could step back.
2 Let me clarify on project 231. There is a change here from
3 what's on your spreadsheet. Your page 34 has this indicated as
4 a defer by the Executive Director in the amount of \$180,000.
5 What we're recommending is that this in fact be a fund at
6 \$120,000, with the following contingency. The problem is is
7 that we wanted to defer the overall decision until there could
8 be an APEX project review and we could better sort through
9 those priorities and what would make sense to carry forward in
10 the way of murrelet work in '97. The problem is, that review
11 is probably not going to happen until February, well after your
12 December Trustee Council meeting, and so we wouldn't have a
13 good basis for making a recommendation at that time.

14 So what we're proposing is that with a reduced budget
15 that we fund the PI to continue the data analysis that would
16 let us make an informed judgment later on, and also to follow
17 through on now six manuscripts that are in different stages of
18 preparation for publication, a number of really good ones, but
19 that we make then any funding for actual new field work in '97
20 still contingent upon an affirmative recommendation by the
21 Chief Scientist and Executive Director following the APEX
22 review.

23 So we've essentially got two pieces in the money.
24 We're providing interim funding until the APEX review and then
25 any new '97 field work would be dependent on an affirmative

1 recommendation from the Chief Scientist and Executive
2 Director -- so that's the change there.

3 CHAIRMAN TILLERY: And what were the numbers on that?

4 COMMISSIONER RUE: And that is at a reduced total
5 level of \$120,000 rather than 180. So it's now 120 now and
6 then something later; 120 would do the whole thing.

7 DR. SPIES: Again, in terms of publications, this is
8 one of the major ecosystem projects -- a very high level of
9 professionalism of the investigators involved in this project,
10 good publications records, and we have no reason to expect that
11 we won't be getting the publications out of this, quite of few
12 of them -- probably at least a dozen in the next couple of
13 years.

14 Marbled murrelet productivity -- again, there's
15 probably half, as Stan mentioned, a half-dozen that are in the
16 process on marbled murrelets, so we feel good about that
17 project and I would expect that this one also (indiscernible)
18 would result in a publication as well.

19 Moving onto the second sub-cluster, which is research
20 and monitoring populations. We're recommending continuation of
21 97-142, which is as you recall -- this would be the second year
22 of studying the basic biology of Kittlitz's murrelet, a species
23 that you added to the injured species list on our
24 recommendation last year, and this is basically a look at the
25 basic ecology of this population and try to understand a little

1 bit more about it since we think that is potentially quite
2 affected by the spill.

3 Also, we're recommending continuation of project 144,
4 and this is the common murre in the Barren Islands, and
5 closeout of project 159, which is the marine bird surveys in
6 Prince William Sound. That doesn't mean that we're closing
7 these out forever; it just means that we're on a cycle of doing
8 this every several years and then providing the following year
9 funding to produce the reports and any publications that can
10 come out of this. It's providing the continuing baseline on
11 bird populations in the Sound.

12 And finally -- not finally, but among the recommended
13 projects, to start, project 167, sea bird specimens, and this
14 is work being done at the University of Washington museum, and
15 we've already provided some funding for this and they've come
16 back and requested a few more to complete preparation of more
17 specimens, and we think that that's probably a good legacy to
18 have from the spill is to curate those carcasses that we had
19 and provide some materials for researchers in the future for
20 use in, for instance, genetic studies.

21 MR. JANIK: Mr. Chairman? Dr. Spies.....

22 CHAIRMAN TILLERY: Mr. Janik?

23 MR. JANIK: A question on that. I've got a staff
24 note here on -- weren't there some court proceedings going on
25 with regard to disposition of these specimens -- and at one

1 time we were trying to get authorization. Help me with that
2 clarification because the point came up here in my notes.

3 CHAIRMAN TILLERY: We have a court order that
4 permitted us to dispose of those particular specimens, I
5 believe, including these birds, but including otters and forth
6 and so on -- and that one was approved a couple of years ago, I
7 think. I was going to actually bring this up at some point,
8 for your information, and I think people might want to relate
9 this to their various staffs, we have reached an agreement with
10 Exxon to provide for the destruction generally of spill
11 samples. We will be getting out a memo to everybody when that
12 is finalized. It will take effect when the court orders it.
13 We anticipate it being filed possibly as early as tomorrow.

14 Right now there is agreement among all of the major
15 parties, with the exception of one group of private plaintiffs,
16 and because we see little reason that they should be objecting
17 to, we anticipate we'll either get their concurrence or we'll
18 just put it in front of a judge and we'll get his concurrence
19 on it -- but it will set out a structure for disposing of any
20 oil spill samples, including the ones that are arising out of
21 this restoration efforts.

22 MR. JANIK: So there will end up being no
23 contradiction here in appearance?

24 MS. WILLIAMS: No.

25 MR. JANIK: Okay.

1 MS. WILLIAMS: Mr. Chairman, my understanding is this
2 is a very different group of specimens.

3 MR. JANIK: Different group?

4 MS. WILLIAMS: It's a very different group of.....

5 MR. JANIK: Different group.

6 MS. WILLIAMS:specimens, yes. And Mr. Senner
7 can speak to this, but I asked that same question of my folks
8 before the meeting, and these are cleaned and they're used for
9 scientific purposes -- a real different group than the exhibit-
10 type things.

11 MR. SENNER: This is the re- -- Mr. Chairman, this is
12 the residual of a batch of specimens that were already in fact
13 incinerated under some earlier agreement. With help from the
14 National Science Foundation, the Burke Museum salvaged some
15 number of those carcasses before they were burned. This is
16 just simply the curation of the last batch of those carcasses,
17 and this is very relevant though, including a whole bunch of
18 common murre and other injured birds that are very relevant to,
19 for example, the next project on that list, 169, the avian
20 genetics work. The choice here is the Burke Museum can't store
21 these oiled birds in freezers forever. They're asking for
22 \$30,000 to complete their preparation of some skins which then
23 are available for restoration or other projects.

24 Their alternative is to finish the incineration
25 process and get rid of them and in which case then they're

1 totally lost to any future use. So what we're looking at is
2 making them available for restoration science purposes, and
3 certainly any other scientific purposes, and it doesn't
4 conflict, though, with any of the issues under negotiation with
5 Exxon.

6 MS. WILLIAMS: Mr. Chairman?

7 CHAIRMAN TILLERY: Ms. Williams.

8 MS. WILLIAMS: One question, and I think Gina of
9 Justice raised it, is -- and Mr. Senner maybe can answer this -
10 - is the issue of priority. I think in general, the
11 understanding is that these specimens will be available to
12 anyone in the scientific community. But assuming two requests
13 came in at the same time, one from one of our funded
14 researchers and one from someone else, is there any condition
15 right now of a priority for EVOS projects?

16 MR. SENNER: Mr. Chairman, that issue has not been
17 discussed with the Burke Museum but I suspect they would have
18 no problem at all accommodating first the need of any EVOS
19 restoration researcher. I don't suspect that's any problem at
20 all, but we in fact have not raised that yet.

21 MS. WILLIAMS: But you will?

22 MR. SENNER: Yeah, absolutely.

23 DR. SPIES: And as Stan alluded to, the last project
24 on this group, research and monitoring populations, is the
25 avian genetics put in by Vicki Frison, a Canadian researcher

1 with good experience with more specific sea bird genetics --
2 population genetics, something that we think is of good
3 scientific merit but again, it's a matter of whether we have
4 enough money left over to fund this new start -- so it's a
5 matter of priorities.

6 I might just indicate, in terms of publications, that
7 the -- we would expect that Dr. Bob Dade, who is doing this
8 work -- he's got a fairly good publication record, would get
9 that work out. Likewise, with the common murre biologists, are
10 very active professionals -- professional societies, and we
11 expect that work has produced publications and will continue to
12 do so.

13 Marine bird surveys has produced some publications,
14 and I think this is a bit more routine matter. I think there
15 might be more that come out of this one as well. This one
16 is.....

17 MR. SENNER: And Bob, on -- excuse me. On that one,
18 we do have in the '97 work plan -- it's either one or two
19 manuscripts that would come out of that 159.

20 DR. SPIES: All right. And on this one, it doesn't
21 seem to be appropriate in terms of a manuscript. This one, if
22 we did fund it, I'm sure that that results would get into the
23 scientific literature. So that completes the sea bird forage
24 fish projects. Are there any further questions?

25 (No audible response)

1 DR. SPIES: Then I'll hand it over to, I believe,
2 Veronica Christman with the archeology cluster.

3 (Pause - Whispered comments)

4 MS. CHRISTMAN: In the archeological resources
5 cluster, the recommendation is to continue with the index site
6 monitoring, project 7A, and this recommended to continue at
7 last year's level of funding, and this is the third year of
8 this series of monitoring exercises. In the first two years,
9 '94 and '95, they found no evidence of new disturbance or
10 vandalism, so their proposal is to terminate this monitoring
11 effort after five full years of monitoring if there is no
12 indication of new disturbance.

13 Another project recommended for funding is project
14 7B. This is a new project actually, in that it consists
15 strictly of publishing a peer review journal article on the
16 excavation that the Forest Service conducted on Eleanor and
17 Knight Islands, and it also includes presentation of a paper at
18 a conference as well as presentation of results to the
19 communities in the spill area, mainly because the excavation
20 did reveal insights into the early occupants of the Sound, and
21 this would definitely be of interest and value to community
22 residents -- and so this would actually produce the only peer
23 review journal article on the work that the restoration process
24 has produced on archeological resources, so it has value for
25 that reason.

1 And then the third and final project recommended for
2 funding is continuation of project 149, and this is a site
3 stewardship -- volunteer site stewardship program in a number
4 of communities. These are outside of the Chugach region and
5 they were selected for that reason. This project was begun
6 last year as a three-year project. This fiscal year '97 will
7 be its second year, and then the third and final year will be
8 in '98 -- and the site stewardship program is getting underway
9 this summer, and includes monitoring by volunteer site stewards
10 on Kenai Peninsula, Uganik Bay, the Chignik area, and Uyak Bay.

11 There is a project that we recommend deferral, and it
12 is not on the list but it is project 277, that was proposed by
13 Chenega Bay, and it is for an archeological repository. And we
14 recommend deferring that project because it's really premature.
15 We know that many of the communities in the area are interested
16 in participating in the restoration of archeological resources,
17 and many of them have ideas for repositories or display areas.
18 However, in fiscal year '96, the Trustee Council funded a
19 planning effort that the Chugach Heritage Foundation is
20 undertaking right now, that would address the issues that the
21 Trustee Council would need to address before entertaining or
22 being able to evaluate these proposals. So we recommend
23 deferring the Chenega Bay proposal until the planning effort's
24 completed this fiscal year and the Trustee Council has had an
25 opportunity to deliberate about the recommendations. Do you

1 have any questions about this cluster?

2 CHAIRMAN TILLERY: Are there questions from the
3 Council?

4 (No audible response)

5 CHAIRMAN TILLERY: I had a couple. On 149, you
6 described it as a three-year project, and the.....

7 MS. CHRISTMAN: Three-year, beginning in '96.

8 CHAIRMAN TILLERY: The description mentions a.....

9 MS. CHRISTMAN: Oh.

10 CHAIRMAN TILLERY:four-year project.

11 MS. CHRISTMAN: The fourth year is closeout, and it's
12 equivalent to, was it two months -- two months of staff time to
13 write a closeout report and that's the i- -- but in terms of
14 the actual stewardship activities, it would only be for three
15 years, and your recommendation last year was that your approval
16 is conditioned on their finding other sources of funding to
17 continue the program, and we'll be looking for some evidence of
18 having searched for those other funds in fiscal year '97.

19 CHAIRMAN TILLERY: My other questions was on 07B.

20 MS. CHRISTMAN: Yes.

21 CHAIRMAN TILLERY: This one you describe as including
22 funding, I gather, for a peer review journal article.....

23 MS. CHRISTMAN: Right.

24 CHAIRMAN TILLERY:which is consistent with what
25 we've been doing.....

1 MS. CHRISTMAN: Yes.

2 CHAIRMAN TILLERY:in a number of other cases,
3 and also, for the presentation of results at major professional
4 conference and to community groups. Now presenting stuff to
5 community groups is also something we've done. I guess, is
6 this -- have we done before where we're paying -- other than
7 our own symposiums, have we been paying for people to go out to
8 make presentations or is this another step?

9 MS. CHRISTMAN: This is -- it's a new proposal.
10 It's -- I don't believe it's typically done in most of the
11 projects, but on this particular one the proposer was
12 responding to the invitation, in which we encouraged results of
13 efforts to be shared with residents of the spill area and.....

14 CHAIRMAN TILLERY: When is this kind of.....

15 MS. McCAMMON: Mr. Chairman, this actually includes
16 travel money to go out to some of the villages and give some
17 presentations. These are things we're encouraging. We hope
18 people have travel money to do it. This is one that it's
19 actually specifically identified.

20 CHAIRMAN TILLERY: That I understand, but as I read
21 this it sounds like there's also travel money to go to New
22 Orleans for a conference or something.

23 MS. McCAMMON: There is a conference too -- we do pay
24 for conferences in other projects, yes.

25 MS. WILLIAMS: Mr. Chairman, I do have one more

1 question. When you said that in all of the archeology projects
2 that we have funded, that this would be the only one that would
3 likely -- that will result in a paper. In looking back at the
4 other archeology funded projects, are there other potentials if
5 the PIs are asked to produce?

6 MS. CHRISTMAN: The other project have produced final
7 reports that have been peer reviewed and that were done with
8 some rigor, but they were monitoring efforts, and I don't
9 believe they broke any new ground, so to speak.

10 (Laughter)

11 MS. CHRISTMAN: I would be willing to discuss with
12 Doug Reger, who is the archeologist that has been considered
13 the chief PI on these. Whether or not there may be an
14 opportunity from case to case, you know, in various areas for
15 publications.

16 MS. WILLIAMS: Good. I would appreciate that.

17 MS. CHRISTMAN: There may be -- certain sites had
18 more ambitious work done on them than others, and, you know, on
19 others it was a matter of, you know, looking at it and saying
20 no, there was no disturbance here -- and there was some testing
21 for oil contamination, so there may be some potential for it,
22 and I'd be glad to follow up and.....

23 MS. WILLIAMS: Okay. Thank you.

24 MS. CHRISTMAN:get back to you.

25 CHAIRMAN TILLERY: Are we -- then, any further

1 questions for archeology?

2 MR. PENNOYER: Just one.

3 CHAIRMAN TILLERY: Mr. Pennoyer?

4 MR. PENNOYER: Site stewardship -- that's in its
5 second year then? '96.....

6 MS. CHRISTMAN: Yes.

7 MR. PENNOYER:is the first year? Do we have
8 any feeling that it's being successful? Is.....

9 MS. CHRISTMAN: It's being successful for two reasons,
10 or at least there are indications of success. First of all,
11 there was interest before it started, and that is, it was
12 started not because an agency wanted to do it but because these
13 local groups, many of whom are fishermen in the area, they were
14 really committed to it, and that's the first sign of potential
15 success. Secondly, the organization has pretty much concluded,
16 and a large part of it is actually selecting -- recruiting and
17 selecting the stewards. You really have to check them very
18 carefully, and that's completed and they've also identified
19 particular sites that they will target this year -- and then
20 the work is actually getting underway. So it won't be until
21 this winter that we'll have any results from their activities
22 out there, but we're at least getting started, and there's.....

23 MR. PENNOYER: Okay. Thank you.

24 MS. CHRISTMAN:success there.

25 CHAIRMAN TILLERY: Further questions?

(No audible response)

CHAIRMAN TILLERY: Thank you.

MS. SCHUBERT: I'm going to talk about the subsistence cluster, which Stan is just putting up on the screen now. The subsistence cluster is primarily projects that are proposed by communities, although there are some community projects in other clusters, for example, in the reduction of marine pollution and the archeology cluster. And I'd also like to point out that not all of the projects that benefit subsistence are in this cluster as many of the projects that are done on other resources -- pink salmon, herring, harbor seals and so on, have ultimately a benefit to the subsistence service.

The Executive Director is recommending that you fund 13 projects that total 1.35 million, and defer a decision on four others. This is roughly the same number of projects and the same amount of money as you approved for FY '96. But as Stan mentioned in his pie-chart discussion, it is a bigger proportionate share of the decreasing work plan.

The projects in this cluster address three strategies. The first is restoring injured resources, and in addition to those projects that are contained in other clusters, project 009D, would close out a two-year octopus survey that involved residents of Chenega Bay, Tatitlek and Port Graham. This is for report writing, preparation of a

1 manuscript, and also presentation of results to the communities
2 that were involved in the project.

3 The second strategy is enhancement or replacement of
4 injured resources, and there are five continuing projects under
5 this strategy. Project 127 is a remote release project to
6 create a replacement run of coho near Boulder Bay -- in Boulder
7 Bay, which is near Tatitlek, and ultimately, it's expected to
8 produce a return of 2,000 to 3,000 adult fish. Your actions in
9 the past indicated funding through one coho life cycle, which
10 means that FY '99 would be the final year of funding on this
11 project.

12 Project 131 is a clam restoration project. The goal
13 is to seed beaches near villages in the spill area with clam
14 seed. Most of the work to date has been at the hatchery level
15 where they have been growing clam seed, but in FY '97, some
16 test beaches will be seeded near Eyak, Tatitlek, Nanwaluk, and
17 Port Graham, and hatchery work will continue as well.

18 Project 220 is stream improvements in the Eyak area.
19 Stream habitat surveys are underway this year with the proposal
20 then for '97 to actually do some log structures and other
21 improvements that would improve salmon habitat.

22 Project 225 would increase the availability of pink
23 salmon in the Port Graham area until the coho and sockeye
24 salmon runs are rejuvenated.

25 Project 272 is another remote release project, this

1 time near Chenega Bay. This project is likely to produce 1 to
2 2,000 adult fish beginning this summer, which means that FY '97
3 is expected to be the final year of Trustee Council funding.

4 One new project is being proposed for funding. This
5 is project 263, the Port Graham stream improvement project, and
6 this is modeled after project 220, which I discussed, the Eyak
7 stream improvements. This would look at forest streams in the
8 Port Graham area. The surveys would be done in '97 with a
9 proposal coming back to the Trustee Council in '98 and '99 to
10 do actual habitat improvements.

11 Three projects are recommended for defer, and in each
12 case there is feasibility work going on this year, and results
13 of the feasibility studies aren't expected until November, so
14 the hope here is that we'll have a recommendation for you at
15 the -- what I think is going to be an early December meeting
16 where you take action on the defer projects.

17 Project 247, one of the deferred, is a coho
18 enhancement project on the Kametolook River, which is in the
19 Perryville area.

20 Project 256A is stocking of sockeye salmon in
21 Columbia Lake, and 256B is stocking of sockeye salmon in Solf
22 Lake. And again, those are still having their feasibility
23 determined.

24 I should point out that two projects that are not on
25 this list were a defer at the time of the draft work plan, at

1 the time that you got your meeting packet.

2 Project 267, which would have constructed a skiff
3 dock in Port Graham, and project 268, which would have paid for
4 some subsistence harvest trips for residents of Port Graham,
5 and now recommended do not fund because it was determined that
6 there was an insufficient link to restoration objectives for
7 both of those projects.

8 The third strategy in the subsistence cluster is
9 increasing the involvement of subsistence users, and the first
10 project on the list, 052A, is in two parts. It's kind of
11 separated on the list there, but I kind of look at it as an
12 expansion of this year's project. 052, you're familiar with,
13 is the community involvement project which funds Martha Vlasoff
14 here in our office through a contract with the Chugach Regional
15 Resources Commission, and also pays for facilitators in nine
16 communities in the spill region. In '97, the proposal is to
17 expand to ten communities by hiring a facilitator in Seldovia.

18 The kind of new part of the project is what's on the
19 list as 052B, the traditional ecological knowledge part of the
20 project. This was an objective of the project in FY '96, but
21 not a lot of activity really happened on the TEK front, so in
22 '97 it's been moved into a sub-project and some specific
23 activities and objectives identified. Primarily, what the
24 project would do is, through a contract again with CRRC, hire a
25 TEK specialist, which would be really a consulting contract for

1 technical assistance for EVOS PIs who are interested in
2 pursuing the use of TEK in their restoration projects, and it
3 would also develop a reference guide of existing TEK on injured
4 resources data that might have been collected by other entities
5 like AFN or Rural Cap or the University, all of whom have had
6 efforts in this area.

7 Project 210, the youth area watch project, is a
8 continuation. The budget has been increased in FY '97 to allow
9 the participation of students in Cordova, Valdez, Seward and
10 Whittier. In FY '96, eight students participated from Chenega
11 Bay and Tatitlek, and they worked this year in the harbor seal
12 bio-sampling project, the oceanography component of the SEA
13 plan, and the pristane mussel project that NOAA has underway.

14 Project 244 is the second year of a program in which
15 native harbor seal hunters are collecting biological samples
16 for use by EVOS researchers. The project is being organized by
17 the Alaska Native Harbor Seal Commission and is underway in
18 Cordova, Chenega, Tatitlek, Port Graham, Nanwaluk, and Seldovia
19 this year. The proposal for '97 would expand the project to
20 Valdez and Kodiak.

21 Project 214 is a little bit of additional money for
22 the harbor seal subsistence documentary, which is in an editing
23 stage right now. The money would primarily continue the
24 participation of Tatitlek residents. That's where the harbor
25 seal video was filmed -- and pay for some staff time at Fish

1 and Game to complete the editing -- but there's expected to be
2 a premier of the film in Anchorage sometime this winter and
3 we're hoping for pretty wide distribution of the video.

4 I talked about 052B, that's the TEK component of the
5 community involvement project. The last project on the list is
6 deferred. It's the forestry workshop that was proposed by the
7 Eyak Tribal Council, and which Bob Henrichs mentioned in his
8 comments to you this morning. And the reason it's deferred is
9 that -- our recommendation was that there should be joint
10 sponsorship of the workshop, so it wasn't just an issue, I
11 don't think, of coming up with additional money, but of getting
12 commitments from Chugach Alaska, village corporations, other
13 village councils in the area. It's expected to be a region-
14 wide conference and we were looking for a greater indication
15 that there was interest by others than Eyak in the workshop.
16 You have questions?

17 CHAIRMAN TILLERY: Ms. Williams?

18 MS. WILLIAMS: Mr. Chairman, I have quite a few
19 questions and comments, so if others do, I can say one and take
20 a break and go on. I'll start with the last item, the forestry
21 workshop. Let me say I very much support the concept that in
22 order to make that meaningful at any level, you have to have
23 community (indiscernible) people are talking either to no one
24 or to people who aren't anxious to participate. But also, I
25 would only support funding that if the organizer of that

1 workshop has not, by public statement or otherwise, precluded
2 forestry options, and so I would not support it if the
3 organizer had, for example, publicly stated that he or she
4 opposes in all instances a habitat acquisition by the Trustee
5 Council because I think if that's going to be effective it has
6 to explore all of the options available to the corporations and
7 private landowners, so I would not support it if one of the
8 options available to corporations and private landowners -- it
9 has been publicly disavowed by an organizer.

10 MS. SCHUBERT: Mm hmm (affirmative).

11 MS. WILLIAMS: Okay? With respect to the Port Graham
12 stream improvements, 263.....

13 MS. SCHUBERT: Mm hmm (affirmative).

14 MS. WILLIAMS: The main con- -- I first of all note
15 that it says in the project description that Port Graham will
16 share the cost of this project. How much are they considering?

17 MS. SCHUBERT: Actually, Veronica has working with
18 the proposer on this project, and.....

19 MS. CHRISTMAN: I believe the main area they intend
20 to share is in terms of providing camp accommodations and
21 transportation, and most of the transportation will be via
22 road, and that's during the planning phase. During the
23 implementation, which would be next year, there would be some
24 cost sharing through the forest management agreement. That's
25 the general notion, and they haven't specified a total amount.

1 MS. WILLIAMS: Okay. One rule I have on that, and
2 would encourage you to incorporate in the planning phase, is
3 there has been a lot of logging in this area on private lands,
4 and I would not support having EVOS money going to stream
5 improvements that are a result of logging activities in the
6 area. To the extent there are natural changes that were not
7 affected by logging, you know, I -- we could certainly look at
8 stream improvements. But to the extent you have either woody
9 debris or you have windblow and so forth, I feel strongly since
10 Port Graham did the logging that they should pay for those
11 stream improvements, and it shouldn't be our responsibility to
12 pay for clearcut impacts on salmon streams.

13 I'll take a break if someone else has.....

14 CHAIRMAN TILLERY: Why don't you just go ahead?
15 You're on a roll.

16 MS. WILLIAMS: Okay. On the traditional ecological
17 knowledge, I'm very supportive, as I think probably most of the
18 Trustee Council Members, if not all, are very supportive of
19 that, and of course that's a strong theme for this year to
20 incorporate more of that. The concern that some folks at the
21 Interior had was whether that project should be a part of the
22 community involvement project instead of creating a separate
23 structure and, you know, a separate format.

24 I know Martha is very busy, and so I'm anxious to
25 hear thoughts on this, but obviously the more we can

1 consolidate and streamline activities while still maintaining
2 the integrity of the projects themselves, the better not only
3 for the Council Members and EVOS staff, but also for the PIs
4 and people working on projects so they know where to go to.
5 One thing we want not to do is proliferate stocks, maximize
6 one-stop shopping, when you're trying to get as much
7 information as you can to incorporate into your project.

8 So I raise that more as a question, to see what
9 thoughts you have and how we could maximize the consolidation
10 of this project into some existing structure.

11 MS. CHRISTMAN: I can address that, at least tell you
12 what we've talked about here. There are two kind of separate
13 functions going on here and of course there is overlap, but the
14 052A, which is community involvement, which is the continuation
15 of the existing program, is primarily a communication function,
16 with Martha and this network of facilitators sharing
17 information and activities with the Trustee Council, the
18 restoration office and agencies.

19 The newer part of the project that's now being picked
20 up under 052B calls for a person who has experience in
21 obtaining TEK with respect to scientific management issues and
22 an understanding of biological sciences and scientific
23 methodologies -- so it's somebody who has quite a technical
24 background, somebody who has an advanced degree, and is a peer
25 or a colleague of the EVOS PIs that they will be working with.

1 It is envisioned that the two projects will work
2 closely together. The TEK project calls for an advisory group
3 that would sort of direct this TEK effort, and sitting on the
4 advisory group will be the community -- the spill area-wide
5 coordinator, who is Martha, two of the community facilitators,
6 as well people from the restoration office and others.

7 The community facilitators would be the local contact
8 person for the TEK specialist, just as they are for others who
9 are involved in the process. And I do think that technically,
10 the way it's set up, the PIs are supposed to contact the TEK
11 specialist if they're interested in collecting ecological
12 knowledge, and technically, contact Martha if you're interested
13 in anything else, like hiring somebody or chartering a boat.
14 But I think in practice, that these two people will be working
15 very closely together and there will be a lot of cooperation
16 and sharing information and so on, so hopefully it won't be
17 confusing to the PIs and that whoever they call will be able to
18 help them or direct them to the right person.

19 And I should also point out that the recommendation
20 is to fund the TEK component for '97 only, so that we take time
21 to take stock of how things have worked at the end of this
22 first year and make improvements if necessary.

23 MR. PIPER: Mr. Chairman, one -- I think, as Deborah
24 said, all the Trustees support it. Something that's been
25 expressed by some of our colleagues, and including from my

1 department, is we want to make -- we don't want to
2 underestimate the level of challenge involved in this project,
3 you know, there are -- the communication on both sides of the
4 issue is going to be really difficult and really challenging
5 because we want to make sure there are realistic expectations
6 on the part of how that information is going to be used, how it
7 can truly be integrated, and then for PIs to really know what
8 the expectations are of them so that we don't get cross-waves,
9 so -- and as long as we're going into that with open eyes I
10 think we'll be okay.

11 MS. SCHUBERT: Well, and I think that that's some of
12 the reason that we thought we needed to hire, and this will be
13 an open hiring process, somebody who has experience in doing
14 this to help us make it work and help all of the parties
15 understand what's at stake and what's required.

16 CHAIRMAN TILLERY: Ms. Williams?

17 MS. WILLIAMS: Mr. Chairman -- Chairman Tillery, my
18 last comment was on the elders-youth conference. I'm very
19 excited about that. I do look forward -- and of course right
20 now it's anticipated that in the planning process there will be
21 more exploration of restoration linkages, and so I'll look
22 forward to a clear statement of restoration linkages and what
23 we have to accomplish, but I anticipate that will be coming if
24 we're in the final process.

25 CHAIRMAN TILLERY: Mr. Pennoyer?

1 MR. PENNOYER: A large number of these projects have
2 to do with replacement of subsistence resources through
3 enhancement technology, stream improvement and so forth?

4 MS. SCHUBERT: Mm hmm (affirmative).

5 MR. PENNOYER: Some of them look like they had a
6 fairly large payoff if the feasibility studies show that you're
7 going to do it.

8 MS. SCHUBERT: Mm hmm (affirmative).

9 MR. PENNOYER: Is that -- when we approve research
10 projects, often we have said okay, two or three years down the
11 pike we realize if we get into this, unless we find something
12 that tells us not to proceed, we're going to fund it, so we've
13 started up with a project cost that's really 2 million instead
14 of \$400,000, and while we always say yes, based -- but we'll
15 review it as we go along. You're doing that. In some of these
16 cases, we are funding feasibility projects that have a million
17 to a 2 million dollar.....

18 MS. SCHUBERT: Mm hmm (affirmative).

19 MR. PENNOYER:price tag on them two years down
20 the pike if the feasibility study is correct. Are we
21 consciously saying that to these folks, that if we do it we're
22 going to come up with the 2 million dollars to put the stream
23 improvement in, or the hatchery in, or stock this or stock
24 that. And I'm not totally clear because I'm not sure -- and
25 I'm not sure I'm against doing some of them. I just don't know

1 that it's been exactly given to me in that fashion.

2 CHAIRMAN TILLERY: Ms. McCammon?

3 MS. McCAMMON: Mr. Chairman, I think it's imperative
4 that the Council not make a decision to go forward on any of
5 the major enhancement projects without knowing what the long-
6 term -- what the actual cost is because if what we're looking
7 at is a five-year project at \$250,000 a year or more, then I
8 think the Council needs that information before they make a
9 decision. And one thing that I've asked the agencies to do as
10 they go through this feasibility assessment is to actually --
11 when they put this forward for the Council for the final
12 decision to actually have numbers on what the cost of the
13 project is going to be.

14 Now when we looked at Delight and Desire Lake
15 fertilization, which is under the sockeye cluster, that one --
16 when I looked at it at first, my inclination was to pay only
17 for the feasibility study to get the information on the table,
18 and then to leave it up to the aquaculture association if they
19 wanted to go forward and actually do the work themselves. With
20 these others, I'm not sure if the aquaculture association would
21 be in a position to take on that feasibility study, but
22 certainly it should be something that all the costs should be
23 laid out to the extent they're know.

24 MR. PENNOYER: Mr. Chairman, and that I agree with.
25 I just didn't want people to get the idea because we did this,

1 even though it looks like there's a big bill attached, that we
2 were automatically saying yes, we've already taken that into
3 account.

4 MS. McCAMMON: That's correct.

5 MR. PENNOYER: We're going to look at the feasibility
6 and cost benefit after the study is done?

7 MS. McCAMMON: That's correct.

8 MR. PENNOYER: Thank you.

9 CHAIRMAN TILLERY: Ms. Williams, do you have
10 additional.....

11 MS. WILLIAMS: No.

12 CHAIRMAN TILLERY: Are there other issues by Council
13 Members on this cluster?

14 (No audible response)

15 CHAIRMAN TILLERY: I had one question which had to do
16 with the Chenega remote release. That is a terminal fishery;
17 right? What is going to happen after next year? Is it going
18 to stop or are the fish that are going to start returning this
19 year going to provide some economic base for the village
20 continuing it on their own?

21 MS. SCHUBERT: I'm going to have to ask maybe Dave
22 Gibbons, with the Forest Service.

23 MR. GIBBONS: I don't have anything to do with that
24 project.

25 MS. SCHUBERT: No?

1 MS. McCAMMON: It's a terminal fishery.....

2 MS. SCHUBERT: It is a terminal fishery, yeah.

3 MS. McCAMMON:so if it stops, it ends. It
4 would be.....

5 CHAIRMAN TILLERY: Well, except that in.....

6 MS. McCAMMON:up to the community to.....

7 CHAIRMAN TILLERY: Right. But I have.....

8 MS. McCAMMON:continue it if they so desire.

9 CHAIRMAN TILLERY:been told in some of the
10 others, where we were funding -- proposed to fund terminal
11 fisheries, that we would fund them to begin with, and then when
12 those fish started coming back, they might take some of the
13 fish and through taking those fish pay for them to continue
14 with the program. I'm wondering if that is what we anticipate
15 here. This is five years and out.

16 MS. McCAMMON: It wasn't anticipated at the time.
17 That may be possible. All along it was anticipated it would be
18 a five-year only type fishery in order to provide kind of a
19 buffer while subsistence resources recovered. It may be
20 possible for them to do that, but we haven't really put that --
21 factored that into any recommendation.

22 COMMISSIONER RUE: Yeah. I always read this as just
23 a temporary replacement.

24 CHAIRMAN TILLERY: Any other questions?

25 (No audible response)

1 CHAIRMAN TILLERY: I guess we're on marine pollution.

2 MS. CHRISTMAN: I'll address reduction of marine
3 pollution. We have only one project in that cluster on the
4 work plan that is within the \$16 million target for this year,
5 and that is project 304, which is the Kodiak area waste
6 management plan, and this project was proposed by the Kodiak
7 Island Borough, and it is modeled to some extent after the
8 Sound Waste Management Plan, on which you've had a number of
9 presentations.

10 What's unique about this project is that in addition
11 to the waste streams that the Prince William Sound communities
12 looked at, that is, used oil, household hazardous waste as well
13 as solid waste, the Kodiak proposal will also look at sewage
14 and scrap metal that is to the extent that these waste streams
15 affect the marine environment -- throwing away a refrigerator
16 and everything that's in it, and can have some affect on the
17 marine environment, and that would be a relatively small part
18 of the project.

19 The other unique feature of the Kodiak proposal is
20 that the Kodiak Island Borough is proposing it, and it
21 certainly will address the City of Kodiak. However, the City
22 of Kodiak does have a pretty effective and comprehensive waste
23 management program. It has a few areas that it needs to
24 supplement, but this project is going to really emphasize the
25 six remote villages on Kodiak Island and will involve the

1 Kodiak Area Native Association, both in terms of coordinating
2 with the villages, but also because the Kodiak Area Native
3 Association is itself engaged in waste management projects.
4 And what we've found with projects of this sort is that it
5 tends to be synergistic, you know, one group is able to
6 leverage assistance from other groups and we're able to obtain
7 quite a bit of participation from private organizations as well
8 to address this problem, and the recommendation is to fund just
9 this first year a planning effort at approximately the same
10 level as the Sound Waste Management Plan was funded --
11 \$267,500.

12 There is a second project that I believe Molly will
13 address after this presentation, and that is, implementation of
14 the Sound Waste Management Plan, and that will be addressed
15 later.

16 MS. McCAMMON: Why don't you just go ahead and do it
17 now?

18 MS. CHRISTMAN: Okay.

19 MS. McCAMMON: Because, I mean, it ties in.

20 MS. CHRISTMAN: The Sound Waste Management Plan
21 concluded this year, and you've all received copies of it and
22 you've had presentation on that project, and it was a very
23 successful project for a number of reasons, not the least of
24 which was that it was an opportunity for the communities in the
25 Sound to sit down together and solve common problems and to

1 share with one another in solving of problems -- and the Sound
2 Waste Management Plan had five recommendations -- five waste
3 streams that they needed to address.

4 Their proposal for implementation money from the
5 Trustee Council is for partial support of the capital costs of
6 implementing two of those five recommendations, and with this
7 project consists of -- it is a 1.2 million dollar proposal, and
8 it has two parts. The first is construction of what are called
9 environmental operation stations. And what that would be is a
10 convenient collection and storage location in each of the five
11 communities in Prince William Sound -- Whittier, Valdez,
12 Cordova, Chenega Bay and Tatitlek.

13 And at the environmental operation station, we would
14 have a module for used oil and a module, in most of the
15 communities, for household hazardous waste, and these would be
16 locations to which people could bring these -- either the used
17 oil or household hazardous waste. It would provide convenience
18 and safety -- convenience to encourage people to actually
19 dispose of these items properly and also safety in storage.
20 Right now many of these wastes are stored unsafely, and that in
21 itself creates a problem, and the used oil component, in
22 addition to a module to which one could bring engine oil, let's
23 say, to be recycled.

24 It would also involve purchasing used oil
25 equipment -- equipment designed to both collect, properly store

1 as well as recycle used oil. Much of it is in the form of oily
2 bilge water. None of the communities in the Sound right now
3 has an oil water separator, which makes it extremely difficult
4 to efficiently separate oil from oily bilge water, and then be
5 able to recycle it.

6 The proposal is to install in each of the five
7 communities the proper equipment that they need and that
8 they're willing to maintain. That was a great deal of the
9 planning effort, to be able to properly collect and store used
10 oil, but also enable them to then burn the recovered used oil
11 for energy recovery, and much of the energy recovered would be
12 used for city facilities, city shops, City Hall, places of this
13 sort.

14 Do you have any questions on that proposal?

15 CHAIRMAN TILLERY: Ms. Williams?

16 MS. WILLIAMS: Mr. Chairman, I would like to hear
17 from the Department of Justice on those two projects. Fine,
18 okay.

19 CHAIRMAN TILLERY: Mr. Pennoyer?

20 MR. PENNOYER: I don't know if I heard the answer to
21 that, but I'd like to ask a couple of questions as to sort of
22 what we get into here. One is, you said, in-kind. Okay. In
23 the proposal to implement the Prince William -- part of the
24 Prince William Sound Waste Management Plan, you indicated the
25 communities are going to do something in-kind. What exactly is

1 that and how.....

2 MS. CHRISTMAN: Now the community -- well, the
3 communities certainly have committed to operation and
4 maintenance of all of these facilities; that's a given. In
5 addition, the communities of Chenega Bay and Tatitlek have
6 obtained other funding for their household hazardous waste
7 modules, and so what the communities have come to us for is for
8 partial funding of the capital costs of the environmental
9 operation system. In addition, many of -- several of the
10 communities already do have some equipment to handle used oil
11 and it varies from community to community, so there's certain
12 in-kind contribution. In other words, they aren't asking for
13 the Trustee Council to fund literally everything, but rather to
14 supplement their equipment where they know there are serious
15 deficiencies.

16 MR. PENNOYER: Can I follow up? I have absolutely no
17 doubt to people's good faith commitment within the short term,
18 particularly those who make it, but I don't know the life of
19 these units, I don't know how many years down the pike they
20 could be expected to require serious maintenance, and I'm not
21 sure what the level of commitment is to maintain them in the
22 near term. Are people signing contracts? Is there something
23 -- or is this just generally an assurance?

24 MS. CHRISTMAN: All of the -- as much of an assurance
25 as anyone can give to future, you know, management depends on

1 continued appropriation by the governing body and so forth.
2 However, the Sound Waste Management Plan does have resolutions
3 from the governing bodies of all of the communities, from the
4 city councils where there are city councils and from the
5 village councils to provide for the operation and maintenance.
6 And I might add that thinking about whether or not they're able
7 to make this commitment -- whether the councils were able to
8 make the commitment was a major part of this, and in fact
9 influenced what kind of requests they made.

10 An example is, the City of Whittier made the choice
11 not to request a household hazardous waste module. They felt
12 that they really were not able to commit, nor did they have the
13 demand, to maintain a collection area for household hazardous
14 waste. Rather, in their case, because they didn't feel there
15 was a need for this, and they certainly didn't want to provide
16 for operation and maintenance of this, they opted rather to
17 have a once-a-year collection -- household hazardous waste
18 collection event and then ship it out of town for disposal.

19 And that's the best I can do. I believe, at least
20 earlier -- yes. A city manager is available here and might be
21 able to address it further, but.....

22 MR. PENNOYER: I have one other question on here. So
23 there are other elements in the plan that we're not being
24 requested to fund of course, but as we do a plan for Kodiak
25 then, my assumption is that we would also then sort of be

1 saying to the folks in Kodiak that if you come up with this
2 type of thing, we'll fund -- if we funded this, we'll fund your
3 waste disposal plan at Kodiak too, I presume. It sort of says
4 that, doesn't it? And that may be logical, I don't know.

5 MS. McCAMMON: Mr. Chairman?

6 CHAIRMAN TILLERY: Ms. McCammon.

7 MS. McCAMMON: I guess I should remind the Council
8 that they at one point did fund a project to pay for waste oil
9 burners in Kodiak. There was money given to DEC to do just
10 that, and we actually went back as the SWAMP plan planning
11 effort was going forward and we began to realize what a great
12 project it was. We actually talked to DEC and that money was
13 less, and it was not spend pending -- with the idea of going
14 back and doing a more comprehensive region-wide planning effort
15 and then coming back and identifying what was really needed.

16 MR. PIPER: Yeah. Intuitively, it's a, you know, you
17 think immediately it's a great idea, waste oil burners, but
18 different communities have different needs and really what we
19 found through the Sound Waste Management Plan is to -- if
20 you're really going to effectively handle waste, one, you need
21 to get the buy-in from the communities to do it; two, you need
22 to directly address the problems of the specific communities so
23 that they'll be part of it. Some of them already had waste oil
24 burners, for example, and the original proposal that was funded
25 for Kodiak was sort of putting the cart before the horse --

1 well-intentioned, but it was a little forward.

2 MR. PENNOYER: Thank you.

3 CHAIRMAN TILLERY: What you brought up earlier, Mr.
4 Pennoyer -- for the record, I would note that the question that
5 was addressed to the Department of Justice, the indication was
6 a thumbs-up on this project from the Department of Justice.....

7 MR. PENNOYER: Oh, I didn't see that.

8 CHAIRMAN TILLERY:which I am actually very
9 pleased with because I do think that this is one of the better
10 projects that this Council has funded and I think this one
11 project -- looking forward to doing the same thing in Kodiak
12 and to carrying out some of the implementation phase of the
13 SWAMP program.

14 Are there any other questions on reducing marine
15 pollution?

16 (No audible response)

17 CHAIRMAN TILLERY: Okay -- then I guess we're to
18 habitat improvement.

19 MR. SENNER: I will take over on that.

20 CHAIRMAN TILLERY: I just might want to -- just to
21 give people a sense of timing here, I would like to try to wrap
22 up this work plan within the next half an hour or 45 minutes.
23 Commissioner Rue has to leave at 5:00. I want to be able to
24 come back and to address habitat acquisition before he leaves,
25 so that's -- I think.....

1 MR. SENNER: I think we can whip through the balance
2 of the work plan rather quickly; let's shoot for 15 minutes.

3 CHAIRMAN TILLERY: Oh, that's a good one.

4 (Laughter)

5 MR. SENNER: Mr. Chairman, that last project you
6 discussed, the implementation of the Sound Waste Management
7 Plan, was not on that overhead because we do have one at the
8 end for projects that are not a part of the regular work plan,
9 and that would include that project 115. That's why it doesn't
10 appear here.

11 Under the heading of habitat improvement, there are
12 two projects, however, that would be part of the regular work
13 plan. One is a recommendation to continue funding project 180,
14 which would be the second year of habitat restoration and
15 enhancement work on the Kenai River. This is work that the
16 Department of Fish and Game, Alaska Department of Natural
17 Resources, are performing in cooperation with the Forest
18 Service and the U.S. Fish and Wildlife Service -- the managers
19 of the Kenai Refuge, so we are recommending continuation of
20 that, and it dovetails nicely with acquisitions of small
21 parcels and other efforts that are going on without -- with
22 other sources of funds.

23 Secondly, we have recommended for a deferral of
24 project 230, which is to do some planning at the Valdez Duck
25 Flats for how this area can kind of cope with an increased --

1 greatly increased use by the public for recreation and other
2 purposes that has a bearing or an effect on injured resources.
3 We have recommended a deferral though for two reasons. One is
4 that there are ongoing deliberations about some small parcel
5 acquisitions in the duck flats and if those were to be resolved
6 over the next two or three months, that would help us make an
7 informed recommendation on whether that project should go
8 forward or not. And then secondly, it's just -- also it comes
9 down to again, to a matter of priorities for the balance of
10 funds available to us in '97, and we'd like to be able to
11 consider that one along with some of the other deferred
12 projects in December -- so those are the two habitat.

13 CHAIRMAN TILLERY: Any questions?

14 (No audible response)

15 MR. SENNER: I'm going to shift overheads here.

16 (Pause)

17 MR. SENNER: Okay. We have a new cluster here that
18 we're calling ecosystem synthesis, that represents the
19 evolution and maturity of the restoration science program, and
20 the reason for this work stems from the recognition that not
21 only are a number of the studies that have been going over a
22 number of years now, like work on harbor seals and harlequin
23 ducks, reaching some kind of maturity, we also have the three
24 large-scale ecosystem projects that are now reaching very
25 mature stages -- the SEA and NVP and APEX projects, and we

1 particularly with the tenth anniversary coming in 1999, that we
2 need to start doing more to integrate and build models that are
3 based on the collective work that's not being -- or that has
4 been done over now a number of years.

5 So what we're proposing here is a -- not a modeling
6 project, but this is an effort to manage other -- the modeling
7 efforts of others, and so the -- sort of the origin of this is
8 that in the invitation for science proposals in '97, we invited
9 proposers to offer projects that would begin taking data from
10 multiple projects -- the ecosystem work, harbor seal work and
11 others, and begin to build models on these that are useful to
12 managers, that are useful to help informed decisions about
13 monitoring over the long term, and that begin to explain to the
14 public how all this fits together. We got several good
15 proposals, including from Doctors Pim and Pauley at -- was it
16 University of Tennessee, and.....

17 DR. SPIES: University of British Columbia.

18 MR. SENNER: And University of British Columbia. So
19 we got some quality proposals, but once we got them we realized
20 that this is something that we need to go forward with very
21 carefully in the sense that it would not be to anyone's
22 advantage to hand over some money to some people at
23 universities that have not been involved in this program and
24 expect these experts to, as the term we use, sort of parachute
25 into the process, take everyone's data, run away to their

1 university and build a model -- that this is something that
2 requires a lot more coordination and careful work with our
3 long-time principal investigators, with the core peer
4 reviewers, like Peterson and Rose and others, with the agency
5 managers and with the restoration office, and that this would
6 require some careful management to make that everyone buys into
7 the process and that products come out that are useful to
8 everyone and that the principal investigators feel comfortable
9 about participating and sharing in.

10 To that end, the Executive Director and the peer
11 reviewers in fact had recommended that we in effect turn to the
12 Chief Scientist to manage this process simply as an extension
13 of his duties as Chief Scientist -- so the first thing I want
14 to make very clear here is that this is not a proposal from the
15 Chief Scientist to do modeling. This is a proposal to manage
16 and coordinate a modeling effort involving some outside experts
17 who will work in conjunction with our own PIs and reviewers.

18 The Executive Director and I chose to present this to
19 you as a separate project because we think it's very important
20 as we move to the anniversary in '99 that we recognize the
21 importance of this synthesis and modeling effort, and that it
22 deserved -- kind of highlighting it as a separate project. We
23 could have simply continued to consider this a part of the
24 Chief Scientist's ongoing duties and not highlighted it as a
25 project. We think it's important enough to warrant this.

1 There is a part B, however, and I want to share that
2 with you as well. You saw this morning the draft of the harbor
3 seal restoration notebook that Joe Hunt passed around and that
4 we, I think, was well regarded with the exception of a graph
5 that perhaps wasn't as intelligible as it should be. To make
6 this process work and to make sure that it's done with a
7 full -- that what appears in these accounts is fully consistent
8 with the history of all of the EVOS work in the damage
9 assessment and restoration program. It's going to require,
10 again, significant involvement by the Chief Scientist as well
11 as my own involvement as science coordinator. So what we did
12 is we -- in terms of the Chief Scientist involvement in this
13 project, the synthesis, the sort of the median or short-term
14 synthesis, and then secondly, the longer term modeling
15 efforts -- we've rolled them into project 97-300.

16 But again, the main thing to clarify is this is not a
17 Bob Spies modeling project; this is the Chief Scientist
18 managing the modeling efforts of others. If you want
19 clarification or further information about what those modeling
20 efforts might be and what kind of products are there, Bob is
21 prepared to talk about the proposals of Doctors Pim and Pauley,
22 so that's up to you if you want that, but that's what we've got
23 here.

24 CHAIRMAN TILLERY: Ms. Williams?

25 MS. WILLIAMS: Yeah, a quick question. I think my

1 folks at the Department of Interior would like to discuss more
2 with Dr. Spies the modeling, but given our limited time right
3 now I won't do so, but I just wanted to clarify one thing. So
4 part of this -- the funding request and expectations we funded
5 is that Dr. Pauley and Dr. Pim will do the modeling work in the
6 next fiscal year; okay? Pardon me? They will start.....

7 MS. McCAMMON: It would be just some preliminary
8 work -- coming to the workshop in January and doing some very
9 preliminary work, but the major part of the modeling would be
10 in the next fiscal year.

11 MS. WILLIAMS: Right.

12 MR. SENNER: That's right.

13 DR. SPIES: Fiscal year '98.

14 MR. SENNER: And that would require new proposals,
15 which would give the Trustee Council another opportunity to
16 kind of weigh in and decide if they want to continue down that
17 road.

18 MS. WILLIAMS: Okay. Just one final recommendation,
19 and that is, we'd just encourage you to work with Dr. Milo
20 Atkinson (ph) as we proceed down this path.

21 MR. SENNER: And.....

22 DR. SPIES: I've got an appointment to meet with Dr.
23 Atkinson (ph) tomorrow morning.

24 MS. WILLIAMS: Excellent.

25 MR. SENNER: Right. Yeah. We're both extremely wary

1 of and committed to the idea that this is not something -- this
2 modeling work is not something that's going to be imposed
3 externally on the PIs, that it's something they buy into, feel
4 good about, want to participate in. If we don't have that,
5 then it's not going to be worthwhile to pursue this over the
6 next couple of years.

7 CHAIRMAN TILLERY: Additional questions or comments?

8 (No audible response)

9 MR. SENNER: Okay. The last two in the regular work
10 plan fall under the heading of public information, which I
11 think has a longer heading in your spreadsheet --
12 administration of science management and public information.
13 The two that are part of the regular work plan, however, are
14 275, which is rural development-applied field-based research
15 program in oil spill affected areas, and number 301, which is a
16 pilot program for a television series. Both of these are
17 simply recommended now as defers. The second one, the 301, in
18 particular, there was some discussion this morning from Mr.
19 Janik about the importance of getting into radio and television
20 work in terms of getting the word out on the program and what's
21 being done. We're kind of excited about that as a possibility.
22 We do feel we need to look more carefully at what will be done
23 in 301 and look at what kind of funds are available at the end
24 of the year, but that may be an avenue to get more into the
25 television business at least -- so both of those are defers at

1 this point.

2 CHAIRMAN TILLERY: Commissioner Rue?

3 COMMISSIONER: Yeah, a quick timing question. If we
4 defer it until December, would you then sort of initiate
5 things? Will we -- and it takes time to produce something.
6 Will we actually lose the opportunity? I'd have some concern
7 that if we defer we might not get very far, and could we begin
8 working on an RFP so that we have concrete things to look at in
9 December rather than initiating or looking in December -- just
10 a question in terms of timing.

11 MR. SENNER: I think we could look at an RFP now,
12 but.....

13 MS. McCAMMON: Well, Mr. Chairman, doing any kind of
14 video or TV pilot, most of the filming is going to be done in
15 the spring and summer anyway, so I think if the Council took
16 action in early December, that would give us a couple of months
17 to do an RFP and actually get someone selected and start the
18 planning work, and then hopefully have it up and running by
19 spring/summer. This is not a project you can do anyway within
20 just a few weeks; it's going to take probably over a year or
21 two years to do something of that nature anyway.

22 COMMISSIONER RUE: That's what I was thinking.

23 MS. McCAMMON: And part of this -- I think our
24 thinking for deferring it also is Joe Hunt, our Communications
25 Coordinator, is also going to be contacting a number of other

1 groups like National Geographic and NOVA, and seeing kind of --
2 looking at the tenth anniversary, seeing what interest they
3 have themselves in doing something like that. I'm not sure we
4 need to be funding it ourselves. We may want to, we may not,
5 and this gives us a little more time to kind of explore some
6 other avenues there.

7 MR. PIPER: One of the things that came up at a
8 Public Advisory Group meeting on this, I recall, is Chip
9 Dennerlein mentioned the idea of a CD-ROM or other kind of
10 digital public information on this, and given the realm in
11 which we work a lot in science, and given that our target
12 audience includes schools and things like that where there's
13 pretty consistent use of the Internet, that may be worth
14 exploring too, but I don't know whether that went anywhere.

15 CHAIRMAN TILLERY: Is there additional questions on
16 that cluster?

17 (No audible response)

18 CHAIRMAN TILLERY: Stan, you have one more cluster?

19 (Off record at 3:45 p.m.)

20 (Tape Change - Tape 5 of 6)

21 (On record at 3:45 p.m.)

22 MS. McCAMMON: It would be on pa- -- the last section
23 of research facilities. There were three projects and all
24 three of those are recommended as do not funds -- the
25 Mariculture Technical Center, Kachemak Bay Shellfish Nursery,

1 and planning for the genetics lab at the Sea Life Center -- and
2 that would be on page B-61 -- yeah, further past that -- B-62,
3 63. Does anyone have questions on those?

4 (No audible response)

5 MS. McCAMMON: Okay. The next cluster -- this is all
6 part of it. When we were looking at putting together the work
7 plan, we had -- we targeted 16 million for the ongoing research
8 monitoring general restoration type projects. They were
9 projects that came in that appeared to us to be more capital
10 type projects. They were one-time only requests, and they were
11 above and beyond kind of our annual work load. In addition, if
12 we tried to fund them through the 16 million we'd really blow
13 the bank there, so we looked at those separately from the
14 regular work plan, and of those there were kind of two
15 sections -- one to assist in restoration science.

16 The one proposal on the Prince William Sound Science
17 Center addition -- this proposal came in as a two-phase
18 proposal, although the consideration was asked on the first
19 base. The intent is to use \$545,600 to join that with an
20 additional \$300,000 that the Science Center obtained through
21 the state's criminal restitution fund, and with those funds
22 build a two-story addition to the current facility at the end
23 of the dock in Cordova. Construction would take place next
24 spring and summer. That addition would allow all of the
25 Science Center researchers to function within one building.

1 Currently there's not sufficient space in the existing
2 facility; they're scattered around town at various places.
3 This would pull all of the researchers into one place. I don't
4 have a recommendation on that.

5 The SEA project has at least two to three years to go
6 before its end. It is winding down. I can expect that there
7 will be other restoration proposals that the Science Center
8 will put forth before the Council, but there's no commitment to
9 funding those and they would certainly be competitive with
10 other proposals that come forward -- so at this point, I don't
11 have a recommendation on that proposal.

12 The second proposal is for -- I think I might have
13 given you the wrong number on that; that was \$537,600. The
14 other proposal is for \$545,600 for the Alaska Sea Life Center
15 fish pass. This proposal I'm recommending that it be funded
16 contingent on funding only the research portion of the
17 construction, and not fund any kind of additions that might be
18 added for visitors or kind of the educations part of it, and it
19 would seek -- would see the Sea Life Center getting additional
20 funds for those aspects, any kind of windows or display areas
21 or things like that -- so this would cover the actual funding
22 of the fish pass.

23 The researchers there -- we have some of the people
24 who put that proposal together to provide additional
25 information on that. The idea that with the fish pass at the

1 Sea Life Center there would be a number of studies done there
2 that currently cannot be done in the EVOS area. These would be
3 a wide range of studies concerning homing, genetics, pollution
4 effects or viable disease, marking and tagging studies,
5 hormones and neurobiology. I think specifically the three that
6 the Chief Scientist has expressed the most interest in would be
7 some kind of toxicological studies in a controlled environment
8 seeing the effect of contaminants on a fish population -- a
9 captive fish population, doing some additional genetics work,
10 trying to see what kind of genetic interchange there is among
11 fish populations using a captive population, and then the third
12 thing, looking at the susceptibility of disease in various
13 groups of fish. So again, there's no facility in the area to
14 do these kinds of studies, and the recommendation is to fund
15 that.

16 The third project up there is to continue with
17 project 97-115, which is the Prince William Sound Waste
18 Management Plan implementation, which Veronica Christman has
19 already described.

20 CHAIRMAN TILLERY: Questions? Mr. Pennoyer?

21 MR. PENNOYER: On the Sea Life Center fish pass, I
22 think I recall that was part of the original discussion for the
23 center, and if it was integral to the design of the center in
24 terms of doing research the Trustee Council wanted have carried
25 out, why was it omitted the first time?

1 CHAIRMAN TILLERY: Ms.....

2 MS. McCAMMON: Kim Sundberg.

3 CHAIRMAN TILLERY: Kim Sundberg could respond to
4 that.....

5 MS. McCAMMON:in part of that planning effort.

6 CHAIRMAN TILLERY:probably, yeah.

7 MR. SUNDBERG: My name is Kim Sundberg. I was
8 involved with the scientific work group that developed a
9 concept and schematic design for the Sea Life Center, and the
10 subject of the fish pass came up in sort of a general fashion I
11 think about a year and a half ago, maybe two years ago. The
12 design was primarily for marine mammals and sea birds, and late
13 in the process we started getting more and more interest from
14 fish scientists, specifically A.J. Paul, Jim Seeb, Fred
15 Allendorf -- some other fish scientists from the University of
16 Alaska to do sort of multi-generational studies, and so by the
17 time that the sort of concept for the fish pass came up the
18 design had been pretty much fixed for the wet labs to be
19 established without a fish pass, and also we didn't know how
20 much fresh water we could tap to run this fish pass.

21 We had to do some studies on a spring, and about a
22 year ago we actually secured access to this spring to provide
23 about 500 gallons a minute to the labs at the Sea Life Center,
24 and that water would be used to run the fish pass, and so I
25 guess the short answer is we really didn't know until about a

1 year ago that we could actually do this type of a project. By
2 that time, the construction drawings were pretty much in the
3 completion stage. It went out to bid this spring; it's
4 currently into construction now. It's about -- the facility is
5 about 19 percent completed in construction, and so as far as
6 sequencing goes, if we're going to do the fish pass there this
7 is the time to do it because of the access to the site before
8 the building goes up.

9 CHAIRMAN TILLERY: Mr. Pennoyer?

10 MR. PENNOYER: I may surprise you on that, but since
11 we built the Sea Life Center and put the money into it, I do
12 think that we ought to make it effective in carrying out
13 research that's important to this Council, so I'm -- if this is
14 essential then I'm interested in seeing it done, and I was
15 interested in why it didn't happen originally.

16 The other question I have has to do with the request
17 for the Cordova research facility, and -- is it -- Molly, in
18 here you recommend \$380,000 for just the SEA people and life
19 history they're going to have? I guess I'm not sure of our
20 involvement over time in this research. I don't know that
21 we've committed ourselves to that or the long-term approach
22 we're going to take to research beyond the immediate projects
23 that we're undertaking. We have undertaken long-term
24 (indiscernible) into the Sea Life Center in Seward --
25 obviously, we built it, and we had some resolutions agreeing to

1 put as much research there as possible.

2 If in fact the facilities currently are not adequate
3 to house the people that we've got working on projects that
4 we're doing, and that's going to be over some period of time in
5 the future, I mean, this funding is going to go through another
6 five or six years anyway, so I don't know that I have a problem
7 with making sure that they have a place to work. I don't know
8 what -- as you said, there's no long-term commitment, and I
9 would hope that we would be doing a long-term look at how
10 research is going to evolve in the spill area and our
11 commitment to that before we tie ourselves in any major new
12 construction -- but I'd like to find out how you got to
13 \$380,000.

14 MS. McCAMMON: The -- I had staff look at the
15 proposal and the design and try to focus on what aspect of the
16 expansion would be used just for SEA researchers and wouldn't
17 be, for example, a meeting room that would be used for
18 community functions and other type of research projects that
19 the Trustee Council is not funding -- so the focus was just on
20 the office and lab space that would just be used by SEA
21 researchers, and that was estimated to be \$380,000.

22 MR. PENNOYER: One more follow up.

23 CHAIRMAN TILLERY: Mr. Pennoyer?

24 MR. PENNOYER: Then you mentioned that the original
25 proposal had to do also with some money obtained from the state

1 through criminal settlement money?

2 MS. McCAMMON: That's correct.

3 MR. PENNOYER: And if this is 380 instead of 530, do
4 you have an indication that something would still be built to
5 house the people that we're concerned with housing to do
6 research we want done?

7 MS. McCAMMON: I don't. They are here though.

8 MR. PIPER: Part -- oh.....

9 CHAIRMAN TILLERY: Mr. Piper?

10 MR. PIPER: Well, part of the reason that money, as I
11 recall, came out of the criminal settlement funds was because
12 the Prince William Sound Science Center is also linked with the
13 Oil Spill Recovery Institute, which has changes in OPA '90
14 pending that may provide them a significant amount of money to
15 do oil spill prevention and response research, and the reason
16 it was determined that it was okay to take the \$300,000 in
17 criminal settlement money and reappropriate it to that is
18 because that criminal settlement money had been allocated to
19 DEC for spill prevention and response research, so I'm not
20 clear what the mix of prevention and response research is at
21 this facility, and restoration research -- and I know that the
22 Council's been very careful about, and very clear about, its
23 not getting involved in prevention and response research, so
24 that's a question I have.

25 MR. JANIK: Mr. Chairman?

1 CHAIRMAN TILLERY: Mr. Janik.

2 MR. JANIK: On the expansion of the Prince William
3 Sound Science Center, I think it's something we should look at,
4 but a question that has always come up -- what we have been
5 deliberating decisions on facilities like this has been, how
6 does this one component fit into the overall research strategy
7 and availability of research? And I don't know when deferrals
8 are going to be dealt with, but I personally would like to give
9 this one some more homework and have some staff work done on
10 that so that we can, at least in my mind, make a more
11 intelligent decision on this.

12 CHAIRMAN TILLERY: Mr. Rue?

13 COMMISSIONER RUE: I was first.

14 (Laughter)

15 MR. PENNOYER: You got a plane to catch; right?

16 COMMISSIONER RUE: Well, I may not. Two questions,
17 and since Kim is up there -- I think maybe you ought to stay up
18 there for a minute, but Gary Thomas is here too. I guess I'd
19 be interested in the Prince William Sound Science Center
20 expansion. What would -- by combining the facility, what would
21 it do for making the research more effective, efficient, better
22 coordinated? There's got to be some payoff, unless it's
23 researcher freezing to death and, you know, we're losing them
24 because, you know, they get colds in the winter. But, I mean,
25 there's got to be -- I don't want to be facetious, but I would

1 hope if we were going to -- if we would spend money -- maybe
2 this gets to Mr. Janik's effort of trying to do more homework,
3 but Gary is here, maybe he could describe a little bit of that,
4 but I would want to see some greater efficiency or productivity
5 or coordination out of combining people in one building.

6 And in the same vein, I support the fish pass of the
7 Seward Sea Life Center, and I also, for all the reasons that
8 have been mentioned so far, but in addition I think there may
9 be some benefit to having multiple disciplines right there in
10 one facility for sort of the ecosystem view of the world.
11 Whether that actually happens or not, I don't know, but I think
12 there may be some value, and this is sort of down the -- in the
13 outer range of the bulls-eye, but some value in having
14 different disciplines housed in one research facility there.

15 The other thing about the fish pass is, as I
16 understand, it's the only -- would be the only place in the
17 Sound, in the spill area -- well, I'm not sure about the spill
18 area, but I think in the spill area, where we can do controlled
19 experiments on the resource, you know, fisheries resources of
20 the spill area, so I think there's a couple of -- I'd be
21 interested in hearing whether the Science Center would see any
22 kind of increased productivity of their researchers or, you
23 know, cross-pollination of ideas, and I think that may happen
24 in the Seward Sea Life Center as an ancillary benefit.

25 CHAIRMAN TILLERY: Mr.....

1 COMMISSIONER RUE: So that's a question, I guess.

2 CHAIRMAN TILLERY: Yeah. I guess where we may be
3 headed, it appears to me, is to defer the Prince William Sound
4 Science Center for a number of questions, such as the one you
5 just asked to be looked into and brought back to us. If that's
6 the case, I'm not sure it's going to be worth getting into a
7 lengthy explanation today on that one.

8 MR. PENNOYER: Mr. Chairman, I don't mind the
9 suggestion of getting better information out, but if we're
10 going to ask people for that then I think we need to be clear
11 in what we're asking for so those who are interested in
12 building this facility or working with us know what the time
13 frames are we might expect. Mr. Janik's proposal, I think, is
14 a good one for a longer term, particularly, I would think, with
15 a larger expanded facility -- another larger expanded facility
16 in the spill area, but I don't know that by December we're
17 going to have a better idea of where the restoration reserve
18 and the long-term research approach to this group is going to
19 go, so I'm not clear exactly what -- I think the answer you're
20 looking for -- OPA '90 is coming down, there's a large amount
21 of money involved there. There's going to be monitoring
22 activities under that. It's not just oil spill (indiscernible)
23 monitoring as well, that could play into the long-term strategy
24 of this group and it might dictate some continued presence in
25 Prince William Sound of this group, but I don't know that those

1 type of answers are going to be forthcoming within the nex- --
2 sounded to me we're sort of shooting for the tenth anniversary
3 of the spill to come up with that type of answer, and that's
4 more than next year.

5 MS. McCAMMON: Mr. Chairman, I think anybody who has
6 been involved in any of these kinds of multi-disciplinary,
7 multi-agency type ecosystem projects would acknowledge that
8 having all of your researchers in one facility with all of
9 their computers closely linked, especially when you're doing
10 the very technical complex modeling exercise, would be a
11 benefit -- so I don't think you can deny that there would be
12 benefit in having everyone in one building. On the other
13 hand -- on the reverse side of it, we already have funded the
14 APEX project and the near-shore vertebrae predator project,
15 which are also similar complex multi-disciplinary type projects
16 who have researchers in different states, let alone different
17 buildings.

18 It would certainly be to their benefit to all be in
19 one building also, but I don't think it precludes doing good
20 science.

21 CHAIRMAN TILLERY: Ms. Williams?

22 MS. McCAMMON: And I speak from both sides of my
23 mouth.

24 (Laughter)

25 MS. WILLIAMS: Well, I have a comment about the Sea

1 Life Center addition. As I think everyone knows, the
2 Department of Interior's been very supportive and very engaged
3 in the Sea Life Center. When I first saw this request
4 (indiscernible), we were concerned because in general I don't
5 support incremental items. I like to fund one package and
6 there you have it because incremental items can go on and on
7 and on. My concern on this though was ameliorated when Ms.
8 McCammon explained to me that we appropriated the money -- when
9 we appropriate it, there has been interest in essence that has
10 accrued on that money, that this project can be funded by that
11 accrued interest, and I think given that fact, I feel
12 comfortable, let me go put on record my voting for this. I am
13 not supporting incremental add-on type methodologies or
14 approaches, and the only precedent here is if there's
15 incremental money that has been accrued through interest then
16 that would be considered, but in general I disagree with that.

17 CHAIRMAN TILLERY: Mr. Pennoyer?

18 MR. PENNOYER: No, I don't have an answer for Ms.
19 McCammon, and I guess my only question in terms of deferring
20 this one is one, might be effects on the project. Two, what
21 we're really deferring and what information are we going to get
22 because the information you have is a better -- people who work
23 in one place. I have no idea. Maybe some of these people are
24 from different states; maybe when they go to the Sound they all
25 work in the same building. There are things you could find out

1 that way. Longer-term research -- we're not going to have that
2 answer by December. I'm sorry.

3 And while I completely agree with Mr. Janik of the
4 need to do that before we commit significant and substantial
5 funding, that might be a little different than making sure
6 people are out of the rain and not freezing or not doing
7 whatever they're doing. And that type of information we could
8 get and defer, and get that information and make a judgment at
9 the next meeting or whenever, but this thing that I think is
10 necessary, if this is going to go much farther, we're not going
11 to get better (indiscernible). So I just wanted to be clear on
12 what we're asking (indiscernible).

13 CHAIRMAN TILLERY: I have -- I very much support this
14 fish pass, having seen and heard the explanations for it and so
15 forth. I am also inclined towards the Prince William Sound
16 Science Center addition. I was struck originally when I went
17 down there two or three years ago that they were completely out
18 of space then and jammed in, and every time I've been back
19 since I've been -- had that same impression, but I am concerned
20 that it is now and not three years ago that we were asked to do
21 this -- or two years ago -- or at least it's not coming up, I
22 mean, we may have been asked but it's coming up now, and we are
23 winding down that project.

24 I would like to see, like Mr. Janik, some explanation
25 that we're going to amortize this money we're spending on a

1 facility through projects that are of interest to restoration,
2 and it doesn't even have to be ones that we fund; it may be
3 funding that comes from another source. It may be funding that
4 comes from OSREY, but the deal with the restoration-type
5 projects -- and I guess I would like to see a fuller
6 explanation that there -- this thing isn't going to be built at
7 about the same time that we no longer have any restoration
8 projects being down there, and I don't know if it's going to be
9 answered -- can be answered by December or something, but I
10 think we might know a lot more by then, and at least we can
11 probably get a more coherent explanation for its use.

12 MR. JANIK: Mr. Chairman, you know, I'm hearing
13 general support and I am lined up with that general support in
14 terms of the Science Center expansion. I noticed we used one
15 category here of funding contingent upon, you know, maybe
16 there's another option. I am responding to discussions from
17 previous meetings we have had that we have not -- and I'm not
18 suggesting a long drawn-out study, Steve, because I do think
19 that would take considerable amount of time, but we have
20 continually asked ourselves, what is the EVOS strategy for the
21 research investments facilities for research, and I think we
22 owe that to ourselves to do something like that. So, you know,
23 I am not one that wants to stand in the way of this initiating
24 the expansion, but I do think that we should discipline
25 ourselves to put this all in context somehow.

1 CHAIRMAN TILLERY: Ms. Williams?

2 MS. WILLIAMS: There are a few other questions I'd
3 like to have answered before we commit this kind of money. One
4 is, we all know from experience that when we set a precedent
5 it's hard to back away from that. So if we do fund this, for
6 the reasons that have been explained, what does that mean for
7 the other ecosystem projects? What does that mean for any
8 other projects where someone could say I would like facilities
9 to enhance and support this project? Can Fish and Wildlife
10 Service come to the Trustee Council and say we could sure use,
11 you know, more office space or lab, or NOAA or ADF&G, and so
12 forth, or any other consortium of people. So I think we have
13 to be very conscious of establishing precedent on this front.

14 The second thing is I would like more examination of
15 how the OSREY funds -- there's a lot of money in OSREY, that's
16 going to be coming to OSREY quickly -- and how that relates to
17 this request. Our monies are limited and we need, before we
18 expend this kind of money, see what other funds are available
19 to an entity, particularly when our efforts are diminishing.
20 And so I'd like a fuller accounting of the relationship between
21 this and OSREY and the OSREY monies that are forthcoming.

22 CHAIRMAN TILLERY: I would certainly agree with that,
23 and I would note that these do -- and they are going to be
24 linked, I think, because OSREY does have a substantial amount
25 of money to carry on if that funding comes through where we

1 leave off. As I recall, there's also funding that you cannot
2 use for this kind of a project.

3 MS. WILLIAMS: Yes.

4 CHAIRMAN TILLERY: You can't use the capital -- and
5 it may be that the small piece of funding that we could put in
6 might enable research to go forward under that, so I think
7 Gary, you're hearing the concerns of the Council.....

8 MR. THOMAS: Yes.

9 CHAIRMAN TILLERY:and is

10 MR. THOMAS: Am I invited to speak?

11 CHAIRMAN TILLERY: Timing wise, if you can keep it
12 down to about three or five minutes.

13 MR. THOMAS: One of the reasons.....

14 COURT REPORTER: You have to come up to the
15 microphone.

16 CHAIRMAN TILLERY: Yeah. Come up to the table, Gary.

17 MR. THOMAS: I'm Gary Thomas, President of the
18 Science Center, and one of the reasons why we made this request
19 is that the Science Center is going to be a long-term entity in
20 Prince William Sound and the state of Alaska. We've built up a
21 respectable staff of scientists and researchers, and we think
22 that through the -- we're principal players in the development
23 of the predictive models that you're going to be looking at and
24 critical to the success of those models to be developed.
25 They're numerical models; they're going to require monitoring

1 for input. We developing tools that are going to be used for
2 that monitoring. We're going to press with those papers at
3 this time, and we've made presentations at international and
4 national meeting to get reviews on these.

5 We have the Oil Spill Recovery Institute that's in
6 conference committee right now; it'll provide at least a
7 minimum of ten years of sustained support for operations of the
8 facility to continue in a cooperative effort with the Trustees.
9 Also, instead of waiting until after the fact, we've come
10 forward with matching funds in front. And so if you look at
11 Cordova, Cordova is a tremendous logistic -- from a logistics
12 standpoint, it's a tremendous place to stage research in Prince
13 William Sound. It has a jet airport and you don't have to go
14 through the Gulf of Alaska to get into it, so you can work
15 year-round there -- and so we really have an active program and
16 it's growing, and we're looking for this partnership. And I've
17 been before the Trustees in the past saying that I'd like to
18 set up a cooperative agreement between the Trustees and the Oil
19 Spill Recovery Institute when we get that established, and, you
20 know, we're not just looking at those organizations either.
21 We've been very active in developing cooperative agreements
22 with the Goddard Space Center and with other entities, and we
23 plan to be a player for a long time, and we're just looking for
24 some acceptance.

25 The other thing is that it's time critical that we

1 get this program going, and we have \$300,000 and we have to do
2 something. We, you know, I'm ready to pull the plug and go
3 right after whatever we can do with \$300,000 because we really
4 need the space. Our people who are at work are standing on top
5 of each other. Thank you very much. I appreciate your support
6 regardless of this.

7 CHAIRMAN TILLERY: Commissioner Rue?

8 COMMISSIONER RUE: Yeah. Gary, I guess I have a
9 question. What is the deferral to December? Can you respond
10 to answering those questions having the Council discuss it in
11 what, December, did we say? How would that -- what would that
12 do to your plans?

13 MR. THOMAS: Well, the plans right now -- if we had a
14 decision today, I was planning to go -- we're having a board
15 meeting. I was planning to get approval to go ahead and spend
16 the \$300,000 on a larger scheme that would include, you know,
17 whatever was approved here. If not, I still have to -- we
18 still have -- we need more space. We might have to use that
19 \$300,000 for some space off-site. I'm not too sure, but we
20 have to do something because our performance is being
21 compromised at the present crowding.

22 MR. PENNOYER: Mr. Chairman?

23 CHAIRMAN TILLERY: Mr. Pennoyer.

24 MR. PENNOYER: May I ask a question? Maybe two
25 minutes. Gary, I guess I don't completely understand where

1 we're going with this, and Mr. Janik's question's a good one.
2 Now this is something to get us by the near-term, and that's
3 understood. You have other plans for the longer term or
4 what -- I don't know the relationship of those \$300,000, which
5 next to the SEA fund is not huge. Will this get you by for a
6 while? Are you then looking for an infusion of several million
7 dollars here in a little while to build another Seward Sea Life
8 Center in Cordova, I mean, what's your -- what are you doing
9 here?

10 MR. THOMAS: There were two proposals, you know, it
11 was a three-stage proposal for three years. One was for this
12 current addition to get us up to speed with our current staff.
13 The second effort that -- and we put a proposal last year in
14 for a \$12 million community science education cultural center.
15 Now we've recently had some town community meetings, and we
16 have basically all the major players aboard on this. We're
17 planning to come back next year, or in the future, with a
18 larger plan for a facility, but it'll be more of a community
19 center and not specifically a Science Center. Right now we're
20 looking for the \$500,000 add to our \$300,000 so we can build up
21 our space so we can accommodate our staff right now. That's
22 the critical point.

23 MR. PENNOYER: Do you understand though, until Mr.
24 Janik's question is answered, there is no way that other one,
25 in my view, would go anywhere -- the larger proposal.

1 MR. THOMAS: Oh, the larger facility? I realize
2 that.

3 MR. PENNOYER: You're dealing right now, in your
4 review, with a space requirement that's immediate; is that
5 correct?

6 MR. THOMAS: Exactly. The larger facility is
7 something that is going to have to be planned out in a lot more
8 detail community-wise.

9 MS. WILLIAMS: Mr. Chairman -- and so -- let's walk
10 this through. How quickly could you add on space with the
11 \$800,000 that you would like to have? You would have that
12 space operative -- lab space, et cetera, operative how quickly?

13 MR. THOMAS: Well, I'd like to try to get it -- the
14 facility framed in before winter. That means the roof and the
15 frame and side. We could do the work on the inside subsequent.

16 MS. WILLIAMS: But it'd be operative when? What's
17 your goal?

18 MR. THOMAS: Next year.

19 MS. WILLIAMS: Next summer?

20 MR. THOMAS: Yes.

21 MS. WILLIAMS: And then let's assume you come back to
22 the Trustee Council with the large plan -- the very large plan.
23 What would happen to this space if the Trustee Council approved
24 funding for the large facility?

25 MR. THOMAS: Well, we'll certainly look at that with

1 respect to a larger facility, but since we're going basically
2 back to the drawing boards on a larger facility request coming
3 in as a community, not just the Science Center, I can't really
4 offer too much on that right now, but the.....

5 MS. WILLIAMS: But it's possible you would not use
6 this -- the facility you're in now plus the add-on, and would
7 move.....

8 MR. THOMAS: I can't see how this facility where we
9 have right now won't be used for a long time. It's a really
10 nice facility in a key location and right now we've had Fish
11 and Game, Forest Service, oil companies have come in --
12 everybody has been using this facility -- National Marine
13 Fishery Service in Seattle and in Auke Bay -- so we've
14 cooperated with a lot of different people, help providing
15 logistic support from Cordova for research in the Sound, and
16 will continue to do that, and that was one of the reasons why
17 we -- the Science Center was first established. There is a lot
18 of research activity in Prince William Sound, and a logistic
19 center for helping people out to do that research has always
20 been needed.

21 MS. WILLIAMS: So right now you would anticipate
22 using existing facilities, add-on facilities and this new \$12
23 million facility -- all for EVOS restoration purposes?

24 MR. THOMAS: Well, I know that the existing facility
25 we plan to use for EVOS-related research. The community

1 center, again, we're going to be going back to the drawing
2 board on that. And it could be a facility that we would like
3 to bring in our education program, a very active education
4 program, and we're starting a community outreach program, a
5 very major effort. So that would be probably more apropos for
6 the community center.

7 CHAIRMAN TILLERY: Additional -- one possibility to
8 approach this. There are -- a number of good questions have
9 been raised. There is also an issue of how money is likely
10 going to get to Prince William Sound Science Center. That
11 would take some work to figure out the exact mechanism of going
12 through the state anyway, how you even get this kind of money
13 there.

14 Some of these questions can be spelled out and
15 presented in a more coherent fashion relatively quickly. We
16 have discussed getting back together around the end of
17 September on small parcels. I would think that one
18 possibility -- I would ask the Executive Director to look into
19 these questions that have been brought up to date and to try to
20 come back to us at that time -- fairly soon, with a report and
21 a recommendation. Mr. Rue?

22 COMMISSIONER RUE: On the specific list of question
23 that we have said?

24 CHAIRMAN TILLERY: And any other questions that might
25 arise in the meantime if they look at and establish that.

1 MS. McCAMMON: Mr. Chairman, I think there is
2 definitely a question of NEPA involved in this since it's
3 federal dollars. There's a question of how you would even get
4 the funding to a facility like this. When we had first started
5 working on the Sea Life Center, we identified a number of
6 questions that took over six months to get the answers to. I
7 don't anticipate that this is as complex a project, however, I
8 think there's still a number of issues here. I could guarantee
9 you that there is no mechanism, even if the Council today said
10 yes, there is no mechanism that is available to get money to
11 the City of Cordova or to the Science Center within at least
12 four to five months, minimum, even if you said yes today. It's
13 just not physically possible.

14 MR. JANIK: Mr. Chairman?

15 CHAIRMAN TILLERY: Mr. Janik.

16 MR. JANIK: You know, given that recognition as well,
17 I think what you have been hearing is pretty visible support
18 for trying to do something with regard to your problem. I do
19 think we should take the time, and whether we use the funding
20 contingent upon or whatever option here, to put together
21 something that will enable us to look at this a little bit
22 closer and answer these questions, and so on, before a final
23 decision is made. And Molly help me here, you know, I don't
24 know what some of these categories, in terms of the actual
25 mechanics of what happens here in terms of the short-term and

1 long-term decisions, and national cutting of money here, but
2 I'm hearing general support for this.

3 MS. McCAMMON: We would also need a legal review
4 because this is one project -- because it was in a no
5 recommendation category, I don't believe the lawyers,
6 especially the federal lawyers, looked at very carefully.

7 CHAIRMAN TILLERY: Is.....

8 COMMISSIONER RUE: So it sounds like what we're
9 asking for, Mr. Chairman, is.....

10 MS. McCAMMON: More information.

11 COMMISSIONER RUE:more information by perhaps
12 September when we get together on small parcels.

13 CHAIRMAN TILLERY: Would someone like to put that in
14 the form of a motion?

15 MR. PENNOYER: He just did, didn't he? I second
16 that.

17 CHAIRMAN TILLERY: Yeah. It was Phil's original
18 idea.

19 MR. JANIK: I'm sorry. I was talking.....

20 CHAIRMAN TILLERY: I'm just asking if there was a
21 motion to ask the Executive Director to look into the questions
22 that have been raised here today and to report back to the
23 Council with a recommendation at a late September meeting or as
24 soon thereafter as possible.

25 MR. JANIK: I think that's reasonable.

1 MR. PENNOYER: Second it.

2 CHAIRMAN TILLERY: Is there any discussion?

3 (No audible response)

4 CHAIRMAN TILLERY: All in favor?

5 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

6 CHAIRMAN TILLERY: Opposed?

7 (No audible response)

8 CHAIRMAN TILLERY: The motion passes.

9 MR. JANIK: I would just like to immediately offer up
10 the services of Dave Gibbons to help with any of the staff
11 work, from the Forest Service.

12 MS. McCAMMON: Taken.

13 CHAIRMAN TILLERY: Thank you Mr. Sundberg, and thank
14 you Mr. Thomas.

15 MS. WILLIAMS: Thank you.

16 CHAIRMAN TILLERY: That leaves project -- is that
17 correct? It leave project management?

18 MS. McCAMMON: It leaves project management,
19 administration, habitat acquisition support and the restoration
20 research.

21 CHAIRMAN TILLERY: Let me give you a timing update.
22 Mr. Rue has indicated he has gotten reservations on a later
23 flight and we have longer. Is there anybody else who has to
24 leave at 5:00 and was relying on that?

25 MS. McCAMMON: Needs to change flights.

1 CHAIRMAN TILLERY: Okay. Please proceed.

2 MS. McCAMMON: Okay. Mr. Chairman, one of the
3 recommendations of the auditors was to pull all of the costs
4 that have been in individual projects for project management
5 into a single project. These for the most part were one month
6 of time for the lead agency to provide the extra accountability
7 that this kind of process and program requires, much more --
8 much above and beyond the kinds of oversight that a typical
9 agency management structure provides. We did that and worked
10 with the agencies, and have a proposed budget before you --
11 project 97250 for \$641,600. This we anticipate will be
12 declining since it ties in directly with the level of this work
13 plan will be declining as the work plan -- the annual work plan
14 expenses decline.

15 In addition, there were a couple of other things that
16 are above and beyond the regular work plan. One is project
17 97126, habitat protection acquisition support. The request is
18 for \$1,282,600.

19 COMMISSIONER RUE: What page?

20 MS. McCAMMON: This is -- it is on page -- but it's
21 actually not in the detailed -- yes, it is.

22 CHAIRMAN TILLERY: It is. I saw it. I'm just.....

23 COMMISSIONER RUE: I saw it in there somewhere. I'll
24 never find it again.

25 MS. McCAMMON: I don't think it's on the detailed

1 spreadsheet. It's on page A-9, the number.....

2 MS. SCHUBERT: B-55.

3 MS. McCAMMON: B-55, thank you.

4 COMMISSIONER RUE: B-55? I knew it was.....

5 MS. McCAMMON: And this pays for the negotiations
6 support, it pays for appraisals, on-site inspections, hazardous
7 material surveys, timber cruises, all those kinds of things
8 that support the habitat protection program. When we kind of
9 look at the overall work plan and how things are being
10 allocated, we kind of lump this project in with the overall
11 habitat protection program, so I think it's estimated that for
12 a \$380 to \$390 million habitat protection program that over
13 that life the Council will have spent approximately \$6 million
14 for the original habitat evaluation work and all of the ongoing
15 negotiations and appraisal work, so it's a.....

16 COMMISSIONER RUE: Cost-effective.

17 MS. McCAMMON:I think a good -- it's pretty
18 cost-effective. This number is somewhat -- is not a real solid
19 number in that it's based on a lot of assumptions of what might
20 happen in the coming year, and as many of you know a lot of
21 those assumptions change as the year goes forward -- but I
22 think it's a pretty -- it's as solid as we know right now based
23 on what we think will happen in the next year.

24 The next project is 97100 -- tell me what page it's
25 on.

1 COMMISSIONER RUE: B-59.

2 (Side comments)

3 MS. McCAMMON: Thank you. It sounds like
4 (indiscernible) -- which is for administration of science
5 management and public information. This project provides the
6 overall support for the administration and implementation of
7 the restoration program. It includes funding for the four
8 staff in this office. It includes lease space for this
9 building and for the Juneau office. It includes funding for
10 the Public Advisory Group. It includes funding for the agency
11 liaisons, which have been reduced in this budget to half-time
12 liaisons.

13 The budget for this current fiscal year was \$3.4
14 million. We have reduced the request for next year to
15 \$2,857,100. I'd be happy to answer any questions about that
16 also.

17 And the last item to bring up is the restoration
18 reserve. This has been -- I have a motion to make -- continues
19 the Council's commitment to depositing \$12 million a year into
20 the restoration reserve. I do have a draft motion for this as
21 we get to motions. Typically, or I guess -- typically, once
22 this motion is made, we would have the Department of Law and
23 Department of Justice, following the September 1st payment from
24 Exxon, make the request to transfer the 12 million from the
25 liquidity fund into the reserve fund. It's just a transfer of

1 funds within the court registry investment system.

2 I'm asking this year to have some flexibility in
3 terms of the timing of when that deposit occurs in order that
4 we have more flexibility as the habitat negotiations go on
5 through the year. A lot of these -- we have been able to get
6 in many cases better prices if we pay -- if we do a payout over
7 a fewer number of years, and as I look through our cash flow
8 for this year and try to project into what commitments the
9 Council might be making over this next year, I would like the
10 flexibility to make that deposit -- or that transfer from fund
11 to fund when it appears that all of the commitments the Council
12 is going to make allows the opportunity to make that transfer.
13 The funds would still stay in the liquidity fund; they'd still
14 be earning interest. It would just be a question of when it
15 got transferred to that fund -- and I do have a motion to that
16 effect, and what I would request is that any interest that
17 would be earned on that \$12 million from September 15th, 1996,
18 would be transferred with that \$12 million once it was
19 determined the deposit would be made -- so I do have a motion
20 to that effect here too.

21 CHAIRMAN TILLERY: Any questions? Mr.....

22 COMMISSIONER RUE: I actually don't have a question
23 per se -- a couple of quick comments. One, I'd like to say to
24 Molly, I appreciate your -- as we try and ratchet back the
25 projects and you take a hard look at the projects, the agencies

1 and other people present. You also have looked hard at your
2 own budget, and I think that's great and it helps with the
3 whole credibility of the program, and I think it helps other
4 people accept the idea that we have to get more efficient.

5 The other thing I wanted to say before people start
6 filtering out is just a quick thank you. Kim Sundberg's last
7 day at the Department of Fish and Game is tomorrow, and I just
8 wanted to take this opportunity to thank Kim for not only the
9 great work he did on the Sea Life Center, but he also has done
10 a tremendous job for the department over countless years
11 probably for him in the habitat division. He's really done a
12 tremendous service to the state of Alaska in every area he's
13 ever worked in, from the land use planning efforts he did as
14 Fish and Game's representative to DNR, to the, you know,
15 throughout the Exxon Valdez experience, you know, he's been
16 tremendous, and anything he's ever been asked to do he's done a
17 terrific job on, so I'd just like to thank him publicly for the
18 work he's done for the department, and as a member of the
19 Trustee Council thank him for the great work he's done for the
20 efforts that we've tried to do on behalf of the fish and
21 wildlife of the Sound, and I know he sailed around the Sound
22 and probably appreciates the values out there as well as
23 anyone -- so just a thank you to Kim Sundberg.

24 (Applause)

25 MR. PENNOYER: Was that an emotional appeal for this

1 fish ladder?

2 (Laughter)

3 MR. PENNOYER: The memorial fish ladder.

4 COMMISSIONER RUE: A brass flag on that.

5 MS. WILLIAMS: Kim, what are you going to do?

6 MR. SUNDBERG: I'm going to stay in Alaska, still
7 continue in habitat conservation work outside the department
8 volunteering, and maybe do a little consulting work and spend
9 more time out in the environment.

10 CHAIRMAN TILLERY: In Prince William Sound?

11 MS. WILLIAMS: Well, I would just like to second
12 Commissioner Rue's comments. As I said before, the Department
13 of Interior has done a lot of work on the Seward Sea Life
14 Center, and all of my comings (sic) with Kim have been more
15 than satisfactory -- an exemplary, outstanding employee really
16 instrumental to the Seward Sea Life Center and other projects
17 we have done, so I'm sorry to hear you leave, but good luck.

18 CHAIRMAN TILLERY: I would add that I too am sorry to
19 see Kim leaving, and I wish Frank had come up with some
20 administrative reason why he's not eligible for retirement at
21 the moment -- but I don't think the Seward Sea Life Center
22 would be a reality today without Kim Sundberg. He does a good
23 job. However.....

24 COMMISSIONER RUE: On to business.

25 CHAIRMAN TILLERY:on to business. We have

1 heard all the work plan?

2 MS. McCAMMON: Yes.

3 CHAIRMAN TILLERY: We still need, I believe, to go
4 back into executive session with respect to habitat protection.
5 How does the Council wish to deal with the work plan?

6 MS. WILLIAMS: Move on it now.

7 CHAIRMAN TILLERY: Would you like to move on the
8 entire.....

9 MS. WILLIAMS: Yes.

10 CHAIRMAN TILLERY:work plan?

11 MS. WILLIAMS: Yes.

12 CHAIRMAN TILLERY: Module by module or.....

13 MS. WILLIAMS: No -- entire work plan.

14 CHAIRMAN TILLERY: Do I -- Mr. Rue, did you have a
15 comment?

16 COMMISSIONER RUE: Well, you made a motion?

17 CHAIRMAN TILLERY: Do you have a motion?

18 MS. WILLIAMS: Yes. I move the Trustee Council adopt
19 the recommendation for fiscal year '97 projects as outlined in
20 spreadsheet A dated August 28th, 1996, and spreadsheet B dated
21 August 19, 1996, with the changes identified in today's handout
22 and with the following conditions. One, if a principal
23 investigator has an overdue report from a previous year no
24 funds may be expended on a project involving the principal
25 investigator unless a report is submitted or a schedule for

1 submission is approved by the Executive Director, and two, the
2 project's lead agents must show the Executive Director that
3 requirements of NEPA are met before any project funds may be
4 expended with the exception of funds spent to prepare a CE, EA,
5 or EIS, and those tasks are outlined in the project BPD --
6 close parenthesis, period.

7 UNIDENTIFIED MALE SPEAKER: We'll need acronym.

8 MR. PIPER: Second.

9 MS. McCAMMON: Mr. Chairman, I have to have one
10 addition to this also consistent with the new operating
11 procedures. We also need an addition that would say projects
12 97115, which is the implementation of the Sound Waste
13 Management Plan, and 97197, which is the Alaska Sea Life Center
14 fish pass, are capital projects and as such, the funds do not
15 lapse on September 30th, 1997, so these would not lapse since
16 they are capital funds.

17 CHAIRMAN TILLERY: Do you accept that.....

18 MS. WILLIAMS: Yes.

19 CHAIRMAN TILLERY:amendment? The work plan has
20 been moved by Ms. Williams, seconded by Mr. Piper. Is there a
21 discussion? Mr. Pennoyer?

22 MR. PENNOYER: I had just one question, and there
23 were a lot of projects in here with do not fund
24 recommendations. Those were not reviewed, and I don't know if
25 anybody has any specific things that they would like to bring

1 up that were not incorporated in that review. We usually go
2 around and ask people if they agree with -- or have additions,
3 or something to this list.

4 CHAIRMAN TILLERY: I believe that is a good point,
5 and the same thought occurred to me, I mean, are there projects
6 that -- from Fish and Game or from the Department of Fish and
7 Wildlife Service that you'd like to approach.

8 MS. WILLIAMS: Mr. Chairman, one thing that the
9 public may not appreciate, and certainly by doing a motion like
10 this embracing the whole work plan, it may cause some people a
11 little concern. There is a tremendous amount of discussion
12 that goes on all the time, and so for example, Fish and
13 Wildlife Service had a concern about the marbled murrelet
14 project funding, and through extensive discussions with the
15 scientists and the Executive Director those concerns were
16 resolved prior to coming here, and so instead of having to go
17 through lots and lots of discussion on some of the projects,
18 some projects moved in and out of categories or modified over
19 the several months that these are in front of the Executive
20 Director, the scientists and all the people involved -- so the
21 reason that I feel comfortable embracing the Executive Director
22 recommendations as modified today was because it does represent
23 a tremendous amount of work, negotiations, discussions and so
24 forth, over the last several months, and certainly my vote in
25 support of this reflects that fact.

1 CHAIRMAN TILLERY: Mr. Pennoyer?

2 MR. PENNOYER: Well, since I brought it up, I'll say
3 something also, and that is, that I've wrestled with this
4 concept of how you go over a work plan like this and how you
5 make decisions on whether to approve it or not, including the
6 do not fund recommendations, and I think we have to realize,
7 and I don't know if everybody does all the time -- if you read
8 the print in here you'll see it, but we have had peer reviews,
9 we have had workshops, we have had symposiums. It's not -- it
10 is also individual agency discussion, but we've also gone
11 through a very elaborate process of review of these programs
12 and projects, and we have entrusted to Molly and her staff with
13 agency (indiscernible) participating to look at this package
14 and make recommendations, and I still would like to go through
15 it. I still at some point need to come back and discuss how we
16 translate this longer term approach on research and where we're
17 going with some of these programs at the Trustee Council level,
18 not only at the workshop level -- but I'm very satisfied that a
19 lot of review took place, and I think this is a good work plan.

20 MS. WILLIAMS: And it's.....

21 MR. PENNOYER: I support it.

22 MS. WILLIAMS:had PAG review too.

23 MS. McCAMMON: Mr. Chairman?

24 MR. PENNOYER: And public reviews.

25 MS. McCAMMON: If I could just make one comment just

1 for the public members of the audience that this kind of back
2 and forth negotiation and exchange of information as this
3 process goes forward, it's even greater with proposals that are
4 submitted by the public because we give great weight to
5 anything that comes in from the public, and I think our staff
6 goes the extra mile in terms of trying to see if there are
7 things that could be modified or change proposals or whatever,
8 identify the key restoration needs, so I want to make sure the
9 public knows that too.

10 CHAIRMAN TILLERY: Mr. Janik?

11 MR. JANIK: For all those good reasons already state,
12 I have no further discussion to offer on this work plan.

13 CHAIRMAN TILLERY: Are there any more comments,
14 discussions? Mr. Rue?

15 COMMISSIONER RUE: I can't help myself. I just would
16 like to compliment Molly and her staff for one, exactly what
17 Ms. Williams talked about, a good back and forth on the various
18 projects, the public process that you went through -- but also
19 with the presentation today, I mean, it keeps making more and
20 more sense -- maybe it's because I've read it more often, but I
21 think it's also in the way that Stan and Bob have presented it,
22 and Veronica and everyone who has presented the pieces, have
23 made it really very digestible, so that's -- I find that very
24 helpful.

25 MR. PENNOYER: Just this one, not negative, but a

1 comment. You do need a key somehow though.

2 COMMISSIONER RUE: With the exception of the index.

3 (Indiscernible - Simultaneous speech)

4 CHAIRMAN TILLERY: Further comments?

5 (No audible response)

6 CHAIRMAN TILLERY: All in favor of the motion to
7 adopt the work plan?

8 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

9 CHAIRMAN TILLERY: Opposed?

10 (No audible response)

11 CHAIRMAN TILLERY: The motion passes. The remaining
12 motion, or remaining item of business, before we get to habitat
13 protection would be the motion on the reserve fund. A draft
14 motion has been circulated; it's been explained by Ms.
15 McCammon. Is there a motion?

16 MR. JANIK: So moved.

17 MR. PENNOYER: Do we have to read it?

18 MS. WILLIAMS: Mm hmm (affirmative). You have to
19 read it.

20 MR. JANIK: To approve an additional deposit of \$12
21 million into the Exxon Valdez restoration reserve fund. The
22 Executive Director shall request the Alaska Department of Law,
23 U.S. Department of Justice, to petition the court to transfer
24 these funds plus interest accrued against these funds from
25 September 15th, 1996 until the time of such deposit from the

1 court registry investment system liquidity fund. Interest
2 shall be calculated at a rate of 5 percent. These funds shall
3 be evenly distributed between six separate zero-couple U.S.
4 treasury securities. The securities shall have respective
5 maturity dates in each year from 1998 through 2003.

6 MS. WILLIAMS: Second.

7 CHAIRMAN TILLERY: Is there discussion?

8 (No audible response)

9 CHAIRMAN TILLERY: I would just like to note that I
10 very much support this motion. I support the reserve fund, and
11 I think that people who are looking to this fund should take
12 note that by saying we're depositing this effective, I mean,
13 it's -- we don't know when it's going to exactly deposit it,
14 but interest is going to start accruing on September 15th. I
15 think it's a very strong statement of the Council that we're
16 quite serious about that reserve fund. If there's no further
17 discussion, all in favor?

18 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

19 CHAIRMAN TILLERY: Opposed?

20 (No audible response)

21 CHAIRMAN TILLERY: The motion passes. At this time,
22 I would entertain a motion to go into executive session to.....

23 MS. WILLIAMS: So moved.

24 MR. JANIK: Second.

25 CHAIRMAN TILLERY: You need to state the reason why.

1 MS. WILLIAMS: I move to go into executive session to
2 discuss habitat protection regarding Tatitlek.

3 MR. JANIK: Second.

4 CHAIRMAN TILLERY: Any discussion?

5 (No audible response)

6 CHAIRMAN TILLERY: Anyone opposed?

7 (No audible response)

8 CHAIRMAN TILLERY: The motion passes. I'm guessing
9 we'll be back in 15 minutes or so.

10 (In recess at 4:40 p.m.)

11 (On record at 4:56 p.m.)

12 CHAIRMAN TILLERY: We -- the meeting of the Exxon
13 Valdez Trustee Council is back in public session. We just
14 concluded an executive session in which we discussed the
15 proposed Tatitlek acquisition. Before we move towards the
16 Tatitlek acquisition, I believe that Mr. Rue, you had earlier
17 brought up a motion. Do you have a substitute motion at this
18 time?

19 COMMISSIONER RUE: Yes. Mr. Chairman, as you recall,
20 earlier in the day I raised the issue of AJV and we decided
21 that actually we needed to reinforce several of the habitat
22 acquisition proposals, so I'd like to propose an amended
23 resolution for the Council to consider, and if you'd like, I
24 can read it.

25 CHAIRMAN TILLERY: Please.

1 COMMISSIONER RUE: Okay. This -- whereas the Trustee
2 Council has adopted the restoration plan which recognizes that
3 habitat protection and acquisition is one of the principle
4 tools of restoration, and whereas the Trustee Council has
5 identified key habitats throughout the oil spill area through
6 the Council's comprehensive habitat evaluation process, and
7 whereas the Council has successfully concluded a number of
8 large parcel protection and acquisition agreements with
9 landowners in the spill area, and whereas the Trustee Council
10 remains strongly committed to the habitat protection program
11 and has ongoing efforts to reach final habitat protection and
12 acquisition agreements and interest in lands owned by Afognak
13 Joint Venture, English Bay Corporation, Eyak Corporation,
14 Chenega Corporation, Koniag, Inc., Port Graham Corporation and
15 Tatitlek Corporation.

16 Therefore, be it resolved that the Trustee Council
17 reaffirms its commitment to the habitat protection program and
18 directs the Executive Director, working together with lead
19 agencies for each of the negotiations, provide regular updates
20 to the Council on the status of the large parcel protection and
21 acquisition effort, including progress on appraisals and other
22 work, in order to successfully conclude the remaining large
23 parcel negotiations as expeditiously as possible.

24 MS. WILLIAMS: Second.

25 COMMISSIONER RUE: That's the motion.

1 MS. WILLIAMS: Second.

2 CHAIRMAN TILLERY: The motion has been made by
3 Commissioner Rue and seconded by Ms. Williams. Is there any
4 discussion of the motion?

5 (No audible response)

6 CHAIRMAN TILLERY: Hearing no discussion, all in
7 favor?

8 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

9 CHAIRMAN TILLERY: Opposed?

10 (No audible response)

11 CHAIRMAN TILLERY: The motion passes. What we'll do
12 now is to turn to the Tatitlek acquisition issues. There are
13 representatives from Tatitlek in the audience, and for the
14 Council's benefit and the other members of the public, I would
15 appreciate it if we could just -- if I could identify you, and
16 if you could just stand so that people can note who each
17 individual is. I understand that Carroll Kompkoff.....

18 MR. KOMPKOFF: Here.

19 CHAIRMAN TILLERY:is here. Carroll is the
20 President of the corporation. Calvin Totemoff -- Calvin is the
21 Chairman of the Board, and if I get this wrong please correct
22 me. Roy Totemoff -- Roy is a member of the board, and Lloyd
23 Allen -- Lloyd is also a member of the board.

24 At this time, what I would propose it that we have
25 the negotiators lead us through -- or explain to us where we

1 are, what the status is, and let us know. And I would -- I
2 do -- after we are finished, I understand that Carroll would
3 have some remarks and we anticipate having some time and we
4 would appreciate hearing from you at that time. If anyone else
5 has any remarks, we certainly would be more than happy to hear
6 from you also. Thank you.

7 MR. SWIDERSKI: Thank you, Mr. Chairman -- Alex
8 Swiderski from the Attorney General's office. The -- John
9 Harmening and myself, from the Forest Service, have been
10 meeting regularly over the past several years really with the
11 Tatitlek Corporation. The proposal we have for you today would
12 be a proposal to authorize the Forest Service and the State of
13 Alaska to expend a total of \$33 million, plus an additional
14 \$1.2 million, to reflect deferred payments to acquire various
15 interests in the Tatitlek lands. I'd like first to describe
16 those interests beginning with -- and referencing the map that
17 is immediately behind the Council, beginning with TAT-02 --
18 that is Sawmill Bay. That parcel would be acquired in fee
19 simple in its entirety.

20 To the west of Sawmill Bay, what is identified as
21 TAT-03, is Heather Bay. The Heather parcel would also be
22 acquired in fee simple. Within Heather Bay at a location not
23 in Emerald Bay, a five-acre development site would be withheld
24 for the Tatitlek Corporation. On that site, Tatitlek would be
25 allowed to construct rustic cabins or tent platforms, but

1 nothing in addition to that.

2 The next portion of the acquisition would be Bligh
3 Island. On Bligh Island, the Council would acquire a
4 conservation easement that does not permit public access. The
5 Tatitlek Corporation would withhold three sites for
6 development, totalling not more than 40 acres, I believe.

7 The next site would be Busby Island. The Council
8 would acquire a conservation easement on Busby Island which
9 would include public access by permit.

10 The next acquisition would -- next site would be
11 Galena Bay. In Galena Bay, the one site in red would be a fee
12 acquisition. The conservation easement lands identified in
13 Galena Bay would be -- allow for public access. There would be
14 two one-acre cabin sites. The cabins are already in place in
15 the Bay. In addition to that, there would be a hydroelectric
16 easement -- or site, I'm sorry -- not to exceed 15 acres.
17 There would also be a provision for an easement, if needed, to
18 transmit electric power to the village of Tatitlek, although if
19 the site is ever developed, it's anticipated that the more
20 likely route for the power would be an undersea cable.
21 Apparently that's much less expensive these days.

22 In addition, the Council would be acquiring at
23 Bedarka Point a conservation easement that provides for public
24 access except for the very northeastern portion of it bordering
25 Boulder Bay, where there would not be public access, and then

1 inside Landlocked Bay there would be a fee site --
2 conservation -- a fee acquisition site that would be acquired.
3 Immediately to the east of that, the Council would be
4 authorizing acquisition of a conservation easement of timber
5 rights on all of the land from the east side of Landlocked Bay
6 over to, but not including -- over to Fish Bay and to Sunny
7 Bay, but not including Sunny Bay. There would be no
8 restrictions on development in that. There would be no public
9 access in those lands.

10 In that same area, and I'm doing this sort of --
11 moving geographically around here. The three blue sections on
12 the map are currently owned by the Forest Service. They would
13 be, pursuant to an equal value exchange, conveyed to Tatitlek,
14 with the Forest Service reserving a timber-only conservation
15 easement on those three sections.

16 Moving across Port Fidalgo to Whalen Bay, all of
17 Whalen Bay would be a fee simple acquisition. And then in the
18 Two Moon parcel, the vast majority of the Two Moon Bay parcel
19 would be a fee simple acquisition. There would be conservation
20 easements as shown on the map. There is an additional
21 conservation easement drawn in by hand on the west side -- east
22 side, I'm sorry -- of Irish Cove, and the southeast corner of
23 Irish Cove.

24 Also, in yellow on that map are homesites that have
25 already been selected by Tatitlek in Irish Cove and Two Moon

1 Bay itself, and in Snug Corner Cove. Also -- and those
2 homesites are buffered by a conservation easement, protected
3 lands that would have public access to them. In addition,
4 within the Two Moon Bay parcel, the -- Tatitlek would reserve
5 ownership of the site that holds the logging camp that
6 currently exists there, you know, that's a 20-acre site, to be
7 managed as a lodge or related facility.

8 On the southern side of the Two Moon parcel, the --
9 Tatitlek would reserve a five-acre development site in what we
10 call the Hell's Hole area, to be selected jointly with the
11 Forest Service. Tatitlek would be allowed to place -- would be
12 able to place rustic cabins and/or tent platforms there. In
13 addition, Tatitlek, in the fee area, would retain an easement
14 for one of the existing logging roads going from the logging
15 camp down to the south, approaching the five-acre development
16 site but not actually reaching the site because there's not a
17 road that reaches it. That would be a 12-foot easement that
18 would be open to motorized vehicle traffic only by the Tatitlek
19 Corporation in conjunction with operation of the lodge. That
20 road, and an adjacent trail that I'll describe momentarily,
21 would be open to the public for use without a permit. There
22 would be a trail -- a 6-foot-wide trail easement from the
23 terminus of the road to the Tatitlek development site at Hell's
24 Hole that would likewise be open to the public but there would
25 be no motorized use on that. The road and trail would be

1 maintained by the Tatitlek Corporation.

2 In addition, the Tatitlek Corporation would convey a
3 conservation easement on Goose Island, except that they would
4 convey ten acres of fee lands to be selected by the governments
5 on Goose Island. And I believe that describes in a summary
6 fashion the acquisition. It totals approximately 66,600 acres.
7 The proposed sale price, as I indicated, would be \$33 million,
8 to be paid in the form of \$13 million to be paid at the time of
9 closing, of which \$3 million would be Trustee Council funds,
10 civil settlement funds. The remaining \$10 million would be
11 from federal criminal restitution funds. There would be two
12 subsequent payments on October 1, 1997 and October 1, 1998 of
13 \$10,605,400 each, so that the total to be expended for the
14 acquisition would be \$34,210,800. The excess over \$33 million
15 reflects the deferred nature of the two remaining payments.

16 Other terms in the proposed acquisition would be that
17 Tatitlek would agree to relinquish any selections -- remaining
18 selections that it has pursuant to ANCSA and not select further
19 lands pursuant to ANCSA within -- anywhere within the oil spill
20 areas as has been defined by the Trustee Council, with the
21 exception that Tatitlek may select lands within the Taznuna
22 Valley area. In addition, the timber rights on the majority of
23 the Two Moon Bay parcel and the -- what I would call the Fish
24 Bay parcel, that portion, we only acquire timber rights, as
25 well as Whalen Bay and Bedarka Point areas are owned by the

1 Citifor Corporation. There is an ongoing logging operation.

2 There -- as part of the deals, the proposal, the
3 Citifor Corporation would cease its timber felling operations
4 in all of the lands to be acquired no later than September 15,
5 1996. Citifor has indicated that they support the acquisition
6 but that if we haven't closed the acquisition by February 1st,
7 1997, they, as a logging operator, would be forced to commence
8 logging operations again on these lands.

9 Citifor has also indicated to the Council and to
10 Tati- -- to the negotiators and to Tatitlek that as a quid pro
11 quo, so to speak, for their willingness to sell their timber
12 rights at Tatitlek and get out of the logging business at
13 Tatitlek, they must acquire an amount of timber equivalent to
14 that which they would be foregoing, harvesting in the Two Moon
15 parcel and in the Fish Bay parcel. They must acquire an
16 equivalent amount of timber at Yakutat from the Mental Health
17 Lands Trust. We have been in discussions with them at the
18 Mental Health Lands Trust concerning that acquisition and are
19 hopeful that that will be able to proceed, but this proposal is
20 contingent upon that proceeding.

21 And I think that essentially describes the nature of
22 the acquisition. There is a resolution before you -- we would
23 contemplate that the resolution references an Exhibit A, which
24 would be the map, and a legal description which is currently
25 being prepared.

1 I'd like to spend just a few minutes addressing the
2 restoration benefits of these parcels. Two of the Tatitlek
3 parcels -- Bligh Island and the Two Moon Bay parcel were among
4 the most highly ranked by the habitat protection work group
5 when they were ranking large parcels. The Bligh Island parcel,
6 following Jackpot Bay, which of course the Council is already
7 acquiring, and Sheep Bay, with which the Council would hope to
8 acquire eventually from Eyak.

9 Bligh Island is the third highest ranking parcel
10 following those two parcels within the Prince William Sound
11 region. It's an important habitat for herring, black oyster
12 catchers, harlequin ducks, bald eagles, inter-tidal, sub-tidal
13 resources, pigeon guillemots, river otters and archeological
14 resources.

15 The Two Moon Bay parcel -- and at the time this was
16 ranked, the habitat work group considered the fact that it was
17 being logged at the time, and even though it was being logged
18 it's still ranked as the third highest ranked parcel in Prince
19 William Sound. That parcel is important; it provides important
20 protection for pink salmon, Dolly Varden, cutthroat trout,
21 Pacific herring, black oyster catchers, bald eagles, inter-
22 tidal and sub-tidal resources, river otters, sea otters,
23 archeological resources, harbor seals and subsistence. The
24 parcel provides valuable feeding and pupping habitat for sea
25 otters and river otters.

1 The Hell's Hole parcel is known for its high quality
2 sport, commercial and subsistence fishing.

3 The Sawmill Bay parcel provides important habitat for
4 various species of fish and wildlife. It's known -- important
5 for its rocky shorelines which are heavy with kelp bed, pockets
6 of yellow grass, and the rich invertebrates there support
7 feeding harlequin ducks, marbled murrelets, black oyster
8 catchers and pigeon guillemots. That area also has important
9 scenic values and supports recreational activities including
10 hunting, fishing, sea kayaking and camping.

11 The Heather Bay parcel is -- provides important
12 habitat for bald eagles, Pacific herring, harbor seals, sea
13 otters, and it's also an important area for recreation tourism
14 activities and subsistence activities.

15 The Landlocked Bay area, which is just to the east of
16 Bedarka Point in the west of a timber harvest area, provides --
17 is important for bald eagles, Pacific herring, harlequin ducks,
18 inter-tidal and sub-tidal resources, archeological resources
19 and subsistence.

20 And I believe that describes the restoration benefits
21 in a summary fashion. Does the Council have questions?

22 CHAIRMAN TILLERY: Questions or requests for
23 clarification? Commissioner Rue?

24 COMMISSIONER RUE: One small point on the use of the
25 road. As I understand it, the public can use it for foot

1 traffic or non-motorized?

2 MR. SWIDERSKI: That would -- Mr. Chairman, that
3 would be correct.

4 COMMISSIONER RUE: Okay.

5 MR. SWIDERSKI: And they would not need to acquire a
6 permit in order to do that.

7 CHAIRMAN TILLERY: Ms. Williams?

8 MS. WILLIAMS: I believe I only have one concern
9 about the agreement that you just described, and that is, the
10 February date for Citifor to resume logging activities if we
11 aren't closed at that time. Closing has generally taken more
12 than five months, hasn't it? And that only allows five months
13 from now -- virtually five months from now. Is closing in five
14 months feasible?

15 MR. SWIDERSKI: Closing in five months is feasible.

16 MS. WILLIAMS: Is it likely?

17 MR. SWIDERSKI: I would say if we don't make it
18 within five months we will be so close that I would feel
19 comfortable -- I'm hopeful that we will make it in five months.
20 Given what needs to be done, it seems quite doable to me. If
21 not, I.....

22 MS. WILLIAMS: Christmas.

23 MR. SWIDERSKI:am hopeful that we are so close
24 that we will be able to go to Citifor and say look, we're
25 within 15 days or 30 days, everything's in place, it's just

1 going to take us a little more time, please forestall logging
2 for this time -- and Citifor has been very cooperative
3 throughout these negotiations and I certainly can't represent
4 that they would do that, but they've been quite gracious and
5 hopefully they would extend us that courtesy.

6 MS. WILLIAMS: Is it possible to build that in right
7 now.

8 MR. SWIDERSKI: To build that extension in?

9 MS. WILLIAMS: Mm hmm (affirmative).

10 MR. SWIDERSKI: I think that would be difficult --
11 well, in a sense, the resolution doesn't address that. What
12 the resolution says is it's dependent on ending logging as of
13 September 15. If we get to January 29th and we haven't closed,
14 one option is to go to Citifor. The other -- and say give us
15 an additional 30 days. The other option is to come back to you
16 and say well, Citifor's going to start logging out here, how
17 does that -- and that would terminate the resolution. You
18 certainly would have the authority to modify the resolution and
19 extend it.

20 MR. HARMENING: One of the things also is that
21 Bedarka and Whalen Bay -- there's been no entry in there, and
22 the areas that they would be coming back into are areas that
23 they have been working in, so, you know, to take it on a step
24 one-two basis makes the most sense because if everything goes
25 according to plan we won't have to come back, and hopefully,

1 like Alex said, by January we'll know the commitment of whether
2 or not they have other wood available to them. Their concern
3 is primarily that they have some contractual commitments that
4 they have to make, and as long as they have those somewhere
5 else then they'll be okay in moving out.

6 MR. SWIDERSKI: Yeah. I don't think it's the sort of
7 situation where -- that's right. They want to know that they
8 can begin to log next season, and I don't think that means in
9 June or July, but if it's February 15th rather than February
10 1st, I don't think that will be a deal breaker, you know.

11 MS. WILLIAMS: And perhaps when Tatitlek comes to
12 speak with us we can address that issue.

13 MR. SWIDERSKI: I hesitate to mention that counsel
14 for Citifor is present. Roger Dubrock is here. I know that
15 his client, Bob Rice, is in New Zealand, and I don't know if
16 he'd be able to address that issue if you want to hear from him
17 or not. I'd be surprised if he's able to make a commitment on
18 that, but.....

19 CHAIRMAN TILLERY: Are there additional questions or
20 requests for clarification?

21 (No audible response)

22 CHAIRMAN TILLERY: Just to clarify, if Citifor is not
23 able to obtain another supply of timber from somewhere else and
24 therefore some of these lands -- or some of the timber can't
25 come into this deal, what happens to the deal?

1 MR. SWIDERSKI: The -- as the resolution is written,
2 there is no deal, I mean, after September 15th, if they cut a
3 tree there -- or that land, the timber doesn't come into the
4 deal, that there is no deal, or the resolution does -- there's
5 no deal that's been authorized by this Council.

6 CHAIRMAN TILLERY: Then the Council would have to go
7 back with.....

8 MR. SWIDERSKI: The Council would have to.....

9 CHAIRMAN TILLERY:Tatitlek and say well, here's
10 where we are, what do we.....

11 MR. SWIDERSKI: Right.

12 CHAIRMAN TILLERY:now.

13 MR. SWIDERSKI: That's right.

14 CHAIRMAN TILLERY: Are there any further questions?

15 (No audible response)

16 CHAIRMAN TILLERY: Is there a motion?

17 MS. WILLIAMS: So moved.

18 COMMISSIONER RUE: Second.

19 CHAIRMAN TILLERY: Discussion? Commissioner Rue?

20 COMMISSIONER RUE: I guess I would -- I'm not sure
21 this is the right time, but I would just like to compliment
22 staff and Tatitlek for coming back to the Council with what I
23 think is a good package. It achieves the restoration purposes
24 that we're looking for and hopefully protects the interest that
25 Tatitlek needs to maintain, and I think it's a package that --

1 just from looking at the map you can see the logic to it, and I
2 think it will provide benefits to the Sound and allow for
3 people of the area to continue to maintain their use of the
4 area as well as the public access, so I think it's a good mix
5 of purchase options that really achieves, at least from my
6 perspective, the kinds of things this Council is trying to
7 achieve, and maintains the interest of the people of the area,
8 so I applaud the effort to pull this together.

9 CHAIRMAN TILLERY: Additional comments?

10 MR. PENNOYER: Well, I'm extremely pleased at being
11 able to move forward with restoration in the Prince William
12 Sound is, I think, a great benefit to both, as Commissioner Rue
13 said, the people in the area and the lifestyle in the area. I
14 think it's a tremendous benefit to us in terms of our
15 restoration objectives, and it's been a while coming. I'm glad
16 to see it. I applaud the people who worked this out. I think
17 you did a wonderful job in trying to get a good mix of benefits
18 in this package, so I'm strongly in support of it.

19 CHAIRMAN TILLERY: Are there other comments from the
20 Council?

21 MR. JANIK: I'd like to wait until after the vote.

22 CHAIRMAN TILLERY: I would just like to comment that,
23 and I believe Carroll Kompkoff has addressed to us once in a
24 letter some of his views as to the -- some of the mutual
25 benefits, almost like we're entering a partnership here because

1 whereas the governments will be acquiring a certain amount of
2 land, those lands are going to, and the way the government's
3 taken -- creating marine parks and so forth, are going to
4 increase the profile of the area. They're going to bring
5 people in, get people interested.

6 Tatitlek will, through this deal, would have money to
7 develop facilities to service additional tourists or whatever,
8 to create the lodge, and I think that the governments and the
9 corporation are going to end up in sort of an informal
10 symbiotic relationship -- a partnership -- not a partnership
11 exactly but a relationship to the mutual benefit of each of
12 them, and I think that this agreement as it's been presented is
13 really, really outstanding. I think it's exceptional.

14 Before we take a vote, I guess I'd like to know if
15 anyone from Tatitlek -- Carroll, you or anyone else -- would
16 like to address us before we vote or if you would like to
17 address the Council after we take the vote.

18 MR. KOMPKOFF: Afterwards I think.

19 CHAIRMAN TILLERY: Okay. Thank you. Any additional
20 comments?

21 (No audible response)

22 (Pause - Whispered conversation)

23 CHAIRMAN TILLERY: I guess actually in keeping with
24 the spirit, if not the letter of the newly adopted procedures,
25 if there is anyone from the -- I know this was on the agenda as

1 a possible action item. I don't -- I believe a couple of
2 people spoke to it earlier. Having now heard what is being
3 said here today and what the outlines of this are, if there is
4 any member of the public that would like to comment at this
5 time, I think the Council would be receptive to hearing that,
6 and that includes anyone on-line, if there is anyone left on
7 line.

8 (Off record at 5:25 p.m.)

9 (Tape Change - Tape 6 of 6)

10 (On record at 5:25 p.m.)

11 CHAIRMAN TILLERY: Okay. Well, no one has indicated
12 a desire to comment. Therefore.....

13 MR. PENNOYER: Is there a motion?

14 CHAIRMAN TILLERY: There is a motion by Ms. Williams;
15 it was seconded by Commissioner Rue. All in favor?

16 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

17 CHAIRMAN TILLERY: Opposed?

18 (No audible response)

19 CHAIRMAN TILLERY: The motion carries.

20 (Applause)

21 CHAIRMAN TILLERY: At this time, perhaps it would be
22 appropriate to hear from Tatitlek. Mr. Kompkoff, if you could
23 come up here so we can capture your comments forever.

24 MR. KOMPKOFF: I need to put this on?

25 MS. REBECCA WILLIAMS: Please.

(Pause)

MR. KOMPKOFF: It scares the heck out of me speaking in front of so many distinguished people. Members of the Trustee Council, ladies and gentlemen, my name is Carroll Kompkoff. I'm the President of the Tatitlek Corporation. I would like to express our corporation's appreciation -- or relief for the Trustee Council's action today. I know the negotiations were long and difficult. We believe the result will provide long-term benefits to the public and to the Tatitlek shareholders, as well as the resources injured by the oil spill.

We want to thank you, the Council staff, for proceeding in this effort. We look forward to working with you to complete this process and take this habitat package before our shareholders for their consideration, which we hope will happen before too long. Thank you on behalf of the Tatitlek Corporation and its shareholders. I deeply appreciate your efforts. Thank you very much.

UNIDENTIFIED MALE SPEAKER: Thank you.

CHAIRMAN TILLERY: Thank you, Mr. Kompkoff.

(Applause)

CHAIRMAN TILLERY: Is there anyone else from Tatitlek that would wish to make any remarks at this time?

(No audible response)

CHAIRMAN TILLERY: Is there anyone else from the

1 Council that would like to make a comment? Mr. Janik?

2 MR. JANIK: Yes. I'd like to -- acquisition of these
3 parcels in Prince William Sound, of course, is a real bonus in
4 terms of the attention and the priority of the Trustees. We've
5 been wanting this deal to go for a long time and it's really
6 exciting to see that happen today. I would really like to
7 express my personal thanks to the corporation, to the
8 negotiators both from the corporation and from the federal and
9 state agencies. It's been a long haul; we all know that. I
10 don't want to forget the appraisers, the legal advisors, some
11 of them are here today, and all others that have made this
12 possible.

13 I really appreciate everyone staying at the table. I
14 think it really has been at times a testy exercise of give and
15 take, but I truly believe from what I see on that map that we
16 have arrived at a very fair deal that we can all walk away with
17 feeling good about, and that's always something that the
18 Trustees try to achieve as we go through these difficult
19 negotiations.

20 I do want to offer special thanks to you Roy -- Roy
21 Jones. Roy's a very hard-core negotiator, but he's objective
22 and fair, and we appreciate your personal commitment to these
23 negotiations. Thank you.

24 CHAIRMAN TILLERY: Ms. Williams?

25 MS. WILLIAMS: Members of the Board of Directors of

1 Tatitlek, I want to thank you for your creativity, your
2 persistence, your ingenuity, and your graciousness in this
3 process. I think in every process there's one 500-pound
4 gorilla, and I'm afraid the Department of Interior may have
5 played that role in this case, but I think what we have before
6 us today is a better deal, not only for the Trustee Council but
7 also for the Tatitlek Corporation -- and I am very hopeful that
8 your shareholders will agree with that assessment.

9 This is the most creative land transaction that the
10 Trustee Council has adopted by resolution by far, and it
11 represents, I think, your unique needs and the ecological
12 management needs that we felt were important to bring here. I
13 look at this, and it is such a vastly improved transaction from
14 what we saw a few months ago, and that is a testament to the
15 skill of all the negotiators, and again, the acumen interest of
16 the Board of Directors, so we thank you very much for that.

17 What is particularly interesting about this
18 transaction, and I think should be compelling to your
19 shareholders, is that it does provide Tatitlek not only the
20 kind of environmental protection around your lands that will
21 sustain your shareholders for generations, but will also allow
22 economic development on the lands that you maintain both fee
23 interest in and other interests in that I think will be a model
24 in the Sound and in Alaska -- so we thank you for working with
25 us. We think this is a wonderful model. We wish you luck in

1 discussing it with your shareholders, and we do appreciate your
2 working with us. Thank you.

3 CHAIRMAN TILLERY: Other Council members who would
4 like to make any remarks at this time?

5 (No audible response)

6 CHAIRMAN TILLERY: Well, hearing none, I believe that
7 the next item on the agenda is a motion to adjourn.

8 MS. McCAMMON: Or recess.

9 CHAIRMAN TILLERY: I believe the motion offered was
10 to adjourn.

11 MS. WILLIAMS: I do believe we've resolved our
12 issues.

13 CHAIRMAN TILLERY: Okay.

14 COMMISSIONER RUE: So moved.

15 MR. PENNOYER: Second.

16 CHAIRMAN TILLERY: All in favor?

17 TRUSTEE COUNCIL MEMBERS COLLECTIVELY: Aye.

18 CHAIRMAN TILLERY: Opposed?

19 (No audible response)

20 CHAIRMAN TILLERY: This meeting is adjourned. Thank
21 you.

22
23 (Whereupon, the proceedings in the above matter were
24 adjourned at 5:32 p.m.)
25

C E R T I F I C A T I O N

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.

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BY: Cindy S. Carl
Cindy S. Carl
Certified Court Reporter

DATE: 9/6/96

