

09.11.06

OSPIC Home Page

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

TRUSTEE COUNCIL MEETING
Thursday, August 13, 1998
10:30 o'clock a.m.

Fourth Floor Conference Room
645 G Street
Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

STATE OF ALASKA -
DEPARTMENT OF LAW:
(Chairman)

MR. CRAIG TILLERY
Trustee Representative
for the Attorney General

STATE OF ALASKA - DEPARTMENT
OF FISH AND GAME:
(Telephonically)

MR. FRANK RUE
Commissioner

U.S. DEPARTMENT OF INTERIOR:
(Telephonically)

MR. BARRY ROTH
for Ms. Deborah Williams
Special Assistant to the
Assistant Secretary

U.S. DEPARTMENT OF AGRICULTURE -
U.S. FOREST SERVICE

MR. JAMES WOLFE
for the Regional Forester

U.S. DEPARTMENT OF COMMERCE - NMFS:

MR. STEVE PENNOYER
Director, Alaska Region

STATE OF ALASKA - DEPARTMENT
OF ENVIRONMENTAL CONSERVATION:

MS. MICHELE BROWN
Commissioner

Proceedings electronically recorded then transcribed by:
Computer Matrix, 3520 Knik Ave., Anchorage, AK - 243-0668

1 TRUSTEE COUNCIL STAFF PRESENT:

2	MS. MOLLY McCAMMON	Executive Director EVOS Trustee Council
3		
4	MR. ERIC MYERS	Director of Operations EVOS Trustee Council
5	MS. TRACI CRAMER	Director of Administration EVOS Trustee Council
6		
7	MS. TAMI YOCKEY	EVOS Trustee Council Staff
8	DR. BOB SPIES	Chief Scientist
9	MR. STAN SENNER	Science Coordinator
10	MS. SANDRA SCHUBERT	EVOS Staff
11	MS. VERONICA CHRISTMAN	EVOS Staff
12	MR. JEFF LAWRENCE	EVOS Staff
13	MR. ALEX SWIDERSKI	State of Alaska Department of Law
14	MR. BUD RICE	National Park Service
15	MR. JOE SULLIVAN	State of Alaska Department of Fish and Game
16		
17	MR. DOUG MUTTER	Department of Interior
18	MR. BILL HAUSER	State of Alaska Department of Fish and Game
19	MS. CLAUDIA SLATER	State of Alaska Department of Fish and Game
20		
21	MS. CAROL FRIES	Department of Natural Resources

22

23

24

25

TABLE OF CONTENTS

1		
2	Approval of Agenda	Page 5
3	Approval of 6/8/98 and 7/1/98 meeting notes	Page 6
4	Public Advisory Group Report (Rupe Andrews)	Page 6
5	Executive Director's Report (Molly McCammon)	Page 10
6	Small Parcels - Blondeau	Page 15
7	<u>Public Comments:</u>	
8	Mr. Pete Kompkoff	Page 24
9	Ms. Cheri Shaw	Page 26
10	Ms. Monica Riedel	Page 28
11	Mr. Keith Kornelis	Page 30
12	Mr. David Grimes	Page 35
13	Mr. Rick Steiner	Page 42
14	Mr. Jim Adams	Page 47
15	Mr. Peter Giannini	Page 49
16	Ms. Theresa N. Obermeyer	Page 52
17	Mr. Dune Lankard	Page 56
18	Ms. Sierra Drake	Page 63
19	Mr. Matthew Zencey	Page 64
20	Draft FY99 Work Plan	Page 69
21	Reserve Motion to Transfer of Funds	Page 204
22	Motion to Adopt Work Plan	Page 205
23	Afognak Joint Venture Payment Schedule	Page 209
24	Eyak Lands and Interests	Page 211
25		

P R O C E E D I N G S

(On record - 10:30 a.m.)

CHAIRMAN TILLERY: Okay. We are going to begin the August 13th meeting of the Exxon Valdez Oil Spill Trustee Council. Frank Rue from the Department of Fish and Game is here telephonically from Juneau, and Barry Roth will be representing the Department of the Interior is also on telephonically. Steve Pennoyer will be representing the National Marine Fishery Service, and Jim Wolfe the United States Forest Service. I am Craig Tillery with the State of Alaska Department of Law. Michele Brown will be representing the Department of Environmental Conservation and she will be joining us in a little bit.

Because we have such a heavy agenda today, we're going to go ahead and begin with the meeting, although we obviously would not be taking any votes or dealing with any action items until Michele joins us. And just to confirm, Frank, are you there?

MR. RUE: Yes, I am, Craig.

CHAIRMAN TILLERY: And Barry?

MR. ROTH: Yes, I am.

CHAIRMAN TILLERY: Okay. Thank you, then. The first item is the approval of the agenda. Is there a motion on that?

MR. PENNOYER: Move to approve the agenda.

1 MR. WOLFE: And second.

2 CHAIRMAN TILLERY: It has been approved [sic]
3 and seconded. Is there anyone who has any question about it or
4 any additions or anything?

5 CHAIRMAN TILLERY: Ms. McCammon.

6 MS. McCAMMON: Mr. Chairman, I just wanted to
7 note Item Number 8, Small Parcels, the Blondeau Parcel, this is
8 not an action item today, and I'll just merely do an
9 informational item under my report.

10 CHAIRMAN TILLERY: Okay. Thank you. Is there
11 anything else?

12 (No audible responses)

13 CHAIRMAN TILLERY: Okay. Is there anyone
14 opposed to the agenda?

15 (No opposing responses)

16 CHAIRMAN TILLERY: The next item of business
17 will be approval of the June 8th and July 1, 1998, meeting
18 notes. Is there a motion on that?

19 MR. PENNOYER: Move to approve the meeting
20 notes.

21 MR. WOLFE: Second.

22 CHAIRMAN TILLERY: It has been moved and
23 seconded. Is there any discussion with regard to those meeting
24 notes?

25 (No audible responses)

1 CHAIRMAN TILLERY: Hearing none, is there any
2 opposition to approval of the meeting notes?

3 (No opposing responses)

4 CHAIRMAN TILLERY: Hearing none, the meeting
5 notes are approved. The next item of business would be the
6 Public Advisory Group report, and do we have a.....

7 MS. McCAMMON: Rupe Andrews is in Juneau.

8 CHAIRMAN TILLERY: Rupe, you're on line?

9 MR. ANDREWS: Yes, I'm on the line,
10 Mr. Chairman.

11 CHAIRMAN TILLERY: Okay. Would you like to go
12 ahead with your report?

13 MR. ANDREWS: Yes, I would. Can you hear me
14 all right?

15 CHAIRMAN TILLERY: You're coming through very
16 well.

17 MR. ANDREWS: Thank you. Good morning. Very
18 briefly, I would like to report that the Public Advisory Group
19 did meet on July 28th in Anchorage, and we did approve the 1999
20 Work Plan, and no further action by the PAG was taken as
21 regards to the restoration fund.

22 Mr. Chairman, is was the consensus that the PAG should
23 meet with the Trustees to seek the Trustees thoughts and ideas
24 as to the use of the fund. The PAG is more than willing to
25 produce options for the Trustees' review, but we do need a

1 joint discussion to examine the concepts. And perhaps
2 September 29th might be a day, I'll just throw that out because
3 I know you're all meeting to examine the restoration fund
4 options at that time. The PAG also approved and a letter was
5 sent to the Alaska Senators, Stevens and Murkowski, enlisting
6 their support to move the settlement funds from the court
7 system to obtain a better rate of interest. Another action by
8 the PAG, the Chair was directed to write a letter to the
9 Trustee Council staff thanking them for their continued
10 outstanding support, and that letter has been written.

11 One of the highlights of the last PAG meeting was
12 Deborah Williams was kind enough to take time from a very busy
13 schedule to speak with the PAG, and in my six years on the PAG,
14 I think this is the first time one of the Trustees has
15 addressed the PAG. And she did speak to us on a number of
16 items, and among them was the Karluk purchase. We learned that
17 the selling price is the major disagreement point, and it's
18 probably somewhere between 25 and \$75,000,000. The PAG would
19 like to see these negotiations to purchase continue.

20 Mr. Chairman, speaking solely for myself, purchase of
21 the Karluk/Sturgeon River watersheds could possibly be the most
22 important single purchase ever made by the Trustees to date.
23 Fishery resources on the Karluk are international in value.
24 Arguably, the finest steelhead trout system left for wild fish
25 in North America, this system should be in the public domain to

1 protect and manage the steelhead resource alone, as well as all
2 five species of salmon in that drainage.

3 Without protection there will be commercialization
4 within this watershed, according to a phone call I recently had
5 from Tim Mahoney, whom I understand is the Koniag land official
6 consultant. Other values would include the expansion of the
7 Kodiak Bear Refuge a goal long sought by the refuge managers.

8 And lastly, we were very pleased to see Molly back in
9 the office. And Mr. Chairman, this completes my report. If
10 there's any questions, I'd be happy to answer any.

11 CHAIRMAN TILLERY: Okay. Thank you. Counsel
12 members, is there any comment about the concept of a Trustee
13 Council PAG discussion, work session, something like that?
14 Mr. Pennoyer.

15 MR. PENNOYER: Mr. Chairman. I think pending
16 the scheduling, I think it's a good idea.

17 CHAIRMAN TILLERY: Okay.

18 MR. PENNOYER: As Mr. Andrews pointed out,
19 while we have met with the PAG numerous times during our
20 meetings, we haven't as a group met with them, or even as most
21 individuals, at that formal meeting, so if we could something
22 like that, it might be very beneficial.

23 CHAIRMAN TILLERY: I think it could. I guess I
24 would wonder if at the September 29th -- we're going to be
25 pretty busy that day, would be the appropriate time or some

1 time prior to that would be a better time? Ms. McCammon.

2 MS. McCAMMON: Mr. Chairman, September 29th was
3 the earliest time we could meet, get everyone together.....

4 CHAIRMAN TILLERY: Oh.

5 MS. McCAMMON:at that time, so I don't
6 think we could do it earlier. We also have the archeology RFP
7 that day, PAG appointments, and a couple of other things, so it
8 might be better and more cost effective to have a meeting some
9 time in October after that discussion with the Trustee Council
10 in September and then have a further discussion in October at a
11 joint meeting.

12 CHAIRMAN TILLERY: Okay. Are there any
13 comments from Frank or Barry?

14 MR. RUE: Yeah, this is Frank. I think it
15 would be a worthwhile effort, I think. Yeah. And October
16 sounds like it would work.

17 MR. ROTH: I would think so, too.

18 CHAIRMAN TILLERY: Okay. Ms. McCammon.....

19 MS. McCAMMON: We can set something up.

20 CHAIRMAN TILLERY:could you try to set
21 something.....

22 MS. McCAMMON: Yes.

23 CHAIRMAN TILLERY:up then? Okay. Thank
24 you.

25 (Michele Brown joins conference)

1 CHAIRMAN TILLERY: The record should reflect
2 that Michele Brown has joined us today. We have approved the
3 minutes, approved the agenda, and heard the Public Advisory
4 Group report. So okay, thank you then. That brings us to the
5 Executive Director's report. Ms. McCammon.

6 MS. McCAMMON: Thank you, Mr. Chairman. In
7 your packet under the tab listed Financial Report, you'll see
8 the financial report as of June 30th, 1998. The one thing I
9 wanted to bring to your attention there was that the
10 restoration reserve now totals 66.3 million dollars. This also
11 includes last year's -- or this current fiscal year's
12 commitment of \$12,000,000 plus interest, although these funds
13 have not been formally transferred from the liquidity account
14 to the reserve account. And if you'll recall, the motion last
15 year was to do that transfer once funds were available
16 depending on what was happening with various habitat
17 acquisitions. We did determine in March that there were
18 sufficient funds to make that transfer, but at this time we
19 haven't done so pending resolution of whether the funds can be
20 transferred out of the court system or where the final -- what
21 the final solution is for our funds. So I just wanted you to
22 note that the reserve does total that, but it isn't all in one
23 account at this point.

24 I also wanted to bring you up to date on the Government
25 Accounting Office audit. I think all of you saw a copy of the

1 draft. The final audit was transferred to Senator Murkowski's
2 office in Washington, D.C. today. The Senator now has 30 days
3 to review and release the audit. If he does not release it
4 within that 30 day period, then the GAO automatically releases
5 it to the public on the 31st day. So that would be, I assume,
6 September 13th or September 14th. If the Senator releases it
7 or makes any public announcement of the audit during this
8 interim period, then the GAO automatically releases it to the
9 public that same day and we'll be notified of that. So
10 overall, I think we all feel very comfortable with the results
11 of the audit.

12 The other thing I wanted to bring you up to date on was
13 the legislation, trying to get an increased investment
14 authority. Senators Murkowski and Stevens introduced separate
15 legislation last year which would authorize the Trustee Council
16 to take Trustee funds out of the court system and invest them
17 outside of the court system and outside of the U.S. Treasury.
18 There was some provisions, additional provisions, that we did
19 not ask for that were added to that legislation. That
20 legislation in its entirety was added as a rider to the
21 Commerce State Justice Appropriations bill. It has passed the
22 full Senate and is now in Conference Committee, although
23 they're on recess now, and Conference Committee is not meeting
24 and won't until September.

25 We have discussed this with the staffs of both Senators

1 Murkowski and Stevens, and explained why some of the additional
2 provisions are unacceptable. The staff seems open to working
3 with us to develop some compromise language. We have not heard
4 directly with the sponsoring senator on that yet. I have been
5 working with their staff to set up a meeting with the Senator
6 here in Anchorage sometime in the next two weeks, and we're
7 looking at sometime between August 19th and August 24th,
8 although we don't have a time definitely set. But we're hoping
9 that the case that we can make is persuasive and that he will
10 be accommodating in trying to adjust the language so that it
11 actually is something that the Council can actually use.

12 On the issue of wire transfers, this was an issue that
13 was also noted by the Government Accounting Office that trustee
14 funds are not -- are transferred basically by a certified check
15 through the mail and not transferred by electronic wire. There
16 has been some movement with the court system in the last couple
17 of weeks. The Anchorage Court System seems a bit warmer to the
18 idea of doing electronic transfers. I think this has been
19 helped somewhat by the Government Accounting Office, and then
20 also by the Washington, D.C., Court System Office. They've
21 been very supportive of this, using electronic transfers. The
22 Anchorage Court System is investigating it now. We're hoping
23 that by fall, early fall, I hope, that we can initiate some
24 transfers by wire and get this underway. This has been
25 something we've been pursuing now for I think almost three

1 years.

2 On the restoration reserve planning, you have in your
3 packet under the tab Restoration Reserve Update of Public
4 Comments, this is a summary of all the public comment received
5 as of July 27th on the restoration reserve, and it also
6 includes any additional comments that have been received since
7 that time. And since we consider this to be kind of an ongoing
8 process, this will be updated on a regular basis.

9 I think, just to note, the biggest change in the kinds
10 of comments that have been received recently, there are two
11 major changes; one is there are a number of comments from
12 individuals and entities that support a significant amount of
13 the reserve funds going for an endowment to the University of
14 Alaska, either for endowed shares or just as an endowment to
15 the University to be used for research.

16 In addition, I think almost every resident of the
17 Village of Nanwalek and most recently from the Village of Fort
18 Graham have submitted comments advocating a permanent endowment
19 for community-based type projects. The Nanwalek residents were
20 asking for \$20,000,000 for those projects set aside,
21 Port Graham residents are asking for 75 percent of all the
22 reserve funds to go to community based projects. So these are
23 some of the kinds of new comments that have come in. We do
24 have the meeting scheduled for September 29th.

25 I'm putting together and having staff prepare now some

1 materials for your use at that meeting, and if there's anything
2 specifically that you would like to help you in your decision
3 making process in addition to the public comments, just let me
4 know and I'll be happy to do what we can to prepare that. And
5 then based on the comments just recently, we'll try to set up a
6 meeting in October probably here in Anchorage, just to make it
7 most cost effective, for a joint session with the Public
8 Advisory Group on that.

9 On the topic of habitat protection, there's been a fair
10 amount of activity this summer. Tatitlek acquisition had its
11 first closing in June. It will have its second and final
12 closing sometime between October 1st and October 15th. So that
13 acquisition will be completed by October.

14 For Eyak, the proxy vote to shareholders is expected to
15 go out a week from this Friday, a week from tomorrow. They
16 have a shareholder annual meeting scheduled for October 11th.
17 So we should have a final say on the results of that vote by
18 October 11th, and we hope that closing can occur quickly after,
19 depending on the results of that vote.

20 For Afognak Joint Venture, we do have an item of the
21 payment schedule later on the agenda. We've been working with
22 them on additional details as a draft purchase agreement gets
23 prepared and flushing out some of the conceptual agreements
24 that were made in the earlier resolution, but that is
25 progressing well.

1 For Koniag, we had a recent discussion with Koniag
2 Corporation. And I think, as Mr. Andrews reported, we're still
3 far apart in terms of value, but we're still discussing things.
4 They did present us a detailed book that I have extra copies of
5 if you would like a copy of it, describing different comparable
6 values for what they view as similar types of property across
7 the state that they believe is justification for a higher value
8 on their part. And I do have copies of that if you'd like to
9 see that.

10 For small parcels, I'll let you know we have a, quote,
11 soft moratorium on small parcels, trying to clean up things
12 that are currently underway. Recently, the Council made a
13 formal offer for Termination Point outside of Kodiak. There
14 has been no formal response on that from Leisnoi Corporation,
15 although the informal indications from them is that the price
16 offered, which was approximately 1.8 million was too low.

17 The Patson Parcel, which was recently approved by the
18 Trustee Council is before the Legislative Budget and Audit
19 Committee tomorrow, and we're hoping for its approval. It's a
20 very full committee meeting, so if -- it's possible they won't
21 get to it just because of time constraints, but we're hoping
22 that will go forward.

23 The Blondeau Parcel, which you have in the back of your
24 packet, we had hoped for an action item today. The appraisal
25 for that parcel has been reviewed and approved. The total

1 value is \$626,800 for 100 acres. The City of Valdez has
2 offered to donate to the State an additional 50 acres adjacent
3 to this parcel, so this acquisition would actually result in
4 150 acres being protected of this area.

5 As part of our process, the appraisal has been
6 transmitted to the landowner. He is still reviewing it and has
7 not made a formal response yet, so it's the State negotiator's
8 view that it's not quite time for a formal offer on this until
9 he has a chance to review the appraisal and see if he notes any
10 errors in the appraisal.

11 Also on your table in front of you today is a Quarterly
12 Project Status Summary as of June 30th. This is dated
13 August 8th. There are several attachments to this that
14 indicates the status of project reports by agency. In
15 addition, the reports that are significantly behind schedule,
16 and then thirdly, summarizing activities of projects currently
17 underway during the April to June quarter. And I'd be happy to
18 take any -- of if you had any questions about these
19 specifically.

20 I think the good news is that we are probably further
21 along than ever before in terms of keeping reports up to date,
22 completed, available to the public, and addressing
23 significantly the huge backlog of late reports and old reports
24 that we had from the early days. So we've made significant
25 progress there.

1 MR. PENNOYER: Mr. Chairman.

2 CHAIRMAN TILLERY: Mr. Pennoyer.

3 MR. PENNOYER: And of course, in the review of
4 projects for '99, all that was taken into account?

5 MS. McCAMMON: Yes.

6 MR. PENNOYER: If there's a problem, it's
7 evinced in that listing there.

8 MS. McCAMMON: That's correct. There is still
9 a -- funding is not released until late reports are submitted
10 or until a legitimate schedule for us, a submission has been
11 submitted.

12 CHAIRMAN TILLERY: Mr. Pennoyer.

13 MR. PENNOYER: Could we go back to Termination
14 Point for a second? Would you say again -- what you -- the
15 status of Termination Point?

16 MS. McCAMMON: A formal offer.....

17 MR. PENNOYER: Several of us will be in Kodiak
18 for this.....

19 MS. McCAMMON: Right.

20 MR. PENNOYER:tomorrow, and I'm
21 interested in.....

22 MS. McCAMMON: A formal offer was made for
23 Termination Point at the 1.8 something million.

24 MR. PENNOYER: Sixty-five.

25 MS. McCAMMON: And the corporation has not

1 formally rejected that offer, although informally their
2 indications are that they expect to get a much higher price.

3 MR. PENNOYER: Thank you.

4 MS. McCAMMON: The only other item I wanted to
5 note on this project report that causes me some concern is that
6 in Attachment B on overdue reports, there were a number of late
7 reports that I brought to your attention, at least six months
8 ago, maybe even a year ago, that were significantly overdue.
9 And with your help we worked out new due dates for these
10 reports, and unfortunately, a lot of these dates have not been
11 met. And any assistance you can provide would be helpful.

12 The problem that we have with most of these reports is
13 that the original principal investigators are, in most cases,
14 no longer with the agency, and so the agency has had to find
15 someone else who is not currently funded by us to finish -- to
16 complete these reports. So they're basically completing them
17 in addition to their other work, and it's made it difficult to
18 get them done.

19 MR. PENNOYER: Mr. Chairman.

20 CHAIRMAN TILLERY: Mr. Pennoyer.

21 MR. PENNOYER: Some of the names do look
22 familiar from the project list we have in front of us
23 currently.

24 MS. McCAMMON: They do look familiar.

25 MR. PENNOYER: Is that -- I mean continuing the

1 same project is obviously subject to past performance on
2 funding. How about different projects for the same person? Do
3 we have any general feeling about that?

4 MS. McCAMMON: No. It's even if it's a
5 different project.

6 MR. PENNOYER: Then it's okay?

7 MS. McCAMMON: Yes.

8 MR. PENNOYER: Thank you.

9 MS. McCAMMON: The other item I wanted to bring
10 to your attention, the proposal deadline for the Archeology
11 Restoration Project was, I believe, August 7th. Two proposals
12 have been received. The review committee will be meeting in
13 September to go over these proposals, and we will have a
14 recommendation for you at your September 29th meeting.

15 CHAIRMAN TILLERY: Ms. McCammon, these
16 documents were given to Frank Rue and Barry?

17 MS. McCAMMON: Yes.

18 CHAIRMAN TILLERY: Okay.

19 MS. McCAMMON: I'm not sure they've been given
20 to Barry yet, but they have been given to Frank.

21 CHAIRMAN TILLERY: To Frank.

22 MS. McCAMMON: They were sent down to Frank
23 yesterday.

24 CHAIRMAN TILLERY: Okay.

25 MS. McCAMMON: The other item I wanted to note

1 is we've been working on the agenda for the 10th anniversary
2 symposium. The Abstract Committee met, and there are -- Stan,
3 what's the total number of -- where is Stan?

4 UNIDENTIFIED VOICE: He's outside.

5 MS. McCAMMON: Oh, he stepped out? The total
6 number of abstracts?

7 UNIDENTIFIED VOICE: A hundred and
8 thirty-eight.

9 MS. McCAMMON: A hundred and thirty-eight
10 abstracts submitted, which was a very positive response to our
11 call for papers and posters of that session. It means that all
12 the sessions will probably -- there will be concurrent
13 sessions. So there was a lot of interest, which was very good
14 to have.

15 There are still some holes in terms of things that need
16 to be solicited in order to present a complete picture, and the
17 Abstract Committee is working on that over the next few weeks
18 to get that done.

19 I will need the help of Federal Trustees to get
20 invitations out to the Secretaries of Commerce -- well, the
21 Secretaries of Interior and Agriculture, and the head of the --
22 the administrator of NOAA, inviting them to the 10th
23 anniversary and seeking your assistance and seeing what kind of
24 participation we can get next March with that. So any
25 suggestions that you have on how best to approach those folks,

1 I'd appreciate it.

2 CHAIRMAN TILLERY: Mr. Pennoyer.

3 MR. PENNOYER: We can talk about that later, of
4 course, but I mean the assistance you're asking for is helping
5 to write the letter or you're trying to.....

6 MS. McCAMMON: No. I can write a letter. I
7 just can't.....

8 MR. PENNOYER: Okay.

9 MS. McCAMMON: How do you write the letter so
10 they actually come?

11 MR. PENNOYER: You write the letter and we'll
12 take it from there.

13 MS. McCAMMON: And the other -- just a couple
14 more items to note. One is that tomorrow is the grand opening
15 of the Fisheries Research Center in Kodiak. This building was
16 partially funded by the proceeds from the Shuyak Island
17 acquisition with the Kodiak Island Borough.

18 And so, although the Council didn't directly fund it,
19 one of the conditions of that acquisition was that the Kodiak
20 Borough use some of those funds to help pay for that building.
21 So they are having a grand opening tomorrow. Representative
22 Young will be there. Mr. Pennoyer will be there, and it's my
23 understanding and everyone in Kodiak's understanding that
24 Mr. Rue will be there.

25 MR. RUE: Wrong.

1 MS. McCAMMON: Better pass that on.

2 MR. RUE: Mr. Clasby will be standing in for
3 me.

4 MS. McCAMMON: Okay.

5 CHAIRMAN TILLERY: Yeah. I'd also note that
6 there is, I believe, \$3,000,000 was contributed from.....

7 MS. McCAMMON: That's correct.

8 CHAIRMAN TILLERY:the State criminal
9 restitution funds for the Fisheries Tech Center.

10 MS. McCAMMON: That's correct.

11 MS. McCAMMON: In Cordova next week, a
12 Subsistence Conference with elders and youth from all of the
13 villages in the spill region will be held from August 19th
14 through the 22nd, Wednesday through Saturday morning. This is
15 one that's been in the works for about a year and a half. We
16 have a number of the principal investigators from projects
17 meeting there giving the results and information from their
18 research efforts and having some dialogue and discussion with
19 Native elders and youth from throughout the spill area. So I
20 think this will be a -- we're really looking forward to this.
21 Bob Spies will be there, Stan and myself will be there. I
22 think it should be a good opportunity to have a real
23 interesting exchange.

24 And this one last item is the nominations for the next
25 session of the Public Advisory Group, the next two year

1 session. The nominations are due by August 21st, so probably
2 on September 29th on the agenda also will be the appointments
3 to the Public Advisory Group at that time. So if you know of
4 anyone who has expressed interest to you or if there is anyone
5 in the audience now who is interested in this, they can contact
6 the Restoration Office for applications and information on
7 this. And that concludes my report.

8 CHAIRMAN TILLERY: Okay. Thank you. Are there
9 any comments or questions from either Barry or
10 Commissioner Rue?

11 MR. ROTH: None for me.

12 MR. RUE: No, not for me.

13 CHAIRMAN TILLERY: And from any Council member
14 in Anchorage, any questions or comments?

15 (No audible responses)

16 CHAIRMAN TILLERY: Okay. Thank you. We will
17 move now to the public comments session. My understanding is
18 that we have Cordova, Juneau, and Homer on the line. Is there
19 any other.....

20 MR. KOMPKOFF: You have Chenega.

21 CHAIRMAN TILLERY: Chenega is on the line also?

22 MR. KOMPKOFF: Uh-hum. (Affirmative)

23 CHAIRMAN TILLERY: Is there any other community
24 on the line?

25 (No audible responses)

1 CHAIRMAN TILLERY: Okay. We have a number of
2 people here in Anchorage who wish to make comments. We also
3 have a very full agenda today. We'll be going through all the
4 Work Plan, and so what I would request is that everyone limit
5 their comments to about three minutes so we can get through
6 this. What I'd like to do is start with Chenega.

7 MR. KOMPKOFF: Okay. This is Pete Kompkoff
8 from Chenega Bay. The Chenega community members would like to
9 see the restoration funds used by creating projects such as
10 transplanting kelp, black seaweed for subsistence use and
11 creating scallops beds. We would also like completion of
12 Atua (ph) Bay trail. This project was started in 1996 and
13 funds were awarded from the Trustee Council in the amount of
14 \$300,000, but the trail only was one-third complete, so it
15 would really -- we would really like to have that trail
16 completed and continued funding for that. I don't know what
17 the problem was with the Economic Development Council, but the
18 fund didn't last that much to complete the trail.

19 The funding also for restoration of O'Brien and
20 Anderson Creek here in Chenega, we'd also like to see those
21 funded. And also we'd like to have, if we can, a funding for
22 subsistence warehouse for processing wild game and fish for the
23 community of Chenega. That concludes my comments for today.

24 CHAIRMAN TILLERY: Okay. Thank you. I would
25 note that I believe that the trail was done with State criminal

1 restitution money under Marine Recreation Project, which is not
2 a Trustee Council approved project.

3 MR. KOMPKOFF: Oh, okay.

4 CHAIRMAN TILLERY: Are there questions or
5 comments from Council members?

6 (No audible response)

7 CHAIRMAN TILLERY: Okay. Thank you,
8 Mr. Kompkoff. Is there anyone else in Chenega who would like
9 to make a comment at this time?

10 MR. KOMPKOFF: No, not at the time. Most
11 everybody is in Anchorage right now. They're doing some
12 business up there, so.....

13 CHAIRMAN TILLERY: Okay. Well, thank.....

14 MR. KOMPKOFF:maybe they'll stop in.
15 Thank you very much for.....

16 CHAIRMAN TILLERY: Thank you very much.

17 MR. KOMPKOFF: You betcha. Bye.

18 CHAIRMAN TILLERY: Is there comments from
19 anyone in Homer?

20 MS. BRODIE: I'm just listening. Thanks. You
21 folks all know what I think.

22 CHAIRMAN TILLERY: That was Ms. Brodie.

23 MS. BRODIE: Pam Brodie.

24 CHAIRMAN TILLERY: Okay. Yeah. Everyone
25 should be sure and give your first and last name for the record

1 when you make a comment. Are there comments from Juneau?

2 (No audible responses)

3 CHAIRMAN TILLERY: Is there anyone in Juneau?

4 MR. RUE: Except for Frank, no, I don't think
5 so.

6 CHAIRMAN TILLERY: Okay. All right. Thank
7 you. Are there any comments from Cordova?

8 CORDOVA LIO: Hang on a second. Yes, there
9 are.

10 CHAIRMAN TILLERY: Okay. Could someone go
11 ahead?

12 MS. SHAW: Yes, good morning. My name is
13 Cheri Shaw. I'm Executive Director for CDFU and I'm here to
14 give a brief testimony on the CDFU and RSPA Salmon Market
15 Recovery Program Proposal submitted to the Trustee Council for
16 consideration.

17 Please refer to Proposal 99443-BAA on page B-9 in your
18 Draft Work Plan. The Executive Director's preliminary finding
19 is not to fund this program. The rationale behind this
20 decision seems to be a legal issue as to whether this type of
21 program can be funded under the terms of the settlement
22 agreement. It is argued that we can make this proposal fit
23 within the confines. As pointed out in the addendum letter
24 sent to each of you on July 31st, full recovery of salmon in
25 the Prince William Sound requires the vital component of market

1 recovery.

2 CDFU and the CRSPA request that the Trustee Council
3 place Proposal 99443-BAA on the deferred list until December so
4 we may re-write portions of our proposal to be in full
5 compliance of the settlement agreement. I don't need to tell
6 you how much funding this proposal would be, not only to the
7 commercial fishing industry in the oil affected areas, but also
8 to the coastal communities and support services that livelihood
9 in this region.

10 The commercial fishing industry has struggled for many
11 reasons in the recent past, but the onset of the market decline
12 can be directly related to the Exxon Valdez oil spill of March
13 1989. Once again, CDFU and CRSPA request this proposal be
14 placed on the deferred list until December, allowing time to
15 massage and re-work the proposal for compliance.

16 I would be happy to answer any questions you may have,
17 and thank you very much for your time and consideration.

18 CHAIRMAN TILLERY: Okay. Thank you, Ms. Shaw.
19 Are there questions or comments from Council members?

20 (No audible responses)

21 CHAIRMAN TILLERY: Mr. Pennoyer, you look
22 pensive. No?

23 MR. PENNOYER: No, not at this time.

24 CHAIRMAN TILLERY: Okay. Thank you very much.
25 Are there additional comments from Cordova?

1 MS. RIEDEL: Yes, Mr. Chairman. My name is
2 Monica Riedel, and I'm the Executive Director for the Alaska
3 Native Harbor Seal Commission, and I have a couple of comments
4 for Council.

5 First of all, I'd like to comment on the restoration
6 reserve briefly. I think that we've come a long way with
7 having more community involvement in the direction, and I
8 applaud Nanwalek and Port Graham for their comment on setting
9 aside \$20,000,000 for a community based project. I think that
10 resource users should be co-developers in all research that
11 happens pertaining to our communities, and I think that's the
12 right direction to go.

13 Regarding having the Trustee Council leave a legacy, I
14 think they should strongly emphasize a long-term stewardship
15 and monitoring program, again, co-developed by resource users
16 heavily impacted by the spill, especially in subsistence arena.

17 I would like to request that the Executive Director
18 give a community report on just how the PIs are involving local
19 people in the research. Especially I would like to know how
20 many local folks are hired to do research in the communities.

21 I don't see a lot of progress in that area and a couple
22 of years ago the Executive Director directed the PIs to contact
23 communities to involve local users in their research. And to
24 date, I do not see a lot of our folk hired in the research
25 area. I see a lot of Outside folks coming into Prince William

1 Sound, and personally, as a spill impacted member, I don't
2 think that's very wise use of our local resources.

3 And let's see, I do have a comment on the project which
4 the Harbor Seal Commission has been proposing for three years
5 in a row now. It's called the Community-Based Harbor Seal
6 Research. This research was designed and developed by local
7 hunters to get involved in the research process. I understand
8 there are some issues to be addressed and we are addressing
9 them and we've been directed to integrate with ADF&G on them,
10 and I have not seen them being directed to integrate with us.

11 I strongly believe that we should not postpone this
12 research because it has been brought so far, it has been
13 developed, and it is a community based research project which
14 will definitely head in the right direction for involving local
15 people and training them.

16 One last comment, I would like to commend the Council
17 for its stance on the Youth Area Watch Program. I think,
18 again, if you do want to leave a legacy, training the youth in
19 long-term monitoring and stewardship is the only way to go.
20 And again, if you keep on that track by encouraging young
21 people to get into this process, I think you will leave a
22 legacy.

23 And I have to commend Molly McCammon for her extensive
24 involvement with the communities again. And thank you very
25 much.

1 CHAIRMAN TILLERY: Okay. Thank you, Monica.

2 Are there questions or comments from Council members?

3 (No audible responses)

4 CHAIRMAN TILLERY: Okay. Thank you. Are there
5 other people in Cordova who wish to comment at this time?

6 CORDOVA LIO: This is the director at the LIO.
7 Can you return to us? I had somebody just call in and is
8 running down here as fast as she can.

9 CHAIRMAN TILLERY: Yeah, that's fine. What I
10 will do for everyone's benefit is we will go through Anchorage
11 next, and then I'll come back through the other locations one
12 more time. So.....

13 CORDOVA LIO: Thank you.

14 CHAIRMAN TILLERY: Okay. In Anchorage, I
15 believe that Keith Kornelis wishes to comment?

16 MR. KORNELIS: My name is Keith Kornelis. I'm
17 with the City of Kenai and Public Works. And the city has
18 asked for on two projects -- put in an application for two
19 projects. Basically both projects are to protect the dunes in
20 the wetlands around the mouth of the Kenai River. We have
21 quite a -- a lot of people that come down there to do
22 dipnetting besides other recreational purposes. I do have some
23 photos, but instead of going through -- taking the time to go
24 through that, I'll go real quick.

25 We have about 15,000 -- or the State of Alaska

1 Department of Fish and Game have about 15,000 permit holders
2 for dipnet fishery. And that's for household, so you end up
3 with like 40 or 50,000 people that are into that fishery. And
4 they catch around 100,000 fish right there in the mouth of the
5 Kenai River during this period of time, and we found that they
6 are doing a considerable amount of damage to the wetlands and
7 the dunes.

8 EVOS provided funding to protect the dunes down around
9 the road on the northside of the river, and it's done a great
10 job. They've provided funding to place concrete piling on both
11 sides of the road thus preventing vehicles from driving up on
12 the dunes and damaging them. That has been a very successful
13 project and the dunes have recovered.

14 The next two projects that we're asking for is to help
15 protect adjacent areas to that parking area on the northside.
16 It's way too small, and we're asking for some funding to
17 provide an additional parking area that would -- get the right
18 photos here, in an area that is adjacent to the last project.

19 These pictures were taken this July, and you can see
20 the vehicles that are up and down the road there. And, of
21 course, the parking lot is completely full. Molly has copies
22 of these pictures. It also shows some of the damage that has
23 been done to the wetlands adjacent to that.

24 So what they're doing is they're -- the dunes are being
25 protected, and they're now starting to park in a lot of areas

1 that are upland, but still in the wetlands areas. And what we
2 would like to do is enlarge this parking area, which would be
3 off to this direction here. We do have a Corps permit already
4 in hand for that. It's been through all the agencies. The
5 Corps permit is for filling that area for parking for
6 recreational use and also for future expansion of our
7 wastewater treatment plant.

8 And that's the first project which we call South Spruce
9 Street Beach parking area, and that is again on the northside
10 of the Kenai River, on the mouth.

11 We have now on the other side is south -- or on the
12 southside, and these are some pictures here of that area. That
13 area is only accessible by 4 x 4 vehicles, pickups. And as you
14 can see from the photos, there's quite a few hundred vehicles
15 that do end up going over there. This is the panoramic -- a
16 view of the area over there. And I took some other pictures
17 that show actual damage where the vehicles are driving up on
18 the dunes and into the wetlands and damaging those areas.

19 This also is another problem in this area that there
20 are private property owners that actually have their property
21 go down to the high tide line, so we have vehicles that are
22 going along the beach on the lower tides, getting to this, the
23 mouth of the river at the higher tides, and then it comes up,
24 the tide comes up to the property line, so the people driving
25 on private property, and they're also driving up in the dunes

1 and into the wetlands to get their vehicles back to the roads
2 so they're not trapped by the tide.

3 So our project that we're requesting here is for an
4 access road from Cannery Loop Road onto -- down to the
5 southside of the Kenai River mouth, and then a parking lot to
6 provide an area for these vehicles to park. Some of these
7 pictures are not -- besides the damage it has done to the
8 wetlands and to the dunes, there's also the problem we have
9 with sanitation, trash. There are no restroom facilities back
10 there. It would be hard to provide it in the existing
11 circumstances because of the tide. We'd need an area to get it
12 up off the tide. And it's also hard for us to manage those
13 fisheries. So I think that's the other project.

14 The last set of slides here kind of show the EVOS
15 project -- it shows the EVOS project, that it was a success.
16 In 1996, when the fishery really started going, the city closed
17 the road, and they actually put in a gate that prevented people
18 from going down the road. And this created quite a problem for
19 the fishery, so we applied for a grant with EVOS, and they gave
20 us the funding to haul and place these concrete piles alongside
21 the road to keep vehicles from going up on the dunes. And it
22 was very successful. As you can see in these pictures on both
23 sides of the road, the vegetation has come back.

24 The thing that we're trying to do now is try to handle
25 the debris on the beach. There's some pictures here, this is

1 not this year's pictures, though, but last year's of people
2 actually cleaning fish on the beach and also of the trash and
3 the problems.

4 The Department of Fish and Game has been very
5 cooperative with us. Of course, it is a State fishery. And so
6 they came through this year with some fish dumpsters and some
7 signage, and actually a Fish and Game Wildlife officer is
8 helping. The city hired another police officer to help patrol
9 down there.

10 So our projects, both of these projects, are for the
11 State fishery, and we're trying to provide access in some form
12 of rational use down there with these people, these hundreds of
13 thousands or these tens of thousands of people that are coming
14 down trying to catch all these fish.

15 And as far as access on the southside, we're very much
16 open to which route to take or how to get there. Basically,
17 we're just trying to provide a service to these people.

18 With that, are there any questions?

19 CHAIRMAN TILLERY: Are there questions or
20 comments from Council members? Mr. Wolfe.

21 MR. WOLFE: Mr. Chair, the property that is
22 being damaged, the dunes and wetlands areas, is that State land
23 or city land or.....

24 MR. KORNELIS: There's private land and there's
25 city land. A large portion of the area on the end out near the

1 mouth is city-owned land, a big parcel. There would be no
2 actual right-of-way -- or taking of private property until that
3 is required.

4 CHAIRMAN TILLERY: Mr. Kornelis, that city
5 land, is that in a protected status?

6 MR. KORNELIS: I don't know the answer to that
7 question. The city owns the property. There are restrictions
8 on it, yes. There's planning and zoning restrictions. Most of
9 it is wetlands. In fact, most all of it is wetlands, so the
10 city owns it and cannot be developed without -- well, the city
11 owns it, it would be something the city would have to do to it,
12 so it's restricted by City Council, I guess you could say.

13 CHAIRMAN TILLERY: Other questions?

14 (No audible responses)

15 CHAIRMAN TILLERY: Okay. Thank you very much.
16 Appreciate it.

17 MR. KORNELIS: Yes.

18 CHAIRMAN TILLERY: Mr. Grimes.

19 MR. GRIMES: Good morning. My name is
20 David Grimes, G-r-i-m-e-s, from Cordova. And it's nice to see
21 everybody this morning. Molly, it's great to see you looking
22 very well indeed.

23 Let's see, my comments can be summarized pretty much as
24 follows; habitat, habitat, got to have some habitat. Prince
25 William Sound is a very special habitat. Copper River Delta is

1 a very special habitat. Habitat, habitat, got to have some
2 habitat.

3 One of the things that I was going to talk about
4 briefly is the possibility of the Trustee Council extending the
5 restoration boundaries to include the entirety of the Copper
6 River Delta. And mostly with the idea that ecosystem
7 restoration in the oil spill region requires restoration
8 boundaries that are based on ecosystems. And the ecosystems
9 impacted by the oil spill are sort of our restoration
10 responsibilities, so it's our feeling that the current
11 boundary, which include -- where the line is drawn down one
12 side of the Copper River, it doesn't really recognize what we
13 know scientifically about ecosystem boundaries and restoration
14 as a general idea.

15 Then the other thing, sort of, we've already recognized
16 this with our -- the ecosystem bulletin that's being published
17 now which recognizes that the Prince William Sound and the
18 Copper River are a greater ecosystem and the partnership which
19 is signed on by Alaska Department of Environmental
20 Conservation, Alaska Department of Fish and Game, Department of
21 Natural Resources, the Bureau of Land Management, Chenega
22 Corporation, Chitina Native Corporation, Minerals Management
23 Service, U.S. Geological Survey, U.S. Fish and Wildlife,
24 Chugach National Forest and Wrangell/St. Elias Park and
25 Preserve.

1 The purpose, and I quote, is to promote an ecosystem
2 perspective for the use and management of natural and cultural
3 resources land and water with the -- in the hope that better
4 resource management decisions will be the result. 'So I guess
5 that's my general sense of why we would like to see the Copper
6 River Delta as a part of the restoration boundaries.

7 Also, as you all know, sea otters, now the largest
8 concentration in North America is in the Delta, those came from
9 Prince William Sound, as the species has been recovering. The
10 Copper River salmon fishery is world-renown, and it's, indeed,
11 the only -- it's the main fishery in this greater ecosystem
12 that wasn't impacted by the oil spill.

13 And in addition, this area of Copper River Delta and
14 extending east is the ancestral home of the Eyak nation, the
15 Natives indigenous to this region, and who wish to see the
16 ecosystem conserved for restoration, subsistence, and
17 spirituality.

18 And then I would just briefly touch on that, as you
19 know, where the Trustee Council has had some informal meeting
20 with Dr. Shin from Korea who is now the -- who owns the
21 economically viable portion of the historic Bering River Coal
22 Fields. These coal fields, which were central to the
23 conservation lives of Teddy Roosevelt and the first head of the
24 Forest Service, Giff Pinchot.

25 And we believe that a conservation deal securing

1 Dr. Shin's coal rights would certainly preclude coal
2 development of the mine supports power projects in this
3 extraordinarily rich and productive wetlands.

4 We think it's great that there's a willing seller.
5 When we had first contacted Dr. Shin and then found that he was
6 interested in pursuing the idea of a conservation deal, we had
7 then contacted Phil Janik and Deborah Williams earlier this
8 year. And we've gotten a letter back from Phil Janik saying,
9 well, you know, we would be glad to meet with Dr. Shin to
10 discuss ideas for exchange or purchase of the coal field. As
11 you know, the Bering -- I'm quoting from Phil's letter now, and
12 as you know, the Bering River Coal Field is presently outside
13 the defined Exxon Valdez oil spill affected area of primary
14 restoration emphasis, but in the future, the oil spill affected
15 area may be expanded by the Trustee Council. They may consider
16 expanding the area to include the vicinity of the Bering River,
17 thus the protection for this area could be explored using
18 settlement funds.

19 So this was why we had felt it was useful to bring this
20 to the Trustee Council. It makes sense to me that this greater
21 ecosystem would certainly be within the restoration abilities
22 of the Trustee Council.

23 I guess I would say, in closing, if the Trustee Council
24 feels like they're not able at this time to go over there, I
25 would certainly ask the governing agencies, the Forest Service

1 or Interior or the State agencies to consider other means by
2 which conservation deals in this area could be done. And I
3 know during that informal meeting back in May when someone at
4 the Trustee Council said, well, what is the Forest Service
5 opinion about these areas, I know Mr. Wolfe said, well, you
6 know the Forest Service is extremely interested in what we
7 might be able to do in that area. Whether the Trustee Council
8 is the means or not, we'll have to see. So hopefully, you will
9 find ways to do this.

10 I'm very excited when someone like Dr. Shin steps up
11 and says, listen, there's all kinds of things we could do here,
12 but this is one of the great places in the world, and I'm ready
13 to do something for conservation. So thank you.

14 CHAIRMAN TILLERY: Thank you. Are there
15 questions or comments for Mr. Grimes? Mr. Wolfe.

16 MR. WOLFE: I was waiting for someone else to
17 step up first.

18 CHAIRMAN TILLERY: You're at bat.

19 MR. WOLFE: I'm at bat. Well, this is probably
20 as good a time as any to address what we've basically concluded
21 at this point in time with respect to whether we have a basis
22 for expanding the oil spill area, and if there is a basis for
23 us to recommend proceeding with some acquisition of the coal
24 fields. And at this point in time what we will acknowledge is
25 that -- and have always known is that the Copper River Delta

1 does have a lot of resources and services that were injured by
2 the spill. But we were -- basically, based on the information
3 we have, unable to make the link, a direct link between these
4 resources and services and the spill itself, other than if you
5 want to deal with it from a replacement standpoint. And we
6 haven't seen any justification for that yet.

7 Secondly, acquisition of the subsurface coal resources
8 would only provide for limited restoration benefits, as it
9 would not result in protection of the surface resources as most
10 of you know. This is to be, if we understand it right,
11 primarily subsurface coal mining activities. There certainly
12 would be some disturbance.

13 And probably, very important to this, is the fact that
14 the principal land owner has come to us, and they also own some
15 surface or non-subsurface coal rights as well as other
16 subsurface estates in the area, and they have indicated a
17 strong willingness to not sell any property in that area.

18 So at this point, you know, we know the future
19 development of the coal reserves could result in some impacts
20 to the resources in the area. We can only speculate on the
21 impacts that this would have on the oil spill injured resources
22 and surfaces from the Sound where the spill did occur. And on
23 this basis, we -- and given that one of the principal land
24 owners involved in this deal would have to be the surface
25 owner, and not being a willing seller, we wouldn't be in a

1 position to recommend that we proceed with any activities
2 dealing with acquisition of the coal fields at this point in
3 time.

4 As for expanding the boundary of the oil spill, we
5 don't have any basis at this point in time to push that issue.
6 If others see the need, you know, at a later date or based on
7 other findings, then we can do that, but we have limited time
8 and resources to dig into this, but what we've found at this
9 point, that's what we concluded.

10 MR. GRIMES: Jim, could I just.....

11 CHAIRMAN TILLERY: Okay, thank you, Mr. Wolfe.
12 Are there other Council members that have comments or
13 questions?

14 (No audible responses)

15 CHAIRMAN TILLERY: Commissioner Rue or Barry?

16 MR. RUE: No.

17 CHAIRMAN TILLERY: Okay. Thank you. If you
18 want to have -- we're kind of running out of time, if you want
19 to have a dialogue.....

20 MR. GRIMES: Yeah. I just had two very quick
21 questions.

22 CHAIRMAN TILLERY: Perhaps you could speak to
23 him when we get a break, but we really kind of have to move
24 more at this point.

25 MR. GRIMES: Oh, okay. Well, my only question

1 was right now in the oil spill region, dealing with village
2 corporations you've only secured surface rights but not
3 subsurface, but that didn't prevent you from going ahead and
4 doing those deals, so I would -- just because you can only get
5 subsurface only or surface only, obviously you can still do
6 things for restoration. That's all.

7 CHAIRMAN TILLERY: Thank you, Mr. Grimes.

8 MR. GRIMES: Thank you.

9 CHAIRMAN TILLERY: Okay. And, Mr. Steiner, I
10 believe you're next.

11 MR. STEINER: Out of the interests of common
12 human decency, I will not try to emulate my colleague's musical
13 rendition of restoration policy.

14 Very quickly, Molly, it's good to see you back. I had
15 a number of things I wanted to touch on, and hopefully I'll
16 have enough time to get to most of them.

17 First of all, I was glad to hear that Senator Murkowski
18 will be sitting down with the Trustee Council, and I recommend
19 strongly that he and the rest of the delegation be taken on a
20 site visit throughout the entire oil spill region to actually
21 see firsthand the habitat protection and the restoration
22 projects that you folks have funded. There's nothing like
23 seeing it firsthand.

24 The big issue I wanted to bring up today is you focused
25 a lot over the last several years on private land protection in

1 the region, and now I ask that you to focus some attention on
2 public land protection in concert with the private lands that
3 have been protected, and that is mainly through the Chugach
4 Forest Plan that's being revised at present.

5 The Federal Government can without spending a dime,
6 almost, protect a lot of the Chugach National Forest lands that
7 were also injured by the oil spill, and that is by protective
8 designations such as National Monument, Knight Island area,
9 wilderness designations that have been studied for many years
10 by the Forest Service.

11 So what I'd ask is that the Trustee Council assert
12 itself, its restoration objectives in this Federal land
13 management process by a very strong letter, not demanding, but
14 recommending strongly that the Forest Plan be as restrictive
15 and protective in keeping with a restoration objective as
16 possible. We don't have to spend a dime on it, but it's
17 something I think that would be consistent with what you've
18 done with habitat protection throughout the region anyway.

19 Secondly, the \$100,000,000 reopener from the year 2002
20 to 2006, I wonder if you've determined yet whether to go after
21 that or not from Exxon. And I'm looking at Craig, but anyone
22 who wants to answer that?

23 CHAIRMAN TILLERY: Well, why don't you go ahead
24 and I can address that, so.....

25 MR. STEINER: Okay. Thank you. And I guess my

1 statement then would be, I ask humbly and firmly that you do go
2 after that. I think the science that you've done, the hundreds
3 of millions of dollars that you've spent on science has
4 certainly indicated a basis to go after this \$100,000,000
5 reopener clause from Exxon.

6 So next, the Trans-Alaska Pipeline Liability Fund has
7 another \$150,000,000 sitting in it that Senator Stevens has
8 proposed that the interest off of that money be allocated to
9 the Denali Commission. That money was collected in Alaska, and
10 my opinion is strongly for Alaska potential environmental
11 impacts from the Trans-Alaska Pipeline. It's still waiting to
12 be rolled into the new oil spill liability trust fund as a
13 result of Open-90. It's waiting because of the American Trader
14 Claims has not been paid yet out of Huntington Beach.

15 I would ask that the Trustee Council send Senator
16 Stevens a letter requesting that that money, that just a simple
17 amendment to Open-90 that short circuits that transfer to the
18 oil spill liability trust fund and keeps it -- gives it to the
19 Trustee Council, keeps it here in Alaska for use for
20 restoration programs.

21 Next, I had a meeting recently with an official at
22 Chugach Alaska Corporation who indicated that they would be
23 willing to consider either the exchange -- or they would be
24 willing to consider a discussion of potential conservation
25 options on subsurface estate under the village corporation

1 lands on which, they indicated to me, there was a distinct
2 development opportunity for them, under Chenega lands it was
3 specifically pointed out to me, so that needs to be taken care
4 of.

5 And even some conservation opportunities on the surface
6 estate, primarily under the Bremner River area, which is within
7 the Wrangell/St. Elias National Park boundaries. And it was
8 indicated to me that they would be interested in exchanging
9 some interest in these for Federal surplus properties
10 elsewhere.

11 Let's see, that's essentially it. Real quickly, the
12 Bering River opportunity, I hope that the Trustee Council can
13 take up and consider seriously. And if not, I would echo
14 Mr. Grimes in asking that the Federal and State agencies
15 represented here would consider other alternatives. This is an
16 opportunity I hope that we don't pass up.

17 Lastly, another question if I could just ask and you
18 can answer if you want, and that is the Federal criminal
19 restitutionary funds, I understand there is several million
20 dollars left there.

21 Those funds, the criminal restitutionary funds, as all
22 of us know, were collected to be spent as an emergency account
23 in October of 1991. I understand the notion of hanging onto
24 some monies, but the criminal restitutionary funds were, at
25 least the pitch that Charlie Cole made in front of the court

1 that day very eloquently is, Your Honor, we need these monies
2 now, we can't wait for years of litigation. We have to have
3 them in now, put them to work for environmental restoration. I
4 would appreciate knowing how much is left in the Federal
5 criminal pot, and if those monies could be used for the Bering
6 River coal acquisition or other habitat protection projects.
7 And I think that's about it.

8 CHAIRMAN TILLERY: Thank you, Mr. Steiner. Are
9 there comments or questions from Council members?

10 MR. WOLFE: I don't have any at this point.

11 CHAIRMAN TILLERY: Okay. Just one comment with
12 respect to the reopener. That is not an issue that we can
13 actually even address until 2001 in terms of actually doing
14 anything. I believe it's 2001 or 2002, actually doing
15 anything. In the meantime, however, we have put in place
16 procedures in conjunction with Exxon to protect and preserve
17 any documentation, physical samples and so forth that would be
18 relevant to the reopener. So we can't do anything until later,
19 but I think all sides are keeping anything that would be
20 relevant from being destroyed.

21 Are there any other comments? Mr. Wolfe.

22 MR. WOLFE: Just briefly. Just to respond
23 firstly to the Federal restitution. There's very little of
24 those funds that haven't been obligated at this point in time.
25 And if you want some details on where the monies have basically

1 gone and what is available, I'd be happy to sit down with you
2 later, Rick.

3 MR. STEINER: Would you be willing to consider
4 using some of these funds for outside the Trustee Council
5 boundaries?

6 MR. WOLFE: I doubt it. But there's so little
7 left at this point in time, I don't think it would be that big
8 of a thing.

9 CHAIRMAN TILLERY: Thank you, then. The next
10 person is Jim Adams. Mr. Adams.

11 MR. ADAMS: Howdy. I'm Jim Adams from the
12 National Wildlife Federation. Molly, it's nice to see you
13 back. We wanted to talk briefly about moving the Trustees
14 boundary east to incorporate the Bering/Martin River area.
15 Some of the wind has been taken out of my sails with this
16 testimony, but what I thought I heard was that there is room
17 for more investigation of this, that there is a scientific gap
18 that has not yet been fully filled and that the Trustees
19 Council would have room to think about this again when further
20 scientific evidence was brought to them, and I'd like to urge
21 you to keep that option open. I think it's important and
22 beyond that, I guess I'd say a willing seller can in some ways,
23 be a chicken and -- can turn into a "chicken and egg" problem
24 in some ways.

25 You know, obviously you could have a willing seller and

1 that would make things very easy, but my second possibility is
2 that if their boundary was moved, there is more of an incentive
3 for folks to become educated if they see that there's actually
4 an opportunity rather than just a "pie in the sky" speculation
5 by a few whacko environmentalists, then there's more of a
6 chance that they can really consider this and we can protect
7 this area.

8 Finally, you know, this is obviously a political hot
9 potato, as evidenced by your letter to the Times after
10 Murkowski's response to the first meeting on this topic with a
11 few of the Trustees Council people. It's a tough -- it's
12 obviously a hard one to do this without a willing seller, but
13 the Trustees Council's job -- or, you know, the rule is to
14 counteract this vast environmental destruction that occurred in
15 the wake of the Exxon Valdez spill, and this is a shot to
16 really take a good whack at it, not just nibble around the
17 edges. And it's the Trustees Council's job, so I guess I would
18 urge you to step up to the plate. I think there is significant
19 -- to use the baseball analogy that we stated earlier, I think
20 there is significant support as well as opposition to this kind
21 of move, and that the Trustees Council would not be alone when
22 they stood up to do the job that they were appointed to do.

23 Thanks.

24 CHAIRMAN TILLERY: Thank you very much. Are
25 there questions or comments for Mr. Adams?

1 MR. PENNOYER: Thank you.

2 MR. WOLFE: Thanks.

3 CHAIRMAN TILLERY: Thank you. Next is
4 Mr. Giannini.

5 MR. GIANNINI: Hello. My name is
6 Peter Giannini, and I'm a lands attorney employed by Chugach
7 Alaska Corporation.

8 As you know, Chugach Alaska Corporation is a Native
9 regional corporation formed under the Alaska Native Claims
10 Settlement Act. The corporation's boundaries extend from the
11 tip of the Kenai Peninsula all the way along the coast to the
12 141st meridian.

13 It's interesting that we're here. There's been quite a
14 lot of talk about an extension of the restoration area
15 boundary. And it's sort of arisen in an unusual way. It was
16 brought forward by an apparently unsolicited offer by Dr. Shin
17 that resulted in an informal meeting to which we were not
18 invited and had no participation, and has been discussed now at
19 some length, including a report from the Forest Service at
20 public meetings in which there was really no agenda notice that
21 the matter was being brought forward.

22 So we're here talking about the interests of the
23 corporation in really an unusual setting. We're here to say
24 that we oppose the concept of regulating private land through
25 acquisition of private land and then asserting public domain

1 over that.

2 We oppose the extension of the restoration area
3 boundary for that reason, and we wish to reiterate that the
4 board of Chugach Alaska Corporation has gone on record as
5 stating that its Alaska Native Claims Settlement Act
6 entitlements are not for sale. These are land entitlements,
7 land holdings that were hard-fought. They were granted by the
8 Settlement Act.

9 As you know, in the Chugach region, there was
10 litigation that was commenced in the '70s that wasn't settled
11 until the mid-'80s. Those entitlements have not yet been fully
12 fulfilled, and there are many issues remaining to be resolved.
13 We should be talking about fulfilling these obligations rather
14 than reneging on them.

15 The Chugach Alaska Corporation does own the Carbon
16 Mountain tract, which also includes the Bering River Coal
17 Fields. It owns all of the surface and much of the subsurface.
18 And it is inappropriate to attempt to regulate, in any way, the
19 use of the surface or the remaining subsurface by the
20 acquisition of an interest in subsurface. Similarly, it is
21 inappropriate to attempt to regulate the use of the surface
22 through the public ownership and regulation of the surface
23 which was purchased in the William Sound area. We're beginning
24 to understand the implications of that as we participate in the
25 Chugach National Forest planning process.

1 We intend to resist and oppose this, and we urge you as
2 you proceed with your mission to hold fast to that the
3 principle that you set down early on that the rights of private
4 landowners would be protected throughout this process. We
5 would appreciate being full participants in the process and not
6 learn about things in the second, third-hand manner and be
7 visible at every step of the proceeding. And we wish to
8 reiterate that Chugach lands are not for sale.

9 Now, it is correct that Mr. Steiner did have a meeting
10 with Chugach management, and there is not an unwillingness to
11 consider discussions which would involve exchanges of land for
12 other lands of equal value within the region, but at this
13 point, the board's position is clear that Chugach Native lands
14 not for sale.

15 Thank you very much.

16 CHAIRMAN TILLERY: Thank you very much. Are
17 there questions or comments from Council members?

18 MR. WOLFE: Just one thought.....

19 CHAIRMAN TILLERY: Mr. Wolfe.

20 MR. WOLFE:is, you know, it was
21 unfortunate that you were not at our first meeting, and I
22 apologize for that. It was not our intent to leave you out.
23 And hopefully, we haven't left you out. We have heard from
24 you. And this is the first time we have, to my knowledge,
25 publicly discussed this issue, other than just people making

1 comments, so hopefully, you don't feel left out at this point.

2 CHAIRMAN TILLERY: Are there other comments by
3 Council members?

4 (No audible responses)

5 CHAIRMAN TILLERY: Okay. Thank you very much.

6 MR. GIANNINI: Thank you.

7 CHAIRMAN TILLERY: Next we have Ms. Obermeyer.

8 MS. OBERMEYER: Should Mr. Zencey go first?

9 I'd prefer that, sir.

10 CHAIRMAN TILLERY: Mr. Zencey is not on my
11 sign-up list.

12 MR. ZENCEY: But I'd like to be. I think it
13 was brought in before I.....

14 CHAIRMAN TILLERY: Well, we'll get through this
15 again.

16 MS. OBERMEYER: Greetings, especially
17 Mr. Tillery. How are you today, sir? I, of course, have
18 pass-outs. I'd like to give Mr. Giannini one. It's about the
19 profession that you're in, sir. Theresa Obermeyer,
20 T-h-e-r-e-s-a. My middle maiden is Nangle,
21 N as in Nancy, a-n-g-l-e. My last name is Obermeyer,
22 O-b as in boy, e-r-m-e-y-e-r.

23 Let me first mention that it is always so enjoyable for
24 me to see these wonderful people that care so much about our
25 state and conservation. But of course, Mr. Tillery, I marvel,

1 and sir, I think we've only met a couple of other times. How
2 could, sir, any of this have been possible? How could this
3 have been possible, Mr. Tillery? You are a licensed attorney?
4 You know, what I can say is truly, sir, in a sincere way, I
5 live in a 39-year old frontier. Nothing that goes on is
6 well-established. We do not have established institutions, and
7 of course, what I hope for, unequivocally, is that things can
8 go better.

9 I do want to say this to all these nice people; I am
10 hopeful that no one else in this life could be ever be treated
11 as mercilessly as the Obermeyers have been treated over so many
12 years. And I want to say that to you.

13 Let me briefly go over these documents, of course, just
14 to mention I had gone to the Advisory Group Meeting that was
15 held recently, and I passed out to them the document that all
16 of you signed in December of 1996, giving Cliff Groh and his
17 wife Lucy \$475,000. I had come to the meeting in October and I
18 walked in here and there were Cliff Groh, Senior, and Cliff
19 Groh, Junior. And I simply asked at the time why were they
20 here. That was, I think, on October 8th, 1996. I was never
21 given an answer until Rebecca Williams finally faxed to me this
22 document about -- and this is two years later, the document
23 giving the Grohs 475,000 that you all signed. I mean are we
24 this ridiculous. I can say today, Mr. Tillery, here's your
25 signature. Here's your signature. It's right on the document.

1 And did you know what you were signing, sir? Let me make sure.
2 You don't have to answer, but I assume you're very bright. And
3 you must have known that you were signing another campaign
4 contribution for Ted Stevens, that's all it was. And so would
5 you also allow me, today I did not bring the bound volume that
6 has caused all that has happened. And the bound volume has
7 been published all over this nation since 1986. The American
8 Law Reports, Fourth, Volume 57, Page 1195, my husband, Thomas
9 S. Obermeyer's lead case in the Summary of American law. But I
10 hope you all heard my words. Twelve years later nothing has
11 changed. My husband is still paying and writing. And what I
12 have written, if you will allow me to quote, on page 3 of my
13 letter to Carmen Guiterrez. I 'd like to mention finally, and
14 this is at the end of the first paragraph, I conclude that the
15 Alaska Bar rules written specifically to target Thomas S.
16 Obermeyer and the practices of the Alaska Bar Association
17 should be labeled predatory, which is defined as living by or
18 characterized by plundering, robbing, and exploiting others.

19 You know, would you also allow me, it has taken me 14
20 and a half years to believe that any of this could be possible.
21 I grew up in a courthouse. I am a judge's daughter with five
22 siblings that are attorneys. And yes, ladies and gentlemen, I
23 am now being prosecuted by Tony Knowles. I mean I do laugh,
24 and if you'll forgive me, Mr. Tillery, I have to laugh. I must
25 really, at one level, say thank you for the compliment, the

1 millions of dollars that have been spent to try to intimidate
2 my husband and myself. And please read this over. One of your
3 own attorneys, an Alaska public defender, his name is
4 Randall Patterson -- you know, would you allow me sir, lastly,
5 if I only have a moment left, to mention that I'm trying always
6 to be respectful, but you see, Mr. Tillery, young attorneys
7 think this is the way the world works. I think some of these
8 young attorneys who are first generation Alaskans, I begin to
9 question if they even know if they're supposed to tell the
10 truth. Sometimes I worry that they think they're supposed to
11 be paid liars. And in the case of Mr. Patterson, the things he
12 has done to me, to my face, sweet-talking me, it's just
13 unbelievable.

14 So would you kindly read that over, sir, for your own
15 review? I do not believe we're going to have a fair election.
16 The cover sheet is again, about a corrupt court that does not
17 even address unfair campaign issues. We don't even have a
18 beginning here with a court like this. And so what is left?
19 Plundering and exploiting, that's all we can have. But did you
20 have a question, Mr. Tillery?

21 CHAIRMAN TILLERY: No, but let me see, are
22 there any members of the Trustee Council that have any
23 questions or comments for Ms. Obermeyer?

24 MS. OBERMEYER: So it's all crystal clear to
25 Mr. Tillery and Mr. Botelho.

1 CHAIRMAN TILLERY: Well, after we have a chance
2 to read this.

3 MS. OBERMEYER: I am so pleased.

4 CHAIRMAN TILLERY: Thank you.

5 MS. OBERMEYER: Thank you so kindly.

6 CHAIRMAN TILLERY: Thank you, Ms. Obermeyer.
7 Our next commentor would be Dune Lankard. Dune. And again, I
8 would reiterate that we are -- kind of have a busy day, so if
9 you could please keep your comments to about three minutes,
10 that would be helpful.

11 MR. LANKARD: What a day out there. My name is
12 Dune Lankard, that's L-a-n-k-a-r-d. Hello, Molly, everyone.

13 For the record, I'm an Eyak and a Chugach shareholder.
14 And as you know, I live in one of the most incredible places on
15 the planet that is still intact and is still wild and it's
16 still highly productive. I personally would like to see it
17 stay that way. This is really emotional time because I'm about
18 to transfer about 75,000 acres of our Native land over to the
19 government in the name of restoration in the best interests of
20 the public.

21 For the record I would also like to say that I've never
22 agreed to fee simple acquisition of our lands, especially in
23 perpetuity. And I believe that you can still meet your goals
24 of restoration by buying conservation easements or timber
25 rights only without having to buy the land away from the Native

1 people.

2 I've been working on issues along the coastal temperate
3 rain forest for almost the last decade since the oil spill.
4 And I was on the other opposite end of the contiguous temperate
5 rain forest in the headwaters where I met this courageous young
6 woman by the name of Julia Butterfly who's been living in a
7 tree for a little over eight months now. And she got to
8 telling me about her deal with the same government on the
9 opposite end of the forest. For \$380,000,000, about the same
10 money that we're going to protect 750,000 acres of land on this
11 end of the forest, they are only protecting 7,500 acres for
12 \$380,000,000. The problem is out of the 7,500 acres, 33,000
13 has already been clear-cut. That means that 4,500 acres is
14 standing. That 4,500 acres that's being acquired in fee simple
15 title is already protected by the Endangered Species Act. And
16 Charles Hurlwitz (ph) who owns Pacific Lumber, a private land
17 owner just like us, is also receiving about \$600,000,000 in
18 credits, in tax credits. So it's about a billion dollars to
19 protect 7,500 acres of land. You're the same government.
20 You're dealing with private land owners on the opposite end of
21 the same rain forest. And because of the color of my skin, I
22 feel that this is an act of environmental racism towards
23 indigenous peoples of Alaska and of America. I feel that we
24 should be getting the equivalent in the dollars if this is the
25 case because it doesn't seem to me that the inequities are

1 proper at this time. Because I've looked at some of the
2 appraisals and I've studied the issues, and it just seems to me
3 that either we're getting taken advantage of on this end or
4 they're getting taken advantage of on that end.

5 I believe that right now, coming back to this end of
6 the forest with the Asian market crash being what it is, that
7 there is no market for any trees and there is no market for any
8 coal. So I think right now the Carbon Mountain Project makes
9 no sense at all, regardless of what Chugach Management says.

10 And in that very first meeting, there was a board
11 member, Moose Hendricks was available and he was present at
12 that meeting, and he listened intently. And I was hoping that
13 he would go back to his board of directors and talk to these
14 people and let them know, Bob Hendricks I think is his official
15 name but, you know, I was hoping that he would go back there
16 and talk some sense into these people. I think that right now
17 with the situation that is at hand, and I realize that I'm on a
18 time crunch here, but I'm going to try and make it quick.

19 What we're dealing with right now and what you're going
20 to be dealing with, which will become your reality, is what
21 you're going to do with those subsurface rights. Because the
22 subsurface rights in all of the acquisitions on all 750,000
23 acres of land that you have purchased, none of those
24 acquisitions are protecting any of the subsurface rights. And
25 that's going to become a major issue for the State and Federal

1 government. And I think that the best way to address that is
2 like right now.

3 If Dr. Shin is a willing seller of his coal, of the
4 Bering River Coal Field rights that he purchased from the
5 Chugach Alaska Corporation during our bankruptcy, if he is a
6 willing seller and he's willing to conserve this land, then you
7 should take that opportunity and set a precedent for
8 subsurface right acquisition and protection. I also believe
9 that this is a win-win affirmative action for not only the
10 shareholders of the corporation, but the Chugach Alaska
11 Corporation, which is one of the 13 regional corporations in
12 the State of Alaska.

13 I feel that the reason that Chugach got upset about the
14 extension of the boundary was that it created an alternative
15 and a choice for the shareholders through their extraction
16 project. And any time you have an alternative or a choice,
17 then you can demand a vote from your corporation. I feel that
18 if the boundary was extended, that's what Chugach is afraid of.
19 They're not really concerned about the easement right access
20 being taken away from them, otherwise they wouldn't ask for
21 HR3087 or Senate Bill 2088 as a way to circumvent the MOU that
22 they signed with the Forest Service in March of this year.

23 I feel that the restoration reserve monies, if you do
24 not find a way to spend that money and use it for habitat
25 protection immediately, then there is not going to be a

1 \$100,000,000 reopener if you have a restoration reserve bank
2 account. And I've told you this before and I'll tell you
3 again, that if the living forest is the restoration reserve,
4 the intact living rain forest is the restoration reserve, not a
5 bank account.

6 I feel that if we are going to give up 750,000 acres of
7 our Native lands here in Alaska in the spill zone, that you,
8 too, should give up 750,000 acres and help make these
9 inequities match up a little bit better. And I think that
10 without even costing the public a dime, just making sure that
11 you match what we've done, you know, I think we'll really show
12 a lot for the indigenous peoples of this region.

13 CHAIRMAN TILLERY: I'm just wondering if you
14 could wrap it up.

15 MR. LANKARD: Yes, I can wrap it up. And as
16 far as the link goes, I would like, personally, a copy of that
17 report that you just talked about of there being no link
18 between the two regions because it seems to me that with your
19 own science and the buoys that they dropped out in the
20 entrance, your political boundary on the west side of the
21 Copper River didn't stop those buoys from going east.

22 Certainly, that oil spill could have gone west, and
23 your own science proves that. And with the Oil Spill
24 Contingency Plan that is now scheduled for the Copper River
25 Delta, those 500 fishermen there are now stakeholders. They're

1 not just the permit holders of a region of the richest fishery
2 and the planner of one of them. They are stakeholders, and I
3 think that in the best interest of the public, you should be
4 protecting their interest as well.

5 And finally, I believe that restoration is the best way
6 to protect this region in perpetuity right now. I believe that
7 preservation of the land should be a prerequisite to
8 restoration of any kind, and especially with the monies that
9 are limited, I think you have an incredible opportunity to take
10 advantage of a situation and fix it for all of us because you
11 supposedly are the Trustees.

12 I believe that the work that we're doing on the front
13 line in the spill zone where we live, we're the trustees, we're
14 the real trustees, but we have to come to you and asked you to
15 help us. So we plead with you to hear what we're saying, and
16 spend a little bit of time in these wild places because there's
17 nothing like it.

18 These Native corporations and you people together could
19 help reverse the Alaska Native Claims Settlement Act. You can
20 help reverse the net operating lost sales, and how you can do
21 that is by protecting the region. That's how we're going to
22 have sovereignty. That's how we're going to have subsistence.
23 That's how we're going to protect our spirituality. And I
24 believe that it's up to you, and you're in the position to do
25 something, so thank you.

1 CHAIRMAN TILLERY: Thank you.

2 MR. LANKARD: Is there any questions?

3 CHAIRMAN TILLERY: Thank you, Mr. Lankard. Are
4 there questions or comments from Council members?

5 (No audible response)

6 CHAIRMAN TILLERY: Thank you very much. I
7 appreciate it.

8 MR. LANKARD: Have a good afternoon.

9 CHAIRMAN TILLERY: At this time what I want to
10 do is just go back quickly through the other offices, and then
11 I think there was a couple people who didn't sign up originally
12 that might want to make a comment. Is there anyone in Chenega
13 who didn't speak before who would wish to make a comment?

14 (No audible response)

15 CHAIRMAN TILLERY: Is there anyone in Homer who
16 did not speak before who would wish to make a comment?

17 HOMER LIO: No, thank you.

18 CHAIRMAN TILLERY: Is there anyone in Juneau
19 besides Commissioner Rue?

20 (No audible responses)

21 CHAIRMAN TILLERY: Is Commissioner Rue in
22 Juneau?

23 MR. RUE: Yes. There's no one else out here.

24 CHAIRMAN TILLERY: Okay. Thank you. And is
25 there anyone -- I believe there was one person in Cordova that

1 was not there that we anticipated?

2 CORDOVA LIO: Yes, there is now. Thank you.

3 State your name.

4 MS. DRAKE: My name is Sierra Drake. I'm from
5 Cordova. Right now, as I'm a member of the public, I'd like to
6 say that I am partial owner of the Chugach National Forest and
7 that I am fully supportive of extending the boundaries to
8 include the Carbon Mountain and Bering Coal Fields.

9 If we're going to talk science, we should talk
10 watershed because oil travels in water and water is contained
11 in watershed. If we're going to talk watershed, then we should
12 talk about why the boundary is on the west side of the Copper
13 River, just at the bottom part of it.

14 It doesn't make sense to me to put a boundary on the
15 west side of the river. What is the oil going to do, stop at
16 the end of the river and not go overseas to the other side? We
17 all know how watersheds work, and we know that's not what is
18 going to happen. I believe that the boundary is purely
19 political and that it needs to be extended to be more in line
20 with the idea of water shed ecosystems, and that it doesn't do
21 that right now.

22 I fully agree with what Mr. Lankard said about the
23 Native people keeping the title to the land. I see the Carbon
24 Mountain project as -- well, let me back up a minute here.
25 It's really important to me to see that the Native people keep

1 title to the land and that coal mining in the Bering region
2 does not happen because it will degrade the Chugach National
3 Forest, which -- besides the east delta and part of the Chugach
4 National Forest, (indiscernible) in the new east delta is part
5 of the watershed that is protected partially by the restoration
6 boundary, and I don't understand why you protect part of the
7 watershed.

8 Thanks.

9 CHAIRMAN TILLERY: Okay. Thank you very much.
10 Are there questions or comments from Council members for
11 Ms. Drake?

12 (No audible responses)

13 CHAIRMAN TILLERY: Okay. Thank you very much.
14 Is there anyone else in Cordova who has not spoken before who
15 would like to comment?

16 CORDOVA LIO: Not at this time.

17 CHAIRMAN TILLERY: Okay, thank you very much.
18 And in Anchorage, Mr. Zencey.

19 MR. ZENCEY: Hi. I'm Matt Zencey, representing
20 the Alaska Rain Forest Campaign. It's a coalition of local
21 Alaska based and national environmental organizations
22 representing about 14,000 members here in the state and nearly
23 2,000,000 nationwide with the national memberships of our
24 national participants in the coalition.

25 I've never had the pleasure of following

1 Theresa Obermeyer before, and I promise that I'll not utter the
2 word lawyer or the word Ted Stevens in the rest of my remarks
3 if that makes it go down any easier.

4 I'm just here to remind you of our continuing interest
5 in habitat protection through the Exxon Valdez Trustee oil
6 spill process. The Trustee's legacy will be, I think, the
7 protection that you're able to bring to the area affected by
8 the oil spill through the acquisitions that you have made and
9 will make.

10 I was interested to hear Mr. Wolfe's report on the
11 possibility of considering acquisitions further east than the
12 current boundary has defined, and I did want to ask if that
13 conclusion will be presented in any sort of written form and
14 subject to any further kind of public commentary, or is this
15 the only forum in which that finding gets engaged?

16 CHAIRMAN TILLERY: Mr. Wolfe, do you want to
17 address it now or wait until Mr. Zencey finishes his remarks?

18 MR. WOLFE: I don't expect to go any further.
19 If there's a desire for something formal then the Trustee
20 Council will have to approve some funding for us to get into it
21 more.

22 MR. ZENCEY: Well, I hope there is a greater
23 opportunity to discuss the finding that was presented here
24 since it was not noticed to the public, that it was presented
25 orally in about two minutes, and I do think it does has a

1 fairly substantial impact on both the merits of the issue. I
2 mean I think there can be a much greater discussion of the
3 merits of the finding. And it also relates to planning that
4 the Trustee Council would do with restoration reserve.

5 But the question of what happens with the boundary
6 aside, I did want to make two other points with respect to the
7 Bering River area. I did hear the attorney for Chugach Alaska
8 testify that the land is not for sale, but I wondered --
9 something you might want to ask, although we can't do this, I
10 can't ask him directly, is whether easements are something
11 that's potential rather than fee simple or I also heard some
12 favorable language addressed toward the possibility of
13 exchanges.

14 So I would just like to state for the record that we
15 believe that conservation easements can be just as effective
16 and that they offer the opportunity for a win-win arrangement
17 between public values and the interests of a for-profit private
18 land owner, and that we certainly think that the corporation
19 would have an opportunity to fulfill its mission to Native Land
20 Claims Settlement Act by pursuing economic opportunities that
21 might exist through conservation easements.

22 Moving on, again to emphasize our concern that a
23 substantial portion of the restoration reserve be made
24 available for potential habitat acquisitions, there are some on
25 the table that might need more resources, such as the Karluk

1 and the Sturgeon River. There is a willing seller in the
2 Afognak Lake area that wants to talk about easements. There
3 are still -- I think I've heard in the past some concern that,
4 you know, the big deals are done as far as the Trustees are
5 concerned. And I think that's not quite the case, so I would
6 encourage you to keep your options open and in your planning
7 for the restoration reserve, consider making at least a half to
8 three-quarters of that available for this purpose. And that
9 will do it.

10 CHAIRMAN TILLERY: Thank you very much,
11 Mr. Zencey. Are there questions or comments to Mr. Zencey?

12 (No audible response)

13 CHAIRMAN TILLERY: Okay. Thank you very much.
14 I appreciate it. Is there anyone else in Anchorage who has not
15 previously spoken who would like to comment?

16 (No audible responses)

17 CHAIRMAN TILLERY: Okay. We will close the
18 public comment at this time. The next item on our agenda is an
19 executive session on habitat protection. Is there a motion?

20 MR. PENNOYER: I move we go to executive
21 session on habitat protection.

22 MS. BROWN: I second.

23 CHAIRMAN TILLERY: It has been moved and
24 seconded. Is there any discussion?

25 (No audible responses)

1 CHAIRMAN TILLERY: All in favor please say aye.

2 IN UNISON: Aye.

3 CHAIRMAN TILLERY: Okay. The motion passed.

4 We will be going into executive session for purposes of
5 discussing habitat protection. Ms. McCammon, should we
6 anticipate about an hour?

7 MS. McCAMMON: I mean we could probably do it
8 in 45 minutes, too, if you wanted to speed it up.

9 CHAIRMAN TILLERY: But for other people, they
10 want to eat lunch and so forth.

11 MS. McCAMMON: An hour.

12 CHAIRMAN TILLERY: An hour. But I think we
13 will be a fairly quick executive session, so I don't think it's
14 going to be our usual we tell you an hour and we finish up in
15 two hours, so be forewarned. At that point we will then recess
16 and go into executive session and we will convene back here
17 hopefully around 1:15.

18 MR. RUE: Molly, what are you going to do, call
19 us back or.....

20 MS. McCAMMON: Mr. Chairman, everyone needs to
21 hang up.

22 CHAIRMAN TILLERY: Yeah. What do we do?

23 MS. McCAMMON: Everyone hangs up and Barry and
24 Frank will be called back.

25 CHAIRMAN TILLERY: Okay. Yeah, everyone hangs

1 up and we'll call you back.

2 MR. RUE: Thank you.

3 CHAIRMAN TILLERY: Thank you.

4 (Off record - 12:10 p.m.)

5 (On record - 1:20 p.m.)

6 CHAIRMAN TILLERY: The Trustee Council meeting
7 -- are we back on record?

8 COURT REPORTER: On record.

9 CHAIRMAN TILLERY: On record of August 13th,
10 1998. Everyone -- the Trustee Council members are present.
11 Mr. Roth and Mr. Rue are present telephonically. We concluded
12 an executive session at which time we discussed habitat
13 protection as described in the motion going into executive
14 session.

15 The next item on the agenda is the FY99 Work Plan.

16 Ms. McCammon, how would you intend to take us through this?

17 MS. McCAMMON: I'll start. First of all, you
18 have a number of documents, not only in your packet, but also
19 on the desk in front of you. You should have a spreadsheet of
20 numbers only and a recommendation, brief recommendation. You
21 should have a text spreadsheet with more details that's in
22 numerical order. The number spreadsheet is by cluster. You
23 should also have a Spreadsheet C on the table in front of you
24 which includes changes from the spreadsheets that you had in
25 your binder, a new list of projects that are on the deferred,

1 recommended deferred list.

2 MS. BROWN: Are these color coded?

3 MR. PENNOYER: Mr. Chairman.

4 MS. McCAMMON: No, and if you'd like them.....

5 MR. PENNOYER: Can I ask the Executive Director
6 a question?

7 CHAIRMAN TILLERY: Yeah, please. Fine.

8 MR. PENNOYER: I assume as we do this she will
9 refer us.....

10 MS. McCAMMON: We will.

11 MR. PENNOYER:to the pertinent thing when
12 we get to the process.....

13 MS. McCAMMON: Absolutely.

14 MR. WOLFE:(Indiscernible -- simultaneous
15 speech).

16 CHAIRMAN TILLERY: Are we going to go through
17 this kind of in an order that they're in the.....

18 MS. McCAMMON: No.

19 CHAIRMAN TILLERY:written narrative?

20 MS. McCAMMON: No.

21 CHAIRMAN TILLERY: We're not?

22 MS. McCAMMON: No.

23 CHAIRMAN TILLERY: Okay.

24 MS. McCAMMON: No.

25 CHAIRMAN TILLERY: That would be wrong.

1 MS. McCAMMON: We are going by -- what we're
2 going by is by cluster. And you should also have on your table
3 a collection of handouts that go by cluster, too, they start
4 out with pink salmon.

5 CHAIRMAN TILLERY: Could.....

6 MS. McCAMMON: So these are the two documents
7 that we really will be working with and we'll be referring to
8 the others as we go by.

9 CHAIRMAN TILLERY: All my notes are on the.....

10 MR. RUE: Molly, could you summarize which.....

11 MS. McCAMMON: Which ones I'm holding in my
12 hand?

13 MR. RUE: Yes.

14 MS. McCAMMON: I'm holding Spreadsheet A,
15 Executive Director's Recommendation Draft,.....

16 MR. RUE: Okay.

17 MS. McCAMMON:8/5/98.

18 MR. RUE: Hold on.

19 MS. McCAMMON: The numbers workshop or
20 spreadsheet.

21 MR. ROTH: That one I have.

22 MR. RUE: I've got C.

23 MS. McCAMMON: This one is in your binder.

24 MR. RUE: Okay.

25 MS. McCAMMON: It's under, I think, the tab

1 that says numbers, numbers spreadsheet.

2 MR. RUE: Text spreadsheet, public comment,
3 numbers tab. Oh, yeah, yeah, yeah. Okay.

4 MR. WOLFE: Spreadsheet A?

5 MS. McCAMMON: It's 8 1/2 -- yes, spreadsheet.

6 MR. RUE: I've got it.

7 MS. McCAMMON: And then you were -- faxed to
8 you, I believe, this morning, a number of handouts that start
9 with pink salmon, Pacific herring, and it -- they have a lot of
10 little arrows on them?

11 MR. RUE: Yeah.

12 MS. McCAMMON: Okay. Those are the two basic
13 working documents. And then we'll refer to the text
14 spreadsheet as needed, and any additional note -- changes as we
15 go through.

16 MR. RUE: All right. I'm there.

17 MS. McCAMMON: And I'm going to start out with
18 describing a bit about the total recommendation and our review
19 process. And then I've asked the Chief Scientist, Bob Spies,
20 to give a brief description to you of the status of recovery in
21 the spill area and what kind of changes have been noted in the
22 last year. And then both Bob and Stan Senner, the Science
23 Coordinator will be walking us through the individual clusters,
24 answering questions, noting any particular ones that have some
25 particular issue associated with them.

1 But for fiscal year 1999, we received 142 proposals
2 totalling 25.6 million dollars in requests. These proposals
3 were submitted on April 15th following our review cycle which
4 began in January with our workshop at the end of January. At
5 that time, all of the principal investigators and all of the
6 folks involved in our program gathered in Anchorage to share
7 the results of last year's field season and to update each
8 other on the status of their projects.

9 From that workshop, an indication was developed for
10 proposals. We actually solicited some specific proposals in
11 that invitation and then some generic larger type proposals,
12 and then opened it up to any good idea that might be out there.
13 So from that solicitation, 142 proposals were received in our
14 office on April 15th.

15 The target for this year's funding for the annual
16 projects was between 10 and 12 million, so we've been working
17 with that, kind of a range of numbers. Once those proposals
18 were received, they go through a number of review steps. First
19 of all, they go to the Chief Scientist who is in charge of the
20 technical independent peer review. All of the proposals had
21 some form of independent peer review. Some of them had more
22 than one peer reviewer. If the proposal was controversial, if
23 it was complex, if there seemed to be a variety of opinions on
24 a certain approach, rather than just sticking with one
25 reviewer, we tended to have two, and in some cases, we even had

1 three independent reviewers. So they went through an
2 independent review session.

3 In addition, all of the proposals went through a staff
4 review. The staff looks at the proposals to see what is the
5 link to restoration objectives, they look at the budgets, they
6 look at what the project, if it's a continuation project, what
7 the project was supposed to have done the year before, whether
8 it accomplished that, whether equipment was purchased, whether
9 the same equipment is being asked for this year, whether
10 objectives had been met, and it really has followed through
11 whether reports were written, things of that nature. So really
12 looking at it to see if.....

13 MR. PENNOYER: May I interrupt Ms.....

14 MS. McCAMMON: Yeah.

15 MR. PENNOYER: You're talking about the current
16 process of when the proposals are in front of us, but isn't
17 there also a workshop process whereby we're looking at how
18 things go over time during those workshops, like earlier this
19 spring.....

20 MS. McCAMMON: Yes.

21 MR. PENNOYER:when general decisions are
22 made on what is mostly acceptable, what would be acceptable in
23 continuation (indiscernible - interrupted).....

24 MS. McCAMMON: Right. It starts with the
25 January workshop where we have all the PIs gather and give an

1 update on the results of their prior season's work and give a
2 status of their project's accomplishments to date. And from
3 that, we develop the invitation which anticipates some
4 continuation of projects and also solicits some new projects in
5 particular areas. And then it, of course, opens it up to any
6 good idea that might be out there. So from that process and
7 from the invitation, we received 142 proposals.

8 MR. PENNOYER: Thank you.

9 DR. SPIES: We also have a series of workshops
10 depending on what the needs are. For instance, we've got a
11 review of the clam project going on in early October that
12 specifically focuses on that one project to assess the progress
13 and last year we had harbor seal review and a number of other
14 reviews.

15 MS. McCAMMON: We've had specific reviews on
16 modeling, on hydroacoustics, on the herring work; so not only
17 the big review session in January, but also smaller, more
18 targeted review sessions, too.

19 CHAIRMAN TILLERY: Just to remind the people at
20 the table that when you do speak, you do need to identify
21 yourself so the transcript can eventually figure that out.

22 DR. SPIES: I notice I'm limited to three
23 minutes as well.

24 MR. PENNOYER: That won't work.

25 MS. McCAMMON: So the staff review includes

1 more policy review, budget review. And then, of course, the
2 attorneys for both the State and Federal sides look at it for a
3 legal review to see if projects are permissible under the terms
4 of the consent decree.

5 We also at this time take the projects to the Public
6 Advisory Group. They had a meeting in late May, early June,
7 and looked at a draft recommendation and gave some input at
8 that time. Following that review, we get the agency folks in
9 who represent the trustee agencies. They look at a preliminary
10 recommendation and give some input and feedback. Often what
11 happens is our reviews are focused on what is in the proposal
12 before us. Sometimes the proposals aren't complete. They
13 don't answer some questions that people might have or maybe
14 they aren't as well done as they might have been in
15 articulating what the project's purpose and objectives are. So
16 some of that back and forth, we're able to get a lot more
17 information and really develop, hone down the recommendation.

18 From all of that input we develop a draft
19 recommendation. This went out to the public for comment in
20 mid-June. And from that we received, I think, approximately 46
21 public comments. These are included in a summary sheet in your
22 binder under the tab that says Public Comment, and then copies
23 of the individual public comments are included there, too. We
24 take this and had a public hearing here in Anchorage that was
25 also teleconferenced throughout the spill area. It was a sunny

1 day, and here in Anchorage I think we had one person testify at
2 that public hearing. And then the Public Advisory Group also
3 met once again and gave input into the Draft Plan.

4 So based on that, additional input from the agencies,
5 from the Public Advisory Group, from the community
6 facilitators, we then developed another draft recommendation
7 which is before you in Spreadsheet A as amended by Spreadsheet
8 C. And that includes a recommendation at this meeting for a
9 fund, fund-contingent of \$9,928,000 worth of projects and a
10 recommendation to defer \$1,749,000 worth of projects in the
11 Annual Work Plan. So if you -- we're recommending that you
12 take up the deferred projects in December, and these deferred
13 projects have been those that either are awaiting the results
14 of work this summer, we're awaiting a report or a review
15 session this summer or fall, or perhaps they seem to be of
16 lower priority. But we've put them on that list to give you
17 flexibility in December to decide exactly how large of a Work
18 Plan you want.

19 In addition, we'll go through this, there are also some
20 projects that we consider outside of the Work Plan, the Admin
21 Project 99100, the Administrative Science Support Budget, the
22 99126, the Budget for Habitat Protection Support Costs, the
23 Contribution to the Restoration Reserve of \$12,000,000, and
24 then one major capital project to Implement the Kodiak Waste
25 Management Plan, and that one is nearly \$2,000,000. So we'll

1 go through those individually.

2 But that's just a brief summary of the recommendation
3 and the review process that we went through. I'll be happy to
4 answer any questions about it.

5 CHAIRMAN TILLERY: Are there any questions?
6 Mr. Pennoyer.

7 MR. PENNOYER: Mr. Chairman, just some
8 observations. As you mentioned each agency has had technical
9 people working with you as we went along, so I just think it
10 needs to be clear to everybody that we aren't coming to this
11 table simply receiving all this paper at once and sitting here
12 and making informed decisions based on what we might hear just
13 here. These are summaries, and a chance to ask additional
14 questions for additional information that you and the Chief
15 Scientist and others can answer. But we had -- this has been a
16 quite a process, and we've all been involved in it to a greater
17 or a lesser degree. As we've gone along, we've probably had
18 briefing from each of our technical advisors.

19 So it's just, anybody seeing this list here in front of
20 us and thinking we just here at 10:00 o'clock this morning and
21 it's the first time we saw it or had any agency interaction,
22 that needs to be set to rest. That's not what it works.

23 MS. McCAMMON: That's correct.

24 CHAIRMAN TILLERY: Are there other questions or
25 comments from either Mr. Roth or Mr. Rue?

1 MR. RUE: No, it's an impressive amount of
2 work, as usual each year.

3 CHAIRMAN TILLERY: Okay.

4 MR. ROTH: Nothing from here. It's Barry.

5 CHAIRMAN TILLERY: What, I believe, we usually
6 do would be to have your staff walk us through these projects
7 and then at the end we would vote on the Work Plan as a whole,
8 I believe is the way we've done it in the past. Although, I
9 think at one time we did it in clusters, but is there a sense
10 of how we want to do this? Mr. Pennoyer.

11 MR. PENNOYER: Mr. Chairman, certainly the
12 Plan, as a whole, needs to be voted on. I would prefer if we
13 did it in a cluster at the time, anyway. I'm not sure if we
14 have to vote on it, but questions are easier to answer if we do
15 that. And I guess that's what you're intending to do?

16 CHAIRMAN TILLERY: That's what I was kind of
17 thinking, that we would go through it in the cluster and ask
18 questions and so forth, but then we would reserve, sort of,
19 voting until the end and vote on the Plan.

20 MR. PENNOYER: The only question I've got about
21 that is if any of us has a problem with a particular project as
22 you go along, get to the end, then you've got to make your
23 list, I vote yes except for Projects 423, 563. At that point,
24 it becomes a little hard for that to sort it out. I don't know
25 if it will be that, but I mean that's -- like if somebody

1 doesn't like killer whales, do we wait till the end to talk
2 about -- we decide how we're going to go on it? That's the
3 usual one.

4 MR. WOLFE: I think where Steve is headed is
5 kind of where I'm at, is maybe we should vote on clusters, and
6 then if we want to talk about it as a whole later, fine.

7 MR. PENNOYER: Mr. Chairman.

8 CHAIRMAN TILLERY: Mr. Pennoyer.

9 MR. PENNOYER: Sometimes we voted without
10 prejudice to see if a cluster is going to work where you're
11 still holding -- just because you get to the last cluster and
12 you don't have to vote no on that, knowing the whole packet, so
13 it's sort of -- we vote as we go along is sort of a checking
14 point as to where we were, but still the final vote is for the
15 package as a whole.

16 CHAIRMAN TILLERY: Well,.....

17 MR. RUE: This may be a.....

18 CHAIRMAN TILLERY: Mr. Rue.

19 MR. RUE: This may not be any different from
20 what Steve is saying, but what if people note those projects
21 which they want held out of any approval vote, i.e., you're
22 sort of demonstrating the negative. So you vote on everything
23 except ones that have been tagged as needing further discussion
24 and/or deferral, so we don't have to vote, if you know what I
25 mean, until we get till the whole thing, but we will know as we

1 go along if certain projects have been pulled out by anyone.

2 MR. PENNOYER: That sort of works the same way.

3 MR. RUE: Is that what you were suggesting,
4 Steve?

5 MR. PENNOYER: Well, that's just the mechanical
6 way of saying, I think, the same thing. Either way would work;
7 vote or just hold the project out and set it off to the side
8 and -- sure (indiscernible -- simultaneous speech).....

9 CHAIRMAN TILLERY: So we would perhaps go
10 through the clusters. After we finish with the cluster, let
11 people comment and express concerns with any individual project
12 at that time and then when we go through the -- finally, people
13 can in the comments before the vote indicate which projects
14 they might have a problem with and we can pull those out at
15 that time for any vote or.....

16 MR. PENNOYER: Yeah, I think by the time we get
17 to the end we can figure out what we're doing, know what we're
18 doing.

19 CHAIRMAN TILLERY: Okay. It sounds good.

20 MR. ROTH: Only one thing, I'd ask that the
21 Executive Director let me know as we're going through the
22 clusters if there's any difference between Spreadsheet A and C,
23 since I only have A, so I don't know if -- does it change?

24 MS. McCAMMON: We will.

25 CHAIRMAN TILLERY: Well, the rest of us.....

1 MS. McCAMMON: Yes.

2 CHAIRMAN TILLERY:can't follow this
3 anyways, so I ask that she let us know, too. Ms. Brown.

4 MS. BROWN: A procedural question, if the
5 discussion indicates that there will be changes, do we have to
6 formally amend it or can we just take -- will the Executive
7 Director be taking notes and adapt it?

8 MS. McCAMMON: Yes.

9 CHAIRMAN TILLERY: That's the.....

10 MS. McCAMMON: Yes.

11 MS. BROWN: So we don't have to formally.....

12 MS. McCAMMON: Yes.

13 MS. BROWN: Okay.

14 CHAIRMAN TILLERY: That's correct. Mr. Wolfe,
15 did you have something or that.....

16 MR. WOLFE: Well, you know, for some of us who
17 have short memories to come back and discuss the issues later
18 after we go through them and then go through the lump and then
19 come back and then deal with specific issues at one point,
20 probably you're going to lose some of the dialogue that led up
21 to the conclusion. So for whatever it's worth, I really would
22 prefer that we deal with a cluster as we go through it, and
23 then be done with it. And then if we want to go back and vote
24 on it as a group later, fine, but that way the discussion is
25 focused and we don't come back to the same issue.

1 CHAIRMAN TILLERY: Okay. Mr. Pennoyer.

2 MR. PENNOYER: Mr. Chairman, I don't think the
3 intention was to set something aside without a discussion. The
4 intention is to try and resolve differences as we go along. If
5 we can't seem to, then you set it aside. But it works.....

6 CHAIRMAN TILLERY: Yeah.

7 MR. PENNOYER:either way, so it's.....

8 CHAIRMAN TILLERY: Okay. All right, well,
9 let's go through the first cluster and see what happens, if we
10 can get to the end of it.

11 MR. PENNOYER: Let's just start somewhere.

12 CHAIRMAN TILLERY: Okay.

13 MS. McCAMMON: Well, Mr. Chairman, before we
14 start, what I did ask Dr. Spies to do, real quickly, is to just
15 give a brief update on the status of resources in the spill
16 area and note any specific changes that we've noted in the past
17 year. So.....

18 DR. SPIES: Okay. Well, good afternoon. I'm
19 pleased to be here. I'm wondering if we should adjourn to the
20 Park Strip. It's such a beautiful day.

21 Let me run down a little bit about some of the
22 resources and some of the changes we've noted in the past year.
23 I can't be totally comprehensive, of course, that could take
24 quite a long time. But let's start in kind of the order which
25 they're -- the clusters are going to be discussed with the

1 fisheries first of all and pink salmon.

2 The news for pink salmon in Prince William Sound is
3 pretty good. The run is not completely tallied now, but based
4 on the way fish are coming back, it's expected about 23,000,000
5 pink salmon will be back into Prince William Sound. And that
6 is a good return and an improvement over last year. The wild
7 runs are at or above forecast and overall it's a strong return.

8 Pacific herring, another one of the key species, as far
9 as this program is concerned, and certainly key to the health
10 of the ecosystem, there is, in fact, not much of a change in
11 the size of the stock at about 34,000 metric tons is the
12 estimate now, and that's down from about 110,000 metric tons in
13 the early 1990's. We still have occurrence of lesions
14 associated with a viral hemorrhagic septicemia virus that are
15 present in the population at considerable proportions. We also
16 are finding that the impounding of fish actually results in the
17 increase in a viral prevalence in the pound water, and this is
18 a possible source of concern relative to the transmission of
19 this disease to unaffected fish from pounding, so we're
20 continuing to look into that question. And I'll be talking a
21 bit about a new start in that area.

22 In seabirds, the murres were clearly the hardest hit
23 species in the spill. We're showing very robust return to pre-
24 spill levels. Last year, particularly, I see some of the
25 strong cohorts from earlier breeding were starting to show up,

1 and I know Molly and I and Craig Tillery all went out to the
2 Barren Islands, and we saw tremendous numbers of murres
3 roosting on the Barren Islands.

4 However, this year with the warm water conditions, the
5 El Nino conditions that we've had, the nesting activity in the
6 Barrens and also in the Chiswell Islands, which we are
7 revisiting now for the first time since 1993, are not good, and
8 there are not a lot of birds on those colonies. This could be
9 a temporary setback, and we should probably kind of withhold
10 judgment on what's happening with recovery of these until next
11 year when we have a chance to hopefully look at a situation
12 where things are a little bit more normal and there may be more
13 birds, in fact, back on these colonies.

14 Kittiwakes are reflecting kind of the conditions that
15 the murres are experiencing as well. They're a surface feeder
16 rather than a diving bird. They are truly failing to breed on
17 the Chiswell Islands and they're not doing all that well at the
18 Barren Islands this year as well.

19 Also Dr. Irons of the Department of Interior Biological
20 Resources Division has been working very heavily on the data
21 that's been gathered under our boat surveys. And looking at
22 pre-spill conditions in '84/'85 and comparing them to post-
23 spill conditions in '89 through '91, '93 and '96, and the
24 contrasting oil versus un-oiled areas in the Sound, and they're
25 still based on that sort of experimental design, observational

1 design, there are still negative effects apparent in
2 cormorants, golden eyes, mergansers, pigeon guillemots, and
3 murre. Most of these are diving birds, so -- we're seeing
4 patterns there that are consistent with a lack of recovery in
5 those species.

6 The marine mammals, with harbor seals we unfortunately
7 don't see much signs of recovery in the suite of index sites in
8 Central Prince William Sound that are being monitored by Fish
9 and Game. There is some data to indicate, perhaps some of the
10 marginal colonies are doing better, but their overall
11 assessment has to be based on a multi haul-out type approach
12 and over a broad area.

13 We're hoping that the results of the mass balance model
14 that the Trustee Council has supported by Dr. Pimm and Pauly
15 will provide some further insight into what the carrying
16 capacity of Prince William Sound is right now in terms of
17 harbor seals, and also the ongoing work by Kathy Frost and
18 collaborators is looking into various sorts of potential causes
19 for the decline of harbor seals, the ongoing decline, but there
20 has not been a smoking gun yet identified there.

21 With regard to sea otters, the news Sound-wide is --
22 and spill-wide, as far as I know, is quite good. There are
23 good numbers in the Sound, particularly in the southern part of
24 the Sound. Over in the Copper River Delta there is large
25 numbers. That sort of data is available from other sources.

1 However, we're still seeing a reduced number of harbor seals
2 compared to -- excuse me, sea otters compared to pre-spill
3 conditions around the Knight Island Archipelago, in fact, the
4 counts may be quite low again this year.

5 There has been some signs of preliminary indications of
6 recovery with sea otters. At least the way things have gone in
7 California, in the recovering system, there are groups of
8 bachelor males that kind of move into areas as kind of first
9 colonizers. And this has happened two years ago, and there's
10 some indications that there's a group out there in a general
11 area of Knight Island again this year. So this may or may not
12 be a prelude to a kind of further recovery in the Knight Island
13 area. Of course, they're doing a lot of modeling, a lot of
14 other sort of studies of prey basis in that area to try to
15 determine whether there's a potential for further recovery
16 under the current conditions.

17 So that's kind of a snapshot of some of the resources
18 in the area. I'd be glad to answer any questions that the
19 Trustee Council members may have.

20 CHAIRMAN TILLERY: Are there any questions?
21 Mr. Pennoyer.

22 MR. PENNOYER: Sort of, just real quick. Bob,
23 harbor seals, I see a lot of projects in here are sort of
24 interconnected.

25 DR. SPIES: Uh-hum. (Affirmative)

1 MR. PENNOYER: And it's, among other things,
2 one of the examples of something that was probably declining
3 before the spill started, but then was dramatically declined
4 after that. Are we getting somewhere with that? You said
5 there's still no smoking gun, but I guess the reason I'm asking
6 that is that things like sea lions or a similar situation
7 elsewhere in Alaska without an oil spill,.....

8 DR. SPIES: Right, correct.

9 MR. PENNOYER:the decline started about
10 the same time in the '70s, and there's a lot of arguments about
11 the smoking gun, and what we ought to do.....

12 DR. SPIES: Right.

13 MR. PENNOYER:about it, and I'm wondering
14 how these things might relate?

15 MR. SENNER: Yeah. Right now I think one of
16 our hopes, as I mentioned, is kind of quite broad, it give us
17 some perspective on what the carrying capacity is and what
18 changes in oceanography over the long-term have occurred and
19 how those might affect upper trophic levels. And not that the
20 things that we're doing with disease and survival of pups and
21 so on and so forth aren't important, they certainly are. But
22 this sort of information combined with what we're learning
23 about the trophic habits of harbor seals and what they eat and
24 how far they range and so forth, I think might eventually be
25 put together into some greater understanding. I'm hoping

1 personally that some of the things that we may find out on a
2 larger ecological context about harbor seals may be applicable
3 to other marine mammals like Stellar sea lions.

4 MR. PENNOYER: Yeah.

5 CHAIRMAN TILLERY: Mr. Pennoyer.

6 MR. PENNOYER: Mr. Chairman, one of the reasons
7 I asked, of course, is that in Prince William Sound you don't
8 have exactly the same triggering events and trawl, let's say,
9 in the fishers, and so forth until just recently that you have
10 in other parts of the Gulf of the Bering Sea. And if you can
11 find out something about harbor seal carrying capacity, and you
12 come to some conclusion as to what is happening there, it
13 probably would be applicable. At least it would tell us
14 something that we may not have the smoking gun as we.....

15 DR. SPIES: Right. And there's always the
16 opportunity to extend those modeling efforts if they should
17 prove to be kind of a fruitful line of inquiry into other areas
18 like the outer Cook Inlet and perhaps even the Bering Sea. And
19 I know that this modeling effort is going on independently in
20 the Bering Sea right now, and I don't know what the results yet
21 are on that sort of thing.

22 MR. PENNOYER: Thank you.

23 CHAIRMAN TILLERY: Further questions for
24 Dr. Spies or comments?

25 (No audible responses)

1 CHAIRMAN TILLERY: Okay. Thank you, then.

2 MS. McCAMMON: We'll start with cluster by
3 cluster, then.

4 DR. SPIES: Okay. First of all, I'd like to
5 also acknowledge, as Molly has, the hard work of everyone who
6 has participated in developing the Work Plan. We've been
7 working pretty solidly as a team with the reviewers, myself,
8 the staff here at the Restoration Office, and representatives
9 from agencies and other organizations that have participated in
10 the restoration program. And everybody who has worked
11 particularly hard, I'd like to acknowledge, particularly the
12 hard work of Sandra Schubert on the staff here and Stan Senner
13 in going over these things with a fine-tooth comb and being
14 very, very careful about details and follow-up and so forth.
15 It really makes my job a lot easier.

16 Let's start with, as we always have, with the pink
17 salmon, and then the herring and move onto SEA and other
18 ecosystem projects. And we're going to split the presentation
19 today. I'll be talking about the first half of the package and
20 then I'll hand it over to Stan Senner to finish up for me.

21 You've seen that handout that -- I don't know what it's
22 labeled, Molly, but this one here.

23 MS. McCAMMON: Pink salmon.

24 DR. SPIES: But we've broken down under each
25 category a number of different subtopics, and in the case of

1 pink salmon, we have Research and Monitoring, the Toxic Effects
2 of Oil Management Information and Supplementation. I'd like to
3 dwell particularly just on the new starts, and I would be glad
4 to answer any questions about ongoing projects, particularly
5 those that are -- have some research left and, of course, the
6 completions or close-out projects as we called them in the
7 past.

8 Under Research and Monitoring, the Toxic Effects of
9 Oil, I could direct your attention to the third project, which
10 is a start 476. This is a project that's being proposed by the
11 NOAA Auke Bay laboratory, and it's a follow-up on past work.
12 We have looked at using Port Walter as a convenient place to
13 study these effects, look at the effects of oil on straying,
14 and hoping to also get some information on reproductive success
15 on the effects of oil. And reproductive success have carried
16 out a number of projects in the past, including 191B and 076.

17 The primary goal of 076 was a straying project, and it
18 did document and has shown trends strong trends of a negative
19 effect of oil on strain and survival of the pink salmon that
20 were exposed as eggs. Unfortunately, the way the logistics on
21 that program worked, they had to use coded-wire tags for the
22 fish and for the different exposure groups to keep track of
23 what fish were in what group. And to do this, the eggs and
24 sperm had to be stripped out and then held in the cold until
25 the coded wire tags could be identified. And this

1 unfortunately resulted in gametes that weren't optimally suited
2 for the experiments.

3 So 476 is -- as often what we have to do in science is
4 going back and repeating and focusing in on just two particular
5 exposure groups, an oil and the unoiled group. And then
6 they'll be fin-clipped tagged and we won't have to go through
7 the problems of the coded-wire tag, decoding and holding the
8 gametes with that kind of approach.

9 So that's the start. I'm endorsing that project and
10 recommending it because I think we need to complete the loop on
11 the potential effects of oil on pink salmon on the early
12 reproductive stages as well as survival through adulthood.

13 The second subgroup there is the Providing Management
14 Information, and I'd like to direct your attention on the last
15 two projects in that group, 366 and 367. 366 is a proposal to
16 put a remote video system on the outlet of Desire Lake and to
17 couple that with a weir system that's manned over a period of
18 about two months. And the object of this proposal would be to
19 develop remote video monitoring as a possible enhanced tool for
20 management. And we've endorsed, sort of, in this process
21 things outside of our normal agency management that have
22 developed new tools such as otolith mass marking so they could
23 be used to better manage an injured resource. And this is a
24 case of something -- there has been in the past a number of
25 efforts to photograph or otherwise record, mechanically, fish

1 escapements in Alaska, but this is -- the video monitoring is
2 taking us to kind of -- to a new level of development
3 eventually aimed at having complete unmanned systems with
4 microwave relays back to Fish and Game Management Headquarters.

5 CHAIRMAN TILLERY: Mr. Pennoyer.

6 MR. PENNOYER: Were you done with that or did
7 you have something else to say?

8 DR. SPIES: That's all I had to say about that
9 particular project, yeah.

10 MR. PENNOYER: I was just going to ask you,
11 just out of interest, this is certainly been something that's
12 been talked about in a lot of places. We have questions of
13 winter populations of sea lions in rookeries, for example. A
14 terrible time flying and getting out -- danger as well has
15 weather problems getting intense. And it's been talked about,
16 remote video cameras and satellite telemetries. This has been
17 around for quite a while.

18 DR. SPIES: Right.

19 MR. PENNOYER: Time-lapse photography in
20 Bristol Bay of sockeyes escapements back in the late 1950s. So
21 what's new about this in terms of something different to do
22 other than just what we normally have been doing all along? I
23 haven't actually gotten a.....

24 DR. SPIES: Stan Senner has spent considerable
25 time with this particular project with Fish and Game and also

1 with our reviewers, and he could probably provide a little bit
2 more detail to answer your question.

3 MR. SENNER: Okay. I'm relaying information
4 provided by the Department of Fish and Game. My investment of
5 time is not as much as Bob indicated.

6 But Mr. Pennoyer and Mr. Chairman, there have been
7 three prior attempts that Fish and Game provided us information
8 on. One does go back to Wood River salmon, which involved
9 still shots, and basically didn't work very well was the
10 information we had. There was another attempt near Chignik
11 which used underwater video powered by gas generator and
12 maintained by a field crew there. And this particular system
13 also did not work very well in that situation.

14 And then lastly, there was another attempt with remote
15 video, but there was no weir for ground truthing. So what we
16 have in this situation are, rather than underwater videos,
17 we're talking above water videos, battery-powered and located
18 at an existing or ongoing weir operation where we do have the
19 benefit of a long standing series of weir accounts with which
20 to cross-check the above water video technology. And that's
21 really one the only additional information I could convey about
22 what else has been done.

23 The one other piece that's relevant is that the
24 Department believes that the circumstances on Delight Creek,
25 which is where they proposed to do this are really the optimum

1 for this kind of work, if the water is very clear, they have an
2 existing weir, long history and all of that, the hope would be
3 that if this pilot effort is successful, they could try moving,
4 for example, into some of the intertidal spawning situations in
5 the Sound where we've got injured pink salmon populations. For
6 example, those situations may be more complicated than the
7 Delight situation. But they want to test it where they think
8 conditions are good and then try moving it into some of these
9 other situations where it could really help from the standpoint
10 of recovery of the injured pink salmon stocks.

11 MR. PENNOYER: Thank you.

12 CHAIRMAN TILLERY: Are there other questions at
13 this time?

14 (No audible responses)

15 CHAIRMAN TILLERY: Okay.

16 DR. SPIES: Yeah, let's move on to Project 367,
17 which is the next one just below 366 there on the list. This
18 is a proposal put in by the Department of Fish and Game to
19 produce a series of publications. And through their view
20 process, we've requested that they focus particularly on
21 straying and summarizing some of the earlier information
22 gathered during the damage assessment and restoration programs
23 relating to straying of pink salmon in Prince William Sound.
24 So there is a number of manuscripts proposed there and we're
25 recommending this project to you this afternoon.

1 The third subheading under pink salmon is Supplementing
2 Populations, and we have just one project there which is a
3 continuation of 139, the Port Dick Spawning Channel, which has
4 been a very successful project so far.

5 CHAIRMAN TILLERY: Are there -- and that's the
6 end?

7 DR. SPIES: That's the con.....

8 CHAIRMAN TILLERY: Are there questions or
9 comments about any of the pink salmon studies from any Council
10 members?

11 (No audible response)

12 CHAIRMAN TILLERY: I had one on the 139A2.
13 Your recommendation and also the Executive Director's is that
14 the principal investigator is encouraged to prepare and submit
15 a manuscript to a peer review manual? It would seem to me that
16 if that should happen, we should just say that they do it as
17 part of the job. What is the effect of encouraging them?

18 MS. McCAMMON: More money.

19 DR. SPIES: I was trying to be gentle. We
20 would -- I mean our reviewers, our fisheries reviewers tell us
21 that follow-through on these -- I mean lots of times, there's
22 been a lot of these kinds of restoration projects done
23 throughout the west for salmon, and not often are they
24 followed-up in terms of monitoring as this has. This has been
25 a particularly good project in terms of tracking the process

1 and going back and finding out exactly what happened, the
2 result of the alteration. And for that reason, it has a lot of
3 value, and the reviewers think that it should be in the
4 literature, so that was the origin of our.....

5 CHAIRMAN TILLERY: Well, it's the idea of
6 encouraging as opposed to requiring it as part of the project,
7 that they do it on their own nickel or something? Is that the
8 -- I mean I just don't understand it.

9 DR. SPIES: I think we could easily change it
10 to a requirement.

11 CHAIRMAN TILLERY: If it's important, it would
12 seem to me it either should be or else -- I don't know. I
13 don't understand why this.....

14 MR. SENNER: Mr. Chairman, that budget included
15 -- did not include money specifically for preparation of a
16 manuscript, and often that is the case. So rather than
17 increase the budget to accomplish that, we thought we would try
18 the gentle approach of just encouraging a manuscript. If you
19 would like us to make that stronger, I think we could do that.

20 CHAIRMAN TILLERY: Without increasing the
21 budget?

22 MR. SENNER: Well, we would propose that.

23 CHAIRMAN TILLERY: I don't know. Commissioner
24 Rue, do you have any thoughts on that?

25 MR. RUE: Well, I think you've hit it on the

1 head by saying if you want an absolute requirement, we probably
2 ought to fund the time to make sure we do a proper manuscript.
3 If you want to be gentle, yeah, we'll make every reasonable
4 effort to get one out, if we're the ones writing it up. But
5 yeah, we're going to have to be relying on other funding and
6 time to write it up. CHAIRMAN TILLERY: Okay.

7 MR. SENNER: It's really up to you. We could
8 make the request for a revised budget and.....

9 CHAIRMAN TILLERY: Well, I guess I'd be
10 inclined to start with your gentle approach.

11 MR. SENNER: Okay.

12 CHAIRMAN TILLERY: Now that I understand what
13 it is. Okay. Are there any other questions or comments?
14 Mr. Wolfe.

15 MR. WOLFE: Just for clarification, if I could,
16 please. On 99367, there's an inference there that some of the
17 earlier studies were never reported out or we never got a
18 reviewed and approved study, and that this is funding some of
19 that to occur. Is that what we're doing?

20 MR. SENNER: Mr. Chairman, there aren't any
21 late or outstanding reports on these.

22 MR. WOLFE: Okay.

23 MR. SENNER: The reports are completed. We
24 really do want to see the additional effort though that goes
25 into preparing a rigorous manuscript for journal publication we

1 think is going to produce some helpful information on straying.

2 MR. WOLFE: Very good. Thank you.

3 MR. PENNOYER: Mr. Chairman, one last question
4 before we get.....

5 CHAIRMAN TILLERY: Mr. Pennoyer.

6 MR. PENNOYER:further into the rest of
7 these, you might answer it now. Many of these projects
8 indicate synthesis, and that's probably something I'm real big
9 on because I don't like the idea of us basically promoting
10 about 50 separate publications which are valuable, but nobody
11 is sitting down and trying to draw it together to see if
12 there's any restoration or injured resource management that we
13 can get out of it.

14 Do you have a feeling for the synthesis ones, if this
15 is like next year, all of a sudden we'll have a -- along with
16 the 10th anniversary, we'll bring it back together and that
17 will be one of the focuses of the anniversary discussions, or
18 are they all just sort of some time before we get to the
19 reserve?

20 DR. SPIES: I think we're certainly heading in
21 that direction. For instance, in the area of fisheries, we
22 have one of our reviewers working very hard right now to
23 produce a manuscript that synthesizes all the information on
24 fisheries that has been accumulated during the spill, both of
25 them from the standpoint of damage and the Restoration Program

1 in particular. So we're definitely moving in that direction, I
2 think, as we reach the end of the Restoration Program, it
3 certainly is my intention to focus us more on looking at this
4 wide body of information that we've developed. Some of it has
5 been published as separate publications but also drawing us
6 together, what does it really mean in terms of the management
7 of these resources and their long-term conservation?

8 MR. PENNOYER: Mr. Chairman, one last question.
9 These synthesis projects pop up here and there in these
10 clusters, in your view are we addressing all the things that
11 need to be synthesized yet or are these just happenstance that
12 somebody comes in and makes a proposal? Are we actually going
13 out and soliciting people to do this type of thing or is this
14 just somebody happens to turn in a proposal for this particular
15 aspect of work?

16 DR. SPIES: We're really doing both. We're
17 trying to identify the gaps. These are mostly what you see, in
18 here are mostly -- that are taking products in particular,
19 projects that have been carried out in synthesizing the
20 information on those. There's probably a higher level
21 synthesis that's going on and we're trying to also identify
22 gaps as we move towards the end of the program.

23 MR. PENNOYER: My last comment. It might be --
24 and maybe you've done this. I think I've seen some of it, but
25 not all of it, but if you or somebody would identify where

1 those gaps actually you think still exist, which projects and
2 which cluster of projects are not in where they're synthesized.
3 And if we have to go out and beat the bushes for -- and
4 agencies where people have done the work or get them to do that
5 type of thing, maybe we actually need to promote that, not just
6 sort of voluntarily get people to submit projects. And at some
7 point we want to sort of try and tie this together, whatever
8 that means. And to do that is going to require an awful lot of
9 thought and work. And I know you're doing this, but maybe we
10 should see actually where those guys.....

11 DR. SPIES: Well, I -- yeah, I think your
12 encouragement is well taken, and we will, you know, increase
13 our efforts in that area and really make this a priority.

14 MS. McCAMMON: Mr. Chairman, I think one of the
15 reasons this is kind of coming to a head right now is because
16 we're getting an accumulation of data and information at this
17 point in time where in the past this really wasn't as much of
18 an issue. And so these things are all coming on line kind of
19 at different times in terms of when they're ripe for synthesis.
20 And as they come forward and opportunities do develop, we have
21 been encouraging in really soliciting proposals to do that.
22 And as we wind down to whatever the conclusion of this program
23 is, I think that's definitely an end point that we want to
24 reach. But it's a continuum there.

25 MR. RUE: I think Mr. Pennoyer makes a very

1 good point and I would second his urgings that we look at this.

2 CHAIRMAN TILLERY: Mr. Wolfe.

3 MR. WOLFE: Yeah, there's another project
4 proposal later on that's being deferred or not funding at this
5 point in time that relates to technology transfer. And that's
6 what these documents will help us do. And so somehow, some
7 thought as to how we build the synthesis work into some kind of
8 a technology transfer for our own agencies as well as like
9 a.....

10 DR. SPIES: We've discussed extensively the
11 bridges back to the management agencies and how those are
12 constructed. And it's not simple, but it's something, you're
13 right, that has to be done if this project is really -- if this
14 whole Restoration Program is to eventually reach fruition.

15 MR. WOLFE: Yeah.

16 CHAIRMAN TILLERY: I would note that there are
17 13 projects in the cluster, and you've discussed nine of them.
18 The other four, I'm guessing are the do not fund
19 recommendations, but I would note that at least one of them we
20 have public comment that we should defer it rather than do not
21 fund. Do you propose to discuss those four or not?

22 DR. SPIES: I hadn't proposed to discuss those,
23 but I'll certainly be glad to answer any questions that you
24 have on particular projects. Are you referring particularly to
25 the O'Brien Creek.....

1 CHAIRMAN TILLERY: Well, no. The one I was
2 referring particularly to was the salmon fisheries market value
3 recovery program. But generally the idea that you're not -- I
4 guess, your planned presentation will not include the do not
5 fund recommended and -- or explanation.....

6 DR. SPIES: We hadn't planned to -- we don't --
7 we haven't usually done that in the past.

8 CHAIRMAN TILLERY: Does the Council have any
9 preference or anything or do you just want to.....

10 MR. WOLFE: Just a side question is -- and
11 maybe process-oriented, is do not fund, we don't discuss it or
12 can't discuss it in December when we come back as we would a
13 deferred project or.....

14 MS. McCAMMON: You can always discuss anything
15 at any time.

16 MR. WOLFE: Right. I know we do that.
17 But.....

18 MS. McCAMMON: But basically it's.....

19 MR. WOLFE:the preferred.....

20 MS. McCAMMON:a do not fund as far as, at
21 least, the staff is concerned. It's not a project then that's
22 still alive for this fiscal year.

23 MR. WOLFE: Okay.

24 MR. RUE: I guess I have a question in that
25 regard. Could you -- and then Craig, you raised it -- it was

1 -- and the marketing?

2 MS. McCAMMON: Right.

3 MR. RUE: Could you go over the reasons -- the
4 recommendation for do not fund? Was that a legal problem?

5 MS. McCAMMON: There's both a legal and a
6 policy problem on the marketing project.

7 MR. RUE: Flipping through my.....

8 MS. McCAMMON: We've been advised by the
9 Department of Justice that they do not view it as legally
10 permissible under the terms of the settlement. And the main
11 reason or main justification for that is that the project's aim
12 is to restore the market for salmon rather than restoring the
13 resource itself.

14 In addition, we have went through the various -- the
15 Restoration Plan and the various recovery objectives for the
16 commercial fishing service and for salmon. And this project
17 does not meet or address the restoration objectives identified
18 in the Restoration Plan. So from a policy and a legal
19 perspective, the recommendation is to do not fund.

20 CHAIRMAN TILLERY: Ms. Brown.

21 MS. BROWN: This is the same one that I
22 actually had questions about, too. I was hoping we would get
23 into a discussion. You know, I would rather, I think, see this
24 one on a defer mode than a do not fund because I think it
25 represents the next wave of the type of projects as -- yes, you

1 know, -- yes, there is a marketing incidental benefit to it,
2 but it's also a reputation issue. You know, it's one thing to
3 restore the resource, but if the world doesn't know it's been
4 restored, have you completed a real restoration?

5 And that's a question I have, and I understand that
6 there are legal questions, but I'm not 100 percent convinced
7 that there's not a way to address that reputation issue as part
8 of restoration in a project. And maybe if we could go into
9 deferral mode, we could figure out how to address that complete
10 restoration which includes reputation and value in the world
11 marketplace.

12 MR. RUE: I guess I would agree with what
13 Michele just said. I don't want to give people the impression
14 they might get a project approved, and therefore put a lot of
15 work into it if it's truly never going to happen. But in
16 general, the issue I think is worth pursuing. And so giving
17 CDFU an opportunity to address the legal concerns and perhaps
18 make the case for how this could, do some of the things Michele
19 just talked about, without leading them on beyond a reasonable
20 level, I would support as well.

21 MR. ROTH: I think it is leading them on.

22 MR. RUE: You think so?

23 MS. McCAMMON: Mr. Chairman, if I thought there
24 was a way that -- to make this legally permissible to the
25 Department of Justice, I would have done a defer or done

1 something on it.

2 MR. PENNOYER: Mr. Chairman.

3 CHAIRMAN TILLERY: Mr. Pennoyer.

4 MR. PENNOYER: The question as raised is what
5 happens to some of these, and do they ever come up again? I
6 guess people can submit projects to us at any time they think,
7 well, we better do it. If this is a defer without any type of
8 in depth discussions of what would make it, "permissible", at
9 one level you haven't done anybody much of a favor, they're
10 going to have go back and do their work anyhow. I think there
11 are both policy and legal questions here. The policy question,
12 obviously, is this specific to only the salmon that might have
13 been tainted by the oil spill in the public's perception. We
14 have got a marketing problem for salmon and fisheries generally
15 in Alaska. And there's a lot of good things to do with other
16 oiling them [sic]. A tremendous amount of the Asian market, I
17 mean, for all, both offshore and inshore fishery resources. So
18 there are a lot of questions here as to what we should be
19 spending oil spill money on and I don't think we're going to
20 sit here and answer entirely. But nevertheless, people
21 certainly have the ability, based on the judgment we made so
22 far and some of the comments to go back and resubmit something.
23 I guess a defer sort of implies that, in our mind, we believe
24 that it might be something we want to get into in December and
25 I haven't come to that conclusion, you know. Yes, I think this

1 is a major issue. I'm not sure who has to get with it or do
2 something with it, but it's a major issue all the way from the
3 current Asia crisis to just generally salmon problems worldwide
4 and production of farm fishing in Norway and Chile
5 particularly.

6 I mean there's a whole gamut of things are things we
7 haven't solved. To just coming up with new products for market
8 in the United States. There's a lot of stuff there. There has
9 to be funding out there, Legislature (indiscernible) to be
10 acting. There's lot of people working on this, so if somebody
11 thinks they have something specifically related to oil that
12 they believe that this particular resource, not pink salmon to
13 Alaska which are five cents a pound, in some cases, anyhow,
14 whether they're oiled or not is something that can be done here
15 to correct something to the problem of the resource that's
16 injured by the spill in correcting something that the public
17 perceives. But I don't know anybody out there who is worried
18 about buying oily salmon as much as the fact that there's some
19 -- to many salmon out there.

20 So I have those questions. I'm not saying something
21 couldn't work out that we need to look at, but I have those
22 questions as to the viability of this approach. And again, if
23 we put deferred down, we'd be saying the opposite, saying we
24 really think that there's a good chance that this group of
25 people is going to approve going down this direction which we

1 haven't done before. And I don't know if that's true. Maybe
2 it is, maybe it isn't, but I don't know if that's true. To
3 just say do not fund at this time, people could resubmit
4 things, they can bring it up any time they want to. And we
5 brought things on occasion if there was a compelling reason to
6 do so. I don't know. That's.....

7 MS. McCAMMON: Mr. Chairman, I don't think the
8 issue from our perspective in dealing with the attorneys on
9 this and just looking at it from the Restoration Plan
10 perspective is whether there was an injury to marketing salmon
11 from the spill area as a result of the spill. That is not the
12 question from our perspective. There may well have been, there
13 may not have been, that's not the question. The question is,
14 is that an issue that actually is something that this
15 settlement was intended to address? And what we have been told
16 and what we're operating under, and if this has changed in any
17 way, I would like to hear it, is that the restoration
18 objectives for commercial fishing and commercial fish species
19 is to first restore the species themselves, in which case you
20 have the opportunities to fish provided for commercial fishing,
21 which is what we've primarily been focused on; to have
22 additional replacement or alternative fishing resources as
23 recovery occurs if necessary, which we've done -- put
24 substantial effort into, and to increase and improve management
25 techniques so you can allow harvest to go on that do not harm

1 wild stocks while they're recovering. And those have been our
2 efforts for commercial fishing and commercial fishing species.

3 So the question of whether there was injury from the
4 oil spill or not have been addressed through the private
5 claims, not through the government's claims, is how we've
6 addressed it. And if you have a different view on that, please
7 tell me.

8 CHAIRMAN TILLERY: I guess I would have a view
9 that if there is a link between the spill and the current
10 market share, that that is something we can address. I
11 question whether that link can be demonstrated, but I would
12 love to see the Department of Justice's opinion that it can't
13 be addressed, but I suspect that's not going to happen. But I
14 don't think.....

15 MS. McCAMMON: You're seeing it.

16 CHAIRMAN TILLERY: I don't think that we can --
17 I think that if there is, if you can demonstrate that link, I
18 believe we can address it and I think we've done it in some
19 other context. I do question -- nobody is -- all I've seen is
20 some conclusory statements that there was a link. I know that
21 the jury in the private case addressed the issue of that there
22 was a price drop in the first year, and the jury said that
23 there was no price impact in the second two years, which is
24 pretty definitive that it had recovered. And I haven't seen an
25 explanation as to why that doesn't sort of control here. And

1 actually I guess what I'm not sure about is whether the private
2 litigation addressed some kind of a market share turnaround
3 that's unrecoverable. I don't know and we'll try to track that
4 down. But anyway, I don't think it's -- I guess I don't think
5 that I can look at this thing and say absolutely not from what
6 I know. I do not doubt that you're correct that the Department
7 of Justice may say that, so I don't know where that leaves us,
8 but I guess my own inclination would be I wouldn't want to
9 defer it if somebody thought that meant we were encouraging
10 them, but I also do think that it probably should be revisited
11 between now and December to see if somebody can answer some of
12 these questions. So I don't know what category that means we
13 put it in, but that's my own thought.

14 Ms. Brown.

15 MS. BROWN: Well, basically you said what I was
16 going to say in that I don't think we can shut the door on the
17 link if it's demonstrated that it did have -- cause a drop in
18 market share or allow opportune farm salmon to move a niche and
19 now can't be dislodged. I don't know that. I don't know that
20 the link is there, but I think the statement we want to make
21 here is that the door is not closed to that kind of analysis.
22 And that's troubled me, I think, with what Molly was saying, if
23 we're going to limit ourselves solely to the three elements, I
24 mean that's a pretty strong statement to make for people on
25 this project in terms of thinking of a new avenue or for other

1 people who may have similar projects.

2 MR. RUE: I guess for the sake of debate, I
3 would suggest we put it -- I suggest we put it on the defer
4 category, then we can at least act on it, and those folks who
5 are interested in the project would then know if we decide to
6 leave it as do not fund, they'd know that, and then if we put
7 it on deferred, they'd know that. I'm not sure it's a very
8 different message. I think we probably laid out the issues for
9 folks.

10 MR. ROTH: What if it's since then -- a
11 different category, Frank, that it's a do not fund, but of
12 course, at any time any single member of the Council can bring
13 it up and have it revisited. I mean that sort of plays back
14 again the consistency here that it doesn't encourage thinking
15 that it's still likely to be funded or that it could be funded.

16 CHAIRMAN TILLERY: Mr. Pennoyer.

17 MR. PENNOYER: Well, I was thinking we need a
18 third category.

19 MS. McCAMMON: Mr. Chairman, in the past we
20 have done a do not fund as proposed or do not fund at this
21 time, and upon your direction I would be happy to write to the
22 proposer and to relay some of the discussion that was held, and
23 maybe relay some of -- maybe split difference between State and
24 Federal views on this, possibly, but at least, suggest that if
25 there is any additional information that they provide or

1 whatever that provides a stronger link, that will be looked at.

2 CHAIRMAN TILLERY: Okay. Sir.

3 MR. PENNOYER: I'm not sure I would
4 characterize this as a difference in view between State and
5 Federal. I think there might be some.....

6 MS. McCAMMON: Maybe the lawyers then.

7 MR. PENNOYER:as written. As written,
8 this category of things -- this project -- we would vote do not
9 fund.....

10 CHAIRMAN TILLERY: Okay.

11 MR. PENNOYER:the way it's written.

12 CHAIRMAN TILLERY: So do not fund at this time,
13 would that.....

14 MS. BROWN: At this time.

15 CHAIRMAN TILLERY: At this time, is that a
16 good.....

17 MS. McCAMMON: As proposed.

18 MR. RUE: Craig, that will work for me and I
19 think this discussion has been helpful.

20 MS. BROWN: Yes.

21 MR. PENNOYER: I think the discussion might be
22 helpful to the proposers. I mean it's still going to be
23 questioned when they come back if something they propose is
24 going to be legal or not. From a policy standpoint, I think
25 we've heard several discussions that we don't think the link

1 can be demonstrated at this time but we're willing to listen to
2 -- be proved and discuss where we go from there.

3 MR. RUE: Yeah.

4 CHAIRMAN TILLERY: Okay. All right. That's
5 probably enough.....

6 MR. RUE: I agree.

7 CHAIRMAN TILLERY:discussion on this, if
8 everybody's okay. Was there any discussion on the other three
9 do not fund projects for pinks?

10 (No audible response)

11 CHAIRMAN TILLERY: Okay. Does that take us to
12 herring?

13 MS. McCAMMON: Mr. Chairman, did we go through
14 and note for Mr. Roth the changes that 99190 is a fund, not a
15 fund contingent? That was the only major change in that
16 cluster.

17 MR. ROTH: You did.

18 MS. McCAMMON: Okay. And then one of the
19 contingencies for 367, it was both contingent on a revised
20 budget and a revised detail project description, and we've
21 received the budget so it's only contingent on a revised, but
22 that's in the text.

23 CHAIRMAN TILLERY: Okay. Then herring?

24 DR. SPIES: Okay. Pacific herring, there's
25 three subheadings here. The first of those is Investigate the

1 Causes of the Crash. We have three starts there. The first
2 two starts that are being recommended are publications, and
3 just let me tell you the difference between the two.

4 162A and B are requests for publications that come from
5 the principal investigators of the current herring disease
6 project. As far as I remember, all the projects reports are
7 being delivered on time and are very high quality, getting good
8 review comments on them. And this is a small amount of funds
9 to go ahead and get these into high quality peer reviewed
10 publications. And we're recommending that to you today, 162A
11 and B.

12 Project 328 is a synthesis that also mentions disease,
13 but it focused as particularly on toxilological aspects and a
14 link, possible link between any toxilological impact and disease
15 in the population. That is being -- was submitted to us by
16 Mark Carls of ADF&G, excuse me, of NOAA Auke Bay Laboratory,
17 and others at that laboratory, and will in fact use some of
18 the input from the principal investigators on 162, which is the
19 herring disease project. So those are two separate but linked
20 and related projects on synthesis of publications.

21 Project 462 in a sense is a continuation of Project
22 162, except 162 has come to a close in '98, is being closed out
23 in '98. But there are still, as I mentioned earlier,
24 indications of occurrence of disease in the population that
25 should probably be monitored and tracked. The investigator has

1 been recognized by our review team as really being a national
2 leader in terms of understanding the role of disease in
3 population regulation and the investigator in this case went
4 out and got matching NSF funds and is asking for the Trustee
5 Council for funds to continue the work that has been started on
6 recovery of this population in relation to disease occurrence.

7 The second subcluster there is Provide Management
8 Information and we're recommending a start for 468, and that's
9 the Estimations of Acoustic Target Strength. It's -- FEATS is
10 the Fundamental Estimations of Acoustic Target Strength, is the
11 acronym. You remember that I came before you in one of your
12 last meetings and requested emergency start-up funds for '98
13 funding so that we -- some of that work could get underway this
14 summer and fall. That's being started now. This is the full
15 project. It's been reviewed favorably and we're recommending
16 it go forward providing that the peer reviewer, which has just
17 gotten in from being out to sea himself, has a chance to go
18 over that project. That's looking very good, so we're
19 recommending a start on that.

20 The third subcategory is Investigating Ecological
21 Factors, and the start that we're recommending there is
22 Project 375. This is a project that we have recognized some
23 time was needed. Basically, there's a tremendous amount of
24 information on herring harvest in the past in Prince William
25 Sound. Most of that information is stored in paper form in

1 large filing cabinets somewhere in Juneau. And that is
2 potentially very, very valuable information to look at from a
3 retrospective point of view as to how herring productivity has
4 changed over the years in relation to oceanography. And so
5 this is an attempt to go back and look into that data or try to
6 relate it to the oceanographic data that we do have about
7 changes in the global Alaskan, particularly on Prince William
8 Sound and see if there's anything that comes out of that. It's
9 very much in the spirit of the GLOBEC Program by NSF and NOAA
10 is doing currently in the Gulf of Alaska, trying to take old
11 data and get some sense out of it as to what these long-term
12 changes may be and how they can be interpreted.

13 Are there any questions on the herring?

14 MR. PENNOYER: Mr. Chairman.

15 CHAIRMAN TILLERY: Mr. Pennoyer.

16 MR. PENNOYER: Just so I have it straight, all
17 the disease things on herring are, you're right, as you said
18 originally, a little bit confusing. 162A and B are basically a
19 close-out of Project 162, they are just to prepare final
20 manuscripts of those projects; is that correct?

21 DR. SPIES: Yeah. This is actually a start,
22 but it's kind of the final stages logically and what's been
23 done with the herring disease.

24 MR. PENNOYER: And those are characterized
25 against 328, which is a synthesis of what's been done by us and

1 by Exxon in comparing what's happened between the two
2 (indiscernible -- simultaneous speech).

3 DR. SPIES: Yeah. That's focused mainly on
4 toxilological aspects, but there is some potential link between
5 toxicology and disease because of the work that's been done in
6 the Auke Bay Laboratory.

7 MR. PENNOYER: Okay. Then the last one on the
8 effect of disease on Pacific herring 462, is new but it's
9 looking at a different aspect than we've looked at already?

10 DR. SPIES: This is essentially an extension of
11 162, but 162 administratively is closing out this year. This
12 is a proposal to carry that sort of work forward in a new
13 project where there was matching NSF funds.

14 MR. SENNER: Mr. Chairman, also the field work
15 in 462, Mr. Pennoyer, is much more limited than the original
16 162. It is an extension of only one aspect of the original 162
17 project.

18 MR. PENNOYER: Okay. Thank you.

19 CHAIRMAN TILLERY: Are there other questions
20 from Council members about these projects?

21 (No audible response)

22 CHAIRMAN TILLERY: And I would note that there
23 are four do not fund herring projects that were not discussed.
24 Is there any questions about any of those?

25 (No audible response)

1 CHAIRMAN TILLERY: Okay.

2 MR. PENNOYER: Mr. Chairman, there's one more.

3 CHAIRMAN TILLERY: Mr. Pennoyer.

4 MR. PENNOYER: There was also a fund
5 contingent. Would you mind saying again, and I think you may
6 have covered that, the acoustic strength fund contingent was
7 what reason? I was still looking at disease when you had that
8 discussion.

9 MR. SENNER: Yes, Mr. Chairman, the fund
10 contingent there is just simply that we needed one more round
11 of peer review on the revised proposal for that hydroacoustic
12 target strength project, and our reviewer has been at sea, so
13 he just hasn't been able to do it.

14 MR. PENNOYER: Thank you.

15 MS. McCAMMON: Mr. Chairman, there was also --
16 Mr. Wolfe, when the early funding of that project was started,
17 had a question that you might want to answer now.

18 DR. SPIES: Oh, yes, I promised you, Jim.
19 Thanks, Molly, that I would have an answer to you. And the way
20 I remember your question was why hasn't the target strength for
21 Pacific herring been established a little bit better by the
22 management agencies in the Pacific coast. And I've had a.....

23 MR. WOLFE: Oh, that's right. That's a long
24 time ago.

25 MR. SENNER: Do you remember the

1 (indiscernible)?

2 DR. SPIES: Yeah, yeah, yeah. And I have
3 looked into that question, and basically the application of
4 Prince William Sound is the first application in Alaska of
5 acoustic techniques to try to estimate stock size of herring.
6 In British Columbia, they do not use hydroacoustics at all,
7 they use other sources of methods, mainly the Era-Zero plus
8 age class is monitored in about 10 different sites.

9 In Washington they used to use hydroacoustics, and they
10 had a hydroacoustic target type model, but it was not in
11 agreement at all with what was used in the Atlantic. And
12 there's extensive hydroacoustic work that's been done both in
13 Nova Scotia, Labrador, Norway, and other North Atlantic
14 countries. They have a different estimation of acoustic target
15 strength than what we have for Pacific herring, so there is
16 some doubt as to -- and it's pretty well validated by a lot of
17 different studies, so there's some doubt as to what the
18 acoustic target strength is for the Pacific herring. Now, the
19 importance of all this is that the difference in the -- the
20 potential difference between the Pacific and Atlantic is about
21 three decibels. And according to the hydroacoustic experts
22 I've talked to, that difference could mean 100 percent
23 difference in stock size estimation potentially.

24 So when we're dealing with a resource that's right on
25 the cusp of whether we're going to harvest it or not, having a

1 much better target strength estimation is pretty crucial, and
2 that's exactly where we are right now, so.....

3 MR. WOLFE: Okay

4 DR. SPIES: Hope that answers your question.

5 MR. WOLFE: That does.

6 CHAIRMAN TILLERY: Any additional questions or
7 comments?

8 (No audible response)

9 CHAIRMAN TILLERY: Okay. I think we're then on
10 to the SEA and related projects.

11 MS. McCAMMON: Mr. Chairman, the only change in
12 that cluster for Mr. Roth's benefit, is 99320 close-out, the
13 funding for FY2000 should be changed to a blank at this point
14 because we were given mixed numbers that didn't have a --
15 several numbers that didn't have a chance to adequately review
16 them for that year.

17 CHAIRMAN TILLERY: This is the 320 CLO?

18 MS. McCAMMON: 320 CLO close-out, so it would
19 be the funding, next year's funding, FY2000. So instead of the
20 16.1, it would be a blank.

21 CHAIRMAN TILLERY: Oh, okay. Because I
22 certainly had a question about three quarters of a million
23 dollars for reports.

24 MS. McCAMMON: Yeah.

25 CHAIRMAN TILLERY: Okay.

1 DR. SPIES: Okay. Under the Sound Ecosystem or
2 SEA and related projects, there is two subclusters; one is
3 Investigate Ecological Factors. And you can see that we've got
4 four projects there that are being recommended as completions
5 of ongoing work mainly related to SEA, and there's some --
6 Project 340 is really oceanographic support as SEA has moved
7 onto herring and it has become apparent that we need to do some
8 oceanographic work there, so that has continued to be
9 recommended for support.

10 The second cluster there is the Develop Monitoring
11 Techniques. There is continuation of 195, which is a pristine
12 monitoring that Jeff Short is doing, and we've asked him
13 particularly to look very hard at his data now that he's got
14 three or four years of it and try to relate it back to salmon
15 productivity in Prince William Sound. So that is coming up in
16 the next year as a goal for that project.

17 Project 393, which is a defer is proposal of the Prince
18 William Sound Science Center to -- which originally had about
19 five objectives and through the review processes asked them to
20 narrow that down considerably and focus again with an idea to
21 try and to retrieve a retrospective record there on the
22 collection of mussel shells that they can analyze for stable
23 isotopes and hopefully reconstruct some of the past
24 oceanographic history back at least to 1989 and the -- right
25 off the edge of the shelf in the Gulf of Alaska. That's on the

1 defer list, so that completes the SEA cluster.

2 CHAIRMAN TILLERY: Questions from Council
3 members? Mr. Pennoyer.

4 MR. PENNOYER: Mr. Chairman. Again, I think --
5 I see the words sort of synthesis under 320 CLO. Would you
6 explain what that's going to be? There's a journal, an article
7 being prepared that is supposed to sort of bring us all
8 together in fisheries oceanography. And is that going to be a
9 synthesis then of this project? Even though 1.30 -- oh, I
10 guess that's three-quarters of a million, half of -- 1.3
11 million dollars worth of projects going on, and 320 CLO, at
12 three quarters of a million, says it's going to be a synthesis
13 in fisheries oceanography. Can you sort of relate what that
14 all means to us? We spent, the SEA Project in total now -- but
15 the way you -- the one thing you didn't point out, you have
16 presented this retrospective expenditure sheet here, too,
17 another one of our packages here. And.....

18 MS. McCAMMON: Okay, didn't want to confuse
19 things.

20 MR. PENNOYER: It shows redundance. SEA and
21 Unrelated Projects is 22.8 million, so at some point is this
22 the synthesis for everything or is the synthesis only for
23 oceanography or the synthesis of pink salmon forecast or what
24 is it?

25 DR. SPIES: Well, the 320 CLO is to produce

1 nine manuscripts that are destined for fisheries oceanography
2 of a prominent journal in the area and would include a overall
3 synthesis chapter headed up by Ted Cooney, who is the project
4 leader.

5 MR. PENNOYER: Okay.

6 DR. SPIES: And there would then follow on
7 eight other manuscripts that look at major portions of SEA and
8 attempt to integrate everything that's been found, so that's
9 the -- that's what going on under that particular project.

10 CHAIRMAN TILLERY: Why does it take
11 three-quarters of a million dollars?

12 MR. SENNER: I was just going to respond to
13 that, Mr. Chairman. This is not just a writing exercise. This
14 still involves major data analysis involving the multiple years
15 of the SEA Project to date. So there is extensive data
16 analysis in their final report preparation and this series of
17 synthesis manuscripts that the Chief Scientist mentioned. So
18 it is expensive, but it is a lot more than just putting a
19 report out.

20 MR. PENNOYER: Thank you.

21 CHAIRMAN TILLERY: When will this report be
22 ready?

23 MR. SENNER: Mr. Chairman, their plan is at the
24 10 year symposium that we're having next March, there will be
25 an entire afternoon session devoted to the nine or 10 synthesis

1 topics that we just described. And that will be the first
2 public presentation of that package. And the manuscripts
3 themselves will be submitted after that symposium.

4 CHAIRMAN TILLERY: Questions? Mr. Wolfe.

5 MR. WOLFE: Tell me again what the fund
6 contingent means under 320 CLO?

7 MR. SENNER: Mr. Chairman, Mr. Wolfe, the
8 contingency there is that we have asked the lead scientist,
9 Dr. Cooney, to provide us a matrix of the different pieces of
10 the SEA Project to show how they will be recorded on in -- what
11 combination of project reports and manuscripts will comprise
12 the full final report of the SEA Project. And because there is
13 so many facets of it, we asked them to put it in the form of a
14 matrix. They've agreed to do that, we just don't have it yet.

15 CHAIRMAN TILLERY: Other questions or comments?

16 (No audible response)

17 CHAIRMAN TILLERY: Okay. I think that takes us
18 to cutthroat trout. My current plan was to suggest we take a
19 break around 3:00 o'clock. Does anyone want to do it earlier
20 or anything or is that okay?

21 MR. PENNOYER: That's okay.

22 CHAIRMAN TILLERY: Okay. All right.

23 DR. SPIES: Yes, cutthroat trout, Dolly Varden,
24 rockfish, and pollock. There's three subclusters, no new
25 starts here. Research and Monitoring Populations would be to

1 complete Project 145, which we've funded for several years, and
2 there's still a major amount of data and analysis to be
3 reported on that project, particularly in terms of genetic
4 analysis. We're looking forward to that -- those products.

5 The second subcluster is Supplement Populations, and
6 that would be the completion of Project 043B, which is a
7 cutthroat and Dolly Varden habitat improvement monitoring in
8 the eastern Prince William Sound. And in order to provide
9 management information would be to continue Project 252,
10 Genetic Investigations of Rockfish and Pollock. And I believe
11 that was a defer and is now in the continue category.

12 MR. SENNER: That's right. From a defer to a
13 fund contingent. And on that one, Mr. Pennoyer, there is a
14 late report issue that's part of the contingency there. That
15 and an approval of the revised project description.

16 MR. PENNOYER: Thank you.

17 CHAIRMAN TILLERY: Are there questions or
18 comments on the rockfish?

19 MR. WOLFE: Question -- or a comment on --
20 maybe on the rockfish.

21 CHAIRMAN TILLERY: Cutthroat trout,

22 MR. WOLFE: Cutthroat.....

23 CHAIRMAN TILLERY: Dolly Varden and pollock?

24 MR. WOLFE: Were you through with the report?

25 MS. McCAMMON: Miscellaneous fish.

1 MS. BROWN: Miscellaneous fish.

2 MR. PENNOYER: I was going to ask you how shark
3 got on there?

4 DR. SPIES: Non-salmon, non-herring.

5 MR. WOLFE: On 99472, just a comment. That
6 project is in the do not fund. And I understand the difference
7 between defer and do not fund. And we can bring the project
8 back. We do think that project is pretty critical to that
9 overall program. We would prefer that it be in the defer
10 category. But tell me more about why it is that you're
11 recommending that we not fund it until next year?

12 DR. SPIES: Okay. We have provided a
13 considerable amount of funding. I think it's going to amount
14 to about a half million dollars to this project. And the
15 project was reviewed last year and the amount of data that is
16 available so far is relatively small relative to what they
17 promised. We would like to see the full results of that
18 project before we make a commitment to some further funding.
19 It has the potential to be a very quality product and we look
20 forward to seeing it, but kind of in the spirit of adaptive
21 managing, we want to kind of look at what we have before we
22 want to make new commitments. That's the way we're looking at
23 it.

24 MR. WOLFE: Okay. I guess it's our feeling
25 though, about the growth rate information that will be provided

1 by that study that it would be hard to bring some of the
2 overall study to closure that it's a key part of it, and we are
3 deferring it. So a key portion of the overall study is being
4 delayed, and so whatever that's worth, I guess. We would
5 prefer to see it in the defer and maybe discuss it some more,
6 but I'm just -- we're a little bit concerned that we may defer
7 it or not fund it and then we're going to be hard-pushed to get
8 the information in a reasonable period of time.

9 DR. SPIES: Well, I would agree with you. The
10 growth information is really important. And if we go back to
11 the damage assessment for a moment, there was a large
12 difference found in growth rates between Dolly Varden and
13 cutthroat trout in the western/eastern Prince William Sound,
14 but it appears based on some measurements made by the principal
15 investigators of this current project that those may be related
16 to temperature differences that existed, and we're looking at
17 some sort of geographic artifact possibly, possibly in the
18 assessment of injuries.

19 So I think it is our duty to kind of put the closure on
20 the story and see if, in fact, if the growth rates are
21 different. And the analysis that I just talked about was
22 fairly preliminary, so we would like to see this followed-up on
23 definitely. It's just a matter of how it's done and how it's
24 staged.

25 MR. WOLFE: Okay.

1 CHAIRMAN TILLERY: Are there.....

2 MR. WOLFE: I'll stop at that.

3 CHAIRMAN TILLERY:any further questions
4 then or comments?

5 (No audible response)

6 CHAIRMAN TILLERY: Okay. That would appear to
7 take through the fish and on to marine mammals. We still got
8 forage fish left, but anyway.

9 MS. BROWN: Killer whales.

10 CHAIRMAN TILLERY: Killer whales. Can you
11 explain to us why this would be a legally permissible project?

12 MR. PENNOYER: It's not actually.

13 CHAIRMAN TILLERY: Copy that to the D.A.

14 MR. PENNOYER: (Indiscernible - laughter)
15 against it.

16 DR. SPIES: Okay. I think we agreed, at one
17 stage, to number our arguments relative to killer whales and
18 just hold up the numbers in subsequent discussions, but --
19 marine mammals, one category there since we don't seem to be
20 able to make these things reproduce any faster than they are,
21 that's the research on them and monitor their populations and
22 hope that they recover in the case of AB pod. So there's three
23 continuations there, Killer Whale Investigation, Harbor Seal
24 Monitoring and Habitat, which is the main project looking at
25 Prince William Sound harbor seals. And Project 341 which is

1 the Study of Health and Diet at the Alaska SeaLife Center.

2 There are two new starts, Project 371 and Project 441
3 and they're both aimed at trying to clarify and make better or
4 improve the tools that we have -- currently using with harbor
5 seals and the first of those is the stable isotopes which is
6 being looked at in 371 and this project gets down to the --
7 it's cutting edge science really, but has a good application
8 here. It's getting right down to the level of individual
9 molecules and their stable isotopes of carbon. And trying to
10 understand how those change in different molecules, those that
11 are metabolized and those that are not metabolized,
12 particularly the fatty acids. That project is really going to
13 help us interpret the stable isotope record in the harbor seals
14 and possibly unravel questions of metabolism versus questions
15 of diet and location.

16 Project 441 is similarly going to clarify more about
17 the fatty acid metabolism and lipid metabolism in harbor seals
18 and it will be feeding harbor seals a diet, and this is work
19 being carried out at the SeaLife Center, in part, a diet of
20 different fish species and watching how lipid composition
21 changes the function of diet and time. And this, again, will
22 help us interpret some of the work that's being done on Project
23 064, out in the field with interpreting diets based on lipid
24 composition or fat composition.

25 CHAIRMAN TILLERY: Questions? Mr. Pennoyer.

1 MR. PENNOYER: I hate to bring up killer whales
2 but I.....

3 MR. WOLFE: Is this the last year?

4 MR. PENNOYER: Is this the last -- well, I
5 don't know, that's the question I was going to ask, how often I
6 got to bring it up. We've sort of agreed over the years to
7 limit our arguments on this, but I am wondering now two things.
8 One, it says, fund contingent on manuscripts. But I notice
9 late overdue reports. These are -- they want reports on the
10 projects, these are ancillary manuscripts that we're going to
11 be producing?

12 MR. SENNER: That's right, Mr. Chairman. He is
13 on time on his reports. Some manuscripts, though, were
14 promised in FY98 and -- of course the fiscal year isn't over
15 but we haven't seen those manuscripts yet.

16 MR. PENNOYER: The other question was,
17 Mr. Chairman, if I might, how many times do you have to do this
18 in any four year period? I mean, I'm not -- I've argued
19 strongly for this a couple of years ago, like three years or
20 four, whatever it was, that we not drop it because I think it's
21 important to monitor what happens in these killer whale pods in
22 Prince William Sound, but it's sort of like murre surveys, I'm
23 not sure you have to do one every year to come to conclusions
24 and these animals don't reproduce that fast. It seems to me
25 that one year's data, reproductive successes -- unless you were

1 trying to randomly get a picture of a whole bunch of pods
2 interactions, but we've looked at AB pod for quite awhile now
3 and I'm not sure we have to do this every year.

4 DR. SPIES: Well, the investigator made -- I'm
5 not a killer whale expert. The investigator makes the
6 argument, and it's been accepted by the reviewer, so far, that
7 you at least have to get out there every other year because the
8 new calves are born and grow up and one has the possibility of
9 if you don't do it at least every several years of losing the
10 linages in the pod.

11 MR. PENNOYER: Mr. Chairman, I'm not sure
12 that's what we're doing though. Are we -- this shows
13 expenditures every year since '93, and I'm not clear. Or is
14 this what our intent is now, one more year and then we drop it
15 a year and then come back?

16 MR. SENNER: No, Mr. Chairman, it has been
17 every year. You're right, Mr. Pennoyer. And the other reason
18 is that the whole concept of mortality in the adult killer
19 whales is that if you don't see them for a period of year, I
20 think it's like four consecutive years, you then presume them
21 to be dead. But the fact is when you go out you don't see
22 every whale every year and so if you start going out only every
23 other year it's going to make it that much harder to sort of
24 determine the appropriate point at which you decide that
25 something is dead.

1 And so Craig Matkin, the PI, has been able to argue
2 successfully that it's, in fact, more efficient to go out and
3 do sort of a reasonable sampling on an annual basis than it is
4 to go out every other year and then feel you have to have a
5 much bigger sampling effort in that every other year to try and
6 make up for what you didn't do the prior year.

7 MR. PENNOYER: Mr. Chairman, one last question
8 I have. But it does say in your report that funding for year
9 2000 is the contingent on what we get in '99 and I was
10 wondering what you were basing that on.

11 MR. SENNER: We say that every year.

12 MR. PENNOYER: That's what I was going to say,
13 given the argument he gave you it seems like you don't even
14 have that option of looking at any one year's data and saying
15 that therefore we don't need to do it the next year.

16 CHAIRMAN TILLERY: Well, I guess -- and to kind
17 of follow up on that one question would be, once a pod is
18 recovered, which I assume would be by having its numbers going
19 back to pre-spill levels, then there wouldn't be any more need
20 for it. What is the status of the pod?

21 MR. SENNER: The pod is not at pre-spill
22 levels, there has been some recruitment into the population,
23 but the recruitment is still not begun to balance the apparent
24 loss of adults that has taken place since the spill. One of
25 the things that's complicated the picture a little bit is that

1 some of the animals did what we thought never was supposed to
2 happen, which was they left the pod. And the prevailing view
3 had been once they're out of their main pod that must mean
4 they're dead. Well, I think -- in fact, some of them have
5 started running with another pod and whether that's only
6 temporary or not.

7 It's a very intriguing story and I think the bottom
8 line for the science reviewers has been that the -- playing out
9 the scenario of these highly intelligent social animals and
10 whether there has been an irretrievable loss of genetic
11 diversity and sort of break down of the social structure of a
12 pod is a very important story to follow and that, in the end,
13 has overcome all of the various skepticism about whether this
14 is something to carry forward with.

15 DR. SPIES: Including mine.

16 CHAIRMAN TILLERY: Is this going to be resolved
17 in nine years?

18 MR. RUE: I didn't hear the question.

19 CHAIRMAN TILLERY: The question was this is the
20 seventh year of a nine year study and it sounds from this
21 description that we're really talking about a 30-year study or
22 something.

23 MR. SENNER: It may never be resolved.

24 DR. SPIES: I don't think anyone really knows
25 if AB pod is ever going to recover, and if it is, how long it's

1 going to take.

2 MR. RUE: Yeah. That's kind of what I was
3 hearing. It could just sort of just break up or it could
4 recover, so we may not know.

5 CHAIRMAN TILLERY: Mr. Pennoyer.

6 MR. PENNOYER: Mr. Chairman, if it doesn't,
7 it's obviously a big deal, I mean, that's a very, very
8 important species to a lot of people, but anyway, I guess what
9 I'm saying is by next year, if we do it this year, somebody's
10 got to come back and tell us, you know, this has got some
11 direction.

12 CHAIRMAN TILLERY: If we look in the
13 transcript, didn't you say that last year?

14 MS. McCAMMON: Yes, March 24th at the
15 symposium.

16 MR. SENNER: And, Mr. Chairman, this is why we
17 have a Chief Scientist.

18 MR. PENNOYER: One last question on marine
19 mammals. Have we delayed the harbor seal?

20 CHAIRMAN TILLERY: Mr. Pennoyer.

21 MR. PENNOYER: I won't even bring up salmon
22 shark.

23 DR. SPIES: I'm going to be arguing about
24 killer whales into dotage I think.

25 MR. PENNOYER: You and I both. On harbor

1 seals, there are a lot of studies in here that are, if not
2 overlapping, at least have some of the same elements and some
3 are explanations of other studies, but they're all
4 interrelated, and we've been doing that for a lot of years to
5 the various degrees. And the one thing I don't see in the
6 harbor seal area is that there's "synthesis". And this is
7 similar.....

8 DR. SPIES: That's true, I think it's going to
9 be ripe for those areas, it's not ripe yet, but I think that
10 should we go forward with some of this new work we're going to
11 be in the situation of knowing more about harbor seals than
12 perhaps many marine mammals in many places of the world. And I
13 think it's going to be ripe for synthesis, it'll not only help
14 us understand what's going in Prince William Sound and Gulf of
15 Alaska, but also elsewhere. The reviewers that we have around
16 the world, and we had one really good reviewer from Scotland,
17 is extremely impressed with the quality of this particular
18 research package.

19 CHAIRMAN TILLERY: Mr. Pennoyer.

20 MR. PENNOYER: And I just would encourage you
21 to think about, at least, starting that sooner rather than
22 later. There are a lot of marine mammal fisheries interaction
23 questions around Alaska that are going to come to a large head
24 rather soon and if we had anything here that would be helpful
25 in that regard I'd kind of like to know so that we -- anyway, I

1 don't know about how much longer we go on before we do it.

2 DR. SPIES: Yeah.

3 MR. PENNOYER: But it seems to me it's a major
4 area, important species in the Sound, important subsistence
5 species, seem to be a good indicator of damage and I think it's
6 really time we talked about how this all comes together.

7 DR. SPIES: Your comment is well taken.

8 CHAIRMAN TILLERY: Other comments or questions?

9 MR. RUE: I guess I have one of Dr. Spies. Do
10 you feel that the way these projects are designed -- you say
11 they're ripe for synthesis, but are they being designed so that
12 synthesis will be possible?

13 DR. SPIES: Oh, I think so. They relate pretty
14 closely to one another, as I explained as we have gone through
15 this cluster and I think they'll make a very nice package. You
16 know, I think the major questions are being attacked as we see
17 them now.

18 MR. RUE: Yeah. One other quick comment. I
19 don't have any problem at all looking at killer whales every
20 year, if that's what's required. I think we were seeing sort
21 of an unprecedented event happening. It just doesn't bother me
22 to look at it every year and decide to go on.

23 MR. PENNOYER: Thank you.

24 MR. SENNER: And, Mr. Chairman, Projects 371
25 and 441 are using samples that come out of Project 341, so

1 there is very tight integration there and that really will help
2 when it comes to the synthesis stage.

3 CHAIRMAN TILLERY: Thank you. I actually would
4 like to say that killer whales have had an unique history with
5 this Council's marine projects, but I do think it's an
6 important study. I also do think it is clearly legally
7 permissible. And I actually think that Mr. Matkin is an
8 incredibly efficient researcher for us, so I support this
9 project and will continue to do so into the indefinite future,
10 I suppose.

11 MR. PENNOYER: I'm glad to hear that. Four
12 years ago (indiscernible - laughter).....

13 DR. SPIES: I think Craig Matkin has done a
14 wonderful job here and he's to be commended for his work.
15 There's never been any doubt about the quality of that work.

16 CHAIRMAN TILLERY: It's now just a few minutes
17 before 3:00. My suggestion would be that we take about a 10
18 minute break now and come back about 10 minutes after 3:00.

19 MS. McCAMMON: Mr. Chairman, do you want to do
20 a quick time check of when people have to leave so that we can
21 manage our time?

22 CHAIRMAN TILLERY: That's a good question.
23 Mr. Wolfe are you.....

24 MR. WOLFE: I'm okay, I'm going to be here
25 overnight.

1 CHAIRMAN TILLERY: Michele?
2 MS. BROWN: 4:30 or 5:00.
3 CHAIRMAN TILLERY: 4:35?
4 MS. BROWN: 4:30 or 5:00.
5 CHAIRMAN TILLERY: 4:30 or 5:00. And,
6 Commissioner Rue, what's your time?
7 MR. RUE: I should be here till 5:00.
8 CHAIRMAN TILLERY: And Mr. Roth?
9 MR. ROTH: I'll be here till we hang up.
10 CHAIRMAN TILLERY: Okay. So it looks like we
11 got to finish by 5:00. Okay, why don't we take a break.
12 (Off record - 2:58 p.m.)
13 (On record - 3:16 p.m.)
14 CHAIRMAN TILLERY: We're back in session, all
15 Council members are present. I think we were just about to go
16 into Nearshore Ecosystem, if my order is correct?
17 DR. SPIES: That's correct, Mr. Chairman.
18 Under the Nearshore Ecosystem there are two subheadings there
19 on your sheet there on your sheet. The first is Research
20 Mechanisms Limiting Recovery. There's three completions on
21 there, 025, 290 and 348, all the projects underway. Then
22 there's Project 379 and 432 which are deferred and they're
23 related because they're proposing to do similar things, but we
24 didn't see that we needed to do both of those, we needed to do
25 some combination, so we're waiting for the investigators in the

1 case of 379 to return from the field work this summer in order
2 revise a proposal that would be most responsive. And submit on
3 that's most responsive to our needs in that area.

4 Under the second subheading, Research and Monitoring of
5 Recovery, we have two starts. The first of those is 090, which
6 is Oiled Mussel Bed Monitoring. We haven't done this for
7 several years and it seems that '99 would -- something we've
8 envisioned that we'd always be doing is going back out there to
9 look at how the progress of the oiled mussel beds is doing,
10 once the restoration work that's been done on them. And to
11 monitor hydrocarbon concentrations in the mussels themselves
12 and in the underlying sediments to determine if recovery is
13 taking place.

14 There's a defer on Project 289 which is the status of
15 black oystercatchers and we're simply awaiting the results of
16 the '98 studies before we decide whether or not we should go on
17 and do more work in fiscal year '99.

18 Project 423, midway down the list there, is a start and
19 this is one of the few projects from the ongoing ecosystem
20 projects that we think should extend beyond the close out. And
21 this is the population monitoring focus mainly on the sea
22 otters in the recovering area. I mentioned earlier that sea
23 otters around the Knight or on archipelagicgo [sic], late in
24 the day, around Knight Island group are not recovering and that
25 it's of great interest to us to continue to monitor that

1 population, so we were convinced that Project 423 is worth
2 going forward with.

3 And then there is three defers there, the 459, 466 and
4 480.

5 CHAIRMAN TILLERY: Thank you, Dr. Spies. Are
6 there questions from Council members? Mr. Pennoyer.

7 MR. PENNOYER: Somewhere in here or maybe as
8 part of the project itself, the Chenega cleanup. Do we have a
9 summary of that. It's sort of fate of oil on armored beaches
10 and so on and so forth and there's a project down here that
11 says, deferred, but I don't know whether that.....

12 MR. SENNER: Mr. Chairman, that defer, 459,
13 refers to the Katmai Coast, that's not.....

14 MR. PENNOYER: Oh, okay.

15 MR. SENNER:the Chenega. Chenega, as you
16 know, the staff from Auke Bay lab was out in the field this
17 spring to do the one year after monitoring, we're still
18 awaiting their analysis of those samples and then there will be
19 a final report coming that integrates the Department of
20 Environmental Conservation and National Marine Fishery Service
21 information. So there's a report coming on that.

22 MR. PENNOYER: And we expect that when?

23 MR. SENNER: That will -- that's due.....

24 DR. SPIES: April, next April.

25 MR. PENNOYER: This next spring?

1 MR. SENNER: December?
2 UNIDENTIFIED VOICE: December.
3 MR. SENNER: By December.
4 DR. SPIES: December.
5 MR. PENNOYER: Thank you.
6 CHAIRMAN TILLERY: Okay. Other questions or
7 comments?
8 MR. ROTH: Mr. Chairman.
9 CHAIRMAN TILLERY: Mr. Roth.
10 MR. ROTH: Yes. On Project 459, Interior is
11 comfortable with the deferral. I just wanted to indicate it's
12 our view that, you know, deferral is fine, it shouldn't be a
13 permanent deferral, this hasn't been done, I think, since '93.
14 There are a lot of areas down there that we think that aren't
15 exposed and there's still some potential problems. We think
16 it's important that at some point we go ahead and do the
17 monitoring there.
18 CHAIRMAN TILLERY: Okay.
19 MR. RUE: (Phone cut out) question.
20 DR. SPIES: I think that reflects the view of
21 most of the reviewers, that we need to do it at some stage.
22 CHAIRMAN TILLERY: It's just a question of
23 when?
24 DR. SPIES: It's just a question of when.
25 CHAIRMAN TILLERY: Okay.

1 MR. ROTH: And it was not time critical for us
2 to do it right away, so that's fine.

3 CHAIRMAN TILLERY: Okay. Commissioner Rue.

4 MR. RUE: Yeah. I didn't hear Dr. Spies, if he
5 said anything new oystercatcher projects. It was part of the
6 deferral to make sure the two are coordinated.

7 MR. SENNER: Mr. Chairman, the delay there is
8 that we have a project in the field in fiscal year '98 on
9 oystercatchers. We're awaiting the results on that,
10 Commissioner Rue, and then if there is interest or reason to go
11 forward with an oystercatcher project in FY99, the two that you
12 see here as deferred, 289 and 480, would essentially be
13 competing proposals to go out and do any additional work and we
14 would want to look further at those and make a recommendation.

15 MR. RUE: Great, thanks.

16 CHAIRMAN TILLERY: Dr. Spies, under the 432,
17 which is a three year project, which you have one year of
18 funding listed. Do you have a sense of what the other two
19 years would cost?

20 DR. SPIES: What was involved in the other two
21 years?

22 CHAIRMAN TILLERY: Approximate cost?

23 MR. SENNER: I can do that math for you.

24 DR. SPIES: If you give us a second. I don't
25 have it in my head.

1 MS. McCAMMON: I thought it was about 250,000.

2 MR. SENNER: I got it.

3 (Pause)

4 MS. McCAMMON: Mr. Chairman, we did note, after
5 our discussion on this, that in the future what we'll do is in
6 the text in here put some reference to what the proposer has
7 estimated the cost of the entire project would be, so that we
8 don't have to.....

9 DR. SPIES: As submitted, it was submitted
10 65,000, first year; 34, 35,000 the subsequent two years.

11 CHAIRMAN TILLERY: Okay. So really only about
12 69-70,000.

13 DR. SPIES: Right.

14 CHAIRMAN TILLERY: Okay. Are there additional
15 questions or comments on nearshore projects?

16 (No audible responses)

17 CHAIRMAN TILLERY: Okay. I believe that takes
18 us to seabird and forage fish.

19 DR. SPIES: Okay. There are two subclusters
20 here again, Research Mechanisms Limiting Recovery and we have a
21 long series of continuing projects, starting with APEX and so
22 forth. And then one new start, which is Project 479, affects
23 the food stress. This is a resubmittal of a project that was
24 submitted last year and it was, at first, not recommended for
25 funding. But the principal investigator came back to us after

1 the initial recommendations and produced a large battery of new
2 information that was very convincing, that these cortical
3 steroids that they hoped to measure in seabird blood, and had
4 done some preliminary work on, were, in fact, promising
5 indicators of food stress in seabirds. And it's a very
6 compelling story, as so far developed, and this is one of those
7 cases where we did change our minds and are now recommending
8 this for a start.

9 We think it has potential in the seabird colonies to
10 achieve some great efficiencies in monitoring, whereas, one
11 would have to put field personnel on an actual colony site for
12 some time and support a field camp. That essentially a one or
13 two day visit and taking blood samples and monitoring of
14 cortical steroids will give you an idea of food delivery and
15 food stress to the young seabirds, so we have -- it's a lot of
16 -- and it also is -- really clarifies what's happening in APEX
17 and it relates directly to the other aspects of seabird
18 biology. And APEX is really directed at what's limiting
19 seabirds in the Gulf of Alaska and this adds directly to those,
20 and supplements those goals.

21 CHAIRMAN TILLERY: Mr. Pennoyer.

22 MR. PENNOYER: Sure. APEX is another -- and,
23 of course, you point out that have passed out a sheet that
24 shows all the projects in APEX, it's not just a total that
25 shows on the summary sheet, we've got the detailed breakdown,

1 but APEX is another area is looking at a lot of different
2 relationships and particularly the change in the abundance of
3 forage fish over the past couple of decades and how they might
4 be related to APEX predators. It mentioned harbor seals,
5 although that's ancillary to the studies they're doing, I
6 think. But clearly there's an area there, just like the harbor
7 seals, I think there are a lot of issues out there on why the
8 ecosystem is changing and what we ought to do about it, if we
9 can, that might relate back to what's being found out here.

10 I know I've asked Bruce already to make sure he's
11 getting together with our marine mammal people and doing things
12 or doing things like ESA consultations on fisheries and started
13 to talk about that, because there are some things in the APEX
14 that seem to be showing changes and trends versus nutritional
15 benefits for the certain species and how they go up and down
16 that I think would be very valuable. So again, the synthesis
17 here, I think, is another big deal.

18 DR. SPIES: I couldn't agree more and this
19 project is really providing a great deal of insight into what's
20 going on in the Gulf of Alaska, both on a time basis and also
21 as those valued species that seemed to be fluctuating as a
22 relation to food abundance and also food quality. And this is
23 certainly going to be an area that's going to get more of our
24 attention. And some very strong investigators in this project
25 that are going to be out there pulling things together, people

1 like John Piatt and Dan Roby and the project leader, Dave
2 Duffy.

3 CHAIRMAN TILLERY: Other questions or comments?
4 Mr. Wolfe.

5 MR. WOLFE: On the 99381, Status of the Seabird
6 Colonies. This is listed as do not fund and described as a low
7 priority. There hasn't been any status check on the colonies
8 in the Northeastern Prince William Sound for several years.
9 We're coming up on the 10th anniversary, plus we're getting
10 ready to acquire those lands. I really -- it's not going to
11 cost us a whole lot of money and I think it would be useful
12 information to have and worth the money to help justify part of
13 what we're spending several million dollars to acquire. I'd
14 like to -- you can put that in deferred category, if you want,
15 and we can talk about it more, the scope of it more, but I
16 would urge that we consider, at least, keeping it on the table
17 for right now for this next coming year.

18 CHAIRMAN TILLERY: Other -- Ms. Brown.

19 MS. BROWN: Can you describe why.....

20 MS. McCAMMON: It was just a lower priority. I
21 mean that does fit in with some of the deferred projects that
22 we have on the list for December, so.....

23 MR. SENNER: And, Mr. Chairman, that project,
24 just for those of you who are unfamiliar, is basically a survey
25 by boat along the shoreline of lands that are being acquired in

1 Eastern Prince William Sound. And these do include areas where
2 there were known in the past to be seabird colonies, as well as
3 they would gather data on things like oystercatchers that are
4 along the way, even though they aren't in colonies. And so it
5 really was only a matter of priority, what's proposed is
6 perfectly reasonable and the investigators are certainly
7 qualified to do the work.

8 CHAIRMAN TILLERY: I would note that, for
9 example, 434, seems to be essentially the same thing. You say
10 it's a worthy project, but it's question of priority and it is
11 in the deferred category. Would it be appropriate to, then,
12 similarly put this one in check and see how we're doing in
13 December? Defer it?

14 MS. McCAMMON: That would be fine.

15 MR. ROTH: Fine with Interior.

16 CHAIRMAN TILLERY: I actually did have a
17 question about -- on 434, the idea is to use a video camera for
18 the seabird colonies that are currently counted by the
19 researchers out there?

20 MS. McCAMMON: At Barren Islands.

21 MR. SENNER: Yes.

22 CHAIRMAN TILLERY: How much longer are they
23 going to be there? Do we know? I mean, I guess what I'm
24 wondering, presuming to do this video, you want to have some
25 ground truthing for a year or two; is there any chance that

1 they might disappear next year so if you don't do it right away
2 you could lose that ability?

3 MR. SENNER: Under our present schedule,
4 Mr. Chairman, fiscal year '99 would be the last year where
5 we're certain to be out at the Barren Islands. It maybe that
6 there would be -- depending on the results it may be that we
7 want to have crews there after that, but next year is really
8 the last certain year. And if you're going to get good milage
9 out of the video technology and have an ability to compare it
10 with data gathered by people, the most solid time to do that
11 would be next year.

12 CHAIRMAN TILLERY: I guess that's kind of what
13 I was thinking. And, therefore, my own view of this is perhaps
14 something that maybe when we come to December that we should
15 look pretty seriously at doing for those timing reasons.

16 MR. SENNER: It's your call.

17 MS. McCAMMON: Mr. Chairman, one of the reasons
18 for deferring it until December is that there's currently a
19 project underway on Gull Island outside of Homer that's being
20 kind of tested. And there's also one that they're doing on the
21 McNeil River, so we'll have the results of both of those
22 projects to look at in December.

23 CHAIRMAN TILLERY: Okay. Mr. Pennoyer.

24 MR. PENNOYER: Mr. Chairman, it does sort bring
25 back to that salmon escapement video.....

1 CHAIRMAN TILLERY: I didn't mean to do that,
2 Mr. Pennoyer.

3 (Indiscernible - laughter)

4 MR. PENNOYER: I'm not saying that we should
5 redo that one, but basically.....

6 MS. McCAMMON: Should you have windshield
7 wipers on those video cameras?

8 MR. PENNOYER: I know we just got till 5:00
9 o'clock, but basically here's a situation, you going to run a
10 weir, put a camera up and normal video technology, nothing
11 different than we've had around for a lot of years, and do
12 that, and here's a situation where you're doing video
13 technology, but they've got a museum in Washington, D.C., I
14 guess, where they can sit there or somewhere and look at Gull
15 Island -- where was that?

16 MS. McCAMMON: Homer.

17 CHAIRMAN TILLERY: Homer.

18 MR. PENNOYER: Look at Gull Island and move the
19 video around, watch Clem Tillian taking the tourists out or
20 whatever. That seems to me to be more the type of thing we
21 should be looking at than just a video on a tripod looking at
22 a weir. And it seems like we're going two directions here
23 that.....

24 DR. SPIES: Well, the project on Desire Creek
25 does, in fact, have -- is aimed at developing that capability

1 eventually of microwave transmission.

2 MR. PENNOYER: But eventually. See, you're
3 doing it -- we're buying, doing it right here. We're buying
4 doing it here. Why don't we do the same thing on Desire Creek
5 and let them monitor that from the Homer office?

6 MR. RUE: Well, we're going to run the weir
7 anyway, Steve, that's the point.

8 MR. PENNOYER: Well, okay.

9 MR. RUE: Yeah, I mean.....

10 MR. PENNOYER: But at some point it would be
11 real neat if you didn't have to run the weir and put the people
12 on it, wouldn't it?

13 MR. RUE: That might be it.

14 MR. SENNER: In that sense, Mr. Chairman, these
15 are analogous projects. The ultimate goal was to be able to
16 test a remote technology that would enable you to monitor
17 without having manned sites.

18 MR. PENNOYER: I'm being a little facetious --
19 the sockeye systems here, always we found out you had to have
20 somebody there to sample the fish anyway, so get age
21 composition or.....

22 MR. RUE: Yeah.

23 MR. PENNOYER: Okay.

24 MR. RUE: I don't have a big problem with these
25 projects, I mean, it comes down to funding priorities, I think

1 looking at them now or in December is fine with me.

2 CHAIRMAN TILLERY: Okay. Are there further
3 comments on seabirds and forage fish?

4 MS. McCAMMON: Mr. Chairman.

5 MR. RUE: Did we decide to put a defer on the
6 one that Jim Wolfe wanted?

7 CHAIRMAN TILLERY: 381, I believe, there is a
8 deferred on that one, that will be switched to deferred, if you
9 concur.

10 MR. RUE: If I concur?

11 CHAIRMAN TILLERY: Well, unless you don't
12 concur?

13 MR. RUE: That's fine with me, I just wanted to
14 know what we were doing. That's no problem.

15 MS. McCAMMON: Mr. Chairman, just for Mr.
16 Roth's information, 99144A is -- the FY00 cost is 23,000; for
17 99327, Pigeon Guillemot Restoration Research, the FY99
18 recommendation is increased 163.5 to 166.1; and then the
19 recommendation for 99471, Effects of Food Stress, is to delete
20 the contingent and it's now a fund.

21 CHAIRMAN TILLERY: Okay. Do you understand
22 that, Mr. Roth?

23 MR. ROTH: I believe so.

24 CHAIRMAN TILLERY: Okay. Any further comments
25 on seabirds and forage fish?

1 (No audible responses)

2 CHAIRMAN TILLERY: Okay. I believe our next
3 cluster is archaeology.

4 DR. SPIES: I'm going to turn over the
5 microphone at the podium now to Stan Senner, Science
6 Coordinator.

7 CHAIRMAN TILLERY: Thank you, Dr. Spies.

8 MR. SENNER: Okay. There are two projects
9 addressing archaeological resources. Both of these have been
10 ongoing projects, one of them, 149, is a close out and the
11 other would be a continuation of 007A, the Archaeological Index
12 Site Monitoring. I might note there that in 1996 there was
13 evidence that five of the sites being monitored had experienced
14 some vandalism. In 1997 only one site had evidence of
15 vandalism. We don't have -- at least I don't have information
16 on what they found in 1998, so I don't know whether there have
17 been any new instances of vandalism. But you'll note in the
18 Chief Scientist's recommendation and in the Executive
19 Director's, that we at least raise the question of whether, at
20 this point, one can attribute any of this vandalism to the oil
21 spill and the crews that had once been out in discovering these
22 sites and we would at least raise the question of whether after
23 fiscal year '99 this is something that the Trustees would want
24 to continue funding.

25 Otherwise that's what you -- nothing has changed in

1 these recommendations.

2 CHAIRMAN TILLERY: Are there questions or
3 comments from the Council? I think there is an obvious
4 question of why fund it this year?

5 MR. SENNER: I would be more comfortable in
6 giving you a recommendation on that, Mr. Chairman, if we knew
7 what the '98 results were. For example, if there were several
8 new instances of vandalism this year, I think that would be
9 something at least worth noting before making that decision.

10 CHAIRMAN TILLERY: When would we know that?

11 MS. McCAMMON: We'd know by the fall. I mean
12 we could defer it, I don't.....

13 MR. ROTH: Yeah, I wondering, should it be
14 deferred?

15 MR. SENNER: I don't know whether that would
16 require any interim support or not.

17 MS. McCAMMON: We'd have to check with Carol.

18 MR. SENNER: Okay.

19 MS. McCAMMON: I think she just stepped out.

20 MS. BROWN: She stepped out.

21 MR. SENNER: Yeah, if perhaps we could just
22 hold that and revisit it and when Carol Fries is maybe
23 available, we could check on that again before the end of the
24 day.

25 MS. McCAMMON: Or, Veronica, if you know.

1 I think this is mostly travel and time to go actually visit the
2 sites, so I don't think it's.....

3 MR. ROTH: I just wonder how much site visits
4 take place after October 1.

5 MS. McCAMMON: Probably not much.

6 MR. SENNER: Probably not.

7 MR. RUE: Not on purpose.

8 MS. CHRISTMAN: They may need some support to
9 produce the report for '98, I don't know how much that would be.

10 MS. McCAMMON: Yeah.

11 MR. RUE: No, I was kidding.

12 MR. SENNER: One way to proceed on that, you
13 know, just thinking out loud, Mr. Chairman, would be to ask the
14 Executive Director to only authorized funds -- you could
15 approve the full amount, the Executive Director only authorizes
16 funding through December and then it could be revisited at your
17 next meeting. That would get around the need for getting --
18 constructing an interim funding budget.

19 CHAIRMAN TILLERY: If there actually is no need
20 for the funding until next summer, I guess I would almost be
21 inclined to wait and see what the report says.

22 MR. SENNER: What we're wondering, though, is
23 whether they would need that funding this fall to do the
24 report.

25 CHAIRMAN TILLERY: I think Carol is here.

1 MR. SENNER: You're going to need to come up to
2 a mike.

3 CHAIRMAN TILLERY: Can you come up here?

4 MS. FRIES: Veronica, can you speak to this?
5 I'm sort of taken aback. I didn't know there was a question
6 about the continuation of 7A this coming year. I understand
7 that there is concern about subsequent years and I think
8 that.....

9 MS. McCAMMON: It was raised by him, not me.

10 MS. FRIES:archaeology anticipates that
11 and understands that, but the concern this year was.....

12 CHAIRMAN TILLERY: I think the question was,
13 given the recommendation of the Chief Scientist and the
14 Executive Director, why would one fund it this year? And Mr.
15 Senner replied that we did not have the '98 information yet and
16 he was reluctant to cut off funding until -- without knowing
17 whether there -- something had happened in '98. And so then
18 that led to the question of, well, should we simply defer this
19 project until we do have the '98 information, is there any
20 reason why we have to approve this now or can we just wait
21 until December?

22 MS. FRIES: Well, I think the way this
23 generally works, they have their field season in the summer and
24 then once they get back, September, October and November,
25 they're analyzing data and writing reports. So I think there

1 would be a delay in the analysis of the information that's
2 collected, would be my guess.

3 MS. McCAMMON: They would at least need that
4 funding the September or the October, November analysis.

5 MS. FRIES: Yeah.

6 MS. McCAMMON: But they may have it by
7 December.

8 MR. RUE: It would be nice to have that
9 checked, if we could. Is there any way to check that?

10 MS. McCAMMON: I think we'll make a phone call.

11 CHAIRMAN TILLERY: Carol, you need to come up
12 here, you really do.

13 MS. McCAMMON: Mr. Chairman, what we could do
14 is if you just authorize the report writing and analysis and
15 defer until December any additional field work and then you can
16 break out later what the costs are. Is that something
17 that.....

18 MS. FRIES: Something like that or either I can
19 go make a phone call.

20 CHAIRMAN TILLERY: Is that a -- does the rest
21 of the Council go along with that concept to.....

22 MR. PENNOYER: To defer it?

23 CHAIRMAN TILLERY: Well, sort of authorizing
24 what may be needed to do reports.....

25 MS. McCAMMON: The data analysis.

1 CHAIRMAN TILLERY:to do the '98 reports,
2 which is kind of the chicken here, but then deferring any other
3 expenditures until December beyond just the '98 report.

4 MR. RUE: But no field work.

5 MR. ROTH: They wouldn't be doing field work
6 from October to December anyway.

7 CHAIRMAN TILLERY: Right.

8 MR. RUE: Maybe.

9 CHAIRMAN TILLERY: Is that fine?

10 MR. PENNOYER: Yes.

11 CHAIRMAN TILLERY: Okay.

12 MR. RUE: Fine with me.

13 CHAIRMAN TILLERY: So sort of fund contingent,
14 then, I guess.

15 MS. McCAMMON: You want to fund part, defer
16 part.

17 CHAIRMAN TILLERY: Yeah.

18 MS. BROWN: Do we want to -- it might be wise
19 for you to make the phone call, make sure that that does work
20 before we take final action.

21 MS. FRIES: Yeah, thank you. Yeah, we will,
22 thanks.

23 MR. RUE: I think that would be great if she
24 could. Carol could.

25 MS. FRIES: Yeah, I'll do that.

1 CHAIRMAN TILLERY: Okay. Are there additional
2 questions on archaeological resources?

3 (No audible responses)

4 CHAIRMAN TILLERY: Does that bring us to
5 subsistence?

6 MR. SENNER: Yes, it does, Mr. Chairman.
7 Rather large cluster of projects, however; there the are no new
8 starts involved here. Just note that fiscal year '99 would be
9 the final year of that Tatitlek coho release and that would
10 involve a final release of fish as well report writing to close
11 out that project.

12 As Dr. Spies noted earlier, there's a deferral on the
13 Chugach Region Clam Project, but there is a site visit and
14 project review scheduled in early October and we are
15 recommending interim funding on that and then final action in
16 December.

17 Three supplementation projects that would be continued,
18 225, 247, 256B and then three more deferrals. Project 263, for
19 Barry Roth's benefit, this is changing what had been a fund
20 contingent to a defer. This is the Port Graham Stream
21 enhancements. And the reason for that change is that at this
22 point in the field season very little of the work in the field
23 that had been anticipated in the way of stream enhancements has
24 been carried out. In fact, I guess -- I say little, I think
25 none, really. And it does not seem appropriate to the staff to

1 recommend more funding there until we know the resolution of
2 the work that was supposed to be carried out in '98, so that's
3 a deferral.

4 405 is the Port Graham Hatchery, that's also
5 recommended as a deferral and just note that that project would
6 be one that's outside of the funding -- outside of the Work
7 Plan. And deferral on 444. Everything else is either a
8 continuation -- I see one more defer, the Spot Shrimp
9 Population Project is also a defer, so no new starts in this
10 cluster.

11 There are a number of do not funds in the cluster and
12 if you do have questions about any of them that we can try and
13 respond to, we will try.

14 CHAIRMAN TILLERY: Are there questions or
15 comments from Council members? Mr. Pennoyer.

16 MR. PENNOYER: We had testimony on the two
17 Community-Based Harbor Seal Research and Harbor Seal Sampling
18 Projects, would you just elaborate on what those are and why
19 they're deferred?

20 MR. SENNER: Yes. There are two harbor seal
21 projects, and both of them are shown on this page. Done at the
22 bottom is continue 245 which the Harbor Seal Sampling. And
23 then up in the first group there is defer 444, Community Harbor
24 Research. Briefly the difference is that the continuation
25 project, 245, is what we call the biological sampling project

1 and this involves getting subsistence hunters to take tissue
2 samples, according to protocols that make those tissues useful
3 for scientific sampling. And then actually getting those
4 tissues to researcher who make use of them. And this has been
5 a very successful project, it's popular with the subsistence
6 hunters, with their communities, and it's also effectively
7 delivered tissues to the scientists that would be very
8 difficult to get otherwise.

9 The second project which is recommended as a deferral
10 is quite a bit different animal, and that is this would
11 actually involve sampling during the fall, winter and spring
12 seasons in the Port Gravina area. Boat surveys to be carried
13 out by Native subsistence users and it would look at numbers of
14 seals in those areas and look at what they're -- visually look
15 at what they're eating and habitat use and so on.

16 We initially had a recommendation to fund this, or at
17 least a fund contingent, but there were two very important
18 contingencies. One is that our peer reviewers did raise a
19 number of substantive questions about the methods to be used.
20 And secondly, the other contingency was that there needed to be
21 active coordination and integration with the Department of Fish
22 and Game and National Marine Fishery Service projects up front.
23 In other words, that coordination needed to occur beforehand so
24 that we had a project that really was one that tied together
25 tightly with the ongoing agency projects.

1 We had a revised detailed project description or at
2 least a memorandum updating the one we had and our reviewers
3 have found that that project -- those project revisions really
4 weren't responsive to the peer review concerns and that the
5 coordination to be undertaken was still in the future rather
6 than in an accomplished fact at this point.

7 We still think there's potential here and our hope is
8 that between now and December there would be opportunity to get
9 the right players into the room together to discuss this,
10 because in principle I think our recommendation and the
11 Executive Director's recommendation is that it makes sense to
12 involve the Native subsistence users in some kind of a
13 management relationship, gathering information about resources
14 that care about that, that's a good thing, but we're very
15 reluctant to actually start such a project unless all of the
16 responsible parties have sort of signed off and are invested in
17 what is proposed.

18 Is that helpful?

19 MR. PENNOYER: Yeah, that does.

20 CHAIRMAN TILLERY: Mr. Pennoyer.

21 MR. PENNOYER: One additional question. For
22 some reason 405 says deferred, I can't find it on my
23 spreadsheet, although it is in the detailed project write-up.

24 MR. SENNER: 444 is.....

25 MS. BROWN: I think 444 is the hatchery, which

1 is.....

2 MR. SENNER: Oh, I'm sorry.

3 MR. PENNOYER: 405, the Hatchery
4 Reconstruction, I think everybody here agrees the loss of
5 hatchery in an area that we've been concerned about is a pretty
6 traumatic and unfortunate event, but.....

7 MS. McCAMMON: It's on page nine of your
8 spreadsheet.

9 MR. PENNOYER:this says deferred and I'm
10 not sure whether we're actually into hatchery construction, so
11 I'm not really clear.

12 MR. SENNER: If you look at the spreadsheet
13 that has the text, it's on page B-62.

14 MR. PENNOYER: Yeah, I got it.

15 MR. SENNER: Okay.

16 MR. PENNOYER: I mean it wasn't on this
17 spreadsheet.

18 MR. SENNER: All right. That's because it is
19 outside the Work Plan.

20 MS. McCAMMON: It's on page nine, it's the last
21 page.

22 MR. SENNER: Yeah.

23 MR. PENNOYER: And I'm wondering about the
24 defer characterization sort of implies that we're -- there's a
25 question here, do we fund hatchery construction? And I'm not

1 clear that we had decided to do that, so -- and I know it says
2 defer pending review of project legal permissible and some
3 policy considerations. I'm not sure what you mean by defer.

4 MS. McCAMMON: Mr. Chairman, this is -- well,
5 as you know, the hatchery and cannery in Port Graham burned
6 down and we've had several ongoing projects there for the last
7 few years. They're now housing those projects in temporary
8 quarters pending rebuilding of the hatchery. So they have
9 requested funding from the Council, not for the entire facility
10 but for a portion of the costs.

11 The defer is based on a number of things. First of
12 all, they were not able to give us a really good analysis of
13 what the actual costs of construction would be. Secondly,
14 there's several portions of the facility, there's a hatchery
15 portion, which has a number of functions. One of the functions
16 is to raise fish to supplement the natural subsistence runs and
17 to improve natural runs. Another function is to raise
18 additional fish beyond subsistence use that they would take
19 commercially and then use in the cannery portion of the
20 project. They're looking for separate funding for the cannery
21 portion. They're not -- they don't believe in asking the
22 Council for the entire portion of the hatchery funding.

23 But the questions -- we have given this project to
24 Department of Justice, they've asked for some additional
25 information. I think their main interest is in looking at --

1 are they projects that the Council is funding there, the kind
2 of work being done there, are they -- what kind of impact would
3 they be having on wild stocks? And, basically, is more good
4 being done than harm? And before they would want to bless this
5 project they would want some analysis of that. We've asked for
6 some additional information from the proposer and from Fish and
7 Game, it's going to take a while to pull that together. And so
8 any kind of final definitive recommendation wouldn't be ready
9 until December at the earliest.

10 MR. PENNOYER: Okay. Thank you.

11 CHAIRMAN TILLERY: Thank you. I believe that
12 some of this was funded through criminal restitution -- State
13 criminal restitution funds in the last legislative session.

14 MS. McCAMMON: That's correct. There is some
15 funding from the State criminal restitution for equipment in
16 some portion of it also. So they're looking at a multitude of
17 funding sources.

18 CHAIRMAN TILLERY: Are there additional
19 questions or comments?

20 MR. WOLFE: Mr. Chair.

21 CHAIRMAN TILLERY: Mr. Wolfe.

22 MR. WOLFE: One other one and that has to do
23 with the O'Brien Creek Restoration. There was public comment
24 this morning from Chenega on that project, supporting that
25 project. In reading the Executive Director's recommendations

1 it sounds almost like a deferral type of thing.

2 MS. McCAMMON: But it's a deferral for a year
3 rather than just until December.

4 MR. WOLFE: Okay. But this is only a
5 feasibility study that's being proposed here. And part of the
6 Chief Scientist's notes indicate that it's probably not
7 feasible. Are we dragging something out here or -- not without
8 high costs that exceed this.

9 DR. SPIES: I think there's questions about a
10 water supply and the cost of the engineering that are involved
11 in those comments or the basis of them.

12 MR. WOLFE: And I'm not trying to dispute that,
13 I'm just wondering if we're leading them on to think that we're
14 going to do something but what I hear is it really doesn't have
15 a high feasibility of being something that we would want to
16 proceed with. I'm just not sure what to recommend, it's just
17 I'm just asking.

18 MS. McCAMMON: The cost per fish, returning
19 fish would be high.

20 DR. SPIES: Right. And also to do the
21 alterations that -- I think that's a stream -- my recollection
22 was it a stream that because of the earthquake it does not have
23 the same hydrological characteristics as it used and flow
24 during periods in the summer, particularly where there's not a
25 lot of rain in those years that there's not a lot of rain, that

1 may be problematical, so I think what the reviewers are saying
2 is be careful this could be getting into a really expensive
3 situation in terms of altering the stream bed.

4 MR. WOLFE: If I recall right, it's one that
5 where we have the flow going subsurface (indiscernible -
6 interrupted).....

7 MR. SENNER: That there's a berm.

8 DR. SPIES: Yeah, yeah.

9 MR. SENNER: Right.

10 MR. WOLFE: I'm tossing around in my mind that
11 maybe we should go ahead the feasibility study and decide
12 whether we can or can't do this, but if it needs to wait until
13 we do the subsistence study, fine.

14 MS. McCAMMON: Mr. Chairman, I think there was
15 a feeling that we've done quite a few of these type of
16 projects, we already have Salt Lake underway, we've done the
17 remote releases. And a feeling that before -- these are
18 intended as temporary replacement type fisheries and if the
19 conclusion of the subsistence surveys is that subsistence use
20 is above and beyond or is fully recovered then there may not be
21 a need for something like this or the need may not be as great
22 or.....

23 MR. WOLFE: Will we get that kind of
24 information?

25 MS. McCAMMON: We should, yes.

1 MR. WOLFE: Okay. Maybe I don't need to
2 belabor it anymore. I was thinking we need to either decide if
3 we can even do the project, much less whether or not
4 subsistence is an issue or not, rather than let it drag on, but
5 that's fine.

6 CHAIRMAN TILLERY: Are there additional
7 questions or comments on subsistence?

8 (No audible responses)

9 CHAIRMAN TILLERY: Okay. The next cluster is
10 reduction of marine pollution.

11 MR. SENNER: Okay, Mr. Chairman, there are two
12 projects here, the Kodiak Waste Management Plan and the Lower
13 Cook Inlet Waste Management Plan. The first of these is a
14 continuation -- or actually an implementation of a planning
15 project. Now, these are not -- the Kodiak one, 304, is not on
16 your numbers only spreadsheet, because it is not a Work Plan
17 project and it's on the -- I guess it appears on page nine, is
18 it?

19 MS. McCAMMON: Yeah.

20 MR. SENNER: Yes, under Reduction of Marine
21 Pollution, and on that last page these are projects that are
22 not a part of the Work Plan. And the background on this is
23 that several years back the Trustees funded a similar planning
24 exercise in Prince William Sound looking at how communities
25 like Cordova and Chenega handled waste oil, other things that

1 would get into the marine environment and potentially be
2 sources of chronic injury to various fish and wildlife
3 resources. You then funded the implementation of that project,
4 it's been highly successful, we think, or at least the early
5 indications are. You then funded a planning exercise in Kodiak
6 communities in the prior fiscal year and then this project,
7 304, would be actually the implementation phase of that Kodiak
8 work.

9 One thing I want to stress is that we -- our reviewers
10 were not engineers, but we did go out and have a qualified
11 engineer review the -- not only the report on the planning
12 exercise but also the proposal for the implementation work and
13 they made a number of revisions to the proposal on the basis of
14 that review and we know have a proposal that we think is an
15 acceptable one.

16 MR. PENNOYER: Mr. Chairman, question on that.

17 CHAIRMAN TILLERY: Mr. Pennoyer.

18 MR. PENNOYER: You talk about there is
19 significant cost sharing from Kodiak Island Native Association
20 and others. What is that; is that.....

21 MS. McCAMMON: Veronica, do you want to address
22 that, the cost sharing?

23 (Pause)

24 MS. CHRISTMAN: Thank you. It's difficult for
25 me to remember the cost sharing. The request for funding from

1 the Trustee Council is for two of the four priorities that were
2 made in the plan. The very top priority was wastewater and the
3 borough itself, as well as Kodiak Area Native Association, are
4 obtaining grants. Some are ANA grants, American Native
5 Association grant, to help repair the water systems throughout
6 the borough, so this is complementary.

7 MR. PENNOYER: A lot of different sources and a
8 lot of different.....

9 MS. CHRISTMAN: That's right. Okay, now. See,
10 the longer I talk the more I'll remember what the funding
11 sources were. What they requested were largely for funds to
12 actually upgrade their solid waste facilities and to improve
13 their capability to handle household hazardous waste and other
14 sources of marine pollution, because we had already gone
15 through that trail with the Prince William Sound area, that
16 those were the kinds of activities that the Trustee Council may
17 be able to fund dealing with used oil, bilge water oil, et
18 cetera. However, another part, a very important part of their
19 plan was to develop a borough-wide utility council, which was a
20 vehicle for actually coordinating, you know, waste management
21 practices throughout the borough. And this cost several
22 hundred thousand to maintain, it would have full-time director
23 and basically some of the capability that would allow this to
24 be a successful program. And none of that funding will come
25 from the Trustee Council, it will be supported by the borough.

1 MR. PENNOYER: Thank you.

2 MS. BROWN: Pretty good memory after all.

3 MR. SENNER: I notice on the project
4 description, among the sources are Administration for Native
5 Americans (ANA), also the KANA group itself and some of that
6 ETA money, Indian Health Service money, so a variety of
7 sources.

8 MR. PENNOYER: Thank you.

9 MR. SENNER: Okay, the second project here,
10 514, is a start and this is really been a Lower Cook Inlet
11 analog to what has been tried in Prince William Sound and in
12 Kodiak. And this involves the communities of Port Graham and
13 Nanwalek, I believe. And this is a planning exercise only, it
14 does not yet involve construction or implementation phase, but
15 the expectation is that if the planning effort is successful
16 and there is reason to go forward then we would anticipate them
17 coming back to the Council as has been done in Kodiak and
18 Prince William Sound.

19 That's it for that cluster.

20 CHAIRMAN TILLERY: Are there questions or
21 comments regarding reduction of marine pollution?

22 (No audible responses)

23 CHAIRMAN TILLERY: Okay.

24 MR. SENNER: Okay?

25 CHAIRMAN TILLERY: Thank you.

1 MR. SENNER: Habitat Improvement. There are
2 three projects here that involve funding, there are also do not
3 funds that you may want to discuss.

4 There is the continuation and the final phase of field
5 work, at least, for the 180 project, the Kenai Habitat
6 Restoration. And you may recall, this is a series of
7 restoration projects along the Kenai River, stream bank
8 stabilization, walkways to stop trampling on banks, that kind
9 of thing. So this would be the final year of implementation on
10 that. I believe in the year FY2000 there would be some need
11 for some report writing money since the implementation work
12 would carry them right up to through the end of the next fiscal
13 year and there would be some need to carry over for the report
14 writing.

15 The other continuation project is 339, the Human Use
16 and Wildlife Disturbance Model, and that would be the second
17 year of funding on that and actually would, I believe, include
18 the final product.

19 The one new start here is the Homer Mariner Park
20 Project, this is a feasibility study and environmental
21 assessment only. You may remember that this project came
22 before the Council a year ago, and although it got favorable
23 peer review, it was put on sort of a lower priority, defer
24 category and then ultimately at the end of the year, and indeed
25 there wasn't enough money to fund all the meritorious projects,

1 and it was not funded.

2 The City of Homer came back to us and, again, received
3 very favorable peer review for this feasibility effort and we
4 are recommending that we go forward. And without going into
5 real detail there, the issue is whether they can restore tidal
6 action to an area of tide flats that are cut off by a road and
7 a berm and whether that's feasible to do that at any kind of a
8 reasonable cost. And this would be -- if the project is
9 ultimately carried out it would be one of the few opportunities
10 we've had for hands-on restoration in an intertidal habitat
11 which, of course, is where the kind of habitat where most of
12 the oil ended up.

13 So those are the projects that have funding tied to
14 them. There are several do not funds here, include the South
15 Spruce Street Beach Parking Project, which there was public
16 testimony on, and I'd be happy to discuss those if you'd like.

17 MS. BROWN: Mr. Chairman, I would like.

18 CHAIRMAN TILLERY: We would like.

19 MR. SENNER: I thought you would. Several
20 comments here. One is background. We just mentioned that
21 we're funding the third year of the field work on Project 180,
22 which is the Kenai Habitat Restoration Project. This will,
23 over the life of that project, be -- oh, it's about one and a
24 half million, I believe. I may be -- my memory may be giving
25 out, something on that order of habitat projects there. And

1 one of the key features of that project was that the agencies
2 involved got together and reviewed a series of different
3 proposed projects and they were able to rank them based on
4 their restoration benefit and costs and other factors. Went
5 through a very careful review process to make a determination
6 on which was were the projects that would give the Trustees
7 sort of the biggest bang for their buck in terms of actually
8 accomplishing restoration.

9 And it was out of that process that a smaller subset of
10 projects was selected for actual implementation. This year we
11 have four proposals for Kenai Habitat Projects in addition to
12 180, and these are 387 and 388, which are the two proposed by
13 the City of Kenai. And then there were two proposed by the
14 City of Soldotna, 495 and 496. And one of our concerns right
15 at the outset about all four of these projects is that we felt,
16 as the staff, it was perhaps not a wise road to go down to be
17 making piecemeal decisions on these restoration projects and
18 that the 180 process gave us sort of an orderly or systematic
19 way to review priorities and settle on the projects that made
20 the most sense. And so we're very reluctant to recommend to
21 you funding for any additional work on a piecemeal basis.
22 That's one item for your consideration.

23 Specifically with respect to the two City of Kenai
24 Projects, South Spruce Street and the Southside Access Parking,
25 which is the road project, there were concerns raised by the

1 Department of Fish and Game about the filling of wetlands that
2 would be a part of these projects and so that was an additional
3 concern, specific to these two projects. As you heard this
4 morning and as we have been told recently as well, there
5 apparently is a permit already in place for the South Spruce
6 Street parking -- excuse me, for the wetland filling that would
7 be associated with that parking. Our understanding is that
8 original permit for wetland filling had to do with the sewage
9 treatment facility there. And the letter we saw from the
10 Department of Fish and Game continued to indicate concern about
11 filling wetland for -- to accommodate the traffic as a result
12 of this seasonal dipnet fishery.

13 It's a complicated issue, really, and maybe not one
14 that's very black and white. One thing we have proposed is
15 that our Public Advisory Group is going to be visiting the
16 Kenai River in September and we have suggested that the PAG
17 make a stop specifically at this site, look over the situation
18 and have the representatives of the City of Kenai there to
19 actually show them, you know, what the impacts are, what the
20 situation is, what the opportunity for improvement is and on
21 that basis may be able to give you a more informed
22 recommendation. But those are the reasons, at this stage, for
23 the do not fund.

24 CHAIRMAN TILLERY: Questions or comments from
25 Council members?

1 MR. RUE: Yes, I have a quick comment.

2 CHAIRMAN TILLERY: Mr. Rue.

3 MR. RUE: Yeah. I think Stan did a very good
4 job of summarizing the issues and, Stan, I'd be happy to have
5 someone from the Department go with the PAG if they'd like to
6 hear what our concerns are. And also some of the -- we're
7 trying to develop an alternative access to the Kenai River
8 which would have less impact. I think that was alluded to by
9 the representative from the city today, but we'd be happy to go
10 along with the PAG.

11 MR. SENNER: I think we would want that,
12 Commissioner Rue.

13 MR. RUE: Okay. Let Claudia know when you're
14 planning that, we can have someone there.

15 CHAIRMAN TILLERY: Mr. Senner, I have a couple
16 of questions about this. It seems to me there should be
17 somehow cheaper alternatives to this. If the problem is --
18 like if Fish and Game is concerned about the habitat
19 destruction caused by the fishery, couldn't they simply close
20 or limit the fishery and wouldn't that solve the problem? And
21 secondly, if these people are trampling over private or public
22 lands, isn't there just law enforcement that can stop that? I
23 mean, can't you just arrest them for trespassing or doing
24 something illegal? Why do we need to.....

25 MR. SENNER: I'm not sure I can speak for the

1 law enforcement question, but the first part of it about simply
2 close the fishery. In the Draft Work Plan for this fiscal year
3 the Chief Scientist's recommendation, in fact, noted that based
4 on the information provided in the detailed project description
5 there was no discussion of doing things like closing or
6 modifying the dipnet fishery because of the damage to the
7 habitat. In information that was provided subsequently by the
8 City of Kenai, they pointed out, in fact, that the city and the
9 Department of Fish and Game had gone to the Board of Fishery
10 and asked, at least, for a partial closure of the dipnet
11 fishery to protect some of the particular areas that were being
12 impacted and that request for a closure was rejected by the
13 Board of Fishery.

14 So that's sort of getting into an area that's beyond
15 our purview, but it would appear that there's some potential to
16 reduce or eliminate the problem through such closures if the
17 appropriate body wants to take that action. However, it's an
18 extremely popular fishery, lots and lots of people, and I'm
19 sure that there's recognition of the number of people making
20 use of it.

21 MR. RUE: Yeah, I can maybe elaborate a little
22 bit. That issue came up on the larger -- on the sockeye
23 fishery, the bank fishery on the Kenai. In that case we have
24 closed areas to fishing to protect habitat. Our solution on
25 this one, we think, is an alternative access from the

1 southside.

2 CHAIRMAN TILLERY: And that.....

3 MR. RUE: And monitor -- if we can accommodate
4 the fishery because the Board of Fish has been fairly
5 interested in making sure they don't create habitat problems
6 because of fisheries and so I think they could address that
7 issue if it were significant.

8 MR. SENNER: And the project Mr. Rue was
9 referring to there would be the 388 one, sort of an alternative
10 to the extensive road construction that's proposed here.

11 CHAIRMAN TILLERY: An alternative to 388?

12 MR. SENNER: Yes.

13 MR. RUE: Yeah.

14 MR. SENNER: If you look at the two, 387 is,
15 and Mr. Kornelis can correct me if I'm wrong, that's the
16 expansion of a parking area, an existing parking area on the
17 northside. The 388 project is a road of about three-quarters
18 of a mile and what Commissioner Rue was referring to here is
19 that they are exploring some alternative ways to address that
20 access problem.

21 MR. RUE: That's correct.

22 CHAIRMAN TILLERY: Mr. Pennoyer.

23 MR. PENNOYER: Mr. Chairman, it sounds like
24 this idea of going and doing a site visit and look at these
25 alternatives that Fish and Game is proposing is a good one. It

1 seem to me a lot of venues have different reasons -- didn't
2 Cordova want us to build a parking lot, too, to access to sport
3 fishing down near the waterfront, we decided that that wasn't
4 the.....

5 CHAIRMAN TILLERY: It's a very nice parking
6 lot.

7 MR. PENNOYER: Did we build it?

8 MS. McCAMMON: Using criminal funds.

9 CHAIRMAN TILLERY: We built it with State
10 criminal restitution funds.

11 MR. PENNOYER: Oh, okay, well.....

12 MR. RUE: I think you have to look at where
13 they go and what kinds of habitat impacts you're causing and
14 what the trade offs are.

15 MR. PENNOYER: So is this sort of a defer
16 pending further discussion and site visit type of thing?

17 MR. SENNER: Well, this is up to you. We have
18 it simply as a do not fund. If you want us to change its
19 status pending that visit, that's something that is your
20 judgment.

21 MR. RUE: I guess if I could, I would recommend
22 we keep at do not fund. I think the options proposed here have
23 -- the impacts on wetlands are too significant, I think we
24 ought to look at alternative access options to the mouth of the
25 Kenai that don't have the same wetland fill issues. And that's

1 what we're trying to explore right now.

2 CHAIRMAN TILLERY: And another comment, I would
3 say that if -- as I understand these wetlands, there is a
4 permit to fill them, the proposal is to fill them for this
5 project, as I understand it there is.....

6 MR. SENNER: For the 387 project.

7 CHAIRMAN TILLERY: Right. And there is no
8 protection on those wetlands that they're not going to be
9 filled for some other project down the road or some other
10 proposal.

11 MR. RUE: My understanding of that one was an
12 expansion of the sewage treatment plant where they really had
13 no alternative but to go in this spot if they were going to
14 expand the sewage treatment facility. And lacking an
15 alternative they -- the permit was issued. We think there's an
16 alternative for fisheries access.

17 MR. KORNELIS: Can I say something?

18 CHAIRMAN TILLERY: Yes, please. You need to
19 come up to the mike.

20 MR. KORNELIS: Keith Kornelis from the City of
21 Kenai. In actuality the permit that we received from the Corps
22 of Engineers is twofold, it's to provide area for expanding for
23 the sewage treatment plant and for parking for recreational
24 use. So our permit application hit both areas. There's a
25 possibility in five, six, seven years there may be some

1 expansion of the plant which would take up maybe a quarter to a
2 half of this area, but the rest of the area would be for
3 recreational use. And the whole area would be for recreational
4 use for these fisheries for at least five years.

5 CHAIRMAN TILLERY: Okay. Other questions or
6 comments? I guess I had one last one, which was is all the
7 money on 180 being spent?

8 MR. SENNER: Committed? Yes.

9 MS. McCAMMON: This is the last of it.

10 MR. SENNER: Yes.

11 CHAIRMAN TILLERY: But everything that we --
12 each year before it's come down to the last dime? No money has
13 been rolled forward?

14 MS. McCAMMON: There's probably been a little
15 money lapsed each year; hasn't there, Carol?

16 MS. FRIES: There's been some money that has --
17 that in the original VA it wasn't spent because some of the
18 projects pulled out and decided not to spend.

19 CHAIRMAN TILLERY: And that just lapsed back
20 in?

21 MS. FRIES: Yes. Well, it was never -- it
22 wasn't authorized because those projects never.....

23 CHAIRMAN TILLERY: Okay. And the 180 is pegged
24 for some specific projects for this year already that do not
25 include either of these?

1 MS. McCAMMON: Yes.

2 CHAIRMAN TILLERY: Okay.

3 MS. McCAMMON: And, in fact, one of the
4 Soldotna projects has already been funded through the 180, I
5 can't remember which one.

6 MR. SENNER: Yeah, it turns out that one of the
7 two projects funded -- or being proposed or requested by the
8 City of Soldotna, there's one actually being funded through
9 Project 180 and I think one hand didn't know what the other was
10 doing there.

11 CHAIRMAN TILLERY: Mr. Kornelis.

12 MR. KORNELIS: I think maybe the alternate
13 access that Commissioner Rue is referring to is the access that
14 the Kenai Native Association has to get to the beach, which
15 would not solve the situation of the people still driving the
16 full length of the beach and having to go back up onto the
17 wetlands area and the dunes at the high tides. Right now the
18 people are accessing the beach through a section line easement
19 and the Native Association is planning on allowing them to
20 access in a different area which is even further south, which
21 would these people would be driving a further distance on the
22 beach, again, crossing private property at the higher tides,
23 because private property goes out to tide elevation 19, so when
24 the higher tides are 19 or above, people, to escape the water,
25 would have to get up higher than that and they get up into the

1 private properties. At the even extreme high tides they get up
2 into the dunes and up into the wetlands to save their vehicles
3 from being flooded.

4 CHAIRMAN TILLERY: All right. Further
5 questions?

6 (No audible responses)

7 CHAIRMAN TILLERY: Okay, thank you very much.
8 Does that take us to ecosystem synthesis? What happened to --
9 okay, recreation and tourism?

10 MS. BROWN: A do not fund.

11 CHAIRMAN TILLERY: Is a do not fund, so there's
12 no discussion?

13 MR. SENNER: Right.

14 CHAIRMAN TILLERY: Did any Council members wish
15 to discuss the one project under recreation and tourism?

16 (No audible responses)

17 CHAIRMAN TILLERY: Okay. Mr. Senner.

18 MR. SENNER: Okay. Ecosystem synthesis has, at
19 least, three project that involve new starts and several
20 continuations. Dr. Spies referred in his discussion this
21 morning about synthesis efforts and one of the most important
22 such efforts is Project 330, which is recommended for a
23 continuation. And this is development of what's called a mass
24 balance model in Prince William Sound. We think this is very
25 exciting work, there is a draft, at least an early draft of a

1 product now available on that and there will be a sort of
2 review session coming up this fall to look at that work, so
3 you'll be hearing more about that down the road.

4 The three projects that involve new starts are under
5 the heading of Integrate and Synthesize Project Results. The
6 first of these is a Katchemak Bay Ecological Characterization,
7 Number 278. This was a proposal that came to the Trustee
8 Council a year ago. It is tied in with the development of
9 what's called a NERR site, National Estuarine Research Reserve
10 in Katchemak Bay, this is something recommended by the Governor
11 to NOAA and it's a designation that involves a cooperative
12 effort between the State government and NOAA. That's
13 something, I believe, will be happening this fall.

14 And this characterization involves development of a
15 database, GIS layers and also annotated bibliography for work
16 in Katchemak Bay. We felt that the proposal was significantly
17 improved from a year ago. The cost is modest, \$70,000, that's
18 recommended for funding and there is a very significant cost
19 sharing from NOAA on this project.

20 The next one that is recommended as a start is 368,
21 Environmentally Sensitive Area Summary Maps for Prince William
22 Sound. Some of you may be familiar with maps that were
23 produced by NOAA back in 1988, the year before the oil spill
24 which are seasonal maps, spring, fall, winter and summer, which
25 depict on these maps, hardcopies, simply areas such as herring

1 spawning grounds, where the seabird colonies are, anadromous
2 fish streams and other sort of major features and sensitive
3 habitats for fish and wildlife on a seasonal basis.

4 What we've recommended here is some money to update
5 those maps since there's been an enormous amount of information
6 generated since 1988. These maps would be available in
7 hardcopy but also in digital formats now, since we're in the --
8 approaching the 21st century. This is also a project that has
9 excellent cost sharing. In this case from the Coast Guard.
10 Anticipated funding from the Prince William Sound RCAC, and our
11 understanding is that the Oil Spill Recovery Institute is also
12 contributing an additional \$50,000 for a more detailed set of
13 maps that would go beyond the summary scale maps that are
14 proposed for funding here.

15 The other project that is recommended as both a start
16 and a defer is Project 391, the Cook Inlet Database. You'll
17 see in the spreadsheet that has text, there's rather a lengthy
18 recommendation from the Executive Director. We did want to
19 call your attention to the fact that there is no Chief
20 Scientist's recommendation on the project. At least
21 indirectly, Dr. Spies and his company have a conflict of
22 interest due to a contract they've been involved with the
23 Minerals Management Service that involved literature review and
24 information -- synthesis in Lower Cook Inlet and as it pertains
25 to water quality, in fact, so the feeling was that this would

1 be one that the Chief Scientist should not have an active
2 recommendation on.

3 However, there was external peer review on this
4 project, we have reviews from two Outside experts who are
5 involved -- both of whom are involved in development and
6 implementation of large scaled databases in the Lower 48. And
7 what we have done is that we have taken the review comments
8 ourselves rather than have the Chief Scientist make a
9 recommendation on them, we've used that as the basis for the
10 recommendation from the staff. I just want to briefly
11 characterize the nature of the reviewer comments on that and
12 then turn it over to the Executive Director to amplify on her
13 recommendation.

14 We've had two rounds of review from the same reviewers
15 on this. We had the original proposal, got two sets of
16 reviews, then we had a revised proposal and had the same two
17 reviewers then give it an additional review. I think it's fair
18 to say that both reviewer, from the outset, have recognized the
19 possible importance and potential of this project, the idea of
20 gathering together scattered data sets, bringing that
21 information together in a way that's useful to the public and
22 to agency decision makers, particularly with reference to
23 looking at cumulative impacts of marine pollution and this kind
24 of thing on resources injured the oil spill, that this made
25 sense in a conceptual way.

1 There were, however, a number of questions raised about
2 what was actually proposed, the initial reviews had concerns
3 about how ambitious the project was, feeling that the original
4 project description perhaps didn't fully recognize or at least
5 did not describe for the reader that they were aware of all of
6 the pitfalls and deep black holes that there are in this kind
7 of an exercise. There was concern that the project staff
8 perhaps did not have the necessary experience to really pull
9 off a project of this magnitude, and it is essentially a
10 million dollar project over -- originally proposed in one year
11 and now proposed for two years. So there were a number of
12 concerns.

13 The reviewers, however, both of them, felt that the
14 revised proposal had made -- was substantially improved from
15 the original proposal and there was no equivocation on the part
16 of the reviewers in saying that the proposal was dramatically
17 improved. There are still several concerns, however, that they
18 raised. One of them is this issue, which is really a
19 fundamental one, of the sort of effectiveness, cost
20 effectiveness and efficiency of compiling a centralized
21 database where you're trying to essentially bring lots and lots
22 of different data sets under one umbrella versus a more
23 distributed approach, for example, a web site where you have
24 links to data sets that may continue to be the responsibility
25 of different agencies and individuals. And so this sort of

1 centralized versus distributed approach is a very important
2 one, and it's one that the reviewers continue to recommend
3 needs major discussion on the part of the proponents.

4 There's also still concern whether, in fact, the
5 project staff that are proposed here really have the necessary
6 experience to successfully design and manage a project of this
7 scope. There's some concern about how, in fact, the project
8 will be managed and controlled and the reviewers point out that
9 there's a lack of management plan to actually show how that
10 will happen. There's also concern about the budget and the
11 difficulty, really, in evaluating the budget, given that it's
12 not broken out by function and task.

13 So still some concerns on the table, but definitely a
14 recognition by both reviewers that this is a considerably
15 improved proposal from the original. I'll turn it over to.....

16 MS. McCAMMON: Now, I won't -- you have before
17 you a revised Executive Director's recommendation. And based
18 on some additional information that was provided today by the
19 project proposers and looking at the issues raised by the peer
20 reviewers -- the recommendation is fairly lengthy because it
21 also includes, basically, a response to the peer reviewers'
22 comment in here also. But the gist of the recommendation is to
23 fund the entire first year of the project at \$335,000
24 contingent on approval of a revised budget. We don't have a
25 budget for 335 at this point, so we'll be getting that shortly

1 from Department of Natural Resources.

2 The project then would be divided for the year one into
3 two phases and funds would be released separately for those two
4 phases, although you, as the Trustee Council, would approve
5 funding for the entire year's project. Phase I would consist
6 of a user needs assessment and a metadatabase development.
7 Phase II -- and following development of that these two
8 deliverables would be peer reviewed and there would be a
9 presentation to the full Trustee Council following those two
10 deliverables. At that point if there were any significant
11 concerns raised by either the peer reviewers or the proposers
12 or members of the Trustee Council there would be the
13 opportunity for any further consideration at that time.

14 But assuming everything goes forward and is
15 satisfactory, Phase II would then go forward with the
16 development of a prototype for a large centralized database.
17 And essentially what DNR suggested is that a lot of potential
18 users of a system like this won't really know what meets their
19 needs until they have something, actually, as kind of a sample
20 to work with. And so what they have suggested is that in year
21 one, as Phase II of year one, that a smaller subset of that
22 with maybe a few data sets and kind of a sample be designed
23 that gives them some idea of what a future database might be.
24 Then actually implementing the major database which is at a
25 cost of, I think, about 600 and some odd thousand and change.

1 Anyway, it would come back to the full Council for its
2 consideration next year. So that would be my recommendation.
3 I still think that -- and encourage the project proposers to
4 seek cost sharing on this if at all possible, especially for
5 Phase II and certainly for the second year, if at all possible.
6 But this at least gets the ball rolling on this. Gets things
7 underway and gives them time to seek cost sharing.

8 MR. ROTH: Mr. Chairman, I've got a question.

9 CHAIRMAN TILLERY: Mr. Roth.

10 MR. ROTH: I'm a little confused. If there's
11 going to be a full presentation to the Council before Phase II
12 anyway, why don't we just approve Phase I and then maybe the
13 full presentation after the first two deliverables, why don't
14 we then approve Phase II? If they can't start it anyway. I
15 mean the results and everything, why aren't we just evaluating
16 when they give us the presentation?

17 MS. McCAMMON: Mr. Chairman, I think what the
18 proposers have actually asked for is that the entire year one
19 project be funded. And it's their concern that in order to get
20 the kind of quality people that they need to work on the
21 project and to actually do some new hires, which they're going
22 to have to do and to actually get contracts underway, that they
23 want, at least, some greater assurance that the full project
24 will be funded pending some serious problems. Now, at any
25 point throughout this process, if the Trustee Council chooses,

1 you can stop a project or change your mind if there's unanimous
2 agreement to do so. But this requires the project midway to
3 actually come back to the Trustee Council, and although it
4 doesn't require the Council to vote on it again, it does
5 provide the opportunity for kind of a midpoint check on this
6 before making any further commitments.

7 CHAIRMAN TILLERY: Ms. Brown.

8 MR. ROTH: And who determines the satisfaction
9 of the deliverables? I mean they don't get to spend any Phase
10 II until the deliverables are done, and who's evaluating?

11 MS. McCAMMON: That would be through the peer
12 review and then through the presentation to the Trustee
13 Council.

14 CHAIRMAN TILLERY: Ms. Brown.

15 MS. BROWN: Thank you. I just wanted to point
16 out that there already is cost sharing even in year one. The
17 agencies will be contributing a fair amount of staff time and
18 so it's not just in Phase II that cost sharing is an issue, the
19 agencies are.....

20 MS. McCAMMON: Yeah, maybe in the revised
21 budget you can indicate that, too.

22 CHAIRMAN TILLERY: Is it my understanding also
23 that there's essentially cost sharing in the sense of a Phase
24 III or -- the last thing, which would be the agencies, once
25 this thing is established, keep this up and they promise to do

1 so, is that.....

2 MS. BROWN: Right. So there will be cost
3 sharing.

4 CHAIRMAN TILLERY: Down the road.

5 MS. BROWN: Right. But there is in the
6 immediate stage there is already as well as maintenance of this
7 database is certainly going to be a sizeable contribution.

8 MR. RUE: Have you all documented how much that
9 is, Michele? This is Frank. Do you have a sense of it?

10 MS. BROWN: I don't know, I don't if Carol.

11 MR. FRIES: Approximately.....

12 CHAIRMAN TILLERY: Carol, you need to come up
13 front, please.

14 MS. FRIES: My name is Carol Fries, I'm with
15 the Department of Natural Resources. Based on the original
16 budget of 390,000 point whatever, it's an estimated 55,000 that
17 we are absorbing in-house in order to continue with this.

18 MS. BROWN: Mr. Chairman, I think the question
19 was the maintenance of it. Do we have any idea what that will
20 cost?

21 MS. FRIES: The maintenance of it, no, I don't
22 know. The Commissioner has committed to maintain this and DEC
23 has also.

24 MS. McCAMMON: Mr. Chairman, I think that's
25 something that certainly we would want to know for year two

1 before making the decision to actually go down that path,
2 because one of the concerns with this whole idea of a
3 centralized database is it's very expensive to get all the data
4 in, integrate it, quality control it and that aspect. And in
5 order to make sure it's not obsolete from day one you have to
6 keep that up. So the cost of maintenance would probably be --
7 a good estimate of that would be good thing to know.

8 MS. FRIES: Yeah, I think we could do that at
9 Phase II, yeah.

10 MS. McCAMMON: Yeah.

11 CHAIRMAN TILLERY: Mr. Pennoyer.

12 MR. PENNOYER: Yeah, I think there's sort of
13 two distinctions here, one is a technical distinction, the
14 other is almost a distinction. The technical distinction is
15 that -- and I don't think we want to get into that, but I know
16 that there are people around here who have had some experience
17 with developing these integrated database, interactive type of
18 situations, as opposed to a more distributive situation. And
19 that they've -- some of them have pretty well crashed in other
20 areas due to the expensive maintenance and inability to keep it
21 up and the complexity involved, and to some degree, the
22 verification of the information going into it, things like
23 that. There are a lot of things there that have to be
24 considered. So just from that aspect I think it real neat to
25 start this thing, look at it and see how it's going, I mean,

1 from all of our standpoint.

2 The other piece that comes back under a policy
3 consideration is that this type of thing, somewhere in between
4 the metadata base and the centralized database thing could apply
5 to everything we're doing. And it could apply to the whole
6 monitoring situation as this business goes on down the
7 restoration reserve trail into the future. So it's really
8 interesting to see how far we can get with this, so I'm not at
9 all adverse to trying to scope it out. I'm just kind of
10 adverse to the idea of buying on to it until you have a little
11 more information and sort of get your feet a little bit wet.

12 And so the proposal here, I think, is good, but it is
13 clearly coming down to the fact you need to know what the cost
14 of maintaining something like this is and you need to know how
15 that's going to be borne. And continue to, then, also what
16 might happen to other areas, this was not just done to Cook
17 Inlet, certainly other areas were impacted more directly by the
18 spill than Cook Inlet, there may be a lot of interest in doing
19 something there, too. So we kind of need to know the scope of
20 this thing and I'm not sure without further discussion, which I
21 don't think we need to do right now -- as a matter of fact, I'm
22 not sure you'd get the answers if you did it right now that we
23 should do that.

24 So this phased approach and then the full year two
25 business only being based fully on what we find out in year one

1 makes some sense.

2 CHAIRMAN TILLERY: I concur. And I think that
3 when we come back for this look at it again in sort of December
4 or whenever it is, this sort of Phase II, that it would be --
5 even before we move forward with that it would be nice to know
6 the maintenance costs and the commitment to do the maintenance
7 at that time, I mean.

8 MS. McCAMMON: Okay.

9 MR. RUE: Craig, this is Frank. I think I'm
10 agreeing with all of you. I'm not sure when you will be --
11 have a satisfactory fix on maintenance until you worked through
12 a prototype and really figured out what's important, what isn't
13 important, what works, what doesn't, then I think you'll be
14 able to say, here's our estimate of maintenance. But the first
15 year is sort of a shakedown, see, first, what people think is
16 needed and then, second, how you might do it. I guess I'm
17 agreeing a lot with what people are saying, I think the timing
18 of when we'll know what the maintenance will probably come once
19 you've worked through your prototype and into year two.

20 CHAIRMAN TILLERY: Okay.

21 MR. RUE: And I guess I would agree with the
22 way that the Executive Director has laid this out. I think it
23 makes some sense, put a hurdle up, but give them some hope that
24 they can jump over it.

25 CHAIRMAN TILLERY: Well said. Other comments

1 or questions by Council members on this project? I think there
2 is one more project in this cluster, is there not? 455, have
3 you.....

4 MR. SENNER: That's a defer. And that would
5 involve -- the reason that's a deferral is that that involves
6 the question of what kind of data management system is needed,
7 if there were to be a long-term monitoring program. And we
8 recommended that as a deferral simply because until the
9 Trustees have acted, at least somewhat further with respect to
10 the restoration reserve, there wasn't any basis to go forward
11 with one. It's an excellent proposal, it's work that needs to
12 be done if the Trustees choose to go forward with the long-term
13 program.

14 CHAIRMAN TILLERY: Okay. So this may be more
15 of a defer until next year?

16 MR. SENNER: It's simply depends on your
17 timing. We'll defer it as long as needed.

18 CHAIRMAN TILLERY: Okay. Are there -- does
19 that, then, complete your presentation?

20 MR. SENNER: Yes.

21 CHAIRMAN TILLERY: Are there other questions or
22 comments on this cluster?

23 MR. WOLFE: Mr. Chair.

24 CHAIRMAN TILLERY: Mr. Wolfe.

25 MR. WOLFE: Only in that -- just to reinforce

1 the comment I made earlier about technology transfer and there
2 is a project proposal down there that has been noted as do not
3 fund, but I think at some time in the near future we need to
4 put that on the table.

5 MS. McCAMMON: Mr. Chairman, I've committed to
6 working with the agencies this winter to look at all aspects of
7 that and come back with some recommendations on that.

8 MR. WOLFE: Okay.

9 MR. SENNER: Do you want to discuss 360, the
10 National Research Council?

11 MS. McCAMMON: We could, yes. Yes.

12 CHAIRMAN TILLERY: I would note, by the
13 way.....

14 MR. SENNER: We're running out of time.

15 CHAIRMAN TILLERY:we are running out of
16 time. We do have an action item with respect AJV left and so
17 we do need to move quickly.

18 MR. SENNER: Well, maybe we should just note
19 for the record that one of the other deferrals here, Project
20 360, was a very interesting proposal from the National Research
21 Council, which is a body chartered by Congress, but it is an
22 independent scientific organization that provides sort of high
23 level peer review on things. They're very interested in doing
24 a review of what a long-term science program and science plan
25 would look like, if the Trustees choose to go down that road,

1 but again, we're not there yet. And as part of that, they
2 would also have proposed a retrospective look at some of the
3 conflicting findings about things like impact on pink salmon
4 and other areas of controversy with some of the Exxon studies.
5 So that is a defer and, again, depending on your timing, we can
6 take that one up again.

7 CHAIRMAN TILLERY: Okay.

8 MR. SENNER: The last cluster has two starts,
9 this is administration science management and public
10 information. One of these is the Budget for the 10th Year
11 Anniversary Symposium and Related Events, including a
12 publication, sort of an expanded annual report from this
13 office. I think we've briefed you at several steps along the
14 way on that project and probably, unless you have questions,
15 doesn't warrant more discussion.

16 The other start here is Reevaluation and Update the
17 Injury with Respect to Services which include subsistence
18 commercial fishing, passive uses, and I think I'm
19 forgetting.....

20 MS. McCAMMON: Recreation.

21 MR. SENNER: Recreation and tourism. We've
22 also briefed you a couple of times about the development of
23 that. The main thing here is that this would involve an
24 extensive survey of subsistence users in a number of villages.
25 You actually approved some start up money for that earlier this

1 year to bring people together from the villages to look at
2 those questions. That work has now been accomplished, the
3 questions are being peer reviewed and if you choose to fund
4 this project it would get going immediately in the fall.

5 This also involves what I'd call staff and agency level
6 reviews of things like recreation and tourism and it does
7 involve employ of a consultant to help take a fresh look at
8 impacts on commercial fisheries as a service that was injured
9 by the spill. And that may help get at some of the questions
10 that were raised this morning in regard to marketing and is
11 there a continuing injury that could be tied back to the oil
12 spill?

13 So those are the two starts.

14 CHAIRMAN TILLERY: Are there questions or
15 comments from Council members?

16 MR. PENNOYER: One question.

17 CHAIRMAN TILLERY: Mr. Pennoyer.

18 MR. PENNOYER: Alaska SeaLife Center bench
19 fees, that's overhead on other projects and why is that a
20 separate item necessarily? Can you explain that to me, why
21 that has to appear as a separate item? Is that.....

22 MR. SENNER: What we did, Mr. Pennoyer, is we
23 got estimates of the bench fees for all of the projects that
24 were being carried out and then the -- that was for purposes of
25 estimating where we were getting to our cap of 10 to

1 12,000,000. The actual bench fees on a per project basis are
2 now integrated back into the project cost. So the numbers that
3 you've seen for some of these individual projects, like Pink
4 Salmon Genome, 190, the bench fee is part of that cost.

5 MR. PENNOYER: Mr. Chairman, so this is not
6 actually a separate item missing (indiscernible - simultaneous
7 speech).....

8 MR. SENNER: That's right, it is now -- we
9 wanted to highlight it for you but the costs are not separate
10 from their projects.

11 MS. McCAMMON: It's also negotiated as a
12 package and I think putting it altogether in one lump enables
13 us to get a better price from the SeaLife Center in
14 negotiations.

15 CHAIRMAN TILLERY: Further questions or
16 comments?

17 (No audible responses)

18 CHAIRMAN TILLERY: Okay. Where does that bring
19 us to?

20 MR. SENNER: That is the end of.....

21 MS. McCAMMON: Well, the next two, Research
22 Facilities and Project Management, the proposal under Research
23 Facilities was actually something that's more directly
24 applicable to use of the restoration reserve for an endowed
25 share at the university. And so the recommendation is to not

1 fund it under the Work Plan.

2 And then the last item is Project Management which
3 reflects again the fact that the Work Plan is continuing to
4 decrease, but we do ask of the agencies a greater level of
5 coordination, integration, tracking things than typically other
6 Federal funding and non-agency funding requires. And so this
7 is to compensate for those kinds of things.

8 And I did want to go back real quickly to Archaeology
9 007A, too.

10 CHAIRMAN TILLERY: Okay. Sure.

11 MS. McCAMMON: I did discuss with the project
12 -- the lead agencies on that and this proposal -- the peer
13 reviewer had originally suggested that this kind of monitoring
14 be done through the life of the settlement, basically until
15 2001-2002. And so there has been a plan to do that until that
16 year. Sites are visited on a rotational basis, approximately
17 every three years, so not every site is visited every year. In
18 addition, last year there were a number of new sites added to
19 the list because of the lands that had been previously private
20 lands that were acquired and they're now public lands.

21 So I think that given the fact that there's substantial
22 staff time here, that there was an assumption that this program
23 would last until 2001. That giving them a year's notice that
24 this project could end next year is an appropriate thing to do.
25 This allows them to look at this next year and decide what are

1 the highest priorities sites that they want to go back and
2 revisit and bring everything to conclusion.

3 So I would recommend not deferring this and actually
4 funding the full project for this year.

5 CHAIRMAN TILLERY: Council comments or
6 questions on that?

7 MR. RUE: I concur with it.

8 MS. BROWN: I concur.

9 CHAIRMAN TILLERY: Okay. Seems to be general
10 concurrence. Then there are other items -- the only other item
11 I see is the Reserve; is that the.....

12 MS. McCAMMON: Well, there's a couple of items.
13 One is 99126, Habitat Protection Acquisition and Support. And
14 there's actually a new number for that and that number is
15 \$770,400. And this includes all of the title search, survey
16 work, support from the various agencies that enable our
17 acquisitions to go forward. These budgets tend to end up --
18 they are our best guess of what might be needed in the next
19 year. The agencies are very good at lapsing any money that
20 they don't need, if it turns out that something doesn't happen
21 for whatever reason, doesn't go forward. So I think this is a
22 reasonable budget request at this time, although I expect money
23 to be lapsed, as they have in prior years.

24 I would like to add one contingency to this budget, and
25 that is there is significant funding to Department of Natural

1 Resources to do the Sitkalidak land exchange. They were
2 intending to start a part of it this year, were not able to,
3 and so it's basically being done all next year. However,
4 another aspect of the Old Harbor acquisition was that there be
5 a conservation easement that the land owners themselves work
6 with Fish and Wildlife Service to put a kind of self-imposed
7 conservation easement on Sitkalidak Island. And what I would
8 propose is that we put a condition in here of the funding of
9 the Sitkalidak land exchange with DNR, that it be contingent on
10 the conservation easement being done by the Old Harbor Native
11 Corporation. I would recommend that.

12 CHAIRMAN TILLERY: Is there questions or
13 comments? That certainly is accord with my recollection of the
14 deal from back then, is that they were going to do this.

15 MS. McCAMMON: Yes.

16 CHAIRMAN TILLERY: Is there any objection to
17 that contingency?

18 MS. McCAMMON: It hopefully will create a
19 little incentive to get the conservation easement done.

20 CHAIRMAN TILLERY: Okay. There doesn't appear
21 to be any objection. Continue.

22 MS. McCAMMON: And also under a tab is Project
23 99100, and this is the Administration Science Management and
24 Public Information Budget. The recommendation to you is
25 \$2,495,700. This has been extensively reviewed by the

1 Restoration Office, by the agency staff and by the Public
2 Advisory Group. It reflects a reduction about \$300,000 from
3 this current fiscal year budget. This includes the costs of
4 the Trustee Council meetings, the Public Advisory Group, the
5 agency liaisons, the Restoration Office staff. It also
6 reflects the fact that this program is starting to wind down
7 and these costs are being reduced.

8 I would expect you to see next year when I come back
9 with this budget, significant reductions, especially in the
10 Restoration Office. The office will be significantly realigned
11 next year with major staff reductions, just to reflect the fact
12 that it's a much smaller program next year.

13 CHAIRMAN TILLERY: Are there questions or
14 comments?

15 (No audible responses)

16 CHAIRMAN TILLERY: Okay.

17 MS. McCAMMON: And then the last item is this
18 years contribution to the restoration reserve, and I do have a
19 separate motion for that one. And we do have a motion for the
20 entire Work Plan also. And these have been sent to everyone.

21 CHAIRMAN TILLERY: While he's handing that out,
22 could you briefly describe the reserve motion?

23 MS. McCAMMON: I beg your pardon?

24 CHAIRMAN TILLERY: While Stan's handing those
25 out, could you describe the reserve motion?

1 MS. McCAMMON: The reserve motion is to the
2 Trustee Council approve the transfer of \$12,000,000 from the
3 CRIS Liquidity Account to the Exxon Valdez Oil Spill Settlement
4 Account, CRIS Reserve Fund. In the event the transfer is not
5 completed by September 15th, 1998, interest against these funds
6 shall also be transferred. Interest shall be accrued from
7 September 15th, 1998, until the time of transfer from the CRIS
8 Liquidity Account. Interest shall be calculated at a rate of
9 five percent. These funds shall be invested pursuant to the
10 investment policy for the Reserve Fund. The Executive Director
11 shall certify when the funds are available for transfer and the
12 applicable investment policy approved by the Trustee Council.

13 CHAIRMAN TILLERY: This is consistent with what
14 we've done the last several years?

15 MS. McCAMMON: This is the exact same motion,
16 yes.

17 CHAIRMAN TILLERY: Okay. Are there any further
18 projects?

19 MS. McCAMMON: I don't believe so.

20 CHAIRMAN TILLERY: Are there any questions up
21 to now?

22 MR. WOLFE: Just one brief one since we are
23 running out of time. It has to do with Project Management.
24 Some of the agencies have been reduced in Project Management
25 for '99. We're willing to accept that for the time being, but

1 given that it's going to be a busy year with the anniversary
2 coming up and a lot of other projects coming on line, we may be
3 back for some supplementation if we run short, but we will try
4 to stay within the budget that we have. There was a
5 significant reduction for some of us.

6 CHAIRMAN TILLERY: Okay. I guess it would
7 appear to me that it would be appropriate at this time to have
8 a motion on the Work Plan. Is there a motion?

9 MS. McCAMMON: Does that include the motion on
10 the.....

11 MR. PENNOYER: Mr. Chairman, I move that we
12 adopt the '99 Work Plan as outlined in the motion presented to
13 us by the Executive Director, dated August 13th, 1998. And
14 this is probably not in Juneau, would you like me to read it
15 then?

16 MS. McCAMMON: They do have it Juneau.

17 MR. RUE: Mr. Pennoyer, I've got it here.

18 MR. PENNOYER: Okay, fine. I don't suppose we
19 have to read it then.

20 MR. ROTH: Is it the same one that was e-mailed
21 to me yesterday?

22 MS. McCAMMON: Today, this morning.

23 MR. PENNOYER: Move the Trustee Council adopt
24 the recommendation for FY99 projects as outlined in
25 spreadsheets A and B, Barry.

1 MR. ROTH: It sounds like the same one I pulled
2 off my e-mail this morning.

3 MS. McCAMMON: Yes.

4 MR. PENNOYER: Okay, the Executive Director is
5 shaking her head, so I move we adopt it as presented in the
6 motion.

7 MS. BROWN: And I second it.

8 CHAIRMAN TILLERY: It has been moved and
9 seconded. Is there discussion?

10 MR. WOLFE: Just.....

11 CHAIRMAN TILLERY: Mr. Wolfe.

12 MR. WOLFE: There were some revisions to the
13 Work Plan this morning, how will those be reflected?

14 MS. McCAMMON: Including the revisions noted
15 during the Council's discussions.

16 CHAIRMAN TILLERY: Is that in here.

17 MR. PENNOYER: Revisions approved.

18 MR. RUE: Need to amend it.

19 MS. McCAMMON: Yeah.

20 MS. BROWN: Is that a friendly amendment?

21 MR. PENNOYER: Friendly amendment?

22 MR. RUE: I believe it is.

23 CHAIRMAN TILLERY: Okay. Apparently it is
24 amended to reflect the revisions that were made.....

25 MR. WOLFE: Agreed today?

1 CHAIRMAN TILLERY: Agreed to during the
2 discussion today.

3 MR. WOLFE: And Molly, I think, has those.

4 MS. McCAMMON: Yes.

5 CHAIRMAN TILLERY: Is there further discussion
6 on the motion?

7 (No audible responses)

8 CHAIRMAN TILLERY: Hearing none, all in favor
9 of the motion say aye.

10 IN UNISON: Aye.

11 CHAIRMAN TILLERY: Opposed?

12 (No opposing responses)

13 CHAIRMAN TILLERY: The motion carries. There
14 is a second -- there would need to be a second motion with
15 respect to the reserve; do I hear a motion?

16 MR. PENNOYER: Mr. Chairman, I move that we
17 pass the motion as presented to us as presented to us by the
18 Executive Director on the Restoration Reserve payment, dated
19 August 13th, 1998 and was previously read into the record by
20 her.

21 MS. BROWN: Second.

22 CHAIRMAN TILLERY: It has been moved and
23 seconded; is there any discussion? Mr. Roth and Mr. Rue, do
24 you both have a copy of this?

25 MR. RUE: Mr. Chairman, I do.

1 CHAIRMAN TILLERY: Mr. Roth.

2 MR. ROTH: Yes, I do.

3 CHAIRMAN TILLERY: Okay. Is there any further
4 discussion on the motion?

5 (No audible responses)

6 CHAIRMAN TILLERY: All in favor of the motion
7 say aye.

8 IN UNISON: Aye.

9 CHAIRMAN TILLERY: Opposed?

10 (No opposing responses)

11 CHAIRMAN TILLERY: The motion carries. That, I
12 believe, brings us to the end of the Work Plan discussion. We
13 have about 10 minutes for the last action item, which is the
14 Afognak Joint Venture payment schedule.

15 MR. WOLFE: Mr. Chair.

16 CHAIRMAN TILLERY: Mr. Wolfe.

17 MR. WOLFE: We also have one for Eyak

18 MS. BROWN: Is that an action item?

19 MR. WOLFE: No, we need to add one then.

20 CHAIRMAN TILLERY: Okay.

21 MR. WOLFE: We need some kind of a resolution
22 to.....

23 CHAIRMAN TILLERY: Oh, is there a resolu --
24 okay.

25 MR. WOLFE: We have something.

1 CHAIRMAN TILLERY: Let's begin with AJV, the
2 Blondeau one, I believe, is just going to be a brief report.

3 MS. McCAMMON: I already did the report.

4 CHAIRMAN TILLERY: Oh, you already did the
5 report?

6 MS. McCAMMON: Yes.

7 CHAIRMAN TILLERY: So we're just looking at AJV
8 and then something for Eyak. Mr. Swiderski, I assume, will be
9 presenting the AJV.

10 MS. McCAMMON: Yes.

11 CHAIRMAN TILLERY: Briefly.

12 MR. SWIDERSKI: Yes, Mr. Chair, I'll be very
13 brief. This motion, and I circulated copies of it earlier. I
14 believe the one correction that we discussed as to the payment
15 schedule is intended to provide for a payment schedule to AJV
16 with an initial payment at closing of \$28,000,000, a second
17 payment October 1 of 1999, \$20,500,000 plus the additional
18 amount to reflect the deferred payment. And then a third and
19 final payment on October 1 of 2000 of \$22,000,000, plus an
20 additional deferred payment to reflect that -- an additional
21 amount to reflect that deferment as well.

22 In addition, the resolution provides that survey work
23 will be completed and paid for by AJV and provides for a
24 proposal to deal with the Afognak Wilderness Lodge inholding
25 owned by Roy and Shannon Randall, the details of which would be

1 subject to the approval of the Executive Director.

2 CHAIRMAN TILLERY: Okay. Are there questions
3 from Council members or comments about the resolution?

4 (No audible responses)

5 CHAIRMAN TILLERY: As I understand it, this is
6 a resolution that was -- it was contemplated in the original
7 AJV resolution that there would be a follow-up along these
8 lines.

9 MR. SWIDERSKI: Yes, this is a supplemental to
10 the original resolution, that's correct. In that resolution
11 there was a reference to a payment of a total of \$70,500,000,
12 plus an additional adjustment for deferred payments and this
13 simply provides for the amount of those deferred payments and
14 the payment schedule.

15 CHAIRMAN TILLERY: Okay. Any further
16 questions? Is there a motion?

17 MR. PENNOYER: Move we adopt the resolution as
18 presented by Mr. Swiderski to us and as amended in his
19 statement. You had one amendment to it.

20 MR. SWIDERSKI: We have one amendment,
21 Mr. Chairman, with respect to the third closing there was a
22 minor edit to it, I inserted the words, divided by 365.

23 MR. PENNOYER: With that amendment, Mr.
24 Chairman, move we adopt the amendment presented -- the
25 resolution presented to us on Afognak Joint Venture payment

1 purchase schedule.

2 MS. BROWN: Second.

3 CHAIRMAN TILLERY: It's been moved and
4 seconded. Is there any further discussion?

5 (No audible responses)

6 CHAIRMAN TILLERY: All in favor of the
7 resolution as presented say aye.

8 IN UNISON: Aye.

9 CHAIRMAN TILLERY: Opposed?

10 (No opposing responses)

11 CHAIRMAN TILLERY: The resolution passes. The
12 last action item, then, would be with respect to the Eyak and I
13 believe Maria or Mr. Wolfe will be.....

14 MR. WOLFE: I think I can make it abbreviated.
15 In our July 2, '97 resolution regarding the acquisition of Eyak
16 lands and interests, we included a condition that would
17 preclude Eyak selection -- or required that Eyak relinquish
18 their selections in the Chugach National Forest. This wasn't
19 the intent of the Council as we understand it and, therefore,
20 what I think we intended was to minimize the selections in the
21 future from the oil spill impacted area within the Sound. And
22 so, therefore, I move that the Council's July 2, 1997,
23 resolution on Eyak acquisitions be amended to ensure Eyak's
24 existing selections at Boswell Bay, Copper River Basin and
25 Hartney Bay may be conveyed, if necessary, by the BLM following

1 the acquisition of land interests from the Eyak Corporation.

2 That's it. We do have a more comprehensive resolution
3 that says the same thing.

4 CHAIRMAN TILLERY: Okay. So are you presenting
5 this typewritten resolution, is that.....

6 MR. WOLFE: I have a handwritten resolution
7 that would allow us to make this.....

8 UNIDENTIFIED VOICE: It's your motion. That
9 was your motion.

10 MR. WOLFE: That was my motion, I'm sorry.

11 MR. PENNOYER: You made a motion, right.

12 MR. WOLFE: Yes.

13 CHAIRMAN TILLERY: Okay. So you're moving that
14 we adopt his resolution, is that what.....

15 MR. PENNOYER: He moved this with the
16 description as read from his notes.

17 MR. WOLFE: Thank you for the clarification.

18 MR. PENNOYER: You're welcome.

19 CHAIRMAN TILLERY: Okay. Is there a second to
20 the motion?

21 MS. BROWN: Second.

22 CHAIRMAN TILLERY: It's been moved and
23 seconded, is there discussion?

24 MR. ROTH: I got one brief -- just that
25 whatever we do has to be consistent with any irrevocable

1 prioritization that was made, if any, by Eyak, under Open-90 so
2 I mean they can't advance any prioritization if was irrevocably
3 done is all.

4 CHAIRMAN TILLERY: Well, I guess I don't
5 believe that the Council would have the authority to allow.....

6 MR. ROTH: Right. No, I mean, that's -- you
7 know, as long as -- talking about their selections it's
8 consistent with any irrevocable prioritization they made.

9 CHAIRMAN TILLERY: Are you seeking to amend the
10 resolution?

11 MR. ROTH: I just want to make clear that we
12 understand that, that's all.

13 CHAIRMAN TILLERY: Okay. Then that's.....

14 MR. WOLFE: We understand.

15 CHAIRMAN TILLERY: We understand that. Is
16 there any further discussion or questions for Mr. Wolfe on the
17 resolution?

18 (No audible responses)

19 CHAIRMAN TILLERY: If not, all in favor of the
20 resolution signify by saying aye.

21 IN UNISON: Aye.

22 CHAIRMAN TILLERY: Opposed?

23 (No opposing responses)

24 CHAIRMAN TILLERY: The resolution is adopted.
25 And I believe that brings us to an early conclusion to our

1 meeting.

2 MS. BROWN: Well chaired.

3 CHAIRMAN TILLERY: Therefore, a motion to
4 adjourn would be in order.

5 MS. BROWN: Since we concluded our business, I
6 move that we adjourn.

7 MR. PENNOYER: Second.

8 CHAIRMAN TILLERY: It has been moved and
9 seconded we adjourn, is there any opposition?

10 (No opposing responses)

11 CHAIRMAN TILLERY: Hearing none, we are
12 adjourned.

13 (Off record)

14 (Meeting adjourned at 4:57 p.m.)

15 (END OF PROCEEDINGS)

16

17

18

19

20

21

22

23

24


25

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

I, Joseph P. Kolasinski, Notary Public in and for the State of Alaska and Owner of Computer Matrix do hereby certify:

of: THAT the Transcript has been prepared at the request

DATED at Anchorage, Alaska this 31st day of August 1998.



Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 04/17/00