9.12.8

9.12.8

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL MEETING

October 22, 1999
10:00 o'clock a.m.

NOAA Conference Room
Juneau Federal Building, #455
Juneau, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

U.S. DEPARTMENT OF COMMERCE - NMFS: (CHAIRMAN)	MR. STEVE PENNOYER Director, Alaska Region
STATE OF ALASKA - DEPARTMENT OF LAW:	MR. CRAIG TILLERY Trustee Representative for the Attorney General
STATE OF ALASKA - DEPARTMENT OF FISH AND GAME:	MR. FRANK RUE Commissioner
U.S. DEPARTMENT OF INTERIOR:	MS. MARILYN HEIMAN Special Assistant to the Secretary for Alaska
U.S. DEPARTMENT OF AGRICULTURE - U.S. FOREST SERVICE	MR. DAVE GIBBONS Trustee Representative
STATE OF ALASKA - DEPARTMENT OF ENVIRONMENTAL CONSERVATION:	MS. MICHELE BROWN Commissioner

Proceedings electronically recorded, then transcribed by:
Computer Matrix, 3522 West 27th., Anchorage, AK - 243-0668

TRUSTEE COUNCIL STAFF PRESENT:

MS. MOLLY McCAMMON	Executive Director EVOS Trustee Council
MS. SANDRA SCHUBERT	Director of Restoration
MS. REBECCA WILLIAMS	Executive Secretary
DR. ROBERT SPIES	Chief Scientist
MR. PHIL MUNDY	Science Coordinator
MS. TRACI CRAMER	Director of Administration
MR. ALEX SWIDERSKI	Alaska Department of Law
MS. MARIA LISOWSKI	U.S. Forest Service
MS. GINA BELT	U.S. Department of Justice
MR. BRUCE WRIGHT	NOAA
MR. JIM KING	Public Advisory Group

Present Telephonically:

MS. CHERRI WOMAC	EVOS Staff
MR. HUGH SHORT	Community Facilitator
MR. JOE HUNT	Communications Specialist
MS. CLAUDIA SLATER	Alaska Department of Fish & Game
MS. DEDE BOHN	U.S. Geological Service
MR. KEN HOLBROOK	U.S. Forest Service
MS. MARIANNE SEE	Alaska Department of Environmental Conservation
MR. STEVE SHUCK	U.S. Fish and Wildlife Service
MR. GLENN ELISON	U.S. Fish and Wildlife Service
MR. BARRY ROTH	U.S. Department of Interior

TABLE OF CONTENTS

P R O C E E D I N G S

(On record - 10:01 a.m.)

CHAIRMAN PENNOYER: Okay, good morning, I think we'll go ahead and get started now. My name is Steve Pennoyer and I've been asked to chair this session, be the Federal Chair for this session. I notice all Trustee Council agencies are represented here. We got Craig Tillery from the State of Alaska, Attorney General's Office; Marilyn Heiman, Special Assistant to the Secretary for the Department of Interior; Michele Brown, Commissioner of Alaska Department of Environmental Conservation; Frank Rue, Commissioner, Alaska Department of Fish and Game; Dave Gibbons, representing the U.S. Forest Service; and I'm Steve Pennoyer, representing NOAA and the National Marine Fisheries Service.

So I note everybody is present and accounted for, I think we might as well go ahead and start the agenda. The first item on the meeting agenda is the approval of the agenda and I'd ask if anybody has any additions or comments on the agenda itself.

Molly McCammon, I meant to recognize Molly McCammon, the Executive Director as well.

MS. McCAMMON: Yeah, Mr. Chairman, I have two additions to the agenda for your consideration. One is action on 17 Larsen Bay Small Parcels on Kodiak Island.

CHAIRMAN PENNOYER: Where does that appear on

this?

MS. McCAMMON: That would be.....

CHAIRMAN PENNOYER: Item 6?

MS. McCAMMON: .....Item 6, we could take it up there, but that's actually an action item. The other one is under presentation on the Gulf Ecosystem Monitoring Program, I have a proposed draft resolution for your consideration and action and that has been circulated to all of you. I'd like to add that to the agenda.

CHAIRMAN PENNOYER: Ms. McCammon, that was circulated this morning then?

MS. McCAMMON: No, it was circulated yesterday.

CHAIRMAN PENNOYER: It's in the package, okay.

MS. McCAMMON: Yeah.

MS. HEIMAN: What was that again?

MR. RUE: The resolution.

MS. McCAMMON: The resolution on working with Native villages on GEM.

MR. RUE: And which is the action item, I'm sorry?

MS. McCAMMON: That's an action item, our proposed action item.

MR. RUE: That's the action item, got you, okay.

MS. BROWN: And then Larsen is a potential?

MS. McCAMMON: And then the Larsen Bay tax parcel.

CHAIRMAN PENNOYER: Does anybody have any problems with those additions to the agenda?

MR. RUE: No.

CHAIRMAN PENNOYER: Hearing none, they're added. Any others? Commissioner Rue.

MR. RUE: I need to be out of here by 2:30 or 3:00, so I see a 5:00 o'clock adjournment, hope we can move along quicker than 5:00 o'clock.

CHAIRMAN PENNOYER: Executive Director indicates to me 3:00 or 4:00 o'clock is a possibility, and if we're at 2:30, then we'll compromise on 3:00 potentially. That do it for you?

MR. RUE: Let's shoot for 2:30 and go to 3:00.

MS. HEIMAN: We flew all the way down here from Anchorage to visit with you, Frank.

MR. RUE: Good, then we'll be efficient in our visit.

MS. HEIMAN: We don't fly out until 7:30, so.....

MR. RUE: So you'll enjoy Juneau, it's about up to Chernobyl for a tourist spot.

(Laughter)

CHAIRMAN PENNOYER: Okay. All right, so the

agenda is approved, we agree to try and work through this process, including lunch hour, to get done by 3:00 o'clock, if at all possible, and I think we should go ahead then and start down the list.

The first item is the approval of the August 9th and September 9th meeting notes; does anybody have any comments on either one of those?

(No audible responses)

CHAIRMAN PENNOYER: The only question I have, Ms. McCammon, is the notice that the undertaking of the archaeological repository work between September and December of '99, and this is now getting well into October; do you have any progress on that or were you going to report that later?

MS. McCAMMON: I was going to report on that in my report.

CHAIRMAN PENNOYER: That's fine, thank you very much. Any other comments on the two meeting notes, for either August 9th or September 9th, any problems or reservations on approving them?

(No audible responses)

CHAIRMAN PENNOYER: Hearing none, they are approved.

The next item we go to, I believe, is Executive Director's report; is that correct?

MS. McCAMMON: That's correct.

CHAIRMAN PENNOYER: Ms. McCammon, proceed.

MS. McCAMMON: Mr. Chairman, there are a number of items I wanted to report on to you since our last meeting. The Public Advisory Group took a field trip to Prince William Sound in September, a number of the PAG members and staff went to Cordova and Tatitlek. We had intended to boat from Cordova to Tatitlek to Valdez and, due to anticipated weather, that never materialized, we ended up flying to Tatitlek and spending the morning there.

In Cordova we met at the Prince William Sound Science Center and was given a presentation by Gary Thomas and some other staff members on some of the programs that the Science Center has undertaken in the last several years and some of their thoughts on future work. We also toured the Fleming Spit parcel and sport fish access project out there that was funded through the State criminal funds. We toured the waste oil facility that was funded under the Solid Waste Management Plan.

We also met with the City Council for an extensive meeting on their proposed community facility in Cordova. We held a public meeting that night. I think by the time we met with all the various groups during the day, there were only two public members at the meeting that night, but they also included the Executive Director of the Cordova District Fishermen's Union, so that was very helpful to get that input

from fishing interests.

The next day we did take two groups out to Tatitlek, meeting with Gary Kompkoff, head of the Village Council, touring the Fish and Game processing facility, their oyster project, talking to him about their plans for the archaeology project and getting a sense of some thoughts that Tatitlek has in terms of fitting into a long-term program into this GEM Program.

So I think, overall, it was very worthwhile for the Public Advisory Group to get out to that part of the Sound. We anticipate that this is the last field trip for the Public Advisory Group. Over the last several years they've gone to Kodiak, Seward and Kenai River. We did Chenega, Valdez and pretty much every -- Port Graham, Seldovia, Homer, so pretty much every major, every area in the spill area has been visited by the Public Advisory Group over the last five or so years. And in terms of trying to wind down the program and do a smaller effort, I think this is the last field trip.

Financial report, I wanted to -- you should have in front of you a copy of the financial report as of September 30th, 1999. The main thing I wanted to call your attention to is the last page, which is a spreadsheet on our investments in the Restoration Reserve. And I think you should be able to see there are two lines that are bolded and these are A3 and B2 and these are investments that are maturing on November 15th. It's

the policy of the Council to take action on whether to reinvest these funds in the reserve. Since our future investment structure, which I'll get into, is so kind of in limbo, what we've been doing for the past couple of years is putting those funds in a liquidity account.

This happened last year, also, and I did go back and look at what action the Council took. The Council did not make a motion, did not take any affirmative action, but both the Department of Justice and the Department of Law did submit a court order to ensure the funds would go -- the principal and interest would go into the liquidity account. So I just wanted to bring that to your attention.

CHAIRMAN PENNOYER: Are you asking for action at this point?

MS. McCAMMON: I don't think -- no action was taken last year, it's whether -- Craig and I are going back and forth like this, researching it, but there was no motion last year, it was basically an informational item to the Council, unless you would want to do it differently this year.

MR. TILLERY: That's right. No, I think -- that's right, if we're not going to reinvest in the Reserve Fund with a new set of bonds, which we're not going to do.

MS. McCAMMON: Correct.

MR. TILLERY: Then we don't need a Council action, but the court -- we didn't think we needed a court

action either.....

MS. McCAMMON: You did.....

MR. TILLERY: .....we thought the existing order provided for it, but the court asked us to submit something.....

MS. McCAMMON: Correct.

MR. TILLERY: .....so we'll need to do that again.

MS. McCAMMON: Correct, yeah. And I have copies of the court orders here that were filed last year.

CHAIRMAN PENNOYER: Ms. McCammon, is there anything in particular we should learn from the figures on the spreadsheet?

MS. McCAMMON: Well, I mean, it's just informational that we do have these funds that are invested and they vary, the yield ranges from a low of 4.8 percent to a high of 6.3 percent, depending on when they were purchased and when they actually mature. This ties in with our efforts to get the funds, at some point in time, out of the Court Registry Investment System. And I also wanted to report to you on the status of that legislation.

As you know, the legislation, we did reach agreement on language with Senator Murkowski on his stand-alone legislation, the bill did pass out of the Senate Energy Committee, it had hearing, it was passed out. It received unanimous support from

all members of the committee, there was no opposition from anyone to the language as we finally worked it out. We have been working with Senator Stevens' office to attempt to get this attached to an appropriations bill this year, we're still working on that, it is not -- thus far has not been successful, but we've been working very closely with them. There's still a number of opportunities, assuming there's another budget bill that gets passed in the next 18 months. There, hopefully, will be opportunities to get that added. I'm still -- I don't know what our chances are actually of succeeding, but we're still optimistic and hopeful and working closely.

MR. RUE: If we don't get it on this year's appropriation bills, what's Plan B? What does Murkowski say? Does he say what he would do; introduce it as a stand-alone piece of legislation?

MS. McCAMMON: It's already been introduced as stand-alone, then we can try to work that through and get that passed, would be another way or, in all likelihood, waiting until next year and working through the appropriations process again is another option. But I'd say it's delayed by at least a year if we don't get it this fall.

MR. RUE: Anything more the Council can do, do you think, to push that?

MS. McCAMMON: Marilyn.

MS. HEIMAN: Do you have an estimated amount of

money that we would lose if we had to wait another year?

MS. McCAMMON: It's hard to say, it's based on a number of assumptions, but I'd say six to eight million dollars. We've already just in the last two years, since we started working on this, we've lost at least 18-20 million dollars.

CHAIRMAN PENNOYER: What is the barrier to getting it done, is it any particular -- is it just timing to do it and it's add-on to an appropriation bill and it's everything from Pacific salmon funding to I don't know what else that was added and this is not an issue. Just not really getting introduced?

MS. McCAMMON: It's -- I don't really know quite what the barrier is because it doesn't require additional funds, it benefits lots of groups.

MS. HEIMAN: Right.

MR. RUE: Who could tell us -- could Senator Stevens' staff tell us a barrier -- tell you a barrier?

MS. HEIMAN: We know what the barriers are.

MR. RUE: You do?

MS. McCAMMON: We know there's some barriers, we're trying to work them out.

MR. RUE: I'm not thinking.

MS. HEIMAN: Well, the barriers are Senator Murkowski tied it to the Glacier Bay Bill and he wanted to say,

we'll give you that, if we get this, and there's no way Interior is going to go along with that. I know we have different views on that, but, yeah, right, you'd go for that. And I, in another life, might have gone for that too.

MR. RUE: What's the problem -- what's the problem there?

MS. HEIMAN: Okay, and then Interior -- I have gotten to John Barry, our budget Assistant Secretary for policy and Budget and I did talk to the White House yesterday about this. It was not on the White House's radar screen, interestingly enough, so hopefully -- and then I was just talking to Chris Schabacker from Senator Stevens' office and it was unclear what process the Interior appropriations bill will go through now because of -- it was passed on the floor yesterday, the House floor, the conference report was adopted, but the President has got a lot of problems with what's in there, so now we're -- we don't know where that's headed and if there's an opport -- there will be another opportunity for negotiation, and if there is, we'll be right in there, hopefully, with this. I don't know.

CHAIRMAN PENNOYER: So it could actually happen this fall?

MS. McCAMMON: It could.

MS. HEIMAN: It's possible, but it's not -- I would say it's 50/50 at best.

CHAIRMAN PENNOYER: We're not anticipating any real floor add-ons in our budget I know. There may be discussion, but I don't think.....

MS. HEIMAN: You have a separate budget, right?

CHAIRMAN PENNOYER: Yes, we do.

MS. HEIMAN: And what's the opportunities there, anything in your budget?

CHAIRMAN PENNOYER: I doubt it. I think the.....

MS. HEIMAN: Has it passed the floor already or.....

CHAIRMAN PENNOYER: No, I don't believe it has and the census -- and we're still hung up on the census. See, we got the census thing built into our commerce budget.....

MS. McCAMMON: Commerce, State, Justice.

CHAIRMAN PENNOYER: .....so I think that's going to be a problem. I don't think they're going to focus on anything else.

MS. McCAMMON: I think there's also U.N. fees is in your budget.

CHAIRMAN PENNOYER: Yeah.

MS. McCAMMON: So it's expected to be.....

MR. RUE: U.N. fees, let's get on that train.

MS. McCAMMON: .....it's expected to be vetoed.

MS. HEIMAN: So there's opportunities, but

we've all got to sort of focus on them right now, I guess.

CHAIRMAN PENNOYER: Well, if you think there is an opportunity, I'd be glad to go ahead and try and push it, but I think there are a lot of other things that are being pushed, too, and I'm not sure we're going to be heard.

MS. McCAMMON: I think that's the problem, is everyone has a list of things they're trying to push and it's just a question of whether this falls through the cracks or actually rises somewhere to the top, somehow. And we're working a lot of different angles, I'll be back in Washington next week. We're making a lot of different efforts from different approaches.

CHAIRMAN PENNOYER: It seems to be kind of a no-lose thing, I don't under.....

MS. McCAMMON: It's a no-lose thing.

MR. RUE: Yeah, but everyone's leveraging it, though.

CHAIRMAN PENNOYER: Since you do have the compensation already in Glacier Bay, I'm not sure why it's still an issue, that's.....

MR. RUE: Well, it's leveraging time, so everyone's holding out their little leverage points.

CHAIRMAN PENNOYER: Yeah. Next year won't be much better, it's election year, the budget will be a lame duck budget and it's kind of the -- it might get very strange,

so.....

MR. RUE: Well, I know, you don't have to tell me and I'm ready, I'll vote for it. Wait a minute, I don't have a vote, okay.

MS. McCAMMON: Yeah.

CHAIRMAN PENNOYER: Right. Okay, what else do you have to report?

MS. McCAMMON: I also wanted to report on habitat protection, that all of the payments for Eyak, AJV, Shuyak, all of the payments have been made this fall. The Randalls, as part of the Afognak Joint Venture acquisition, the Randalls were given the opportunity to buy that inholding, and they have made that purchase.

We have a discussion this afternoon, probably after lunch, by the time we get to it, on the small parcel process and, as I mentioned earlier, we do have 17 of the Larsen Bay tax parcels ready -- we think, ready to go. There's one little review of a resolution that's still being worked out.

Our annual workshop of all of our researchers is now scheduled for January 18th and 19th in Anchorage at the Captain Cook. Last year our workshop was changed to March, but this year we're back to the January workshop. We also expect, at that time, the first meeting of the National Research Council Review Group, probably the day after that meeting.

For archaeology, to answer your question, Mr. Pennoyer,

the contract with Chugachmiut has been signed for developing the business plan for the proposal for the repository and to start the initial solicitation process for the individual display facilities in the villages. We also have a contract that's been signed with Northern Economics, Pat Burden, in conjunction with Livingston Sloan, for a review of the business plan, so that's already been signed. They will actually be reviewing a draft of the contract for the business plan and putting any input -- providing any input that they see needs to be added as that gets developed. It's Chugachmiut's plan to contract with the Institute of Social and Economic Research at the university to do their business plan.

So those are all underway. We should have the business plan in December, early December, have it reviewed, I'm not sure it will be ready for Council action by December 16th, probably not until January. So.....

MS. HEIMAN: Do we have a meeting on December 16th?

MS. McCAMMON: We do have a meeting on December 16th, yes. It's on your schedule.

MS. HEIMAN: No one has told me that, yet.

MS. McCAMMON: It's on your schedule.

MS. HEIMAN: I'm not in the state then.

CHAIRMAN PENNOYER: Do we have a preliminary agenda for that meeting?

MR. RUE: Can we come to where you're going?

MS. HEIMAN: Hawaii.

MS. McCAMMON: It's on deferred projects.

CHAIRMAN PENNOYER: Oh, that's right, okay.

MS. McCAMMON: Deferred projects, and we anticipated it to be a teleconference meeting and probably about two hours, so -- I think you're in Juneau.

MR. GIBBONS: Yeah, I got 11:00 to 1:00 or something.

MS. McCAMMON: We did it from 11:00 to 1:00 so that you could do it during lunch.

MR. RUE: So you can call Marilyn in Hawaii.

MS. McCAMMON: Okay. And that was my only other item about the meeting on December 16th on deferred projects. We have over a million dollars worth of deferred projects still being considered, additional information. We have a workshop in mid-November on herring, November 14th and 15th, I believe.

MR. MUNDY: 15th and 16th, I think.

MS. McCAMMON: And we should have all the information -- I don't know, somewhere around there. We should have all the information for you to take action at that meeting, but if you're not here, we need to figure that out, but it has been scheduled for the last two months, so somebody just hasn't told us.

And that's it for my report today.

CHAIRMAN PENNOYER: Thank you very much. Are there questions on the Executive's Director's report?

(No audible responses)

CHAIRMAN PENNOYER: Okay, Ms. McCammon, the next thing we've noticed is the public comment period. We have a couple of action items today and I have a list of people that have signed up here to -- do these people wish to comment or is this just.....

MS. McCAMMON: Those checked are public.

CHAIRMAN PENNOYER: Okay.

MS. McCAMMON: I don't know if they wish to comment or not.

CHAIRMAN PENNOYER: And I guess we've done this, normally, by location. I don't know all the locations that are on line, but start here in Juneau, are there any public comments here in Juneau?

MS. R. WILLIAMS: Just one.

CHAIRMAN PENNOYER: We have a list, I guess. Is this the list?

MS. R. WILLIAMS: Right next to Dave, Patty, right there.

CHAIRMAN PENNOYER: Okay. And as you comment, if you'd identify yourself, your name, spelling your name, if you would, for the recorder and then please go ahead.

MS. BROWN-SCHWALENBERG: Good morning, my name is Patty Brown-Schwalenberg and that's spelled S-C-H-W-A-L-E-N-B-E-R-G, I'm with the Chugach Regional Resource Commission. I just wanted to comment on about three different issues this morning to the Trustee Council, and I appreciate the opportunity to do so.

First, I want to update the Trustee Council on a couple of the projects that you helped fund. The Clam Restoration Project ended as of September 30th, and I believe it was quite successful, we were able to plant the amount of clams that we were supposed to on the beaches and, more importantly, I think the community support for the project, even though the project was generated from the community level, it's actually increased, not only in the villages that have gotten benefits from the program, but other communities as well. So as a result we were able to take the last year of funding and match it with some other funding from another source and continue the project for the next year, with the opportunity for two additional years of funding from that same funding source. So that was a positive outcome, I think, and I appreciate the Council's support there.

We've also recently received a $550,000 grant from the Alaska Science and Technology Foundation for the Qutekcak shellfish hatchery to develop culture methods for gooey duck, cockles and purple hinge rock scallops, so we're really going

great guns with that area of mariculture, and I think we owe a lot of it to the Trustee Council for believing in us to support the Clam Project for the number of years that you did.

The other project I wanted to update you on is the construction of the Port Graham Hatchery. The construction has begun, as a matter of fact, they're scheduled for completion sometime in late November, so we're going to be having an open house at that time and you'll all receive invitations. We got all of the -- we worked real hard over the past couple of years to find the money to get it constructed and, of course, the Trustee Council's financial support was a great assistance in that regard as well, so we're planning on using that facility not only for Port Graham and Nanwalek, but for other communities that want to restore their damaged salmon stocks.

Next, I want to update you on the natural resource management actives in the Chugach region. We've been meeting with -- CRRC has been meeting with the village chiefs in each of the seven communities that we work with on subsistence issues, and this has been going on since the beginning of the summer. And we've been discussing a whole gamut of issues, including the road to Whittier, the Federal assumption of management and the GEM, Gulf Ecosystem Management Project. And as a result of those meetings, we put together a field trip to visit my tribe in northern Wisconsin, the Lac de Flambeau Band of Lake Superior Chippewa Indians. And Sandra Schubert was

to come along with us for a couple of the days. And the reason we went there was to familiarize the tribes up here with a professional tribal natural resource management program. Our tribe has a whole natural resource department and they do conservation enforcement, fisheries and wildlife management, fish culture, environmental protection and water resource, forestry. And so they had the opportunity to see a whole program and maybe a vision for what can be done up here in Alaska.

We also visited a day with the Great Lakes Indian Fish and Wildlife Commission, which is an intertribal commission that manages resources off the reservations on public lands. And the reason we went there is because I think that's very similar to the corporation lands and the public lands in Alaska, so that the tribes do have -- will have the opportunity to enter into cooperative agreements with village corporations and other entities to manage lands off -- in their traditional use areas, but not directly in the village, since the tribes really don't have lands in Alaska. And so they were able to look into different co-management projects that the commission handles, funding, how they operate and there was a real learning process going on there.

And then the last day we met as a group just amongst ourselves to see what did we see and how can we bring that back to Alaska and how can we use it in the Chugach region. And one

of the things that they wanted to do is really get on board with developing the natural resource programs, and part of the communities have started and the rest of the communities -- we brought someone from Kodiak, too, and they also have a natural resources program, but they're all very excited about getting going, now that they can see, you know, what does a natural resource program do and how they cooperate with the State and the Feds to manage the resources in their areas. So as a directive by the village chiefs, at our village chiefs meeting and as a directive of the people involved in the field trip, we were to develop a region-wide natural resources management plan and individual tribal natural management resource plans by the end of FY2000.

And within that we also put funding from our BIA grant to provide the biological assistance to the communities so they can actually start getting their programs on line and do some scientific research and monitoring type activities in their communities that are -- that they feel are important to the community members.

The recent promise, I guess, by Governor Knowles to recognize the tribes in the State of Alaska is a real exciting proposition and we're interested to see actually how that plays out, because I think that'll be the first opportunity to do some partnering with the State for managing activities.

All that I tell you because the Gulf Ecosystem

Monitoring Project, I think, can play an integral part in all of that. By the time we get our programs up and running to a point where I think we can participate in the GEM in a more meaningful way, as far as science is concerned, I think is just about the time GEM will be coming on line, and so we're real excited about getting those programs started. As a matter of fact, we had four village chiefs at that field trip and Gary Kompkoff from Tatitlek went home and had a Council meeting four days later. He called me the very next day and the Council directed him to make it his top priority, two days later he faxed me a draft ordinance, natural resource management ordinance authorizing the tribe to develop this program and putting codes and ordinances governing their people for harvest and, you know, seasons and things like that, and asked me for my input and get it back to him as soon as possible, so they're really anxious to get going on it and I think that they will be one of the model villages for the rest of the region.

The final thing I wanted to talk about was the Gulf Ecosystem Monitoring Project, and I haven't -- I just saw this latest draft, so maybe my comments may be outdated, but we gave the community people that were involved in the field trip a copy of the draft GEM and Henry Huntington was there also and he kind of gave an overview of what was included in it, and I have to tell you that, I guess, the first response was the community people were disappointed that they weren't involved

in the initial planning meetings of it. And we understand that Hugh and Henry were involved as technical advisors, but they really felt like there should have been some kind of community participation.

The other shortfall they saw was that of the obvious exclusion of the human uses and perspective when looking at the ecosystem. And we know this has been a recurring problem, but the holistic approach that, you know, the Native culture views as essential in their world view, I think, is contrary to, unfortunately, to what the Trustee Council has to work with, so I'm hoping that we can somehow work together to address that issue more effectively.

And then the discussion for opportunities for tribal and community monitoring research on community-based projects, we felt was very limited in the document. I think it needs a little more work. The work that -- when discussing the GEM proposal about work that has been done by the agencies, Federal and State, there wasn't any mention of the work that CRRC and the tribes in the oil spill-affected area had done, and they noticed that right away. They felt that they should have had some recognition for the work that they were participating in.

And, finally, the tribal community fund was not mentioned in the GEM and we understand why and we understand that the Trustee Council is not taking any action on it and we're not asking you to take any action on it, but some of the

leaders in the meeting felt like they were a little frustrated, they had put in countless hours with all those petitions that you received earlier and the letters of support and the tremendous amount of money people spent coming to the Trustee Council meetings and testifying and there was no mention at all. And so we think that the language in the GEM should be broad enough to allow the tribal communities with a window of opportunity to include the community fund later on in the planning process. And I discussed this with Molly last week, I guess, it was, and as a result we worked together to develop a draft resolution that you have before you. And so I support that resolution, I hope that you give it your consideration as well.

Let's see, what else did I want to talk to you about? I guess that was about it. I think the GEM can play an important role in the natural resource process that the tribes are currently working on, and I look forward to working with the EVOS staff and trying to get the communities more involved in the Gulf Ecosystem Monitoring Project as well.

So, if you have any questions, I'll be happy to answer them.

CHAIRMAN PENNOYER: Thank you very much for a very complete and helpful report and for your kind words, too, in the process. Do Trustee members have questions or observations? Commissioner Rue.

MR. RUE: Yeah, I appreciate the report, too. And I guess as an aside, I would appreciate working with you on projects prior to GEM.

MS. BROWN-SCHWALENBERG: Uh-huh.

MR. RUE: We've had good success around the state working with nonprofit and tribal organizations, depending on who's kind of the active entity in a particular region on ongoing monitoring projects or resource assessment projects. I suggest, if you all are ready, to sit down and talk about what would be priorities outside of EVOS, outside of GEM, to get started on a cooperative working relationship.

MS. BROWN-SCHWALENBERG: Uh-huh. Yeah, there are a couple of communities that are concerned about the moose populations and so that's, you know.....

MR. RUE: Yeah, right, that kind of thing.

MS. BROWN-SCHWALENBERG: .....one area that's, you know, not related to EVOS, but something that we're working on.

MR. RUE: Sure.

MS. BROWN-SCHWALENBERG: I mean we're going to go forward with this, you know, irregardless of GEM, but.....

Oh, I thought of one more thing I wanted say.

CHAIRMAN PENNOYER: Go ahead.

MS. BROWN-SCHWALENBERG: You know, talking about tribal or community participation and community involvement, I have to admit that it was a little inopportune

to have the meeting during the AFN week in Juneau, we can't get any people to be on line, we can't get anybody to come to Juneau and I'm sure it wasn't a deliberate attempt, but people just don't think about those kinds of things, and maybe there should be a better effort in trying to look at the calendar and see what's going on so that the Native people can be involved.

CHAIRMAN PENNOYER: Thank you for the suggestion. Are there any other comments or questions?

(No audible responses)

CHAIRMAN PENNOYER: Molly, did you have anything you wanted to comment on in terms of the process?

MS. McCAMMON: I guess -- Patty and I have had a lot of discussion on this and I really appreciate all the effort and work she's put on it. I think some of it -- the misunderstandings developed as a misunderstanding of the planning process this summer, because what we were working for was developing the scientific underpinnings of the GEM Plan and we did have the working group. We asked Patty who would be most appropriate to sit on the working group, it wasn't our intent that that was necessarily reflected involvement or lack of involvement of the villages themselves, we were looking for their technical scie -- science advisors, basically. And the people who were chosen were Hugh Short and Henry Huntington and they were actively involved in it.

We know that this aspect of the program is not fully

developed and that's because it has been -- it's an evolving concept. We're doing cutting edge kinds of things that are just starting to be done worldwide and we really are kind of advancing some very new things. And so if it looks like there's a gap compared to what the agencies have or others have, it's because we're at the very beginning of the process here.

What I had hoped in the resolution that we'll talk about when we get to GEM is that this reaffirms the Council's commitment that, yes, traditional knowledge, community involvement, stewardship will be a part of GEM and we will work with Native villages and the communities to have that be a part of GEM. What is this and how is that a part of GEM, we don't know yet, and it will probably be, at least, a couple of years as we work through this process, as we develop it. But it's just to reaffirm that there is a commitment there and that it will be part of it, that we don't have it as fully developed as other aspects of it, but that doesn't mean that the commitment to it isn't there.

And we were hoping with this resolution that Patty would be able to take this back to the villages and say, yes, they haven't acted on the request for the community set-aside, they haven't acted positively or negatively, but let's set that aside for right now and work at what is it that we want to see in terms of stewardship, community involvement, traditional

knowledge and those kinds of things. And that's what we're committing to working on in the next couple of years.

CHAIRMAN PENNOYER: Okay, thank you very much. Are there -- is there anybody else in Juneau that needs or wants to testify? Public testimony?

(No audible responses)

CHAIRMAN PENNOYER: Okay, I don't know -- I know some people that have signed up that are on the line, but I don't know who wishes to testify, so I think I go to Anchorage now, is there anybody in Anchorage that wishes to testify?

(No audible responses)

CHAIRMAN PENNOYER: Anchorage?

MS. WOMAC: I believe Theresa Obermeyer wants to make a comment.

CHAIRMAN PENNOYER: Fine, please go ahead.

MS. OBERMEYER: Good morning. Now, am I addressing the Trustee Council?

CHAIRMAN PENNOYER: Well, we set a certain amount of time for public testimony and some of the members have to leave rather early, so we'd like to keep the testimony fairly brief if we could.

MS. OBERMEYER: Oh, sure. Theresa Obermeyer and I do always know that it is not as good for me to talk by teleconference rather than by in person. See, but I was going

to say hello -- just to mention a couple of things. I'm passing out to the people here in Anchorage just the State warrants and I will give extra copies to the staff so that the members of the Trustee Council can get them.

And, of course, why do I come? Well, I look really at the first word of this organization, Exxon. And I'd like to mention a few things about Exxon. First of all, Jim Branch is the President of the Resource Development Council this year and he is the state manager for Exxon at this point in time. And, of course, many other points about Exxon. Exxon still, to my knowledge, has never paid the lawyers that went to court over the Exxon Valdez oil spill litigation and I thought they were supposed to be oral arguments in Seattle in May of '99, and I have no idea if they were even held or what the result is.

Our media, I guess -- you know, I can't get very much information, and I don't have any way really to check, either, and I really would like to know that by the way.

Then just to mention about Exxon, and I, of course, raised four young children in state and I want us as thinking adults and as Americans to realize that it is Exxon that is behind this statewide high school graduation test that is suppose to start in March of 2000, unless we, as thinking people, stop this and either file suit against the State Board of Education or simply by majority vote of any school board in the state, this test could be stopped. And there could, at

least, be thinking about it. It's like everything that goes on here is a fait accompli, and no one rises up. I marvel, is all of life a bureaucracy?

But, anyway, just to mention this morning, and I'll pass this out, too. We got Bar results. Who are these people? What if for 16 -- almost 16 years, my husband has been writing an essay test in the only state in the United States that doesn't have a law school. And let me just ask you people, rhetorically, I know I can only speak for myself. I, as an ethical person, wouldn't take someone's money once without a thought of helping them. This group -- and I want to be very firm in my verb here, they have stolen, they have literally stolen my money 28 times. You see, it's a very long, and I cannot explain all of this in my brief comments, but in some states you don't even have to take a test to be licensed, in fact, the state where Fran Ulmer comes from. You graduate from any of the state law schools in the State of Wisconsin, you are handed your diploma in one hand and your law license in the other. No questions asked.

So, you know, do we also know that Fran Ulmer is an attorney and so is her husband, Bill Castle, although you won't read her name in your directory of attorneys. Why -- to me, the only book that matters in this state is this directory of attorneys. You know, there aren't contracts where I live, there's just a -- there are pieces of paper and I like to hope

for and believe in contract, but after what I know about our courts and lawyers, I would question any contract. But I would like to make sure that something is fair and I'd like to be helpful.

I would field questions if you have them. My comments are more of a global nature.

CHAIRMAN PENNOYER: Ms. Obermeyer, I thank you very much, we're probably going to get into the GEM here and we have a lot of work to do on it.

MS. OBERMEYER: Oh, sure. And your name, sir?

CHAIRMAN PENNOYER: I'm sorry?

MS. OBERMEYER: Your name, sir?

CHAIRMAN PENNOYER: My name is Steve Pennoyer, I'm the National Marine Fisheries representative.

MS. OBERMEYER: Oh, sure.

CHAIRMAN PENNOYER: I'm chairing the meeting.

MS. OBERMEYER: Okay. I'm sorry, I was not here at the beginning of the meeting so I did not hear when roll was taken, and I just am stopping by. If there's any follow-up, feel free to contact me individually and I'll be glad to explain further and give you documents.

CHAIRMAN PENNOYER: Okay, we.....

MS. OBERMEYER: Thank you, Mr. Pennoyer, and I just know you're going to do good things.

CHAIRMAN PENNOYER: Well, we appreciate that,

and I'll ask the Trustee Council members if they've got any comments. And for your information, all the Trustee Council agencies are represented here at this meeting.

MS. OBERMEYER: Thanks, and have a great meeting.

CHAIRMAN PENNOYER: Thank you very much. Is there anybody else in Anchorage that wishes to testify?

(No audible responses)

CHAIRMAN PENNOYER: I don't know who else is on the line, so maybe if -- let's -- I'll just go around a few of the areas, like Kodiak. Anybody from Kodiak on the line that wishes to testify?

MR. OSLIN: Yeah, somebody from Kodiak, Mr. -- Chairman Pennoyer, I think I have that right. This is Dan Oslin from Alaska Oceans and Fisheries Foundation.

CHAIRMAN PENNOYER: That's fine, Dan, thank you very much. Go ahead, please.

MR. OSLIN: I didn't have an opportunity to see your monitoring plan, however, there were a couple of comments from the Foundation. We really appreciate the work you guys have done in Prince William Sound in monitoring and the programs that you have set up there for ecosystem analysis and we'd like to see those expanded into the rest of the spill area. In particular in the monitoring program that you're considering, we would like to suggest placing some ocean

monitoring buoys in other areas of the spill, in particular, two locations we think would help out, one monitoring buoy off of the Chiniak Marmot Bay, outside of Kodiak on the east side of the island. And one monitoring ocean monitoring buoy in the Shelikof Straits which would be at the south end of the Shelikof Straits.

We think that having these type of buoys and their ability to monitor would greatly increase the knowledge at those parts of the spill area and also give great information for fisheries management and analysis of what's going on in the ocean for a long time.

Also like the earlier speaker, and I didn't get her name, from Juneau, the Foundation strongly supports the use of local knowledge in your monitoring programs, we think that the traditional knowledge that can be gained from the village around the spill area, including Kodiak on the other side of the Shelikof, Chiniak and -- not Chiniak, but Chignik and also the village around Prince William Sound and the ones in the Lower Cook Inlet. It would be of great assistance, we would urge you to include them and then, perhaps, people in those areas for local knowledge monitoring. This could be done on an annual basis with some of your monies.

Those are the two areas we feel that you could enhance your program with and we'd like see moved out of the Prince William Sound into Lower Cook Inlet and cover the Kodiak Island

area as well and the rest of the spill area.

Thank you very much for the opportunity to comment and I hope I've been brief.

CHAIRMAN PENNOYER: Thank you very much for your comments and being to the point. And I'd ask Trustee Council members if you have questions or comments on his testimony?

(No audible responses)

CHAIRMAN PENNOYER: I would note that we're getting a presentation of the GEM Plan today and I'm glad you're going to get to sit in and listen to it. And I think it's on website, so it's available to.....

MS. McCAMMON: It will be on the web.

CHAIRMAN PENNOYER: It will be on the web shortly to review, and we'd appreciate you doing that and your further comments.

MR. OSLIN: Thank you.

CHAIRMAN PENNOYER: Any other? Commissioner Rue?

(No audible responses)

CHAIRMAN PENNOYER: Okay, thank you very much, Dan. Anybody else from Kodiak?

(No audible responses)

MS. McCAMMON: Cordova.

CHAIRMAN PENNOYER: Cordova, anybody from

Cordova who wishes to testify ?

MS. BIRD: Yes, Steve, this is Nancy Bird at the Prince William Sound Science Center. I don't have any comment, I just have a request. Molly referred to a resolution as an action item for you all today, that, if I understood correctly, is on the GEM Program. Is there a possibility that that could be faxed to us here?

MS. McCAMMON: Yes.

CHAIRMAN PENNOYER: I believe that is so, and I'd ask that that be done to any of the locations that are on line if we can do that.

MS. McCAMMON: About individual locations, we can fax it to the Science Center, and if anybody else wishes a copy we just need to know a fax number for them.

CHAIRMAN PENNOYER: Okay. Do you have your fax number, Nancy, or do we have it here?

MS. BIRD: The fax number here is 424-5820. Thank you very much, we just are curious what it states, maybe you'll be reading it later and we'll continue to listen.

MS. McCAMMON: We will.

CHAIRMAN PENNOYER: We will, but it will probably be helpful if you have it in draft.

MS. BIRD: We have found the GEM Program Plan on the website yesterday and that was very helpful. We're just going through it.

CHAIRMAN PENNOYER: Okay. Thank you very much for your comments. Are there any questions by Trustee Council member, observations?

(No audible responses)

CHAIRMAN PENNOYER: Thank you very much. Anybody else from Cordova, Nancy, or are you the only one?

(No audible responses)

CHAIRMAN PENNOYER: Cordova, anybody else wish to testify?

(No audible responses)

CHAIRMAN PENNOYER: Let's go to.....

MS. BIRD: There's several others listening in here, but no one else has any comments.

CHAIRMAN PENNOYER: Okay, thank you very much. Let's go to Valdez, anybody from Valdez wish to testify?

(No audible responses)

CHAIRMAN PENNOYER: Okay, thank you. Anybody from Seward?

(No audible responses)

CHAIRMAN PENNOYER: Homer?

(No audible responses)

CHAIRMAN PENNOYER: Is there anybody else on the line in any of the locations that's on the line that wishes to testify, would you please give your name and announce your intent?

(No audible responses)

CHAIRMAN PENNOYER: I think that completes public testimony then, Ms. McCammon, unless you have something else to add in this regard.

MS. McCAMMON: No.

CHAIRMAN PENNOYER: So what's the group's wish, do you wish to take a five-minute break or do you want to go ahead with the GEM Plan?

MR. GIBBONS: Can we take a five minute?

CHAIRMAN PENNOYER: It's been requested we take a five-minute break, may we please do that and get you a cup of coffee or whatever and then we'll come back and start on the GEM Plan.

MS. McCAMMON: Mr. Chairman, before we take a break.....

CHAIRMAN PENNOYER: Oop, wait a minute, everybody stand down.

MS. McCAMMON: .....there was one item. Tami Yockey who has been working with the Trustee Council for a long time, for years, as you know, had twins this past spring and she has decided to stay home full-time with her two young boys and.....

MR. RUE: She got a choice, huh?

MS. McCAMMON: .....this is a certificate of appreciation for all of the work that -- her contributions to

the Restoration Program, and I'd like to pass this around and have everyone sign it, too, during the break.

CHAIRMAN PENNOYER: Okay, during the break, then, we'll pass this around, if everybody could sign it and we'll try and get back in about five minutes, Commissioner Rue has a date. Thank you.

(Off record - 10:55 a.m.)

(On record - 11:05 a.m.)

CHAIRMAN PENNOYER: Okay, everyone is accounted for and present. I'd like to go ahead and get started on the next item, which is the presentation of the GEM Plan to the Trustee Council by Dr. Spies and Dr. Mundy and -- who's going to do that?

MS. McCAMMON: I'm starting.

CHAIRMAN PENNOYER: Ms. McCammon is going to start. So this is the presentation of the Gulf Ecosystem Monitoring (GEM) Program.

MS. McCAMMON: You can call me Dr. McCammon, too.

CHAIRMAN PENNOYER: Dr. McCammon is going to start. Thank you. Just you can't operate on me, but, Dr. McCammon, go ahead.

MR. RUE: Doctor Science.

(Laughter)

MS. McCAMMON: Thank you, Mr. Chairman, what I

first want to just go back to is the actions that the Trustee Council took on March 1st concerning the Restoration Reserve and long-term restoration needs. Just as a reminder, at that time, the Council adopted a resolution that said, following -- taking aside $55,000,000 of the remaining funds for additional habitat protection, the remaining balance of funds on October 1, 2002, will be managed so that the annual earnings will be used to fund annual work plans that include a combination of research, monitoring and general restoration, including those kind of community-based restoration efforts consistence with efforts that have been previously funded by the Council, such as subsistence restoration, traditional ecological knowledge, Youth Area Watch, cooperative management and local stewardship effort, as well as local community participation in ongoing research efforts.

At that time the Council directed the Restoration Office and the Chief Scientist, under the direction of myself, to begin to develop a long-term research and monitoring program for the spill region that will inform and promote the full recovery and restoration, conservation and approved management of spill area resources. We were directed to do this by working with and soliciting the views of the Public Advisory Group, community facilitators, resource management agencies, researchers, other public interests, as well as coordinate with other marine research initiatives.

In, I believe, April, we met with you and, at that time, laid out the timetable for development of what we refer to as the GEM Program, the Gulf Ecosystem Monitoring Program. And we're using that as a working title. We did begin to -- we took an outline and began fleshing out the document in April and May. We convened a small working group that was chaired by myself and the Chief Scientist, Dr. Spies, that met two times during the -- I believe in May and then again in August, developing the scientific underpinnings for the Gulf Ecosystem Monitoring Program.

We've had numerous drafts that have been revised numerous times, they've been viewed by individual scientists, agencies, different public people, it hasn't gone out to a full blown public review. But we do have a new draft now that we'd like to present to you today and walk you through that. We have a Public Advisory Group meeting scheduled for next Tuesday in Anchorage that we'll be going through this draft. Depending on your comments today, it would be our intent to seek broader public input at this time, to meet with stakeholder groups, anybody who requests us to meet with them. With communities, to work very closely with the community facilitators and the Native villages, to work with all the communities in the spill area and others. To have, then, a revised final draft in early January.

The National Research Council is planning on putting

together their review committee in the next couple of months and they are hoping to have their first meeting right after our January workshop, so sometime around the 20th, 21st of January. The review, report -- their review then takes approximately a year, they would have a final report ready the next January. So we'll be working with them over the next year on their review of the program.

So we basically have three years to get the program completely fleshed out, reviewed, developed and then prepared for implementation by October of 2002.

In your packet you have a document, the Draft Gulf Ecosystem Monitoring Program. Dr. Mundy and Dr. Spies will be walking you through that, they have a presentation. I apologize to the folks in Anchorage and on line in that they won't be able to see the presentation, they'll only be able to hear it. The document is on the web, it's already been accessed by somebody, so it is up and running.

And with that, I'll turn it over to Dr. Mundy who's going to begin.

MR. MUNDY: Thank you, Ms. McCammon. Mr. Chairman, members of the Council and members of the public. My name is Phil Mundy, M-U-N-D-Y, and I am the Science Coordinator for the Trustee Council and I would like to also introduce a person who is well known to most of you, Dr. Bob Spies, who is the Chief Scientist.

I'm going to lead off today with the first three sections of the document. For those of you who are with us by conference call, the document is at www.oilspill.state.ak.us. And I would recommend to you, if you have access to that, to look at the Table of Contents, you'll be able to follow my talk today by following along with the Table of Contents.

Now, during the first presentation to the Council there was a good deal of discussion and a good deal of concern about the way that the document was structured, whether the document was properly structured to do the job. And so today the approach I'm going to take is to tell you how we put the document together, why we put it together that way. I'm not going to lecture from the book, I think you've got the book, so I want to tell you something about why we did what we did.

The first part is the introduction, and that's where we set the stage for telling people what's the problem, the why, the where, the when of it. And the second part is the vision for GEM, once we get you to identify with the problem, if we get you to understand that problem, then we want you to see the Council's vision for the solution to this problem. The structure and approach, we have a problem, we have a solution, how do we get there? Then the scientific context, this is how we tell you what we know and what it is we need to find out before we can solve the problem.

So this is the short version of what the problem is,

and that is that the solid historical context necessary to understand the changes, that's changes due to oiling or changes due to natural environment, just is not there in most cases. Solution: Work to understand the source of the change, whatever they may be, natural or man made. And so then the question is, why would we want to do this?

The first answer here is that effective conservation and management requires improved understanding of ecosystems. Why? Protect basic human interests, provide better information to managers, increase ecological information. We want to improve understanding of recovery and that is to tell the difference between climate and humans. The effects of climates and what we do to the environment. And then to maintained sustained use, that is, understand things like sea lions versus trawlers.

CHAIRMAN PENNOYER: Throw light on the versus theory, will you please? Interactions between, right?

MR. MUNDY: Interactions between, yes. So in a recovery context, the answer to -- the question is, why? Because recovery from oil can only be determined through long-term research and monitoring. Why? Because we must supply the historical context in order to understand recovery. Why? Well, damages were compounded by climate and the effects of other species, meaning that they were confused between the two in some cases. Why? Because the status of some resources are

still unknown.

Now, just to make the point, we have five resources here, cutthroat trout, wilderness areas, Dolly Varden, Kittlitz's murrelet which is pictured here, and rockfish, which are still on the list of resources of recovery unknown. Again, it was due to lack of historical context on these resources that we were unable to determine the status. And, in some cases, where the resource is still listed as recovering, uncertainty there is created by the lack of historical context.

Okay. Now, in the balance of Section I, the Introductions, Sections B through I, for those of you who are following along on the Table of Contents for the document, we've gone into a good deal of detail on establishing the why, establishing the reasons that we would want to do these kinds of things. And I know that some of these things will be of more interest to some than others, and I'm going to move fairly quickly through these and I would encourage you to stop me, to interrupt and to ask questions as we get to a section that you're particularly interested in and I've gone too fast or I apparently glossed over it. We have a lot of material today and so I'm going to be moving fairly quickly and giving you bumper sticker versions of what we have in the text here. So please feel free to cut in and make me slow down if I'm moving too fast.

Okay, in Section B we've established the information

that's available about lingering effects of the oil spill and what we need to do to try and understand these. Human uses and activities, that's new this time, and we recognize the fact that you have 70,000 people living in the immediate area of the oil spill, over 260,000 people have road access to the Kenai Peninsula and to Prince William Sound by Valdez, soon to be access by Whittier, so that the majority of the people in the state have road access to the majority of the areas. So you've got human development and then add to that a million tourists a year. So the human development pressures are here and increasing.

Global climate changes, we have some model indications that the temperature, sea surface temperature, in the North Pacific, particularly in the Southern Gulf of Alaska could increase by as much as 10 degrees C over the next 10 years. These are physical models and I -- it's even hard for me to understand in what that might mean in terms of species composition. And let's assume that they are off, they're off, let's assume that they're double too high, well, it could be five degrees and that would still be a substantial change in the species. So global warming is a context that we wish to understand.

Fishery ecosystem management, the public is increasingly expecting us to manage interactions among species, interactions between harvesters and species that they're not

harvesting, but that may be affected by the harvest, and the -- one of the things that we need to take a look at is that ecosystem management is not something that we really know how to do very well. People are demanding ecosystem management, scientists -- you go for the book on ecosystem management, it's pretty thin at this point in time, so it's something we need to be developing.

Marine habitat protection. We need to know what it is we need to protect.

Food safety and contaminants, it's important for us to be ahead of this, to be out in front of it, to know where these things are coming from, where they are, whether they are problems for human health, whether they might be problems for ecosystem health.

Communities, people that live in the area, the local people who are in immediate contact with the resource and who may use it for subsistence on a regular basis need this kind of involvement.

And, lastly, the thing that we're finding is that there is an enormous amount of activity out there, there are a lot of State and Federal agencies, United Nations, intergovernmental transboundary organizations doing work out there. These are not well coordinated, in fact, even though we have organization that have made great strides in this area for the past five to six years, such as PICES, which is the North Pacific Research

Organization, we still lack coordination in the area of marine science in the Gulf of Alaska.

Okay. So now that we've established what the problems are and the reasons for going after these problems, take a look at Section II, this is the vision for GEM, what does the solution look like? What is the Council's vision for solving the problem? Okay, the mission, boiled down to its essence, is healthy ecosystem through improved understanding.

Okay, the goals, and this is the whys in Sections, should be A through I, turned into what, that is turn the reasons for doing this into ways to get to solutions. Geographic scope, Northern Gulf of Alaska, and we need to emphasize that when we say Northern Gulf of Alaska, we definitely include Prince William Sound, Cook Inlet, Kodiak and the Alaska Peninsula.

Okay, here is a map of the spill area, it doesn't show the spill, but this is meant to emphasize the communities on the -- such as Ivanof Bay, Perryville, Chignik, Chignik Lake, Karluk and so forth in the spill area. This is to show that we have an emphasis on community involvement and that we are looking at community-based programs as part of the GEM Plan.

Now, on the other hand, we have this vision of the Gulf of Alaska, and this Dr. Spies is going to be talking to you about this in a good more detail, so let me just talk about the details of this map a little bit. And, again, for those of you

on the telephone, we're working with a satellite vision of Figure 1. Now, these color contrasts don't necessarily mean anything, that I know of, other than we have different water masses here. But take a look along the coast here, along the Bering Ice Field, this is Kayak Island down here in Prince William Sound and Kalgan Island, Middleton Island out here and Kalgan Island, I'm sorry.

MR. RUE: Montague.

MR. MUNDY: Montague Island, I'm in the wrong inlet. And take a look at the water masses here and note the complexity here just below the Bering Ice Field and southeast of Prince William Sound. Lots of fresh water here, but right in the middle you've got marine water. And then if you move around the corner of the Kenai Peninsula below Seward and back up around into Cook Inlet, notice the influence of the Susitna River and the Kenai and Kasilof River, this is Lake Tustumena and this is Lake Skilak up here on the Kenai Peninsula, but look at the differences here. We tend to think of Cook Inlet as one body of water, we tend to think of the offshore areas as homogeneous as a glass of drinking water, but these areas are really quite different. This part of Cook Inlet up here, there is Kalgan Island, at this time, these areas are very different and Dr. Spies will be talking to you about some of the differences we've seen in the birds and the mammals and the fish that are directly related to these differences that we can

see from the satellite image.

Okay. And, lastly in the vision, Section II, we talk about the funding potential, the investment of the Council being approximately $115,000,000 and the return being, in the long-term, being approximately 5.75 million dollars a year.

We also addressed the governance, and the governance in the foreseeable future in the GEM Plan is the Trustee Council structure.

Okay. Now under the goals section, we talk about what to do to meet human needs. And this, again, we're still in Section II. Track lingering oil spill injury, detect and understand changes in the marine ecosystem, distinguish natural variability from human influence, improve fish and wildlife management, integrate and synthesize species information, get baseline on water quality and contaminants, identify important marine habitats and basic life history and habitat requirements of marine species. Okay. Again, in the goals section we talk about how to meet human needs. And how are we going to go about addressing these goals.

The first thing that we've done is we put together a database to help us identify research and monitoring gaps. We are in the process of assembling the current understanding of biological production in the Gulf of Alaska and we're synthesizing this, putting it together into a story. We need to continue to synthesize the -- that is to make a coherent,

intelligible story out of the research and monitoring. And then we put these together, put the gaps, the current understanding and the synthesis to help set priorities for research, and particularly for the GEM Program.

And the last element that the Trustee Council specified as an approach is we're going to use our funds to leverage funds from other programs because we need to recognize that one program with the amount of money that we have is not going to monitor the whole Gulf of Alaska. We're, obviously, going to be relying heavily on programs operated by State, Federal agencies and intergovernmental organizations and United Nations programs.

Okay, now we move on to Section III, this is where we talk about the process and the institution, these are the ideas that have been laid down. Many of these will be familiar to you because a great many of these we draw from the structure of the Restoration Program itself. Some of the operating principles we had we feel that have worked fairly well and produced a good product for the public and these we intend to continue.

So under structure and approach, we address that we're going to have two scientific elements here, long-term monitoring and research and there will be an interaction between long-term research and monitoring where the monitoring program funded by GEM and by other parties will feed

information to the research program. The research program will help us produce products for management agencies, things that people can use to manage the resources better, information for economics, for buying fishing boats and things like that. And so the interaction between the two, the research program advises the monitoring program, the monitoring program advises the research program and we get -- both of them are the basis for products for the public.

Communities and local stewardship is part of our approach, the idea that people who are involved with the resource need to be part of this monitoring plan and that the communities being in the middle of the resources and, in some cases, heavily dependent on them, are uniquely interested in a lot of cases in these resources.

Science management program, we're going to continue the concepts, many of the concepts that we started in the Restoration Program and we will be modifying these, streamlining them and making them more cost effective. Continue the peer review process that has resulted in over 300 peer reviewed scientific literature publications, in addition to the many reports that have also been produced, and since these come into my e-mail mailbox, I can tell you we have 300 publications and climbing, we get new reprints and publications every day.

Data management synthesis and public information. This

is an extremely important part of the structure and approach that is going to be much more emphasized under GEM than it was under the Restoration Program because we expect to see a lot of information coming through. And so data management and putting that -- is going to be important. Also putting that data together into a story that the management agencies and the public can understand and use is going to be extremely important. And, of course, synthesis, putting together a story based on the data is obviously the basis for public information.

Okay. Under the research end of things, the three elements here are management and conservation, that is the idea that this data does not exist in a vacuum, it's not being produced solely for the sake of science, although we hope that it will be good basic science, but also will deliver a product to management agencies who deal with birds, fish and mammals and to members of the public who rely on this economically and for subsistence.

Lingering oil injury, clearly again, that's part of our approach. If we find continuing oil injury, if we find continuing restoration needs, we're looking at these. And exploring, monitoring data adaptively. And basically what this means is that we take the monitoring data, it's not just logged into a book, the monitoring data has to go to people who are going to try to make sense out of it and also tell us if we're

monitoring the right things.

Science management principles and policies, again, drawn from the Restoration Program with a peer review process, but streamlined to reduce costs.

Proposed elements of GEM science management, scientific leadership and peer review. We have a process for an open process for getting the things that we need to run the program, getting proposals and passing them through. And then coordination with other programs and projects. Again, I emphasize that we're a relatively small program and networking coordination is absolutely essential for our success, but also something that's badly needed.

Data management synthesis and public information. I think I've previously covered these, they will be more important under the GEM Program than they have been in the Restoration Program.

Okay. Now, before we turn this over to Dr. Spies who's going to talk to you about the models and the concepts about what we already know that we can use to get going, we need to talk a little bit about some of the history of science that can give us a lot of direction here.

So for those of you on the telephone we're now in Section IV, Parts A and B. And in Section A we address guidance from prior programs and in Section B we address existing agency programs and projects. Now, there's a lot of

guidance from prior programs that's been developed since about 1991. Under the legislation, I believe it was '91, that created the Alaska Regional Marine Research Plan, we have several goals, and I think the goals will be recognizable to you because they look a lot like what the Trustee Council has established.

Distinguish between natural and human induced changes in marine ecosystems. Stimulate the development of data gathering and sharing system, and provide a forum for discussion among the scientific community concerning water quality and ecosystem health. Water quality and ecosystem health are separated in this case because EPA was a major part of this program.

Bering Sea Ecosystem Research Plan is out there and the Bering Sea and the Gulf of Alaska are linked in a lot of regards and many of the same agencies and research programs and scientists who work on the Bering Sea are also in the Gulf of Alaska. Again, look at the similarity between what they came up with in the Bering Sea Ecosystem Research Plan. Natural variability in the physical environment causes shifts in trophic structure and changes in the overall productivity of the Bering Sea. You could insert Gulf of Alaska and you'd have GEM.

Human impact leads to environmental degradation including increased levels of contaminants, loss of habitats,

increased mortality on certain species in the ecosystem. Again, central interests of the GEM Plan, okay?

All right. Now, we also have -- because of the policies pursued by the Trustee Council in the past, we now have a substantial scientific legacy, we have a lot more ecosystem information than we otherwise would have had, because of the Trustee Council's efforts. As I mentioned earlier, we have over 300 peer reviewed scientific publications and these are going to be included in the future, in an appendix, we didn't put those in this document, but for scientists, such as the Natural Research Council and others who will be using this document we think that will be an important reference.

And then basic ecological information was developed under SEA Program, Nearshore Vertebrate Predators and the APEX Predator Program and lots of individual projects over the years.

Oceanographic data existing programs and projects. This is one where we've had to work pretty hard because there is lots out there and they are not in one place, they're not under one umbrella by any stretch of the imagination. We split this into oceanographic data and that's typically phytoplankton, zooplankton, small plants and animals and physical observations, like temperature and salinity. Then we have large plants and animals, mostly animals, which we call macrofauna. And most of these agencies will be familiar to

you. For example, oceanographic data the NOAA, the National Oceanographic Atmospheric Administration is a major player here. And the birds, mammals and fish, the familiar agencies, Alaska Department of Fish and Game, Department of Interior, NOAA/NMSF. NOAA/NMSF are so important they're here twice.

MR. RUE: They're redundant, too, I guess.

(Laughter)

MR. MUNDY: All right. Now two groups that may not be as familiar to you that are extremely important in this area, they're what I call transboundary organizations I mentioned. This is Pacific International Council for the Exploration of the Sea, but they call themselves the North Pacific Research Organization, PICES. IPHC is the halibut, International Pacific Halibut Commission. IPSOC no longer exists but its successor, the PSC, the Pacific Salmon Commission, is there and IPSOC left a very important scientific legacy. And the same is true of the International North Pacific Fisheries Commission and its successor the North Pacific Anadromous Fish Commission, there is an incredible legacy of information in these international treaty organizations of the North Pacific.

This is the Arctic Monitoring and Assessment Program which is under the Arctic Council and these people study contaminants in the Arctic and they have stations in the Bering Sea, but they do not have stations in the Gulf of Alaska, and

this is a -- at the present time a major shortcoming.

And then we have also organizations that are more focused, like the Pacific States Marine Fisheries Commission, which is based in Portland, they, for example, coordinate interstate fisheries in the United States and they have the coded-wire tag database which is a record of every recovery of every coded-wire tag in every salmon from California to Alaska, including Canada since 1972.

Down under global climate change there is a very large community out there and it's a scientific community and an international community, not necessarily based on governments, such as United States and Canada, but more on organizations like the Intergovernmental Oceanographic Commission, the IOC, not the -- this is not the Olympics. Out of UNESCO in the United Nations and they have the Global Oceans Observation System, this is called GOOS and they have WOCE, that's the World Ocean Circulation Experiment. Then there's the IGBP program which, again, transcends a lot of national boundaries. We have GLOBEC, which is now functioning in the North Pacific studying things like pink salmon and physical processes that lead to the production of pink salmon.

Then this is the Joint Ocean Flux Experiment, that should be JGOSF for people who are into acronyms here. And they're looking at movement of energy and matter through currents throughout the world, including the North Pacific.

Okay, so now we're back to a picture, to a scientific vision, as opposed to our community vision of the spill area, and I'll turn it over to Dr. Bob Spies.

DR. SPIES: Thanks, Phil. I'll just take a minute to boot up this second program here.

MS. McCAMMON: This is just for our recorder, so you don't have to speak into that. Actually that one that goes to the teleconference.

DR. SPIES: Okay. All right.

MR. RUE: We're now on page two of the.....

DR. SPIES: Section IV.

MR. RUE: Section IV.

DR. SPIES: Yeah.

MS. McCAMMON: Page two of the outline or page 36, probably, actually getting into page 44 in the document.

DR. SPIES: This will be Section D, starting on page 51.

Okay, taking off where Phil left. He kind of provided the context in terms of processes, goals and where we want to go with the program. This is kind of a bird's-eye view or bumper sticker compilation with where we are with understanding ecological change in the Gulf of Alaska and some of the driving forces for that, particularly we want to ask the question, does climate link to ecological change? And we want to look at some of the trends in climate that occur in the North Pacific Ocean,

indeed over the broader Pacific, and understand some of those, first of all, as a basis for understanding some of these fluctuations.

There's three trends or cycles in the Pacific Ocean that are important, that are expressed. Mainly the sea surface temperature and recorded is a history of at least 140 years, this data had just recently been compiled. And let's talk first in the trend, not a cycle, but a trend, as we saw it, in terms of historical record for global warming. And you can see there in the map of the world that the warm areas are in red that have warmed over the course of the last 140 years and the cooler areas, which are very limited, are in blue. And just ignore any ups and downs, if you look at the long-term mode and the average is right at -- the average is given a value of zero and we're looking at deviations. So below -- from about 1860 to about 1938 we had lower than normal temperatures for this period, and then starting in the early '40s, and particularly in the 1980s we saw a quite dramatic warming of the sea surface temperature, which does signal the global warming phenomenon.

Let's turn next to a cycle, and this is a relatively short-termed cycle called the ENSO cycle, which stands for the El Nino Southern Oscillation cycle, we're all pretty familiar with that, we've had a number of strong ENSO events in the last 10 years. This actually originates in the trophics and it has to do with the movement of heat across the ocean. Very

briefly, in the trophic when the trade winds blow across the equator from the east here, they keep this warm water pooled up over in the Western Pacific. But when these trade winds relax, we get a push of warm water across the Pacific. This is South America and the residents of South America are quite familiar with this because it essentially shuts down production in the upwelling system that exists off the west coast of South America and drastically affects their lifestyle.

And then this heat wave moves up then along the coast of Central and North America and definitely affects the Gulf of Alaska. It takes about 18 months to two years to get this warm water moved up here, but it definitely does move as a heat wave. The ENSO event.....

If we can just go back for a moment, Dave?

.....has about a four to five year cycle on average and at anywhere from two to seven years you can see that these -- we've had quite a few ENSO events over the last 140 years. Again, these are plotted as sea surface temperatures, as deviations from the long-term average, which is zero here.

The next cycle that greatly affects the North Pacific is the Pacific Decadal Oscillation and there's actually -- just as a little bit of a background here, there's kind of an opposite effect that happens. This particular graph relates to temperature in this box in the mid-Central Pacific in the Northern Hemisphere, whereas the Gulf of Alaska is usually --

when this is warm the Gulf of Alaska is cold and vice versa. So this is actually kind of the opposite trend, but it's fluctuating the same way as the Gulf of Alaska. And we have trends here that are on the order of -- or cycles on the order of 20 to 30 years. And the last large one that we saw started in about 1977, this is what we call the Pacific Decadal Oscillation.

And to understand a little bit more, focusing in on the Gulf of Alaska, itself, and the North Pacific, to understand a little bit more about the climate and how it affects the oceanography and eventually biological production and we have to understand something about the wintertime positioning of the Aleutian low pressure zone. This cycles on a 20 to 30 year cycle that we saw before and when the Aleutian low pressure zone is in the northwest -- more in the northwest part of the Gulf of Alaska, the northeast part of the Gulf of Alaska, and it is particularly intense, average about below a thousand millibars during winter and this has the effect of accelerating some of these currents. And the currents are rotating in the same way and polar gyre here is the atmosphere is, and then when this.....

MS. HEIMAN: What is that you said? Millibars? Say that again.

DR. SPIES: Yeah, that's the atmospheric pressure so it's about 1,000 millibars or below is a very low

pressure average and about 1020 millibars would be a high pressure for this particular system.

MR. WRIGHT: We used to measure that in inches of mercury, now the metric measurement of that is.....

CHAIRMAN PENNOYER: Barometer.

DR. SPIES: Right, it's a barometer -- barometric.

MR. RUE: So today's probably 990 outside.

MR. MUNDY: And falling.

MR. RUE: And falling.

DR. SPIES: Okay, we can move on to the -- okay, then at -- over 20 -- every 20 to 30 years this -- the average position in the wintertime of the low pressure zone is more to the southwest. And if we can go to the next slide it shows some of these fluctuations and the history of the fluctuations. And atmospheric pressure in the North Pacific associated with the Aleutian low pressure movement, so we can see there, starting about 1977, we had an incidence of very below normal pressure, again measured in millibars, of this Aleutian low pressure zone being in the northwest Gulf of Alaska being very intensely developed. And we're going to be focusing on that because it's a big signal and there's a lot of correlation of the biological effects with that signal.

And to just to give you a little bit more background on how this -- these events are played out through the

oceanography, again, some of the major currents in the Gulf of Alaska, again, they're -- the gyre in the North Pacific, the subpolar gyre in the Gulf of Alaska is rotating the same way that the -- all the currents are going the same direction on average that the atmospheric low pressure system in winter is moving.

And we have, basically, the trans Pacific current, a west wind drift here that's the bottom of the polar gyre, it comes across and it impacts North America, about the level of the Queen Charlotte Islands, there it splits into the California current to the south and the Alaskan current to the north. Now, when the Alaskan current -- it's quite broad when it first moves into the gyre and that's because it follows the shape of the shelf, more or less, it's very broad here and then it narrows in the north and as it moves west, it's now called the Alaska Stream, it's located right on the edge of the Continental Shelf and it's moving quite quickly up to about 100 centimeters a second or more, so it's very swift current and it's several times the size of the Mississippi River.

Now, there's another isolated.....

MS. HEIMAN: Explain the difference between the two different belts that are going on.

DR. SPIES: Okay, I'm going to talk about the next one, I've been talking just about the currents with the green ball, okay?

MS. HEIMAN: Okay.

DR. SPIES: And that this gyre here that's out over the Continental -- edge of the Continental Shelf and into the Central Gulf. And then there's up near the shore, which is called the Alaska coastal current, and this is the pink ball. And it's what's called -- oceanographers call it an eastern boundary current. Now, what that essentially means is that it's gathering all the fresh water runoff. Remember the satellite photos that Phil showed with the lighter colored green and blues in the nearshore area, that was all the melt and precipitation that's going into the coastal zone. And that forms a current that is less dense and less salty and so it floats on the rest of the sea water and wind tends to blow it up -- since it's floating, the wind can blow it around and it blows it up against the coast as it moves around.

Okay. Let's just review a couple of things about biological production, this is a copepod, this bud. Molly wanted to know what that was. And what we're dealing with is a kind of a balance of different forces of factors in the ocean that affect biological production, that is, basically we're talking about planktonic production, but it also applies equally well as to nearshore algae and kelps.

Animals and plants sink to the bottom of the ocean and when they sink to the bottom of the ocean there are processes there and decay, bacterial decay and so forth that regenerate

the nutrients. So the nitrates that are so important for biological production are down here and they need to get up here, and the way they get up into the photic zone where the light is and the plants can grow, is that they get turned over either -- brought up through upwelling or turned over from wind mixing. At the same time if the plants that are in the surface layer are going to be as productive as possible, they have to stay in the surface layer and can't be mixed down too deep where there's not enough light for them to grow.

So we got kind of a -- we need the wind and we need some turbulence to move the nutrients up, but we can't have too much if we want to maintain maximum production because we'll mix some of these plants and animals out of their prime habitat. And, in fact, we've done some basic work during the SEA Program that you've sponsored for the last six years, and we're now able to quite well predict the phytoplankton biomass, and this is work that's done in Prince William Sound, based on a couple of rather simple physical measurements.

The first of that is a measurement of sluing and death at the entrance of Prince William Sound in the spring, how the water column is stratified in the spring. And then the force that mixes that water column is the wind. And using those factors, there's a model that Dave Enslinger built with his students, University of Alaska, and this is the red line, the predicted phytoplankton over the course of the growing season,

staring with the 60th day of the year and going through the 180th, it's essentially late March until about August. And you can see there that the actual dots, the actual phytoplankton as measured in the field quite -- did a very good job -- I mean the model did a very good job of tracking the actual levels in the Sound.

And, of course, the things that consume, the little bugs, the copepods that we saw in the last slide that consume the algae follow on from their food sources and they begin to grow a little bit later, delayed from the phytoplankton, but the model is able to predict those as well, there's a little bit more variability with the yellow dots here, but the average is predicted quite well.

Now, if we might go back just for a moment to the phytoplankton bloom, I think Phil would like to make a comment.

MR. MUNDY: Yeah, I just wanted to point out to the Council members here that this kind of modeling is exactly what we're looking at in GEM because it illustrates how to take relatively inexpensive and precise physical measurements on temperature and salinity and relate these to a biological phenomenon, phytoplankton production, which is relatively expensive and difficult to measure and then this can be related back to things that directly impact human needs in communities, and that is, you'll note, that the X-axis here is time, okay? And the timing of the juvenile fish, the juvenile salmon as

they come out of their streams with respect to this is extremely important to their survival and by taking these kinds of measurements, which we have in the past, we don't have measurements of phytoplankton bloom in the past all the time, but we do, in a lot of cases have wind and temperature and salinity, we can go back and try to see how the phytoplankton bloom, and the timing of it, has impacted recruitment of salmon. Also phytoplankton is the basis for production that drives the birds and the mammals in these areas, so this kind of model, although it's a simple red line down the screen, this is a relatively important part of the GEM Program.

MS. HEIMAN: How much does a study like this cost? I mean I'm sure it depends on the area, but phytoplankton studies that track that?

DR. SPIES: This is relatively cheap now, as long as the buoys are in place for taking the basic data. Wind speed is available from a number of existing NOAA buoys in the area, I don't know exactly applicable which buoys they use, but they do have that data coming in. And then right now the Trustee Council has funded for next year putting buoys in Hinchinbrook entrance and tracking saline and temperature with depth, which is the other input that we need.

MR. MUNDY: You're basically trading off vessel time versus having fixed technology, so you're talking about trading off costs of tens of thousands of dollars a year for

the fixed technology to hundreds of thousands of dollars a year to go out and actually directly measure the phytoplankton.

DR. SPIES: Okay. Now we don't, unfortunately, have a long historical record of phytoplankton biomass in the North Pacific or even the Northern Gulf of Alaska. We do have satellite images available from NASA and, to some extent, from NOAA that look at chlorophyll A levels over the entire North Pacific and you can see interesting patterns of production geographically, we don't have historical record. We do have some zooplankton data that's been gathered, in part, by the Japanese and analyzed by Rick Brodeur from Seattle. And I've showed you another version of this in an earlier talk, but this contrasts -- again, going back to the climate and the Pacific Decadal Oscillation, this contrasts a negative PDO and that's where the pressure is not very strong and there's not a lot of intense circulation. The conditions for standing stocks of zooplankton during the '50s and '60 in the spring and summer, so this shows you in white, yellow and a couple of shades of orange the higher biomasses of zooplankton.

And that contrasts with a positive PDO, and this is data taken during the springtime, again, in the '80s when we can see a much, much more extensive and higher biomasses of zooplankton through the Gulf of Alaska. Now, unfortunately, we don't have much in the way of nearshore data in these areas here and that's quite unfortunate, that's a gap that really

needs to be filled. But this data is interesting in that it does show a kind of ring structure here around the edge of the Gulf of Alaska, right out at the edge of the shelf, it looks like. And this was actually predicted by Ted Cooney back in 1987, he thought the production in the Central Gulf of Alaska was blown inshore by Ekman transport, that is the wind just pushing material inshore would result in a kind of a ring of zooplankton here. This is most likely what the salmon feed on, so it's very, very important and it'll play into our model.

Okay, let's go on.

MR. RUE: So it's more wind driven than upwelling on the edge of the Continental Shelf or a combination?

DR. SPIES: It appears to be that.

MR. RUE: Wind?

DR. SPIES: Wind. There is Central Gulf of Alaska upwelling, we'll cover that point.

MS. HEIMAN: And who's funded those studies to date, those zooplankton studies?

DR. SPIES: I believe a lot of that data was from the Japanese, but Rick Brodeur, who works for NOAA to process the data was funded by NOAA and he looked at all the available data. There's a lot of holes and gaps in it, but there's enough of a big pattern to really suggest some of these interesting processes.

MR. WRIGHT: The Japanese use a lot of vessels of opportunity, vessels that are transporting stuff across the Gulf of Alaska and that's where a lot of that data was collected. So it's inexpensive and they've made it available to the whole scientific community.

DR. SPIES: So let's move on to the next trophic level, fishes and also shellfishes, which consume plankton and zooplankton and see what they're doing in relation to some of these large scale climatic changes, particularly the Pacific Decadal Oscillation. We know the salmon catches in the Gulf of Alaska have varied widely during this century, this perhaps -- there are other sort of data we could look at, but this provides a record back to 1900 for catching millions of fish and this is all species over the -- that are landed in Alaska and we can see a couple of trends that we see in a lot of other data sets on salmon in Alaska. A very large step increase starting the late '70s, again, this is the start of the Pacific Decadal Oscillation where we saw all that zooplankton in the Gulf of Alaska on that former slide, you know, very suggestive that these fish have a lot to eat out there and the water temperature is warmer as well.

Then we've had previous periods where we saw similar things during the late '30s and '40s, although this catch is not the same as the abundance of salmon out in the Gulf and we don't count salmon directly in many cases, but it's a good

index probably, we think. There's some other economic factors that go into this.

Let's move on to the next slide.

Then here brings the story a little bit closer to home in terms of pink salmon which we've studied extensively during our program. And this is catch from Central Alaska for pink salmon, we see the same sort of thing. Don't worry about this blue line, it's the statistical average during these different climatic factors. But what we do see is two positive PDOs, one in the '30s and another on in the late '70s and '80s, very high catches, particularly in this most recent PDO. And then we had this negative Pacific Decadal Oscillation during the '50s and '60s, the catches were quite low, relative to the periods before and after.

These sort of trends are not limited to salmon, but affect many, many of the species of fish and shellfish out in our shelves that are important, not only from the standpoint of fisheries, but also the standpoint of food for higher trophic levels. And this -- again, I don't know if you can see the graph here, this is time, 1973 up to 1989 and this is percent of catch and these are the trawl catches that NOAA, and done cooperatively with the Alaska Department of Fish and Game, again the step function here about 1977 is a tremendous decrease in shrimp catches on the Shelf. This is out in Kodiak, Alaska Peninsula data. And then increasing in cod-like

fish, these are pollock and cod in the dark blue, the so-called gadids, and then the flat fish, you know, the yellowfin sole and so forth, increasing a little bit more gradually, but definite increases from very, very low catches of these flat fishes to very large catches during the '80s.

And the crab recruitment show a similar sort of phenomenon, and this includes data not only from the Gulf of Alaska -- these are two Cook Inlet databases, Kodiak Island database, this is a Bering Sea database and a South Alaska Peninsula data for crab recruitment. This is Gordon Kruse's data, Alaska Department of Fish and Game and this is your brood years from the late '60s to the '80s. In any case, during the last strong positive PDO, starting about 1977, we saw decreases. In some cases, it's quite interesting, we did see changes in earlier '70s, so something we don't understand completely. But definitely downward trends, like the shrimp, during the positive PDO.

Of course the Gulf of Alaska is also renowned for seabird populations and there's a whole variety of different bird life that depends on the productivity in the Northern Gulf of Alaska. And seabird colonies are very good indicators of productivity in the marine ecosystems and it's been known for a long time where you find very productive eco -- parts of the ecosystem you get large colonies of seabirds. So let's look at some of the seabird populations in the Gulf of Alaska and focus

in on Cook Inlet again and kind of put a biological overlay on some of the physical phenomena that we've seen that we saw from that satellite photo that Phil showed earlier. And he pointed out, again, this fresh water inflow that would probably increase during '70s with the increased precipitation and warmer temperatures. We saw this fresh water moving down the western side of Cook Inlet right past this Chisik Island colony, but in Gull Island there's another large seabird colony that showed kind of contrasting populations trends.

If we can just move on to the next slide?

These are murres and we did see murres as well as some other species at Chisik Island, all declining during this positive PDO, where we believe that the fresh water increased quite a bit coming down the Cook Inlet, so their habitat is not very productive and they had to go a long way to feed, so they're not raising as many chicks and they're not doing as well in terms of the population.

If we can move on to Gull Island, which is in the mouth of Kachemak Bay and if you see the satellite photos you know that the stratification is not a big problem in the entrance of Cook Inlet. That water gets turned over all the time and it's very, very productive, there's a lot of upwelling. And here we see that these same populations of seabirds in the colony of Gull Island are all increasing during the same period.

Let's have a look at another higher trophic level, the

marine mammals, and two of the species of concern are harbor seals and sea lions. And here we see, I believe these are sea lions in the Gulf of Alaska and they're of interest not only for their own conservation, for what effects they have on other species in the system and what fisheries they depend on and the interaction between harbor seals and pollock, as we all know, is a topic of great concern and trying to understand that relationship is something that we need to look into further.

The harbor seals are important populations in the Northern Gulf of Alaska and we know that the Native populations have depended for a long time, they've had a low level of harvest for a long time and for thousands of years they've been hunting harbor seals in the Gulf of Alaska. And the harbor seals have been declining and if we look a couple of different places Tuqidak Island in the Kodiak Peninsula and these are -- NOAA data show that there's been a decline in the '80s, a possible increase, but there's a lot of noise here -- when the populations get low there's a lot of noise in the data, possibly an increase, but we're not too terribly sure about that.

We move on to Prince William Sound where we've done a lot more work, a lot more stations and have treated the data extensively for corrections for conditions under what's been taken, but in any case, we've been monitoring about 25 sites, we can see the red dots here indicate the harbor seal

populations. Trend sites that Kathy Frost and Lloyd Lowery have been doing under our program. And we've had declines in the '80s and we can see these are graphed and continued to decline in the '90s in harbor seals, so, you know, these guys probably aren't getting enough to eat and they probably had more to eat in the past.

Again, the sea lions in the Gulf of Alaska, their populations are declining as well, particularly in the Western Gulf of Alaska and this is Western Gulf of Alaska data showing declines from the '50s all the way through the '90s.

Those are some of the correlative things we see between large scale ecological change across the Gulf of Alaska and climate, but that's not a very satisfying picture and it's not enough to be very predictive, we need to understand exactly how climate plays out. We've seen some of those effects in oceanography, but let's look a little closer at some of those oceanographic physical processes and how they might play out though the biology. And we're dealing mainly with the largest signal that we see and that's the Pacific Decadal Oscillation, because they had such a large number of correlations. Let's deal with that.

And this becomes one model in which we've been encouraged by our scientific reviewer so far to really put forward a conceptual model that might try to harmonize all these different trends and data. What are the actual processes

underlying this, put some ideas out there. So here is our preliminary idea and this may well be modified as we move along because our preliminary idea of how things work during different Pacific Decadal Oscillations. So let's cover the positive PDO here, what's happening with the physics and then we'll move on to the biology.

Well, as the atmospheric pressure is low and centered over the Northwest Gulf of Alaska, just like a tornado moving over the land, it's going to spin up things off the bottom, just like a tornado moves things up into the air. This gyre spinning now is going to move more cold deep water up than it did previously, so we get more upwelling of the nutrients that's being released from the decadent material on the bottom. At the same time in the winter we got.....

MS. HEIMAN: What causes that? I know you say it's there, but what makes that happen?

DR. SPIES: Any time you have a spinning vortex it tends to pull thing up through the center of it.

MS. HEIMAN: And that's just the currents there, it makes it spin?

MS. McCAMMON: Wind.

DR. SPIES: Yeah, the currents are moving in a clockwise with.....

MS. HEIMAN: Oh, the one you showed us before.

DR. SPIES: .....in concert with the

atmospheric changes in the wind.

MR. MUNDY: And the wind pushes water off the top and that water has to be replaced.

DR. SPIES: Right, exactly. And the winds acting in concert here blow in shoreward out of the middle of the low pressure towards the shore. This wind transport, wind-driven transport, the surface water, oceanographers call Ekman's transport.

At the same time this is moving inshore, in the inshore areas because of the warmer.....

(Off record comments - noise in hallway)

DR. SPIES: The warmer temperatures that occur with these positive PDOs and the greater precipitation result in a couple of things that -- more snow and glacier melt as input as fresh water and more rain. So this Alaska coastal current strengthens, it becomes fresher and strengthens. Now, this is a wind current that's less dense, so when this dense sea water moves inshore it hits this and it's kind of a block, so it downwells, it moves down underneath this, this lens of less dense fresh water.

Let's move on to what might be the biological consequences of these kinds of phenomena. Well, remember we talked about the need to keep the animals in the upper layer. Well, it turns out during the positive PDO that in the springtime as the surface of the ocean warms the mix layer is

actually not as deep. So that keeps more of the production up close to the light source. At the same time we've got these nutrients coming up from below, which is a tremendous source of production, nitrates in the concentrations in the deep waters of the Gulf of Alaska, some of the highest on earth. So we got a good chemostat, we're able to cook things along pretty good on surface here, a lot of production. And we saw that in the zooplankton picture, you know, there's a lot of zooplankton around.

Okay, this stuff moves inwards, but it hits this Alaska coastal current and it acts as a block and it downwells, this material. Now, we don't know where it downwells, they don't have a lot of data, but we think somewhere on the outer shelf or on the slope because we get increased transport of organic material and decreased, actually, shoreward transport. So while there's a lot of production out there, not all of it is getting inshore. In fact, we think less of it than in the negative PDO.

At the same time because of the -- the -- lot of stratification inshore in the water because of lots of fresh water, warmer temperatures, and it turns out in the summer, although in the winter there's strong winds, in the summer the winds are weaker in a positive PDO, and that's going to turn over less. So all of the physical factors are conspiring to make inshore production less during a positive PDO.

Let's move over to the negative PDO, conditions we might have seen in the '50s and '60s, for instance. First the physics, again. Well, this time the Aleutian low pressure has moved to the southeast, we've got -- the gyre does not spin up as well, we don't have as much intense low pressure and so there is decreased upwelling, there's decreased transport of materials and there's actually decreased downwelling during these periods, more of an opportunity for this offshore stuff, although it's moving slower, and not as energetically, there's more chance for this to get onshore. And because we got decreased precipitation, decreased melting and stronger winter winds there's more of a turnover of water in the nearshore area.

So let's look at the biological consequences of this sort of regime. Here we have less planktonic production because the mix zone is deeper, we've got decreased supply of material because there's less downwelling. More of the material that is produced, although less of it is being produced, more of it can get inshore because there's less of an inhibition in the inshore areas to get this offshore material moved inshore. This wedge is not as strong. At the same time because we have increased salinity, decreased stratification and more summer winds, we actually think there is more production inshore.

So that's kind of our basic model of how, you know,

we're getting out there on the edge, kind of -- this is how we think the system might work.

Now, there are alternative explanations and people have been putting out different sorts of ideas and there's a bunch of different data on how the food is being produced and how that matches with the needs of the consumers and how that has changed over time, but I think the important thing is to have a model and to have a program that can test this model as well as other possibilities. So that's kind of where we're coming from.

Now, there are a couple pieces of data that tend to support this -- the physical model, that I thought I'd just show up here because we just recently got ahold of them. And this is from an unpublished manuscript that Mantua and Steve Hare have put together, but this is the upwelling index and the anomaly in the upwelling index, this is just based on wind speed and it measures how much of this deep nutrient-rich water can actually get onshore. And we can see the negative anomalies here from about 19 -- somewhere around 1980, we had a few positive after '70, so it somewhere around 1980, all the way through the early '90s in a couple of different locations on the Northern Gulf of Alaska. We think this supports and strengthens the -- some of the concepts and the physics that we just put forward.

And the next slide shows -- just direct your attention here, it says 10-year running average of salinity of the GAK

line, this is off Seward and we're supporting some of this work now, along with GLOBEC. We can see there's increasingly fresh water over the last 20 years in the inshore areas as measured along the GAK line. So there's another piece of information that tends to support that increased salinity and increased stratification inshore areas during the positive Pacific Decadal Oscillation.

So that's kind of the scientific context. Now, what needs to be done next is to develop those into some solid questions and in your document in Section E, starting on page 74, there's a number of questions outlined that relate to each of the parts of the program that we're talking about. We're not going to -- in the interest of time, we're not going to go through all of those.

And also, we're entering into a two to three years process where we're going to be defining and narrowing the scope of what this is going to be, we're going to be going out for a lot of input, asking other scientists, other groups, what should we be measuring? How should we be measuring, so we can eventually get down to where we're going to measure it, when we're going to measure it, what are we going to measure and what is it going to cost to do. And we're going to let the process define that, but we think there's some definite questions that we've highlighted and asterisked that are probably going to be pretty much unavoidable based on the kind

of background we've given you, certain things that are going to end up in the program, other parts of it are yet to be defined.

CHAIRMAN PENNOYER: You had a comment, a previous comment, on a 10-degree temperature change in (indiscernible - laughter and simultaneous speech).....

MS. McCAMMON: Are you going to retire before that happens?

CHAIRMAN PENNOYER: I'd just as soon avoid that. I'm not certain there's a purpose to this program if that's the prediction.

MR. MUNDY: That's -- well, Steve, you well know the problem with making one year ahead forecasts in fisheries and although the physicists -- the physical oceanographers like to tell me that they have more precise science than we do, I'm not sure that's necessarily the case, but that does come out of that World Ocean Circulation Experiment, WOCE, that I talked about under intergovernmental programs. And that's a circulation model that you can take off the shelf now, that a lot of biologists are picking up on and starting to use for looking at those kinds of consequences. So, again, a 10-year ahead forecast in terms of the weather, you can take that for whatever it's worth. But, nonetheless, the -- if you look at some of the data that we've got off of the North Pacific, we recently got a thousand year signal off of the oceanographers on temperature, on sea surface

temperature anomalies. And exactly how they do this, please, don't ask me, but it's published, so I hope they got it right, but.....

MR. WRIGHT: They use ice cores and tree rings.

MR. MUNDY: Well, I was afraid somebody was going to tell us.

MR. WRIGHT: Here's six copies, you can pass them around.

MS. HEIMAN: A thousand years.

MR. MUNDY: But in any event, what this tells us is that the decade of the 1990s, for certain, is the warmest decade in the last thousand years. So is global warming real? Is it here? It's here.

MR. WRIGHT: And that model says that in the next 10 years we'll see as much warming as we've seen in the last 100 years, so we're quite possibly entering an area where it's unprecedented in our experience, we have no experience seeing these type of temperatures in this region. Which means things like the area in which salmon are able to reproduce now will either shift north and east or will disappear altogether.

MR. RUE: Reproduce or grow?

MR. WRIGHT: So it -- consequences could be severe and it could happen really fast from now on.

MR. MUNDY: You mean both graze and reproduce, right?

MR. WRIGHT: Yeah, right, right now. But things could happen fast if these models are true. It's a good time to get out of fisheries management.

CHAIRMAN PENNOYER: They discussed the relationship between sea surface temperature, and temperature at depth.....

MR. RUE: Or salmon management.

MS. McCAMMON: Become a lawyer.

MR. RUE: You might get into tuna management.

CHAIRMAN PENNOYER: .....the relationship between sea surface temperatures and temperatures at depth?

MR. MUNDY: Yeah, I think the world ocean circulation model is a two-dimensional model, so I'm not certain that they can handle all three dimensions at one time. I know that sounds silly, but it's extremely difficult to do these kinds of things in the first place. So getting to -- but I don't think they have handled the depth.

CHAIRMAN PENNOYER: Well, I think there's.....

MR. WRIGHT: (Indiscernible - away from microphone) papers for that, but that individual that published that would love to come talk at one of our conferences, our Restoration Workshop conferences.

CHAIRMAN PENNOYER: Well, it's a clear expectation thing because obviously these types of observations come head-on with things like recovery plans for marine mammals

and recovery resources in the oil spill and dramatic changes we've seen in the shellfish and finfish populations of Alaska occur with less temperature change than that, I believe, typically goes to that, so interesting. Another very good reason for GEM to exist in terms of predictability for social and economic reasons, as well as things like recovery plans and sea lions.

MR. GIBBONS: Mr. Chairman.

CHAIRMAN PENNOYER: Mr. Gibbons.

MR. GIBBONS: I got a question. When you were talking about the goals on page 21 and you were talking about how to meet human needs, I didn't see any goal identified for perhaps creating additional resources for such things as subsistence or that fits under the general restoration category, research, monitoring and general restoration. Have you guys thought about that or.....

MR. MUNDY: Yeah, that's definitely there and we're taking that under the title of community involvement and traditional knowledge, because that's sort of the overarching approach. Perhaps sometimes we didn't -- you know, I told you I gave you the bumper sticker version of the program this morning, moved over it fairly quickly, but we most definitely are interested and sensitive to community monitoring, local uses of resources and particularly subsistence resources in a number of areas, and particularly contaminants is one of them.

Is that what you were.....

MR. GIBBONS: Well, yeah. I was actually looking for a goal in that regard, you know, if the need presents itself that the Trustee Council would try to -- you know, under the general restoration.....

MS. McCAMMON: It's part of our program, whether it's a specific goal or actually trying to -- I mean the goal is to have healthy resources and whether that means you have to do increased -- any kind of enhancement or any kind of research or restoration activity, that falls within it, so I think it meets within the goal of the overall mission of the resources so that people can use them as they have in the past. We don't have a specific targeted goal for that purpose and it's something we can look at.

MR. MUNDY: But allow me to point out a couple of the goals here that do include that and do directly address that. That's on page 21, and that is improve fish and wildlife management through development and application of new information and technologies. And particularly, when you're talking about the subsistence issue, it's increasingly important to be precise, the management of these resources and the interaction of the management of these resources with climate change and with other uses of the resource, such as commercial use of the resources is now as complex as it's ever been in the time that I've been here.

And I think also provide integrated and synthesized information on the status, trends and health of fisheries, seabirds, marine mammals and other marine resources, again, a direct relevance to the communities and subsistence users in the state.

And then the next one, provide information on water quality and contaminants in fish and wildlife consumed by people and I think that's a major issue for subsistence users is their confidence in the resource and the fact that it is untainted.

MR. GIBBONS: I guess I was more targeting -- in the past the Trustee Council has funded some, you know, subsistence programs, increased sockeye at Soft Lake or whatever, and would the Trustee Council in the general restoration category look at that? That's what I was trying to get out.

MS. McCAMMON: Oh, it's still allowable within the overall program, you can still look at that. Whether you set that as one of your top five goals, you know, I don't know, but it's definitely allowable, permissible, would be considered part of the program.

MR. GIBBONS: Okay. I just want to bring that up to the surface a little bit -- a little more.

MS. McCAMMON: Yeah.

MR. RUE: Mr. Chairman, I guess I would, first

of all, like to thank Dr. Mundy, Dr. Spies and Molly and her staff for putting together what I think is a very logical, you can follow along with why we're doing things, what we're doing. Whether you agree with it or not is something else. I think it's one very well put together and it's a great way to start the process now with the public and the scientific community. I had a lot easier time following where we were going with this than I have in the past, so I really appreciate the work that went into this, I think it was very good, I really do think it's good.

And, you know, I guess I have more process questions than anything else. I thought that was a terrific presentation that we just got; is that the kind of thing we're going to be taking out to the public? Because I think that would be really.....

MS. McCAMMON: It'll be tailored to different audiences, obviously some people will.....

MR. RUE: Yeah, I think folks would really enjoy that.

MS. McCAMMON: And they would make it shorter, but, yeah, a good idea.

MR. RUE: I would think that kind of thing -- I mean members of the audience here who watched it might give you some feedback, but I thought it was very understandable, particularly since you were available for kind of interactive

discussions. Some of us had earlier exposure to some of those concepts so they come in the door a little easier and stick, at least partially. But I think that could be a very useful exercise in the communities and.....

MS. McCAMMON: This is also something we could put with just a narrative to it, we could put this on the web, too.

MR. RUE: Boy, that would be really -- I think that would be great.

MS. McCAMMON: The document itself is on the web.

DR. SPIES: We could have a self-playing web thing if you have enough memory on your computer.

MR. RUE: Uh-huh. Yeah, so when we were talking earlier about process, this now goes out for public review, comments, scientific -- I didn't track it exactly.

MS. McCAMMON: The greater sci -- I mean, it's out there.

MR. RUE: Okay, but you're going to be holding meetings around the spill area?

MS. McCAMMON: We'll be holding meetings around the spill area, with individuals, stakeholder groups, with communities, with -- we'll be going up to -- we've already met with a number of university people, they have been very actively involved with this, but we'll probably do a formal

presentation up in Fairbanks and go to Cordova and meet with CDFU and the Science Center and folks in Cordova and Kodiak, the villages.

MR. RUE: And we'll get the National Science.....

MS. McCAMMON: Well, you'll get the results of that and then based on that, if we need any fine-tuning, tinkering on the document itself, it still needs to be -- it needs polishing, it's still rough, I mean we got a lot of stuff put in.....

MR. RUE: Yes, sure, and I had a few little edits here to.....

MS. McCAMMON: Yeah, it's still rough, yeah. If you only had a few, you haven't -- there's a lot.

MR. RUE: Well, I haven't read the whole thing. I've read one page and.....

MS. McCAMMON: And at one point we just said, we got to get it out there. I mean we could spend -- and we'll do that polishing next.

Then we want to come back to you and it probably -- I don't think we'll be ready by December 16th, my guess it'll be earl -- mid-January and we would have the document that we as staff, based on the public comment and all, we believe reflects should go out for additional -- for the NRC review. Which doesn't mean it's still not going through additional review and

comment and evolution, but -- and if we're not ready at that time, I'm fully committed that if we're not ready to give it the NRC at that time, we don't. They're not -- they're doing it as a service to us, we're not doing it for them.

MR. RUE: Right.

MS. McCAMMON: So it's when it's ready, but just trying to get this implemented by October 2002, if we can get it then and get it through that review process.

MR. RUE: Then I guess, what I assume will happen, if I can, Mr. Chair, is that.....

CHAIRMAN PENNOYER: Go ahead.

MR. RUE: .....if the public doesn't have major philosophical or structural problems with this, but more, we're ready to start the implementation, we got some projects people for you to fund, you know, they're into that mode, we probably won't have to spend a lot of time going back to the public, except to let them know of any changes that the NRC comes in with. I mean, is that kind of the plan?

MS. McCAMMON: Uh-huh, right.

MR. RUE: You'll sort of react to how the public accepts this or doesn't as to how much public input you have when we're finally done.

MS. McCAMMON: Right.

MR. RUE: It may be more public education than input.

MS. McCAMMON: Yeah.

MR. RUE: And then here's the process for you all to be involved.

MS. McCAMMON: Yeah.

MR. RUE: So that's the plan?

MS. McCAMMON: Yes.

MR. RUE: Sounds pretty good.

CHAIRMAN PENNOYER: When do we finally say "done?"

MS. McCAMMON: With the GEM Program?

CHAIRMAN PENNOYER: I mean not done with the GEM Program, but done with acceptance of this as the outline? What's your keen [sic] for the final date for the final date for the Trustee Council to say, yes, on that and the governance and the rest of it?

MS. McCAMMON: I say about January 10th, January 15th.

MR. RUE: Of this year?

CHAIRMAN PENNOYER: This coming year?

MS. McCAMMON: 2000, yeah.

UNIDENTIFIED VOICE: For the draft?

MR. RUE: For the draft?

MS. McCAMMON: For the draft.

MR. RUE: Then a year of NRC?

MS. McCAMMON: And then a year of review, we

get the final report from NRC in January 2001 and at that time is when you say, this is it.

CHAIRMAN PENNOYER: Okay.

MS. HEIMAN: Mr. Chairman. This is Marilyn Heiman for those of you on the phone. I just have some questions and maybe this is too early to ask this, but of your scope of money, let's say it's 5.7 million a year, what percentage do you see spent on oceanographic, physical kinds of things that we were just talking about, science versus species, research on watersheds, you know, indicator species?

MS. McCAMMON: Well, I think just -- the 5.7 million, we have to take with what we have in existing authority and we are -- that's our existing authority. I'm really hopeful that we'll be able to have a lot more than 5.7 million a year, but it's all in Congress' hands at this point. We've always looked at it as kind of a balance, probably kind of a 50/50 roughly. I mean something like 2-2.5 million on the monitoring side to 2-2.5 million on the research side. And that's very rough and it could be -- there could be some changing over time, we might start out a little smaller on the monitoring as we're getting the program up and running, taking more advantage of existing programs and agencies, maybe not able to do as much to fill in the gaps as we might if we had a larger amount of money available. So the research part, certainly at the very beginning, is going to be completing the

direct oil spill effects work that we're still working on, and that will probably be changing over time, over the next three to five years. That's kind of our rough -- what we've been talking about.

MS. HEIMAN: Could I just -- before you explain more and I still don't understand when you say research versus monitoring, can you define for me, how does that break down?

MS. McCAMMON: Monitoring is observations, it's where you count things you take.....

MS. HEIMAN: Right, but as far as my question was species and.....

MS. McCAMMON: You observe, you monitor species, so it's not just the oceanography.

MR. RUE: How many.

MS. HEIMAN: But you might do research on species as well?

MR. RUE: Sure.

MS. McCAMMON: But you do research on species as well. I can't.....

MS. HEIMAN: So it didn't divide out the way I just sort of.....

MS. McCAMMON: .....I cannot divide it the way you gave it to me.

MS. HEIMAN: It's way too early in the process to have a sense of what that would be and how much these things

would cost?

MS. McCAMMON: Right.

MR. RUE: Mr. Chair, I'd be very concerned if we did start doing that kind of split at this point.

MS. HEIMAN: Well, I'm not asking anyone to do a split, I'm just getting a sense of how the vision of this Gulf Ecosystem Monitoring process will work. I mean, are we really moving towards a more physical oceanographic, looking at temperatures and models, like you've discussed, or are we moving -- you know, and I've heard from my scientists and obviously that's where some of these questions are coming from.

MS. McCAMMON: Yeah, right, and we've talked to a lot of them.

MR. MUNDY: Yeah, we've talked quite a bit about this and I would point out that we got a, in my mind, about a two-year process here in trying to get the science straight before we can give you some advice that'll allow you to do the policy allocation of the resources that would come at the end of that. We have -- just these hypotheses that Bob put up on the screen, these have just come into focus, literally, in the scientific consciousness within the last five years. And people have been pecking around the edges of these things, but people have not stepped forward and said, yeah, we know how it works, this is how it works. And that's quite an undertaking.

Now, you take that and then go out there and match all of those agency programs, all of the United Nations programs, the State, the Federal programs, the international treaty operations and put that down on top of the theories we got and then ask the question, are we monitoring the right things, are we taking the right kinds of observations to see whether these theories work or not? And those theories go all the way from the middle of the Gulf of Alaska all the way into the watersheds. Okay, they have ramifications, you know, not just for the open ocean, but also for the coastal area and for the rivers and streams and terrestrial ecosystems as well, they're all linked. It's all the same thing. So I would say it is a process that takes a long time before we can give you the kind of advice on which you'd make those policy calls, those policy decisions. It's going to take a bit of time.

CHAIRMAN PENNOYER: A follow-up question would be though that's true for the GEM, but there are a lot of people out there making those choices right now, very large amounts of money, and certainly the North Pacific Research Board, the University of Alaska, you know, even last year was making the choices Marilyn was talking about. How much do you spend on physical oceanography, biological oceanography or other things. And so we're playing into a process that is already ongoing with a lot of money being spent, mega dollar times the amount we have to spend. And as we do that, I'm glad

to hear you're taking that sort of thing into account, because all those things are going to be influenced by what we do, but we're influenced by what they do, too.

MR. MUNDY: Of course.

MR. RUE: Mr. Chair, I have a question on -- I don't know if it's the right question for now, but it's sort of the mood setting that we may need to be doing as policy makers. In shopping this around to the various agencies and scientists, internal to our agencies, are you getting folks thinking outside of their own little box? Because I think the real benefit of this kind of a program is folks don't have to have their agency agenda. They shouldn't have their agency agenda. Now, we'll all have our experiences and it's hard to divorce ourselves from that, but I'm hoping that you're getting good help from those scientists who are helping build this little -- this ark that you're going to float out there.

MR. MUNDY: This has been a.....

MR. RUE: And if not, let me know, because.....

MR. MUNDY: .....one of the most pleasant experiences.....

MR. RUE: Good.

MR. MUNDY: .....Mr. Commissioner, of my career because we had a hard time getting people to think inside the box on this one.

MR. RUE: Oh.

MR. MUNDY: Because we were asking -- we were hoping that people would come up with specific suggestions for science from within -- you know, in addition to the big picture science, which they did very well, we wanted some specific recommendations which people might interpret as feathering your own nest, but we had a very hard time getting the feather your own nest kinds of recommendation because people did enter the process in that think outside the box, think of the big picture kind of context.

MR. RUE: The global thinking, right. Good. I think that's good.

MR. MUNDY: So this has been very pleasant.

DR. SPIES: I think without the Trustee Council legacy though, with SEA and NVP and APEX, that we really laid the foundation for that sort of thing.

MR. RUE: That's good. Good. I just wanted to know if we needed to do any more foundation laying, it sounds like we don't, that's good.

MR. MUNDY: Looks good from here.

MR. RUE: Good.

CHAIRMAN PENNOYER: Other questions of Trustee Council members relative to the presentation or other aspects of preparation of the plan?

(No audible responses)

CHAIRMAN PENNOYER: We have a resolution that

is in the book as well and we have a lunch that should be here by now, I assume we're going to try to do an executive session, maybe lapping past lunch, and that's primarily about two items, there are some legal questions about the resolution itself we need to discuss before we take it up fully for a decision and there's also some land acquisition that's going to occur over the lunch time, too, in executive session. So if you're ready, perhaps I could get a motion to adjourn to executive session.

Mr. Tillery, you have one in place?

MR. TILLERY: Mr. Chairman, I would move that we go to executive session to discuss habitat protection issues, as well as to solicit and receive legal advice with respect to some of the GEM Program issues.

CHAIRMAN PENNOYER: Do I have a second?

MS. BROWN: I'll second.

CHAIRMAN PENNOYER: It's been moved and seconded we do that; is there any objection?

(No audible responses)

CHAIRMAN PENNOYER: If not, can we tell the public when we're liable to be coming back in open session? Would it be 2:00 o'clock or 1:30 or what's your view?

MS. McCAMMON: If we're trying to adjourn by 3:00, I'd say 1:30 at the latest.

CHAIRMAN PENNOYER: Okay, we'll come back into public session at 1:30 and take up the balance of the agenda at

that time. We're adjourned until that point. Thank you.

(Off record - 12:35 p.m)

(On record - 1:30 p.m.)

CHAIRMAN PENNOYER: Okay, I'd like to reconvene the meeting of the Trustee Council and briefly report that we had an executive session over the lunch hour, as we had originally talked about, to discuss some legal matters relative to the GEM resolution and also legal matters relative to the -- matters relative to the land acquisition process.

We are now out of that, we're back in session and I believe we've had a review of the GEM Program, the next item on the agenda is probably the resolution relative to the GEM Program. I believe a copy was passed out to you and, Ms. McCammon, do you want to introduce this, please?

MS. McCAMMON: Yes, Mr. Chairman, this is a draft resolution, there's a few changes since the draft that was placed earlier in the morning. The major change in the resolution before you, and I don't know if we need a motion. Well, I guess you do to discuss it, but the major change is trying to consolidate some of the action items in the "Be it further resolved" and streamline it. It eliminated the very last "Be it further resolved" and kind of incorporated the concepts into the second to the last one, so it's "Be it further resolved that the Exxon Valdez Oil Spill Trustee Council hereby expresses its commitment to fully involve Alaska

Native villages, as well as other residents in communities of the spill region in developing a program that includes community involvement, traditional ecological knowledge, stewardship and education."

CHAIRMAN PENNOYER: Okay. Ms. McCammon, and there's two punch line items, it says "Therefore be it resolved" previous to that it says.....

MS. McCAMMON: Yes.

CHAIRMAN PENNOYER: ....."that the Exxon Valdez Oil Spill Trustee Council hereby recognizes the time, effort, hard work and dedication the Native villages have committed in support of a set-aside fund for community initiated projects and their interests in participating in the development and implementation of the Council program."

MS. McCAMMON: Yes.

CHAIRMAN PENNOYER: Followed by the paragraph you just read.

MS. McCAMMON: Right.

CHAIRMAN PENNOYER: And I believe we all had a chance to look at the whereases and I would ask for a motion on this resolution.

MR. RUE: So moved.

CHAIRMAN PENNOYER: Do I have a second?

MS. BROWN: Second.

MR. RUE: Well, Mr. Chairman, I move that we

adopt -- Trustee Council adopt the resolution as described.

CHAIRMAN PENNOYER: It's been moved and seconded we adopt the resolution concerning the involvement of Natives in the Gulf Ecosystem Monitoring Program; is there any further comment on this?

(No audible responses)

CHAIRMAN PENNOYER: Is there any objection to the adoption of the resolution?

(No audible responses)

CHAIRMAN PENNOYER: We consider it, therefore, adopted. Thank you.

And I believe the next item, Ms. McCammon's presentation and discussion on the small parcel process?

MS. McCAMMON: Yes. Mr. Chairman, in your packet you have a memo and discussion document on the future of the Small Parcel Program. As part of the March 1st resolution the resolution identified three issues that require further consideration. The priority, criteria and decision-making process for specific parcel selection, the extent of public involvement in the future program and the possible role of a non-governmental organization to implement the program after October 2002.

We put together -- staff, this was prepared by Sandra Schubert in consultation with a number of folks, a draft discussion paper to begin to address the issues that were noted

above. And also to describe some of the opportunities that are out there for potential small parcels.

So I'd like to just walk you through this quickly and if there are any questions or concerns we can address them as we go through.

CHAIRMAN PENNOYER: Ms. McCammon, before you start on this.

MS. McCAMMON: Yes.

CHAIRMAN PENNOYER: Is this an action item, do you expect comments now? Is this going to be something reviewed for a future meeting or.....

MS. McCAMMON: Well, this isn't a specific action item, other than to give our staff further direction on where we go from here, and so I did -- in talking with Sandra, I said, what do we want to be told to do, and we actually have some ideas in terms of future direction. And I can share this with you at the end and, I'm sure, through the discussion you probably have your own ideas, too, on future direction for us.

CHAIRMAN PENNOYER: Okay, would you go ahead then?

MS. McCAMMON: Sandra, why don't you come up here, too, and if we need to and probably Alex, too, since he's been intimately involved in the small parcel program.

The first part of the discussion paper is a summary of the current process, talking about program administration and

nomination. Parcels are submitted to the Council and forwarded to a multi-agency review team for evaluation and ranking. Appraisals and negotiations are authorized by the Council on a parcel by parcel basis.

The appraisals are conducted by the relevant resource agency and reviewed by both State and Federal review appraisers. We have purchase negotiations that are conducted by the agency land management staff and State and Federal attorneys. Purchase offers can only be made with approval of the Council. The cost of the administrative functions are funded through Project 126, this also includes funds for the administration of the Large Parcel Program and we don't segregate costs between those two, it's all lumped together.

The nomination process, we had some broad public notices with ads in May of 1994, again in March of 1995. It was a very broad solicitation at that time. Since that time there's been no active outreach program, since 1995, but still an additional 120 parcels have been nominated since that time. So we have, in effect, what we call a soft moratorium which is focusing on trying to get the original acquisitions completed, but accepting additional nominations from agencies, from the public, from other, kind of as they come in, but not actively soliciting.

We have a whole evaluation and ranking process that was developed in 1994 with threshold criteria for willing sellers,

seller acknowledges the purchase price must be at or below fair market value, within the spill area, parcel must be linked to restoration of injured resource or service and a parcel that can be incorporated into public land management systems. So a Trustee agency has to be willing to accept management responsibility for that parcel, in one case, we've done this through the City of Homer, but typically it means a Trustee agency.

In addition, although not a threshold criteria, we commonly refer to small parcels as under 1,000 acres, although there's a little bit of -- we've had three that are slightly over 1,000 acres.

So we have the evaluation criteria and we went through in a couple of pages here to -- or one page, on page two of this discussion draft describing -- we have linkage, protection, management, and a way of ranking and evaluating individual parcels. I think this was particularly useful when we did the broad solicitation and got, you know, a large number of parcels submitted all at once. Kind of sifting through and figuring out which ones were the best ones.

The Council adopted a 12-step process for appraisal, appraisal review and appraisal approval, this applies to both large and small parcels. Prior to the soft moratorium all parcels ranked high or moderate with scores of 20 and above were automatically appraised without further Council action.

Since the soft moratorium has been in effect, each appraisal has to be specifically authorized by the Council, unless an agency pays for the appraisal using non-EVOS funds. That has happened in a number of cases.

Then the Council must offer -- must approve each offer to purchase and once that is approved, the managing agency develops a purchasing agreement, they do the title search, they do all the things that lead to an actual acquisition. Each purchase agreement includes a reciprocal conservation easement under with the non-acquiring agency acquires a conservation easement on it. So that's in the Large Parcel, but it's also in the Small Parcel Program.

The Council took significant public comment when the Small Parcel Program started, all action is taken at public meeting, which are publicly noticed, public comment is invited. However, a formal notice of public review and a formal review period is not a step in the Small Parcel Program. Some small parcels have generated a lot of public comment, many of generated none.

To date, the Council has spent 18.5 million to purchase 7,100 acres and has approved roughly three million on an additional 1,400 acres. We have several other parcels that have been identified that we're hoping to make purchase offers on if we can reach agreement.

So kind of the end result of the current process is

that of the 382 small parcels nominated to date, all but four have now been evaluated, six ranked high, 13 ranked moderate, the balance ranked low or failed to meet threshold criteria. And these were breaks in the distribution of scores that the Council designated for that purposes. And the main significance of high and moderate, originally, was that they automatically went forward for appraisal, whereas now, nothing goes forward for appraisal without Council authorization.

Of those in the low category, the Council has designated 52 individual parcels as parcels meriting special consideration, several of these had scores of 18, which is just below the cutoff for moderate. In addition and in conjunction with several large parcel acquisitions, specifically Shuyak and Tatitlek, the Council designated as parcels meriting special consideration all of the parcels to be considered in a particular package. The Kodiak Island Borough tax parcels, Larsen Bay shareholder parcels and the Tatitlek homesite parcels.

And of the 44 small parcels purchased by the Council to date, three were ranked high, seven were ranked moderate and 34 were ranked low, but designated parcels meriting special consideration. So in the acquisition, the bulk of the acquisitions have been coming from the low, but parcels meriting special consideration.

So looking at the current -- that's the current

process. So looking at that in terms of the future program, FY2002 and beyond or even possibly in the next couple of years, there are a number of questions that arise from this discussion.

Program administration: Should the Council or a nonprofit administer? The Conservation Fund submitted a letter describing how it might administer a small parcel program, and I think in front of you you have a copy of their original letter and proposal. Just last week the Nature Conservancy submitted a proposal to do something similar with some ideas on how they might do a program like that. There's some interest on the part of nonprofits, too, to administer a Small Parcel Program. A nonprofit could have more flexibility, they could be more innovative, they could have more ability to leverage outside funds. They might have the ability to buy a parcel, protect part of it, sell off the other part for a profit and use those funds then to buy other areas with habitat value. They could have more -- be more innovative in that sense.

On the other hand, the current Council agency process is in place, functioning, transferring authority for the program to a nonprofit may require new State or Federal legislative authorization.

Parcel nominations: Should there be another broad public solicitation? The one we had in 1994 and '95 resulted in a large number of nominations that did not meet the

threshold criteria, almost 50 percent of them, as well as a large number that ranked low. Evaluating and ranking this large of a number of submissions takes a lot of commitment of resources on the part of the agencies participating in that. The fact that over 120 nominations have been received since the two solicitation periods closed suggests that the ground work that we've laid -- most folks know that program is available, certainly the agencies do, the agencies often are the ones, for management reasons, that know what are of importance to the habitat and to the resources in their particular land areas that they're responsible for. And so, typically, it's the agencies that bring forth these, or the public, that's where it typically comes from. However, new opportunities are likely to continue to arise, it's possible that another broad public solicitation may generate some parcels that wouldn't come forward typically.

In the area of parcel evaluation and ranking; the threshold criteria: Are the criteria still appropriate? The criteria that each parcel be linked to restoring an injured resource or service may exclude parcels that would provide opportunities to enhance rather than directly restore an injured resource or service, or that might contribute to a more general ecosystem benefit.

The habitat program was designed to provide injured species added protection over the period they need to recover

naturally, this kind of approach may not be quite as applicable over the longer term when we're looking at the long-term health of the ecosystem as well.

Parcels may also be excluded by the criteria that the purchase be at or below fair market value. Some of the Council's large parcel acquisitions have been for more than fair market value, it is possible that similar flexibility may -- in a small parcel might result in addition opportunities for habitat protection. On the other hand, having this criteria for small parcels has certainly simplified negotiations with land owners. I'm sure we've been able to maximize our funds and get more for the dollar by having that requirement.

MR. RUE: And they also fit better, the small parcels.

MS. McCAMMON: The whole purpose for appraised value, it's based on comparables in the market place and small parcels have comparables, whereas the problem we found with the Large Parcel Program is that there were no comparables. And so it was hard to justify that that appraised value truly reflected the market when there was no market to begin with, but certainly in area of small parcels there is a market and we have actually been, I think, pretty successful in terms of getting the parcels that were of most concern and importance to -- for restoration purposes.

The agency sponsorship criteria might also be reviewed,

in at least two instances lands purchased by the Council have been transferred to a city or borough government. Some non-governmental organization, such as a trust, the Nature Conservancy and others, also might hold -- they also hold and manage lands, so there might be some need to review this.

And in terms of the evaluation criteria and formula, are they still appropriate? The large majority of the parcels purchased or under consideration were not ranked high or moderate, they were designated parcels meriting special consideration. This suggests that the current process somehow isn't capturing those elements that we have been looking for in the small parcel program. And that some changes in this process appear to be warranted.

One of the elements there is emphasizing management benefits. An analysis -- we don't know why the parcels meriting special consideration exactly ranked low, we haven't really looked at that completely, but in most instances it was because a resource management agency believed that the management benefits of acquiring that parcel were not captured in the evaluation criteria. And so looking at that in terms of adding more -- putting more emphasis and importance on management benefits may be something -- may be appropriate.

Other aspects: The definition of key habitat. The current definition excludes feeding habitat and migration corridors. By contract the large parcel definition includes

that. The definition of public use in regard to link to injured service, the current definition is the only public access or the only or best subsistence sport fishing site in the area, so it's a very, it's a fairly narrow definition. The large parcel criteria simply refers to high public use.

The scoring system doesn't allow parcels to be scored based on their relative value within a particular category, so it either has linkage or it doesn't, either it has management benefit or it doesn't. It doesn't give you the ability to weigh it, but in this particular case it's really significant benefit for versus, yeah, it has benefit, but not as significant.

In lieu of the current evaluation and scoring scheme, a process that relies on agency priorities could be put in place, based on agencie's internal evaluations and individual needs. This would be similar to what we're currently doing for the Kodiak Island tax parcels, the Larsen Bay shareholder parcels and the Tatitlek homesite parcels, where we've put aside a lump sum for each of these packages. Individual parcels are then sought by the acquiring agency, they still have to go through a review process but basically it comes pretty much from the agency themselves in terms of describing benefits of that acquisition. It would be -- that kind of approach would be simpler to develop and implement and may be of a more appropriate scale for a smaller program.

Emphasize regional distribution. In 1994 the Chief Scientist and the core reviewers had recommended the habitat program be geographically balanced throughout the spill area in order to provide optimum protection. The majority of acreage purchased to date for, through the Small Parcel Program is in the Kenai region where 5,000 acres, compared to roughly 1,000 in the Kodiak and 350 acres in Prince William Sound. The majority of the acreage in the Small [sic] Parcel Program, on the other hand, has been primarily in the Kodiak region, 331,000 acres, 248,000 in Prince William Sound, 56,000 in the Kenai region.

A lot of this has to do with the fact that in Prince William Sound just because there wasn't a Native allotment program there, they don't have the kinds of inholdings and smaller parcels of private acquisition within Federal land holdings and State land holdings that is true on the Kenai Peninsula and on the Kodiak Island.

The other question, appraisal and negotiation; is the current 12-step process still appropriate? Should we streamline it to provide cost savings, we're getting to a much small program, we can't afford the 126 budget at the size it is now, given the kinds of acquisitions we're looking at in the future. So how should we -- should we look at that and possibly consider changing that?

Should reciprocal conservation easements still be

required on each parcel? Should each offer to purchase still require Council authorization? These are questions, just looking at the whole process. Should public review be a formal step in the process where before you can actually do an acquisition you have to formally notice it for 30 days or 60 days or whatever before actually taking action.

In terms of funding, how should the March 1 resolution provision that 55,000,000 be managed as a long-term funding source be implemented? Should it be looked at as an endowment where you're just spending the earnings? Should it be looked at as a declining balance fund where you spend it over time and eventually it's all gone? How would you invest it and manage it over time?

And then the last part of the discussion draft just talks about future small parcel acquisition opportunities in the Kodiak region, Kenai region, Prince William Sound and Alaska Peninsula. It covers future possibilities, those that are in progress for purchases to date. And we could go through this, but I think the main point through all of this is that there's no doubt that you can either spend all the money right now on small parcels, probably in the next few years and commit those funds or that parcels will be coming up, additional parcels will be coming up over time, but there is a sufficient block of private land there that as communities change, their needs change, as habitat requirements for various species over

time that these kinds of things will always be out there, that that is a pool of land available for small parcel protection over the long term.

So.....

CHAIRMAN PENNOYER: What do you want us to do?

(Laugher)

MR. RUE: Mr. Chairman.

CHAIRMAN PENNOYER: Yes, Mr. Rue.

MR. RUE: I'm going to make a suggestion, but before I do, I'd like to hear what Molly recommends we discuss today versus discuss at a future meeting.

MS. McCAMMON: Well, you know, I talked to Sandra put -- Sandra is now the staff person overseeing -- in charge of the Small Parcel Program directly and she put together this and we were trying look at the questions and this wasn't expected to be an action meeting. On the other hand, we'd like a little bit of feedback and guidance in terms of where we go from here and we thought what might be appropriate in there is some short-term decisions and some longer-term ones. One would be to go ahead and work with the restoration, work with the Trustee agencies and the other individuals that have been involved in the Small Parcel Program, as well as with representatives from the nonprofit sector, the Conservation Fund, Nature Conservancy, Trust for Public Lands, some Kachemak Heritage Trust, whoever, and the Public Advisory Group to do

the following:

1. By February 2000, which is just next February, develop recommendations on changes to the evaluation and ranking process, so that it more adequately identifies all of the parcels that are of high priority for restoration.

2. Develop recommendations on how to solicit parcel nominations in the future, whether we do broad solicitations or just count on things kind of coming in. And then ways to streamline and reduce the cost of the process.

The longer-term decisions are the fund management, declining balance versus an endowment, investment strategy, inflation proofing, all those kinds of things. Public comment and involvement, including the role and make-up of the PAG. And one of the things we've been talking about with -- once kind of the two funds get -- we got the Habitat Fund and Research Monitoring and Federal Restoration Fund, it may be appropriate to think about having two different kinds of Public Advisory Groups for these two very different purposes. And you could have different -- involve a different pool of people in advising on each of those functions. That's one thing the Public Advisory Group is going to be looking at in the next few months. So that's kind of a longer-term approach.

And then the third is possible nonprofit administration. How it might work? What role, continuing role the Council would have? What administrative and legal issues

need to be addressed in delegating the authority on how you would actually do something like that, but that is a longer-term kind of thing.

So those are -- that just was our kind of initial, and I'm sure you'll have your own ideas on what you'd like us to do. Now, go ahead, Frank.

MR. RUE: Actually, I think this is a good summary of what I generally -- how I would suggest we move ahead. I was going to suggest that for the longer-term stuff we might want to come up with a couple of options, and I had some thoughts on what a longer-term option I'd like to look at, might include as sort of the least involvement -- least by the Council versus another one which might sort of replicate what we do now, but run by a nonprofit. So I wanted to do sort of the hands-off model versus the hands-on at least if -- so I'll get into that in a second, but maybe let other folks think -- if this is generally the two questions, the way we divide up the questions on this thing.

MS. HEIMAN: I like everything on this page, except the word "small."

MR. RUE: Huh. Since we're dealing with the only land management.

CHAIRMAN PENNOYER: Would you explain that, please, Marilyn?

MS. HEIMAN: At the very, very top.

CHAIRMAN PENNOYER: You're talking about all land management then so.....

MS. HEIMAN: I'm just saying that I know on the back of this report it does recognize that we're looking at all types, and I know that this is a very touchy issue and I -- I guess my interest remain -- is the same as it always has been, which is we have to protect, you know, what resources we think are the most important and if they're a little bit larger than, what is it, a thousand? You know, that it doesn't prohibit them from being considered, that's all. I mean you might have a 1,050, you know what I mean? It could be any size. I get a little nervous with that size limitation because I think we're looking at science and, you know, salmon streams and places where we have willing sellers and so I -- and so, therefore, I really like this document, the one-pager, that describes an outline, you know, just call it the Parcel Program right now and if one's called small, that's fine, too, but I think we need to redefine what that means and I'd rather not go through that process, what small means.

And then I would like to say that there's more of that whole theme running through this memo, that makes me a little more nervous than -- what I'd like to do is wait on the -- I really like going forward with this time line kind of an approach, but I would like to wait on the memo -- more detailed approach in that I know our -- I have my staff putting together

what is their recommendations for any habitat protection, you know, proposals, both from the Park Service and the Fish and Wildlife Service right now and I don't have that right now to tell you there's one that's large or not large. But -- so I don't know, but I'd like to be able to at least have those be available for consideration.

So -- and that's just my views. And I'd rather not edit this, I haven't -- to be honest with you, I haven't read this particular resolution yet to -- or not resolution, but memo, so I'd like to have a little more time with it.

CHAIRMAN PENNOYER: Dave.

MR. GIBBONS: Yes, Mr. Chairman, I'm somewhat concerned about removing the word "small." I would hate to have an agency -- somebody come in even -- you know, like us come in with the purchase of 5,000 acres that locks up that money for, you know, the available money for five years, say, and it all goes to one parcel while -- I know when we developed this program some of the most valuable land out there is small parcels, you know, the mouth of the salmon stream, Kenai River, whatever it is. So I think we need to have some flexibility, like we've shown in the past, we've gone over 1,000 acres in Salamatof and stuff. So that flexibility is there, so I have some concern about removing the word "small."

CHAIRMAN PENNOYER: Craig.

MR. TILLERY: Mr. Chairman, I do not think the

time lines -- or I would disagree with the time lines in this. They break down the last three into longer-term decisions. I think that these things, whether you have a nonprofit management manage it makes a big difference in how you would deal with evaluation and ranking, on how you might solicit it, and particular of ways of streamlining or reducing things. I think that all of these should be looked at in the near-term rather than in some sort of longer-term, and I think I would like to have some kind of a recommendation on the whole process earlier rather than later.

CHAIRMAN PENNOYER: Molly, do you have a feeling for why this is on such a different time line than, let's say, GEM? I mean we have a process, we're not -- is this fund -- what comes after the current payments, is it maybe a different thing? Would you elaborate a little bit why you think it's necessary to do any of this by February 2000 as opposed to one piece or another?

MS. McCAMMON: Well, the main part, it seemed that the main reason we were looking at the evaluation and ranking process is just, for an example, we have four or five parcels that have already been submitted for evaluation and ranking and they've been with this group since -- the evaluation group since July, I believe, and we don't have any evaluation on them yet. So it's a voluntary group based on their availability and it's very difficult to get things

moving. And it's my view, looking at the history of the evaluation and ranking that it doesn't really necessarily capture the reasons for the Council going forward with them. So if it doesn't -- and we have parcels that are kind of pending, should we do this and act on this in the next three years?

Under the resolution in March, the Council committed to basically what's on the list of acquisitions, and anything beyond that comes from the 55,000,000 in the future. So that's kind of a longer-term -- it doesn't prohibit the Council from using -- from doing acquisitions now, as long as it's kind of deducted from the 55,000,000.

CHAIRMAN PENNOYER: Right.

MS. HEIMAN: So what you're telling me, this is not describing the $55,000,000 pot?

MS. McCAMMON: Well, I think it could. I think the longer-term decisions are more related to the $55,000,000 pot than the initial developing recommendations by February are.

MR. RUE: That has to do with money we've already committed.

MS. McCAMMON: Right.

MS. HEIMAN: So this program -- this time line and this memo really deal with monies we already have that have been trans -- that are, somehow, not used, but will be used?

MS. McCAMMON: We have commitments and it's possible that certain acquisitions won't go forward and other ones will be submitted that may be done in lieu of those. And so this is to deal with that. You know, I agree with Craig that there is some.....

MS. HEIMAN: A merging.

MS. McCAMMON: .....merging of both issues because if you did something with a nonprofit, your evaluation might change. On the other hand, do we wait for something that may be - may not have the likelihood of being implemented, certainly in the near future, let alone the long future, and keep waiting on that, depending on this? I don't know. I'll do whatever you want me to do.

MS. HEIMAN: Well, no, I guess my -- you know, I'm glad - I mean this doesn't really talk about an endowment, which I think -- I think the more flexibility there is the better, I mean especially if we're going to a nonprofit, they're going to be looking at, you know, what are good parcels and they'll be running them back, I'm sure, through a process that would involve the agencies and I -- you know, I appreciate that, but as soon as you start locking in -- I mean as soon as you take one step forward you start to, you know, buy in and lock into an approach and I appreciate the language that's put at the end of this and I know I will hear about the comments I'm making right now, but I guess I feel strongly enough about

this, until I have more stuff, which I guess is -- Glenn said I wouldn't need it for this meeting, so I don't have it. Until I have it, I don't feel like I can lock into any approach for the future that defines that.

CHAIRMAN PENNOYER: Can I make a suggestion then? I think, you know, hearing around the table, I have some of the same concerns about small versus large, because my idea of how a criteria might work can be quite different as to whether I'm going to tie up all my money and preclude any further options versus tying up this relatively small part, then my options are still open, so -- not because I don't think we should have flexibility on the size of the parcels, I don't think that's the big deal. I think the big deal is how much you're going to tie up of your remaining flexibility to do good work.

But I don't think we're ready for this. I think we need, maybe, to -- Molly, if you have -- what you're saying here is you need to flesh some of these things out that are in your discussion paper. You asked some of the questions that you -- elaborate on some of the provisions in here and say you're going to present further discussions. I don't have any problem with staff coming forward with some further ideas on these things, as long as I'm not locked into this by February and this by May or some process, but I don't hear that we, around the table, explored with our own staffs enough what is

in the discussion paper versus what some of these might be. You're going to come back with some fleshed out things, I can just about suggest we do this at a future meeting and let you go ahead and staff flesh out the very items you're talking about, but not put them on a particular time scale. So if you want to flesh out your discussion paper, more with what you have in here, so we can look at it, that's fine, but I don't think we're ready to tell you exactly here what -- or to come to any agreement as to the particulars. Commissioner Rue is though.

MR. RUE: I think I would probably agree with you with one exception. If we've had some parcel languishing because.....

MS. HEIMAN: Right.

MR. RUE: .....we haven't done our -- what we said we would do in terms of evaluation criteria, maybe we need to, for the short-term, suspend that rule or something, and say someone can bring a parcel forward with a rationale. I don't know.

MR. TILLERY: We don't have anything languishing.

CHAIRMAN PENNOYER: We've allowed for that.

MS. McCAMMON: Yes, we have five that haven't been evaluated, that have been with the group.

CHAIRMAN PENNOYER: But that's not because we

don't have the capability of doing it.

MR. TILLERY: Why is that then? We've had others that.....

MS. McCAMMON: They can't get the group together, I think.

MR. TILLERY: We have others that have been evaluated.

MS. McCAMMON: Not in that time period.

MR. TILLERY: In the last.....

MS. SCHUBERT: Since the end of June.

MS. McCAMMON: In the last day, 17 tax parcels.

MR. RUE: So I'm just -- there might be one short -- I guess what I'm saying I'm agreeing with Mr. Pennoyer, except for one thing and there may be a couple really short-term things that because we -- either that or we tell our staffs go get together and do it.

CHAIRMAN PENNOYER: I don't think there's any barrier to getting a three ranking in front of this group and making a decision if somebody brings the stuff to us. I think probably I have a hard time voting for it, but we have -- there's nothing that says these four parcels can't come forwards for evaluation. There's been a decision that that's not a priority of work that we do in the group, but there's no barrier -- we have no physical criteria barrier, I'm aware of, that says, this automatically -- or is there? Are they below

the threshold or something? I mean is there some reason.....

MS. McCAMMON: No, no.

MR. TILLERY: No.

MR. GIBBONS: They haven't even been evaluated.

MS. SCHUBERT: They've not even been scored.

MS. McCAMMON: Yeah.

MR. RUE: So can we bring one that hasn't been scored before us? I don't remember our rules, if we even have to suspend it.

CHAIRMAN PENNOYER: Let's draw one of the four out of the hat and.....

MS. SCHUBERT: I think you haven't. I think they've always been scored and then moved forward.

MS. McCAMMON: Right.

MS. SCHUBERT: Because the scoring also requires some -- or involves some assessment and evaluation, they look at the resources and, you know, kind of write up the benefits.

MS. McCAMMON: The assessment is typically -- the majority of it is typically done by the agency.....

MR. RUE: Interested agency.

MS. McCAMMON: .....the interested agency has the most information on it, typically.

MR. RUE: Okay. Well, they must not be very interested in these.

MS. SCHUBERT: Yeah.

MR. RUE: Is that's what going on? I don't know.

CHAIRMAN PENNOYER: Must not be terribly interested. So I don't know that -- the barrier might be, if we call for certain evaluations that aren't necessary that are time consuming and expensive and are a barrier to coming forward -- I haven't actually heard that. If you take the four parcels and you come to me and you say, okay, this parcel, the evaluation is going to take us two years and cost $2,000,000, you're only going to spend $20,000 on it, so it's not worthwhile, then come and tell us that, but I haven't heard that.

MR. RUE: Okay. I'm assuming agencies that care about these or people who care about it will get it done.

CHAIRMAN PENNOYER: Or are we going to do them?

MS. HEIMAN: Meaning come forward with what, those parcel are.....

MR. RUE: Short-term.

MS. HEIMAN: .....short-term.

MR. RUE: And then -- so link these because I agree that.....

MS. McCAMMON: Pushing to have the group meet.

MR. RUE: Yeah, the two and three really probably do go into the longer-term decision, I agree there's

going to be a couple of ways you may approach this in the long-term and you might as well lay out those options for streamlining, because I want to make sure that one option that gets evaluated is a very streamlined option, where the Council gives very broad policy direction, says like -- things, like, it's got to be in the spill area, here's some criteria about values and we use our ranking criteria and turn them into general criteria and then, I would say -- then if you have an agency sponsoring it or an entity the Council okays, then I'd like the opt -- then that's all you do. And then you have a Board of Land Trusts overseeing it rather than one particular, that gives you a regional flavor, so every -- you know, pick five, the Nature Conservancy, Kachemak Land Trust, Trust for Public Lands, they sit as an executive committee and they go out and they find parcels and work them that sort of gives you geographic and some sort of oversight so one agenda doesn't get a.....

CHAIRMAN PENNOYER: Who administers the purchase?

MR. RUE: They pick who does.

CHAIRMAN PENNOYER: Okay.

MR. RUE: One particular one will pick it, but you have an oversight body of multiple land trusts. I mean something like that, an option like that.

MR. TILLERY: What you're talking about is

really we need to look at all this as whole, not try to break it into long-term, short-term.

MR. RUE: Right, that's what I'm suggesting. There may be a much more hands-on option where the Trustee Council retains a lot more -- you know we have to go through a process to get things into a pool, that then an entity goes out and works with.

CHAIRMAN PENNOYER: Molly, do you have enough direction to set up for a future meeting and this.....

MS. McCAMMON: Sure.

CHAIRMAN PENNOYER: .....a specific topic?

(Laughter)

MR. RUE: Why you looking at me? You making fun.....

MS. McCAMMON: I'm not.

MS. HEIMAN: Is there a February 2000 meeting, is that why we have it by February?

MS. McCAMMON: You know, it was just arbitrary. Not capricious, but it was arbitrary.

MS. HEIMAN: Well, I mean, I certainly am, you know, sympathetic to the whole idea.....

MS. McCAMMON: Just to sort of give us an internal deadline.

MS. HEIMAN: .....of it, you know, Sandra doesn't want to go down a road without our concurrence and

she's trying to do her job and, no, I understand that.

MR. RUE: How about by February having a rough draft of an approach on the long-term -- I mean on the whole thing?

MS. McCAMMON: It'll probably more like March or April, May.

MR. TILLERY: Why don't we just kind of leave it up to Molly to try to pull something together?

MS. HEIMAN: Yeah.

MR. RUE: Okay.

MS. McCAMMON: Yeah. I mean, I think what I'm hearing is that you want to see the whole thing together.....

MS. HEIMAN: And if I could be briefed before it, I would appreciate it.

MS. McCAMMON: .....and we can start doing that.

MR. TILLERY: But in the meantime with these.....

MS. McCAMMON: Start following up on some of this, but.....

MR. TILLERY: .....concepts and questions, we can be giving you our feedback and you can pull that.

MS. McCAMMON: Individual feedback, yes.

MR. RUE: Good idea.

CHAIRMAN PENNOYER: Okay.

MR. RUE: I'm there.

MS. McCAMMON: Okay.

CHAIRMAN PENNOYER: Next item on the agenda.

MS. McCAMMON: I think the Larsen Bay tax parcels. Do we have all that material?

MS. HEIMAN: You got a map, Molly?

MS. McCAMMON: Yeah, we've got maps for everyone.

MS. HEIMAN: Okay.

CHAIRMAN PENNOYER: Maps for everyone, everyone gets a map.

MS. McCAMMON: Are you going to describe this Marilyn?

MS. HEIMAN: With your assistance, maybe.

MS. McCAMMON: I don't know, is Glenn on?

(Phone beeps)

MR. GIBBONS: He just got off.

(Laughter)

MR. RUE: We just beamed him up.

MS. HEIMAN: Glenn, are you there?

(No audible responses)

MS. McCAMMON: He's not, so we're on our own.

MS. HEIMAN: Okay.

MR. ELISON: Molly.

MS. McCAMMON: Ah, he is there. Yes.

MR. ELISON: Yeah, I'm back.

MS. McCAMMON: Very good.

MS. HEIMAN: We were looking for help on the description of Larsen Bay parcels.

MR. RUE: All 32 of them?

MR. ELISON: The 17 parcels that are owned by the Conservation Fund that were -- they're all approximately 10 acres in size and were acquired from Larsen Bay shareholders or their heirs. They're all located along the shoreline in Uyak Bay, they have ready access from out of the bay. They generally have a -- it's going to be an intertidal zone, the area is used by harlequin ducks. A number of salmon streams are in the area and they're all fairly embedded within lands acquired by the Trustee Council back in the agreement reached in 1995 or '94.

While the areas haven't been surveyed for archaeological resources, the general trend in that area is the useable sites have rich archaeological resources from centuries of use. Pigeon guillemots are common in the area, as are marbled murrelets. Jellies are a very rich part of the environment right along the coast there in Uyak Bay and the parcels are very similar in their character.

MR. RUE: There any funny deer running around here?

MS. HEIMAN: And did you explain already that

some of these they were -- the money was put forward by the Conservation Fund with the idea that we would later acquire them?

MR. ELISON: That's correct. The Conservation Fund stepped in fairly early on in the habitat protection process because these parcels were being either lost to taxes or being picked up at deeply discounted prices by nonlocal people and being used potentially for a number of incompatible uses. So the Fund started buying these, I think, in 1994 and did so for about a year and a half or two years. The parcels originally had significant title problems for a number of reasons. Those title problems have been cured, for the most part, after a lot of work with the, you know, the owners, Koniag, the Justice Department and the State. I think we're finally ready to take these off the hands of the Conservation Fund if the Trustees concur. But the parcels are really very similar in character to the ones held by the Kodiak Borough for back taxes that we're also trying to pick up, and hopefully we'll get to those soon.

MS. HEIMAN: Could you just walk us through which parcels they are that we are acquiring with this and what colors they are?

MR. ELISON: The parcels are shown on your map in orange. Starting in the northern part on the east side of the bay, there's Parcel 1092 and I'm not sure if you want me to

go down.....

MS. HEIMAN: Yeah, just why don't you?

MR. ELISON: .....through all of them, but they're all along the east side of the bay and back up on the west side. In the southwest corner there are five parcels that are contiguous. A little farther to the north there, there are two on that small peninsula. They're generally in nine locations.

MS. HEIMAN: So only the orange ones are the ones we're talking about right now?

MR. ELISON: That's correct.

CHAIRMAN PENNOYER: Glenn, would you explain how this fits in to all the other acquisition strategies we have. These look like little islands in the midst of a lot of potentially developmental lands and I presume that's because the purple area, for example, is something that will actually -- well, actually the light purple area is something that we're tying to get now or.....

MR. ELISON: The light purple area is land we already acquired.....

CHAIRMAN PENNOYER: Okay, all right, yeah, okay. So this is just -- these are inholdings in land already bought?

MS. HEIMAN: Inholdings.

MR. ELISON: These are inholdings primarily

within areas that we've already acquired and hopefully if we pick these up, get the Kodiak tax parcels and whatever other parcels we can get from individuals that are willing sellers, we'll be able to block up this land and take out these inholdings.

CHAIRMAN PENNOYER: Okay. I wanted you to say the word "inholdings." Thank you.

MR. TILLERY: Mr. Chairman.

CHAIRMAN PENNOYER: Yes, Craig.

MR. TILLERY: The description here says, for example, there are several documented bald eagle nests within the area. Are there any within these parcels?

MR. ELISON: Mr. Tillery, I don't know the answer to your question specifically. There are being considered approximately 50 10-acre parcels, we've had reviewed and appraised, I can't tell you specifically which ones have eagle nests on them and which ones don't.

MR. TILLERY: Well, just in looking at this description, am I correct in thinking we don't know whether any of these resources exist on any of these parcels, they're just kind of in the Uyak Bay area?

MR. ELISON: We know that those resources exist on some of those parcels, we didn't go out and write 17 individual descriptions, it would take a very site-specific review. We know that the general character of the area has

those benefits and it's, I think, reasonable to believe that each one of those parcels contributes significantly to those benefits.

MR. TILLERY: And my recollection is I don't -- I guess I'd like to ask the Department of Justice whether this provides an adequate basis for making a decision. I don't know we've ever done this before where we had a generic description of a geographic area and approved -- and in the past, hasn't every small parcel always had an evaluation on it or a benefits report? That's what we submit to the court, they always have this benefits report attached to each parcel.

MS. McCAMMON: I don't know if we've done one for Kodiak tax parcels, that had five parcels that had the combined benefits report for those five.

MR. TILLERY: Based upon the general area?

MS. McCAMMON: Yes.

MS. HEIMAN: Is Barry on the line?

(No audible responses)

MS. HEIMAN: Obviously not.

MR. ELISON: I think he had to leave, Molly. Steve Shuck tells me that resolution on the Kodiak tax parcel actually had seven properties dealt with at one time.

MS. McCAMMON: I think, Mr. Chairman, what this shows is the Kodiak tax parcels are -- and the Tatitlek homesites were done differently than the individual parcels

that come forward for consideration. The Council looked at the concept of inholdings within this particular region and made a decision that for restoration purposes it was important to acquire these parcels for kind of their general, broad, restoration benefit. And it's different than an individual -- looking at just one individual parcel by itself, it's looking at the whole concept.

And I did want to mention one thing in conjunction with this. If you recall the whole thing with Kodiak tax parcels came, as an addition to the Shuyak Island acquisition, $1,000,000 to Fish and Wildlife Service to purchase Kodiak tax parcels. They came back -- Interior came back and requested that it also be used -- split up and used for Larsen Bay tax parcels. And so we actually have two funds, two pots of money that we're tracking right now, the Larsen Bay parcels and the Kodiak tax parcels. If these 17 are approved then approximately $400,000 of that $1,000,000 will have been spent. And one of the things that we have asked Interior to do by January 15th of this coming year is to come back and say, how are we doing on these inholdings? I mean, kind of what's left out here; is the remaining funds -- are the remaining funds going to be needed for all of these acquisitions? Have we hit the high ones, the most important ones right now? Kind of give a status report on that pool.

MR. ELISON: To put the development trend and

these inholdings in a little bit of context, there have been four new developments on individual 10-acre parcels in the Uyak Bay area this year. So it's something that's going on very actively, people are putting cabins and other facilities on these and with the potential to expand, so it's -- you know, there's significant challenge to management of the area and the integrity of the overall acquisition that's already occurred down there.

CHAIRMAN PENNOYER: Commissioner Rue.

MR. RUE: Yeah, you know, when I heard the word "inholding" and I look at the location of these parcels and I assume a 10-acre parcel that's roughly square must have a interior -- a boundary of roughly, what, 500 to 700 feet, because one acre is 100x200, roughly as I recall from my land days. And so you get that coastal strip right along the beach, that is the highest value habitat for many species, right along the fringe.

MS. HEIMAN: Uh-huh.

MR. RUE: I go and harass Dave Gibbon's organization all the time about protecting beach fringe for all sorts of species, including the one damaged by the spill. So, to me, that's the idea of inholding, the fact that they're right on the fringe, the intersection between land and water, those sorts of places are the numero uno -- are the most valuable habitat for the kinds of species we're worried about.

And the fact that we've done sort of group assessments of value, I mean, we just -- we bought this larger chunk and this sits within it, so unless there's a legal reason we need to make sure we covered our basis for every single parcel, I feel comfortable that the value is there. I don't know. Mr. Tillery, I don't.....

CHAIRMAN PENNOYER: I sort of think it's a little bit like negotiating a large parcel purchase where we got all excited about set-asides for corporate structures and we were very worried about the value of the bay or a particular drainage or something being negatively impacted by the relatively small development. I don't think that fits for each of these, and I can't say that, but I think that's what we're being -- the information we're being given. And so I don't -- that's why I wanted to hear that they were inholdings. I think it's not much different than a large parcel acquisition negotiation where you're worried about somebody having an inholding that's going -- 10 acres destroys the value of 50 acres type of thing or whatever. So I'm not -- and now recognizing or hearing that these are inholdings to something we've already done, a larger purpose, are we sort of avoiding that being downgraded by this type of a development, I think.

MR. GIBBONS: Mr. Chairman.

CHAIRMAN PENNOYER: Dave.

MR. GIBBONS: I got a question. I heard the

term "inholdings" too, but some of these look like they're inholdings within an inholding because some of the light brown is still owned by the Native corporations, like in 2006, 2007, you know, that's an inholding within a Native.....

MS. HEIMAN: Do we have plans to look at that, Glenn?

MR. ELISON: We're trying to get those picked up in this phase two negotiation with Koniag.

MS. HEIMAN: Phase two meaning the one we're working on right now that you're.....

MR. ELISON: Correct. So I hope to be able to basically block up all that coastal ownership in Uyak Bay and protect the status within the refuge.

MS. HEIMAN: Well, when these -- I wasn't around when these lands were purchased for -- is the purple actually fee simple or is there a conservation easement?

MR. ELISON: Well, the dark purple is.....

MS. HEIMAN: Light purple.

MR. ELISON: .....conservation easement, the light purple, as you see on the east side of Uyak Bay is fee simple.

MS. HEIMAN: Okay, so when we made the decision about this, this was high resource values, I mean, obviously, because we've only done that with these larger areas, right?

MR. ELISON: That's correct, that's the way

they were evaluated.

MS. HEIMAN: So it seems to me if they're inholdings in what we already determined to be a high resource value area, it seems to me that that seems appropriate that those continue to be high resource value areas.

And the other thing that I had learned when I talked to Glenn the other day was that these lands, when they were purchased by the Conservation Fund, they were at risk of being sold off to not just Native ownership but, you know, just people who were willing to buy them because these folks were trying to sell them. So we were keeping these from even going out of Native ownership.

MR. ELISON: That's very true, there was a lot of bottom feeding going on, for lack of a better term. Because most of them were, I mean several of them were at risk for back taxes.

CHAIRMAN PENNOYER: I guess the point is, Glenn, down in the southern part of this map it's pretty easy to see the 2002 through the 2024, it's either in refuge or on lands we've already have acquired. It's a little more difficult to see up in 2007, 2006 and some of the others that are right in the middle of the corporate lands, so I think Mr. Tillery's right, there doesn't seem to be an equal inholding justification for one -- for some versus others, so -- if you look at 17 you might have a different justification

on five of them than you do on the other 12 or whatever.

MR. ELISON: Well, we don't dispute that, there's a certain amount of faith here that there's going to be successful negotiation to acquire the surrounding land so that, as a matter of fact, it is blocked up and it, admittedly, had not occurred at this point in time, but these parcels are available now and I think they do have values. It would be -- if we don't pick them up, I think the Conservation Fund is in a position where they're going to turn around and sell them, they can't hold them indefinitely. They bought them in an effort to take them off the market so they wouldn't go into private ownership for incompatible uses, but lacking our ability to buy them, they don't have any choice but to put them back on the market, because they can't hold them just for the taxes.

MR. RUE: Mr. Chair, do we have to vote on this?

MS. HEIMAN: What's the timing of this right now, Glenn? I mean is there -- I mean if we were to delay it to our next meeting, would the Conservation Fund have that much time to allow for more review or, you know, are they really pressurizing [sic] you right now?

MR. ELISON: Well, we've been under a lot of pressure from them for a long time to acquire these parcels and we've indicated that we think they have significant value from a restoration standpoint, as well as a refuge management

standpoint. As we go into the first of January they're going to take on another year of tax liability with them, which has been a considerable problem for them. I think that's probably the greatest concern right now.

CHAIRMAN PENNOYER: I'm confused now. What additional information would we have in a subsequent meeting we don't have now? The status of these within these other holdings is not going to change between now and the foreseeable future.

MR. ELISON: That's correct.

MS. HEIMAN: Well, I was just curious about a couple of things, but I can ask right now and then we'd have the information right now. One of these is which of these light brown areas are part of the Koniag discussions right now? If you could maybe describe that?

MR. ELISON: The areas to the south -- we're staying out of the Larsen Bay area itself, but the area south of Uyak Bay, we're trying to get included in the discussions with Koniag as part of the agreement.

MR. GIBBONS: Are they included or are you trying to get them included?

MR. ELISON: Mr. Gibbons, I have to go back and look at what we submitted to Koniag specific to this southern area. Originally in 1994 when this whole process started they withheld some land because of obligations they felt they had to

the Larsen Bay Tribal Council. They've since changed their view on that and I have to go back and look at the specific parcel here.

MS. McCAMMON: But, Glenn, isn't it true that we're negotiating with Koniag on making permanent protection for what's now covered under the easement and the -- what is it, the western shore of Uyak Bay is not covered -- it's gray, it's not covered by the easement?

MR. ELISON: It's not covered by the easement, we were tying to get that blocked up as part of it in the south. Now, the area -- and the area to the east the same way, on the east side.

MR. RUE: That's part of the 26 and a half million, 27 and a half million.

MR. ELISON: Right.

CHAIRMAN PENNOYER: So the non-inholding, this type of lands are how many parcels, 2006, 2007, 1095, 109- -- I mean there's five or six of these that don't fit the exact inholdings, it's something we've already either purchased or already own, refuge lands. And those off this map you can pick those out and those are, perhaps, a slightly different category. I don't know if there's a rationale -- do we have trouble proceeding with all of this? Is it all of it or is it some of these that stand out in our minds?

Yeah.

MS. HEIMAN: Well, I guess my question is when we -- was it just the Department of Interior that spoke with the Conservation Fund at the time or did this come before the Council before? It's never been here before, this is the first time?

MS. McCAMMON: No, just the concept of tax parcels has come before them as inholdings within the refuges.

CHAIRMAN PENNOYER: And not necessarily the map description.

MS. McCAMMON: I mean you can look at some of these and, for example, 1097, 1096, 1098, 1099, I mean that is within a block that is owned by -- I assume by Koniag. The chances are these parcels are the only places you can land a boat and that by purchasing a couple of select parcels you are, in essence protecting that entire block of land there. I don't know that for sure, but it's my guess that that could very well be true, but I don't know that for sure.

MR. TILLERY: Let's get.....

MR. ELISON: You have an accurate characterization of these areas.....

MR. TILLERY: Mr. Chairman.

MR. ELISON: .....that's why they were selected.....

MS. McCAMMON: Right.

MR. ELISON: .....because you need a good place

to get on the beach.

MS. McCAMMON: Right.

CHAIRMAN PENNOYER: Mr. Tillery.

MR. TILLERY: I think that's kind of my plan, where I'm from, is we seem to be asked to approve this based upon, we assume this and we guess this and it's probably likely that this, which I think, in the context of this, is probably fine. It has been different in the past, in the extent that we are sort of doing something different and I just wanted to make sure that this was legally acceptable to the Department of Justice and acceptable to the Department of Interior because I think it is that kind of standard that needs to be applied consistently in the future. And I don't -- and I think that if this was sort of the scrutiny that we were going to use, and I think it even has implications for any new criteria that we might develop for small parcels.

MS. McCAMMON: Can I suggest an approach, Mr. Chairman on this?

CHAIRMAN PENNOYER: You bet.

MS. McCAMMON: Is that staff work with Department of Interior, we go through these individually and we provide some additional information, that we come back -- that we recess this meeting, we come back in maybe two or three weeks, I don't know how much time, but enough time where we can take action before December 16th and give the Conservation Fund

time to actually get the acquisitions done before the end of the year and see which ones have additional questions, but provide that additional information and get it to you in advance so you can review it before the meeting and if there are any additional questions we can get you that information. And then do a teleconference to move forward.

MS. HEIMAN: I think that sounds excellent, I wish we did every parcel that way. My personal opinion, though.

MS. McCAMMON: Okay.

CHAIRMAN PENNOYER: I like the idea, I hope you don't spend over the 15,000 of our purchase price though on evaluating whether 1099 is landable by boat or (indiscernible - interrupted).....

MS. McCAMMON: Oh, no, this will just be staff sitting down to look at.....

CHAIRMAN PENNOYER: Thank you.

MS. McCAMMON: .....individually.

MR. RUE: I would suggest that if Mr. Tillery or if Justice and Interior are okay with this new standard, that's fine, too.

MR. TILLERY: (Nods affirmatively)

MR. ELISON: Mr. Chairman, just so I'm clear.....

MS. HEIMAN: You mean pass it with a.....

MR. ELISON: .....it would be helpful if I knew what sort of additional information we're looking for. Is it just that each parcel to be site specifically described?

MS. McCAMMON: And why a parcel that's in the middle of private ownership, why would we want to acquire that, why would that need to be protected? Is it the only beach access in that particular area, one of the key ones? Does it also protect additional areas? A little bit more justification on individual projects; is that correct, Mr. Tillery?

MR. TILLERY: (Nods affirmatively)

MS. McCAMMON: Yeah.

MS. HEIMAN: Is that -- should I make a motion that we do what Molly just suggested? Or do we have to make a motion?

MS. McCAMMON: I can just do it.

MR. GIBBONS: Just do it.

CHAIRMAN PENNOYER: I think one cautionary on time though, the tax appraisal's a big deal, I think we need to get this done relatively soon.

MS. McCAMMON: Right. And I'm sure Glenn would commit to working with us and getting it done in the next couple of weeks.

MR. ELISON: Absolutely.

CHAIRMAN PENNOYER: Because I can nearly, off the map, take about half of these and say they're adjacent to

lands we already bought, probably they are inholdings and would pass that criteria and would be willing to go with them now, myself anyway, on that basis that we acquired that adjacent land as a high value and these being inholdings within that, I think would qualify. The ones that stand out in the midst of private ownership would be the ones that I -- and there are maybe seven or eight of those that I would be concerned about, but I think we need to do this pretty soon.

MS. HEIMAN: Mr. Chairman, yeah, I agree with exactly what you're saying and instead of us trying to pick them based on something that's not very accurate, get the information and then we can make those determination, and we'll try to do them as quickly as possible.

MS. McCAMMON: And just do a teleconference meeting and yeah.....

MS. HEIMAN: By teleconference, yeah.

MS. BROWN: And you can lump them, you don't have to go site by site.

MS. McCAMMON: Right.

MS. HEIMAN: Yeah, make a recommendation to us on some -- yeah, that would be great.

MS. McCAMMON: Okay.

CHAIRMAN PENNOYER: And I want to see personally if you can get off the boat at that point, by the way.

(Laughter)

CHAIRMAN PENNOYER: Never mind, ignore the last comment.

MS. McCAMMON: We tried to get you to do that.

CHAIRMAN PENNOYER: I know you tried to get me to do it, and I didn't because I was off chasing sea lions.

MR. GIBBONS: Mr. Chairman, I'd like to make one point, you said lump them. If they got information on individual ones I'd like to see it that way, so we don't get into this lump and.....

MS. BROWN: Right, but if they don't have it, we don't have a duty to go out and.....

MR. RUE: Spend 20,000.

MS. HEIMAN: Yeah, we don't want to spend a lot of money to assess.

MS. BROWN: .....spend a lot of money when the whole block is clearly together.

CHAIRMAN PENNOYER: Right.

MR. RUE: Mr. Chairman, are you ready for a resolution to recess or do we just do that? A motion to recess.

CHAIRMAN PENNOYER: Well, I want to find out for sure, does that do it?

MS. McCAMMON: Yes.

CHAIRMAN PENNOYER: Okay, I would entertain a

motion not to recess, but to adjourn.

MR. TILLERY: I move, Mr. Chairman, that we recess this mission -- this meeting.

MS. BROWN: I second it. All in favor.

(Laughter)

CHAIRMAN PENNOYER: You got to have a unanimous vote, you're going to stay here until you change that. I'm going to exercise the (indiscernible - laughter) I don't care, fine. It's been moved we recess and until we do at least the teleconference on the property and I think that's a continuation of this meeting, so that makes sense and so ruled.

(Off record - 2:35 p.m.)

(MEETING RECESSED)

C E R T I F I C A T E

UNITED STATES OF AMERICA)
) ss.
STATE OF ALASKA)

I, Joseph P. Kolasinski, Notary Public in and for the State of Alaska and Owner of Computer Matrix do hereby certify:

THAT the foregoing pages numbered 4 through 154 contain a full, true and correct transcript of the Exxon Valdez Oil Spill Trustee Council's Public Meeting recorded electronically by Salena Hile on the 22nd day of October 1999, commencing at the hour of 10:01 a.m. in Juneau, Alaska and thereafter transcribed by me to the best of my knowledge and ability.

THAT the Transcript has been prepared at the request of:

EXXON VALDEZ TRUSTEE COUNCIL, 645 G Street, Anchorage, Alaska 99501;

DATED at Anchorage, Alaska this 2nd day of November 1999.

SIGNED AND CERTIFIED TO BY:

Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 04/17/00

JOSEPH P. KOLASINSKI NOTARY PUBLIC STATE OF ALASKA