

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Public Meeting
Tuesday, August 6, 2002
2:00 o'clock p.m.

441 West 5th Avenue, Suite 500
Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS PRESENT:

STATE OF ALASKA -	MR. CRAIG TILLERY
DEPARTMENT OF LAW:	Assistant Attorney General
(Chairman)	State of Alaska

U.S. DEPARTMENT OF AGRICULTURE,	MR. DAVE GIBBONS
U.S. FOREST SERVICE	Forest Supervisor
	Forest Service AK Region

STATE OF ALASKA - DEPARTMENT	MS. MICHELE BROWN
OF ENVIRONMENTAL CONSERVATION:	

(TELEPHONICALLY)

U.S. DEPARTMENT OF COMMERCE,	MR. JAMES W. BALSIGER
National Marine Fisheries Svc:	Administrator, AK Region

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

U.S. DEPARTMENT OF INTERIOR:	MR. CAM TOOHEY for
	MS. DRUE PEARCE
	Senior Advisor to the
	Secretary for Alaskan
	Affairs,
	U.S. Department of Interior

Proceedings electronically recorded, then transcribed by:
Computer Matrix Court Reporters, LLC, 3522 West 27th,
Anchorage, AK 99517 - 243-0668

1	TRUSTEE COUNCIL STAFF PRESENT:	
2	MS. MOLLY McCAMMON	Executive Director
3	MS. SANDRA SCHUBERT	Program Director
4	DR. PHIL MUNDY	Science Director
5	DR. BOB SPIES	Chief Scientist
6	MS. PAULA BANKS	Administrative Assistant
7	MS. DEBBIE HENNIGH	Administrative Manager
8	MS. CARRIE GOMBOS	Intern, Department of Law
9	MS. DEDE BOHN	U.S. Geological Service
10	MR. KEN HOLBROOK	U.S. Forest Service
11	MR. BILL HAUSER	ADF&G
12	MS. CAROL FRIES	ADNR
13	MR. ALEX SWIDERSKI	Department of Law
14	MR. BUD RICE	National Park Service
15	MS. REGINA BELT	Department of Justice

16
17
18
19
20
21
22
23
24
25

1	<u>TABLE OF CONTENTS</u>	
2	Call to Order	04
3	Approval of Agenda	04
4	Approval of Meeting Notes (July 9, 2002)	05
5	Public Advisory Group Meeting Summary	05
6	<u>PUBLIC COMMENT</u>	
7	(None at scheduled time)	07
8	Ms. Theresa Obermeyer	102
9	Executive Director's Report	08
10	Investment Fee Amendment	11
11	FY03 Work Plan - Phase 1	19
12	FY02 Work Plan - Amendment (02126)	61
13	Northern Afognak Acquisition Efforts	63
14	Extension of Habitat Grant	72
15	Update on Status of Injured Resources and Services	75
16	Adjournment	103
17		
18		
19		
20		
21		
22		
23		
24		
25		

P R O C E E D I N G S

(On record - 2:06 p.m.)

CHAIRMAN TILLERY: This is the August 6th meeting of the Exxon Valdez Oil Spill Trustee Council. I'm Craig Tillery, I'll be the Chair for the State at this meeting, representing the Department of Law. We also have Cam Toohey represent the Department of the Interior; Jim Balsiger representing National Marine Fisheries Service; Michele Brown is here with the Department of Environmental Conservation; Dave Gibbons with the Department of Agriculture; and Frank Rue, who's on line, with the Department of Fish and Game.

The first item on the agenda is the approval of the agenda; is there a motion?

MS. BROWN: Move to approve the agenda as set out in the paper.

MR. GIBBONS: I'll second that.

CHAIRMAN TILLERY: It's been moved and seconded to approve the agenda; is there any objection?

(No audible response)

CHAIRMAN TILLERY: Hearing none, the agenda is approved.

The second item is the approval of the meeting notes from the previous meeting of July 9th; is there a motion on that?

1 MR. GIBBONS: I move to.....

2 MS. BROWN: Second.

3 CHAIRMAN TILLERY: It's been moved by Mr.
4 Gibbons and seconded by Ms. Brown to approve the meeting
5 notes; is there any objection?

6 (No audible response)

7 CHAIRMAN TILLERY: Hearing none the meeting
8 notes are approved.

9 That brings us to the Public Advisory Group
10 meeting summary. Ms. McCammon, who will be giving us that?

11 MS. MCCAMMON: I just received word that
12 Mr. Meacham, the PAG Chair, is unable to attend this
13 meeting and he asked me to give the summary for him. You
14 do have a copy in your packet of the meeting summary from
15 the June 20th meeting. There was just a couple of things
16 that I did want to highlight. One was the discussion of
17 the GEM Program and the new Scientific and Technical
18 Advisory Committee. We did have the opportunity to have
19 Brenda Norcross, who is one of the two STAC co-chairs
20 attend the PAG meeting and we had a good discussion about
21 future interaction between the STAC and the new PAC when
22 the new members come on in the fall.

23 They also reviewed the FY2003 Phase I Work
24 Plan, which is before you for action today. There were no
25 motions made, it was basically a general discussion and

1 there were no follow up required after that.

2 There was also a discussion of the Injured
3 Species Report. We talked a little bit about the
4 possibility of looking at some other models for defining
5 recovery on a continuum from injury to full recovery, but
6 really no resolution and no recommendations from that.

7 We're also trying to put together a field
8 trip for the PAG in September, but we're having difficulty
9 with the timing of it, there seems to be a lot of conflict
10 due to either -- basically due to life, I guess, other
11 commitments, so I'm not sure whether that's going to
12 happen.

13 At this point we have a new PAC, Public
14 Advisory Committee, coming on in October, you will have new
15 nominations coming before you on October 29th. There's a
16 new charter that's in the process of getting reviewed and
17 approved, we should have that, I think, within the next
18 month or so. And then there will be a first meeting of the
19 new group probably in November.

20 So that's the PAG meeting summary.

21 CHAIRMAN TILLERY: Okay. Are there
22 questions for Ms. McCammon.

23 MR. BALSIGER: I have one question, if I
24 could, Mr. Chairman.

25 CHAIRMAN TILLERY: Go ahead, please.

1 MR. BALSIGER: I noticed that in the report
2 it said that there was only -- relative to the Injured
3 Resources List that there was only 15 written comments and
4 three public testimony. I thought I remembered much more
5 than that at previous meetings, but is that the sum total
6 of all the public comments we've received on the Injured
7 Species List?

8 MS. McCAMMON: I would have to go back and
9 add it up, but I would say there's no more than 20.

10 MR. BALSIGER: Okay, thank you.

11 CHAIRMAN TILLERY: Other questions? Any
12 comments by Council members?

13 (No audible response)

14 CHAIRMAN TILLERY: Okay, thank you, Ms.
15 McCammon. We're a little bit ahead of ourselves at the
16 moment, but we might as well go ahead and go to public
17 comment, which is scheduled for 2:15. Do you know which
18 sites we have on line, Ms. McCammon?

19 MS. McCAMMON: Do we have any sites on
20 line?

21 MS. BANKS: We don't have.....

22 MS. McCAMMON: I don't think anyone.

23 CHAIRMAN TILLERY: Okay. Is there anyone
24 who's on line that would like to make a public comment at
25 this time?

1 (No audible response)

2 CHAIRMAN TILLERY: Okay, hearing none, is
3 there anyone here in Anchorage who would like to make a
4 public comment at this time?

5 (No audible response)

6 CHAIRMAN TILLERY: Okay, we are a little
7 early, it's possible we'll have one person coming in to
8 give us public comment at a later time, so I might reopen
9 it then, but for the moment we'll go ahead and close public
10 comment and move to the Executive Director's report.

11 MS. McCAMMON: Mr. Chairman, I just wanted
12 to call your attention to a couple of items. One is the
13 Quarterly Projects Status Report in your binder, which
14 lists where we are in terms of progress on all of the FY02
15 projects, which end September 30th, 2002. We are also
16 making progress on late reports, we actually got a few
17 reports in, the Department of Fish and Game. It was good
18 to get caught up on some of those. So there is progress
19 being made on those.

20 As you know, at your last meeting you
21 approved the GEM Program document, we've been doing the
22 final formatting of that document. And I think I mentioned
23 at the meeting that the plan for that is to do a -- first
24 of all, it will be posted in full on the Website. We will
25 also be making a few copies of the entire document for a

1 few people who really want it. It is over 500 page and so
2 we are polling people who wants the full version. And what
3 really adds to the length of it is the science background.
4 So if the Trustees want it and the key agency people of
5 your staff are also being asked, so if the Trustees want
6 it, if you could let me know, you will get a huge binder.
7 If you don't want this version, it is on the Web, if you
8 don't want this version we also are going to be printing a
9 shortened version, which includes the executive summary and
10 chapters 1 through 5, which is kind of the heart of the
11 program and some selected appendices.

12 For the science background, Dr. Mundy will
13 be working to try to find the appropriate scientific
14 journal that, hopefully, will actually publish that as a
15 published paper sometime in the next year to two years, so
16 we're looking for a publisher for that.

17 So if you could let me know which of you
18 would like a full binder version. And while you're here
19 it's easier to poll you while you're here, if we could.

20 MR. RUE: I would assume each Trustee
21 agency would get one.

22 MS. McCAMMON: Your agency will get one,
23 but do you, as a Trustee, want one personally in your
24 office or would you rather it just go to your staff member?

25 (Multiple concurrence)

1 MS. McCAMMON: Okay, I think staff is what
2 I hear people shaking their heads.

3 MR. RUE: Just following the course.

4 MS. McCAMMON: Okay. All right. It will
5 be available to you, but not sitting on the middle of your
6 table.

7 The other thing, we will be getting the
8 final NRC Report, it is completed, it's available on the
9 NRC Website, we will be getting the hardcopies probably
10 this week and you will be getting your personal version of
11 that very shortly.

12 And the other document that's in the works
13 is the 2002 Annual Report, I think. This usually comes out
14 in March every year, it was delayed because of the delay in
15 action on the Injured Resources List, because I was hoping
16 to include the new information in it. So it depends on
17 your action on that, but it's ready to go, depending on
18 action on that today. But then that should be out by the
19 end of the month.

20 And the other item I wanted to bring up is
21 that we're looking at trying to schedule two meetings this
22 fall. One is set for October 29th, the afternoon is a
23 joint meeting with the North Pacific Research Board,
24 University of Alaska and possibly some representative of
25 the Northern Fund and the Pacific Salmon Commission. The

1 morning session will be Public Advisory Group nominations
2 and also an informal meeting with tribal representatives
3 that was requested at an earlier meeting. And we also have
4 a meeting scheduled for November 26th. And I realize this
5 is the Monday of Thanksgiving week, it is about the only
6 day that we can get people, at least by telephone,
7 available to take action on the FY2003 Phase II Work Plan,
8 and so far that's what scheduled for that meeting. And I
9 think we have confirmation from four of you to be present
10 and two by phone. So those are the two meetings that are
11 scheduled for this fall.

12 And that concludes my report.

13 CHAIRMAN TILLERY: Okay. Now, the agenda
14 had investment fee amendment listed under Executive
15 Director's report.

16 MS. McCAMMON: Yeah. In your packet
17 there's a memo about the fees that are being charged the
18 Trustee Council by the Alaska Department of Revenue
19 Treasury Division for investing the EVOS funds. There is a
20 revised version of this memo that's in front of you on your
21 table, if you're here in Anchorage, it was faxed to
22 everyone on line, so you should have a copy of that. But I
23 will go through and let you know what's been revised. This
24 dates back to the first agreement that the Trustee Council
25 made with Revenue concerning the fee -- basically the fee

1 for their services.

2 The fees were included in a resolution that
3 was approved by the Trustee Council on July 5th, 2000.
4 Since that time we have learned that the fees that were
5 included in that resolution are not actually fixed flat
6 fees, but actually are variable fees depending on the size
7 of the access in a number of these funds. In particular
8 the fee for the domestic equity management and the fee for
9 the international equity management.

10 And it was only brought to our attention
11 about a month or so ago that we're not in compliance with
12 the fees that were approved on July 5th, 2000. Under that
13 resolution the Trustee Council is to approve the fees
14 before they are assessed. We have not paid our final
15 quarter of this last fiscal year, therefore, we are not out
16 of compliance yet. If we were to pay the fee that's been
17 assessed we would be out of compliance, therefore, we're
18 bringing to you a revised fee structure which reflects what
19 the Department of Revenue actually charges and which is
20 still substantially less than we could acquire from almost
21 any other investment scenario.

22 The memo that you have goes through and
23 describes the fee schedule for the various funds for the
24 international pool. The one for the domestic equity pool
25 was slightly revised. It turns out that these contracts

1 with the management entities for these funds are
2 renegotiated every year. And these actually have changed
3 since that time, and so the fees are actually a little bit
4 different than you have in your first version. And this
5 would be in the domestic equity pool, the column that says
6 basis point fees, that is actually less than the version
7 you originally saw. And the fees are assessed based on the
8 percentage share of the EVOS funds in the overall pool in
9 which these funds are invested.

10 So the recommendation is that the Trustee
11 Council approve a motion that would approve the investment
12 fund fees based upon a basis point range instead of a flat
13 rate. And it recognizes that the Division of Treasury's
14 personal service costs will most likely increase each year
15 and that Treasury charges the funds it manages based upon a
16 percentage of the personal services line item in the
17 budget. For that reason the investment management fee is
18 not dollar specific but is stated as 0.5% of the Division
19 of Treasury's budgeted personal services amount.

20 So the fees that are actually being charged
21 are the custody safe keeping fee, which is now being
22 waived, the custody transaction fee, the investment
23 management fee, the domestic equity fee and then the
24 international equity management fee.

25 And you have before you a motion to approve

1 the EVOS investment fund fees for one account as follows,
2 the custody fee shall be charged monthly at one basis point
3 of the month end market value divided by 1/12th.
4 Investment management fees shall be charged monthly at 0.5%
5 of the budgeted amount of the Division of Treasury's
6 personal services divided by 1/12th. Domestic equity fees
7 shall be charged quarterly based on agreement with the
8 Department of Revenue per the formula described in
9 Attachment A on the average month end market value for the
10 quarter at a basis point rate not to exceed 1.4 basis
11 points divided by four. International equity fees shall be
12 charged quarterly based on agreement with the Department of
13 Revenue per the formula described in Attachment A on the
14 average month end market value for the quarter at a basis
15 point rate not to exceed 25 basis points.

16 If in one fiscal year the EVOS investment
17 fund -- and this assumes that no new money is added in the
18 fund, no new contributions, this doesn't apply to earnings
19 -- the fees for one investment account -- if in one year
20 the fees exceed \$150,000, then approval of these fees is
21 required by the Trustee Council. And so this is a cap,
22 basically, it's a formula with a cap not to exceed
23 \$150,000. And this would apply through this fiscal year
24 because the fees will likely change, the contract will be
25 renegotiated and this could come back to you again in a

1 year if it does change.

2 CHAIRMAN TILLERY: Okay. Are there
3 questions or comments?

4 MR. BALSIGER: Mr. Chairman, Jim Balsiger,
5 I have one question.

6 CHAIRMAN TILLERY: Mr. Balsiger.

7 MR. BALSIGER: Yes, the first two of those,
8 one basis point divided by 1/12th and half a percent
9 divided by 1/12th. Dividing by 1/12th is the same as
10 multiply by 12, so is that what that really means?

11 MS. SCHUBERT: It's divided by 12, not
12 divided by 1/12th.

13 MS. McCAMMON: It's divided.....

14 MR. BALSIGER: Is it divided by 12 or is it
15 divided by 1/12th?

16 MS. McCAMMON: It's divided by 12.

17 MR. BALSIGER: Okay, I thought so.

18 MS. McCAMMON: Correct. Yes.

19 CHAIRMAN TILLERY: Good thing we have a
20 scientist.....

21 MS. McCAMMON: Good at math.

22 CHAIRMAN TILLERY: Are there other
23 questions? Mr. Gibbons.

24 MR. GIBBONS: Molly, is this \$150,000, is
25 this cheaper than what we were paying in the CRIS fund

1 earlier before we rolled over? What kind of comparison is
2 there between this fee and the earlier fees?

3 MS. McCAMMON: Absolutely. I think the
4 cheapest we ever had for an annual fee payment, and this
5 was buying Treasury bills, was somewhere between 250 and
6 300,000 for the fees for just buying Treasury bills. And I
7 should note that in last year the fees were -- the bill for
8 -- let's see here, this doesn't make sense. We paid
9 approximately 86,000, I think, for the last fiscal year and
10 it looks like we're going to be approximately 90-some odd
11 thousand for this fiscal year. So it's unlikely that we'll
12 exceed 150,000, it's not anticipated. And we do have Betty
13 Martins from the Treasury Division on the line if there are
14 any specific question.

15 CHAIRMAN TILLERY: Are there any other
16 questions or comments?

17 (No audible response)

18 CHAIRMAN TILLERY: I think one comment, is
19 you mentioned our resolution required we, essentially,
20 approve this. The Federal court order also requires that
21 we not pay fees unless they were approved in advance and,
22 therefore, it is important to take action and approve this
23 today before we can pay our installment to Revenue.

24 The second thing is my understanding is
25 that, in fact, because of this fluctuating thing, we've

1 actually paid less than we thought we would have up to now,
2 is that.....

3 MS. McCAMMON: That's correct. In the
4 original RSA we had a certain flat fee assessed and we
5 actually paid, in some cases, less than that, so that is
6 correct for the first year of the fund.

7 CHAIRMAN TILLERY: Is there anything
8 additional?

9 MS. McCAMMON: That's it.

10 CHAIRMAN TILLERY: Is there a motion?

11 MS. BROWN: So moved.

12 CHAIRMAN TILLERY: What?

13 MS. BROWN: So moved. I'm not going to
14 read the whole thing.

15 CHAIRMAN TILLERY: Ms. Brown, apparently,
16 moved the motion as written in.....

17 MS. BROWN: In the memo of August 6th.

18 CHAIRMAN TILLERY:in the memo of
19 August 6th.

20 MS. McCAMMON: Corrected 1/12th to 12.

21 MS. BROWN: Corrected mathematically.

22 CHAIRMAN TILLERY: Is there a second?

23 MR. GIBBONS: I'll second that.

24 CHAIRMAN TILLERY: It's been moved and
25 seconded. Is there any further discussion?

1 (No audible response)

2 CHAIRMAN TILLERY: All in favor of the
3 motion, signify by saying aye.

4 IN UNISON: Aye.

5 CHAIRMAN TILLERY: Opposed?

6 (No opposing responses)

7 CHAIRMAN TILLERY: Motion passes.

8 And that brings us to the FY03 Work Plan,
9 Phase I.

10 MS. McCAMMON: Do you want to check on
11 public comments or see if anyone has joined us on line?

12 CHAIRMAN TILLERY: Yeah. There's been a
13 couple of beeps on line, is there anyone who's come on line
14 who would like to make a public comment?

15 (No audible response)

16 CHAIRMAN TILLERY: Okay. Hearing none. Is
17 there anybody who's come into the room here who would like
18 to?

19 (No audible response)

20 CHAIRMAN TILLERY: Public comment period
21 will remain closed for the moment.

22 MS. MARTIN: This is Betty Martin, I'm
23 going to sign out, okay?

24 CHAIRMAN TILLERY: Thank you very much for
25 being available, Betty.

1 MS. MARTIN: Okay, no problem, bye-bye.

2 MS. McCAMMON: Okay. For FY03 Phase I Work
3 Plan we received 33 proposals totalling 4.5 million. The
4 recommendation is to fund or at least further consider
5 funding 31 of those proposals totalling 4.2 million. Of
6 this, I don't know why four projects are deferred, in whole
7 or in part. Parts of four projects or the entirety
8 totalling a half a million dollars are deferred until
9 November. This leaves about 1.8 million for FY03 Phase II,
10 which will be before you on November 25th.

11 I should note that the administrative costs
12 and the project management costs for the full year are
13 included in Phase I, so those won't be coming back before
14 you in November.

15 And we do have Bob Spies here to go through
16 the numbers spreadsheet and the text spreadsheet. As
17 you'll see as we've done in the past there are two
18 spreadsheets, A and B, one includes the numbers, the B
19 spreadsheet goes into further detail with the
20 recommendation from the Chief Scientist and from the
21 Executive Director. There are a few minor changes that
22 have been made since the binder was distributed. One
23 change was to Project 030052, the Tribal Natural Resource
24 Stewardship Project. The recommendation was to defer
25 pending a review of FY02 results. The revised

1 recommendation is to approve interim funding of \$30,100 and
2 defer the balance of \$150,500. And there is revised
3 language that's attached the memo that you should have
4 received with the changes.

5 The second project was 030584, Airborne
6 Remote Sensing Tools, the contingency has been removed
7 since the budget has now been approved.

8 And the third project is 030596, Flow Data:
9 Kenai Peninsula Salmon Stream, the budget was reduced by
10 \$3,000 from 25,600 to 22,600 based on a revised request
11 from the proposer.

12 So a few of the numbers have changed
13 bringing the total to \$3,075,200, which is a little bit
14 different than what you saw originally in your binder.
15 Total deferred \$475,700 for a total of \$4,200,900. And Bob
16 is here to go through the clusters and answer any questions
17 you might have on these.

18 DR. SPIES: Good afternoon, Mr. Chairman.
19 If we can proceed, if everybody is in agreement on
20 Spreadsheet A with the various clusters that we have
21 identified for this first phase.

22 The first cluster is Lingering Injury from
23 Oil Spill. It includes six projects. The first project is
24 Project 190, which is the Linkage Map for the Pink Salmon
25 Genome, this is a small amount of funding to complete the

1 analysis of the results of this longstanding project
2 looking at genetic traits and their mapping on the pink
3 salmon genome and, particularly, in their relationship to
4 survival, growth and reproduction. If you recall, we were
5 depending on having at least 200 fish return to Seward last
6 year from the releases that occurred from that group that
7 resulted from process back in 2000. We got those fish
8 back, we got more than we needed and the analysis is being
9 carried forward. Some analysis have been completed and it
10 looks like there might be some promising things that emerge
11 from this and the \$54,000 there is to complete the project.

12 The next project is the Hydrocarbon
13 Database, which is an ongoing project that tracks the data
14 on analysis on hydrocarbons in the environment. It goes
15 all the way back to '89, it contains tens of thousands of
16 records and that is a relatively low cost item. We need to
17 continue this to support further investigations of oil and
18 its possible effects in the environment.

19 The next project, 476, is the Effects of
20 Oiled Incubation on Salmon Reproduction. Like Project 190,
21 this is a longstanding project, it will be completing with
22 a small amount of funds in fiscal year 03. The F1
23 generation or the first offspring of fish that were
24 initially oiled are returning to the laboratory in
25 Southeast, where they were released, and we're going to see

1 if the second generation might show any effects from oil
2 exposure. Those fish are coming back late this summer and
3 early fall and will be spawned -- or reproductive success
4 evaluated and the project will be wrapped up with the final
5 report next year.

6 Project 585 is the Bioavailability and
7 Effects of Hydrocarbons. This is one of the three
8 interrelated projects dealing with the remaining oil in the
9 intertidal zone. Project 585 has been documenting oil
10 contaminated sites, mainly intertidal sites, in Prince
11 William Sound over the past couple of years and trying to
12 estimate how much oil is actually released, quantitating
13 the amount of oil that may be coming back in the
14 environment and whether it's biologically available.
15 Actually this is a close out, and both 585 and 423, which
16 we will get to later, which is the Nearshore Vertebrate
17 Predator Project, are being rolled up into one project,
18 which is Project 620 and continued on into fiscal year 03
19 as Project 620.

20 The next project is Toxicity Testing, this
21 is the Alaska Green Sea Urchin proposed testing. This
22 project was put in as a proposal and did not pass peer
23 review and so it is not being recommended for funding.

24 Project 620 is the Lingering Oil Exposure
25 Pathways/Population Status, I just referred to this

1 project. It's a roll up of 423 and 585 and it's an attempt
2 to tie down to specific sites oil exposure, with remaining
3 oil and also higher trophic level organisms like sea otters
4 and harlequin ducks that may be associated with these
5 particular areas that remain oiled. So that is an effort
6 to see if maybe some of the continuing problems that we --
7 and evidence that we have oil exposure in sea otters and
8 harlequin ducks, we can establish more firmly the pathways
9 between the remaining oil and those organisms in the
10 environment.

11 Perhaps I'll do here, as I usually do, and
12 stop and ask if there are any questions on this cluster of
13 projects?

14 CHAIRMAN TILLERY: Mr. Gibbons.

15 MR. GIBBONS: Yes, Mr. Spies, on 290, the
16 Hydrocarbon Database, is this one that we think is going to
17 rollover into GEM? I noticed in 04 it's funded also and it
18 supplies the database for a lot of projects. Is this one
19 that you have in mind -- anybody in mind on how long it's
20 going to go on?

21 DR. SPIES: I think as long as we're
22 studying oil in the environment and trying to identify
23 Exxon Valdez oil, as opposed to some of the other potential
24 sources of hydrocarbons out there, that we'll need this
25 project. It has very high levels of quality control and

1 some very good ways of identifying Valdez oil and
2 separating from other sources of oil in the environment, so
3 we need that function as long as we're investigating the
4 remaining effects from the spill. Whether that's, three or
5 four or five more years, that's not clear to me.

6 MR. GIBBONS: Okay.

7 CHAIRMAN TILLERY: Are there other
8 questions on this first cluster?

9 (No audible response)

10 CHAIRMAN TILLERY: Okay. Proceed.

11 DR. SPIES: Okay. The next cluster we call
12 Recovery Monitoring and that includes four projects. The
13 first project is Killer Whale Monitoring. This is a
14 request from Craig Matkin who we've been funding for quite
15 some years to get simply some matching funds to match up
16 with some of the money he has from the North Pacific
17 Research Board to look at killer whales and their potential
18 impacts on Stellar sea lions. And so they're going to be
19 out there on the boats looking at killer whale pods in the
20 Gulf of Alaska and this is a request for 18,000. It's a
21 relatively small amount of money to supplement that effort
22 with continued tracking of the AB pod which the Trustee
23 Council is interested in. So this was a lower priority
24 project, it has a fund contingent on it, and I don't
25 remember what the contingency is, it may be an overdue

1 report.

2 The next project is Herring Disease. This
3 was a request to look into the role of a second pathogen,
4 *Ichthyophonus*, which is actually a fungus. We spent a
5 large amount of effort looking at viral hemorrhagic
6 septicemia virus and their role in decline of herring
7 populations in Prince William Sound. Gary Marty from the
8 University of California, Davis has done this work. The
9 reviewers felt that most of the value of the project has
10 already been realized in manuscripts and publications.
11 This is a longstanding project, it's probably one of the
12 most complete investigations of the role of disease in
13 natural population of fish. However, we felt that the
14 additional work that was requested was of rather low
15 priority. We're recommending that if the investigator can
16 find additional funds from other sources that we contribute
17 \$25,000 towards that effort, not the full 87 that was
18 requested for the full investigation of *Ichthyophonus*.

19 The third project in this cluster is Harbor
20 Seals Monitoring Technologies, and these are a set of tools
21 that are being developed, antibodies and other sorts of bio
22 chemical health measures in harbor seals. There's
23 satisfactory progress being made in this project and fiscal
24 year 03 is the last year in the close out of the project.
25 We're recommending funding that. That's being carried out

1 at the Alaska SeaLife Center by Dr. Atkinson.

2 The last project in this group is the
3 Bivalve Recovery on Treated Beaches. This is, if you
4 recall, Dennis Lees is being funded to go back and look at
5 the sound-wide examination of whether the effects that have
6 been identified up to 1997 by the NOAA HAZMAT team on
7 bivalves are actually continuing and this is an effort to
8 kind of go sound-wide with those questions. It's a
9 relatively modest project, but it's an important way, I
10 think we have, of closing the loop, if you will, on the
11 intertidal studies in Prince William Sound. We recommend
12 funding the close out year at \$36,000.

13 Are there any question on that cluster?

14 MR. GIBBONS: Mr. Chairman.

15 CHAIRMAN TILLERY: Mr. Gibbons.

16 MR. GIBBONS: Just a point. On the harbor
17 seal, is it correct that over 50% of that goes toward bench
18 fees at the SeaLife Center?

19 MS. McCAMMON: Yes.

20 DR. SPIES: Yes.

21 MR. GIBBONS: I thought I saw that
22 somewhere, but.....

23 MS. McCAMMON: Yes, it's expensive to hold
24 marine mammals in captivity.

25 DR. SPIES: Those animals are relatively

1 expensive. They have costs that are unusually high for a
2 scientific project because they're holding those animals in
3 captivity and require a lot of food and they require a
4 tremendous recirculation of water, to keep water quality
5 standards acceptable for the Department of Agriculture,
6 which grants the permits to hold the animals.

7 CHAIRMAN TILLERY: At one point didn't we
8 have the bench fees broken out separately or.....

9 MS. McCAMMON: We did, but this is the only
10 project with bench fees, so we just rolled it in because it
11 was the only one.

12 MR. BALSIGER: Is it also the only Seward
13 SeaLife project?

14 MS. McCAMMON: Yes.

15 CHAIRMAN TILLERY: The genome one?

16 MS. McCAMMON: That's doing a report and
17 the actual field work has been completed.

18 CHAIRMAN TILLERY: Okay. Are there any
19 other questions on this cluster?

20 (No audible response)

21 CHAIRMAN TILLERY: Okay. Dr. Spies.

22 DR. SPIES: Mr. Chairman, the third cluster
23 is Ecosystem Recovery and Function. There's two project in
24 there and one is being recommended for funding, the other
25 is not. Project 423, as I mentioned in the cluster of

1 projects relating to lingering oil, and this project is
2 slated for close out in fiscal year 03. It has been an
3 investigation of sea otters and harlequin duck population
4 phenomena and the relationship between recovery and
5 continuing exposure to oil. There's one more year of field
6 work with the harlequin ducks in trying to see if there's
7 any relationship between the poorer survival that is seen
8 on the western side of Prince William Sound in female
9 harlequin ducks and the elevated levels of P450 enzyme,
10 which is indicative of oil exposure, among other things.
11 So that project is being closed out at 216,000 and we're
12 recommending funding that.

13 The second project is a Biomarker project
14 looking at a whole suite of biomarkers and bivalves and
15 this project did not receive -- or received some serious
16 criticisms in the peer review process and the proposers
17 have had an opportunity, but have not yet responded with
18 their revised proposal, so that's being recommended for a
19 deferral.

20 And those are the only two projects in that
21 cluster.

22 CHAIRMAN TILLERY: Are there questions?

23 MR. GIBBONS: Mr. Chairman, just a comment.
24 I think it would helpful on the spreadsheet if we just put
25 --you know, if we're going to put it up -- it's a close out

1 project, because some of them, you mentioned, were close
2 outs and that might be -- like 423 was and some -- it would
3 be interesting just to.....

4 MS. McCAMMON: You can tell it's a close
5 out project because in FY04 there's zero funding.

6 MR. GIBBONS: It's zero funding in 04?

7 MS. McCAMMON: Yes.

8 MR. GIBBONS: So.....

9 MS. McCAMMON: If there is funding that
10 means it's kind of committed to continuing, if it's blank
11 it means they want to continue but there's no commitment.

12 MR. RUE: I have a quick question.

13 CHAIRMAN TILLERY: Commissioner Rue.

14 MR. RUE: Yeah, how does 423 relate to 620?

15 DR. SPIES: 620 is kind of a roll up of
16 423. In 423 we were studying sea otter and harlequin duck
17 population on kind of sound-wide basis and contrasting
18 those populations in western and eastern Prince William
19 Sound with regard to population levels and oil exposure.

20 MR. RUE: Okay.

21 DR. SPIES: Project 620 is taking a more
22 focused view, Frank, in order to try to make, if we can,
23 explicit links between the remaining oil and areas like
24 Herring Bay and the Bay of Isles and particularly areas
25 that have emerged out of Project 585 as areas where there's

1 persistent oil. We know that there's some of these sea
2 otters and harlequin ducks associated with some of those
3 areas so we're trying to focus in on a more narrow
4 geographic region to try to see how tight we can make those
5 linkages.

6 MR. RUE: Okay, great. Thanks.

7 CHAIRMAN TILLERY: Dr. Spies, in 423 it
8 talks about the PA450, which indicates oil exposure or PCB
9 exposure or some other thing?

10 DR. SPIES: It responds, generally, to a
11 group of organic molecules like continuing oil and also
12 some PCBs and dioxins and some other related things that
13 have common structural properties that interact with
14 certain receptors and induce the production of more enzymes
15 that are associated back with the metabolism of some of
16 those same compounds. And so they can -- we know of no
17 evidence that these things would necessarily be responding
18 to other compounds, but that's certainly a possibility. So
19 it's not just oil, but they're awfully good markers of oil
20 and used in many other situations with offshore platforms
21 in the North Sea, for instance or work that I've done with
22 oil seeps along the south California coast or in other
23 areas where there's contaminated sediments with petroleum
24 products in them. They've also been associated with PCBs
25 in many other areas of the world as well.

1 CHAIRMAN TILLERY: Is there a thought of
2 trying to narrow that down to oil, is there a way to do
3 that?

4 DR. SPIES: There are ways to do that and
5 there are analysis. We have made some analysis of PCBs and
6 tissues in order to see if they are involved at all, if
7 they show any correlation, so that's being looked at.

8 CHAIRMAN TILLERY: Okay. Next cluster.

9 DR. SPIES: The next cluster project is the
10 Cross-Habitat Linkage Synthesis. Our first project is EVOS
11 Synthesis, in fact, it's the project that I'm the principle
12 investigator on, and my only comment on that is to say the
13 Executive Director has recommended a fund on that. This is
14 the second year of a three-year project.

15 Project 607 is the GIS Map of Water Quality
16 Monitoring Sites. And this is a relatively modest request
17 for \$13,000. It has a contingency on the fund, I think
18 it's related to a report from another project, but this is
19 essentially -- oh, excuse me, we're also asking them for a
20 little bit more specificity as to what geographic sites.
21 What they're proposing to do in most of the northern Gulf
22 of Alaska is to look at data that's been gathered and put
23 this into a GIS, a geographic information system, format,
24 so they'll be looking at a lot of oceanographic and water
25 quality stations that have been taken over the years in the

1 northern Gulf of Alaska. That's the Cook Inlet Keeper that
2 is proposing to do that.

3 Project 625 is the next one, it's the
4 Isotope Ecology Synthesis. All during the SEA Program,
5 starting about 1994 we've taken a lot of stable isotope
6 measurements and used those to interpret various phenomenon
7 in the food web of Prince William Sound and give us some
8 insight into how that was structured in terms of its
9 trophic interactions between different species and also the
10 source of carbon, whether it's originating in Prince
11 William Sound or outside the Sound for some of the key
12 species there. And this project will attempt to draw
13 together all that information and produce, for a relatively
14 modest amount of money, a manuscript that synthesizes all
15 that information.

16 Those are the only three projects in that
17 cluster.

18 CHAIRMAN TILLERY: Are there questions or
19 comments?

20 MR. BALSIGER: I have one question. Isn't
21 the -- or maybe I just lost track, but isn't 03631; isn't
22 that also in this cluster? Or did you mention that?

23 DR. SPIES: Oh, excuse me, you're right, I
24 didn't turn the page.

25 MS. MCCAMMON: It is, but it's a do not

1 fund, so -- but, yeah.

2 DR. SPIES: Yeah, it's another proposal
3 that came from the same investigator of the last proposal
4 that I mentioned and it was related to trying to establish
5 some of the trophic interrelationships between pollock and
6 herring. And the reviewers felt that some of the questions
7 that were being asked were confounded by some of the way
8 the data was being collected and didn't feel it was of --
9 they had enough problems not to recommend funding, so we're
10 recommending a do not fund on that project.

11 CHAIRMAN TILLERY: Are there follow ups on
12 that? Ms. Brown.

13 MS. BROWN: Not on that one.

14 CHAIRMAN TILLERY: Oh, on another one?

15 MS. BROWN: On 607, I'm kind of curious of
16 how that one is, you know, interacting with some of the
17 other similar projects on databases of water monitoring and
18 other projects that we funded, as well as other projects
19 outside of GEM.

20 DR. SPIES: Right, we funded some of the
21 Cook Inlet Keeper's work, and that's almost all been based
22 on fresh water and this is a wider view of looking at the
23 whole northern Gulf and that would include a lot of the
24 water quality measurements that have been made in Cook
25 Inlet over the years and also other parts of the northern

1 Gulf of Alaska. Presumably include all the FOCI work and
2 the Shelikof Strait and also it'll be the projects that are
3 being carried out by NOAA and National Science Foundation
4 now in the northern Gulf, as well the SEA Project and other
5 ones. So it's a pretty comprehensive look at water quality
6 maps. Phil Mundy, the lead scientist for GEM, has assured
7 me this would be a useful product to have available.

8 MS. McCAMMON: Mr. Chairman, it also will
9 feed into CIIMMS, which is using Storet and the existing
10 water quality databases, but it will also be useful for GEM
11 planning purposes in this next year, so it will be both.

12 MS. BROWN: Okay.

13 MS. McCAMMON: Yeah. But it's not setting
14 up like a -- it's setting up a subset of an existing
15 database, I guess, would be more likely.

16 MS. BROWN: Okay. Because I was worrying
17 about it being more in.....

18 MS. McCAMMON: Yeah.

19 DR. SPIES: That was the first questions
20 the reviewers asked, too.

21 CHAIRMAN TILLERY: Okay. Are there other
22 questions or comments on this cluster?

23 MR. BALSIGER: One more question, if I
24 could, Mr. Chairman? This is Jim Balsiger.

25 CHAIRMAN TILLERY: Go ahead.

1 MR. BALSIGER: The 600 proposal, I think I
2 heard you say this, but this is intended to be concluded
3 after the 04 funding, so it would be a three-year project
4 that would culminate in the product; is that right?

5 DR. SPIES: That's correct.

6 MR. BALSIGER: Thank you.

7 CHAIRMAN TILLERY: Other questions or
8 comments?

9 (No audible response)

10 CHAIRMAN TILLERY: Okay. Dr. Spies.

11 DR. SPIES: Next cluster is Cross-Habitat
12 Linkage: Community Involvement cluster for GEM. It
13 includes six projects. The first project is the Tribal
14 Natural Resource Stewardship, it's Project 052. This
15 project has a defer on it.....

16 MS. McCAMMON: This is the one that
17 changed.

18 DR. SPIES: Right.

19 MS. McCAMMON: So it's to fund \$30,100 in
20 interim funding and defer the remainder.

21 DR. SPIES: So the deferral is for.....

22 MS. McCAMMON: \$150,500.

23 DR. SPIES: Okay. The next project is
24 Project 210, it's the Prince William Sound/Lower Cook Inlet
25 Youth Area Watch. This has been a relatively successful

1 project, but there's some questions about what is actually
2 been accomplished and kind of an accounting of what's
3 happened in that project, in particular, over the last
4 year, so there's a contingency on that particular project
5 until more information is received.

6 The next project is 561, which is a
7 Community-Based Forage Fish Sampling Project. It's been
8 very successful in the past and is a very solid concept,
9 actually using the fish that are caught on the recreational
10 fisheries, particularly halibut fishery to look at as a
11 kind of index as to what kind of forage fishes are
12 available in the area, such as around the Chiswell Islands.
13 Kind of a low cost data gathering effort that's pretty
14 useful, so we recommend for funding on that. The reviewers
15 were impressed with the past results of that project and
16 the investigator is particularly well qualified and
17 capable.

18 Project 575 is a Community Involvement
19 Monitoring Plan. This is being recommended for partial
20 funding and there's a contingency on that project. The
21 request is for \$109,000.

22 The next project is Project 610, it's the
23 Kodiak Island Youth Area Watch. This project has been very
24 successful and has made a really good accounting as to what
25 they've done and very impressive project. The reviewers

1 gave it very high marks and we're recommending that be
2 funded.

3 And, finally, the last project in the
4 cluster is 636, the Commercial Fishing Management
5 Applications. This is based in the Cordova community and
6 it's an initiative of the fishermen and the fishing
7 community to try to extend further the interaction of the
8 scientific findings that have gone on in Prince William
9 Sound further into fisheries management and to try to form
10 kind of a partnership to move forward. We've asked them to
11 identify a science review group and they've done that and
12 so the contingency has been removed and we're recommending
13 that project for funding now.

14 That's the last of that Community
15 Involvement cluster.

16 CHAIRMAN TILLERY: Okay. Are there
17 questions? Mr. Gibbons.

18 MR. GIBBONS: On 575 it says fund part or
19 fund part contingent. That has 109.6 on the spreadsheet.
20 What part are we funding?

21 MS. McCAMMON: We are funding 50.....

22 MS. SCHUBERT: If you look on Page 15 of
23 spreadsheet B, which is the narrative and it describes that
24 Phase I is 51,000 in terms of.....

25 MS. McCAMMON: And it's for the community

1 monitoring capacity assessment, literature review and
2 planning.

3 MR. GIBBONS: So we're proposing to fund
4 Phase I?

5 MS. McCAMMON: 51.8.

6 CHAIRMAN TILLERY: Okay. Other questions
7 on this cluster? Comments?

8 MR. BALSIGER: Mr. Chairman, I do have one
9 question, if I could?

10 CHAIRMAN TILLERY: Mr. Balsiger.

11 MR. BALSIGER: On that Project 636, which
12 is fisheries interaction, I'm trying to think of what kind
13 of -- can you think of an example of something they might
14 come up with, so I -- I can't quite grasp what they might
15 take from EVOS and recommend to the Board of Fisheries.
16 Can you give me an example of what it might be?

17 MS. McCAMMON: Phil Mundy put that in, so
18 I'll have Phil Mundy answer that.

19 CHAIRMAN TILLERY: Dr. Mundy, explain
20 yourself.

21 DR. MUNDY: Mr. Chairman, for the record,
22 my name is Phil Mundy and I'm staff to the Trustee Council.
23 Dr. Balsiger, I think that one example of that would be in
24 operations for the fishery. For example, I believe you
25 know adult salmon migrations are -- I keep getting some

1 feedback or hearing it.

2 MS. McCAMMON: It's on the phone.

3 DR. MUNDY: Adult salmon migrations, the
4 timing of those are.....

5 DR. SPIES: It's like you're on line with
6 R2D2.

7 (Laughter)

8 DR. MUNDY: The adult salmon migration is
9 very sensitive to changes in water temperature and, of
10 course, that's controlled by climate. We have some
11 datasets from the SEA Program, which in conjunction with
12 other monitoring programs, we would hope, might be able to
13 help the salmon managers in the Cordova area understand the
14 differences and timing of salmon. This is just as an
15 example.

16 Another line of research that they're
17 interested seeing brought to fruition are the models in the
18 SEA Program that predicted the survival of the juvenile
19 herring and the survival of the juvenile pink salmon, based
20 on oceanographic and climatic features. And we got those,
21 up to a point, by the end of the SEA Program, but haven't
22 actually been able to take the next step and get those into
23 the hands of managers so that they can do short-term
24 forecasting on abundance.

25 So those are three examples of the types of

1 information that we hope this group will facilitate in
2 bringing scientists and managers together.

3 MR. BALSIGER: Thank you, that was useful
4 for me, I appreciate it.

5 CHAIRMAN TILLERY: Okay. Are there other
6 questions or comments?

7 (No audible response)

8 CHAIRMAN TILLERY: Okay.

9 DR. SPIES: Okay, the next cluster is the
10 Watershed Habitat cluster, it's got two projects in it.
11 Project 596 is a modest request again from the Cook Inlet
12 Keeper to maintain the USGS established flow gauging
13 station on the Ninilchik River. This is a request for
14 \$25,000 and it's been -- it was fairly favorably reviewed
15 by the review team and recommend to fund.

16 Project 649, Reconstructing Sockeye
17 Populations, is a really great project, in my estimation,
18 and builds on work that's looking at the long-term record
19 of sockeye salmons in lakes and the northern Gulf of
20 Alaska. The investigator is able to take this record back
21 some 3,500 years now and look at -- based on the abundance
22 of various kinds of diatoms in the lake sediments, also
23 nitrogen isotopes, that the main nitrogen sources to these
24 lakes being marine and it changes the isotope composition.
25 And, actually, reconstruct the sockeye populations back

1 that far and some very interesting finds are coming out of
2 that with kind of more than just decadal oscillations and
3 oscillations are documented on the scale of hundreds of
4 years, if not a thousand years. So that is really helping
5 provide a context, I think, for the future work in GEM.

6 So those are the two projects in the
7 Watershed Habitat.

8 CHAIRMAN TILLERY: Okay. Questions? Ms.
9 McCammon.

10 MS. McCAMMON: Mr. Chairman, just a note
11 that 596 now is going through Fish and Game so that it
12 could be a considered match for the Federal funds and that
13 it's 22.6 thousand.

14 CHAIRMAN TILLERY: Okay. Other comments or
15 questions?

16 (No audible response)

17 DR. SPIES: Next cluster is the
18 Intertidal/Subtidal Habitat. There's two project there,
19 Remote Airborne Sensing Tools, this is being done by -- it
20 involves quite a bit, including LIDAR and other sorts of
21 airborne sensing tools that take a simultaneous look at a
22 lot of different biological factors in the northern Gulf of
23 Alaska. And it's being run, along with some of the
24 oceanographic programs being sponsored in the GLOBEC
25 Program by NSF and NOAA. The amount being requested is

1 \$39,000 to close out that project. You also heard Molly
2 mention earlier that on the airborne sensing tools that the
3 contingency had been removed.

4 The next project is 656, Nearshore
5 Analysis: Archaeology and Isotopes. This has a
6 contingency on it, it's a close out for \$53,000. This
7 involved looking at the isotope record in relatively
8 complete series of records in middens on the Alaska
9 Peninsula. They just recently involved the
10 paleoceanographer in that group and this project promises
11 to provide, again, some interesting context for GEM and
12 perhaps some interesting cross link, which is what the
13 Project 649 is Reconstructing, Sockeye Populations over a
14 long-term period.

15 And those are the two projects for that
16 cluster.

17 CHAIRMAN TILLERY: Okay. Questions or
18 comments for Dr. Spies?

19 (No audible response)

20 CHAIRMAN TILLERY: Okay, proceed.

21 DR. SPIES: Next cluster has one project,
22 that's Project 340, it's Long-Term Oceanographic
23 Monitoring. This is being shared between GLOBEC and the
24 GEM Program. It's the monitoring at the GAK1 station on
25 the GAK line. It's provided a 35-year record of salinity

1 temperature in the northern Gulf of Alaska and allowed
2 tremendous amount of analysis about long-term change in
3 oceanographic parameters that affect the whole ecosystem in
4 the northern Gulf. There's a contingency on that project,
5 probably an overdue report.

6 MS. McCAMMON: No, it's a description of
7 the deployment procedure.....

8 DR. SPIES: Right, it's quality control.

9 MS. McCAMMON:in the middle of the
10 manuscript. And also manuscript promised in FY02.

11 DR. SPIES: The next -- well, excuse me, I
12 should stop and ask if there are any questions on that
13 project.

14 CHAIRMAN TILLERY: Yeah, are there
15 questions or comments?

16 (No audible response)

17 CHAIRMAN TILLERY: Dr. Spies, I thought I
18 recalled that when we started GAK that it was sort of an
19 interim thing and somebody had been doing it before we got
20 there and somebody was going to take it up after we did our
21 fair share or something like that; am I mistaking that?

22 MS. McCAMMON: The university was funding
23 it for years, now it's being shared by GLOBEC and the
24 Trustee Council. There's no commitment in terms of future
25 funding for it, but it is increasingly shown its

1 importance, these kinds of stations and moorings have shown
2 their importance to a greater understanding of
3 oceanographic conditions that are important to
4 understanding the entire system. So there's not a
5 commitment to funding it forever, but it very important and
6 it should be funded by someone. We always look for someone
7 else fund it.

8 DR. SPIES: Well, I think all the
9 scientists who have looked at GEM Program would agree that
10 GAK1 is probably more than any other project needed. We
11 have a 35-year record there, might as well keep going.

12 MS. McCAMMON: Yeah.

13 DR. SPIES: Also we're not only measuring
14 temperature and salinity, which were taking on about a
15 monthly basis as the ships from the university's marine
16 station in Seward were steaming in and out of the
17 Resurrection Bay. And now more sensors have been added to
18 it, we got a finer structure to the water column, we got
19 some biological sensors in there for fluorescence and so
20 forth, so it's really measuring more than what -- and doing
21 more than what the university did and we've got more of a
22 continuous record, and that's really helping to resolve a
23 lot of processes.

24 MS. McCAMMON: I should also mention
25 there's a national effort to establish regional ocean

1 observing system throughout the country and the desire,
2 eventually, would be to have an Alaska ocean observing
3 system, an entire integrated network that would be covered
4 by base funding from Federal funding. And so that's what a
5 lot of people are starting to work on to get something like
6 that put together. This would be one of the pieces that
7 would go into that kind of an integrated system.

8 CHAIRMAN TILLERY: It is suggested next
9 year the funding will be cut almost in half, does that mean
10 we're getting another financial partner? It's going to get
11 cheaper or what?

12 MS. McCAMMON: The additional funding this
13 year was because of the additional equipment that was added
14 to the mooring. So the base funding that we've been doing
15 is about 32,000.

16 CHAIRMAN TILLERY: It's about 30 -- that's
17 the same, okay.

18 MS. McCAMMON: Yeah.

19 CHAIRMAN TILLERY: Any other questions or
20 comments?

21 (No audible response)

22 DR. SPIES: The next cluster also has just
23 one project in it, if I'm reading this right. Yeah. And
24 that's the Ships of Opportunity Project. Again, this is
25 something that's putting instrumentation out there and

1 measuring basic oceanographic parameters, but this time
2 instead of a mooring it's a ship of opportunity. It's on
3 the Polar Seas, isn't that right, Phil?

4 DR. MUNDY: Yes.

5 DR. SPIES: Yeah, that's it. It uses the
6 inflow of sea water through the sea water system of a
7 tanker that traffics between Port Valdez and Long Beach.
8 And after some initial start up problems that have been
9 overcome the instrumentation is on there and their first
10 record has been just recently taken. And it's a continuous
11 record of temperature and salinity on the surface and
12 fluorescence on the surface between Long Beach and the Gulf
13 of Alaska, and some very interesting patterns are emerging
14 from that data. The ship happens to be in dry dock
15 unexpectedly, so that's kind of one of the downsides of
16 ships of opportunity, but we're getting a lot of data for
17 the amount of money we're spending.

18 Questions on that?

19 CHAIRMAN TILLERY: Okay. Questions?

20 (No audible response)

21 CHAIRMAN TILLERY: Okay.

22 DR. SPIES: The next cluster is Data
23 Management and Information Transfer. Project 455 is
24 support for the GEM data system and GEM data manager at
25 \$212,000 for next year. This is absolutely an essential

1 part of the GEM Program. Everybody says that data
2 management is the thing that you really have to pay
3 attention to in these long-term programs, so that's what's
4 being proposed here. It's a sizable project and very, very
5 necessary one.

6 MS. McCAMMON: Mr. Chairman, if I could
7 just add, this includes the funding for two staff
8 positions, actually, the data systems manager and hiring,
9 beginning October 1, an assistant data systems manager. At
10 the same time we've been doing a lot of our internal data
11 support through a contract with NBS and that contract will
12 be ended. And so this person will take over the management
13 of our internal data system, as well as assisting Bob
14 Walker in establishing a lot of our data programs and
15 following through with all of the projects and ensuring
16 that we actually know where data is that is being archived,
17 that it's following all of the protocols and policies that
18 you adopted last May.

19 DR. SPIES: The second and last project in
20 that cluster is the continuing support for ARLIS at
21 \$95,000. That's being recommended as support.

22 CHAIRMAN TILLERY: Okay. Are there
23 questions, comments?

24 MR. BALSIGER: Mr. Chairman, Jim Balsiger.

25 CHAIRMAN TILLERY: Mr. Balsiger.

1 MR. BALSIGER: 455, then, that's picking up
2 a salary and then ongoing management of the system. Can we
3 expect that it will be about 212 plus inflation in the out
4 years as well?

5 MS. McCAMMON: Well, most of the
6 recommendations from the National Research Council review
7 and other indicate that most long-term programs underfund
8 data management. And whether data management -- I mean, it
9 includes actually handling the data, it could include
10 developing models, synthesis, it could be a lot of those
11 things, but kind of the rough ballpark recommendation was
12 about 20% of the program should be spent on data
13 management. So my guess is this will increase, not
14 decrease. It's a question, though, of whether you see it
15 in the form of models or some other product for the public
16 or for some user group. And what we don't know is how much
17 would be done by a centralized staff here versus
18 contracting out with other expertise, either at the
19 university or within some other agency, be it Federal or
20 State. So that will be presented either through additional
21 projects or through a new project proposal next year.

22 MR. BALSIGER: Okay, thank you.

23 CHAIRMAN TILLERY: Other comments?

24 (No audible response)

25 CHAIRMAN TILLERY: Ms. McCammon, I have a

1 question about the library.

2 MS. McCAMMON: Yes.

3 CHAIRMAN TILLERY: Which is, I receive on a
4 reasonable regular basis requests from people wanting to
5 destroy documents relating to the oil spill, it's a cost
6 and a burden and they really want to get rid of them. At
7 this point we're under a certain court order requiring us
8 to retain most of them. I think as we move into GEM
9 there's going to be some push to get rid of some of the
10 existing information. Do we have -- is there a way, I
11 guess, all the Council members, is it appropriate for us to
12 sort of look at comprehensive document policy in terms of
13 what we should do with all these old things. Old beach
14 walk surveys, all of those kinds of things that are sitting
15 around, like, basically millions of pages of documents.

16 MS. McCAMMON: Well, this is an archiving
17 project that we started about three, maybe even four, years
18 ago and it's one of those kind of orphan projects that when
19 someone leaves they give it to some other hapless poor
20 person who -- it gets to the bottom of the list and then
21 they move on and it gets transferred another person. We've
22 had some work done on it, we're a little bit complicated by
23 the fact that there is a court order, that we're also
24 Federal and State and so it would require some kind of an
25 agreement on where you keep the documents. There would

1 have to be an agreement -- you either have to have a
2 duplicate set of all documents and put the entire set in
3 the Federal archive, an entire set in a State archive or
4 you have to have some agreement that one government would
5 agree that housing it in the other government's archive is
6 satisfactory. But then it gets into issues of
7 accessibility, and it's not an easy issue and it's one we
8 do have to come to grips with and we've been kind of
9 punting it a little bit here. But it's our list of things
10 to do, it's on there.

11 CHAIRMAN TILLERY: Okay. As we get further
12 along, it seems there's more opportunity for things to
13 accidentally be destroyed or something, hopefully it hasn't
14 happened, but it is a continual issue, at least with the
15 State, I don't know about the Federal government. I
16 suspect it's true of the Federal government also. I'm not
17 sure -- it seems that if there was one location that we
18 could keep all of this stuff relating to the oil spill or
19 someone could make a decision that it's not important and
20 we should, perhaps, not keep it. As soon as this
21 litigation is over, if the litigation is ever over, there
22 will be, I think a big push to get rid of a lot of
23 documents.

24 MS. McCAMMON: I would say 2006 we have to
25 have this issue resolved.

1 CHAIRMAN TILLERY: I think we should, yes.
2 Right. Maybe you could push someone, if you got anybody
3 left to push at the beginning of the year.

4 MS. McCAMMON: Yeah, I probably won't have
5 anyone. It may be something that we end up having to
6 contract out to deal with it.

7 CHAIRMAN TILLERY: Okay. Anyway, just my
8 two cents on that one. Anything else?

9 (No audible response)

10 CHAIRMAN TILLERY: Dr. Spies.

11 DR. SPIES: Okay. Science Management is
12 the next cluster, it's got two projects. The first one, in
13 fact, is called Project Management, it's 137.6 thousand.
14 And the next cluster [sic] is Science Management, which is
15 278,000. I don't know whether Molly or Phil want to
16 comment, I haven't been directly involved in the projects.

17 MS. McCAMMON: The Project Management 250
18 is similar to the one you've seen before, and it's based on
19 how many projects each agency has the lead management for
20 and how many projects, overall, are funded. So this was a
21 proposal that was floated earlier in the summer and it
22 basically includes the recommendations from the Trustee
23 agencies in terms of their project management needs.

24 630, the Scientific Management, this
25 project includes a couple of pieces. One is to fund kind

1 of the whole process of peer review, the Scientific and
2 Technical Advisory Committee, the subcommittees as they get
3 developed, their meetings, travel, staff support for this
4 process, which is done by Katharine Miller in our office.
5 It includes a contract with Bob Spies to continue finishing
6 up the work on lingering oil injury, which is also
7 reviewing past reports, annual and final reports, and then
8 continuing the work on the existing lingering oil work.

9 And I should mention here that Bob Spies'
10 contract expires at the end of this fiscal year and the
11 Alaska Department of Natural Resource is working to either
12 to extend his contract, if possible, as a continuation of
13 the existing work, or they will do basically a named-
14 recipient contract that's allowed under State law. But the
15 main reason for keeping Bob on with this is because we are
16 finishing up a lot of this work, he's already begun half of
17 it, there are a number of projects that are in process.
18 And to have his contract go out to bid and have it started
19 by someone new would cost a lot -- I'm sure a lot more and
20 would be very inefficient, so it really behooves us to have
21 Bob continue on with this work.

22 This also includes funds for the beginning
23 of developing a State of the Gulf Report, providing
24 regional input into a report that's being done by PICES,
25 the North Pacific Marine Science Organization, which would

1 be a report on the status of the North Pacific. And, as I
2 mentioned, it supports the linger oil effects subcommittee
3 and review process.

4 CHAIRMAN TILLERY: Okay. Are there
5 questions?

6 (No audible response)

7 CHAIRMAN TILLERY: Ms. McCammon, is there
8 any need for the Council to designate Dr. Spies?

9 MS. McCAMMON: No, but it needs to be
10 mentioned on the record, so I'm noting this. It's also in
11 the project description and so if you approve it, then that
12 should be sufficient. We don't know if we'll need that
13 yet.

14 CHAIRMAN TILLERY: Anything else?

15 (No audible response)

16 CHAIRMAN TILLERY: Okay, Dr. Spies.

17 DR. SPIES: And the final cluster is the
18 Public Information and Administration for the whole effort,
19 science program, at \$1.1 million.

20 MS. McCAMMON: This is the 100 budget and
21 it's included under a separate tab in your binder.

22 CHAIRMAN TILLERY: Are you going to have
23 any further description or.....

24 MS. McCAMMON: I could go through, if you'd
25 like to. It's similar to past budgets. The major changes

1 are on Page 1, which the one increase -- well, personnel
2 costs always increase because of annual salary merit
3 increases. State raises increase, insurance costs, our
4 lease, our building lease budget has increased because it's
5 for the full 12 months and USGS has offered not to earn
6 general administration cost on top of that lease. And it
7 does move the Chief Scientist's contract out of the
8 operations budget into the science management budget. It
9 increases the general administration to a flat 9% rate
10 applied to all direct costs. And it doesn't have a PAC
11 field trip this year, although we may come back later and
12 ask for that if this one in the fall doesn't actually
13 happen.

14 And one of the things -- I think I've
15 mentioned to a couple of Trustees individually, and one
16 thing I want to look at this next year, is -- I mean, this
17 is an expensive budget and what it really highlights, I
18 think, is that there is a certain critical mass that you
19 need to run a program and about the same critical mass
20 whether it's a five or six million dollar program or if
21 it's a 20 million dollar program, you really need a certain
22 kind of personnel, you need a certain kind of oversight, a
23 certain kind of outreach and public information structure
24 no matter -- it's not dependent, actually, on the size of
25 the program, but it looks more expensive, certainly, for a

1 five or six million dollar program. And I will be looking
2 for ways this next year to try to reduce those costs and
3 bring some options before you sometime during this year,
4 before the beginning of the next fiscal year and, at least,
5 the Trustee Council can look at it thoughtfully and decide
6 and get some input from the Public Advisory Committee in
7 terms of what kinds of things they'd like to have the staff
8 do and have the program do and whether the administrative
9 costs are reasonable.

10 CHAIRMAN TILLERY: Are there questions or
11 comments?

12 MR. BALSIGER: Mr. Chairman, I have one
13 question. I can't quite pick it out of here, but I know
14 that the building lease -- when we talked about this, I
15 think it was just last year, it was with the recognition
16 that the building was larger than we needed and there might
17 be an opportunity to sublet some of it to some other group,
18 such as the North Pacific Research Board. So are we doing
19 that?

20 MS. McCAMMON: Yes, but we're doing that by
21 adjusting the building lease costs. So we -- is that
22 correct; is that how we're doing it? We're getting a
23 rebate basically.

24 MR. BALSIGER: Yeah, I guess I don't care
25 how we do it, as long as we are recovering some.....

1 MS. McCAMMON: Yes, we are.

2 MR. BALSIGER: Okay, that's great. Thank
3 you.

4 CHAIRMAN TILLERY: Ms. McCammon, if I
5 understand your comments then, if we were, for example, to
6 join administrative forces with another program like NPRB
7 that has a similar or slightly larger budget, then it
8 really wouldn't -- I mean, we could both save?

9 MS. McCAMMON: Absolutely, absolutely. A
10 lot of our functions are very similar. We do have some
11 different aspects to it because NEPA is required under our
12 program, it's not under NPRB. Some of our, just,
13 accounting processes are different, we work -- grants and
14 contracts are through a State or Federal agency, whereas
15 the NPRB is doing their grants and contracts through the
16 SeaLife Center, which is considered a private non-profit,
17 so there's some difference in there, and reporting and
18 accountability. We have a much, much larger public
19 outreach, public process, educational component to it than
20 the NPRB does at this point, but I'm sure over time they'll
21 probably develop a much larger program, too. But a lot of
22 it in terms of planning, communications with various
23 stakeholder groups, trying to set priorities, trying to
24 work the program so it fits with other efforts, a lot of
25 that is very similar. They have a larger geographic region

1 than we do.

2 And we are working very closely with NPRB,
3 it's actually been, I think, to both organizations'
4 benefit, to have us co-located here. We've had a couple of
5 joint workshops, the January workshop is being planned as a
6 joint workshop between EVOS projects, the GLOBEC Program,
7 which has not presented its Gulf of Alaska results yet,
8 this will be the first public presentation of their program
9 up here. The Steller Sea Lion Investigations, we're doing
10 a program with them and then also with North Pacific
11 Research Board and the work being done at the SeaLife
12 Center. So it will be a major scientific conference, week
13 long, in January with all the groups coordinating and
14 cooperating, working together.

15 CHAIRMAN TILLERY: Are there any more
16 questions?

17 (No audible response)

18 CHAIRMAN TILLERY: Okay. That brings us to
19 the end?

20 MS. McCAMMON: Yes. This is the motion.
21 This year, based on a request from the Department of Law,
22 we are doing this as a resolution instead of a motion and
23 the resolution, basically, just captures the spreadsheets
24 that were in the binder and it reflects what used to be in
25 the form of a motion.

1 MR. BALSIGER: Mr. Chairman, I did have one
2 last question, if I could?

3 CHAIRMAN TILLERY: Okay.

4 MR. BALSIGER: I think I saw that almost
5 all of the project were either funded or funded contingent
6 or deferred, except for perhaps two; is that true? I know
7 on the list there's only two that shows do not fund, but is
8 that absolutely all the proposals that were submitted that
9 show up on the spreadsheet?

10 MS. McCAMMON: That's correct.

11 MR. BALSIGER: Thank you.

12 MS. McCAMMON: There was a high success
13 ratio this year.

14 MR. GIBBONS: Mr. Chairman.

15 CHAIRMAN TILLERY: Yes.

16 MR. GIBBONS: Yeah, I've got a comment.
17 Just rough math, I looked -- over 50% of these will be
18 close outs, so next year will give us a lot of flexibility
19 in where we go, am I right with that? It looked like over
20 50%.

21 MS. McCAMMON: Well, that's correct, but a
22 lot of those projects that are close out are pilot
23 projects, they're prototypes, you may want to consider them
24 again, but they're being closed out and then, I'm sure, a
25 number of them will come back for reconsideration.

1 MR. GIBBONS: I was just thinking I kind of
2 like the concept because it gives us a lot of flexibility
3 next year.

4 MS. McCAMMON: Right.

5 CHAIRMAN TILLERY: Okay.

6 MS. McCAMMON: And Michele has the
7 resolution.

8 CHAIRMAN TILLERY: Ms. Brown.

9 MS. BROWN: The whole thing has to be read?

10 MS. McCAMMON: Yeah, you have to read the
11 whole thing.

12 MS. BROWN: Everybody get your pillows.
13 Shall I proceed?

14 MS. McCAMMON: You can just do the yellow.

15 MS. BROWN: Oh, okay, got it.

16 CHAIRMAN TILLERY: If you have a motion,
17 please proceed.

18 MS. BROWN: Okay. I'd like to move
19 Resolution 02-07 of the Exxon Valdez Oil Spill Trustee
20 Council regarding the fiscal year 03 Work Plan. The total
21 approved would be 3,725,200. Funds must be spent in
22 accordance with Attachments A and B.....

23 MS. McCAMMON: Which are the spreadsheets.

24 MS. BROWN:which are the spreadsheets
25 which we have just gone over, with the following

1 conditions:

2 One, if a principle investigator has an
3 overdue report or manuscript from the previous year, no
4 funds may be expended on the project involving the PI
5 unless the report is submitted or a schedule for submission
6 is approved by the Executive Director.

7 Two, a project's lead agency must
8 demonstrate to the Executive Director the requirements of
9 the National Environmental Policy Act are met before any
10 project funds may be expended, with the exception of funds
11 spend to prepare NEPA documentation.

12 And, three, a PI for each project must
13 submit a signed form to the Executive Director indicating
14 -- should be his/her agreement, but it says theirs -- to
15 abide by the Trustee Council's data and report requirements
16 before any project funds may be expended.

17 By unanimous consent we hereby request the
18 Alaska Department of Law and the Assistant Attorney General
19 of the Environment and Natural Resources Division of the
20 United States Department of Justice to take such steps as
21 may be necessary for withdrawal of the fiscal year 2003
22 Work Plan Phase I amount, 3,725,200, from the appropriate
23 account designated by the Executive Director.

24 CHAIRMAN TILLERY: Is there a second?

25 MR. GIBBONS: I'll second it.

1 CHAIRMAN TILLERY: It's been moved and
2 seconded. Is there discussion on the motion?

3 (No audible response)

4 CHAIRMAN TILLERY: Ms. Brown, am I correct
5 in thinking that the attachments would include this August
6 5th memo.....

7 MS. McCAMMON: They're included, yes.

8 CHAIRMAN TILLERY: That's enclosed?

9 MS. McCAMMON: Yeah.

10 CHAIRMAN TILLERY: Okay. So basically it's
11 the spreadsheet as amended by this document.

12 MS. BROWN: As amended.

13 CHAIRMAN TILLERY: Is there any further
14 discussion on Phase I resolution?

15 (No audible response)

16 CHAIRMAN TILLERY: Hearing none, all in
17 favor of the resolution signify by saying aye.

18 IN UNISON: Aye.

19 CHAIRMAN TILLERY: Opposed?

20 (No opposing responses)

21 CHAIRMAN TILLERY: Okay, the motion
22 carries. Thank you, Ms. McCammon, Dr. Spies.

23 Okay. The next thing is the FY02 Work Plan
24 Amendment 2126 [sic].

25 MS. McCAMMON: 02126. There is a memo in

1 your binder that discusses this. The Alaska Department of
2 Natural Resources has requested additional funds in the
3 amount of \$17,600 plus \$1,200 GA to conduct habitat
4 protection efforts in FY02. The Council had approved
5 \$76,500 in August 2002, but it's actually August 2001, for
6 this purpose. These are supplemental funds to that budget
7 and they would pay for work that was unanticipated at the
8 time the original budget was approved.

9 There is a memo attached to this from Carol
10 Fries of the Department of Natural Resources, which deals
11 with the specific parcels for which the work would be done
12 on. All of these on the list are parcels for which the
13 Council has authorized purchase negotiations to proceed.
14 And so we are asking for approval from the Trustee Council
15 for these funds.

16 CHAIRMAN TILLERY: Are there questions or
17 comments for Ms. McCammon or -- is Carol here?

18 MS. McCAMMON: Carol's in the back, yeah.

19 CHAIRMAN TILLERY: Carol, did you have
20 anything to add?

21 MS. FRIES: No, I tried to summarize
22 everything in the memo.

23 CHAIRMAN TILLERY: Okay. Ms. Brown.

24 MS. BROWN: I was just going to say, I
25 thought the memo was very well laid out, what was

1 unanticipated and what the expenditures are needed for.

2 MS. McCAMMON: What we've been trying to do
3 with these budgets is to -- instead of giving a large
4 amount of basically funds for unknown costs, to really
5 target which costs are actually needed and directed to
6 actual parcels being worked on.

7 CHAIRMAN TILLERY: Ms. Brown.

8 MS. BROWN: I'd like to move that the
9 Trustee Council approve \$18,800 for the Alaska Department
10 of Natural Resources under Project 02126 for the
11 unanticipated contractual expenses as outlined in our
12 binder. These funds will lapse September 30, 2002.

13 CHAIRMAN TILLERY: It's been moved.

14 MR. GIBBONS: Second.

15 CHAIRMAN TILLERY: Mr. Gibbons has seconded
16 the motion. Is there further discussion on this motion?

17 (No audible response)

18 CHAIRMAN TILLERY: If not, all in favor of
19 the motion signify by saying aye.

20 IN UNISON: Aye.

21 CHAIRMAN TILLERY: Opposed?

22 (No opposing responses)

23 CHAIRMAN TILLERY: Okay, the motion
24 carries. Now, that brings us to Northern Afognak.

25 MS. McCAMMON: Yes. And you do have in

1 your binder a memo regarding this. And, if you recall,
2 there was a resolution that you adopted about a year ago,
3 well, actually December 11th, 2001, supporting efforts
4 being made by the Kodiak Brown Bear Trust, the American
5 Lands Conservancy and the Rocky Mountain Elk Foundation to
6 seek private foundation dollars and to leverage public
7 funds to further habitat protection and restoration efforts
8 begun by the Trustee Council on Northern Afognak Island.
9 At that time the Council adopted a resolution that said the
10 Trustee Council strongly supports and encourages the
11 efforts underway by these groups and others to seek funds
12 for protection of the coastal habitat in Perenos Bay.

13 Since that time the groups have been
14 working to put together a package on Northern Afognak. For
15 various reasons they are funding an appraisal that's going
16 on now, but they do need that appraisal reviewed by a
17 government entity since these lands would go into State
18 ownership. They are now asking for funds to be provided to
19 the Department of Natural Resources to review the land and
20 timber appraisals, which are currently underway with other
21 funds, to review title and conduct a hazardous material
22 survey and site inspection.

23 The original memo that went out to you
24 estimated these costs to be \$25,000. A more detailed
25 budget, however, has indicated that the request is actually

1 for \$37,700 for FY03. And we do have Alex Swiderski here
2 to answer any questions from Department of Law. We have
3 Carol Fries from Department of Natural Resources and, I
4 believe, Tim Richardson with the Brown Bear Trust is also
5 on the line. And I think the main issue here is that this
6 would be the first government contribution to this effort.
7 And so that's what's before you today. It doesn't make a
8 commitment on future funding of any proposal, but it does
9 commit the government to at least being involved in the
10 process.

11 CHAIRMAN TILLERY: Okay. Are there
12 questions or comments?

13 MR. GIBBONS: Mr. Chairman.

14 CHAIRMAN TILLERY: Yeah, Dave.

15 MR. GIBBONS: That was a good point, Molly,
16 because that was going to be my question, is this funding
17 this year then commit us to do an appraisal review and
18 HAZMAT surveys and all that in the continuation in the
19 future for acquisitions that are being acquired by the
20 Rocky Mountain Elk Foundation and others?

21 MS. McCAMMON: Well, Tim -- I think Tim
22 Richardson is on the line, but it's my understand and I
23 don't -- I'm not totally briefed on this one, so I'm not
24 sure where things are, but it's my understanding that they
25 are attempting to get a significant amount of funding from

1 private foundations, but that it is their intention to come
2 back to the Trustee Council for a sizable contribution to
3 the package, but what that amount is, I don't know. And,
4 Tim, are you line?

5 MR. RICHARDSON: Yes, I am, Molly.

6 MS. McCAMMON: Yeah, Tim could, maybe, give
7 a better feeling for what the status is.

8 MR. RICHARDSON: Well, we have gone forward
9 since the December resolution and continued to pursue major
10 grants, non-EVOS funding, as well as get what are now seven
11 owners inside the Perenosa Bay project area signed to
12 option contracts who are willing sellers and getting
13 appraisals done in the next few weeks, which would then
14 require a review prior to any full fledged negotiations
15 and/or decision or request by the Trustee Council. We
16 intend to bring a highly leveraged match request to you and
17 we're optimistic about being able to do that this fall.

18 MR. GIBBONS: Mr. Chairman.

19 CHAIRMAN TILLERY: Mr. Gibbons.

20 MR. GIBBONS: My only concern here is in,
21 you know, are we really expecting -- you know, how much in
22 the future? Is it going to come out of the 25 million
23 small parcel fund? Are they expecting -- you know, there's
24 a lot of questions here. I don't have a problem with
25 supporting or, you know, helping them, but that was one of

1 my concerns there. Are they going to come, you know, for
2 getting an amount out of that perpetual fund?

3 MS. McCAMMON: The answer is yes. I mean,
4 assuming Koniag actually gets signed, which I anticipate it
5 will by October, that will be -- on October 1 the funds get
6 split and 55 million goes into a habitat fund and out of
7 that 29.5 million has been committed to the Koniag long-
8 term fund.

9 MR. GIBBONS: That's correct.

10 MS. McCAMMON: That leaves 25.5 million.
11 So a request for any habitat after October 1 would come out
12 of that 25.5.

13 MR. GIBBONS: To me it's a perpetual fund
14 that, you know, we acquire small parcels that are of high
15 value in perpetuity and so if a request comes in for 24
16 million of that, you know, I'm going to have some concerns
17 with that. And so that's my only concern there. I
18 support, you know, the work out there and I support the
19 protection, but I also support -- there's some valuable
20 small parcels scattered out that we may not even know about
21 that may be of very high value, too.

22 CHAIRMAN TILLERY: Other -- Mr. Swiderski,
23 you have a comment?

24 MR. SWIDERSKI: Just two, Mr. Chair, if I
25 may? The first is that these expenses that DNR is

1 requesting being reimbursed are not the kinds of things
2 that either the State or, I think, the U.S. would normally
3 have something like the Brown Bear Trust or Rocky Mountain
4 Elk Foundation do. They invariably do appraisal reviews in
5 house or contract for them, similarly with HAZMATs, the
6 government would do them or possibly contract for them and
7 also title review. We need to do those things in house if
8 we're going to do them.

9 And, secondly, I think it's fair to say
10 that both Ms. McCammon and I have repeatedly advised the
11 Brown Bear Trust and Rocky Mountain Elk Foundation and
12 American Land Conservancy that it will take a very highly
13 leveraged deal, that is them bringing the vast majority of
14 funds to the table to get Council's support to do this.

15 That's all I have, thank you.

16 CHAIRMAN TILLERY: Questions?

17 (No audible response)

18 CHAIRMAN TILLERY: I was looking at this
19 memo of July 29th and it's got numbers in there which come
20 up to about 33,000 or so and then it's got an estimated
21 expense 24,000 and then you said this is 37,000, so I'm not
22 sure how all these numbers come together.

23 MS. McCAMMON: Well, part of it is that the
24 memo and the estimate were done before final budget was put
25 forth and -- does everybody have a copy of this?

1 CHAIRMAN TILLERY: I don't know.

2 MS. SCHUBERT: They should have a memo that
3 was faxed yesterday that supersedes the memo that was your
4 binder. There was also a map there.

5 MS. McCAMMON: I'm not sure I have the memo
6 that supersedes.

7 CHAIRMAN TILLERY: It must be this.

8 MS. McCAMMON: The one dated August 2nd?

9 MS. SCHUBERT: Yeah.

10 MS. McCAMMON: Yeah, I'm not sure I have
11 the one that supersedes -- oh, yeah, I do, here it is.
12 Yeah. And this one totals the 37.7. Although it doesn't
13 say that.

14 CHAIRMAN TILLERY: It says 40,000.

15 MS. SCHUBERT: Well, I could just explain
16 it, 40,000 is without the GA and it also includes 5,000
17 that would be funded in FY02 out of existing DNR funds, so
18 the FY03 request you see at the bottom of Page 2 is 35,000
19 and when you add the 9% GA that gets you 37.7.

20 CHAIRMAN TILLERY: And how do we get to 40?

21 MS. McCAMMON: You don't.

22 MS. FRIES: The 40 -- included in there is
23 the 5,000 for the timber appraisal review, which I'm not
24 asking for in the FY03 request, but I wanted you to be
25 aware that there was a cost that was associated with

1 (indiscernible - away from microphone) discount that,
2 that's something that.....

3 MS. McCAMMON: So they're not asking for
4 money for the 5,000 in FY02, but you're asking for the
5 approval, basically, to spend on this acquisition.

6 MS. FRIES: Right.

7 CHAIRMAN TILLERY: Ms. Brown, you look as
8 puzzled as I am.

9 MS. BROWN: No, I think I'm tracking, I'm
10 just trying to figure out what we would be taking action,
11 then, on.

12 MS. McCAMMON: 37.7.

13 MS. BROWN: 37.7 plus approval for
14 five.....

15 MS. McCAMMON: No.

16 MS. BROWN:no money or -- they don't
17 really need our approval for.....

18 MR. GIBBONS: Mr. Chairman.

19 CHAIRMAN TILLERY: Mr. Gibbons.

20 MR. GIBBONS: I think we already approved
21 that previously, I see it in a memo from July 12th, where
22 we just approved \$5,500 to Northern Afognak, so that's
23 where that was approved, and this is asking for the 37.

24 CHAIRMAN TILLERY: Fifty-five plus 37
25 equals 42.....

1 MS. BROWN: It doesn't equal.

2 MS. McCAMMON: It didn't have the general
3 administration added to it and the bigger numbers do.

4 MS. SCHUBERT: Right.

5 CHAIRMAN TILLERY: Oh.

6 MS. McCAMMON: It's the 9% general
7 administration costs.

8 CHAIRMAN TILLERY: Okay.

9 MS. McCAMMON: So it's the 37.7.

10 CHAIRMAN TILLERY: Is there any further
11 confusion anyone would like to demonstrate on this issue?

12 (Laughter)

13 (No audible response)

14 CHAIRMAN TILLERY: And this seeks a motion?

15 MS. McCAMMON: It's the motion to approve
16 37.7 to DNR for support costs for the Northern Afognak
17 acquisition package.

18 MS. BROWN: So moved.

19 CHAIRMAN TILLERY: Okay. Ms. Brown has
20 moved to approve \$37,700 to DNR to support acquisition
21 activities related to Northern Afognak lands, all of which
22 are lands that the Trustee Council has sought to protect at
23 a prior time. Is there a second?

24 MR. GIBBONS: I'll second that.

25 CHAIRMAN TILLERY: Okay, it's been moved

1 and seconded. Is there discussion on the motion?

2 (No audible response)

3 CHAIRMAN TILLERY: Okay, it being moved and
4 second, we'll bring it to a vote. All in favor of the
5 motion signify by saying aye.

6 IN UNISON: Aye.

7 CHAIRMAN TILLERY: Opposed?

8 (No opposing responses)

9 CHAIRMAN TILLERY: The motion passes. That
10 then brings us to the extension of the habitat grant.

11 MS. McCAMMON: Mr. Chairman, at the last
12 meeting I mentioned that the pilot grant with The
13 Conservation Fund and The Nature Conservancy, which is
14 being administered by the U.S. Fish and Wildlife Service,
15 expires September 30th, 2002 unless all of the parties,
16 with proper notice, terminate or unless, by mutual consent,
17 the Trustee Council and The Conservation Fund and The
18 Nature Conservancy agree to extend the grant.

19 Since this grant was initiated we basically
20 have not -- we've done one parcel under the grant, although
21 that parcel was started before the grant was in place and
22 most of the work was done by the agency and not by the
23 grantees. And so during this time we really haven't had
24 the opportunity to fully test the pilot grant and really
25 come back to you with the recommendation on whether it's a

1 worthwhile avenue for doing small parcel acquisition. For
2 that reason we are asking that the grant be extended from
3 September 30th, 2002 to September 30th, 2003 and an
4 extension of the due date of the report to the Trustee
5 Council from December 30th, 2002 until December 31st, 2003.
6 And this also is a corresponding revision to the schedule
7 for all of the indirect costs attached to that.

8 CHAIRMAN TILLERY: Are there questions or
9 comments?

10 (No audible response)

11 CHAIRMAN TILLERY: Ms. McCammon, I
12 understand that we're not, then, going to have another year
13 of costs, the sort of costs we had approved just gets
14 spread out over a longer period of time.

15 MS. McCAMMON: Correct. That's correct.

16 CHAIRMAN TILLERY: And it seems like one of
17 the necessary results of this is that our original
18 expectation was to deal with the \$25,000,000 this fall and
19 that won't happen now, that will be deferred until next
20 year.

21 MS. McCAMMON: That's correct.

22 CHAIRMAN TILLERY: Okay.

23 MR. GIBBONS: I move that we, pursuant to
24 paragraph 50 of Resolution 01-07, the Trustee Council
25 hereby approve an extension of the termination date for the

1 Fish and Wildlife Service grants to The Conservation Fund
2 and The Nature Conservancy from September 30th, 2002 to
3 September 30th, 2003 and extension of the due date from
4 December 31st, 2002 to December 31st, 2003 for the grants
5 recipients' report to the Council describing their
6 activities and accomplishments under the grant. And,
7 finally, a corresponding revision to the schedule for
8 funding recipients' indirect costs from "disbursed
9 quarterly over the life of the grant agreement" to "upon
10 receipt of a request for reimbursement submitted no more
11 frequently than every 30 days, when allowable and allocable
12 indirect costs have been incurred by the grant recipient".

13 MS. BROWN: (Silent 2nd)

14 CHAIRMAN TILLERY: It's been moved by Mr.
15 Gibbons and seconded by Ms. Brown. Is there discussion on
16 the motion?

17 (No audible response)

18 CHAIRMAN TILLERY: Hearing none, all in
19 favor of the motion signify by saying aye.

20 IN UNISON: Aye.

21 CHAIRMAN TILLERY: Opposed?

22 (No opposing responses)

23 CHAIRMAN TILLERY: Okay, the motion
24 carries. That brings us to the last item on the agenda,
25 which is an update on status of injured resources and

1 services.

2 MS. McCAMMON: Bob, do you want to join us
3 for that?

4 CHAIRMAN TILLERY: This is back for the
5 third reading.

6 (Laughter)

7 MS. McCAMMON: Reconsideration. In your
8 packet -- let me just go through the materials that you
9 have here. Going back through the history of all of this,
10 Dr. Spies did look at the update on injured resources and
11 services and presented you with a draft update dated April
12 30th, 2002. That draft update was -- Dr. Spies briefed you
13 on his recommendations in that. His earlier
14 recommendations suggested that seven injured resources be
15 moved to the recovery category and two resources be added
16 to the recovering category. In addition, he recommended
17 changing one of the recovery objectives, for pink salmon,
18 to a more accurate way of assessing injury to pink salmon
19 embryos and he also made some other minor changes to
20 recovery objectives for other species.

21 Since that time this draft update did go
22 out for public comment, we received roughly 20 public
23 comments from various individuals and groups. At your July
24 9th meeting you were presented a memo from Dr. Spies, and
25 that's in your packet as Attachment A. That basically, by

1 species, responded to the comments that were received
2 during this comment period. He also added some context and
3 some discussion of some of the issues that have arisen with
4 the injured species update.

5 And I think -- and Dr. Spies is here and
6 can address this, but he did emphasize that his
7 recommendations were based on the evidence available, the
8 inevitable degree of uncertainty related to the original
9 injury and now the extent of recovery. And his best
10 judgment on whether a resource should be considered not
11 recovering, recovering or recovered.

12 I looked at the original recommendation,
13 the public comment and Dr. Spies' July 1st memo, I have
14 also reviewed whether or not the various recovery
15 categories or the definitions of recovery themselves should
16 be changed. In looking at all of the public comment and
17 the discussion, it became clear that there was not
18 disagreement on the science or the status of recovery, but
19 where the disagreement arose was primarily whether you
20 considered that status to be more on the not recovering end
21 of the continuum or on the recovering end of the continuum
22 and where you actually place that line between the three
23 categories that we have.

24 And we did consider going back through and
25 actually dividing it up a little bit more into maybe four,

1 five, six categories, you know, recovering, but not as much
2 or recovering a little bit more, and it really became
3 complicated to do that. And for that reason, and also
4 based on the fact that we may be getting to a point where
5 given where we are from the time of the actual event and
6 all of the various environmental factors and changes that
7 have occurred in the ocean environment, it will become
8 increasingly difficult to pinpoint something and say this
9 is an oil spill effect.

10 So given all of that, it seemed that we
11 could make the existing categories and the existing
12 definitions work for the time being. I don't know if
13 that's the case four years from now or three years from
14 now. But based on that, my recommendation is to approve
15 the original April 2002 recommendations, with three
16 exceptions, keeping killer whales in the recovering
17 category, not moving them to recovered and actually
18 changing the recovery objective back to the original 1994
19 objective. The second recommendation is to keep harlequin
20 ducks in the not recovering category and the third
21 recommendation is to return Pacific herring back to the not
22 recovering category.

23 These are all changes that Dr. Spies
24 indicated could be justified. They weren't his personal
25 recommendations, but he believed they could be justified

1 based on different views on where you draw that line and
2 also based on the public comment received. So what you
3 have in the packet here is the July 1st memo, a revision to
4 the update with those changes included in it. I've also
5 added clarifying language throughout the document that we
6 hope will help the public better understand the status of
7 some of the resources. I was requested by Department of
8 Law and Department of Agriculture to go back and do a
9 spreadsheet and show, overtime, how the recovery objectives
10 have or have not changed, and you do have that in your
11 binder. This was actually a very useful exercise because,
12 in some cases, we were addressing similar kinds of recovery
13 for similar kinds of resources, but the wording had some
14 slight differences to it and so we corrected some of that
15 to make it as consistent as possible. But what we showed
16 was what the original recovery objective was in the 1994
17 Restoration Plan, what it was in 1999, the last major
18 update, what the recommendation is for 2002 and if there
19 are any changes, explaining why those changes were made.
20 In almost all cases the wording was changed to reflect what
21 kinds of measurements were actually being taken to assess
22 the recovery objective and whether that's made.

23 The one exception to that was for killer
24 whales. And in that case the bar for recovery was lowered
25 in '99. The original recovery objective was "a return to

1 the prespill number of 36" and in '99 that was lowered to
2 "a stable or increasing population". And my recommendation
3 is now based on public comment and based on further
4 discussion and analysis is to return to the 1994
5 objective.

6 And with that, if there are any questions,
7 Dr. Spies is here.

8 CHAIRMAN TILLERY: Are there any questions
9 of either Dr. Spies or Ms. McCammon or anyone else from
10 Council members?

11 MR. GIBBONS: Mr. Chairman, I've got one on
12 subtidal. We studied the subtidal from '91 to '95, or
13 somewhere in that range, looking at eelgrass beds and oil.
14 And then we -- it was kind of inconclusive at that time, it
15 could have been natural, it could be oil, but there was
16 more oil and oiled areas than non-oiled areas. And we
17 haven't done any work since then, so -- and now it's gone
18 into a category of recovery. Can you help me with that
19 one, Dr. Spies?

20 DR. SPIES: Sure. What has happened is
21 that when I originally reviewed the final report from Dr.
22 Jewett on that project I had indicated my views on that
23 particular project and the balance of what could be
24 attributed to oil and what might be attributed to natural
25 factors. And he probably came down a little bit more on

1 the side of oil effect than I would have at that time.
2 Subsequently he is -- but allowing that there is
3 differences of opinion, I don't make the investigators
4 adhere to what I think is necessarily the case, especially
5 when there's a lot of uncertainty, I just try to get people
6 to acknowledge the uncertainty in their discussions. In
7 any case, the investigator went forward and eventually
8 published in a first rate scientific journal and during the
9 review process did modify his views somewhat to acknowledge
10 that some of the difference seen between sites could well
11 have been due to natural factors, such as grain size
12 distribution, whether it was a fine sand or mud or so
13 forth, could have well affected the outcome of that
14 project, as well as oil or lack thereof.

15 What has happened then is there's been a
16 publication of the results that has changed somewhat the
17 position with regard to the balance between natural factors
18 and oil factors. So I think, based on that
19 reinterpretation by the investigator in the published
20 report, it's resulted in that change to recovery.

21 MR. GIBBONS: Mr. Chairman. Would a
22 classification of recovery unknown, you know, be -- rather
23 than recovered, since there is a question, you know, of
24 oiled versus unoiled or.....

25 DR. SPIES: Well, possibly, but there's

1 some other factors that have gone into this. You know, all
2 along the amounts of oil that were in the intertidal
3 sediments were well below those that had been established
4 in the scientific literature as causing rather large
5 changes in the fauna that were seen and there's other sort
6 of -- one of the things that did happened during the study
7 is we got a reconvergence -- the study was repeated three
8 or four times and in the next to the last survey there was
9 convergence of the oil to unoiled areas towards a community
10 was quite similar. And, you know, based on evidence and
11 not having prespill data one could look at the data and
12 say, well, it looks like recovery has been achieved.

13 And then the communities then diverged
14 again in the last survey and there was no -- as far as we
15 could tell there was no reoiling or no oil spill, so one
16 would look at that and say maybe natural factors are
17 playing a role here for getting a divergence back to
18 previous conditions. So those two factors weighed in my
19 judgment when I made the recommendation.

20 MS. McCAMMON: Mr. Chairman, could I ask
21 for a correction? Because you said the amounts of oil in
22 the intertidal were so low as to not cause effects.

23 DR. SPIES: Subtidal, subtidal.

24 MS. McCAMMON: The correction there is
25 subtidal, okay.

1 CHAIRMAN TILLERY: Mr. Gibbons.

2 MR. GIBBONS: I'm thinking about it.

3 CHAIRMAN TILLERY: Okay. Are there other
4 questions or comments for Ms. McCammon or Dr. Spies?

5 MR. RUE: This is Frank, I think maybe
6 we'll speak to it when there's a motion, but I think
7 Molly's recommendation is a good one.

8 CHAIRMAN TILLERY: Ms. McCammon, a question
9 would be, is what the Council would be approving this
10 document, the large document.....

11 MS. McCAMMON: Yes, that's correct.

12 CHAIRMAN TILLERY:the July 29th
13 version that would be a.....

14 MS. McCAMMON: Yes.

15 CHAIRMAN TILLERY: Not just the list, but
16 the whole.....

17 MS. McCAMMON: That's correct.

18 CHAIRMAN TILLERY: Okay. Is there --
19 anybody want to put this on the table with a motion?

20 MS. McCAMMON: He looks to his left, to his
21 right.

22 MS. BROWN: I move that the Council adopt
23 the document dated July 29th, 2002, entitled Exxon Valdez
24 Oil Spill Restoration Plan Draft Update on Injured
25 Resources and Services which reflect the changes that were

1 recommended by the Executive Director McCammon.

2 CHAIRMAN TILLERY: Okay. It's been moved;
3 is there a second?

4 MR. GIBBONS: I'll second it for maybe a
5 couple more questions.

6 CHAIRMAN TILLERY: It's been moved and
7 second that the Council adopt the July 29th, 2002 version
8 of the Exxon Valdez Oil Spill Restoration Plan Update on
9 Injured Resources and Services. Is there discussion? Mr.
10 Gibbons.

11 MR. GIBBONS: Mr. Chair, yeah, I just need
12 to explore this. You know I've been involved with that
13 project.

14 DR. SPIES: Right.

15 MR. GIBBONS: There's several species that
16 are not recovering, the harlequin ducks and pigeon
17 guillemots. What percentage of time do they use subtidal
18 versus -- I know they use intertidal and, you know -- and
19 if they're not recovering are they getting the oil
20 primarily from the intertidal area, do you think?

21 DR. SPIES: Well, we have based the
22 subtidal community injury on community differences, in fact
23 the biologic community that resides, not the petroleum that
24 may be there a year from being washed off the beaches or be
25 it residual of what sank after the spill. And so we've had

1 other categories that have considered the oil itself, such
2 as the sediments -- the sediments are still contaminated
3 and those are not being recommended for being fully
4 recovered yet. And so it's -- the oil in the intertidal,
5 and this is getting a little bit legalistic, but the oil in
6 the subtidal, excuse me, is actually recognized under the
7 injury of sediments still have not recovered, but the
8 communities is what the injury determination is based on,
9 and that was the basis of my recommendation.

10 MR. GIBBONS: Hum. Mr. Chairman.

11 CHAIRMAN TILLERY: Yeah.

12 MR. GIBBONS: So recovering the sediments,
13 that really subtidal sediments?

14 DR. SPIES: It's both intertidal -- it's
15 sediments anywhere they happen to be.

16 MR. GIBBONS: Oh, okay. That's getting
17 interesting.

18 MS. McCAMMON: But there is less oil in the
19 subtidal then in the lower intertidal, correct?

20 DR. SPIES: As far as we know.

21 MR. GIBBONS: Yeah, that's what the
22 evidence seems to indicate, yeah.

23 CHAIRMAN TILLERY: Do you have further
24 discussion?

25 MR. GIBBONS: Yeah, I do now. The

1 intertidal is recovering, is that because diversity is not
2 back in the intertidal and you feel that the diversity is
3 back in the subtidal; is that why intertidal is not there?
4 Because they're based on the same thing, community types,
5 right?

6 DR. SPIES: Yes, they are. The intertidal,
7 one of the main reasons the intertidal is not recommended
8 to be called recovered is because they're still
9 demonstrable differences in oiled areas in the clam
10 populations and some of the other organisms that live in
11 sediments, and these were washed off the beaches during the
12 clean up, you can see those photographs, you have plumes of
13 sediment coming off the beaches. And there's organisms
14 that live in that sediment between the rocks, for instance,
15 and that have not recovered. The latest data we have is in
16 '97, the NOAA HAZMAT study, we should be getting more data
17 from that, as well as from the project we just approved the
18 third year for, that's the bivalve project that Dennis Lees
19 is doing. So we'll have an update -- and that project was
20 funded particularly to look at intertidal recovery, so
21 we'll have an update on that soon.

22 MS. McCAMMON: Can I complicate something?

23 CHAIRMAN TILLERY: Sure.

24 MS. McCAMMON: I don't know, in some ways
25 this is -- it just occurred to me, this is kind of similar

1 to pink salmon because in pink salmon with the embryo
2 mortality studies they basically were showing no difference
3 between oiled and non-oiled and then there was a change in
4 the last year. And the interpretation of that is you could
5 go ahead and repeat the study, but the difference couldn't
6 be proved to be an oil effect versus a natural effect. So
7 you could repeat the study again and if you got another
8 difference you would be at the same end, is it an oil
9 effect or a natural effect? And there was a good argument
10 it could be a natural effect. And for that reason we did
11 change that recovery objective to -- because the pathway
12 for embryo mortality was hydrocarbon exposure, we did
13 change it to that the amounts of hydrocarbon exposure would
14 be negligible. And it's on that basis that that was deemed
15 recovered.

16 You could take the same interpretation, I
17 think, for subtidal communities that if you see this
18 convergence and then a divergence and you can't tell
19 whether it's an oil effect or not an oil effect you could
20 also say go to the next step, which would be to say it will
21 be recovered when hydrocarbon exposure is negligible to
22 these communities. And you could say that for subtidal --
23 for hydrocarbon exposure, probably, in the subtidal, I
24 would assume, since there was very little hydrocarbons in
25 the subtidal to begin with, is my understanding.

1 DR. SPIES: The concentration were
2 generally below about a half a part per million on
3 petroleum in the subtidal and what had been seen in the
4 literature, generally, is effects were seen above about
5 five parts per million. And so it's -- there are sensitive
6 organisms that disappear there, such as the rheopoxynius
7 anthropods, and that's a particular family of anthropods,
8 and they're very sensitive and that's one of the largest
9 features we did see is the disappearance of those things.
10 So that's consistent with an oil effect, it's selected
11 removal of an animal that you already know to be sensitive.
12 So it's just a matter of how we take the information and
13 parse it among our categories.

14 You know, there is an argument to be made
15 that if oil is being routed through -- from subtidal oil
16 deposits through some of the animals that feed in the
17 subtidal, and the oil is being accumulated in the higher
18 trophic levels or is being passed on to predatorial
19 differences it may be showing effects or showing effects
20 that would be consistent with an effected oil. Then you
21 have an argument, you know, depending on you define the
22 injury to the subtidal and, yes, that hasn't recovered.
23 You do have the sediment category, and we have used that in
24 the past, to kind of deal with the sediments as a separate
25 issue.

1 MR. GIBBONS: I think we need another
2 category, recovering, recovered, recovery unknown and "I
3 guess", you know.

4 MS. McCAMMON: I think we'll get to that,
5 definitely, in a few years on a lot of those.

6 MR. GIBBONS: Because it doesn't sound like
7 we plan to do any more work on the subtidal and right now
8 the evidence is that the oil was less than injurious
9 levels, but it's really -- you know, the sediment could be
10 above but, you know, I don't know where that sediment
11 barrier stops. That was a fine thing I never caught
12 before, you know, community development in sediments were
13 recovering.

14 MS. McCAMMON: Well, it is one of those
15 things that sediments, in and of itself, isn't really -- I
16 mean it was declared a resource -- I wasn't here when it
17 was declared a resource, but really it's only whether
18 they're oiled or not. I would assume it's only important
19 if it becomes a conduit to continued exposure. I mean,
20 whether a sediment -- except for, I guess, aesthetic
21 reasons also, oiled beaches.

22 CHAIRMAN TILLERY: We're deeply concerned
23 about the sediments.

24 (Laughter)

25 CHAIRMAN TILLERY: No, I think, actually,

1 that was kind of one of my thoughts a couple of meetings
2 ago, was when I was talking about different categories
3 because there is sort of a category of we're just never
4 going to know.....

5 MR. GIBBONS: Yeah.

6 CHAIRMAN TILLERY:as opposed to we
7 don't know -- sort of implication that we don't know yet,
8 but we may not be there quite on this one.

9 Are there other questions by other Council
10 members or comments?

11 (No audible response)

12 CHAIRMAN TILLERY: Mr. Gibbons, do you have
13 a thought as to how you want to.....

14 MR. GIBBONS: Well, I'm just thinking more
15 about that category, you know, because I know we spent
16 millions of dollars looking at subtidal and it was
17 inconclusive and we can't spend millions and go back there
18 and find the same information, but I still have a concern
19 about that. Your thoughts, Bob, on that kind of thinking?

20 DR. SPIES: Well, I always wonder whether
21 additional study will actually resolve any issues, if we
22 were to go out and do a large subtidal study again, whether
23 it would really resolve the issues.

24 MR. GIBBONS: Right.

25 DR. SPIES: If one were to find, for

1 instance, the persistent differences now -- you could still
2 find some -- I mean, it's not free of hydrocarbons, there
3 are hydrocarbons there, there will always be, there's a
4 natural background.....

5 MR. GIBBONS: Right.

6 DR. SPIES:the geochemists will argue
7 about where that comes from and there's probably still
8 identifiable oil at very low concentrations. And it's kind
9 of a how clean is clean question in some sense. I'm not
10 sure that -- you know, I could be comfortable with a
11 recovery unknown here, but it -- because there's questions
12 about every one of these sorts of things. There's judgment
13 brought to bear on every one of them.

14 MR. GIBBONS: Yeah, final comment, I'm just
15 a little concerned about calling it recovered when we don't
16 have that much information on it, that's what keeps bugging
17 me and I don't know how we're going to get it.

18 MS. McCAMMON: We probably aren't.

19 MR. RUE: What do you think?

20 CHAIRMAN TILLERY: Commissioner Rue.

21 MR. RUE: Is there a motion?

22 CHAIRMAN TILLERY: No yet, Commissioner,
23 we're trying to figure out.....

24 MS. McCAMMON: There is a motion.

25 MR. GIBBONS: There is a motion and I

1 seconded it.

2 MR. RUE: I should say is there an
3 amendment to the motion, because there's a motion on the
4 table, isn't there now?

5 CHAIRMAN TILLERY: The question is the
6 motion needs to be adopted unanimously, and if this bothers
7 you to the extent that you're unable to vote for it, then
8 perhaps there needs to be an amendment to the motion.

9 MR. GIBBONS: I believe I'll try an
10 amendment. I'll amend the motion to move the subtidal
11 communities to recovery unknown at this point in time.

12 MR. BALSIGER: I'll second that. Jim
13 Balsiger.

14 MS. BROWN: As the mover, I'll accept his
15 amendment.

16 CHAIRMAN TILLERY: Boy, you're out of my
17 league in parliamentary procedure now. What happens? Do
18 we vote on the amendment?

19 MS. McCAMMON: You vote on the amendment.

20 MS. BROWN: You vote on the amendment first
21 then the motion.

22 CHAIRMAN TILLERY: Okay. Is there
23 discussion on the amendment?

24 MR. RUE: I have a question.

25 CHAIRMAN TILLERY: Commissioner.

1 MR. RUE: Yeah, I think I heard Dr. Spies
2 speak to the amendment before it was made, but could you
3 give us your opinion of the recovery status being unknown?

4 DR. SPIES: Commissioner Rue, I think any
5 of the resources could be in that category depending on
6 what level of proof one required to either put them there
7 or take them out of a particular category. I think
8 recovery unknown is consistent with the facts, it was just
9 my judgment in looking at this that it was quite likely
10 that the subtidal communities have recovered. But I'll
11 admit that we can't prove that and there are still
12 questions about that, as there are on about most other
13 resources.

14 MR. RUE: Right. Let me ask you another
15 question. Given the -- if we approve this amendment, do
16 you believe it would set precedence for other judgments
17 that are made in this list that we would want to go
18 revisit? Are there other situations that are similar
19 enough to this that you think we should revisit them?

20 DR. SPIES: I believe so. I think it's
21 more of a policy question than a scientific question, but I
22 think one could -- one would need to look at some of the
23 other resources. The one that Molly mentioned is the pink
24 salmon. There are still a little bit of hydrocarbons in
25 some places, the evidence is by and large that the oiled

1 streams are without exposure, but there is one stream where
2 there is measurable exposure. The measurements are about a
3 thousand times less than the most sensitive indicator that
4 we have of injury, but there's some people that don't feel
5 that the pink salmon are recovered and they shouldn't be
6 called recovered unless there's no hydrocarbons at all that
7 are measurable.

8 MR. GIBBONS: Mr. Chairman.

9 CHAIRMAN TILLERY: Mr. Gibbons.

10 MR. GIBBONS: But wasn't there more study
11 on pink salmon up until, I mean, like last year, so there
12 was studies all the way through the '90s on them?

13 DR. SPIES: We had studies addressing
14 particularly the exposure that I mentioned, we haven't done
15 much recently directly on effects of the oil on pink
16 salmon, except for the experiments that have been done in
17 the Southeast, those were not in the oil spill environment,
18 but they were laboratory-based studies with known exposures
19 to oil.

20 MS. McCAMMON: It was my understanding,
21 also, that for pink salmon with the study that was done
22 last summer, in 2001, that went back to the heavily oiled
23 and moderately oiled sites that there were none near pink
24 salmon streams, is my understanding.

25 DR. SPIES: Right. According to the people

1 from the Auke Bay Laboratory, the greater than expected
2 intertidal oil found was not in the vicinity of pink salmon
3 streams.

4 MS. McCAMMON: Correct.

5 CHAIRMAN TILLERY: In addition, it would
6 seem that, as you're saying, the amount of oil that's there
7 and is being detected is below the injury level.

8 DR. SPIES: That we're aware of.

9 CHAIRMAN TILLERY: That we're aware of,
10 right. And the population and other indicators, such as
11 juvenile growth and so forth, are essentially normal, so it
12 would seem like the pink salmon there is an adequate basis,
13 given what we have adopted as criteria, to decide that they
14 do fit into one of the categories, specifically recovered.

15 DR. SPIES: Well, my judgment I think they
16 should be declared recovered. I'm just saying generally
17 that there's questions associated with all of these things,
18 that nothing is an airtight case and to the extent you
19 think the lack of information or further information might
20 be needed to convince you, a particular individual, that
21 pink should be called recovered or not or recovery unknown,
22 is.....

23 MR. RUE: Yeah, Mr. Chairman, if I could.
24 The reason I was asking Dr. Spies that is I think we could
25 get into this debate again on every issue and I was fairly

1 convinced by the idea of some of the original investigators
2 in peer review journals feeling that there were past
3 natural factors and it could have caused a difference and
4 they're pretty confident that it was recovered. So I think
5 this -- I just didn't want to get into the same sort of
6 debate again and again and again. I was wondering where we
7 would end up going, if we did.

8 MR. GIBBONS: Mr. Chairman.

9 CHAIRMAN TILLERY: Mr. Gibbons.

10 MR. GIBBONS: Is that what Dr. Jewett in
11 his final paper said, that it was natural factors and not a
12 possibility of oil spill? Was he.....

13 DR. SPIES: He was discussing both the
14 discussion and gave more credence than he had previously to
15 the role of natural factors.

16 MR. GIBBONS: But there was still
17 inconclusive.....

18 DR. SPIES: Still inconclusive.

19 MR. GIBBONS: And one further question. In
20 recovery unknown it says limited data on life history or
21 extent of injury or current research inconclusive and
22 that's why I keep coming back to that category there.

23 CHAIRMAN TILLERY: Are there other comments
24 on the amendment?

25 (No audible response)

1 CHAIRMAN TILLERY: I would note that if the
2 amendment were to be passed, we not only have to move it to
3 a different category, but you would also have to amend some
4 of the language back there on Page 36, so am I correct in
5 thinking that the amendment is intended to encompass those
6 language changes as necessary.....

7 MR. GIBBONS: That's correct, yes.

8 CHAIRMAN TILLERY:to reflect the
9 Council's discussion. Okay. Is there any further
10 discussion before we vote on the amendment? Ms. Brown.

11 MS. BROWN: My question, Mr. Chair, is
12 similar to Frank's and maybe just go at it a different way.
13 You know, as you said, there were policy calls and how
14 clean is clean is always something that would be debatable.
15 Is there something in your mind from analysis of the
16 research that is different about the subtidal issue as
17 there are -- you know, like pink salmon there were other
18 indicators, there were a number of other factors that weigh
19 into it, is there something substantively different about
20 the analysis on the subtidal communities that does make it
21 different than the basic policy or how clean is clean on
22 the other species on here?

23 DR. SPIES: I guess I'm not understanding
24 your question.

25 MS. McCAMMON: Is there something that

1 makes subtidal different than pink salmon?

2 MS. BROWN: Yeah.

3 MS. McCAMMON: In pink salmon we did
4 laboratory studies and field studies, there were a number
5 of factors that were looked at, is there something
6 different in the analysis of subtidal?

7 MS. BROWN: That makes it more
8 questionable?

9 MS. McCAMMON: Or makes -- or be more
10 confident in having it recovered or not?

11 DR. SPIES: I think the factors that I
12 mentioned, what was in the literature is another factor --
13 literature about the level of oil exposure to be associated
14 with injury. There was also the fact that we did not have
15 any prespill data and when we don't have prespill data,
16 especially in the areas that you're calling oiled and
17 unoiled and there are other factors that come into play.
18 For instance, if we had -- like Herring Bay is an oiled bay
19 and one of the adjacent bays is -- Lower Herring Bay is
20 unoiled. If we had prespill data that showed those
21 communities were essentially identical or very similar and
22 then we had post-spill data showed, well Herring Bay had a
23 lot less animals or a lot less diversity than Lower Herring
24 Bay afterwards, then you could more reasonably conclude
25 that it was an oil effect. But if you go out and measure

1 any two or three bays and an island, like Knight Island,
2 you'll find natural differences that are due to the amount
3 of organic matter that's there, the fine grain sediments,
4 how much sand and so forth is in the bottom. And it's
5 those sorts of differences that are highly influential on
6 community composition.

7 So we didn't have the prespill data, we did
8 have data that indicated that hydrocarbon levels are
9 relatively low, according to what causal effects have been
10 established in the literature. And then we did have this
11 divergence the next to the last survey back towards a
12 condition that indicated injury or they had recovered --
13 they recovered according to our objects and then they
14 reverted to where they were before four or five years after
15 the spill, which would indicate, in my mind, that it's
16 possible for natural factors to have a greater influence
17 and have been playing a role in this than if we had
18 complete convergence of these communities back to what we
19 thought might have been our assumption about the prespill
20 level.

21 So those three factors together, in my
22 mind, made a little bit stronger case for attributing or
23 being confident that we were back in a recovered situation.
24 Plus the investigator acknowledged in the peer review
25 publication that natural factors were playing a larger part

1 than he had in the reports filed.

2 MS. BROWN: Mr. Chairman.

3 CHAIRMAN TILLERY: Ms. Brown.

4 MS. BROWN: One follow up.

5 CHAIRMAN TILLERY: Please.

6 MS. BROWN: In your view do we have better
7 prespill data on the other items -- the other species that
8 were listed in the recovered, so we did really have a
9 better comparison basis than we do in the subtidal?

10 DR. SPIES: Some cases we did, yeah. It
11 was somewhat limited. We had pretty good data on seabirds
12 and sea otters, harbor seals.

13 MR. BALSIGER: This is Jim Balsiger, I
14 couldn't -- somewhat saying again, but I'm thinking that
15 Dr. Spies has found some difference in subtidal where it
16 may be, in fact, reasonable to find it more questionable in
17 its recovery, so we could perhaps support the amendment
18 because it is different than salmon and some of the other
19 species; was that gist of that?

20 CHAIRMAN TILLERY: Dr. Spies.

21 DR. SPIES: I don't think I understand the
22 question you're asking.

23 MS. McCAMMON: He's having a hard time
24 hearing.

25 DR. SPIES: Yeah. Yeah, I think there's

1 enough of a difference with the question of subtidal to
2 call it a little bit different case, generically, than the
3 pink salmon.

4 CHAIRMAN TILLERY: As I understand.....

5 MR. BALSIGER: At least to the extent we
6 won't get in trouble with obviously inconsistent treatment
7 to those things.

8 MS. McCAMMON: Right.

9 MR. RUE: And as I understand Dr. Spies, he
10 said -- were you saying, Dr. Balsiger, that you think the
11 case was just made to support the amendment because it's
12 not -- we don't know.

13 MR. BALSIGER: Well, I guess I was thinking
14 that at least there wasn't so obviously an inconsistency
15 that we would have to worry about reviewing everything else
16 unless some other Trustee had some particular point.

17 MR. RUE: Yeah. So you think recovery
18 unknown makes sense?

19 MR. BALSIGER: Yes, I would second it then
20 and I would continue to support that, I believe.

21 CHAIRMAN TILLERY: Is there further
22 discussion then on the amendment?

23 (No audible response)

24 CHAIRMAN TILLERY: Okay, hearing none, all
25 in favor of the amendment signify by saying aye.

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

IN UNISON: Aye.

CHAIRMAN TILLERY: Opposed?

(No opposing responses)

CHAIRMAN TILLERY: Okay, the motion is amended. Now that brings us back to the motion.

MS. McCAMMON: As amended.

CHAIRMAN TILLERY: As amended. Is there further discussion on the motion?

(No audible response)

CHAIRMAN TILLERY: Okay. Hearing none -- I guess it's been long I should probably reiterate the motion as amended, which is to approve the July 29th, 2002 Exxon Valdez Oil Spill Restoration Plan Draft Update on Injured Resources and Services, with the exception of moving subtidal from recovered to recovery unknown and making associated changes in the narrative part of the report consistent with the discussions here today.

All in favor of the motion as amended, signify by say aye.

IN UNISON: Aye.

CHAIRMAN TILLERY: Opposed?

(No opposing responses)

CHAIRMAN TILLERY: The motion is carried. That brings us to a final motion to adjourn.

1 MR. GIBBONS: Mr. Chairman, I move that we
2 adjourn the August 6th session of the Trustee Council.
3 It's been two and a half hours since we started and.....

4 MS. BROWN: Second.

5 CHAIRMAN TILLERY: Okay. It's been moved
6 and seconded that we.....

7 MS. OBERMEYER: I did want to say hello,
8 Theresa Obermeyer. May I for a moment or not?

9 CHAIRMAN TILLERY: Ms. Obermeyer, I'll tell
10 you what, can I just give you one minute because we are
11 very late.

12 MS. OBERMEYER: Yes, sir, I'm just going to
13 let all of you know -- did you already get this? I was on
14 line for about 25 minutes, about 10 after two until about
15 25 minutes to three and then I had to go somewhere. And so
16 I'm just going to be on this TV show tomorrow night and
17 Sunday. It's on channel 9 cable in Anchorage tomorrow
18 night at 8:00 o'clock for a half an hour and then Sunday,
19 August 11th at 9:00 o'clock on cable channel 9. And I just
20 wanted to mention that.

21 There really is a U.S. Senate campaign
22 going on, ladies and gentleman. I live in Nazi Germany,
23 you would not even know there was a campaign going on. Can
24 we realize -- I mean, can we realize that -- and this is
25 supposed to be a campaign, and can we focus on nepotism and

1 how corrupt our entire congressional delegation is? Since
2 I only have one minute, I can tell you afterwards or I can
3 say it on the record, I'd like to.

4 CHAIRMAN TILLERY: I.....

5 MS. OBERMEYER: I like to go on a rundown
6 of all three of these people and what they really have
7 gotten away with.

8 CHAIRMAN TILLERY: Mrs. Obermeyer, I don't
9 -- maybe you should do that afterwards, some of us.....

10 MS. OBERMEYER: Well, I just I hope you get
11 a settlement out of Exxon before we all are dead and
12 buried. When is someone going to make sure that happens?

13 So I'll just leave you with these little
14 sheets and thank you for hearing me.

15 CHAIRMAN TILLERY: Thank you very much, Ms.
16 Obermeyer. Thank you and we'll accept those.

17 MS. OBERMEYER: Thirteen years later.

18 CHAIRMAN TILLERY: It is a long time.
19 It's been moved and seconded that we adjourn, all in favor
20 of the motion signify by saying aye.

21 IN UNISON: Aye.

22 CHAIRMAN TILLERY: Opposed?

23 (No opposing responses)

24 CHAIRMAN TILLERY: Okay, this meeting of
25 the Exxon Valdez Trustee Council is adjourned. Thank you

1 very much.

2 (Off record - 4:27 p.m.)

3 (MEETING ADJOURNED)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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

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 reporter for Computer Matrix Court Reporters, LLC, do hereby certify:


THAT the foregoing pages numbered 4 through 104 contain a full, true and correct transcript of the Exxon Valdez Oil Spill Trustee Council's Meeting recorded electronically by me on the 6th day of August 2002, commencing at the hour of 2:06 p.m. 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, 451 W. 5th Avenue, Suite 500, Anchorage, Alaska 99501;

DATED at Anchorage, Alaska this 15th day of August 2002.

SIGNED AND CERTIFIED TO BY:



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

