Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178

MEMORANDUM

TO: Trustee Council Members

FROM: Molly McCammon
Executive Director

DATE: September 22, 1998

RE: Briefing materials for September 29, 1998 meeting

This memo, draft agenda and enclosures constitute your briefing packet for the September 29 meeting.

1. Meeting Notes. The draft meeting notes for the August 13, 1998 and September 4, 1998 Trustee Council meeting are enclosed.

2. Financial Report. Enclosed are the monthly financial report as of August 31, 1998 and the quarterly report as of June 30, 1998.

3. Small Parcels. The Department of Interior has two small parcels ready for Trustee Council consideration. One is KAP 95 - Inga, located on Sitkalidak Strait west of Old Harbor and within the Kodiak National Wildlife Refuge. This parcel is the only unprotected private land between Old Harbor and Three Saints Bay. The other parcel, owned by Matilda Christensen, is one of the "Kodiak Borough tax parcels". The restoration benefits for both parcels are described in the enclosures.

4. Project 99291/Chenega Beach Restoration. The Department of Environmental Conservation has brought to our attention their need for $9,235 in FY99 funds to close out the beach cleanup project, including finalizing the report, and a presentation to the community of Chenega Bay on its findings. The project is actually lapsing at least $75,000 in FY98 funds (it could be more depending on resolution of some disputed billings), but new funds are needed for work to be done this fall.

5. Koniag. Staff have been in discussion with Koniag, Inc. regarding acquisition of subsurface rights on Afognak Island. This will be discussed further in executive session, and formal action may possibly be requested. A draft resolution will be prepared by Alex Swiderski in advance of the meeting.

6. Public Advisory Group Nominations. A separate packet was mailed to you nearly two weeks ago. Please bring it to the meeting for reference. Additional copies will be available in Juneau.

7. Restoration Reserve. Enclosed is an updated summary of public comment received to date, as well as copies of individual correspondence received since your last packet. In addition, at the request of several individual trustees, I have prepared a draft document which, based on public comment and public meetings, reflects the outline of potential elements of a plan for use of the restoration reserve. This is intended as a starting point to help facilitate discussion. Please feel free to call me in advance of the meeting if you have any questions or comments regarding this document.

8. Miscellaneous Correspondence. Enclosed are copies of recent letters, reports and messages from various individuals.

9. News Clips. Enclosed are recent newspaper articles of interest to the Trustee Council.

10. GAO Audit. Enclosed in your binder is a copy of the final GAO audit.

United States General Accounting Office

GAO

Report to the Chairman, Committee on Energy and Natural Resources, U.S. Senate

August 1998

NATURAL RESOURCES RESTORATION

Status of Payments and Use of Exxon Valdez Oil Spill Settlement Funds

GAO/RCED-98-236

GAO

United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-280449

August 13, 1998

The Honorable Frank H. Murkowski
Chairman, Committee on Energy
and Natural Resources
United States Senate

Dear Mr. Chairman:

In 1989, the Exxon Valdez oil spill contaminated Alaska's south central coastline, including portions of national wildlife refuges, national and state parks, a national forest, and a state game sanctuary. The spill killed or injured an estimated 250,000 sea birds, thousands of marine mammals, and large numbers of salmon and other fish and disrupted the ecosystem in its path. In October 1991, the U.S. District Court for the District of Alaska approved civil and criminal settlements between Exxon and the federal government and the state of Alaska. Exxon agreed to pay a total of $900 million in civil claims in 11 annual payments and a total of $125 million to resolve various criminal charges.[1] In August 1991, the federal government and the state of Alaska signed a memorandum of agreement to administer the $900 million civil settlement. This memorandum established a six-member federal/state trusteeship to review and approve expenditures of the civil settlement funds. Later, this trusteeship became the Trustee Council.[2]

Because of the historic nature of this settlement and your concern that settlement funds be used effectively to restore injured and damaged resources caused by the spill, you asked us to determine (1) how much Exxon had paid, to whom the funds had been disbursed, and how the money had been used; (2) whether the Trustee Council has funded activities that may not be consistent with the agreement and the council's implementing policies; (3) how the prices paid for land acquisitions compare with government land appraisals; (4) if the public participation process for the habitat acquisition program is similar to that used for other restoration actions; and (5) whether the trust funds are being managed to maximize the overall returns. This report is a follow-up to our 1993 report on the use of Exxon Valdez oil spill settlement funds in which we raised a

[1]Of the $125 million, $25 million represents a criminal fine and $100 million represents restitution for the impact of the violations.

[2]The Trustee Council has no control over the $125 million resolving criminal charges. As a result, we excluded the criminal fine and restitution payment from the scope of our review.

number of issues that needed attention to ensure that the $900 million in civil payments would be expended as intended.[3]

Our analysis covers payments received and moneys expended through the end of fiscal year 1997. We chose this cutoff date because Exxon's September 1998 payment would not be received until after our work was done and because a cutoff at fiscal year-end provided the most accurate fiscal information.

Results in Brief

Through the end of fiscal year 1997, Exxon had made settlement payments of $620 million. Of this amount, $521 million has been reimbursed or disbursed for various activities. These funds were to (1) reimburse agencies or credit Exxon for oil spill cleanup or damage assessment costs ($198 million);[4] (2) buy land to protect or enhance damaged resources ($187 million); (3) conduct monitoring, research, or restoration projects ($116 million); and (4) pay for administrative, science management, public information and related costs ($20 million). The remaining $99 million represents funds not yet disbursed. These funds have either been placed in a special reserve account for future disbursements or have not yet been allocated.

Most of the activities funded by the Trustee Council appear consistent with the terms of the memorandum of agreement and the council's implementing policies. To make this determination, we reviewed approved activities for the three primary restoration tools used to help restore damaged resources to their pre-spill condition—habitat acquisition, general restoration, and monitoring and research. We found that all of the activities that dealt with habitat acquisition and general restoration and most research and monitoring activities appeared consistent with the agreement and restoration plan in that they were linked to the oil spill, limited to restoration of natural resources in Alaska, and included in the types of restoration activities specified in the memorandum of agreement between the federal government and the state of Alaska. However, a few monitoring and research projects have been funded even though they have questionable linkage to the spill or appear to run counter to the Trustee

[3]Natural Resources Restoration: Use of Exxon Valdez Oil Spill Settlement Funds (GAO/RCED-93-206BR, Aug. 20, 1993).

[4]Of this $198 million, $40 million represents a credit to Exxon, and $158 million represents funds reimbursed to federal and state agencies. Both the credit and reimbursement were called for in the memorandum of agreement, and therefore the Trustee Council had no control over these expenditures.

Council's policy of not funding projects that would normally be funded by a federal or state agency as part of its mission.

The Trustee Council has paid about 56 percent above the government-appraised value for the lands it has acquired. Nearly all the amount paid above the government-appraised value is a result of five large parcel acquisitions. For these five acquisitions, involving about 360,000 acres bought outright or containing some type of easement, the council paid from 2 to almost 4 times the government-appraised value. In valuing land under the government and industry appraisal standards, the appraisers are required to place a value on the land on the basis of highest and best use. Because these five parcels did not have any single specific commercial best use, the appraisers generally determined that the highest and best use was to hold the land for speculation and thus valued the land at a relatively low price that the sellers were unwilling to accept. The four other large parcel acquisitions, totaling about 94,000 acres, contained timber resources, and the government appraisers valued the land on the basis of timber harvesting being the highest and best use. The sellers generally agreed with these appraisals, and the council paid near the government-appraisal value for these four parcels.

The public participation process followed by the Trustee Council for acquiring land is similar to the process followed for decisions on other restoration activities, such as monitoring, research, and general restoration projects. Both follow public input and information actions specified in the restoration plan. We found that the council's processes for both habitat acquisition and other restoration activities appear to provide ample opportunities for the public to review information and comment.

The Trustee Council's independent auditors have identified two major opportunities for increasing returns on settlement funds. Settlement funds awaiting disbursement are currently deposited in an interest-bearing account that is part of a cash management system utilized for district court settlements within the U.S. Treasury. One opportunity for increasing returns is to transfer funds electronically when they are disbursed from this account into interest-bearing federal and state accounts. The auditors estimated that about $242,000 in interest income was lost for the 3-year period fiscal years 1995 through 1997 because electronic transfer was not available. The second opportunity for increased returns is to move the account from the current cash management system, which has relatively high management fees, into some other account charging lower fees. The Trustee Council accrued about $439,000 in such fees in fiscal year 1997.

The council's administrative officer said that similar management services could be obtained elsewhere for as little as $24,000 per year. According to the Department of Justice, legislation could be enacted to authorize the deposit of such funds into other accounts outside the court registry and the U.S. Treasury, provided the court gives the federal government and the state of Alaska approval for doing so.

Background

The March 24, 1989, Exxon Valdez oil spill in Alaska's Prince William Sound was the largest oil spill in U.S. history, contaminating about 1,500 miles of Alaska's coastline. A map depicting the area affected is included as appendix I. Under a civil settlement agreement approved in the U.S. District Court for the District of Alaska in October 1991, Exxon agreed to pay civil claims totaling $900 million to the federal government and the state of Alaska by September 1, 2001.[5] Under a criminal settlement reached at the same time, Exxon agreed to pay a $25 million fine and to pay the federal government and the state of Alaska each $50 million as remedial and compensatory payments to be used exclusively for restoring natural resources damaged by the spill or for research on the prevention or amelioration of future oil spills.

Administration of the civil settlement is carried out under a memorandum of agreement between the federal government and the state of Alaska. The agreement established a six -member federal/state trusteeship, which later became the Trustee Council, to review and approve expenditures of civil settlement funds for restoration projects.[6] The three federal trustees are the Secretary of the Interior; the Secretary of Agriculture; and the Administrator of the National Oceanic and Atmospheric Administration, Department of Commerce, or their representatives. The three state trustees are the Commissioner of the State Department of Environmental Conservation, the Commissioner of the State Department of Fish and Game, and the Attorney General for the state of Alaska, or their representatives. A staff headed by an executive director conducts day-to-day activities.

Under the agreement, Exxon's civil settlement payments flow to three areas. The first two are to reimburse federal and state agencies for past

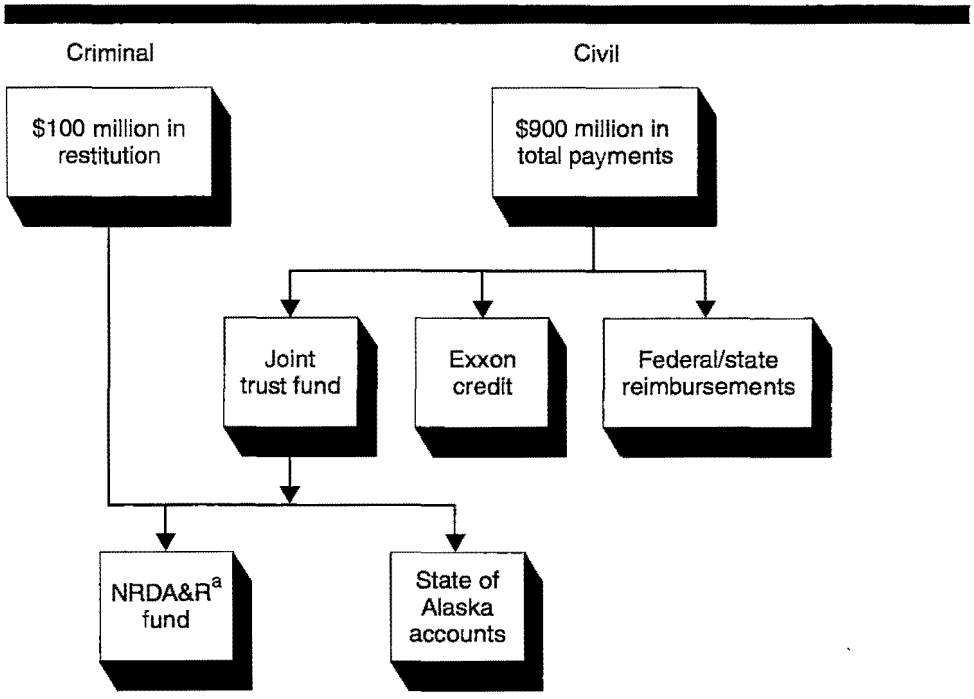
[5]The settlement agreement with Exxon also has a provision that allows the governments to claim up to an additional $100 million between September 1, 2002, and September 1, 2006, for projects to restore populations, habitats, or species that have suffered a substantial loss or decline not anticipated on the effective date of the settlement.

[6]The council's official name is the Exxon Valdez Oil Spill Trustee Council.

spill-related work and a credit to Exxon for the reimbursement of agreed-upon cleanup performed following the spill. These reimbursements go directly to the United States and Alaska, and the credit to Exxon was treated as a reduction in one of Exxon's payments.[7] The reimbursements and credit were called for in the civil settlement agreement, and therefore the council had no control over these payments. The remainder of Exxon's payments are deposited into a joint federal/state trust fund under the jurisdiction of the U.S. district court system. This trust fund is currently an interest-bearing account within the Court Registry Investment System (CRIS), a system utilized for U.S. district court settlements. To release any of these funds, the federal and state trustees must petition the court to make the funds available for the purposes and activities specified in the settlement agreement and the memorandum of agreement. Federal agencies in Alaska and Alaska state agencies responsible for the management of the land and species within the spill area take the lead in carrying out restoration activities. For restoration activities that are to be carried out by federal agencies, funds are transferred to an interest-bearing account of the Department of the Interior, where they are transferred to specific agency accounts as needed. For restoration activities to be carried out by the state, funds are deposited in a state trust fund, from which they are drawn directly by state agencies following an appropriation from the state legislature. Figure 1 shows the flow of Exxon settlement payments and fund distributions.

[7]Even though this credit represented a reduction, or offset, to one of Exxon's payments, we are treating it as if it represented a disbursement for ease in reporting.

Figure 1: Exxon Settlement Payments and Fund Distributions



[a]Natural Resource Damage Assessment and Restoration Fund.

Source: Prepared by GAO from the Trustee Council's data.

Decisions about the types of restoration activities to fund with civil settlement payments are governed by the agreement and a Trustee Council-developed restoration plan, which was the subject of substantial public comment. The plan calls for public participation in all council decisions and identifies five categories of restoration activities. (See table 1.)

Table 1: Restoration Activities Listed in the Trustee Council's Restoration Plan

Category	Examples of activities
Monitoring and research	Studies to understand how to accomplish restoration more effectively and surveys to determine population trends and gauge the status of recovery
General restoration	Projects to protect archaeological resources, build fish passages to restore fish populations, and reduce marine pollution by cleaning up oil
Habitat acquisition	Acquiring fee title or conservation easements on land important to the recovery of fish and wildlife
Administration	Day-to-day operations of the council, including scientific peer review, public meetings, public information, and outreach
Restoration reserve	Reserve savings account to fund future restoration projects after the last payment by Exxon is received in 2001

The first three categories primarily involve activities to help restore damaged resources to their pre-spill condition. The two remaining categories cover the council's general administration and the provision of funds once Exxon's payments end. The restoration plan emphasizes the need for studies to adhere to high scientific standards and address any injured resources and services in the spill area, with emphasis on those that have not yet recovered. The plan also states that government agencies will be funded only for restoration projects that the agencies would not have conducted had the spill not occurred, or in other words, for projects that go beyond normal agency management activities.

In August 1993, we reported on the use of Exxon Valdez oil spill settlement funds and raised a number of issues that needed attention to ensure that the funds were expended as intended. Among other things, we recommended completing restoration and land acquisition plans to provide direction for restoration planning in the oil spill area, increasing open competition for restoration projects to encourage nongovernmental participation, and improving internal controls to better track expenditures and management controls to ensure that expenditure decisions were reached objectively. By July 6, 1995, the council had taken steps to address all of our recommendations.

Status of Civil Settlement Payments, Activities Funded, and Distribution of Funds

As of September 30, 1997, Exxon had made seven annual settlement payments totaling $620 million. To complete its commitment, Exxon will need to make four additional annual payments totaling $280 million by September 2001. Most of the money disbursed through September 30, 1997, was used to (1) reimburse federal and state agencies for cleaning up the oil spill and assessing oil spill damage; (2) reimburse Exxon through a credit for cleanup work; (3) acquire habitat to protect resources damaged by the spill; and (4) fund monitoring, research, and general restoration projects.

Through Fiscal Year 1997, Payments Totaled $620 Million

Exxon's civil payments during the first 3 years of the period were for $90 million, $150 million, and $100 million; annual payments since then have been for $70 million each. The remaining four payments are also scheduled to be $70 million each.

Almost Two-Thirds of the Payments Made to Date Have Been Used for Damage Assessment and Cleanup or Habitat Acquisition

As of September 30, 1997, $198 million, or 32 percent, of the amount paid by Exxon had been used to reimburse federal and state agencies for oil spill cleanup or damage assessment or to credit Exxon for similar work the company had done itself. Another $187 million, or 30 percent, went to acquire habitat or purchase easements to restore resources damaged by the spill. The remaining 38 percent went to monitoring, research, and general restoration projects; went to administration; was deposited in the future restoration reserve; or represents funds not yet allocated as of September 30, 1997. Table 2 shows the distribution of the settlement payments.

Table 2: Distribution of the Exxon Civil Settlement Payments Made Through Fiscal Year 1997

Dollars in millions

Use of funds	Amount	Percent of total
Reimbursement to federal/state agencies	$158	26
Credit to Exxon for cleanup	40	6
Monitoring and research	90	15
General restoration	26	4
Habitat acquisition	187	30
Science management/public information/administration	20	3
Restoration reserve	48	8
Funds not yet disbursed	51	8
Total	**$620**	**100**

Nearly One-Half of the Remaining Funds Is Targeted for Habitat Acquisition

The Trustee Council has not finalized decisions on the uses of the four remaining payments. According to the council's Executive Director, however, it has estimated how these funds are likely to be used, based on past experience, ongoing negotiations and offers for additional land acquisitions, and annual goals and objectives. The council expects that about $129 million of the $280 million, or slightly less than half, will likely be targeted for habitat acquisition. Of the remaining $151 million not designated for habitat acquisition, about $65 million will likely be used for monitoring and research and general restoration projects, and the rest will be used for future reimbursements to the state, administration and public information, and the future restoration reserve. Table 3 shows the estimated distribution of Exxon's final four payments.

Table 3: Estimated Distribution of Future Exxon Civil Settlement Payments

Dollars in millions

Use of funds	Amount	Percent of total
Reimbursements to state agencies	$15	5
Monitoring and research	51	18
General restoration	14	5
Habitat acquisition	129	46
Science management/public information/administration	11	4
Restoration reserve	60	21
Total	**$280**	**99[a]**

[a]Column does not add to 100 because of rounding.

Most Settlement Funds Were Distributed to Federal Agencies and Alaska

Of the $620 million in payments, $481 million had been distributed as of September 30, 1997, to federal agencies and Alaska for either reimbursements for spill-related expenses; council-approved projects; or science management, public information, and other council administrative expenses. In addition, $40 million was applied as a credit to Exxon for cleanup expenses. Of the $481 million distributed, federal agencies received $222 million, and the state of Alaska received $259 million. These distributions can be further divided by activity type as follows:

•Reimbursements for spill-related expenses. As shown in table 2, a total of $158 million went to the federal government and Alaska to reimburse agencies for costs incurred during oil spill cleanup and damage assessment efforts. The federal government received $69 million, or 44

percent, and Alaska received $89 million, or 56 percent. An additional $40 million represents a credit to Exxon for cleanup expenses. This credit was applied to one of the Exxon payments.

•Council-approved projects. The Trustee Council approved the disbursement of $323 million for the restoration and administrative activities called for in the memorandum of agreement and restoration plan. Of this amount, the federal government received $153 million, or 47 percent, and Alaska received $170 million, or 53 percent.[8] Appendix II provides a summary of the civil settlement funds received by federal agencies and Alaska through September 30, 1997.

•Balance. About $99 million of Exxon's payments through September 30, 1997, had not been disbursed. This amount included four annual deposits of $12 million for a total of $48 million to the future restoration reserve savings account and a fund balance of $51 million that had not been allocated to any specific activity as of September 30, 1997.

Most Funded Activities Are Consistent With the Agreement and Restoration Plan, but Some Exceptions Persist

For the most part, the approved activities to help restore injured resources funded by the Trustee Council—habitat acquisition, general restoration, and monitoring and research—appear consistent with the agreement and the policies in the restoration plan. However, a few research projects that were approved may not be consistent with one of two policies contained in the restoration plan: (1) Projects should be clearly linked to the oil spill, and (2) approved projects should not be ones that would be funded under normal agency mission activities. The council has attempted to clarify its policies in an effort to eliminate funding of projects with questionable links to the oil spill. A few projects with questionable links to the oil spill or normal agency mission activities, however, continue to be funded.

Most Activities Were Linked to Restoring Resources and Services Damaged by the Oil Spill

We found that nearly all disbursements by the Trustee Council were consistent with the memorandum of agreement and policies set forth in the restoration plan. The memorandum of agreement states that funds be used for restoring, replacing, rehabilitating, enhancing, or acquiring the equivalent of the natural resources damaged and the reduced or lost services provided by such resources; be spent on natural resources in Alaska; and be spent as a result of the oil spill. The restoration plan

[8]Of the $323 million disbursed to the federal government and Alaska, $180 million was passed on to landowners from whom land title or conservation easements were acquired, $7 million was passed on to contractors for land acquisition evaluation and support activities, and $31 million was passed on to nongovernment contractors for monitoring and research and general restoration projects.

provides the policy guidance in implementing the memorandum of agreement as well as guidance on funding projects that may be normal agency management activities.

For the habitat acquisition activities, we reviewed the nine large parcel purchases and found that they were located in the oil spill area and were to either help or enhance damaged resources. On the basis of our review of the approved work plans for the 3-year period fiscal years 1995 through 1997 and our discussions with the council's Chief Scientist, we believe that the monitoring and research and general restoration projects fell within the definition of the categories in the restoration plan, were subject to independent scientific review, and addressed injured resources and reduced or lost services in the spill area, focusing on those not yet recovered.

Some Projects Appear Questionable

Although most projects appear to be in keeping with the council's policies, some appear questionable and have generated disagreement in the review and approval process. During our review of the work plans, we noted that the council continued to fund sockeye salmon and killer whale projects that we identified in our 1993 report as either questionably linked to the oil spill or duplicating existing responsibilities of federal or state agencies. Parties involved in the review process have disagreed about whether these studies fall within the restoration plan. As part of the review process, a scientific peer review is conducted. The peer review is headed by the council's Chief Scientist, who involves other reviewers as necessary. According to the Chief Scientist, the peer reviewers have suggested that the council close out or not fund the multiyear sockeye salmon projects each year following the 1995 work plan. The peer reviewers' reasons for not funding the project include that (1) assessments of the sockeye salmon stock and products proposed by the study are routinely required by Alaska harvest management programs; (2) restoration objectives have been thoroughly achieved, and no further study is needed; and (3) the program should be taken over by the Alaska fish and game department as part of its normal management responsibilities. The work plans for each of the 3 years we reviewed indicated that the council took action to curtail the scope of projects or reduce funding or phase them out as a result of science and peer review recommendations but continued funding through 1997 at a total cost of $3.5 million since our report in 1993.

The Chief Scientist also said that there were a few other projects approved and funded since the early sockeye salmon and killer whale studies that

were not supported by peer review. For example, a 4-year project started in 1995 at a cost for the first 3 years of $1.2 million was approved to examine the effects of oil exposure during embryonic development on the return rate of pink salmon. The Chief Scientist said the work on the project is being conducted in Southeast Alaska well outside the spill area. This is allowed under the terms of the agreement. However, the restoration plan requires that research information acquired outside the spill area must be significant for restoration or understanding injuries within the spill area. Although one of the project's objectives is to relate the results of the study to Prince William Sound, the Chief Scientist said it will be difficult to project the results because the pink salmon being studied are not genetically the same as pink salmon in Prince William Sound.

Policy Regarding Support of Agency Mission Activities Remains Unclear

The Trustee Council developed the restoration plan in 1994 partly in response to our earlier report, which found that guidance for approving projects was insufficient. Although the plan addresses many of the problems we noted, guidance on projects that might be normal agency management activities remains unclear. The plan states that restoration funds should not be used to support normal agency management activities and that the council will consider agency authorities and the historic level of agency activities to determine whether work would have been conducted had the spill not occurred. We asked the council's Executive Director and its Chief Scientist to define the language in the policy concerning agency authorities and the historic level of agency activities. According to the Executive Director, the council could fund projects linked to the oil spill that would normally be part of an agency's mission but have not been funded in the past. The Chief Scientist said that the council could fund projects linked to the oil spill that are not a high priority for the agency.

Since 1995, the Trustee Council and the Public Advisory Group—a 17-member group that represents various public interests—have expressed concern that the policy against funding normal agency mission activities is not clear enough and requested that criteria be developed to identify normal agency activities to ensure that they would be eliminated from annual work plans. These criteria would be valuable information for reviewers because for many projects being considered for funding in the work plan, the final determination comes down to a case-by-case judgment based on a knowledge of the agencies' existing missions and activities. Although the Public Advisory Group and the council have considered

additional criteria in determining normal agency management activities, additional criteria satisfactory to both have not been agreed to. We realize that developing criteria to identify whether each project funded is part of normal agency activities is extremely difficult. However, as the years pass, determining the direct impact of the oil spill becomes less clear, and thus differentiating normal agency activities from the oil spill-related activities will become increasingly difficult. This is especially true if the future reserve account is set up as an endowment and all of the available funding comes from annual investment income generated from the reserve account and is used almost entirely for research and monitoring and general restoration projects. Therefore, it is important that the council continue its efforts to determine on a case-by-case basis if projects requesting funding are part of normal agency activities.

Large Parcel Land Acquisition Prices Are Often Higher Than Government-Appraised Value

Five of the Trustee Council's nine large parcel land acquisitions have involved paying between 2 and almost 4 times the appraised value for the land (see table 4). Because government and industry appraisal standards require that land be valued on the basis of highest and best use, the appraisers generally determined that the highest and best use of these five large parcels was for speculation purposes, and thus they were valued at relatively low prices. However, the landowners—generally Alaskan Native corporations[9]—were unwilling to accept the government's appraised-value offers. The appraisers representing the sellers of these parcels valued the land much higher because they contended the land contained multiple resources and had development potential. The council, desiring to permanently protect the habitat value of these parcels, agreed to pay higher prices. For lands with timber, the sellers generally agreed with the government's appraisals, and the prices paid by the government were at or near the government-appraised value.

Status of Land Acquisitions

The Trustee Council has identified land acquisition as a principal tool of restoration because it helps minimize further damage to resources and services by protecting the land from development, which allows recovery to continue with the least interference and is consistent with public comments received on the restoration plan. Land acquisition may include

[9]The Alaska Native Claims Settlement Act of 1971 was enacted to settle land claims made by various Alaskan native groups. The act provided for the establishment of 13 regional native corporations and about 200 village native corporations to manage the money and lands offered in the settlement. As a result of the act, several regional and village corporations owned large parcels of land—in Prince William Sound, along the south central coast of Alaska, and on Kodiak and Afognak Islands—that were impacted by the oil spill.

purchase of fee title or restrictive interest, such as short-term or perpetual conservation easements and timber rights. From 1992 through 1994, the council evaluated nearly 1 million acres of land in the spill area for its restoration value. These lands were made up of blocks, or parcels, that include potential habitat conducive to aiding the recovery of fish or wildlife injured or damaged by the spill or services reduced or lost and that may be threatened by development activity, such as logging. These lands were evaluated and ranked according to the benefits the protection would provide to resources injured by the spill. In early 1994, the council began working with willing landowners to develop a list of parcels important to the recovery of injured resources and initiated action to develop a standardized appraisal process to determine a market value for the land interest being acquired.

Through the end of fiscal year 1997, the council had completed actions to acquire about 456,000 acres of land in fee simple and in easements in the spill area at an overall cost of $265 million.[10] Almost all of the acreage was acquired through the purchase of nine large parcels valued at $150 million. The council, however, paid $234 million, or 56 percent more.[11] Table 4 compares the prices paid for the nine parcels and the government-appraised value determined through the approved appraisal process.

[10]The $265 million overall cost to acquire lands includes $187 million disbursed for habitat acquisitions completed by the council as of September 30, 1997, $32 million in future installment payments for completed acquisitions, and $46 million contributed from the criminal settlement funds and other sources to supplement civil settlement funds.

[11]The other $31 million ($265 million less $234 million) represents the interest to be paid on two large parcels, the cost of limited easements on one parcel segment that was not appraised, and the acquisition price for 27 small parcels totaling 3,600 acres, along with acquisition costs such as expenses for appraisals.

Table 4: Comparison Between Prices Paid and Government-Appraised Values for Completed Large Parcel Acquisitions

Dollars in millions

Completed acquisitions	Government appraisal	Price paid for parcel	Difference between appraisal and purchase price
Akhiok-Kaguyak, Inc.	$22	$46	$24
Koniag	8[a]	27	19
Old Harbor	4	15	11
Chenega	15[b]	34	19
English Bay	4	15	11
Kachemak Bay	20	22	2
Orca Narrows	3	3	0
Seal Bay	41	39[c]	–2
Shuyak Island	33	33[c]	0
Total	**$150**	**$234**	**$84**

[a]This is a GAO-computed adjusted value. The original government-contracted appraisal value was estimated at $15 million on the basis of acquiring a total of about 119,000 acres, all fee simple. However, only about 60,000 acres were acquired in fee simple, with the remainder consisting of a limited easement. We therefore reduced the original appraisal estimate to reflect the reduction.

[b]This is a revised appraisal value. The original government-contracted appraisal value was estimated at $9 million. Government review appraisers identified an additional $6 million in "timber value" not included in the original contract appraisal.

[c]Price paid includes the appraised—single cash payment—value. Because these acquisitions include an agreement to pay for the land in installments, interest will be paid on the unpaid balance for these two acquisitions.

Source: Prepared by GAO from the Trust Council's data.

In addition to the nine large parcels, the council has acquired 27 small parcels of land and is in the process of acquiring a number of other large and small parcels, but the sales have not been finalized. The status of the council's habitat acquisition program—including the acreage acquired and pending, agreed prices and offers for land parcels, and funding sources—is shown in appendix III.

Disagreement About Land Values Centered on Lands With No Commercial Resources

Nearly all of the amount paid above government-appraised value was for five parcels that contained little or no single commodity of commercial value, such as timber or minerals.[12] As shown in table 4, together, these five parcels sold for $137 million, compared with a government-appraised value of $53 million.[13] Under government and industry appraisal standards, which require land to be appraised at its highest and best use, where there was no commodity of commercial value, the appraisers generally determined that the land's price should be based on their value as speculative property, which usually results in a lower value than land with a commodity or commercial value. This process resulted in government-appraised values that the sellers were unwilling to accept because the sellers' appraisers valued the land at much higher prices on the basis of its purported multiple resources and development potential. By contrast, for the four parcels in which timber was an identifiable commercial commodity, the price paid by the government was at or near the government-appraised value because the sellers agreed with the commercial market value estimated by the government's appraisers.

To determine why the government paid more than the government-appraised value in these five instances, we selected three parcels to examine in more detail. We selected these parcels because they were all located on the same island and within close proximity to one another, which minimized the travel time and cost needed to visit them. Our purpose in analyzing these transactions was to determine why the council paid more than the government-appraised price; we did not review and evaluate the appraisal processes or the assumptions used to determine the appraised values on either the government's or seller's side. The three parcels—Akhiok-Kaguyak, Koniag, and Old Harbor—are on the south end of Kodiak Island, a sparsely populated island comprising 3,620 square miles and containing mountains, alpine lakes, and some 400 rivers and streams providing a world-class habitat for salmon and about 3,000 Kodiak brown bears. Two-thirds of the island is a federal wildlife refuge. The three parcels represent more than one-half of the total acreage acquired by the council and about one-third of the total acquisition cost. The council paid 2-1/2 times the government appraisal value for these three large

[12]These five parcels include Akhiok-Kaguyak, Koniag, Old Harbor, Chenega, and English Bay. Acquisition involved about 360,000 acres, including lands acquired in fee title and lands protected with conservation easements.

[13]As pointed out in table 4, the original government contract appraisal for two of the five parcels was adjusted. As described, the appraised value for Chenega was revised by government review appraisers to include the value of timber not included in the contracted appraisal, and we adjusted the appraised value for Koniag to reflect the acquisition of title to fewer acres than included in the contracted appraisal.

parcels—about $88 million, compared with an appraised value of $34 million. The eventual purchase price was determined through negotiations between the council's authorized negotiators and the sellers.

We discussed the appraisal process with the appraiser who conducted the government appraisals, reviewers who verified the appraisals, lawyers and corporate officials who represent two of the native corporation landowners, and Trustee Council officials. Their comments reflect widely different perspectives about the value of the land.

•The government appraisers who reviewed the contractor-prepared appraisals said that the appraisals were approved as meeting uniform appraisal standards for valuing such property[14] and represented fair market value for the land. The overall conclusion of the appraisal reports was that the land held little economic value and that the single and best use of the land was to hold it for speculation; the reports assigned a value of about $8 million for Koniag lands, about $4 million for the Old Harbor lands, and about $22 million for the Akhiok-Kaguyak lands.

•The sellers said that under no circumstances were they willing to accept the government's appraised value as the fair market value for the land. The sellers conducted their own appraisals, which identified the highest and best use as commercial activities and conservation management, and established a value of about $54 million for the Koniag lands,[15] $19 million for the Old Harbor lands, and $88 million for the Akhiok-Kaguyak lands. The basis for these appraisal values was that the land contained multiple resources, such as rivers, lakes, and world-class salmon, as well as its existing commercial and developmental potential. Government appraisers said that under the Uniform Appraisal Standards for Federal Land Acquisitions they were prevented from using noneconomic-value factors in appraisals.

When the native corporations rejected the Trustee Council's appraised price, the council's negotiators began negotiations with the corporations to establish an agreed-upon price for the land. These agreed on prices were $27 million for Koniag, $15 million for Old Harbor, and $46 million for Akhiok-Kaguyak. The final prices represented a higher amount than the

[14]Uniform Appraisal Standards for Federal Land Acquisitions, Interagency Land Acquisition Conference (1992).

[15]The appraised value provided to us for Koniag was $101 million for fee title to 113,000 acres. Since only about 60,000 acres were acquired in fee title, with the remainder under a limited-term easement, we adjusted the original appraisal to reflect the reduction in fee title land acquired.

government-appraised value and a lower amount than the appraisal amounts provided by the native corporations. According to council resolutions confirming the agreements reached with the native corporations, the council believed it was appropriate to pay more than the government-appraised value for these particular parcels because the land provided exceptional habitat for promoting recovery of natural resources and because the council wanted to prevent any possible degradation of this habitat.

The three parcels were originally part of the national wildlife refuge prior to being selected by the native corporations in the 1970s under the Alaska Native Claims Settlement Act of 1971. Each of the deeds for these parcels contains two conditions relating to the sale and use of the land, which appear to provide a degree of protection from development and some restrictions on how the land can be used. First, if the land was ever sold, the United States had the right of first refusal. This means that if a landholder had a bona fide offer, the United States has the option to step in and purchase the land for the price and terms included in the offer. Second, the land was subject to the laws and regulations governing the use and development of the refuge.[16] However, Interior officials believe these protections and restrictions are difficult to act upon. For example, the federal appropriations process makes it generally impossible to exercise the right of first refusal, because funds must be available to match a sale price within 120 days. Second, some "compatible" use and development are permitted in refuges, and enforcement of prohibitions against uses and development deemed noncompatible is difficult because compatible has never been defined in federal regulations. Interior officials believe that the acquisitions provided a degree of protection and public access not available under the regulatory process.

[16]These provisions were contained within the Alaska Native Claims Settlement Act of 1971, the law under which the native corporations had become owners of these parcels. Under this law, Alaska natives received the right to select parcels in settlement of their aboriginal claims upon the land. A provision in the law required native corporations to select parcels near their native villages. All the land near native villages on the south end of Kodiak Island was already within the existing Kodiak National Wildlife Refuge.

Public Participation Process for Land Acquisition Similar to the Process for Other Restoration Activities

The public participation processes followed by the Trustee Council for acquiring land and approving other restoration activities such as monitoring, research, and general restoration projects are similar. Each follows the guidance in the restoration plan, which calls for meaningful public participation at all levels of the decision process. Public involvement in council decisions on monitoring and research and general restoration projects are linked to an annual work plan cycle with distinct and predictable opportunities for public input. However, public involvement in council decisions on land acquisitions depends on negotiations between buyer and seller with less predictable opportunities for public input. Given these distinctions, we found that the council provides adequate and ample opportunity for public review and comment for both land acquisition decisions and for restoration projects.

Public Participation Process for All Restoration Activities Follows Guidance in the Restoration Plan

The 1994 restoration plan developed by the Trustee Council emphasizes a commitment to include meaningful public participation in all restoration activities. To meet this objective, the Trustee Council has taken steps to involve the public in council decisions by (1) opening most meetings to the public; (2) including a public comment period during meetings that are usually linked by telephone to sites in the spill area; (3) making transcripts of the meetings as well as all project reports available through libraries throughout the state; and (4) publishing and disseminating documents proposing monitoring, research, general restoration, and land acquisitions for public review and comment before council decisions are finalized. In deciding on monitoring, research, and general restoration projects, the council follows an annual planning process that includes a public call for project proposals, the review of proposals by the Chief Scientist and peer reviewers, a legal and policy review, a draft plan distributed for public comment, a public hearing on the draft plan and review by the Public Advisory Group, and final selection of projects to be funded for the year. The process has a beginning point and an end point, and the dates for each milestone are published and made available to the public. In contrast, council decisions on land acquisition do not follow an annual cycle. For example, while the council has published a list of lands under consideration for acquisition within the oil spill area, there is no timetable for decision points because they are dependent on variables such as the completion of appraisals and negotiations with the sellers.

Numerous Opportunities Provided for Public Review and Comment Regarding Land Acquisitions

The Trustee Council disseminates information about the status of land acquisitions and solicits public input about acquisitions being negotiated or considered in a number of ways. The council highlights land acquisition status and future actions in numerous publications available to the public, including a "Restoration Update Newsletter"—published six times per year since 1994; an annual status report to the public; and an annual work plan, which contains a segment on land acquisitions. All of these publications are available in the state library system, and the council has recently added a web site on the Internet that provides summary information about land acquisition. In addition, according to the Executive Director, land acquisition status is included as an agenda item at most council meetings, which are open to the public. The agendas are advertised in advance in newspapers and on the radio, and time during the meetings is devoted to hearing public comment on planned land acquisition actions. In addition, the Executive Director told us that once the council approves an offer made to acquire land, there are additional opportunities for public review and comment before the acquisition is finalized, which usually takes an additional 3 to 4 months to draft and sign a purchase agreement, clear the land title, and close the deal. Also, when land title goes to the state, the Alaska legislature must appropriate the funds for the acquisition; public notice of these meetings is made and they are open for public comment. In those instances when title goes to a federal agency, the Alaska congressional delegation staff are briefed by council staff or by representatives of Interior or Agriculture—the two federal agencies that sponsor various land acquisitions and that eventually take title to the acquired lands.

In addition to the public participation opportunities provided through Trustee Council publications and public meetings, additional opportunities exist for public input. For example, most of the large parcel land acquisitions involve native corporations that answer to shareholders. According to the attorneys for one of the native corporations, state law requires that anytime a native corporation sells or disposes of a "substantial" share of its assets, the shareholders must be fully informed, and the sale must be approved by its shareholders.[17] For the three Kodiak Island large parcel sales, we found that in only one case (Akhiok-Kaguyak) did the corporation decide it was required by law to have the shareholders approve the sale because the sale resulted in the disposition of a substantial share of the corporation's assets. However, for the sale of both Akhiok-Kaguyak and Old Harbor Native Corporation, the shareholders voted overwhelmingly to approve the sales (though the approval was not

[17]The amount or percent that represents substantial is not defined in state law.

required for the latter). In addition, Koniag held a meeting to inform shareholders about the sale.

We reviewed many of the written comments received by the council from the public and special interest groups on the large parcel acquisitions—particularly the acquisitions on Kodiak Island. The vast majority of the comments support the land acquisition program and individual acquisitions.

Return on Settlement Funds Could Be Increased

Independent auditors hired by the Trustee Council have noted two opportunities for increasing the return on Exxon settlement funds. One opportunity involves using electronic transfer procedures, rather than the current process, which includes writing checks, when disbursing funds from the joint trust account to the federal and state accounts for council-approved uses. Another opportunity is to invest Exxon settlement payments with an organization that charges lower management fees. In addition, the rate of return on investments may be higher elsewhere.

Civil Settlement Funds Invested in Court System Account

Under the terms of the memorandum of agreement, annual Exxon settlement payments (excluding the $158 million in reimbursements paid directly to the federal government and the state of Alaska and the $40 million Exxon credit) are deposited into a joint interest-bearing trust account. This account entitled the Exxon Valdez Oil Spill Settlement Account is held in CRIS and is administered through the U.S. District Court for the Southern District of Texas. The settlement account was established specifically for receiving, depositing, investing, disbursing, and managing all nonreimbursement payments from the Exxon civil settlement. There are two main accounts within the settlement account—the liquidity account and reserve fund account. Funds held in the liquidity account are disbursed to the federal government and Alaska with the unanimous approval of the Trustee Council, and a court order, to pay for council-approved uses, such as natural resource restoration and protection activities. Funds disbursed to the federal government are deposited in the U.S. Department of the Interior, Fish and Wildlife Service, Natural Resource Damage Assessment and Restoration Fund, where they are invested and paid out to federal agencies as needed. Funds disbursed from CRIS to Alaska for approved restoration activities are deposited in the State of Alaska, Exxon Valdez Oil Spill Settlement Trust. Pursuant to state law, expenditures of trust funds by a state agency must be in accordance with an appropriation made by law.

In addition to the liquidity account, the council established a reserve fund account in February 1996—within CRIS—as a savings account for future restoration activities. The council plans to place up to $12 million into the reserve fund annually for 9 successive years. The goal of the reserve fund is to have money available to finance a long-term restoration program after the last payment from Exxon. The reserve funds are maintained within CRIS and are invested in U.S. government Treasury securities, with maturity dates ranging from fiscal year 1997 through fiscal year 2002. The council expects the reserve fund to be worth about $140 million, including interest, in 2002.

Initiating Wire Transfers Will Increase Revenues

When the Trustee Council needs to fund its operation in accordance with the memorandum of agreement, the Department of Justice and the Alaska Department of Law petition the U.S. District Court, District of Alaska, in Anchorage to have money transferred from the CRIS liquidity account to the federal government and the state of Alaska. The court clerk in Houston transfers funds to the court in Anchorage. The court clerk in Anchorage then issues checks to the state or federal government. The council's independent auditors have noted in their annual reports that because of the administrative procedures involved, there is a time lag of at least 7 days between when the funds are liquidated in the CRIS account and when checks written against those funds are reinvested in interest-bearing trust funds maintained by the federal and state governments. During this time, the liquidated funds do not earn interest. The auditors estimated that interest lost due to the time lag totaled approximately $242,000 for the 3-year period fiscal years 1995 through 1997.[18] We can not estimate how much could be lost over the next 5 years through fiscal year 2002 when the settlement account is expected to be fully liquidated. However, we believe a similar rate of loss is likely.

Electronic transfer of funds directly into federal and state accounts from Houston could solve the problem. The Anchorage court clerk does not currently have the ability to transfer funds electronically; however, the Houston clerk does. The auditors said that it appears the Houston court clerk could make the electronic transfers directly from Houston after receiving a voucher from the Anchorage clerk initiating the transfer. In this manner, the Anchorage court would continue to control the disbursement process. During our review, we contacted the clerk of the U.S. District Court in Anchorage to determine if there was anything that

[18]Losses due to transfer inefficiencies prior to 1995 were not estimated because independent audits were not conducted for those years.

the council could do to initiate an electronic fund transfer system. The clerk told us that an official of the U.S. Court Administrative Office in Washington, D.C., could make the decision to allow the electronic transfer of funds. Subsequently, we contacted the council's Executive Director, who said she would initiate action to resolve the problem.

Moving Settlement Funds Outside of CRIS Will Reduce Expenses

The Trustee Council's auditors also recommended that the council identify whether there are other, more advantageous, entities outside of CRIS in which to place the Exxon settlement funds. The auditors' opinion is that the fees charged by CRIS on the liquidity and reserve accounts are excessive and greatly exceed the costs incurred in administering the funds. The council's Administrative Officer told us that fees for managing these funds outside of CRIS could be significantly less. She said, for instance, the state would charge about $24,000 a year to manage both the liquidity and reserve accounts, whereas during fiscal year 1997 CRIS charged the Trustee Council about $258,000 in fees for managing just the liquidity account. In addition, accrued management fees for the reserve account were about $181,000 for a total of about $439,000.

A state of Alaska study of potential investment options conducted for the Trustee Council showed that the council could also earn a higher rate of interest income on liquidity and reserve accounts if they were invested outside of CRIS. The amount of income would depend on the types of investments and the amount of risk the settlement agreement would allow. Department of Justice lawyers told us that legislation could be enacted to permit the deposit and investment of funds outside CRIS and the Treasury. The legislation would have to consider (1) the status of the fund as a federal court-administered fund and (2) the different parties involved in the fund's operation—the federal government, the state of Alaska, and the federal and state trustees. According to Justice lawyers, such a statute could authorize depositing trust funds into appropriate accounts outside the Treasury provided that the government and Alaska receive court permission to do so. The legislation would require the trustees to determine that the classes of investments have a high degree of security and reliability.

Conclusions

The Trustee Council's management of the Exxon Valdez oil spill civil settlement funds is more effective today than when we last reported on this issue in 1993. However, one issue discussed in our 1993 report—that some research projects were being funded that might not be directly

linked to the oil spill or which appeared to duplicate normal agency responsibilities—continues to be an issue today. One of the options for the future reserve account being discussed by the council is to set up an endowment in which all or part of the available annual funding for research and monitoring projects will come from annual investment income. Because the funding of projects from the reserve account will not begin for several more years, the linkage of proposed projects directly to the 1989 oil spill and the differentiation of normal agency mission activities from oil spill-related activities will become more difficult. As a result, it is important for the Trustee Council, especially if a reserve is established, to continue to review the restoration projects on a case-by-case basis to ensure that each project is directly tied to the oil spill and that the project is not part of an agency mission activity.

Also, if the Trustee Council does adopt the option of making the reserve an endowment, increasing net return on the fund's principal and minimizing management fees will result in more funds being available annually for restoration activities. The independent auditors of the Trustee Council noted that using electronic transfer procedures when disbursing funds could increase interest income, and placing the settlement into a different account could result in lower management fees.

Recommendation

To increase the amount of settlement funds available for future restoration activities, we recommend that the Trustee Council review ways such as those identified by the Trustee Council's independent auditors to minimize management fees and maximize net returns without compromising the security and reliability of the investment returns.

Agency Comments and Our Evaluation

We provided a draft of this report to the Trustee Council and the Departments of the Interior and Justice. The Trustee Council and Interior agreed with the overall findings of the report. The Trustee Council also fully concurs with the report's recommendation. Interior did not comment on the recommendation. The Trustee Council and Interior had some suggestions or technical clarifications to the report, which we incorporated where appropriate. The Trustee Council's and Interior's comments are contained in appendixes V and VI, respectively. The Department of Justice had some technical clarifications to the report, which we incorporated where appropriate.

The Trustee Council disagreed with our statement that the funding of three research projects identified in the report—regarding sockeye salmon, killer whale, and pink salmon—appear questionable because the projects may not be sufficiently linked to the oil spill or should be considered part of a federal or state agency's existing mission. The council believes that the files and deliberations on these projects document the rationale and linkage to the oil spill. As stated in the report, parties involved in the Trustee Council review process have disagreed over whether these three studies fall within the restoration plan guidance and should be funded. Because of the disagreement between the various parties, we relied on the judgment of the Chief Scientist and his peer reviewers, who are charged with providing an independent review of all proposed monitoring, research, and general restoration projects. Because the Chief Scientist and the peer reviewers have questioned the funding of these three projects, we continue to believe that some projects are being funded that may not be directly linked to the oil spill or that appear to duplicate normal agency responsibilities. It should be noted that the Trustee Council agreed that this is an important issue and that the council should continue to review restoration projects on a case-by-case basis.

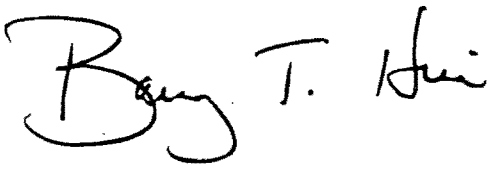
Scope and Methodology

To conduct our review, we visited the Exxon Valdez Trustee Council office in Anchorage, Alaska, reviewed council files, and met with various members of the council and its staff. We also met with various federal and state agency officials, including the Departments of the Interior and Justice, who were involved in various activities relating to the oil spill. We reviewed various documentation, including the memorandum of agreement between the federal government and Alaska and the Trustee's Council restoration plan, which, in essence, represents the council's implementing policies for carrying out council activities. Our work was performed from February through July 1998 in accordance with generally accepted government auditing standards. Appendix IV describes the scope and methodology of our review in greater detail.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days. At that time, we will provide copies to the Secretaries of Agriculture, Commerce, and the Interior; the Attorney General, Department of Justice; the Executive Director and the members of the Trustee Council; and other interested parties. We will also make copies available to others upon request.

Please contact me at (202) 512-3841 if you have any questions. Major contributors to this report are listed in appendix VII.

Sincerely yours,



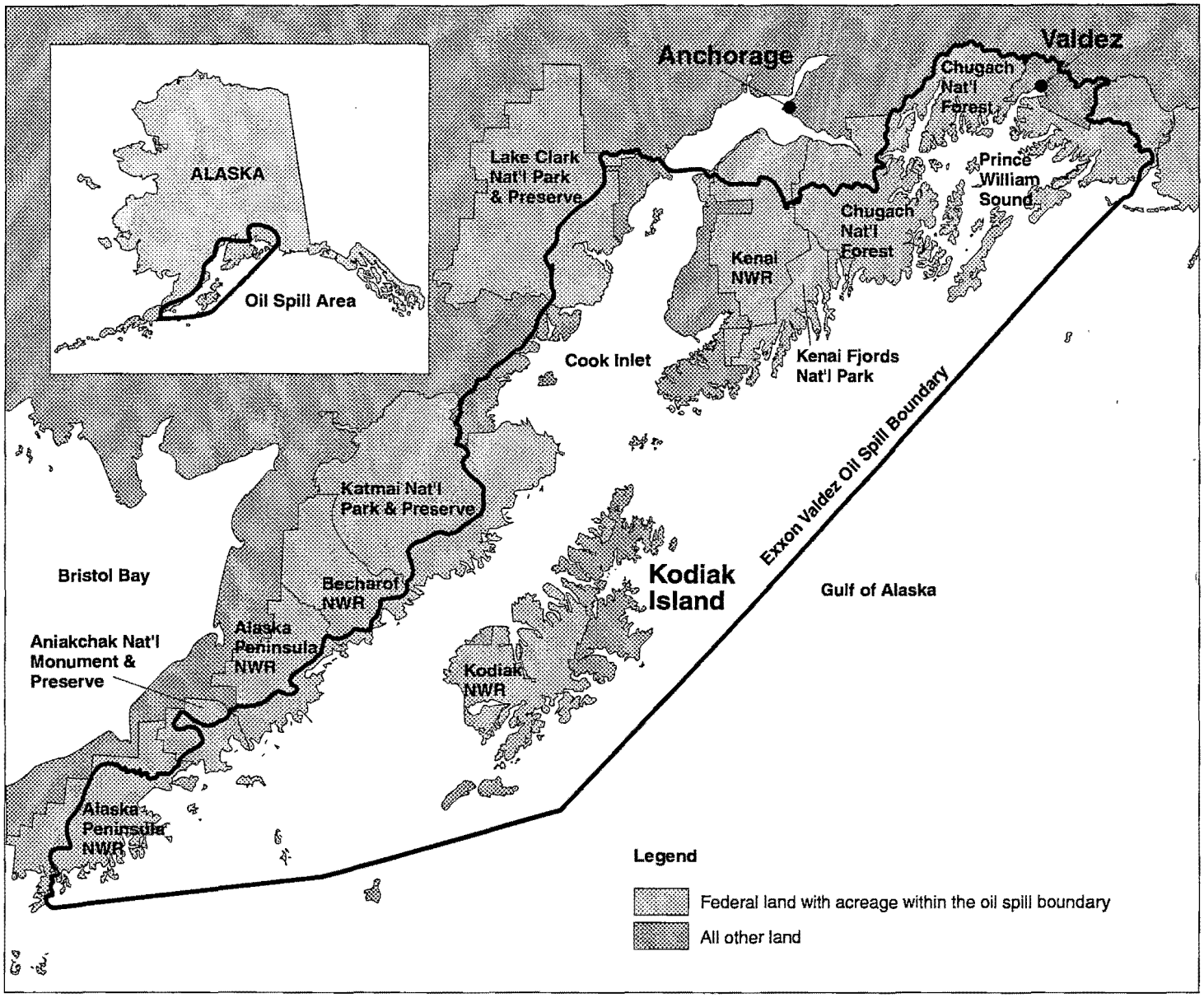
Barry T. Hill
Associate Director, Energy,
Resources, and Science Issues

Contents

Abbreviations

CRIS	Court Registry Investment System
DOJ	Department of Justice
EPA	Environmental Protection Agency
GAO	General Accounting Office
NRDA&R	Natural Resource Damage Assessment and Restoration Fund

Oil Spill Boundary Defining the Area Affected by the Exxon Valdez Oil Spill and Federal Lands Located Within the Boundary



Source: Alaska Department of Natural Resources.

The Exxon Valdez oil spill occurred in Prince William Sound south of the port of Valdez, Alaska. The oil spread in a south westerly direction entering the Gulf of Alaska and contaminating an area, including the Kenai Peninsula, Kodiak Island, southern Cook Inlet, and the Alaska Peninsula. The area enclosed within the oil spill boundary represents the maximum extent of oiled shoreline, affected communities, and adjacent uplands providing habitat for injured resources.

Summary of Civil Settlement Funds Received by Federal Agencies and the State of Alaska Through September 30, 1997

Dollars in millions

Organization	Reimbursement for oil cleanup/ damage assessment	Monitoring and research[a,b]	General restoration[a,b]	Habitat protection[a,c]	Science management information and administration	Total[a]
Department of Agriculture	$19	$3	$2	$32	$ 4	$60
Department of Commerce	18	14	2	[d]	1	35
U.S. Coast Guard	16	[d]	[d]	[d]	[d]	16
Department of the Interior	12	10	1	83	1	107
EPA	4	[d]	[d]	[d]	[d]	4
Total U.S. government	**69**	**27**	**5**	**115**	**6**	**222**
Total state of Alaska	**89**	**63**	**21**	**72**	**14**	**259**
Exxon[e]	**40**	[d]	[d]	[d]	[d]	**40**
Grand Total	**$198**	**$90**	**$26**	**$187**	**$20**	**$521**

[a]Totals may not add because of rounding.

[b]Of the $116 million received by the federal agencies and Alaska for monitoring and research and general restoration activities, $31 million was further passed on to such third parties as universities, independent contractors, and private nonprofits.

[c]Of the $187 million, $180 million was passed on to landowners from whom land title or conservation easement is acquired; management of the acreage acquired remains with the sponsoring federal agency or Alaska.

[d]Not applicable.

[e]Credit to Exxon for cleanup work relating to the oil spill.

Trustee Council Habitat Acquisitions: Acreage Acquired and Pending, Agreed Price and Offers, and Funding Sources

Parcel description	Total acreage	Fee title	Less than fee	Total price	Trustee Council contribution from civil settlement[a]	Other contributions from Federal criminal settlement	Other contributions from Other sources
Large parcel acquisitions completed							
Akhiok-Kaguyak, Inc	115,973	73,525	42,448	$46,000,000	$36,000,000	$10,000,000	0
Chenega	59,520	37,236	22,284	34,000,000	24,000,000	10,000,000	0
English Bay	32,537	32,537	0	15,371,420	14,128,074	1,243,346	0
Kachemak Bay	23,800	23,800	0	22,000,000	7,500,000	0	$14,500,000[b]
Koniag	118,710	59,674	59,036	28,500,000	21,500,000	7,000,000	0
Old Harbor	31,609	28,609	3,000	14,500,000	11,250,000	3,250,000	0
Orca Narrows	2,052	0	2,052	3,450,000	3,450,000	0	0
Seal Bay	41,549	41,549	0	39,549,333	39,549,333	0	0
Shuyak Island	26,665	26,665	0	42,000,000	42,000,000	0	0
Subtotal	**452,415**	**323,595**	**128,820**	**245,370,753**	**199,377,407**	**31,493,346**	**14,500,000**
Acquisitions pending							
Tatitlek	69,814	32,284	37,530	34,550,000	24,550,000	10,000,000	0
Offers accepted							
Afognak Joint Venture	41,750	41,350	400	70,500,000	70,500,000	0	0
Eyak	75,425	55,357	20,068	45,000,000	45,000,000	0	0
Subtotal	**117,175**	**96,707**	**20,468**	**115,500,000**	**115,500,000**	**0**	**0**
Large Parcel Total	**639,404**	**452,586**	**186,818**	**395,420,753**	**339,427,407**	**41,493,346**	**14,500,000**
27 small parcel acquisitions completed	**3,560**	**3,560**	**0**	**12,877,700**	**12,877,700**	**0**	**0**
11 small parcel acquisitions pending	**3,760**	**3,760**	**0**	**8,174,400**	**7,703,400**	**430,000**	**41,000[c]**
Grand Total	**646,724**	**459,906**	**186,818**	**$416,472,853**	**$360,008,507**	**$41,923,346**	**$14,541,000**

[a]The Trustee Council's contribution does not include about $7 million for parcel evaluation and support costs which could not be broken out on an individual parcel basis.

[b]Consists of $7 million from the Exxon criminal plea agreement and $7.5 million appropriated by the state as a result of a civil settlement with Alyeska Pipeline Service Company.

[c]From the city of Homer.

Scope and Methodology

To determine how much Exxon had paid toward the total $900 million civil settlement through September 1997 and to whom these funds were disbursed, we visited the Exxon Valdez Trustee Council office in Anchorage, Alaska, and reviewed council files, including financial reports and independent audits of the council's operation. We did not independently verify the accuracy of the financial reports provided by the council. We also reviewed the settlement agreement, the memorandum of agreement, the council's court requests for release of funds from the joint federal/state trust account, the council's annual status reports, and other reports that documented Exxon's payments and the disbursement of those funds. In addition, we interviewed the Executive Director of the Trustee Council, council staff, and Department of Justice officials in Anchorage and in Washington, D.C.

To determine whether the council has funded activities that may not be consistent with the memorandum of agreement, we examined the requirements of the agreement for funded projects as well as the council's implementing policies, such as the restoration plan. We reviewed annual draft and final work plans to determine which projects were proposed and actually funded. We also reviewed the council's habitat acquisition plans and the minutes from council meetings. We interviewed the council's Executive Director, federal and state council members, the council's Chief Scientist, and Justice officials to gather data on individual funded projects. We also compared some of the projects we reported on in our 1993 report with those continuing to receive funding. Because the scope of our review was to review expenditures approved by the Trustee Council, we did not examine in detail how the federal government and Alaska expended the $125 million the court assessed Exxon in criminal fines and penalties.

To determine how the prices paid for land acquisitions compare with government land appraisals and whether the public participation process for the habitat protection acquisition program is similar to the public participation process for other types of restoration actions, we reviewed the council's habitat acquisition plans for both large and small acquisitions; government appraisal documents that describe the appraisal process; council documents that show the location, acreage, type of property acquired for each acquisition, the government appraisal value, and the amount paid for each parcel. We also reviewed and compared documents describing the public participation process for both habitat acquisitions and for the other restoration activities, as well as interviewing the council's Executive Director, council members, and the public advisory group Chairman to determine habitat acquisitions and the public

participation process. To gain more detailed data on prices paid for selected land acquisitions and the public participation process, we visited three large parcel acquisitions (Akhiok-Kaguyak, Koniag, and Old Harbor) on Kodiak Island to discuss these matters with Department of the Interior officials, whose Department sponsored these acquisitions; as well as the President of one of the native corporations who negotiated and sold property to the council. We did not review and evaluate the appraisal processes or the assumptions used to determine the appraised values on either the government's or seller's side. Our purpose in analyzing these transactions was to determine why the council paid more than the government-appraisal price.

To determine if trust funds are being invested to maximize the returns available to the trust, we reviewed the memorandum of agreement which, among other things, describes how settlement payments are to be handled, documents describing the Court Registry Investment System in which the joint trust account is maintained, council financial reports, and independent auditors' reports that recommended changes to the current investment system to maximize returns. We also interviewed the Clerk of the U.S. District Court in Anchorage, officials with the Department of Justice to determine how settlement funds could be invested outside of the registry system, and the Chief Investment Officer for the Alaska State Department of Revenue (Treasury Division) about the costs and returns of managing state investment accounts similar to the Exxon Valdez Joint Trust Account. We also reviewed a study of investment options prepared by the Department of Revenue for the Trustee Council, which describes potential returns on investment if money were invested outside of the court registry system. Our work was performed from February through July 1998 in accordance with generally accepted government auditing standards.

Comments From the Trustee Council

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178

July 17, 1998

Barry T. Hill
Associate Director
Energy, Resources and Science Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Hill:

These comments on your draft report, "Status of Payments and Use of *Exxon Valdez* Oil Spill Settlement Funds," are offered on behalf of the entire *Exxon Valdez* Oil Spill Trustee Council. We appreciate being given the opportunity to comment on this draft.

In general, the Trustee Council supports the overall findings of this draft report. We appreciate the fact that you have noted that issues identified in an earlier GAO report have all been addressed (p. 9). Many programmatic improvements have been made and we are very proud of the program that has been developed by the Council over the past seven years. Certainly, there has never been a settlement this large, or an injury to the environment of such magnitude and complexity, resulting in some inevitable delays in getting a program fully operational. As noted in the GAO report, the settlement calls for meaningful public involvement. While extensive public involvement has slowed the process, we feel that overwhelming public support for the restoration program provides ample justification for careful development of the program and clear evidence of the Trustee Council's success in meeting its trust responsibilities.

Now on p.7.

The draft report notes that the Council's management of the settlement funds "appears more effective than when we last reported on this issue" (p. 30). We believe the abundant documentation provided to the GAO amply demonstrates more than just an appearance of effective management and we are now confident that the *Exxon Valdez* settlement process can serve as a model for other similar efforts throughout the nation. Accordingly, the statement on p. 30 should be substantially strengthened.

Now on p. 23.

Status of distribution of funds. We believe it is important to note on p. 12 in the paragraph headed "Council-approved projects" that of the $323 million disbursed by the Trustee Council to federal and state agencies, $187 million was for habitat protection, virtually all of which has been passed on to private landowners. Of the

Now on p. 23.

Now on p. 10.

$116 million spent for monitoring, research and general restoration projects, $31 million has gone to non-agency entities such as universities, independent contractors, and private non-profits. The Trustee Council is pleased that while the general public benefits from the protection of valuable habitat and improved scientific understanding of the injured resources, it has also been possible to use the vast majority of settlement funds in a manner that has economic benefits for the private sector.

Now on p. 2.

Projects consistent with *Restoration Plan*. The draft report states (p. 3) that "a few monitoring and research projects have been funded" even though they "appear questionable and have generated disagreement in the review and approval process." The draft report specifically identifies three projects (sockeye salmon, killer whales and pink salmon genetics) and suggests that (p. 13) they "may not" be sufficiently linked to the oil spill or are projects that should not have been funded because they "would be funded under normal agency mission activities." We do not agree. While the record reflects debate about these three projects, we believe that the files and deliberations on these projects document the rationale and oil spill linkage.

Now on p. 11.

Respecting "normal agency management, the *Restoration Plan* states that "government agencies will be funded only for restoration projects that the agencies would not have conducted had the spill not occurred." The *Restoration Plan* further clarifies that "this policy addresses the concern that restoration projects should not support activities that government agencies would do anyway." (*Restoration Plan*, p. 17) We note that virtually every project the Council has funded could arguably be considered part of a federal or state agency's existing mission. In fact, the Trustees for the most part were chosen because of their management authorities and responsibilities for the public's natural resources. However, while the three projects noted may also fall generally within an agency's mission, they were funded by the Trustee Council for the specific purpose of addressing issues and impacts resulting from the 1989 oil spill that were not being addressed by the agencies and are thus not "normal agency activities."

Now on p. 12.

As indicated in the draft report, the issue of "normal agency activities" was raised in the 1993 GAO audit. We agree with the current audit's conclusion that this continues to be an important issue and that the Trustee Council should "continue to review the restoration projects on a case-by-case basis to ensure that each project is directly tied to the oil spill and that the project is not part of an agency mission activity." At the request of both the Trustee Council and the Public Advisory Group, substantial effort was made in 1995 to develop further criteria to help define what constituted "normal agency management" in order to supplement the existing *Restoration Plan* policy and provide more guidance in the review process. However, after extensive review no further criteria could be found that improved the guidance to the satisfaction of the Council and the PAG. Both bodies concluded that there was no perfect, all-encompassing definition of normal agency management, and thus directed staff to increase its review of individual projects on a case-by-case basis. This has been done and continues to this date.

Management of Settlement Funds. We fully concur with the GAO's recommendation regarding the need "to minimize management fees and maximize net returns without compromising the security and reliability of the investment returns." This issue has been the focus of considerable effort by the Council over the past two years and, during the audit process, the Council strongly promoted attention on this issue by the GAO. The major change needed -- to withdraw the settlement funds from the U.S. Treasury -- has been the most problematic since it requires Congressional action. We are hopeful that we will be able to achieve this without compromising the integrity of the settlement itself. We continue our efforts to implement electronic transfers, and continue to find ourselves frustrated by the court system bureaucracy. We hope that the added attention provided by the GAO's recommendation will help us resolve this matter.

In reviewing the draft report we have identified a number of additional technical errors or suggested clarifications. We have noted these in a marked up draft that has been sent separately.

Again, we appreciate the opportunity to provide these comments and also the opportunity to explain in detail our program to your excellent team of auditors.

Sincerely,

Molly McCammon
Executive Director

cc: Trustee Council
U.S. Department of Justice

MM/ty

Comments From the Department of the Interior

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

JUL 20 1998

Mr. Barry T. Hill
Associate Director, Energy
Resources, and Science Issues
U.S. General Accounting Office
441 G Street, NW, Room 2T23
Washington, DC 20240

Dear Mr. Hill:

Thank you for the opportunity to review and comment on your draft report entitled, "Natural Resources Restoration: Status of Payments and Use of Exxon Valdez Oil Spill Settlement Funds" (GAO/RCED-98-236).

The Department of the Interior agrees with the findings in the Report. We do, however, offer the following comment for clarification.

The first sentence of the Conclusion reads, "The Trustee Council's management of the Exxon Valdez Oil spill civil settlement funds appears more effective today than when we last reported on this issue in 1993." This sentence is rather mild given the fact that the management of the EVOS funds is substantially more effective, as proven by the audit. We suggest that the sentence be reworded to match the content of the audit by stating that the management "is" more effective, or appears "substantially" or "significantly" more effective.

Thank you for the opportunity to provide comments on the Report.

Sincerely,

John Berry
Assistant Secretary for
Policy, Management and Budget

Major Contributors to This Report

Resources, Community, and Economic Development Division, Washington, D.C.	Chet Janik Vic Rezendes
Seattle Regional Office	Rod Conti Sterling Leibenguth
Office of General Counsel	Dick Kasdan

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are $2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

http://www.gao.gov

PRINTED ON RECYCLED PAPER

United States
General Accounting Office
Washington, D.C. 20548-0001

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use $300

Address Correction Requested

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

AGENDA
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL MEETING
SEPTEMBER 29, 1998 @ 10 A.M.
709 WEST 9TH STREET, ROOM 453, JUNEAU

9/21/98
4:38 pm

DRAFT

Trustee Council Members:

BRUCE BOTELHO/CRAIG TILLERY
Attorney General/Trustee
State of Alaska/Representative

MICHELE BROWN
Commissioner
Alaska Department of Environmental Conservation

DEBORAH WILLIAMS
Special Assistant to the Secretary for Alaska
U.S. Department of the Interior

JAMES A. WOLFE
Trustee Representative
U.S. Department of Agriculture
Forest Service

STEVE PENNOYER/JIM BALSIGER
Director, Alaska Region/Trustee Representative
National Marine Fisheries Service

FRANK RUE
Commissioner
Alaska Department of Fish & Game

Teleconferenced in Anchorage, EVOS Restoration Office
State Chair

1. Call to Order 10 a.m.
   - Approval of Agenda
   - Approval of August 13, 1998 and September 4, 1998 meeting notes

2. Executive Director's Report

3. Public Comment Period 10:30 a.m.

4. Small Parcels*
   - KAP 95
   - Larsen Bay 10 Acre Parcel, Matilda Christensen, Owner

5. Project 99291* Chenega Beach Closeout Costs - $9,235

6. Executive Session (Lunch Provided) -- Public Advisory Group Applications, Habitat Negotiations Strategy, Status of the Archaeology Repository RFP, Reopener Clause.

7. Public Advisory Group Nominations*

8. Koniag Subsurface Rights on Afognak Island* (tentative)

9. Work Session on Restoration Reserve 1 p.m.
   - Update on Public Comment - Veronica Christman
   - Briefing on Future Research Needs - Bob Spies, Pete Peterson & Stan Senner
   - Briefing on Habitat Program and Future Opportunities
   - Status of Community Projects - Hugh Short
   - Discussion

* indicates tentative action items

Adjourn - 5 p.m.

raw

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

TRUSTEE COUNCIL MEETING ACTIONS

September 4, 1998 @ 9 a.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

James A. Wolfe, USFS
* Deborah Williams, USDOI
● Bruce Wright, NMFS
Frank Rue, ADF&G
Michele Brown, ADEC
●Craig Tillery, ADOL

* Chair
In Anchorage: Williams, Tillery
In Juneau: Wolfe, Wright, Rue, and Brown

● Alternates:
Bruce Wright served as an alternate for Steve Pennoyer for the entire meeting.
Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

Meeting convened at 9:05 a.m.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. Motion by Brown, second by Rue.

Public comments received from three individuals from Anchorage and Cordova.

2. Eyak

APPROVED MOTION: Approved Eyak's request to selectively harvest approximately 80 to 100 trees, in the vicinity of the Humpback Creek hydroelectric facility, to construct a replacement dam. Motion by Wolfe, second by Brown.

Meeting adjourned at 9:56 a.m.

raw

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

TRUSTEE COUNCIL MEETING ACTIONS

August 13, 1998 @ 10:30 a.m.

DRAFT

By Molly McCammon
Executive Director

Trustee Council Members Present:

Jim Wolfe, USFS
•Barry Roth, USDOI
Steve Pennoyer, NMFS
Frank Rue, ADF&G
Michele Brown, ADEC
*•Craig Tillery, ADOL

* Chair
In Anchorage: Jim Wolfe, Steve Pennoyer, Michele Brown, and Craig Tillery
In Juneau: Frank Rue
In Idaho: Barry Roth

- Alternates:
  Barry Roth served as an alternate for Deborah Williams for the entire meeting.
  Craig Tillery served as an alternate for Bruce Botelho for the entire meeting.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. Motion by Pennoyer, second by Wolfe.

2. Approval of the Meeting Minutes

APPROVED MOTION: Approved June 8, 1998 and July 1, 1998 Trustee Council meeting notes. Motion by Pennoyer, second by Wolfe.

Public comments received from twelve individuals from Chenega, Cordova and Anchorage.

3. Executive Session

APPROVED MOTION: Adjourned into Executive Session for the purpose of discussing habitat protection issues. Motion by Pennoyer, second by Brown.

Off Record 12:10 p.m.
On Record 1:20 p.m.

4. FY 99 Draft Work Plan

Off Record 2:58 p.m.
On Record 3:16 p.m.

APPROVED MOTION: Approved the recommendations for FY99 projects as outlined in Spreadsheet A and Spreadsheet B, both dated August 13, 1998. Motion by Pennoyer, second by Brown.

5. FY99 Restoration Reserve Transfer

APPROVED MOTION: Approved the transfer of $12,000,000 from the CRIS - Liquidity Account to the *Exxon Valdez* Oil Spill Settlement Account - CRIS Reserve Fund. In the event the transfer is not completed by September 15, 1998, interest against these funds shall also be transferred. Interest shall be accrued from September 15, 1998, until the time of transfer from the CRIS - Liquidity Account. Motion by Pennoyer, second by Brown.

6. Afognak Joint Venture Payment Schedule

APPROVED MOTION: Approved a resolution dated August 13, 1998, describing a payment schedule for the acquisition of Afognak Joint Venture (AJV) lands providing that $70,500,000 plus an additional adjustment for deferred payments would be made in three parts. The resolution further provided that this authorization for funding was subject to the inclusion of terms and conditions to be incorporated into the purchase agreement including certain conservation easements to be granted by AJV at no additional cost as specified in the resolution. Motion by Pennoyer, second by Brown.

7. Eyak

APPROVED MOTION: Approved a resolution dated August 13, 1998, amending the prior July 2, 1997 Eyak land resolution, exempting certain remaining land selections from relinquishment. Motion by Wolfe, second by Brown.

Meeting adjourned at 4:57 p.m.

raw

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178

MEMORANDUM

TO: Trustee Council

THROUGH: Molly McCammon
Executive Director

FROM: Traci Cramer
Administrative Officer

DATE: September 11, 1998

RE: Quarterly Report for the period ending June 30, 1998

The attached reports consolidate the financial information submitted by the agencies for the quarter ending June 30, 1998.

The first report is a summary of activity by restoration category. This report reflects the total adjusted authorization and the total expended/obligated by Work Plan year and restoration category.

The second report displays the financial information by Work Plan. This report is used to determine what portion of the unexpended/unobligated balance or lapse, is available to off-set future court requests. Included are adjustments to reflect unreported interest and other revenue. Excluding lapse associated with Fiscal Year 1997, it is estimated that $3,170,609 is available to off-set future court requests.

The third report is a summary of financial information associated with the 1998 Work Plan.

If you have any questions regarding the information provided, please do not hesitate to contact me at 586-7238.

attachments

cc: Agency Liaisons
Bob Baldauf

Exxon Valdez Oil Trustee Council
Quarterly Financial Report As of June 30, 1998
Category

	92' Work Plan			93' Work Plan			94' Work Plan			95' Work Plan		
	Adjusted	Expended/	Percent	Adjusted	Expended/	Percent	Adjusted	Expended/	Percent	Adjusted	Expended/	Percent
Category	uthorization	Obligated	Obligated	uthorization	Obligated	Obligated	uthorization	Obligated	Obligated	uthorization	Obligated	Obligated
General Restoration	4,103,070	3,794,442	92.48%	3,126,013	2,172,675	69.50%	5,179,300	3,172,367	61.25%	5,232,695	4,451,974	85.08%
Monitoring							2,883,118	2,573,751	89.27%	3,080,926	2,461,549	79.90%
Research							8,640,710	8,145,206	94.27%	10,679,931	10,119,861	94.76%
Monitoring and Research	2,237,788	2,207,007	98.62%	4,204,925	3,662,112	87.09%	417,200	335,717	80.47%			
Damage Assessment	7,807,100	5,740,168	73.52%	1,991,807	1,571,049	78.88%	0	0	0.00%	0	0	0.00%
sub-total	14,147,958	11,741,617	82.99%	9,322,745	7,405,836	79.44%	17,120,328	14,227,041	83.10%	18,993,552	17,033,384	89.68%
Habitat Protection	0	0	0.00%	486,200	156,760	32.24%	3,747,292	1,673,927	44.67%	2,757,322	2,310,898	83.81%
Administration	5,076,100	4,295,933	84.63%	4,136,052	2,653,889	64.16%	4,882,880	4,082,492	83.61%	4,253,526	3,061,704	71.98%
Total	19,224,058	16,037,550	83.42%	13,944,997	10,216,485	73.26%	25,750,500	19,983,460	77.60%	26,004,400	22,405,986	86.16%

	96' Work Plan			97' Work Plan			98' Work Plan		
	Adjusted	Expended/	Percent	Adjusted	Expended/	Percent	Adjusted	Expended/	Percent
Category	uthorization	Obligated	Obligated	uthorization	Obligated	Obligated	uthorization	Obligated	Obligated
General Restoration	4,133,410	3,730,630	90.26%	3,798,160	3,626,959	95.49%	2,406,538	1,546,785	64.27%
Monitoring	1,496,871	1,445,105	96.54%	982,051	946,121	96.34%	928,347	560,467	60.37%
Research	13,208,019	12,747,281	96.51%	11,396,236	11,173,097	98.04%	10,758,205	8,420,545	78.27%
Monitoring and Research									
Damage Assessment	0	0	0.00%	0	0	0.00%	0	0	0.00%
sub-total	18,838,300	17,923,016	95.14%	16,176,447	15,746,177	97.34%	14,093,090	10,527,797	74.70%
Administration	3,418,500	2,995,607	87.63%	2,941,100	2,650,858	90.13%	2,796,300	1,907,810	68.23%
Habitat Protection	3,304,100	1,967,055	59.53%	1,309,453	870,204	66.46%	884,110	348,816	39.45%
Total	25,560,900	22,885,678	89.53%	20,427,000	19,267,239	94.32%	17,773,500	12,784,423	71.93%

Work Plan Time Periods:

92' Work Plan- Oil Year 4 or March 1, 1992 through February 28, 1993
93' Work Plan - Oil Year 5 or March 1, 1993 through September 30, 1993 (Seven Month Transition)
94' Work Plan - October 1, 1993 through September 30, 1994
95' Work Plan - October 1, 1994 through September 30, 1995
96' Work Plan - October 1, 1995 through September 30, 1996
97' Work Plan - October 1, 1996 through September 30, 1997
98' Work Plan - October 1, 1997 through September 30, 1998

WORK PLAN AND ASSOCIATED PROJECTS										
Fiscal Year	Authorized	Adjustments	Adjusted Authorization	EVOS Expenditures	RSA Expenditures	Obligations	Unobligated Balance	EVOS Lapse	Federal Lapse	State Lapse
1992	19,211,000	13,058	19,224,058	13,317,450	2,720,100	0	5,906,608	5,906,608	2,286,572	3,620,036
1993	13,963,000	-18,003	13,944,997	10,210,471		6,014	3,728,512	3,728,512	1,716,453	2,012,059
1994	25,750,500	0	25,750,500	19,906,796		76,664	5,767,040	3,555,940	1,255,649	2,300,291
1995	26,004,400	0	26,004,400	22,405,986		0	3,598,414	3,598,414	735,010	2,863,404
1996	25,560,900	0	25,560,900	22,885,678		0	2,675,222	2,675,222	1,065,780	1,609,442
1997	20,427,000	0	20,427,000	19,267,239		0	1,159,761	0	0	0
1998	17,773,500	0	17,773,500	10,402,139		2,382,284	4,989,077	0	0	0
TOTAL	**148,690,300**	**-4,945**	**148,685,355**	**118,395,759**	**2,720,100**	**2,464,962**	**27,824,634**	**19,464,696**	**7,059,464**	**12,405,232**
OTHER AUTHORIZATIONS			**217,848,274**	**208,644,821**		**2,409,047**	**6,794,406**			
Total Reported Lapse (Through Court Request #29)								17,684,114	5,595,189	12,088,925
Unreported Lapse (1992 through 1996)								1,780,582	1,464,275	316,307
Unreported Interest								1,388,990	300,800	1,088,190
Other Revenue (Posters/Symposium Receipts)								1,037	0	0
Total Available to Off-set Future Court Requests								**3,169,572**	**1,765,075**	**1,404,497**

Footnote: The Unobligated Balances have been adjusted to reflect the carry forward of projects. This includes $30,672 in FY 92', $561,813 in FY 93' and $2,211,100 in FY 94'.

Exxon Vald[illegible]bill

For the Period Ending June 30, 1998

1998 Work Plan Summary

Project Number	Category	Description	97 State + Fed Authorized	97 State + Fed Adjustments	Col. D + E Adjusted Authorization	97 State + Fed Expenditures	97 State + Fed Obligations	Col. G + H Expended/ Obligated	Col. F - I Unobligated Balance
98001-CLO	R	Recovery of Harbor Seals From EVOS: Condition and	51,100	0	51,100	42,944	7,750	50,694	406
98007A	M	Archaeological Index Site Monitoring	139,700	0	139,700	41,580	50,890	92,470	47,230
98012A-BAA	M	Comprehensive Killer Whale Investigation in Prince William Sound	154,700	0	154,700	144,600	0	144,600	10,100
98025	R	Mechanisms of Impact and Potential Recovery of Nearshore Vertebrate Predators (NVP)	1,652,900	0	1,652,900	848,252	824	849,076	803,824
98043B	G	Monitoring of Cutthroat Trout and Dolly Varden Habitat Improvement Structures	24,000	0	24,000	0	0	0	24,000
98052A	G	Community Involvement	240,800	0	240,800	145,717	81,120	226,837	13,963
98052B	G	Traditional Ecological Knowledge	61,300	0	61,300	30,128	22,917	53,045	8,255
98064	R	Monitoring, Habitat Use, and Trophic Interactions of Harbor	272,500	0	272,500	119,038	20,300	139,338	133,162
98076	R	Effects of Oiled Incubation Substrate on Straying and	272,200	0	272,200	194,900	0	194,900	77,300
98100	A	Administration, Science Management and Public Information	2,796,300	0	2,796,300	1,715,671	192,139	1,907,810	888,490
98126	H	Habitat Protection and Acquisition Support	851,400	0	851,400	249,917	89,519	339,436	511,964
98127	G	Tatitlek Coho Salmon Release	10,500	0	10,500	0	9,829	9,829	671
98131	G	Chugach Native Region Clam Restoration	290,100	0	290,100	202,978	82,177	285,155	4,945
98139A1-CLO	G	Little Waterfall Barrier Bypass Improvements	13,400	0	13,400	12,318	65	12,383	1,017
98139A2	G	Port Dick Creek Tributary and Development Project	85,800	0	85,800	67,168	12,247	79,415	6,385
98142-BAA	R	Status and Ecology of Kittlitz's Murrelets in Prince William Sound	269,000	0	269,000	251,400	0	251,400	17,600
98144A	M	Common Murre Population Monitoring	57,400	0	57,400	8,505	0	8,505	48,895
98145-CLO	M	Cutthroat Trout and Dolly Varden: Relation Among and Within Populations of Anadromous and Resident Forms	120,700	0	120,700	0	0	0	120,700
98149	M	Archaeological Site Stewardship	66,900	0	66,900	26,520	26,689	53,209	13,691
98159	M	Surveys to Monitor Marine Bird Abundance in Prince William Sound during Winter and Summer 1998	237,000	0	237,000	134,742	0	134,742	102,258
98161-CLO	R	Differentiation and Interchange of Harlequin Duck Populations Within the North Pacific	16,500	0	16,500	0	0	0	16,500
98162	R	Investigations of Disease Factors Affecting Declines of Pacific Herring Populations in Prince William Sound	517,700	-1,100	516,600	205,296	284,160	489,456	27,144
98163A	R	APEX: Forage Fish Assessment	268,600	0	268,600	245,500	0	245,500	23,100
98163B	R	APEX: Seabird Interactions	89,900	0	89,900	76,850	0	76,850	13,050
98163C	R	APEX: Fish Diet Overlap	29,900	0	29,900	23,900	0	23,900	6,000
98163E	R	APEX: Kittiwakes	242,100	0	242,100	143,778	0	143,778	98,322
98163F	R	APEX: Guillemots	127,900	0	127,900	81,709	0	81,709	46,191
98163G	R	APEX: Seabird Energetics	221,300	0	221,300	272,000	0	272,000	-50,700
98163I	R	APEX: Project Management	160,600	0	160,600	150,100	0	150,100	10,500
98163J	R	APEX: Barren Islands Seabird Studies	112,500	0	112,500	85,060	0	85,060	27,440
98163K	R	APEX: Large Fish as Samplers	9,600	0	9,600	9,419	0	9,419	181
98163L	R	APEX: Historical Data Review	91,400	0	91,400	24,602	171	24,773	66,627
98163M	R	APEX: Response of Seabirds to Forage Fish Density	267,700	0	267,700	267,700	0	267,700	0

Exxon Valdez Oil Spill

For the Period Ending June 30, 1998

1998 Work Plan Summary

Project Number	Category	Description	97 State + Fed Authorized	97 State + Fed Adjustments	Col. D + E Adjusted Authorization	97 State + Fed Expenditures	97 State + Fed Obligations	Col. G + H Expended/ Obligated	Col. F - I Unobligated Balance
98163N	R	APEX: Black-Legged Kittiwake Controlled Feeding Experiment	30,000	0	30,000	27,000	0	27,000	3,000
98163O	R	APEX: Statistical Review	21,400	0	21,400	20,000	0	20,000	1,400
98163Q	R	APEX: Modeling	71,900	0	71,900	65,200	0	65,200	6,700
98163R	R	APEX: Marbled Murrelet Productivity	112,700	0	112,700	61,488	0	61,488	51,212
98163S	R	APEX: Jellyfish as Competitors and Predators of Fishes	96,500	0	96,500	90,200	0	90,200	6,300
98163T	R	APEX: Aerial Surveys	58,200	0	58,200	0	155	155	58,045
98165-CLO	R	Genetic Discrimination of Prince William Sound Herring Populations	56,000	0	56,000	13,440	4,196	17,636	38,364
98166-CLO	R	Herring Natal Habitats	42,300	0	42,300	41,720	216	41,936	364
98169	R	A Genetic Study to Aid in Restoration of Murres, Guillemots and Murrelets in the Gulf of Alaska	88,200	0	88,200	84,182	0	84,182	4,018
98170-CLO	R	Isotope Ratio Studies of Marine Mammals in Prince William Sound	108,800	0	108,800	0	101,915	101,915	6,885
98180	G	Kenai Habitat Restoration & Recreation Enhancement Project (Capital)	491,900	0	491,900	85,267	3,727	88,994	402,906
98186-CLO	G	Coded Wire Tag Recoveries From Pink Salmon in Prince William Sound	120,200	0	120,200	64,667	629	65,296	54,904
98188	G	Otolith Thermal Mass Marking of Hatchery Reared Pink Salmon In Prince William Sound	141,100	0	141,100	67,577	682	68,259	72,841
98190	R	Construction of a Linkage Map for the Pink Salmon Genome	229,400	0	229,400	51,360	150,413	201,773	27,627
98191A	R	Field Examination of Oil-Related Embryo Mortalities in Pink Salmon Populations in Prince William Sound	159,400	-8,500	150,900	120,555	902	121,457	29,443
98194-CLO	M	Pink Salmon Spawning Habitat Recovery	25,000	0	25,000	21,200	0	21,200	3,800
98195	R	Pristane Monitoring in Mussels	114,900	0	114,900	107,300	0	107,300	7,600
98196	R	Genetic Structure of Prince William Sound Pink Salmon	130,200	0	130,200	105,572	575	106,147	24,053
98210	G	Youth Area Watch	150,200	0	150,200	144,794	5,479	150,273	-73
98220-CLO	G	Eastern PWS Wildstock Salmon Habitat Restoration	11,900	0	11,900	0	0	0	11,900
98225	G	Port Graham Pink Salmon Subsistence Project	73,500	0	73,500	14,010	55,803	69,813	3,687
98244	G	Community-Based Harbor Seal Management and Biological Sampling	84,700	0	84,700	55,414	21,413	76,827	7,873
98247	G	Kametolook River Coho Salmon Subsistence Project	14,900	0	14,900	5,935	1,676	7,611	7,289
98250	G	Project Management	453,800	0	453,800	268,445	3,869	272,314	181,486
98250	G	Project Management/NOAA IPA	106,300	-6,200	100,100	41,848	225	42,073	58,027
98252	R	Investigations of Genetically Important Conservation Units of Rockfish and Walleye Pollock	209,100	0	209,100	65,567	4,751	70,318	138,782
98254-CLO	G	Delight and Desire Lakes Restoration	11,700	0	11,700	11,929	61	11,990	-290
98256B	G	Sockeye Salmon Stocking at Solf Lake	95,500	0	95,500	36	33	69	95,431
98263	G	Assessment, Protection and Enhancement of Salmon Streams in Lower Cook Inlet	107,000	0	107,000	27,633	12,961	40,594	66,406
98273	R	Surf Scoter Life History and Ecology	170,400	0	170,400	91,193	527	91,720	78,680

Exxon Valdez Oil Spill

For the Period Ending June 30, 1998

1998 Work Plan Summary

Project Number	Category	Description	97 State + Fed Authorized	97 State + Fed Adjustments	Col. D + E Adjusted Authorization	97 State + Fed Expenditures	97 State + Fed Obligations	Col. G + H Expended/ Obligated	Col. F - I Unobligated Balance
98274	G	Documentary Film on Subsistence Use of Herring, Herring Spawn and Resources in the Nearshore Ecosystem in Prince William Sound	89,600	0	89,600	50,864	27,336	78,200	11,400
98286	G	Elders/Youth Conference on Subsistence and the Oil Spill	90,200	0	90,200	84,300	0	84,300	5,900
98289-BAA	R	Status of Black Oystercatchers in Prince William Sound	80,400	0	80,400	75,100	0	75,100	5,300
98290	R	Hydrocarbon Data Analysis, Interpretation, and Database Maintenance	75,700	0	75,700	49,900	0	49,900	25,800
98297-BAA	R	Oceanography of Prince William Sound Bays and Fjords	94,200	0	94,200	88,000	0	88,000	6,200
98300	R	Synthesis of the Scientific Findings from EVOS Restoration Program	81,300	0	81,300	5,381	75,919	81,300	0
98302-CLO	M	Prince William Sound Cutthroat Trout/Dolly Varden Char Inventory	4,100	0	4,100	0	0	0	4,100
98306	R	Ecology and Demographics of Pacific Sand Lance in Lower Cook Inlet	32,800	0	32,800	29,000	0	29,000	3,800
98311	R	Pacific Herring Productivity Dependencies in the Prince William Sound Ecosystem Determined with Natural Stable Isotope Tracers	119,300	0	119,300	83,198	34,063	117,261	2,039
98314	G	Homer Marine Park Habitat Assessment and Restoration Design Project	0	0	0	0	0	0	0
98320E	R	SEA: Salmon and Herring Predation	320,100	-8,000	312,100	220,252	2,626	222,878	89,222
98320G	R	SEA: Phytoplankton and Nutrients	106,700	0	106,700	64,138	40,044	104,182	2,518
98320H	R	SEA: Role of Zooplankton	106,100	0	106,100	50,960	51,855	102,815	3,285
98320I	R	SEA: Stable Isotopes	132,400	0	132,400	123,800	0	123,800	8,600
98320J	R	SEA: Information Systems and Model Development	460,600	0	460,600	439,300	0	439,300	21,300
98320M	R	SEA: Physical Oceanography	133,000	0	133,000	124,300	0	124,300	8,700
98320N	R	SEA: Nekton and Plankton Acoustics	171,600	0	171,600	160,400	0	160,400	11,200
98320R	R	SEA: Trophodynamic Modeling and Remote Sensing	160,500	0	160,500	0	150,429	150,429	10,071
98320T	R	SEA: Juvenile Herring Growth and Habitats	546,700	16,500	563,200	303,467	239,377	542,844	20,356
98320T-	R	SEA: Supplement - Herring Traditional Ecological	75,900	0	75,900	17,912	54,460	72,372	3,528
98320U	R	SEA: Somatic Energetics	105,800	0	105,800	34,289	67,111	101,400	4,400
98320Z	R	SEA: Synthesis and Integration	64,000	0	64,000	14,109	46,735	60,844	3,156
98325-BAA	R	Assessment of Injury to Intertidal and Nearshore Subtidal	99,900	0	99,900	55,049	38,612	93,661	6,239
98327	R	Pigeon Guillemot Restoration Research at the Alaska	123,300	0	123,300	117,400	16	117,416	5,884
98329	R	Synthesis of the Toxicological Impacts on Pink Salmon	25,600	0	25,600	7,600	57	7,657	17,943
98330-BAA	R	Mass-Balance Model of Trophic Fluxes in Prince William	179,800	0	179,800	168,000	0	168,000	11,800
98338	R	Survival of Adult Murres and Kittiwakes in Relation to	56,200	0	56,200	0	0	0	56,200
98339	R	Prince William Sound Human Use and Wildlife Disturbance Model	139,200	0	139,200	2,259	16,541	18,800	120,400
98340	M	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	77,100	0	77,100	62,115	14,253	76,368	732

Exxon Vald[illegible]bill

For the Period Ending June 30, 1998

1998 Work Plan Summary

Project Number	Category	Description	97 State + Fed Authorized	97 State + Fed Adjustments	Col. D + E Adjusted Authorization	97 State + Fed Expenditures	97 State + Fed Obligations	Col. G + H Expended/ Obligated	Col. F - I Unobligated Balance
98341	R	Harbor Seal Recovery: Controlled Studies of Health and Diet	152,200	0	152,200	0	123,658	123,658	28,542
98346	R	Publication of an Indexed Bibliography of the Genus Ammodytes (Sand Lance)	5,400	0	5,400	0	0	0	5,400
98347	R	Fatty Acid Profile and Lipid Class Analysis for Estimating Diet Composition and Quality at Different Trophic Levels	110,600	0	110,600	98,000	0	98,000	12,600
98348	R	Responses of River Otters to Oil Contamination: A Controlled Study of Biological Stress Markers and Foraging Success	245,400	0	245,400	43,971	147,663	191,634	53,766
98427-CLO	M	Harlequin Duck Recovery Monitoring	78,300	0	78,300	64,158	524	64,682	13,618
98468-BAA	R	FEATS: Fundamental Estimations of Acoustic Target Strength	19,000	0	19,000	0	0	0	19,000
		Miscellaneous Adjustments (ADF&G Only)	0	7,300	7,300	0	0	0	7,300
		Unallocated GA (ADF&G only)	0	0	0	85,393	0	85,393	-85,393
		Unallocated GA (NOAA only)	0	0	0	103,700	0	103,700	-103,700
		Total	17,773,500	0	17,773,500	10,402,139	2,382,284	12,784,423	4,989,077

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178

MEMORANDUM

TO: Trustee Council

THROUGH: Molly McCammon
Executive Director

FROM: Traci Cramer
Traci Cramer
Administrative Officer

DATE: September 21, 1998

RE: Financial Report as of August 31, 1998

Attached is the Statement of Revenue, Disbursements and Fees, and accompanying notes for the *Exxon Valdez* Joint Trust Fund for the period ending August 31, 1998.

The following is a summary of the information incorporated in the notes and contained on the statement.

Liquidity Account Balance	$35,773,714	
Plus: Current Year Adjustments (Note 5)	19,194,339	
Plus: Other Adjustments (Note 6)	3,247,774	
Uncommitted Fund Balance		$58,215,827
Plus: Future Exxon Payments (Note 1)	$210,000,000	
Less: Remaining Reimbursements (Note 3)	11,250,000	
Less: Remaining Commitments (Note 7)	40,305,734	
Total Estimated Funds Available		$216,660,093
Restoration Reserve (Note 8)		$66,847,378

If you have any questions regarding the information provided please do not hesitate to give me a call at 586-7238.

Attachments

cc: Agency Liaisons
Bob Baldauf

NOTES TO THE STATEMENT OF REVENUE, DISBURSEMENTS AND FEES
FOR THE *EXXON VALDEZ* JOINT TRUST FUND
As of August 31, 1998

1. Contributions - Pursuant to the agreement Exxon is to pay a total of $900,000,000.

Received to Date	$620,000,000
Current Year	$70,000,000
Future Payments	$210,000,000

2. Interest Income - In accordance with the MOA, the funds are deposited in the United States District Court, Court Registry Investment System (CRIS). All deposits with CRIS are maintained in United States government treasury securities with maturities of 100 days or less. Total earned since the last report is $166,505.

3. Reimbursement of Past Costs - Under the terms of the agreement, the United States and the State are reimbursed for expenses associated with the spill. The remaining reimbursements represent that amount due the State of Alaska.

4. Fees - CRIS charges a fee of 7.5% for cash management services. Total paid since the last report is $12,488.

5. Current Year Adjustments – Includes the current year payment (less reimbursements), the transfer of $12,000,000 (plus interest of $600,000) into the Restoration Reserve, $15,386,200 for the 1999 Work Plan and Associated Projects and the following land payments.

Seller	Amount	Due
Koniag, Incorporated	$4,500,000	September 1998
Shuyak	$4,000,000	October 1998
Tatitlek	$10,569,461	October 1998

6. Other Adjustments - Under terms of the Agreement, both interest earned on previous disbursements and prior years unobligated funding or lapse are deducted from future court requests. Unreported interest and lapse is summarized below.

	Interest	Lapse
United States	$300,800	$1,464,275
State of Alaska	$1,166,391	$316,307

7. Remaining Commitments - Includes the following land payments.

Seller	Amount	Due
Shuyak	$12,000,000	October 1999 through 2001
Shuyak	$11,805,734	October 2002
Koniag, Incorporated	$16,500,000	September 2002

8. Restoration Reserve – Pursuant to Trustee Council action, the amount reported includes funds previously transferred, plus accrued interest less fees ($54,247,378). Also included is the $12,000,000 transfer approved for Fiscal Year 1998, plus $600,000 in interest accrued since September 15, 1997, although the 1998 payment has not been formally transferred from the Liquidity Account to the Restoration Reserve.

STATEMENT OF REVENUE, DISBURSEMENT, AND FEES
***EXXON VALDEZ* OIL SPILL JOINT TRUST FUND**
As of August 31, 1998

	1995	1996	1997	To Date 1998	Cumulative Total
REVENUE:					
Contributions: (Note 1)					
Contributions from Exxon Corporation	70,000,000	70,000,000	70,000,000	0	620,000,000
Less: Credit to Exxon Corporation for clean-up costs incurred					(39,913,688)
Total Contributions	70,000,000	70,000,000	70,000,000	0	580,086,312
Interest Income: (Note 2)					
Exxon Corporation escrow account					831,233
Joint Trust Fund Account	5,706,667	3,963,073	2,971,070	2,373,957	20,724,767
Total Interest	5,706,667	3,963,073	2,971,070	2,373,957	21,556,000
Total Revenue	**75,706,667**	**73,963,073**	**72,971,070**	**2,373,957**	**601,642,312**
DISBURSEMENTS:					
Reimbursement of Past Costs: (Note 3)					
State of Alaska		3,291,446	5,000,000	0	91,559,288
United States	2,697,000	0	0	0	69,812,045
Total Reimbursements	2,697,000	3,291,446	5,000,000	0	161,371,333
Disbursements from Liquidity Account:					
State of Alaska	41,969,669	43,340,950	17,846,130	1,639,900	174,431,228
United States	48,019,928	31,047,824	60,101,802	19,059,500	179,663,822
Transfer to the Restoration Reserve		35,996,231	12,449,552		48,445,783
Total Disbursements	89,989,597	110,385,004	90,397,484	20,699,400	402,540,833
FEES:					
U.S. Court Fees (Note 4)	586,857	396,307	254,221	178,047	1,956,432
Total Disbursements and Fees	**93,273,454**	**114,072,758**	**95,651,705**	**20,877,447**	**565,868,598**
Increase (decrease) in Liquidity Account	**(17,566,788)**	**(40,109,685)**	**(22,680,635)**	**(18,503,490)**	**35,773,714**
Liquidity Account Balance, beginning balance	134,634,311	117,067,523	76,957,839	54,277,204	
Liquidity Account Balance, end of period	117,067,523	76,957,839	54,277,204	35,773,714	
Current Year Adjustments: (Note 5)					19,194,339
Other Adjustments: (Note 6)					3,247,774
Uncommitted Liquidity Account Balance					**58,215,827**
Future Exxon Payments (Note 1)					210,000,000
Remaining Reimbursements (Note 3)					(11,250,000)
Remaining Commitments: (Note 7)					(40,305,734)
Total Estimated Funds Available					**216,660,093**
Restoration Reserve					**66,847,378**

Statement 1

Statement of *Exxon Valdez* Settlement Funds
As of August 31, 1998

Beginning Balance of Settlement	900,000,000
Receipts:	
Interest Earned on Exxon Escrow Account	337,111
Net Interest Earned on Joint Trust Fund (Note 1)	18,768,335
Interest Earned on United States and State of Alaska Accounts	6,814,803
Total Interest	25,920,249
Disbursements:	
Reimbursements to United States and State of Alaska	161,371,333
Exxon clean up cost deduction	39,913,688
Joint Trust Fund deposits	419,546,212
Total Disbursements	620,831,233
Funds Available:	
Exxon Future Payments	210,000,000
Current Year Payment	70,000,000
Balance in Liquidity Account	35,773,714
Future acquisition payments (Note 2)	(59,375,195)
Alaska Sealife Center	0
Remaining Reimbursements	(15,000,000)
Other (Note 3)	3,247,774
Total Estimated Funds Available	244,646,293
Restoration Reserve	66,847,378

Note 1: Gross interest earned less District Court registry fees.
Note 2: Includes both current year and future year payments
Note 3: Adjustment for unreported interest earned and lapse

Footnote:

Included in the Total Estimated Funds Available is the $12,000,000 (plus $600,000 of accrued interest) payment to the Restoration Reserve for Fiscal Year 1998 and $15,386,200 for the 1999 Work Plan and Associated Projects.

Statement 2

Cash Flow Statement
***Exxon Valdez* Liquidity Account**
As of August 31, 1998

Receipts:		
Exxon payments		
December 1991	36,837,111	
December 1992	56,586,312	
September 1993	68,382,835	
September 1994	58,728,400	
September 1995	67,303,000	
September 1996	66,708,554	
September 1997	65,000,000	
Total Deposits	419,546,212	419,546,212
Interest Earned	20,724,767	
Total Interest	20,724,767	20,724,767
Total Receipts		440,270,979
Disbursements:		
Court Requests		
Fiscal Year 1992	12,879,700	
Fiscal Year 1993	27,634,994	
Fiscal Year 1994	50,554,653	
Fiscal Year 1995	89,989,597	
Fiscal Year 1996	74,388,774	
Fiscal Year 1997	77,947,932	
Fiscal Year 1998	20,699,400	
Total Requests	354,095,050	354,095,050
District Court Fees	1,956,432	1,956,432
Transfer to the Restoration Reserve		48,445,783
Total Disbursements		404,497,265
Balance in Joint Trust Fund		35,773,714

Footnote:

A total of $48,445,783 has been disbursed from the Liquidity Account to the Restoration Reserve. Of the total, $48,445,663 was used to purchase laddered securities. The remaining $130 represents costs paid to the Federal Reserve Bank.

Schedule of Payments from Exxon
As of August 31, 1998

Disbursements:	December 91	December 92	September 93	September 94	September 95	September 96	September 97	Total
Reimbursements:								
United States								
FFY92	24,726,280	0	0					24,726,280
FFY93	0	24,500,000	11,617,165					36,117,165
FFY94	0	0	0	6,271,600				6,271,600
FFY95	0	0	0		2,697,000			2,697,000
Total United States	24,726,280	24,500,000	11,617,165	6,271,600	2,697,000	0	0	69,812,045
State of Alaska								
General Fund:								
FFY92	25,313,756	0	0					25,313,756
FFY93	0	16,685,133	0					16,685,133
FFY94	0	0	14,762,703					14,762,703
FFY95	0	0	0	0				0
Mitigation Account:								
FFY92	3,954,086	0	0					3,954,086
FFY93	0	12,314,867	0					12,314,867
FFY94	0	0	5,237,297	5,000,000				10,237,297
FFY95 (Prevention Account)	0	0	0		0			0
FFY96 (Prevention Account)						3,291,446		3,291,446
FFY97 (Prevention Account)							5,000,000	5,000,000
Total State of Alaska	29,267,842	29,000,000	20,000,000	5,000,000	0	3,291,446	5,000,000	91,559,288
Total Reimbursements	53,994,122	53,500,000	31,617,165	11,271,600	2,697,000	3,291,446	5,000,000	161,371,333

Deposits to Joint Trust Fund

FFY92	36,837,111	0	0					36,837,111
FFY93	0	56,586,312	68,382,835					124,969,147
FFY94	0	0	0					0
FFY95	0	0	0	58,728,400	67,303,000			126,031,400
FFY96						66,708,554		66,708,554
FFY97							65,000,000	65,000,000
Total Deposits to Joint Trust Fund	36,837,111	56,586,312	68,382,835	58,728,400	67,303,000	66,708,554	65,000,000	419,546,212
Exxon clean up cost deduction	0	39,913,688	0	0	0	0	0	39,913,688
Total Payments	90,831,233	150,000,000	100,000,000	70,000,000	70,000,000	70,000,000	70,000,000	620,831,233

Remaining Exxon payments to be made:

September 1998	70,000,000
September 1999	70,000,000
September 2000	70,000,000
September 2001	70,000,000
	280,000,000

The December 1991 payment includes interest accrued on the escrow account. The actual disbursements without interest was $24.5 million to the United States, $29 million to the State of Alaska and $36.5 million to the Joint Trust Fund. The total interest earned on the escrow account was $831,233 which was disbursed proportionately. This included $226,280 to the United States, $267,842 to the State of Alaska and $337,111 to the Joint Trust Fund.

The September 1994 reimbursement to the United States included an over-payment of $80,700 to NOAA. This over-payment is a direct result of final costs for damage assessment activities being lower than what was previously estimated. The funds were returned to the Joint Account by reducing the amount transferred to the United States in Court Request number 15.

Schedule of Disbursements
***Exxon Valdez* Liquidity Account**
As of August 31, 1998

	United States	State of Alaska	Court Request Total	Court Fees	Disbursements Total
Court Request 1	6,320,500	6,559,200	12,879,700		
Total Fiscal Year 1992	6,320,500	6,559,200	12,879,700	23,000	12,902,700
Court Request 2	3,074,029	3,493,225	6,567,254		
Court Request 3	6,031,852	15,035,888	21,067,740		
Total Fiscal Year 1993	9,105,881	18,529,113	27,634,994	154,000	27,788,994
Court Request 4		29,950,000	29,950,000		
Court Request 5	2,516,069	2,227,856	4,743,925		
Court Request 6	1,407,818	12,211,164	13,618,982		
Court Request 7	2,084,500	157,246	2,241,746		
Total Fiscal Year 1994	6,008,387	44,546,266	50,554,653	364,000	50,918,653
Court Request 8	3,576,179	7,088,077	10,664,256		
Court Request 9		3,111,204	3,111,204		
Court Request 10	3226182	9,234,909	12,461,091		
Court Request 11	1,450,000		1,450,000		
Court Request 12	17,200,000		17,200,000		
Court Request 13	1,480,251	171,763	1,652,014		
Court Request 14	15,250,000		15,250,000		
Court Request 15	5,837,316	9,863,716	15,701,032		
Court Request 16		12,500,000	12,500,000		
Total Fiscal Year 1995	48,019,928	41,969,669	89,989,597	586,857	90,576,454
Court Request 17		3,294,667	3,294,667		
Court Request 18	8,000,000		8,000,000		
Court Request 19	3,222,224	1,968,898	5,191,122		
Restoration Reserve Transfer			35,996,231		
Court Request 20		8,000,000	8,000,000		
Court Request 21	1,007,000	5,520,500	6,527,500		
Court Request 22	18,818,600	24,556,885	43,375,485		
Total Fiscal Year 1996	31,047,824	43,340,950	110,385,004	396,307	110,781,312
Court Request 23	2,613,500	0	2,613,500		
Court Request 24	176,500	3,075,625	3,252,125		
Court Request 25	785,859	442,833	1,228,692		
Court Request 26	24,154,000	530,000	24,684,000		
Court Request 27	324,700	1,470,900	1,795,600		
Restoration Reserve Transfer			12,449,552		
Court Request 28	0	2,627,000	2,627,000		
Court Request 29	5,919,169	5,699,772	11,618,941		
Court Request 30	26,128,074	4,000,000	30,128,074		
Total Fiscal Year 1997	60,101,802	17,846,130	90,397,484	254,221	90,651,705
Court Request 31	445,200	643,800	1,089,000		
Court Request 32	464,300	996,100	1,460,400		
Court Request 33	14,150,000		14,150,000		
Court Request 34	4,000,000		4,000,000		
Court Request 35	pending	pending	0		
Restoration Reserve Transfer			0		
Total Fiscal Year 1998	19,059,500	1,639,900	20,699,400	178,047	20,877,447

Exxon Valdez Liquidity Account
Interest Earned/District Court Registry Fees
As of August 31, 1998

	FFY 1992	FFY 1993	FFY 1994	FFY 1995	FFY 1996	FFY 1997	FFY 1998	Total
Earnings Deposits	17,683	31,124	33,476	55,809				138,092
								0
Earnings Allocated:								0
1991	28,704							28,704
1992	526,613	553,697						1,080,309
1993		639,180	1,461,736					2,100,915
1994			1,876,788	1,402,938				3,279,726
1995				3,661,063	1,202,209			4,863,272
1996					2,364,556	810,894		3,175,451
1997						1,905,955	653,461	2,559,416
1998							1,542,449	1,542,449
Total	555,317	1,192,876	3,338,524	5,064,001	3,566,766	2,716,849	2,195,910	18,630,243
Total Earnings	573,000	1,224,000	3,372,000	5,119,809	3,566,766	2,716,849	2,195,910	18,768,335
Registry Fees:								
1991	3,189							3,189
1992	19,811	100,223						120,034
1993		53,777	179,658					233,435
1994			184,342	180,072				364,414
1995				406,785	133,579			540,364
1996					262,729	90,099		352,828
1997						164,121	52,983	217,105
1998							125,063	125,063
Total	23,000	154,000	364,000	586,857	396,307	254,221	178,047	1,956,432
Gross Earnings	596,000	1,378,000	3,736,000	5,706,667	3,963,073	2,971,070	2,373,957	20,724,767

edule of I st Earned on United States and State of A a Acco			
As of August 31, 1998			
	State of Alaska EVOSS Account	United States NRDA& R	Total
October 1994	44,291		44,291
November 1994	63,286		63,286
December 1994	67,496	3,849	71,346
January 1995	89,341		89,341
February 1995	100,714		100,714
March 1995	104,570	17,033	121,603
April 1995	95,432		95,432
May 1995	92,595		92,595
June 1995	80,613	50,042	130,655
July 1995	76,424		76,424
August 1995	68,771		68,771
September 1995	59,945	44,826	104,771
October 1995	133,486		133,486
November 1995	154,119		154,119
December 1995	143,917	39,567	183,484
January 1996	134,300		134,300
February 1996	122,348		122,348
March 1996	132,469	64,381	196,850
April 1996	126,550		126,550
May 1996	136,732		136,732
June 1996	145,501	73,267	218,768
July 1996	128,195		128,195
August 1996	106,079		106,079
September 1996	110,890	29,042	139,933
October 1996	181,598		181,598
November 1996	162,806		162,806
December 1996	153,991	71,093	225,084
January 1997	147,934		147,934
February 1997	125,137		125,137
March 1997	131,457	24,374	155,831
April 1997	122,111		122,111
May 1997	114,954		114,954
June 1997	99,811	368,523	468,334
July 1997	221,906		221,906
August 1997	36,898		36,898
September 1997	159,695	38,289	197,984
October 1997	119,195		119,195
November 1997	49,120		49,120
December 1997	92,204	130,183	222,387
January 1998	120,038		120,038
February 1998	29,888		29,888
March 1998	59,202	76,715	135,917
April 1998	55,222		55,222
May 1998	59,406		59,406
June 1998	50,136	74,613	124,749
July 1998	39,376		39,376
August 1998	78,201		78,201
Total	5,523,438	1,291,365	6,814,803

NOTE: The $117,178 NRDA&R interest figure is cummulative.

Interest was earned for the period July 1992 through September 1994, but the specific amounts have been hidden to allow the spreadsheet to print on one page.

Schedule of Interest Adjustments to the Court Requests
As of August 31, 1998

	October	November	December	January	February	March	April	May	June	July	August	Total	Unallocated
United States													
FFY92												2	Baldauf 12/6/96
FFY93			39,871						3,648			43,519	
FFY94			51,231						22,427			73,658	
FFY95	34,621		37,618			3,849					63,226	139,314	
FFY96				48,676				37,100		26,600	109,666	222,042	
FFY97			29,041								463,989	493,030	
FFY98										19,000		19,000	
Total United States												**990,565**	**300,800**
State of Alaska													
FFY92												0	
FFY93			80,775						35,012			115,787	
FFY94			64,944						239,090			304,034	
FFY95	52,823	117,838	44,291			320,837					449,634	985,423	
FFY96				262,202				300		289,400	934,433	1,486,335	
FFY97				398,567		275,700					782,501	1,456,768	
FFY98										8,700		8,700	
Total State of Alaska												**4,357,047**	**1,166,391**
Total Adjustment												**5,347,612**	**1,467,192**

Footnote: The unallocated interest is tied to the INT Acct. sheet.

Schedule of Lapse Adjustments to the Court Requests
As of August 31, 1998

	December 1993	June 1994	August 1995	August 1996	August 1997	Total
Disbursements:						
Court Requests						
United States						
FFY92						0
FFY93						0
FFY94		3,106,555				3,106,555
FFY95			220,858			220,858
FFY96				1,165,334		1,165,334
FFY97					1,102,442	1,102,442
FFY98						0
Total United States	0	3,106,555	220,858	1,165,334	1,102,442	5,595,189
State of Alaska						
FFY92						0
FFY93						0
FFY94	3,661,600					3,661,600
FFY95			2,376,950			2,376,950
FFY96				2,500,448		2,500,448
FFY97					3,549,927	3,549,927
FFY98						0
Total State of Alaska	3,661,600	0	2,376,950	2,500,448	3,549,927	12,088,925
Total Adjustment	3,661,600	3,106,555	2,597,808	3,665,782	4,652,369	17,684,114

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	FFY 97	FFY 98	FFY 99	Total
Work Plan Authorizations									
United States:									
June 15, 1992	6,320,500	0	0						
January 25, 1993	0	3,113,900	0						
January 25, 1993	0	6,035,500	0						
November 10, 1993	0	0	0						
November 30, 1993	0	0	2,567,300						
June 1994			4,536,800						
June 1994			84,500						
July 1994			1,500,000						
Carry Forward Authorization				463,500					
August 1994				2,110,800					
November 1994				2,514,200					
December 1994				749,600					
March 1995				1,484,100					
August 1995				(36,700)	6,238,800				
December 1995					3,270,900				
January 1996					150,000				
April 1996					478,000				
May 1996				21,900	15,200				
June 1996					23,000				
August 1996						7,923,700			
December 1996						310,900			
February 1997						0			
May 1997						0			
August 1997						85,000	7,263,600		
December 1997							445,200		
June 1998							(39,200)		
August 1998								5,397,700	
Total	6,320,500	9,149,400	8,688,600	7,307,400	10,175,900	8,319,600	7,669,600	5,397,700	63,028,700

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	FFY 97	FFY 98	FFY 99	Total
Work Plan Authorizations									
State of Alaska									
June 15, 1992	6,559,200	0	0						
January 25, 1993	0	3,574,000	0						
January 25, 1993	0	7,570,900	0						
November 30, 1993	0	0	4,454,400						
June 1994			12,391,700						
June 1994			215,800						
July 1994			0						
Carry Forward Authorization				576,300					
August 1994				7,140,900					
November 1994				9,098,700					
December 1994				180,500					
March 1995				492,600					
August 1995				36,700	12,653,600				
December 1995					2,231,100				
April 1996					500,000				
May 1996					300				
June 1996					0				
August 1996						11,606,300			
December 1996						310,400			
February 1997						275,700			
May 1997						0			
August 1997						(85,000)	9,393,200		
December 1997							643,800		
June 1998							66,900		
August 1998								9,988,500	
Total	6,559,200	11,144,900	17,061,900	17,525,700	15,385,000	12,107,400	10,103,900	9,988,500	99,876,500

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	FFY 97	FFY 98	FFY 99	Total
Other Authorizations									
United States:									
Orca Narrows (6/94)			2,000,000	1,450,000					3,450,000
Eyak Limited Conservation Easement				200,000					200,000
Kodiak National Wildlife Refuge (3/95, 9/95 AKI)				21,000,000	7,500,000	7,500,000			36,000,000
Kodiak National Wildlife Refuge (3/95, 9/95 Old Harbor)				11,250,000					11,250,000
Koniag					12,500,000	4,500,000			17,000,000
Small Parcels					379,000	3,740,200	4,464,300		8,583,500
Chenega Land Acquisition						24,000,000			24,000,000
Chenega-Area Oiling Reduction					3,600	157,400	182,000		343,000
Tatitlek							14,150,000		14,150,000
English Bay						14,128,074			14,128,074
Total			2,000,000	33,900,000	20,382,600	54,025,674	18,796,300	0	129,104,574
State of Alaska:									
Kachemak Bay State Park (1/95)		7,500,000							7,500,000
Alutiiq Repository (11/93)		1,500,000							1,500,000
Seal Bay (11/93,11/94,11/95,11/96)			29,950,000	3,229,042	3,294,667	3,075,625			39,549,334
Shuyak (3/96, 10/96 - 10/02					8,000,000	2,194,266	4,000,000		14,194,266
Small Parcels					5,020,500	3,738,000	996,100		9,754,600
Alaska SeaLife Center				12,500,000	12,456,000				24,956,000
Chenega-Area Oiling Reduction					0	1,732,000			1,732,000
Alaska SeaLife Center Fish Pass						545,600			545,600
Alaska SeaLife Center Equipment						724,000			724,000
Sound Waste Management Plan						1,167,900			1,167,900
Total		9,000,000	29,950,000	15,729,042	28,771,167	13,177,391	4,996,100	0	101,623,700
Total Other Authorizations	0	9,000,000	31,950,000	49,629,042	49,153,767	67,203,065	23,792,400	0	230,728,274
Total Work Plan Authorizations	12,879,700	20,294,300	25,750,500	24,833,100	25,560,900	20,427,000	17,773,500	15,386,200	162,905,200
Restoration Reserve					35,996,231	12,449,552	0	0	48,445,783
Total Authorized	12,879,700	29,294,300	57,700,500	74,462,142	110,710,897	100,079,617	41,565,900	15,386,200	442,079,257

Footnotes:

Work Plan Authorization and Land/Capital Acquisitions only. Will not balance to the Schedule of Disbursements from the Joint Trust Fund or the court requests due to deductions for interest and lapse.

This schedule does tie to the quarterly reports with the exception of 93' and 92'. In FY93 the Work Plan represented the transition to the Federal Fiscal Year from the Oil Year or a seven month period. This schedule presents authorization on the Federal Fiscal Year and as such FFY92 and FFY93 does not balance.

Parcel ID: KAP 95
Heirs of Fedosia Inga

Rank: N/A **Acreage:** 80 acres **Agency Sponsor:** USFWS

Appraised Value: $84,000

Location: Sitkalidak Strait, Kodiak Island

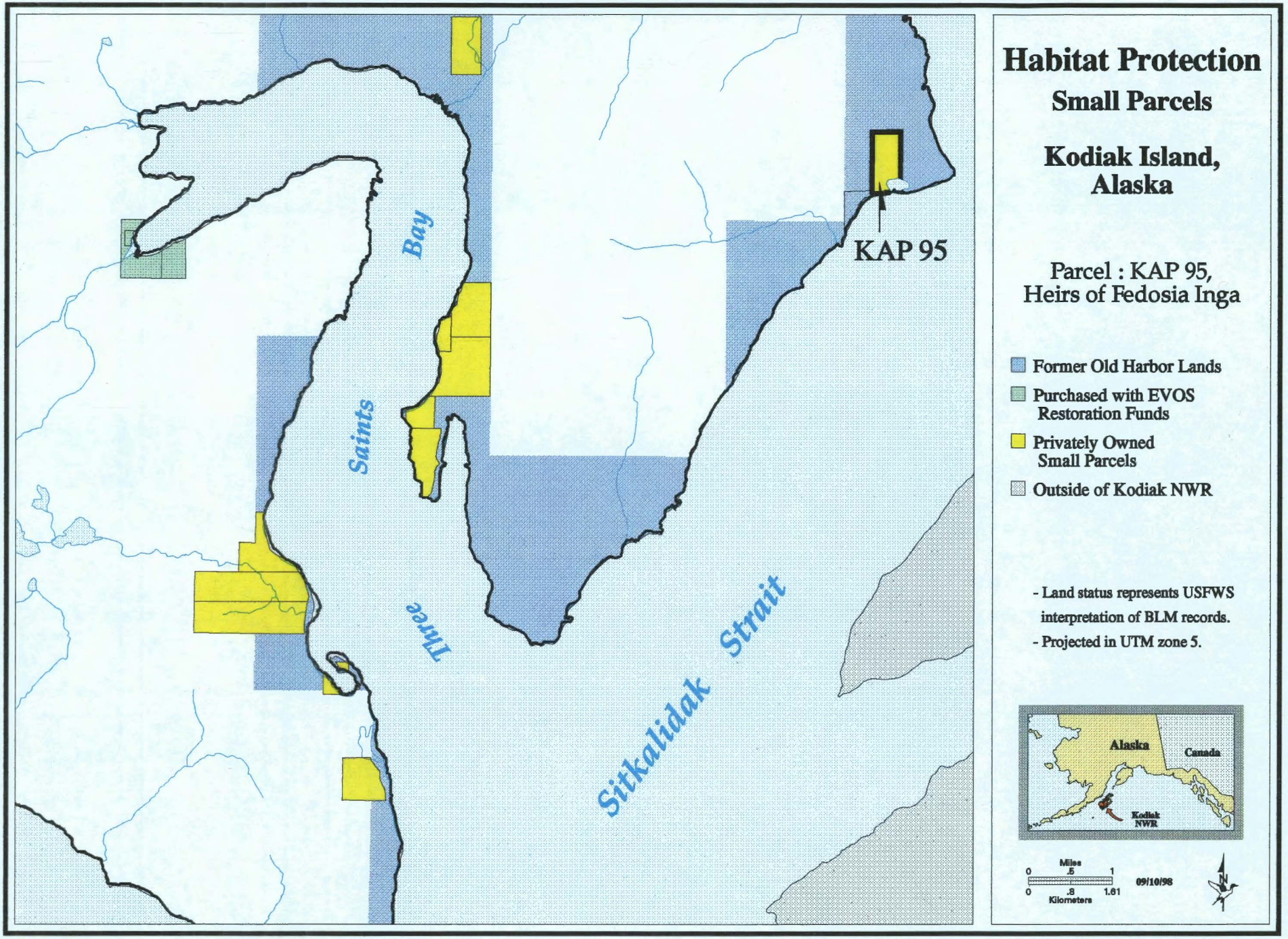
Landowner: Heirs of Fedosia Inga

Address: c/o Paul N. Swenning
3432 E. 67th Avenue
Anchorage, Alaska 99507

Parcel KAP 95 is located on the northern shore of Sitkalidak Strait, west of Old Harbor, within the Kodiak National Wildlife Refuge. The parcel is an easy three mile skiff ride from Old Harbor, and is the only unprotected private land between Old Harbor and Three Saints Bay. The surrounding lands have previously been acquired by the USFWS from the Old Harbor Native Corporation through funding provided by the *Exxon Valdez* Oil Spill Trustee Council. The Inga parcel would also be acquired for inclusion in the Kodiak National Wildlife Refuge.

The site and area have been used by local residents for subsistence purposes, primarily hunting for brown bear and Sitka black-tailed deer, harvesting salmon, and berry picking. Near shore marine waters adjacent to this property are particularly important for feeding marbled murrelets, and are also used by pigeon guillemots, harlequin ducks, and other sea ducks. Because Three Saints Bay is the site of the original Russian settlement of Alaska, cultural sites likely exist on the property, although it has not been intensively explored for these sites.

The accessibility of the Inga parcel, and the presence of a fresh water lake on the property, contribute to its significant development potential for subdivision and sale of private lots. Such potential development could have far-ranging impacts on the surrounding National Wildlife Refuge lands. Development of this parcel would be expected to contribute to degradation of water quality and fish and wildlife habitat. The acquisition of this parcel will preserve the biological, wilderness, recreational, and subsistence restoration benefits of the previous Old Harbor large parcel acquisitions.


Habitat Protection
Small Parcels
Kodiak Island,
Alaska
KAP 95
Parcel : KAP 95,
Heirs of Fedosia Inga
Former Old Harbor Lands
Purchased with EVOS Restoration Funds
Privately Owned Small Parcels
Outside of Kodiak NWR
- Land status represents USFWS interpretation of BLM records.
- Projected in UTM zone 5.
Saints Bay
Three
Sitkalidak Strait
Alaska
Canada
Kodiak NWR
Miles
0 .5 1
0 .8 1.61
Kilometers
09/10/98
N

Parcel ID: Larsen Bay 10-Acre Parcel
Matilda Christensen

Rank: N/A **Acreage:** 10 **Agency Sponsor:** USFWS

Appraised Value: $13,000

Location: Uyak Bay, Kodiak Island

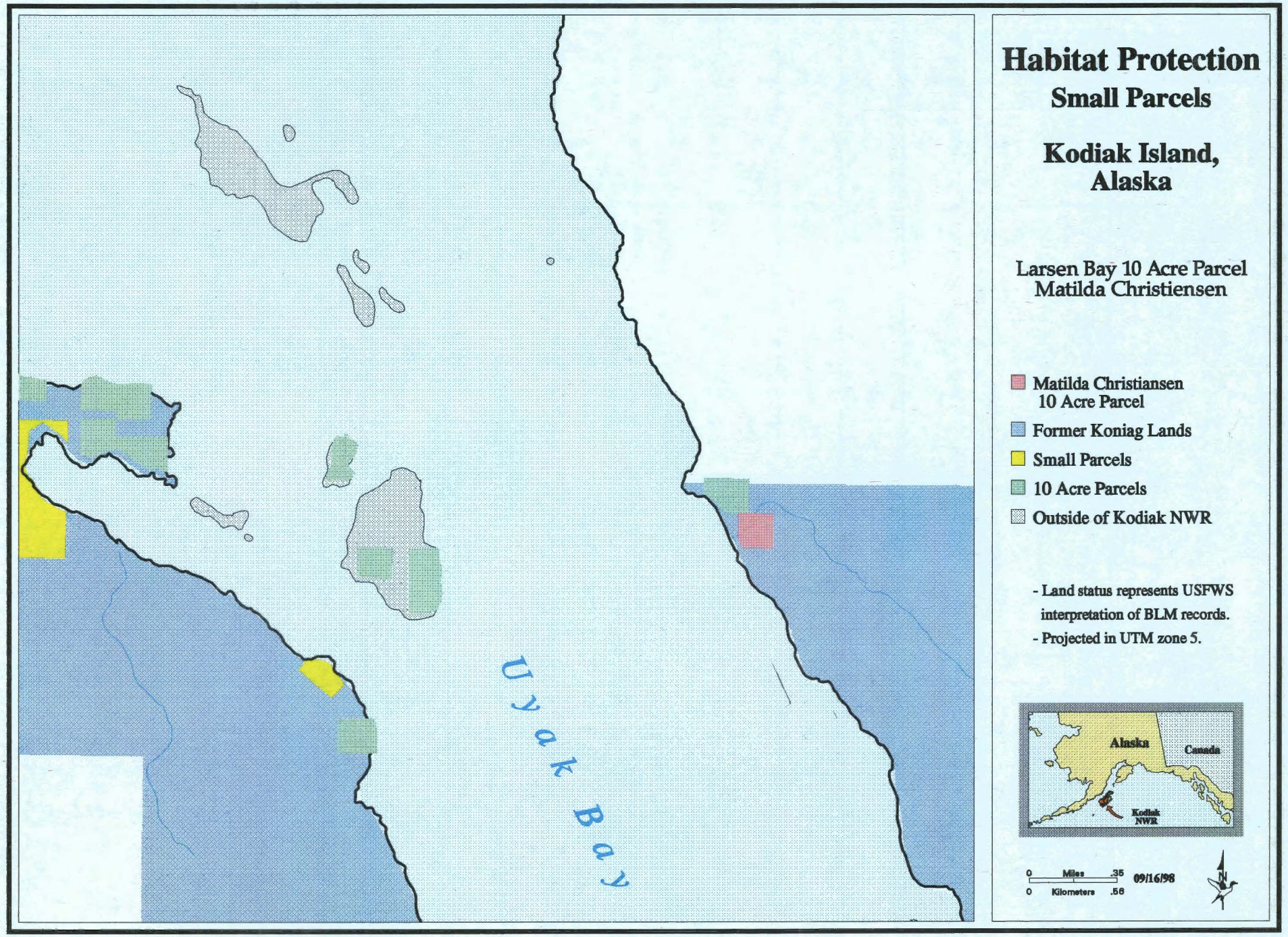
Landowner: Matilda Christensen

Address: P.O. Box 102
Old Harbor, AK 99643

This parcel is located on the eastern shore of Uyak Bay, south of Amook Island, within the Kodiak National Wildlife Refuge. It is at the southern end of the land conveyed by Koniag, Inc., to the Larsen Bay Tribal Council, and further conveyed to tribal members, including Matilda Christensen. The surrounding Native corporation lands are scheduled to be purchased by USFWS at the end of September 1998 from Koniag, Inc., through funding provided by the *Exxon Valdez* Oil Spill Trustee Council. The Christensen parcel, as well as the Koniag lands, would become part of the Kodiak National Wildlife Refuge.

The Christensen parcel and surrounding area have been used by residents of the area for subsistence purposes primarily in the form of hunting for brown bear and Sitka black-tailed deer, harvesting salmon, and berry picking. The accessibility and natural values of the property give it significant development potential. A salmon spawning stream runs through the parcel, entering the bay immediately to the north. The associated riparian habitat is used for nesting by harlequin ducks. A small colony of pigeon guillemots occurs near the property, where they feed in near shore marine waters that also host marbled murrelets, and wintering sea ducks and loons. The property contains one documented bald eagle nest, and three additional nests occur within one half mile. Cultural sites likely exist on the property, but it has not been intensively explored for these sites.

Developments have been occurring on a number of these tracts, which are subject to borough taxation. These developments are generally cabin sites used for recreational and subsistence hunting and fishing purposes, often by individuals who purchased them from the original tribal member owners. Continued development in this area could adversely impact water quality and fish and wildlife habitat. The acquisition of this parcel will help to preserve the wilderness, recreational, and subsistence restoration benefits of the Koniag large parcel acquisitions.


Habitat Protection
Small Parcels
Kodiak Island,
Alaska
Larsen Bay 10 Acre Parcel
Matilda Christiensen
Matilda Christiansen
10 Acre Parcel
Former Koniag Lands
Small Parcels
10 Acre Parcels
Outside of Kodiak NWR
- Land status represents USFWS
interpretation of BLM records.
- Projected in UTM zone 5.
Alaska
Canada
Kodiak
NWR
0 Miles .35
0 Kilometers .56
09/16/98
N
Uyak Bay

RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
REGARDING CERTAIN KODIAK SMALL PARCEL LAND ACQUISITIONS

We, the undersigned, duly authorized members of the *Exxon Valdez* Oil Spill Trustee Council ("Council"), after extensive review and after consideration of the views of the public, find as follows:

1.a. By its motion of June 8, 1998, the Council agreed to authorize funding of up to $645,000 for the purchase of privately owned, 10-acre parcels conveyed by the Larsen Bay Tribal Council to Tribal members. This motion designated these as parcels meriting special consideration by virtue of their location within the boundaries of a large parcel acquisition of land purchased from Koniag, Inc. with Council funding.

1.b. On June 8, 1998, the Council agreed, by motion, to authorize funding of up to $264,000 for the purchase of three Native allotments in the Sitkalidak Strait and Three Saints Bay areas of Kodiak Island and within the Kodiak National Wildlife Refuge. This motion designated these as parcels meriting special consideration by virtue of their location within the boundaries of a large parcel acquisition of land purchased from Old Harbor Native Corporation with Council funding.

1.c. In furtherance of the motion set forth in Paragraph 1.a., and subject to funding by the Council, 10-acre parcel owner Matilda Christensen has reached agreement to sell a 10-acre parcel located on Uyak Bay. In furtherance of the motion set forth in Paragraph 1.b., the owners of a Native allotment, the Heirs of Fedosia Inga, have agreed to sell the allotment located on Sitkalidak Strait. These parcels are referred to collectively hereinafter as "two parcels."

1.d. Appraisals of $13,000 for the Christensen property and $84,000 for the Inga property have been approved by the State and federal review appraisers.

1.e. As set forth in Attachments A and B, if acquired, these two parcels have attributes which will restore, replace, enhance, and rehabilitate injured natural resources and the services provided by those natural resources, including providing habitat for bird species for which significant injury resulting from the spill has been documented, providing key marine access for subsistence and recreational uses on the surrounding public lands;

2. Existing laws and regulations, including but not limited to the Alaska Forest Practices Act, the Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act, and the Marine Mammals Protection Act, are intended, under normal circumstances, to protect resources from serious adverse affects from logging and other development activities. however, restoration, replacement, and enhancement of resources injured by the *Exxon Valdez* oil spill present a unique situation. Without passing on the adequacy or inadequacy of existing law and regulation to protect natural resources and services, biologists, scientists and other resources specialists agree that, in their best professional judgement, protection of habitat in the spill affected area to levels above and beyond that provided by existing law and regulation will have a beneficial effect of the recovery of injured resources and lost or diminished services provided by these resources;

3. There has been widespread public support for the protection of small parcels; and

4. The purchase of these small parcels is an appropriate means to restore a portion of the injured resources and services in the oil spill area.

THEREFORE, we resolve to provide funds for FWS to offer to purchase and, if the offer is accepted, to purchase all the seller's rights and interests in the two parcels; and to provide funds necessary for closing costs recommended by the Executive Director of the Council ("Executive Director") and approved by the Council and pursuant to the following conditions:

(a) the amount of funds (hereinafter referred to as the "Purchase Price") to be provided by the Council to the United States shall be the final approved appraised value of $13,000 for the Christensen property and $84,000 for the Inga Property;

(b) authorization for funding for either of the foregoing acquisitions shall terminate if the respective purchase agreements are not executed by December 15, 1999;

(c) disbursement of these funds by the District Court;

(d) a satisfactory title search is completed by the acquiring government and the Sellers are willing and able to convey fee simple title by warranty deed;

(e) no timber harvesting, road development, or any alteration of the land will be initiated on the land without the express agreement of the acquiring agency prior to purchase;

(f) a satisfactory hazardous materials survey is completed;

(g) compliance with the National Environmental Policy Act; and

(h) a conservation easement satisfactory to the U.S. Departments of Justice and the Interior and the Alaska Department of Law shall be conveyed by the sellers to the non-acquiring government.

It is the intent of the Council that any facilities or other development on the foregoing small parcels after acquisition shall be of limited impact and in keeping with the goals of restoration and that there shall be no commercial timber harvest nor any other commercial use of the small parcels excepting such limited commercial use as may be consistent with applicable state or federal law and the goals of restoration to prespill conditions of any natural resource injured, lost, or destroyed as a result of the EVOS and the services provided by that resource or replacement or substitution for the injured, lost, or destroyed resources and affected services as described in the Memorandum of Agreement and Consent Decree between the United States and the State of Alaska entered August 28, 1991 ("MOA") and the Restoration Plan as approved by the Council ("Restoration Plan").

By Unanimous consent and upon execution of the purchase agreement and written notice from FWS and the Executive Director that the terms and conditions set forth herein and in the purchase agreement have been satisfied, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the U.S. Department of Justice to petition the District Court for withdrawal of the Purchase Price and any such additional costs related to closing as are recommended by the Executive Director and approved by the Council for the two parcels from the District Court Registry account established as a result of the Governments' settlement to be paid at the time of closing. These amounts represent the only amounts due under this resolution of the Sellers by the United States form the Joint funds in the District Court Registry and no additional amounts or interest are herein authorized to be paid to the Sellers from such joint funds.

Approved at the September 29, 1998 Trustee Council meeting and dated as of the date the last signature below is affixed.

JIM WOLFE
Trustee Representative
Alaska Region
U.S. Forest Service

for BRUCE M. BOTELHO
Attorney General
State of Alaska

DEBORAH L. WILLIAMS
Special Assistant to the Secretary
for Alaska
U.S. Department of the Interior

For STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

FRANK RUE
Commissioner
Alaska Department of
Fish and Game

MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

September 29, 1998

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

410 Willoughby Ave., Ste 105
Juneau, AK 99801-1795
PHONE: (907) 465-5324
FAX: (907) 465-5362
http://www.state.ak.us/dec/home.htm

September 20, 1998

Ms. Sandra Schubert,
Project Coordinator
EXXON Valdez Oil Spill Trustee Council
645 G Street, Suite 401
Anchorage, Alaska 99501-3451

Re. Chenega Beach Restoration Project No. 96291

Dear Ms. Schubert:

On September 30, 1998 Chenega Beach Restoration Project No. 96291 funds will lapes, returning approximately $100,471 to the Trustee Council. An exception to this will be $23,613 that has been restricted pending outcome of a contract dispute. Which we believe will resolve favorably.

As mentioned, funds used to support this project expire September 30. Consequently, the Department seeks an amendment to this project in the amount of $9,235, see Table1. The Department requests this funding to provide

1) staff needed to integrate Trustee Council agency reports,
2) funds to print sufficient copies of the Final Report accepted by the Chief Scientist,
3) a presentation of the Final Report and its findings to the community of Chenega Bay next spring, and
4) copies of the Final Report to the community of Chenega Bay during the above presentation.

This request does not change the scope or objectives of the project, nor terminate an approved task. If approved, ADEC has existing authority to use the requested funding in the CIP Budget.

The Chenega Beach Restoration Project accomplished its objectives well under budget in an extremely effective manner. Based on agreement reached earlier with NOAA, the shoreline restoration activity report prepared by the Prince William Sound Economic Development Council and the NOAA shoreline assessment reports done in 1997 and 1998 are to be integrated into one Final Report. For you information, the Chief Scientist accepted the Prince William Sound Economic Development Council report with glowing remarks this summer.

NOAA has scheduled their 1998 survey report to be done sometime early November. In keeping with project milestone dates, the PWSEDC and NOAA reports will be integrated and sent to the Chief Scientist by the end of December. ADEC and NOAA will be making a joint presentation of the Final Report in Chenega Bay sometime this coming February.

Thank you in advance for considering this request, Sandra. Please call with questions.

Sincerely,

Alex Viteri, Jr., P.E.
Exxon Valdez Oil Spill Liaison

Cc: Molly McCammon, Executive Director, EVOS
Bruce Wright, Liaison/Dept of Commerce/NOAA
Al Ewing, Deputy Commissioner ADEC
Laura Beason, Accountant, ADEC/DAS

To: Ms. Sandra Schubert, EVOS Project Coordinator September 20, 1998

Attachment:

Salary 3 weeks integrating report 1 week Chenega Bay presentation	$3,500
Travel 1 ticket: Anchorage to Chenega Bay 2 tickets: Juneau to Chenega Bay	$2,000
Contractual Average cost $40.00 per copy. Provides: 32 reports, 3 photo ready copies, & 8 sets of field data to ARLIS. 10 reports to ADEC, 10 to NOAA, and 18 for Chenega Bay presentation.	$3,000
Commodities	$0
General Administrative	$735
Sub-total	$9,235

Table 1.
Requested Amendment to Chenega Beach Restoration Project No. 96291

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

Memorandum

To: Trustee Council Members

From: Eric F. Myers, Director of Operations

Date: September 10, 1998

Subject: Nominations for the Public Advisory Group

The third term of the Public Advisory Group (PAG) ends October 31, 1998. Please find attached information regarding nominations to serve on the PAG for the next term.

Twenty-five nominations were received in response to the solicitation for candidates. This included a request for nominations published in nine spill-area community newspapers in June as well as the Federal Register. An article was also included in the summer issue of the *Restoration Update* newsletter distributed to more than 2,400 Alaska residents on the Trustee Council mailing list.

Enclosed you will find the nominations and letters of support that were received. Sixteen members of the current PAG reapplied and nine additional nominations were received in support of new candidates.

Attached you will find a summary chart that identifies each nominee and the interest group they are seeking to represent. Current PAG members and the interest they presently represent are identified by an "O" in the table. Please note that, in some cases, individuals are being nominated as candidates eligible to represent more than one interest group.

It is anticipated that the Trustee Council will take action on the PAG nominees at the September 29, 1998 Trustee Council meeting.

If you have any questions concerning this information, please let me know.

Attachments

INTEREST GROUP SUMMARY CHART

Nominee	Aquaculture	Commercial Fishing	Commercial Tourism	Conservation	Environmental	Forest Products	Local Government	Native Landowners	Public at Large	Recreation Users	Science/ Academic	Sport Hunting/ Fishing	Subsistence	TC Selection
Sharon E. Anderson, Seward									X		X			
Rupert Andrews, Juneau									X			O		
Torie Baker, Cordova		O							X					
Christopher Beck, Anchorage									O					
Pamela Brodie, Homer					O				X					
Sheri Buretta, Anchorage									O					
Dave Cobb, Valdez							O		X					
Chip Dennerlein, Anchorage				O					X					
Willard Dunham, Seward	X	X	X				X		X	X		X		
Cheryl Easley, Anchorage			X						X	X	X	X	X	
Eleanor Huffines, Palmer			O						X	X				
Dan Hull, Anchorage	X	X							X					
Scott Janke, Seward							X		X					
James King, Juneau				X					O					
Mary McBurney, Anchorage	O								X					
Charles Meacham, Juneau		X		X					X		O			
Peter G. Mickelson, Cordova			X						X	X	X	X		
Lowell R. Satin, Seward							X		X					
Brenda Schwantes, Kodiak									O				X	
David Sperbeck, Anchorage									X					
Stacy Studebaker, Kodiak				X	X				X	O				
Charles Totemoff, Anchorage								O	X					
Howard Valley, Kodiak			X			O		X	X					
Nancy Yeaton, Nanwalek			X	X	X		X		X				O	
Ed Zeine, Cordova							X		X					

O = Represented this position during last PAG session X = Potential to represent this position

Exxon Valdez Oil ublic Advisory Group
Attendance: Oc. 996-October 1998

Member/Alternate Principal Interest	PAG Meetings/Field Trips (excludes participation in subgroups, work sessions, public meetings, or other TC activities) 12/3/96	3/5/97	5/28/97	7/16/97	9/10/97	11/4/97	6/1/98	7/2798	9/15/98	
Rupert Andrews (Chair) Sport Hunting & Fishing		X	X	X	X	X	X	X		
Torie Baker Commercial Fishing		X		X	X	X		X		
Christopher Beck Public-at-Large	X	X	X	X	X	X	X			
Pamela Brodie Environmental	X	X	X	X		X	X	X		
Sheri Buretta Public-at-Large		X	X	X		X	X			
Dave Cobb Local Government	X		X			X	X			
Chip Dennerlein Conservation	X	X	X	X		X	X			
Eleanor Huffines Commercial Tourism		X	X	X	X			X		
James King Public-at-Large	X	X		X	X	X	X	X		
Mary McBurney Aquaculture	X	X		X		X	X	X		
Vern McCorkle (vacant as of 2/97) Public-at-Large	X									
Charles Meacham Science/Academic			X	X	X	X	X	X		
Brenda Schwantes Public-at-Large		X	X		X	X	X	X		
Stacy Studebaker Recreation Users		X	X	X	X	X	X			
Charles Totemoff Native Landowners				X		X	X	X		
Howard Valley Forest Products		X	X	X	X	X		X		
Nancy Yeaton Subsistence		X		X						

X = attended

EXXON VALDEZ OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Sharon E. Anderson POB 2436 Seward, Ak 99664 hm (907) 224-3102 fx (907) 224-8847	Anderson Tug & Barge Co Alaska SeaLife Center Board of Directors Alaska Command Civilian Advisory Board Holland America Westours Advisory Board National Bank of Alaska Advisory Board Resource Development Council of Alaska Seward Port & Commerce Advisory Board Seward & Alaska State Chambers	Science/Academic Public at Large	Self	yes	no
Rupert Andrews 9416 Long Run Drive Juneau, Ak 99801 hm (907) 789-7422 fx (907) 789-1846	Juneau Rotary American Institute of Fishery Research Biologists Western Assn of Fish & Wildlife Agencies Alaska Rifle & Pistol Assn Juneau Rifle & Pistol Club Territorial Sportsmen Alaska Outdoor Council National Rifle Assn Ducks Unlimited Federation of Fly Fishermen Juneau Trapshooting Club Alaska Waterfowl Assn	Sport Hunting/Fishing Public at Large	Self Alaska Outdoor Council Alaska Waterfowl Assn	yes	yes

EXXON VALDEZ OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Torie Baker POB 1159 Cordova, AK 99574	Commercial Fisherman Eyak Packing Company Cordova District Fishermen United KCHU Board of Directors	Commercial Fishing Public at Large	Self Cordova District Fishermen United	yes	yes
Chris Beck 1786 Forest Park Anchorage, AK 99517 wk (907) 272-6365 fx (907) 272-6391	Christopher Beck & Assoc University of Alaska, Anchorage	Public at Large	Self	yes	yes
Pam Brodie POB 1139 Homer, Ak 99603 hm (907) 235-3855 fx (907) 235-6306	Sierra Club	Environmental Public at Large	Self Sierra Club Sierra Club Legal Defense Fund Alaska Center for the Environment Alaska Rainforest Campaign American Rivers Natural Resources Defense Council Southeast Alaska Conservation Council Trustees for Alaska The Wilderness Society	yes	yes
Sheri Buretta 7644 East 17th Ave Anchorage, AK 99504 wk (907) 562-4155 fx (907) 563-2891 hm (907) 333-3774	Chugachmuit	Public at Large	Self Chugach Heritage Foundation	yes	yes

EXXON V.. ..EZ OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Dave Cobb POB 125 Valdez, AK 99686 wk (907) 835-4874 fx (907) 835-4831 hm (907) 835-2637	Valdez Fisheries Dev Assn Mayor, City of Valdez Prince William Sound Committee to Restore the Sound	Local Government Public at Large	Self City of Valdez	yes	yes
Chip Dennerlein 1627 W 14th Ave Anchorage, AK 99501 wk (907) 277-6722 fx (907) 277-6723 hm (907) 278-3420	National Parks & Conservation Assn	Conservation Public at Large	Self	yes	yes
Willard Dunham POB 27 Seward, Ak 99664 wk (907) 224-5623 fx (907) 224-7318	Seward Assn for the Advancement of Marine Science Alaska SeaLife Center & Research Committee North Pacific Volcano Learning Center Board Seward Fish & Game Board Alaska Vocational Technical Center Statewide Advisory Board Seward Trade & Commerce Board Jim Martin Scholarship Committee	Aquaculture Commercial Fishing Commercial Tourism Local Govenment Public at Large Recreation User Sport Hunting/Fishing	Self	yes	no

EXXON VALDEZ OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Cheryl Easley 4272 Chelsea Way Anchorage, AK 99504 wk (907) 337-2665 fx (907) 337-2665	Sound Professional Research Anchorage Assembly Legislative Aide Juvenile Justice Working Group Spirit of Youth Anchorage Delinquency Prevention Policy Board Anchorage Trails & Greenways Coalition Anchorage Snowmobile Club	Commercial Tourism Public at Large Recreation User Science/Academic Sport Hunting/Fishing Subsistence	Self	yes	no
Eleanor Huffines POB 981 Palmer, AK 99645 wk (907) 745-4047 fx (907) 745-6069	National Outdoors Leadership School	Commercial Tourism Public at Large Recreation Users	Self Alaska Wilderness Recreation & Tourism Assn	yes	yes
H. Daniel Hull 19300 Villages Scenic Pkwy Anchorage, AK 99516	Cordova District Fishermen United United Fishermen of Alaska Alaska Marine Conservation Council Copper River Salmon Producers Assn United Salmon Assn Pacific Halibut Council	Aquaculture Commercial Fishing Public at Large	Self	yes	no
Scott Janke City of Seward POB 167 Seward, AK 99664 wk (907) 224-4047 fx (907) 224-4038	City of Seward Prince William Sound Economic Development Council Alaska Municipal Managers Assn International City Managers	Local Government Public at Large	Self	yes	no

EXXON V[illegible]Z OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
James King 1700 Branta Road Juneau, AK 99801 hm (907) 789-7540	USFWS (seasonal) Alaska Biological Research American Ornithologists Union Duck Unlimited International Crane Foundation Nature Conservancy Northwest Bird & Mammal Society Pacific Seabird Group Trumpeter Swan Society Point Reyes Bird Observatory Wildfowl Trust Wildfowl Trust of North America Wildlife Refuge Association Wildlife Society	Conservation Public at Large	Self Pacific Seabird Group	yes	yes
Mary McBurney 310 K Street, Suite 200 Anchorage, AK 99501 wk (907) 264-6619 fx (907) 264-6622 hm (907) 348-7776	Western Alaska Fisheries Development Assn Trustees for Alaska	Aquaculture Public at Large	Self	yes	yes

EXXON V... .Z OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Charles Meacham 553 Main Street Juneau, AK 99801 wk (907 463-3335 fx (907) 463-3335 hm (907) 5493	Capital Consulting American Fisheries	Commercial Fishing Conservation Public at Large	Self Congressman Don Young Senator Ted Stevens Senator Frank Murkowski Ted Cooney, UAF R.K. Dearborn, UAF Joseph Sullivan, ADF&G American Fisheries Society Wards Cove Packing Company Prince William Sound Aquaculture Kodiak Regional Aquacultural Assn Resource Development Council Alaska Trollers Assn	yes	yes
Peter G. Mickelson Box 325 Pt Whitshed Cordova, AK 99574 hm (907) 424-5111	Prince William Sound Community College	Commercial Tourism Public at Large Recreation User Science/Academic Sport Hunting/Fishing	Self	yes	no
Lowell R. Satin POB 3692 Seward, AK 99664 hm (907) 224-7099 fx (907) 224-7099	Mayor, City of Seward National Park Service (seasonal) Alaska SeaLife Center volunteer Geological Society of America American Assn of Petroleum Geologists Arctic Institute of North America	Local Government Public at Large	Self	yes	no

EXXON VALDEZ OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Brenda Schwantes Kodiak Area Native Assn 3449 Rezanof Drive, East Kodiak, AK 99615 wk (907) 486-9800 fx (907) 486-9894 hm (907) 486-1015	Kodiak Area Native Assn	Subsistence Public at Large	Self	yes	yes
David Sperbeck 2530 Debarr Road Anchorage, AK 99508 wk (907) 263-8816 fx (907) 269-7321	Alaska Dept of Corrections National Academy of Neuro-psychologists American Psychological Assn American College of Forensic Psychology Amercian Board of Professional Disability Consultants Assn of Medical School Professors of Psychology	Public at Large	Self	yes	no
Stacy Studebaker POB 970 Kodiak, AK 99615 hm (907) 486-6498	Kodiak High School Near Island Trail Committee Trident Basin Aesthetics Committee KMXT Public Radio volunteer Kodiak State Parks Advisory Board Alaska Aerospace & Development Corp Community Advisory Board Kodiak Island Borough volunteer Audubon Board	Conservation Environmental Public at Large Recreation User	Self Kodiak Audubon Society	yes	yes

EXXON V.. ..Z OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Charles Totemoff Chenega Corporation 4000 Old Seward Hwy, Ste 101 Anchorage, AK 99503 wk (907) 277-5706 fx (907) 277-5700	Chenega Corporation Oiled Mayor's Association Prince William Sound Communities Organized to Restore the Sound Prince William Sound Economic Development Council Koncor Forest Products Co Board Chenega IRA Council Alaska State Rural Development Council Prince William Sound/Copper River Natural & Cultural Resources Cooperative Prince William Sound Tourism Coalition Chugachmuit Environmental Protection Consortium Chugachmuit	Native Landowner Public at Large	Self Chenega Native Corporation	yes	yes
Howard Valley Box 8051 Kodiak, AK 99615 wk (907) 486-1022 fx (907) 486-1025 (907) 486-1072 hm (907) 486-1972	Afognak Joint Venture Koniag Regional Corp Afognak Native Corp	Commercial Tourism Forest Products Native Landowner Public at Large	Self	yes	yes
Nancy Yeaton POB 8009 1954 Fox & Crow Nanwalek, AK 99603 wk (907) 281-2253 fx (907) 281-2252 hm (907) 281-2237	Nanwalek IRA Council	Commercial Tourism Conservation Environmental Local Government Public at Large Subsistence	Self	yes	yes

EXXON V.. .Z OIL SPILL
PUBLIC ADVISORY GROUP
Nominees for FY 1998 to FY 2000 Term

NOMINEE	AFFILIATION	INTEREST GROUP	NOMINATED /ENDORSED BY	INFO COMPLETE YES/NO	CURRENT PAG MEMBER
Ed Zeine POB 1210 Cordova, AK 99574 wk (907) 424-6200 fx (907) 424-6000	Mayor, City of Cordova Prince William Sound Aqua-culture Corp	Local Government Public at Large	Self City of Cordova	yes	no

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax: 907/276-7178

MEMORANDUM

TO: Trustee Council members

FROM: Molly McCammon
Executive Director

DATE: September 22, 1998

SUBJ: Restoration Reserve Discussion at September 29, 1998 Meeting

---

As you know, with respect to the Restoration Reserve, the Trustee Council meeting on September 29 is intended to be a discussion session only with no anticipated action taken.

Reference Materials - Please find attached the following reference materials to help facilitate the Council's discussion at the meeting:

- Summary of Public Comment on Restoration Reserve (September 21, 1998)
- Recent public comments on the Restoration Reserve since the last Trustee Council meeting
- Discussion Draft: Elements of a Long-Term Restoration Plan

A binder containing all public comments received to date will be available at the meeting.

At the request of some individual Council members, a background and draft discussion paper has been prepared that describes the history of the creation of the Restoration Reserve and the public process to obtain comment on how the Restoration Reserve should be used and managed in the future. The discussion paper is provided as a means of highlighting key issues or questions that have been identified through the public process to this point. Drawing on a wide range of comment received by the Restoration Office, staff prepared the draft to outline several possible elements that might be included in a long-term restoration program. It is not a formal Executive Director's recommendation, but rather is intended for the Trustees to use to facilitate the decision-making process.

Future Schedule - As some of you may be aware, the Public Advisory Group has spent a substantial amount of time discussing the Restoration Reserve. Information concerning the PAG's deliberations is included in the attached material. At its most recent meeting, the PAG requested the opportunity to meet with the Trustee Council in a

joint session to continue their discussions. Tentatively, I suggest the Trustee Council schedule its next meeting in late October or early November with an invitation to the PAG to join the Council. This meeting could start with a public comment period hosted jointly by the Council and the PAG, followed by further discussion and possible action by the Council on uses for the Reserve. A final decision regarding allocation of reserve funds between uses could then possibly be taken at the Council's following meeting on December 15, 1998 to address deferred work plan projects (in Juneau).

attachments

SUMMARY OF PUBLIC COMMENT ON RESTORATION RESERVE

Updated Report, September 21, 1998

On May 29, 1998, the Restoration Office issued its first report on public comments regarding the future use and management of the Restoration Reserve. The report was first updated on July 27, 1998. This summary is the second update.

Since the July update was issued, 94 people have submitted comments on the Restoration Reserve. About half the new comments were letters from residents of Port Graham, Alaska, who advocated use of at least 75 percent of the reserve for community-based projects, a set aside for tribes, funds for scholarships and internships, governance by a new board and elimination of the Public Advisory Group. Most of the remaining comments expressed support for endowed research centers and chairs at the University of Alaska.

In March 1998, the *Exxon Valdez* Oil Spill Trustee Council issued a special edition of its newsletter. The special edition was devoted to the Restoration Reserve and included a questionnaire.

In March and April 1998, the Restoration Office held public meetings in 22 communities, including most of the communities in the spill area as well as Juneau, Fairbanks and Anchorage. Meetings in Chignik Lake, Perryville and Old Harbor were canceled because bad weather prevented travel to these locations. Two hundred forty-nine (249) people attended the meetings.

As of September 18, 1998, the Restoration Office has received 1,361 responses to the newsletter and community meetings. Responses were in the form of e-mail messages, letters, form letters, completed questionnaires from the newsletter, telephone messages, or testimony at meetings.

Table 1 presents the number of responses by origin. More than half the responses originated from addresses within Alaska.

Table 1. Origin of Response

Location	Responses (#)	Percentage
Alaska - Spill Area	239	18%
Alaska - Outside Spill Area	509	37%
Outside Alaska	522	38%
Location Unknown	91	7%
Total:	1,361	100%

Outreach Efforts

About two-thirds of the responses appear to have resulted from outreach efforts by the Sierra Club, the Alaska Center for the Environment and the Alaska Rainforest Campaign. The responses varied slightly in content and form, but all urged the use of at least 75 percent of the Restoration Reserve for habitat protection. Responses expressing this position originated from the spill area, elsewhere in Alaska and outside Alaska.

Since early July, an outreach effort by a University of Alaska faculty member has generated 130 expressions of support for use of the Restoration Reserve to endow research centers and chairs at the University of Alaska.

In April, the Chugach Regional Resources Commission developed a position paper on the Restoration Reserve and sent the position paper to village councils in the Chugach region. Subsequently, 46 residents of Nanwalek and 48 residents of Port Graham endorsed comprehensive position statements and several other village councils submitted letters. Responses supported a set aside for tribes, establishment of a new board to govern the Restoration Reserve and elimination of the Public Advisory Group. Each group offered different recommendations on use of the Reserve and its term.

Preferences

The Trustee Council asked for advice on four issues related to the Restoration Reserve: use, governance, public advice and term. Everyone who submitted comments expressed ideas about use of the fund. Nearly half the responses addressed the issue of term. Few responses addressed the issues of governance or public advice.

Comments from outside the spill area, either within Alaska or outside the state, expressed strong preferences for the following views:

- Use: habitat protection.
- Governance: current Trustee Council.
- Public Advice: continuation of the Public Advisory Group.

In contrast, comments from the spill area expressed strong preferences for the following views:

- Use: research and monitoring or other combination of uses (not primarily for habitat protection).
- Governance: new board.
- Public Advice: disbanding the Public Advisory Group.

On the issue of term, responses from Alaska, both within the spill area and elsewhere, expressed a strong preference for a permanent term, limiting spending to earnings. Most of those from outside Alaska opposed a permanent endowment, preferring instead maximum flexibility in term.

USE. The newsletter asked:

> *Which use or combination of uses should be considered? Research and monitoring? Large parcel habitat protection? Small parcel habitat protection? Community-based restoration projects? Public education, outreach and stewardship? Additional proposals?*

All responses addressed the issue of use of the Restoration Reserve. Most people favored a combination of uses rather than a single use.

Two-thirds of all responses urged the use of all or most of the Reserve for habitat protection. Many of these responses said that at least 75 percent of the Reserve should be used for habitat protection (both large parcels and small parcels); others said a "significant portion" should be used for this purpose. Most of these responses did not specify a secondary use

In contrast, less than one-fifth of the responses from the spill area supported use of all or most of the Reserve for habitat protection. Although there was no strong trend in preferences expressed by responses from the spill area, most advocated that the Reserve be used for various combinations of community-based projects, stewardship, scholarships, public education, research and monitoring in addition to habitat protection.

GOVERNANCE. The newsletter asked:

> *Should the current Trustee Council be continued ? Should a new decision-making body be created? If so, what should it look like? Why do you think this change should occur?*

Only 270 people addressed the issue of governance of the Restoration Reserve. Overall, comments were about equally divided between continued governance by the Trustee Council or establishment of a new board. However, nearly three-quarters of the people from the spill area who addressed this issue advocated establishment of a new board to govern use of the Reserve.

Some responses offered ideas about changing the membership of the Trustee Council to include, for example, residents of the spill area, a trustee representing Native interests, scientists, or representatives of the fishing industry. Advice was also offered on specific foundations that could serve as models, such as the National Science Foundation, OSRI, or Sea Grant.

PUBLIC ADVICE. The newsletter asked:

> *Should the current 17-member Public Advisory Group (PAG) continue to exist? Should the PAG be modified? Should public outreach be continued without a PAG?*

Only 233 people addressed the issue of continuation of the PAG. Over half of all responses to this issue favored disbanding the PAG. Support for this view was even stronger in the spill area. Three-quarters of the people from the spill area who commented on this issue preferred disbanding the PAG.

Some responses expressed concern about the cost of maintaining such a large body and suggested a smaller body and fewer meetings and field trips. Others recommended establishing a scientific advisory council or panel that would include public members. Another idea was to replace the PAG with an annual public meeting and a newsletter.

TERM. The newsletter asked:

> *How should Reserve funds be managed and invested? Permanently? 10-year term? 20-year term?*

Nearly half of all responses (618) addressed the issue of the term of the Restoration Reserve. Overall, responses were evenly divided between those favoring a permanent endowment and those advocating management for maximum flexibility. Proponents of the latter view argued that by managing the Reserve for maximum flexibility, the Council could use the principal to complete especially large land purchases. Most of the people who expressed this idea were from outside Alaska.

In contrast, nearly all the responses from the spill area and about three-quarters of the responses from elsewhere in Alaska favored a permanent endowment. Nearly half of those who supported a permanent term were proponents of endowed research centers and chairs at the University of Alaska. Most of the comments in support of endowed chairs did not state that all of the Reserve should be used for this purpose, or that all of the fund should be managed as a permanent endowment.

OTHER IDEAS

Some responses offered new ideas about the Restoration Reserve. A few of these ideas are presented below:

- **Separate accounts.** Divide the Restoration Reserve into separate accounts, each for a different purpose, managed by separate governing bodies, and with separate terms, each appropriate to the use. The habitat protection account would have a flexible term and the research and monitoring account would be managed as an endowment. A fixed term is

probably more appropriate for research and monitoring, because a perpetual endowment would not provide much funding each year. (Sierra Club)

- **Community set aside.** Set aside at least $20 million for tribes to use for community-based projects. The set aside would be placed in an interest-bearing account and be disbursed over a set amount of time. Such a set aside could be modeled after the Alaska Department of Community and Regional Affairs' program for using State criminal settlement fund to restore injury to subsistence. The review process for this program is simple, and the application process is unencumbered. (Chugach Regional Resources Commission)

- **Small Parcel Permanent Fund.** Create an endowment with $20 million to generate $1 million each year to purchase small parcels. The fund would be managed by a nonprofit foundation that could leverage additional funds. (The Conservation Fund)

- **Research / Small Parcel Endowment; More Revenue for Other Projects.** Continue the Trustee Council's scientific research and monitoring program beyond 2001 at a level commensurate with the council's program at that time. Continue habitat protection by setting aside a portion of the reserve to provide a permanent source of income for the acquisition of key small parcels within the oil spill area. There are other important uses for the reserve, including projects to assist the oil spill communities in their recovery. Fund these types of projects with money obtained through better investments and more reasonable management fees. (Tony Knowles, Governor, State of Alaska)

United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES

WASHINGTON, DC 20510-6150

WWW.SENATE.GOV/~ENERGY

September 22, 1998

Ms. Molly McCammon
Executive Director
EVOS Trustee Council
645 G Street, Suite 401
Anchorage, Alaska 99501

Dear Molly:

I strongly believe it is time to focus attention of the remaining Exxon Valdez Oil Spill (EVOS) funds toward a long term understanding of the Prince William Sound ecosystem and not on a short term goal of habitat acquisition. Therefore, I want to voice my strong support for creating an endowment for the University of Alaska from the EVOS Restoration Reserve funds. The creation of a University endowment stands firmly on its own merits as an excellent way to combine the goals of the Trustee Council with the capabilities of the University.

In this regard, I am very proud of the efforts by Alaskans to create an endowment. Recent resolutions passed by the cities of Anchorage and Fairbanks show that Alaskans understand the value of their University in meeting the needs of Alaskan communities. Letters of support from UAA Chancellor Lee Gorsuch, UAF Chancellor Joan Wadlow, UAF Alumni, and University faculty and students show that the University wants to serve the public and has the capability to do so. The many other letters of support from Mayor Mystrom, and the Voice of the Times provide further confirmation that creating a University endowment is the right thing to do.

I hope you will consider the growing numbers of Alaskans who are expressing their opinions in support of endowed chairs and centers within the University of Alaska at your earliest convenience.

Thank you for consideration of this request.

Sincerely,

Frank H. Murkowski
Chairman

3279 V

Robert McMullen
P.O. Box 5512
Port Graham, Alaska 99603

July 27, 1998

Exxon Valdez Oil Spill Council
645 G Street, Suite 401
Anchorage, Alaska 99501

Dear Trustees!

I am a tribal member from the Native Village of Port Graham and a subsistance hunter/fisherman I was here during the devastating Exxon oil spill in 1989 and saw the affects then and now how it did so much damage to our lands, subsistence foods and the emotional trauma to me and the people here in our village.

I strongly recommend the Trustee Council use the Restoration Reserve for the following:

Use of Funds:

*Use at least 75 percent of the reserve for community based projects.
*The implementation of a set aside for tribes to alleviate the difficulty of tribes competing for funds with highly educated staffs from universities, state and federal management agencies, etc.
*Use funds for scholarships and internships for spill area residents in the sciences and natural resources field.

Governance:

- A board should be established with equal representation from tribes in the oil spill affected area, state and federal management agencies, and the science community.
- All members on this governing body should have limited terms with the possibility for re-election. Representatives should be elected by the organizations/tribes they represent.
- Eliminate the Public Advisory Group and put the funds public outreach and education.

Thank you for your time and consideration.

Sincerely,

Robert McMullen, Tribal member
Oil Spill affected village.

The Restoration Office received 48 identical letters.

3276 V

Rebecca Williams

From: June Namias
Sent: Wednesday, July 29, 1998 4:57 PM
To: Rebecca Williams
Subject: EVOS Reserve

Below is the result of your feedback form. It was submitted by
June Namias (afjn@uaa.alaska.edu) on Wednesday, July 29, 1998 at 16:57:43

Opinion: Dear EVOS Trustee Council: I support EVOS funding for establishing research endowments and research chairs at the University of Alaska!

REMOTE_HOST: 137.229.99.50

The Restoration Office received 24 identical or similar messages.

3163 ✓

Grant C. Baker
P.O. Box 240986
Anchorage, Alaska 99524

August 12, 1998

EVOS Trustee Council and PAG
645 G. Street, Suite 401
Anchorage, Alaska 99501
(907) 276-7178 (fax)

RE: Support for creating a University of Alaska endowment with the EVOS Restoration Reserve

Dear Trustee Council and PAG:

I was able to attend the July 28, 1998 PAG meeting that addressed the EVOS Restoration Reserve. It was good to hear the ideas and concerns of the PAG. I would like to provide my continued support for creating a University of Alaska endowment with the EVOS Restoration Reserve. Also, there were a few issues that were raised at the meeting that I would like to address in this letter.

One question was what would be an appropriate amount for a University endowment. It is my recommendation that the endowment be in the $75 million to $100 million range of the remaining $150 million Reserve. This would enable a practical endowment to be created that would allow needed restoration work to be performed in perpetuity. Also, there would be enough funds remaining to meet most of the other requested uses for the Reserve.

For example, if $75 million was used for a University endowment, there would still be enough for a 'small parcel purchasing' program. A small parcel program endowed for about $25 million would enable about $1 million (and more as the fund grows) to be used each year to purchase land parcels as they are identified as being needed. Another $50 million would be available to implement the other requested items.

In other words, pretty much everything that has been requested for the Reserve could be done including a substantial endowment for the University. This point was made by one of the PAG members and seemed to be in agreement with several of the other PAG members.

One of the best recognized benefits of a University endowment is that it meshes very well with the needs of the EVOS Trustee Council and the purpose of the Spill funds. An endowment can support research to determine what is wrong, how to fix it, and implement the fix. In addition, there seemed to be a common agreement that natural resource managers will be needed to oversee the newly acquired properties, as well as the actual Spill damaged areas. Specialized land managers for Spill damaged lands is something that a University endowment can produce. In addition, educational and public awareness programs and materials about the Spill can be produced. The knowledge and processes developed by the University for restoration can be displayed at the Seward SeaLife Center (and elsewhere) which would be of great interest to the

public and enhance the Center. Finally, processes developed for restoration and preservation may be marketed worldwide to create income for the University and to perpetuate restoration work in individual communities affected by the Spill.

The word 'research' seems to suffer from the misconception that it is only 'test tubes' and 'monitoring'. Many are put off by the idea of an 'endowment for research' since it is thought of as not including restoration type work or would not produce some type of real and practical results. However, I am finding that when it is explained that ***research is meant to be much more***, such as those things described above, then these concerns transform into strong support for an endowment. I thought I would pass this along since it could help in your discussions.

What is of foremost concern is that the Trustee Council might not make an endowment at all. This is especially troublesome since Prince William Sound (PWS) and other Spill damaged areas are known to have not recovered. Many species such as shrimp, herring, and some salmon species are still very depressed or are very sporadic. In fact, a news story televised last night and this morning reported on the depressed levels of sea otters in PWS that are not recovering as expected, and are showing signs of contamination.

The Trustee Council should very careful to not mistakenly believe that everything in PWS is 'okay'. Rumors that shrimp stocks were 'depressed' before the spill, and therefore shrimp should be ignored, are misleading. Records will show that after the Spill, shrimp fishing in PWS has been virtually eliminated. Shrimp fishermen that fished for 30 years stopped fishing a few years after the Spill. That is an indicator of a Spill-caused problem that should not be ignored. The natural red salmon run to Eshamy Bay of PWS has also been very erratic. Fish and Game has essentially given up trying to figure out the problem and did not even install the Eshamy Lake weir this year. PWS herring stocks are depressed and have also suffered genetic problems. These are indicators that PWS continues to have problems.

A former Executive Director for the Trustee Council, James R. Ayers, may have summarized it best when he described a main problem from the Spill as being subsurface oiling which is a long-term problem. More than four years after the Spill, in a December 18, 1993 letter-to-the-editor, Mr. Ayers wrote:

> **"A greater concern to the Trustee Council is subsurface oiling, which is probably more prevalent now than surface oil residue in the spill area. Subsurface patches are scattered around the area and range in size from a few square meters to several thousand square meters, such oiling has decreased area-wide by about 45 percent since a 1991 survey. Did all of this oil come from some other source long ago? Not likely.**
>
> **.....**
>
> **State and federal researchers visited 59 study sites in western Prince William Sound this summer, traveling from the northern islands to the southwest entrance where the sound meets the Gulf of Alaska. Oil was present, in some amount, at every site.**
>
> **.....**

A large oil spill does not just go away. High oil concentrations in sediments and mussels continue to be found in the western part of the sound."
--December 18, 1993 Fairbanks Daily News-Miner, "Spill damage lingers".

I have attached Mr. Ayers' complete letter for your convenience.

Restoration from oil damage depends on EVOS funds being wisely spent to create a long-term program that identifies the problems, develops solutions, and fixes the problems. Fortunately, the main mission and purpose of the EVOS funds were to restore and protect Oil Damaged Areas from oil damage. For PWS, recovery has not occurred yet. It would be a shame if the remaining EVOS funds were spent without restoring PWS while knowing it has not recovered.

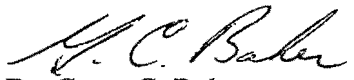
A survey taken by the EVOS Trustee Council in 1993 showed that 2/3rds of the responses favored placing a fairly large portion of the settlement into an endowment. The recommended amount from that survey was between $200 to $400 million of the $900 million EVOS settlement. A similar EVOS survey was taken recently and produced strong support from the Spill damaged areas for an endowment. So, a $75 to $100 million University endowment is a compromise and reasonable in light of the remaining funds and public support from Alaskans.

There seems to be strong public support for creating a University endowment in addition to the EVOS surveys. For example, when the Anchorage Assembly recently passed its Resolution supporting a University endowment, many of the members requested that they be added as co-sponsors. As Assembly members, these individuals represent the people of Anchorage.

In summary, a University endowment meshes very well with the needs of the Trustee Council and satisfies the request of the public to create an endowment. To meet the identified needs, I recommend an amount between $75 to $100 million. No endowment would certainly be a loss for the Trustee Council, the University, the public, and the recovering Spill damaged areas.

I urge the Trustee Council to do what is necessary to establish an endowment at the University of Alaska. As a cooperative effort between the University and the Trustee Council, a customized endowment can be constructed to superbly address the needs of the Trustee Council and fulfill the purpose of the EVOS settlement funds.

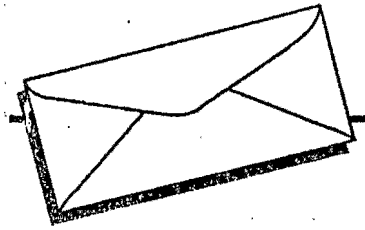
Sincerely,



Dr. Grant C. Baker
Assistant Professor Civil Engineering
University of Alaska Anchorage
Tele: (907) 786-1056 (wk)
Fax: (907) 786-1079 (fax)
Email: afgcb@uaa.alaska.edu

Attachment: December 18, 1993 letter from Trustee Council Executive Director

Fairbanks Daily News-Miner
December 18, 1993



LETTERS TO THE EDITOR

Spill damage lingers

Dec. 10, 1993

To the editor:

The most recent and comprehensive field survey of western Prince William Sound took place this summer. A draft report on the findings was released Nov. 30 at a meeting of the Exxon Valdez Trustee Council in Anchorage, Alaska. While I read with interest Agis Salpukas' report of Dr. Keith Kvenvolden's study of asphalts found on some shorelines (New York Times, Dec. 1), I would caution readers against using the article to form generalizations about conditions in the area affected by the 1989 Exxon Valdez oil spill. Let me be clear—based on our staff's studies, I strongly disagree with Kvenvolden's principal conclusion that oiling residue from other sources is more common than Exxon Valdez Oil.

Kvenvolden's findings only apply to a single type of oil residue: hardened, weathered tar and asphalt. Even on the surface, the oiling types and consistencies we still find vary, from Kvenvolden's asphalts to greasy brown "syrup," less viscous emulsions, and even sheening. Fortunately, cleanup efforts and natural forces have combined to remove most of the oil from the surface.

A greater concern to the Trustee Council is subsurface oiling, which is probably more prevalent now than surface oil residue in the spill area. Subsurface oiling patches are scattered around the area and range in size from a few square meters to several thousand square meters, such oiling has decreased area-wide by about 45 percent since a 1991 survey. Did all this oil come from some other source from long ago? Not likely.

State and federal researchers visited 59 study sites in western Prince William Sound this summer, traveling from the northern islands to the southwest entrance where the sound meets the Gulf of Alaska. Oil was present, in some amount, at every site. More importantly, study of those sites began in 1989, after the spill, when some of the same government researchers documented heavy, viscous oil coming ashore. They were sampled and "fingerprinted" chemically as Exxon's Alaska North Slope crude in 1989, then tracked yearly right through the summer of 1993. Scientists at the National Oceanic and Atmospheric Administration have analyzed several thousand samples collected in the spill path over the last four years; Kvenvolden reports his results based on analysis of only 21 samples from the oiled region.

A large oil spill does not just go away. High oil concentrations in sediments and mussels continue to be found in the western part of the sound. The effects of these residues on wildlife and fishery resources continue to be assessed.

As scientists and public resource managers, we feel it is important that the owners of these resources—America's citizens—understand the complexity of the situation and have the opportunity to guide our efforts. They need complete information to do that. Thank you for the opportunity to comment on this subject.

Sincerely yours,
James R. Ayers
Executive Director
Exxon Valdez Oil Spill
Trustee Council
Anchorage

3225 v

Rebecca Williams

From: "Randy Hughey"
nt: Thursday, September 03, 1998 8:35 AM
: Rebecca Williams
Subject: <none>

I want to express my opinion that using EVOS Restoration Reserve funds for the pupose of vocational education in this state would be a means of creating benefit for the common person. I think that using funds that may come into the University from this reserve to establish endowed research centers and chairs will have no short-term and little direct benefit to the people of Alaska. If the Universty is fortunate enough to receive funding, let's do something practical and directly useful.

Randy Hughey
Sitka Education Consortium

32301

Rebecca Williams

From: Herb Schroeder
Sent: Thursday, September 03, 1998 11:02 AM
To: Rebecca Williams
Subject: UAA Endowment

I support establishing endowed research centers and chairs at the University of Alaska with EVOS Restoration Reserve funds. This presents an excellent opportunity for the university to hire and retain quality faculty. Quality faculty will help the University revenue stream by developing useful funded research projects.

Greater Fairbanks Chamber of Commerce
709 Second Avenue
Fairbanks, Alaska 99701
(907) 452-1105
FAX: (907) 456-6968

RESOLUTION 93-0712
A RESOLUTION URGING THE EXXON VALDEZ OIL SPILL COUNCIL TO WORK WITH THE UNIVERSITY OF ALASKA TO CREATE A GENERAL ENDOWMENT TO THE UNIVERSITY AND TO ENDOW A SUBSTANTIAL NUMBER OF ACADEMIC CHAIRS IN THE SCIENCES TO FULFILL THE LONG TERM GOALS OF THE SETTLEMENT

WHEREAS, the biological resources of the northern Gulf of Alaska were impacted by the Exxon Valdez oil spill, and

WHEREAS, the Exxon Valdez oil spill disrupted the economic and social life of many of the local residents in the Prince William Sound area, and

WHEREAS, baseline scientific data was inadequate to positively assess the damage, manage major spills, and restore the environment, and

WHEREAS, future accidents and oil spills in this area and other areas of Alaska waters are a possibility, and

WHEREAS, Alaska has more coast line than any other state in the union, making it imperative that the State of Alaska take the lead in utilizing the accumulation of scientific knowledge and promoting the advancement of scientific technology now as well as in the future, and

WHEREAS, with scientific advancements in the decades ahead eventual enhancement of many of the biological resources will be possible, and

WHEREAS, the Exxon Valdez Oil Spill Trustee Council is in charge of restoring, rehabilitating, replacing, enhancing or acquiring equivalent resources and services in the oil spill region, the accumulation of scientific knowledge to manage any future oil spills must be placed in high priority within the Council's program, and

WHEREAS, any spill of this magnitude not only effects the wildlife and fish habitat, it has economic, social and psychological effects in rural Alaska where local populations, including the native population, whose traditional life styles may be disrupted, and

WHEREAS, the University of Alaska has taken a leadership role in many of these areas of study and is strongly committed to working in rural Alaska as well as attracting students from rural Alaska, and

WHEREAS, the University of Alaska, is a statewide system with locations in Valdez, Cordova, Petersburg, Homer, Seward, Kodiak, Juneau, Anchorage, Fairbanks, Bethel Dillingham, in addition to many other locations in Rural Alaska, and

WHEREAS, the University of Alaska currently is doing research in fisheries and oceanography and has a research vessel, and

WHEREAS, a general endowment will permit the University to fund specific projects and studies that may only require a limited time to answer, and to be flexible to fund new studies as new questions or problems arise, and

WHEREAS, endowed academic chairs will provide continuing quality scientific investigation, scientific publications, and excellence in training that will be needed by the agencies and industry responsible for resource management and development into perpetuity, and

WHEREAS, endowed chairs attract the highest quality applicants because they are not affected by the annual fluctuations of the University's budget process, and

WHEREAS, high caliber of endowed professors attract the highest quality graduate students and most often have a competitive edge in securing grants and contracts, and

WHEREAS, concentrating a major center for the advancement of sciences at the University of Alaska is in the best interests of all Alaska, since agency and industry research is normally directed to the public and may suffer from short term funding, and

WHEREAS, endowed university research is normally broader in scope, produces peer-reviewed publications, has long term continuity and produces an outflow of trained professionals, and

WHEREAS, the University of Alaska already has an appropriate Foundation for managing endowed chairs thus eliminating the cost of a new bureaucracy, and

WHEREAS, the combination of a general endowment and endowed chairs allows the University of Alaska both flexibility and long term funding with an irrevocable commitment to continue the study of all of the effects of this spill and any future spills that may happen in Alaskan waters or any other waters on this earth,

NOW, THEREFORE, BE IT RESOLVED, that the Greater Fairbanks Chamber of Commerce Board of Directors urges the Exxon Valdez Oil Spill Trustee Council to instruct their Restoration Team to contact and cooperate with the University of Alaska in developing a plan for establishing a general endowment to the University of Alaska and to endow a substantial number of chairs in the sciences that will fulfill the intent of the settlement, and that such a plan be included in the Restoration Plan and Environmental Impact Statement being prepared this year by the Restoration Team.

Dated this 12th day of July, 1993.

By _____
Margo Goodhew
President

By _____
Pamela J. Held
Chairman of the Board

3269

CLERK'S OFFICE
APPROVED
Date: 7-21-98

Submitted by: Assemblymember WUERCH, Abney, Von
Prepared by: Assembly Office Gemmingen, Kendall, Murdy
For reading: July 21, 1998 and Bell

ANCHORAGE, ALASKA
AR NO. 98- 250

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY URGING THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL TO WORK WITH THE UNIVERSITY OF ALASKA TO CREATE A GENERAL ENDOWMENT TO THE UNIVERSITY FROM THE EXXON VALDEZ OIL SPILL RESTORATION RESERVE FUND

WHEREAS, the northern Gulf of Alaska was impacted by the Exxon Valdez oil spill, which damaged the biological resources in the Prince William Sound area, and disrupted the economic and social life of many of the local residents; and

WHEREAS, the Exxon Valdez Oil Spill (EVOS) Trustee Council is in charge of restoring, rehabilitating, replacing, enhancing or acquiring equivalent resources and services in the oil spill region, and the accumulation of scientific knowledge to manage any future oil spill must be placed in a high priority within the Council's program; and

WHEREAS, the EVOS Trustee Council is currently accepting public comments on how to spend the $150 million EVOS Restoration Reserve Fund; and

WHEREAS, one idea that promises many benefits for Alaskans is to use these funds to establish endowed research centers and chairs within the University of Alaska, especially since these funds represent the last chance to create a university endowment with the oil spill settlement money; and

WHEREAS, such endowments would allow research for restoring and protecting spill affected areas, and for developing and marketing educational courses and patents for oil spill cleanup technology; and

WHEREAS, use of the EVOS Reserve Fund would go a long way in creating a self-perpetuating environment of teaching and learning.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

Section 1: That the Assembly urges the Exxon Valdez Oil Spill Trustee Council to work with the University of Alaska to create a general endowment to the university from the Exxon Valdez Oil Spill Restoration Reserve Fund.

Section 2: That, upon passage, the Municipal Clerk provide copies of this resolution to the EVOS Trustee Council and the EVOS Public Advisory Group.

PASSEDD and APPROVED this 21st day of July, 1998.

Fay Von Gemmingen
Chair

ATTEST:

Municipal Clerk

July 13, 1998

Anchorage Assembly
E-mail: wwmas@ci.anchorage.ak.us
Fax: 343-4780

Dear Assembly:

A rare opportunity exists this week only to help the University of Alaska obtain several million dollars. This letter is a request for your help and support. A deadline for public comment occurs very soon. Comments from the public including associations and the assembly need to be submitted before July 21.

The Exxon Valdez Oil Spill (EVOS) Trustee Council will be meeting very soon to review public comment and make decisions on how to spend the $150,000,000 EVOS Restoration Reserve fund. One idea from the public is to establish endowed research centers and chairs at the University of Alaska. These funds are the last chance for creating an endowment at UA with EVOS funds. Otherwise, the funds will very likely be spent to purchase more land. About $500,000,000 of the $1 billion dollar EVOS settlement has already been spent to purchase land.

A WEB site has been set up to help the public support the idea. The WEB site address is:
http://www.alaska.net/~baker/evos.htm

A 1997 EVOS survey showed that about 50% of responses on how to use the funds were from outside Alaska and mostly from special interest organizations. That can be compared to a similar 1993 EVOS survey that showed that only 10% of responses were from outside Alaska. So, the outside groups are more organized now. If Alaskans do not speak up, the funds will go to buy more land and end up spent by outside agencies including outside universities.

In 1993, the Fairbanks Chamber of Commerce submitted a resolution supporting the establishment of a UA endowment with EVOS funds. Supposedly, those EVOS funds were not available to make endowments and so it did not happen. However, the $150,000,000 EVOS Reserve is different in that it can be used to make UA endowments if there is support for it. I have faxed a copy of the 1993 Fairbanks resolution to the main Assembly office for your review. Maybe the Anchorage Assembly could come up with their own resolution to meet the needs of UAA.

I urge all of you to take the time now and act on this issue. It is a very rare opportunity and this is the last of the EVOS funds. Some members of the EVOS Public Advisory Group (PAG) support using the entire $150 million for a UA endowment. But, even if 30, 40 or $50 million were obtained, that would be an inspiring and proud accomplishment of the public and the Assembly.

I think that obtaining funds for UA endowments is a very real possibility. But public comment supporting it must be submitted in order for the Trustee Council and the PAG members to vote for it. Thank you.

Sincerely,

Grant Baker
UAA faculty and PWS commercial fisherman
786-1056

3271

PRINCE WILLIAM SOUND
Oil Spill Recovery Institute

P.O. Box 705
Cordova, AK 99574
(907) 424-5800 Fax: (907) 424-5820

July 21, 1998

Molly McCammon, Executive Director
EVOS Trustee Council
645 G Street, Suite 401
Anchorage, Alaska 99501-3451

Dear Ms. McCammon:

The initial business and annual work plans of the Prince William Sound Oil Spill Recovery Institute (Institute) are being reviewed. We would like to include you and your science staff's ideas and thoughts on issues of mutual interest.

The approach we are taking is to incorporate information generated from the Exxon Valdez Oil Spill Trustee Council (Council) research program to improve the oil spill prevention and response mission. The Institute is attempting to make the knowledge gained since the 1989 oil spill an integral part of all future prevention and response. We found existing contingency planning, research priorities and risk assessments hardly mention, let alone use the Council's efforts. For example, the Prince William Sound (PWS) Risk Assessment does not use or consider any of the Council's work. There is no consideration or use of anything that is the subject of Nearshore Vertebrate Predators (NVP), Alaska Predator Ecosystem Experiment (APEX) or the Sound Ecosystem Assessment (SEA) programs despite the relevance. The Interagency Task Force R&D plan has no category whereby the Council's research can become part of the prevention and response development process.

The Institute's business and work plan, and Broad Area Announcements were constructed to take advantage of the in-depth knowledge gained from the ten years since the spill and to develop an initiative whereby such knowledge becomes a design factor for ensuring against any such event again. It will require change in the existing methods to make use of the Council's investment, but the benefits will be well worth the effort.

The Council's programs have yielded a body of knowledge and a collection of knowledgeable scientists that the Institute hopes will be there for the next PWS Risk Assessment Plan and for the prioritization of efforts for prevention and response in the future. Over the next eight years, we expect a wealth of byproducts can be gleaned from the Council's research that will make solid contributions to sustaining animal populations at risk to oil spills. Some examples of these spinoffs are:

In-situ burning and dispersants: The work of APEX, NVP, SEA and other Council programs and projects regarding the timing and location of plankton and intertidal assemblages, fish and wildlife populations and their critical habitats, must be part of a system-aware assessment of when and where to consider enhanced aerial or water dispersal techniques. At present, the

tradeoffs between putting spilled oil into the air versus the water in a concentrated or dispersed form do not consider the impact to non-human species.

The only Council product that would be used under current practice is the near real-time surface wind analysis that is one of the inputs to the SEA circulation model. The majority of resources that were addressed as "impacted" by Council are neglected in current designs for what to do and when to do it -- yet these have as their goal minimization of impact!

PWS and the Copper River Delta and Flats have major forage species, fish, bird and mammal populations that are either resident or migratory, and during critical periods look to be important factors for on-site decisions for burning or the use of dispersants. Certain wind or current scenarios would be safe, while others could negatively impact resources. Population distribution and behavior, climate and meteorology and their correct interpretation are needed to make full use of the Council' s legacy.

Damage Assessment and Restoration: The work of APEX, NVP, SEA and the many agency projects that the Council has funded combine into an impressive amount of research and monitoring on the natural resources of the spill impacted region. Underlying each study is a highly dynamic physical ecosystem that is suspected as the cause of major shifts in production and diversity of plankton, fish and wildlife that are important to all. In the past, it was acceptable for researchers studying animal populations to conduct token physical measurements and rely on retrospective analysis and correlation statistics using the physics of an environment to explain changes. It was the founders of the GLOBEC program who concluded that retrospective analysis with correlation statistics would not improve the prediction of animal population change. We propose to take a first step in the direction of coordinated physical monitoring and modeling, which can support regional animal population studies.

Specifically, in August, the Institute board will consider funding a program to build nowcast-forecast (N/F) capability for coastal currents in the North Gulf of Alaska. The primary geographic areas of focus by the proposals are PWS, Cook Inlet and adjacent waters in the north Gulf of Alaska. The development of predictive tools for the PWS has the advantage of four years of investment by the Council through the Sound Ecosystem Assessment (SEA) program. We seek collaboration with the Council to implement these tools and improve predictive capacity for the region.

The cost of prediction is dependent upon the size of the area being covered and the resolution desired. Whereas large pelagic areas can be represented by relatively low resolution, many nearshore areas may require much higher resolution. We anticipate the nesting of a variety of higher resolution grids in areas that are important to oil spill prevention and response, navigation and to regional animal populations (such as Hinchinbrook Entrance, Valdez Arm, and important spawning, feeding and holding areas, bird colonies, seal haul outs, etc.). In this manner, researchers who are interested in knowing the physics in their study areas and how it relates to the much larger surrounding system can become partners in the total effort. For biologists working in the coastal regions, the N/F program will provide the missing service that is the key to developing new predictive capability for animal population change.

The Institute believes that the development and implementation of a N/F circulation system will lead to new capabilities in the region:

3-4d, real-time information for oil tankers and other vessels navigating coastal regions for commerce or pleasure (i.e.,current direction and velocity, surface roughness, ice hazards)
3-4d, model simulations to evaluate a variety of spill response scenarios (in-situ, burning, in-water dispersants, mechanical removal, etc.),
3-4d model simulations of the overlap of hypothetical spills with both surface and subsurface biological resources (plankton assemblages, fish populations, spawning areas, feeding areas, bird colonies, seal haul outs, etc.),
3-4d, real-time, interactive communications with the above on in the event of a spill via the Institute's home page, and
3-4d capabilities to assess natural behavior of animal populations at risk from spills such as: plankton drift modeling for assessing interannual variability in primary and secondary production and the fate of icthyoplankton,
water density structure (temperature, salinity, etc.) for determining the interannual dynamics of population bioenergetics for coastal aquatic species, and more.

Since the latter capabilities represent the foundation for assessing the dynamics of the marine forage species, fish and wildlife in the coastal regions, the N/F capability could prove valuable to the research, management and conservation of fish and wildlife in the region. For these reasons, we hope that justification can be found to make the N/F development a collaborative effort with the Council's Restoration Reserve Program.

The Institute has the ability to make long-term commitments to the development of N/F systems and a mandate to work with State and Federal managers on long-term research and monitoring. However, the Institute's funds are insufficient for large-scale and high-resolution coverage. The research teams who receive Institute funding will be asked to seek other sponsors for cost-sharing the effort. The Council's support of these requests would be a welcomed collaboration.

Finally, the commitment to improving N/F capability is not a short-term or even a long-term project. The commitment is permanent. If we truly want to be able to predict the effects of climate change, oil spills, commercial fishing, hatchery fish on wild fish, and a host of other natural and man-induced phenomenon on animal populations, we must commit to continuously monitor the environment and build the numerical predictive tools that use the monitoring information. If we can establish a collaborative effort among sponsors and build competent research teams, we believe that this goal is attainable.

Sincerely,

Gary Thomas, Ph.D.
Executive Director

cc: Stan Senner and Eric Meyers

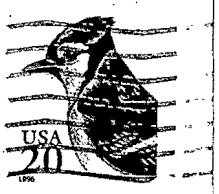
7 23748 21000 4 7-27-95

3272

ACE-1137

I opt for the remaining money to go to the U of A as they have been shortchanged long enough. Think that the land buy back has been a lot and enough is enough

Helen Butcher
4741 Denali St
Anchorage AK 99503



Post Card

EVOS Executive Council

645G Street Suite 101

Anchorage AK

99501

ALASKAN CARIBOU AT DENALI NATIONAL PARK
Photo by © Steve Kaufman/Ken Graham Agency

RECYCLED PAPER

3274

UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508-8362

SAFETY IS EVERYBODY'S BUSINESS

STUDENT GOVERNMENT
Phone: (907) 786-1205
Fax: (907) 786-1208

July 23, 1998

EVOS Trustee Council
645 G Street, Suite 401
Anchorage, AK 99501

Dear Trustees:

On behalf of the Union of Students at the University of Alaska Anchorage, I would like to voice our support for establishing a research endowment at the University of Alaska. As young people in the State of Alaska, we would like to see an investment in the future of Alaska and its residents by the Exxon Valdez Oil Spill Trustee Council. A research endowment and/or endowed academic chairs would be an enduring legacy for the funds set aside to help Alaska recover from oil spill devastation. The education and research that these would create will help prevent any future disasters of this nature.

Thank you in advance for considering these recommendations.

Sincerely,

Joshua Hunter, President
The Union of Students
University of Alaska Anchorage

3275 V

Bob Irvine
From: Bob Irvine
Sent: Wednesday, July 29, 1998 3:37 PM
To: 'rebeccaw@oilspill.state.ak.us'
Subject: RE: Endowment

I support using the funds to create research chairs for the University. I would like to see part of the money dedicated to research regarding the psychological as well as physical effects on humans who have lived through disasters such as the oil spill, the Miller's Reach Fire, sunamis, earth quakes, etc.

Bob Irvine
P.O.Box 876693
Wasilla, AK. 99687

-----Original Message-----
From: rebeccaw@oilspill.state.ak.us [SMTP:rebeccaw@oilspill.state.ak.us]
Sent: Wednesday, July 29, 1998 7:38 AM
To: birvine@lifequest.org
Subject: RE: Endowment

Hi Bob ~

In reviewing the comments received on the Restoration Reserve, I saw that your comments didn't come through (see below). Do you want to try again?
Rebecca

-----Original Message-----
From: Bob Irvine
Sent: Friday, July 10, 1998 8:13 AM
To: Rebecca Williams
Subject: Endowment

3277 V

University of Alaska Southeast
Juneau • Ketchikan • Sitka

School of Education, Liberal Arts and Science
Juneau Campus

EVOS Trustee Council
Restoration Office
645 G Street Suite 401
Anchorage, AK 99501

August 1, 1998

Dear Sirs,

We have been notified that there is some EVOS settlement money available. We would like to suggest that some of this money be used to make our University and public schools safer. Currently many of the Fine Arts and Industrial Arts classes are using toxic petroleum products and this money, from a toxic petroleum "incident" would be most appropriately spent to change this technology.

I just attended a Non-Toxic Printmaking Workshop in Grande Prairie, Alberta and learned how to convert the University art classes that I teach to non-toxic studios. This will make these safer for students, staff, and faculty. The main problem is always finding the money to accomplish these changes. Please consider this most worthy endeavor. These changes can be make very quickly and relatively inexpensively, especially if you consider the health problems that are caused by continued exposure.

Sincerely,

Alice Tersteeg

Alice Tersteeg
Prof. of Art

11120 Glacier Highway • Juneau, Alaska 99801-8671 • (907) 465-6405 • FAX: (907) 465-6406

3278 V

TO: EVOS Trustee Council

I strongly support continuing the Trustee Council's habitat protection efforts. In planning uses of the Restoration Reserve, I urge you to:

* Use at least 75 percent of the reserve for habitat protection, for both the large parcel and small parcel programs.

* Expand the definition of the spill impact zone to include the Copper River Delta and Bering River uplands. This area now faces timber and coal development that jeopardizes the Delta, an internationally significant refuge for migratory birds and a critical part of the ecosystem affected by the spill.

* Reserve funds for habitat should not be treated as a permanent endowment. Instead, the money should be managed for maximum flexibility, so the Trustees can make an especially large habitat acquisition if the opportunity arises.

Thank you.

Signature: David D. Hansen

Name: David Hansen

Address: 3528 Clinton Av.
Berwyn, IL. 60402

Telephone: (708)-788-3191 Fax: _____

Email: _____

SIERRA CLUB

(over please)

85 Second Street, Second Floor, San Francisco, CA 94105

April 20, 1998

NINE YEARS AFTER THE EXXON VALDEZ OIL SPILL, PRINCE WILLIAM SOUND STILL NEEDS YOUR HELP

Sierra Club needs your help to make sure Exxon's restoration money will bring lasting environmental protection to the region damaged by the nation's worst oil spill. In 001, Exxon will make the last of its $900 million in spill damage payments. The state and federal trustees in charge of spending that money have set aside $140 million of it so restoration work can continue beyond the year 2002. The trustees are asking for public comments on how to use this "Restoration Reserve."

Unless the public demands otherwise, the trustees will use most of it on scientific research and monitoring, with relatively little set aside to buy and protect habitat. While research is an important part of spill restoration work, the single best way to make sure spill-damaged ecosystems have a chance to recover is to protect habitat from further harmful development.

Please take a few minutes to send comments to the Trustee Council. See the sample message below. If you're short on time, just sign the sample message and send it to one of the following addresses. (Your personal message is always more effective.)

Thank you!

The comment deadline is Thursday, April 30, 1998. If you miss the deadline, please write anyway, because the Trustee Council often considers *all* public comment received up to the time they make a final decision.

3343 v

Rebecca Williams

From: "David R. Klein"
Sent: Thursday, September 03, 1998 8:48 AM
To: Rebecca Williams
Cc: 'afgcb@uaa.alaska.edu'
Subject: EVOS endowment for UA

The EVOS Trustee Council:

The EVOS Restoration Reserve Funds offer the potential to assure the long term support for science education and research in Alaska with benefits to our youth and the future of Alaska through the training of scientists with a focus on Alaskan issues and needs. I strongly support the use of EVOS Reserve Funds for the endowment of faculty positions and research centers within the University of Alaska system.

David R. Klein
Professor Emeritus

3347 ✓

Rebecca Williams

From: Roland Gangloff
Sent: Friday, September 04, 1998 3:28 PM
To: Rebecca Williams
Subject: EVOS Reserve Funds

Dear Committee members:

I strongly urge the committee to dedicate some of the EVOS Reserve Funds to the University of Alaska. Higher education will be the bridge to a bright and worthwhile future for Alaska's next generation and for generations following that. The way to build a strong university is to endow chairs and special units such as institutes and museums that are part of the teaching and research efforts of the university. I would especially urge you to endow at least one chair or department within the Univesity of Alaska Museum. Presently, the museum is in the midst of expanding its physical space, but an endowment or endowments would help fill the space with new dynamic programs. The U.A. Museum is presently one of the more exciting and broad-based interdisciplinary research centers on the campus. An endowment or the funding of a specific research center within the museum would make a great deal of sense with the positive public image that the museum now enjoys. Such support would go a long way in guaranteeing that the new museum additions offer a brighter educational future for our students and the exciting research that is being done with many of the museum's unique and dynamic collections. If you would like specific suggestions as to where such monetary support should be placed, I would be more than happy to do so.

Thank you for considering my appeal. I will be in Fairbanks until 9/29.

Sincerely,
Roland A. Gangloff, Ph.D., Curator of the Earth Science Collections, and

Associate Professor of Geology and Geophysics, U.A.F.

Mark R. Hamilton
President

UNIVERSITY OF ALASKA STATEWIDE SYSTEM
202 BUTROVICH BLDG
P.O. BOX 755000
FAIRBANKS, ALASKA 99775-5000
PHONE: (907) 474-7311
FAX: (907) 474-6342
EMAIL: sypres@alaska.edu

September 28, 1998

via fax – 586 7589 – 2pg

Exxon Valdez Oil Spill Trustee Council
645 "G" Street
Anchorage, AK 99501

Dear Trustees:

Beginning in 1993, the University of Alaska, along with a significant portion of the Alaska public, has been requesting that the Trustee Council maximize the long-term impact of the Exxon settlement through the establishment of a research endowment and the creation of University endowed chairs in appropriate disciplines. Now, in 1998, with over 85% of the EVOS Restoration Reserve expended, no research endowment in place, and no endowed chairs established, I urge you to seriously reconsider these proposals.

Although significant research projects have been supported by the Council, many important areas of inquiry remain that can only effectively be addressed over an extended period of time. Additionally, there are significant areas of applied endeavor relating to spill technology, restoration methods, and ecosystem preservation that have been learned from work thus far that now needs to be pursued and extended for maximum public benefit.

The establishment of an endowment with a major portion of the remaining Reserve will provide a modest annual flow of funds that will allow, through direct grants and leveraging of additional state, federal and private funds, the continuation of important basic and applied research on the coastal ecosystem of the EVOS impacted area. Additionally, the establishment of selected endowed chairs in relevant instructional, research and/or public service programs would further assure that the lessons learned from the Exxon tragedy will continue to be explored and discussed in classrooms, laboratories, public seminars, and community outreach programs.

UNIVERSITY OF ALASKA

Although, it seems most appropriate for the EVOS endowment to be established through the University of Alaska, it would be my recommendation that proposals for annual funding be accepted from all sources, including federal and state government. To secure the maximum benefit for the state and particularly the EVOS impacted area, the earnings of the endowment should support priorities established by an advisory group representing regional interests, including those of major industries, state and federal government, scientific representatives, and regional fisheries and aquaculture associations.

I have tremendous respect for the difficult and controversial task that you have performed on behalf of Alaska and the magnificent region that was impacted by the Exxon oil spill. I urge you now to give your support to the proposal for establishment of a permanent endowment to assure that the spill response technology, environmental restoration and monitoring programs, and public education projects that you have initiated and supported will continue long into the future.

Sincerely,

Mark R. Hamilton
President

MRH:dm

CHARLES P. MEACHAM
CAPITAL CONSULTING
533 MAIN STREET
JUNEAU, ALASKA 99801
(907) 463-3335

September 24, 1998

Mr. Kim Sundberg
Executive Director
Alaska SeaLife Center
P.O. Box 1329
Seward, AK 99664

Dear Mr. Sundberg:

I am sorry to have missed you when the Public Advisory Group to the Exxon Valdez Trustee Council visited the SeaLife Center. This was actually my third visit to the Center--I have enjoyed it every time. Dr. Castellini did an excellent job both as tour guide of the physical plant and in arranging for briefings from scientists using the facility.

While at the SeaLife Center, I shared with Dr. Castellini a draft article on use of the EVOS Restoration Reserve that I was asked to prepare for a new outdoor magazine. The approach I was asked to take was that the reserve be used for scientific monitoring/research and education. Someone else was asked to write a similar article from the position that the reserve be used for additional land purchase.

A portion of my article deals with endowment of several academic chairs associated with the University of Alaska but located within the spill area, including the SeaLife Center. I have attached a copy of my draft article for your information. If you think the idea has merit, I suggest that you consider contacting representatives of the other organizations noted in the article and see if there is interest in preparing a joint proposal for endowed chairs that the EVOS Trustees could consider.

The views expressed in my article and this letter are my own and not necessarily those of the Public Advisory Group.

Sincerely,

Charles P. Meacham
Principal

cc EVOS Trustees
For your information regarding
The Restoration Reserve.

Exxon Valdez Research and Educational Endowment
Legacy for an Oil Spill

by
Charles P. Meacham

Beaches have been cleaned—in many cases, rock by rock. Hundreds of thousands of acres of formerly private land have now been purchased and placed under government protection. Restoration of Prince William Sound and other areas affected by the 1989 Exxon Valdez oil spill is well underway. Many of the fish and wildlife species injured by the spill are now recovering. Unfortunately, for others the future remains uncertain. Yet, in a short time, all of Exxon's financial obligations will have been met and no further funding will accrue to the restoration process.

Trustees given the responsibility for overseeing expenditure of settlement funds from this spill, the worst oil spill in the history of the United States, had the foresight to create a Restoration Reserve—a savings account set aside as part of a long-term restoration program. When fully funded, the reserve should total approximately $140 million. Trustees are now asking the public how to best use this reserve.

Two schools of thought are emerging. Some believe that most of the reserve should be used to buy more private land, while others believe it should be used to endow long term research, monitoring, and education.

Of the $620 million settlement received to date, nearly $400 million has been spent or obligated for land. About 650,000 acres of land including 1,300 miles of shoreline and 280 salmon streams will have been protected. But this is only half our obligation. Protecting upland habitat is only part of the job. Biological understanding of fish and wildlife resources is also needed.

We have largely exhausted large parcel purchase opportunities. For the entire oil spill area, only about 15% of the land remains in private ownership. In Prince William Sound, private land probably constitutes less than 5% of the total. The incremental restoration value of additional land purchases has diminished greatly.

My vision for use of the Restoration Reserve is that 10% be used for purchase of small parcels of critical habitat and

90% be placed into a self sustaining "Exxon Valdez Research and Educational Endowment."

Interest and investment income from this endowment would be used (1) to fund programs directed toward better understanding and use of fish and wildlife resources, and (2) to inflation-proof the endowment to insure benefits are continued in perpetuity. With a $140 million endowment, I anticipate approximately $4-5 million would be available annually to fund operations.

Elements of an endowment should include environmental monitoring and research coupled with an educational component.

The monitoring and research program would track, and eventually help predict, ecosystem changes and lead toward a thorough understanding of how elements within the ecosystem interact with one another. The first lesson learned from the oil spill was just how very little we really know about this portion of Alaska—especially fish and game resources. Lack of information frequently causes resource managers to unduly restrict human uses of resources. Resource managers clearly need better information and increased understanding in order to properly set conservation priorities and make informed management decisions.

However, making environmental knowledge available does not ensure use by policy makers, resource managers, or those using the resource. New information must be transferred and applied. This can be accomplished through promoting linkages between scientists, policy makers, resources users, and residents of the area.

Building a commitment to science and academic understanding would begin by endowing academic chairs through the University of Alaska. Provisions should also be made for participation by students who can be enthusiastic sources of energy and labor, contribute fresh ideas, and who can provide an all-important link between science and the rural communities within the spill area. Undergraduate and graduate stipends or scholarships would be linked to each endowed university chair and would be made available to students from the spill affected communities. Research and environmental monitoring field activities should include use of high school students from local communities, as well. It would also be beneficial for resource managers and users to be directly involved in both design and implementation of research and monitoring efforts.

Endowed University chairs could be located at the Prince William Sound Science Center in Cordova, the Sealife Center in Seward, the Fisheries Industrial Technology Center in Kodiak, the Community College in Valdez, and at the University in Anchorage or Fairbanks. Professors could occupy an endowed chair for 3 to 5 years, after which a new visiting professor would be recruited.

In conclusion, we must look beyond this spill to the long-term productivity and use of an environment once impacted by oil. Maintaining the capacity of our environment to provide resources and services requires of us an increased understanding of our ecosystem and an ability to effectively apply this understanding to policy decisions and resource management actions. Developing and applying increased understanding of our natural environment is an effective way to serve both the resource and mankind. This can best be accomplished through an Exxon Valdez Research and Educational Endowment.

DEAR EVOSTC & MOLLY McCAMMON, 9-1-98

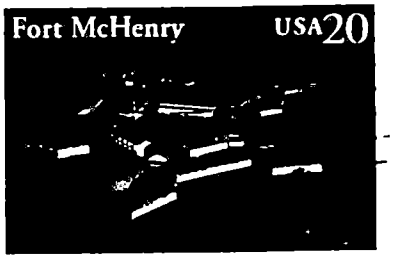
PLEASE INCLUDE THE ENTIRE BERING RIVER REGION IN THE EVOSTC RESTORATION ZONE. PLEASE PRESERVE THIS PLACE INTACT AND IN ITS NATURAL STATE.

THANK you. NO ROAD IN COPPER RIVER DELTA.

Jim Yarbrough

(Address on reverse)

JIM YARBROUGH
10829 Cozycroft Ave.
CHATSWORTH, CA 91311



SEP 1998
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
Attn: Molly McCammon
645 G ST., suite 401
ANCHORAGE, AK 99501

RECEIVED

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

SIRS / MMOS OF THE "E.V.O.S.T.C.,"
(ESP'LY & SPECIFICALLY "MOLLY" CHAIRPERSON?)

AM WRITING TO YOU ABOUT THE SUBJECT OF THIS ENCLOSED "EARTH-FIRST! JOURNAL" ARTICLE - ~~THE~~ ALASKA "COPPER-RIVER-DELTA" AND HOW IT (ALL 700,000 ACRES OF IT!) AND ITS MORE THAN 200 STREAMS (NOT A FEW OF WHICH HAVE BEEN CROSSED IN A VERY ECOLOGICALLY DESTRUCTIVE MANNER - AS SHOWN IN THE COVER PHOTO IN ENCLOSED ARTICLE) ARE THREATENED (SEVERELY) BY LOGGING, LOGGING-ROADS, ETC.

AS PER MY INSTRUCTIONS IN THE CIRCLED (BY ME.) AREA, I URGE YOU (STRONGLY) TO INCLUDE THE ENTIRE "BERING-RIVER" REGION (OF WHICH THE "C.R.D." IS EVIDENTLY A PART OF.) IN ~~THEIR~~ YOUR "RESTORATION-ZONE" "ENVIRONMENTAL ASSESMENT" (WHICH YOU EVIDENTLY HAVE NOT THUS FAR) - SO AS TO HELP PRESERVE THE "C.R.D." FOREVER. YOUR ~~A~~ A REPLY WOULD BE APPRECIATED. I'M;

SINCERELY;

E. Macaulay-4th

MY MAILING ADDRESS TO REPLY TO THIS!

E. MACAULY-4TH
HC-6/BOX #131-B,
ETHAN, VA. 22719
(VIRGINIA)

Grant C. Baker
P.O. Box 240986
Anchorage, Alaska 99524
(907) 786-1056

September 25, 1998

Ms. Molly McCammon
Executive Director
EVOS Trustee Council
645 G. Street, Suite 401
Anchorage, Alaska 99501

RE: "Proud Moments" – The effort to create an endowment for the University of Alaska from the EVOS Restoration Reserve funds.

Dear Molly:

In the past few months, there has been growing support from Alaskans to create a research endowment for the University of Alaska from the EVOS Restoration Reserve. The benefits of the plan are so plentiful, and mesh so well with the needs and purpose of the EVOS settlement funds, that an endowment seems to be a natural thing to do.

Recent editorials have appeared in the Anchorage Daily News concerning the use of chemical dispersants among other tools for oil-spill cleanup. Television news stories have recently reported on oil-spill response teams and cleanup equipment. A news-article appeared in today's Anchorage Daily News about a near miss between an oil tanker and another vessel in Prince William Sound. These recent discussions about oil spill recovery and mishaps highlight the continued need for improving cleanup and restoration technology. Work in these areas is ideally suited for our University.

Research can be many things. In this case, research happens to be what is needed most from the EVOS funds for recovery. Research refers to studies of the marine ecosystem as well as developing practical technology and methods for restoration, cleanup, and protection from oil damage. Such research would help Alaskan waters recover from the 1989 Exxon oil spill. Furthermore, cleanup technology developed for Alaska would benefit recovery throughout the world where oil spills have occurred and will likely happen again.

Among the many Alaskans that have voiced their support for creating an endowment, there are some individuals and groups that deserve special mention. Foremost, James King a 1949 UAF graduate and retired state biologist living in Juneau deserves special recognition for his efforts. Mr. King is a member of the Public Advisory Group for the Trustee Council. He has spent many hours encouraging the creation of an endowment. UAF can be very proud of Mr. King for his perseverance to do a good thing for all Alaskans.

Anchorage Assembly members created and passed a resolution to support a University endowment this past summer. Several assembly members stepped forward and asked to be co-sponsors. It was a proud moment to see public representatives of all political backgrounds put aside their differences on other issues and act for the good of Alaskans when it was needed. The Greater Fairbanks Chamber of Commerce passed similar resolutions of support in 1993 and again recently. Anchorage Mayor Rick Mystrom and his office stepped forward and helped with their support.

UAA Chancellor Lee Gorsuch was one of the first University leaders to act this year when he submitted his letter of support last April. Since then many more letters of support have been submitted such as from UAF Chancellor Joan Wadlow, University alumni, and University faculty and students. This shows the University recognizes the importance of an endowment to serve the needs of the public and to satisfy its mission to teach and learn.

The Restoration Reserve represents the last opportunity to create a permanent endowment for the University since it is the last of the EVOS settlement funds. This is a rare opportunity to do something that promises many benefits for all Alaskans in perpetuity.

The Trustee Council members should be applauded for their endurance serving on the Council for the good part of a decade. Now, Council members are faced with making the important decision about the Restoration Reserve. Standing up to create a University endowment will take courage and wisdom. It would be an enduring legacy of the Trustee Council for all Alaskans. Creating an endowment would be an accomplishment that would make the Trustee Council and all Alaskans very proud.

Sincerely,

G.C. Baker

Grant C. Baker
UAA engineering faculty,
UAF alumni, and commercial fisherman

James G. King
1700 Branta Road
Juneau, Alaska 99801

Molly McCammon, Executive Director
EVOS Trustee Council
645 G. Street, Ste. 401
Anchorage, Alaska 99501-3451

8/21/98

Dear Molly,

Having reviewed the wonderful stack of public expressions, full of hopes and dreams, on how to use the Restoration Reserve, I have these impressions. Most comments can be placed within these categories:

Science/Monitoring
Land purchase
Education/Outreach
Permanent endowments
Strong public process

The "wants" are pretty well spelled out. The "hows" are not so clear. I get the feeling that most of the responses are not thought all the way through and that there is considerable misunderstanding. For instance:

Science/Monitoring, lumped for EVOS administrative purposes, is not a clear concept. Science is something normally done by highly trained specialists working through public or private institutions. Resource monitoring, particularly monitoring biological resources, is normally a public agency responsibility often achieved with use of moderately trained technicians.

Those interested in Land purchase were mostly not specific. There did not seem to be consideration of some form of permanent land acquisition fund. Existing land trusts know how to leverage an assured revenue flow for land purchases or easements costing far more than their original fund balance. That opportunity is here too.

There is a lot of interest in Education/Outreach possibilities mostly directed toward financing new, often locally managed, programs with little consideration for enhancing and re-aligning existing programs.

Endowed institutions or programs were mentioned frequently. There seemed to be little mention or understanding that small endowments properly managed can grow enormously over a period of years. For instance, the 5% that the U of A Foundation allocates for education each year doesn't sound like much until one realize that the principal can double in 12 or 14 years while paying the 5% each year on the growing figure. No one seems to have thought about where it might be in 25, 50 or 100 years.

There was a frequently expressed interest in continuing some sort of public process for decision making with regard to any use of the Restoration Reserve but again there is no clear format indicated. There are a variety of good possibilities.

My impression is that the "wants" could all be addressed by the Trustee Council and that there is no need to tell anyone "sorry you are out". A few of the "wants" are clearly within the purview of existing agencies and should be referred there. The others could be addressed by an institution designed for the purpose. Both the Chief Scientist and some U of A Professors have expressed an interest in developing a proposal for such an institution.

My recommendation is that the Trustee Council ask both the Chief Scientist with his peer reviewers (all residents outside Alaska having a broad national perspective) and the President of U of A with his staff (with a more specific Alaska perspective) to design an institution, with a 140 million dollar endowment, to address the concept and intent of all the expressed "wants" not referred elsewhere.

Some things these proposals should include: 1) How the money would be managed and how it would be expected to grow through income and leverage. 2) A contracting element. 3) Scholarship support. 4) A land acquisition fund and how that would be managed for growth. 5) How science evolves into management and eventually public benefits. 6) The normal synthesis of science, education and public outreach. 7) Some public advisory system. 8) An identifiction and explanation of any misconceptions. 9) And so on.

With two such proposals on the table, each prepared by experts, the public can be expected to make a good selection, ask for appropriate modification or suggest a combination of the two.

As PAG representative for the "public at large" I am convinced this is the process whereby the public can expect to realize the greatest benefit. As a former representative for "conservation" on the PAG I am confident developing a sustainable program best serves that interest too.

With a carefully crafted institution of this sort the Trustee Council could leave all concerned and all who took the time to participate in the public process with a feeling that the restoration effort has been as effective as possible and has been capped with a grand finish that will enhance the resources and benefit the people of Alaska and every one, in perpetuity.

Sincerely,

Jim King

3329

EVOS Trustee Council
Restoration Office
645 G. Street, Suite 401
Anchorage, AK 99501

September 10, 1998

Re: Utilization of the EVOS Restoration Revenue Account

I recently received information regarding plans for the use of funds in the Restoration Reserve Account created by the Exon Valdez Oil Spill settlement. While I am sure there will be no shortage of ideas to help spend the funds, I would like to offer my recommendations for your consideration.

First two cautions, the administration of the fund should not become so complex that the cost to administer uses a disproportionate amount of the available dollars. Second, the funds should not be used to do things that are the State's responsibility or supplant State activities.

It would be good if the dollars were used to enhance our state. Our most significant resource is our people. Every study documents the importance of education and training as determinants of earning power and the essential elements in the development of our communities. When we invest in our people, we are establishing our capacity to be a greater Alaska.

My suggestion is that we consider endowing some or all of the funds to ensure long lasting benefits and some capacity to vary the activities from year to year. Utilize the endowed funds to leverage additional dollars and activities. Give priority to the activities that enhance the capacities of Alaskans.

A worthy project may be to ensure that every Alaskan student will have an opportunity to receive a quality K-14 education. Because of the spirit of the Restoration Revenue, emphasis could be given to the educational activities that prepare students to safely develop and utilize Alaska's resources. It seems that developmental initiatives could benefit our people and our communities.

Thank you for the opportunity to comment.

Sincerely,

Douglas E. Hammer

Douglas E. Hammer
Box 3993
Kodiak, AK 99615

3334 v

Rebecca Williams

From: Carlson
Sent: Thursday, September 03, 1998 10:27 PM
To: Rebecca Williams
Cc: '"afgcb@UAA.ALASKA.EDU"'
Subject: Coastal engineering and applied sciences

Original Subject:
Coastal engineering and applied sciences endowment

Ms. Williams:

I understand that the EVOS Trustee's Council will soon meet and consider an endowment plan through the University of Alaska to foster the application of engineering and scientific knowledge in the Alaskan coastal zone.

In my 33 years of teaching, research and professional practice aimed toward Alaskan engineering problems, I have repeatedly seen a great lack of know ledge in solving myriad problems in the Alaskan coastal zone. An endowment in the coastal engineering and applied sciences areas would help ensure t he optimal co-existence of future coastal populations and natural resource environments.

If a more detailed proposal would be helpful or if I could appear before the Council to present my argument, I am available to do that.

Thank you,
Dr. Robert F. Carlson, P.E.
Professor and Head
Dept. of Civil and Environmental Engineering
University of Alaska Fairbanks

3336 ✓

Rebecca Williams

From: "Roberta H. Morgan"
Sent: Thursday, September 03, 1998 10:40 AM
To: Rebecca Williams
Subject: EVOS Reserve Funding

As a45 year resident of Alaska, a graduate of UAF, and professor emeritus from UAA, I support EVOS Reserve funding for establishing endowed research centers and chairs at the University of Alaska. University faculty are well qualified to conduct both basic and applied research which will be beneficial to the state of Alaska.

Roberta H. Morgan

3345 L

TO: EVOS Trustee Council

I strongly support continuing the Trustee Council's habitat protection efforts. In planning uses of the Restoration Reserve, I urge you to:

* Use at least 75 percent of the reserve for habitat protection, for both the large parcel and small parcel programs.

* Expand the definition of the spill impact zone to include the Copper River Delta and Bering River uplands. This area now faces timber and coal development that jeopardizes the Delta, an internationally significant refuge for migratory birds and a critical part of the ecosystem affected by the spill.

* Reserve funds for habitat should not be treated as a permanent endowment. Instead, the money should be managed for maximum flexibility, so the Trustees can make an especially large habitat acquisition if the opportunity arises.

Thank you.

Signature: Wilbert Mason MD

Name: WILBERT MASON MD

Address: 139 SABRA AV

AGOURA CA 91301

Telephone: 818-865-1513 Fax:

Email:

Bill Mason
Kathy Uchimura-Mason
139 N. Sabra Ave.
Agoura, CA 91301

SIERRA CLUB

85 Second Street, Second Floor, San Francisco, CA 94105

April 20, 1998

NINE YEARS AFTER THE EXXON VALDEZ OIL SPILL, PRINCE WILLIAM SOUND STILL NEEDS YOUR HELP

Sierra Club needs your help to make sure Exxon's restoration money will bring lasting environmental protection to the region damaged by the nation's worst oil spill. In 001, Exxon will make the last of its $900 million in spill damage payments. The state and federal trustees in charge of spending that money have set aside $140 million of it so restoration work can continue beyond the year 2002. The trustees are asking for public comments on how to use this "Restoration Reserve."

Unless the public demands otherwise, the trustees will use most of it on scientific research and monitoring, with relatively little set aside to buy and protect habitat. While research is an important part of spill restoration work, the single best way to make sure spill-damaged ecosystems have a chance to recover is to protect habitat from further harmful development.

Please take a few minutes to send comments to the Trustee Council. See the sample message below. If you're short on time, just sign the sample message and send it to one of the following addresses. (Your personal message is always more effective.)

Thank you!

The comment deadline is Thursday, April 30, 1998. If you miss the deadline, please write anyway, because the Trustee Council often considers *all* public comment received up to the time they make a final decision.

By U.S. mail:	Exxon Valdez Oil Spill Trustee Council, Restoration Office, 645 G Street, Suite 401, Anchorage, AK 99501-3451
By fax:	907-276-7178
by e-mail:	kerih@oilspill.state.ak.us

3343 v

Rebecca Williams

From: "David R. Klein"
Sent: Thursday, September 03, 1998 8:48 AM
To: Rebecca Williams
Cc: 'afgcb@uaa.alaska.edu'
Subject: EVOS endowment for UA

The EVOS Trustee Council:

The EVOS Restoration Reserve Funds offer the potential to assure the long term support for science education and research in Alaska with benefits to our youth and the future of Alaska through the training of scientists with a focus on Alaskan issues and needs. I strongly support the use of EVOS Reserve Funds for the endowment of faculty positions and research centers within the University of Alaska system.

David R. Klein
Professor Emeritus

3347 ✓

Rebecca Williams

From: Roland Gangloff
Sent: Friday, September 04, 1998 3:28 PM
To: Rebecca Williams
Subject: EVOS Reserve Funds

Dear Committee members:

I strongly urge the committee to dedicate some of the EVOS Reserve Funds to the University of Alaska. Higher education will be the bridge to a bright and worthwhile future for Alaska's next generation and for generations following that. The way to build a strong university is to endow chairs and special units such as institutes and museums that are part of the teaching and research efforts of the university. I would especially urge you to endow at least one chair or department within the Univesity of Alaska Museum. Presently, the museum is in the midst of expanding its physical space, but an endowment or endowments would help fill the space with new dynamic programs. The U.A. Museum is presently one of the more exciting and broad-based interdisciplinary research centers on the campus. An endowment or the funding of a specific research center within the museum would make a great deal of sense with the positive public image that the museum now enjoys. Such support would go a long way in guaranteeing that the new museum additions offer a brighter educational future for our students and the exciting research that is being done with many of the museum's unique and dynamic collections. If you would like specific suggestions as to where such monetary support should be placed, I would be more than happy to do so.

Thank you for considering my appeal. I will be in Fairbanks until 9/29.

Sincerely,
Roland A. Gangloff, Ph.D., Curator of the Earth Science Collections, and

Associate Professor of Geology and Geophysics, U.A.F.

3349 V

Rebecca Williams

From: Paul Allan
Sent: Thursday, September 03, 1998 8:09 PM
To: Rebecca Williams
Subject: EVOS Endowment

To: The EVOS Trustee Council:

I support establishing endowed research centers and chairs at the University of Alaska with EVOS Restoration Reserve funds.

With the climate of declining revenues and deep cuts that our universities keep receiving, the need to support a quality university system has never been more crucial. Please consider favorably the establishment of the University research centers and chairs.

Thank you.

****

Paul J. Allan
Science/Math Teacher
Colony High School
Palmer, Alaska
pallan@msb.mat-su.k12.ak.us

33521

Rebecca Williams

From: Syun-Ichi Akasofu
Sent: Wednesday, September 09, 1998 3:47 PM
To: Rebecca Williams
Cc: 'snmrh@mail.alaska.edu'; 'fnpbr@aurora.alaska.edu'; 'ffecm@aurora.uaf.edu'; 'festfbks@ptialaska.net'
Subject: EVOS Endowment for UA

9/9/98

Dear EVOS Trustee Council members:

The University of Alaska has just established the International Arctic Research Center (IARC). It has become an item of the so-called "Common Agenda for Cooperation in Global Perspective" projects between the US and Japan, approved by the US President and the Japanese Prime Minister. It has been said that the Common Agenda has become one of the most successful bilateral partnerships, addressing key global challenges which future generations will have to face. Thus, there is a chance for the University to become truly an international center for arctic research.

Although both governments will provide the basic operating funds and project funds, it is crucial to have start-up funds (~$10M) and endowed chair funds. It is proposed that EVOS Restoration Reserve Funds support the IARC. It is in this way that the State of Alaska can participate in IARC activities.

Sincerely, Syun-Ichi Akasofu

c.c.: M. R.Hamilton, President, UA

E. R. Murphy, Dean, CSEM, UAF

P. R. Reichardt, Provost, UAF

Dr. W. R. Wood, Festival Fairbanks

3353 ✓

Rebecca Williams

From: Ken Boze
Sent: Thursday, September 10, 1998 11:52 AM
To: Rebecca Williams
Subject: University Endowment

The other day I received a notice from my old school, The University of Florida in which it listed the endowments they had received. It made me wonder why the University of Alaska did not have one set up for it so the legislature would quite using the University budget as a scapegoat, and planing could be more predictable.

I have heard that there is serious consideration to set up such an endowment with theoil spill money. My reaction is:

It is about time!!

I hope ya'll decide favorably on what may be one of the best investments the State of Alaska could make --

Ken Boze
3501 West 31 Ave
Anchorage, Alaska 99517

3354 v

Rebecca Williams

From: Chris Mumma
Sent: Sunday, September 13, 1998 9:58 AM
To: Rebecca Williams
Subject: EVOS Reserve Funding


PART_02.TXT

charset="iso-8859-1"
Content-Transfer-Encoding: quoted-printable

The University of Alaska Anchorage School of Nursing Faculty Association =
supports the use of Exxon Valdez Oil Spill (EVOS) settlement funds to =
establish endowed research centers and chairs at the University of =
Alaska. A disaster such as the Exxon Valdez Oil Spill has profound =
effects on the physical, mental and social health of human beings. The =
School of Nursing, through education, research, and service, seeks =
actively to improve the health of Alaskans. The School of Nursing is =
especially interested in an endowment emphasizing health-related =
research centers and chairs. =20

Sincerely,

Christina M. Mumma PhD, RN, Chair
School of Nursing Faculty Association
University of Alaska Anchorage

3356 V

Rebecca Williams

From: Larry Santoni
Sent: Monday, September 14, 1998 2:58 AM
To: Rebecca Williams
Subject: Sour grapes for UA Endowment


PART_02.TXT

I am in receipt of an email from Grant Baker of UAA requesting support for a UA endowment. Grant's missive was not very detailed as to just how the proposed endowment was to be set up, but I find it hard to imagine that it would not be abused no matter what stipulations were attached.

Both Grant and I were former professors at UAF (he in engineering and myself in mathematics) and we both were thrown out primarily for political reasons. We both sued the university and Grant apparently ended up with a better lawyer than I did. (At least his lawyer showed up for court dates though, as I understand it, the university, though losing, is still fighting a bitter Clintonesque battle.)

I am, therefore, a bit mystified at his support for a UA endowment and presume that the situation at UAA (where Grant is now) is stunningly different than at UAF where I maintain many links with former students and colleagues.

In a nutshell, I would assume that any UA endowment from Exxon would have some sort of "envirnmental research" earmark to it. UAF is considered (so far) to be the research center for UA - though other campuses have specialized programs and projects. My experience with UAF faculty and administration (and I think Grant would have to agree with me) is that it is a quagmire of political and administrative bullshit and it is a wonder that anyone produces anything worthwhile since the overwhelming manifesto is to "Dodge bullshit." As near as I can tell, the modus operandi is to fire janitorial staff, cut back adjunct, part time or graduate student teachers, raise parking fees, raise tuition, charge for every damned little service under the midnight sun and then hire a vice-assistant-associate chancellor to count nickels and dimes and crow about what a wonderful job the university is doing. $600,000 studies on how to save money and $150,000 studies on escalators from the parking lots are popular items as well. (Results: Fire some administrators and build some stairs. Actions: Hire more administrators to study the study and build heated huts and start running a $50,000 a year shuttle to cover the 3-500 yards from the parking lots to the campus buildings.) And let's not forget the generous severance administrators get as opposed to anyone else in the university. Apparently the austerity measures worked...

Cynically, I presume that Exxon is looking for a PR splash where they can crow about helping environmental research. Frankly, I think they'd get more bang for their buck if they would just borrow a page from the tobacco industry and start digging up quotes from eco-idiots from the oilspill era and comparing their *harmful* advice with more pragmatic and sensible research (NOT done at UAF)

which dictated/dictates that a match should have been thrown into the mess just as soon as everyone was clear. Seems most people I know who fish the Prince William sound as well as former UAF oceanographer Tom Royer (who I've been told was THE authority on matters concerning the PWS) agree that a quick match would have saved tons of money and a hell of a lot of wildlife.

In any case, if this UA "endowment" thing is strictly PR for the greenies, then I suppose you will do what your marketing people tell you to. Even so, I think that even the cheerleaders here in Fairbanks are having a tough time keeping a straight face when it comes time to brag about what an important research center UAF is and how it has to be here rather than in Anchorage.

OTOH, if you actually have a fragment of scientific agenda in this scheme for pissing away bucks, I would suggest you contact someone like Tom Royer and see what his thoughts are. I know very little about "field trip" science and I haven't talked to Tom for a couple of years. (He's back east now.) However, Tom was immediately invited to get involved with the oilspill gig and he immediately refused because "All they were going to do is fly me around in a helicopter for 8-12 hours a day so I could tell them there was oil on the water." (Well, words to that effect. This was at a party at Tom's house in May of 1989.)

Tom Royer has always struck me as a serious an sober guy who was more interested in getting a correct answer than PC posing. I've heard rumors of or know of others such as Chick Hartman (author of the infamous Fairbanks temperature chart that everyone up here has and Valdez boater) who agree with Tom.

Dunno. Knowing what I know of the intellectual and administrative dishonesty and hypocrasy at UAF, it is hard for me to imagine that any endowment for UA could be anything but wasted money. I have been told by at least one well connected UAA faculty member (not Grant Baker) that UAA is much worse than UAF in administrative bungling and in-fighting. Perhaps that comment is out of context as it pertains to the subject at hand. Nevertheless, it seems at least relevant.

Good luck spending your money. If I had my way, you would spend it setting up a summer science and math institute where high school teachers could get masters degrees that actually had science and math content rather than the idiotic "education" masters degrees they can get during the summers now which emphasize vacuous nonsense.

Cheers.

--

Larry Santoni
1740 Coyote Trail
Fairbanks, Alaska 99709
Mornings: 907-455-6627

Ravens Ridge Brewing Company
POB 81395
Fairbanks, Alaska 99708
Afternoons: 907-457-2739

Moderation is for monks. - Notebooks of Lazarus Long

33571

ALASKA STATE LEGISLATURE

REPRESENTATIVE ALLEN KEMPLEN

September 9, 1998

Exxon Valdex Oil Spill Trustees Council
645 G Street, Suite 401
Anchorage, AK 99501

Dear Council Members,

I support establishing endowed research centers and chairs at the University of Alaska with EVOS Restoration Reserve Funds.

This endowment would greatly assist the Council in accomplishing its mission to "effectively restore the environment injured by the spill to a healthy, productive ecosystem, while taking into account the importance of quality of life and need for viable opportunities to establish and sustain a reasonable standard of living". Every dollar will provide a return investment for our students, researchers, business and industry, impacted communities and our environment.

If I can provide additional information, please contact my office.

Sincerely,

Representative Allen Kemplen

SESSION
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-2435
(907) 465-6615 FAX
1-800-550-2435

INTERIM
716 W. 4TH AVENUE
ANCHORAGE, ALASKA 99501
(907) 258-8190

Representative_Allen_Kemplen@legis.state.ak.us

3358 v

Municipality of Anchorage

P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
Fax: (907) 343-4499
http://www.ci.anchorage.ak.us

Rick Mystrom, Mayor

OFFICE OF THE MAYOR

September 11, 1998

EVOS Trustee Council
645 G Street, Suite 401
Anchorage, AK 99501

Dear Trustees:

I concur with UAA Chancellor Lee Gorsuch and the Anchorage Assembly and wish to add my support for establishing a research endowment from the EVOS funds within the University of Alaska.

There are numerous benefits to be gained for both the Trustee Council and the City of Anchorage from such an endowment. Our mutual interests and needs mesh very well with the purpose and capability of UAA.

Anchorage is centrally located near two main areas damaged by the spill. Cook Inlet and Prince William Sound are continuing to recover. The road to Whittier will soon be completed and will make Prince William Sound much more accessible. Anchorage is a logical choice for spill-based operations since logistics and other costs associated with research and spill related work can be minimized. Also, several Native Corporations have offices located in Anchorage that over-see spill damaged areas.

I am pleased to endorse the concept of the establishment of a University endowment. It promises numerous benefits for the people of Anchorage and all Alaskans and also serves the mission of the Trustee Council.

Sincerely,

Rick Mystrom
Mayor

3361V

TONY KNOWLES
GOVERNOR

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

September 15, 1998

Exxon Valdez Oil Spill Trustee Council
645 G Street, Suite 401
Anchorage, AK 99501-3451

Dear Trustees:

I have had several inquiries regarding the remaining Exxon Valdez trust funds. There are certainly more good uses for the reserve account than there is money available. For that reason, I am asking you as trustees to redouble your efforts to make it a high priority to seek changes in the federal laws which inhibit the trust fund from earning a fair return on its investments and allow exorbitant fees for its management. I have been advised that if the trust fund had been invested similarly to the Alaska Permanent Fund, an additional $39 million would have been earned since the settlement. Even with a very conservative investment philosophy, providing a return of only 8 percent, more than $16 million has been lost since 1991 in unrealized earnings.

I am also concerned the trust fund paid more than $2.4 million in management fees to the federal Court Registry Investment System since 1991. The Alaska Department of Revenue indicates it could have provided the same level of service for less than one-tenth of that cost. While there is little chance of recovering these losses, these problems must be corrected for the future. The trustee council has been seeking changes for a number of years, first within the Unites States government and then, when that failed, through new legislation in Congress. Unfortunately, this legislation appears to be caught up in politics and may not be enacted in the near future. Nevertheless, I encourage you to continue to seek reforms in the way you can invest and manage these trust funds.

Scientific research is important for the future in order to plan and manage our resources for the Alaska families that depend on them for economics, recreation, and subsistence. Since 1991, through the Exxon Valdez Oil Spill Trustee Council scientific research and monitoring program, we have learned much about the natural resources of the oil spill area--how they function within the ecosystem and how to best manage them to ensure they flourish. As the continued decline of marine mammals and the recent catastrophic

collapse of salmon runs demonstrate, there is still much we need to learn. Each year there is less and less money available from the state and federal governments for this important task.

As we all know, in the year 2001 we will receive the last payment from Exxon. You have had the foresight to recognize long-term needs will exist and have set aside money in a special restoration reserve account to provide for those needs. It is critically important to Alaska the restoration reserve be used to continue the trustee council's scientific research and monitoring program beyond 2001, at a level commensurate with the council's program at that time.

I am pleased with, and you should be proud of, the habitat protection actions you have taken over the last four years with the trust fund money. Large parcel acquisitions, such as Kachemak Bay and Shuyak Island State Parks, small parcels, and the habitat improvements projects like those along the Kenai River provide significant protection for the environment and add immeasurably to the quality of life and future opportunities for Alaskans. I hope you will continue this important program by setting aside a portion of the restoration reserve to provide a permanent source of income for the acquisition of key small parcels within the oil spill area.

There are other important uses for the restoration reserve, including projects to assist the oil spill communities in their recovery. It is my hope you will find the means to fund these types of projects with money obtained through better investments and more reasonable management fees.

Sincerely,

Tony Knowles
Governor

DRAFT

The *Exxon Valdez* Oil Spill Civil Settlement
RESTORATION RESERVE

DISCUSSION DRAFT:
ELEMENTS OF A LONG-TERM RESTORATION PROGRAM

Background

In November 1994, following an extensive public involvement process that included preparation of a full Environmental Impact Statement, the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") officially adopted the *Restoration Plan* to guide a comprehensive and balanced program to restore injured resources and services.

The *Restoration Plan* defined the restoration Mission and provided specific Policies to guide decisions by the Trustee Council. The *Restoration Plan* identified five categories of restoration activities:

- General Restoration;
- Habitat Protection and Acquisition;
- Research and Monitoring;
- Public Information, Science Management and Administration; and
- Restoration Reserve.

The *Restoration Plan* recognized that complete recovery from the oil spill would not occur for decades and that only through long-term observation and, as needed, restoration actions, could injured resources and services be restored: "To understand the effect of these [oil spill] injuries on the ecosystem and to take appropriate restoration actions on an ecosystem basis will require actions well into the future."[1]

In response to this identified long-term need, the Trustee Council established the Restoration Reserve to hold funds to be used for restoration after the last annual payment is received from the Exxon Corporation:

> Annual payments by Exxon Corporation to the Restoration Fund end September 2001. To prepare for that time, and to ensure restoration activities which need to be accomplished after that time have a source of funding, the Trustee Council will place a portion of the annual payments into the Restoration Reserve.[2]

The *Restoration Plan* stated an intent to place $12 million per year into the Restoration Reserve but also indicated that the exact amount would be determined annually by the Trustee Council after considering restoration funding needs in a given year.

---

[1] *Restoration Plan*, Chapter 3, p. 27.
[2] *Restoration Plan*, Chapter 3, p. 27.

> The Trustee Council intends these funds to be available for restoration in the years following the last payment into the trust fund by Exxon in the year 2001. However, because restoration needs through the year 2001 are not yet known, the Trustees must have flexibility to use the reserve to fund restoration projects that are clearly needed and cannot be funded by other means. Therefore, while the Council expects the principal and interest from the reserve to be available following Exxon's last payment, the Trustee Council may, following a finding of need, use the principal or interest retained within the fund before that time.[3]

Additionally, the *Restoration Plan* states that funds from the Restoration Reserve could potentially benefit any resource or service injured by the oil spill and that all expenditures must be consistent with the requirements of the Court settlement.

As part of the FY 99 Work Plan the Trustee Council authorized the sixth in a series of $12 million deposits into the reserve, bringing the total in the account to $72 million plus interest. It is anticipated that annual deposits of $12 million in each of the next 3 years will provide a total reserve of $108 million plus interest. Funds in the Restoration Reserve are presently invested in government securities consistent with the requirements of the settlement. These investment instruments are currently earning approximately 5% per year. It is estimated that the total value of the reserve funds, including accrued earnings, will be approximately $140 million in the year 2001.

The *Restoration Plan*: A Comprehensive and Balanced Approach

Over the time since the *Restoration Plan* was adopted in 1994, the Trustee Council has focused restoration efforts in three primary areas:

- implementation of *habitat protection and acquisition* efforts;
- *research and monitoring* specific to individual species as well as broader ecosystem based investigations to provide new knowledge and tools for improved resource management; and
- a variety of other *general restoration* projects including numerous community-based restoration efforts.

A review of efforts to date indicate that there have been many accomplishments even while much remains to be done to fully realize the goal of restoration.

Habitat Protection - In 1994, the Trustee Council adopted formal resolutions that specifically identified an ambitious series of large parcel habitat protection acquisitions throughout the spill area. Since that time, agreements have been successfully negotiated with nearly all of the major spill area landowners as initially contemplated in 1994. Habitat protection efforts have been concluded with nine major land owners (Kachemak Bay, Akhiok-Kaguyak, Chenega, English Bay, Koniag, Old Harbor, Orca Narrows, Seal Bay/Tonki Cape, Shuyak Island, Tatitlek) and other efforts are progressing (AJV, Eyak, Koniag-Phase II). Only one Large Parcel habitat protection effort was halted after the land owner (Port Graham) declined to participate further.

---

[3] *Restoration Plan*, Chapter 3, p. 27.

Assuming successful conclusion of present efforts under the Large Parcel program, it is projected that approximately 636,000 acres of land in the spill area will have been protected. (Appendix A.) This will provide enhanced protection to approximately 1,320 miles of coastline and 287 anadromous fish streams. In addition, under the Small Parcel program it is expected that more than $20 million will be invested to protect approximately fifty individual small parcels totaling more than 8,000 acres. (Appendix B.) Together, efforts under the two programs along with the associated support costs represent a commitment approaching $400 million or substantially more than half of the settlement funds under the control of the Trustee Council.[4]

Scientific Research and Monitoring - Significant progress has also been made in the area of scientific research to understand the status of oil spill injuries and help guide resource management decisions. A history of Trustee Council funded projects, including those approved as part of the FY 99 work plan, shows that approximately $100 million has been authorized by the Trustee Council to support a wide variety of research and monitoring efforts. (Appendix C.)

The most recent FY 99 work plan continues themes initiated in earlier years: monitoring the recovery status of species injured by the oil spill, research into factors that may be limiting recovery of injured resources, and research that provides new tools to resource managers to better manage and protect resources. The unique cold water laboratory research capacity provided by the Alaska SeaLife Center is now fully operational, providing the ability to undertake research projects that could not previously be considered. Additionally, the three major ecosystem investigations – the Sound Ecosystem Assessment (SEA), Nearshore Vertebrate Predator (NVP) project and the Apex Predator Experiment (APEX) – are now nearing conclusion, with each one providing significant new insight into the fundamental oceanographic and biological processes that influence recovery and productivity in the northern Gulf of Alaska.

The Trustee Council's commitment to a scientific program also recognizes that while protection of upland habitat is critical, it is not alone sufficient to ensure the long-term recovery of injured marine resources. For example, the Trustee Council has protected forested nesting habitat for marbled murrelets, but recovery of this species is not assured unless its forage fish prey base is also understood and protected. It is also essential to prevent the depletion and degradation of marine environments due to human activities and to understand the interaction of human activities with natural changes.

Even while the Trustee Council's restoration research and monitoring program has greatly advanced overall understanding of recovery in the oil spill region, many critical questions remain. The *Update on Injured Resources and Services* in September 1996 resulted in only one resource (bald eagles) being identified as fully recovered while three additional resources were newly recognized as injured and added to the list (red faced cormorants, pelagic cormorants, and double crested cormorants).[5] (Appendix D.) While

[4] Funds under the control of the Trustee Council include Exxon payments net of the $213.1 million for reimbursement of costs to the federal and State governments and deductions due Exxon for additional cleanup as provided for by the Consent Decree.

[5] Two other resources (Kittlitz murrelet, common loon) were previously added to the injured resources list in August 1995.

there are signs that a number of injured resources are now recovering, the status of others remains uncertain.

General Restoration - The Trustee Council has authorized numerous general restoration projects, many of which have been the result of community-based initiatives. Examples of such projects include a wide variety of subsistence restoration efforts such as salmon releases and instream habitat enhancements to improve local subsistence fisheries, subsistence food safety testing, clam mariculture, community-based harbor seal biosampling, experimental shoreline oil removal, documentaries of subsistence harbor seal and herring harvest practices, and elders-youth conferences. Other general restoration projects include enhancement of wild stocks important to commercial fisheries, reduction of marine pollution through improved waste disposal practices, and human use modeling to improve management of marine recreation impacts.

In responding to community-based restoration projects presented to the Trustee Council, the state Trustees have coordinated closely with the Alaska Department of Community and Regional Affairs (DCRA) in the administration of $5 million in grant funding from the state criminal settlement for subsistence restoration projects for unincorporated communities in the spill area authorized by the Alaska Legislature (SB 183).

Planning for the Future: Public Involvement and Comment

The Trustee Council has undertaken a broad based public involvement effort to solicit comment on how the Restoration Reserve should be used and managed in the future. This has included efforts to generate public comment through the *Restoration Update* newsletter, development of a Restoration Reserve "options paper" describing key issues involved in making choices about the Restoration Reserve, holding community meetings throughout the spill impact area and in Anchorage, Fairbanks and Juneau, and extensive review of this issue by the Public Advisory Group (PAG).

Public Information - A formal effort to solicit general public comment on the Restoration Reserve was initiated through publication of an article in the *Restoration Update* (August-September 1997) newsletter. The article highlighted key questions concerning the Restoration Reserve such as future use of the reserve funds, whether the current Trustee Council governance structure should be continued or changed, and what kind of public involvement processes should be used in the future. During 1997, the Restoration Office prepared a working draft "options paper" that further examined these key issues. (Appendix E.) This "options paper" was provided to both the Trustee Council and the PAG as a means of facilitating further discussion on the Restoration Reserve.

In early 1998, a special edition of the *Restoration Update* (March-April 1998) newsletter was devoted to generating public comment on the Restoration Reserve. (Appendix F.) This newsletter included a short history of the restoration program, provided an update on the status of injury and recovery and information concerning four basic questions along with brief descriptions of various types of restoration program possibilities. The newsletter, which described these questions as "building blocks" for future restoration, included a pre-addressed form for people to comment. (Table 1.) The *Restoration*

Table 1. The Restoration Reserve
Building Blocks for Restoration in the 21st Century

- Use -- How should the Restoration Reserve funds be used?
  - Research & Monitoring
  - Large Parcel Habitat Protection
  - Small Parcel Habitat Protection
  - Community-Based Restoration Projects
  - Public Education, Outreach and Stewardship
  - Additional Proposals
- Governance -- How should key funding and policy decisions be made?
  - Present Trustee Council
  - New Board or Boards
  - Existing Board
- Public Advice -- How should future public input and comment be obtained?
  - Current Public Advisory Group (PAG)
  - PAG with Different Size and Makeup
  - Public Outreach, but No PAG
- Term -- How long should the program last?
  - Fixed Term
  - Perpetual Endowment

Source: *Restoration Update* (March-April 1998)

Update newsletter was distributed to the entire Trustee Council mailing list of approximately 3,100 and to all local governments as well as tribal entities throughout the spill area.

Community Meetings - In the spring of 1998, the Restoration Office held meetings in 22 communities throughout the spill impact area as well as Anchorage, Fairbanks and Juneau.[6] At each meeting a brief 12-minute orientation video provided a consistent overview of the restoration program and the Restoration Reserve planning process. A representative of the Restoration Office provided meeting participants with a copy of the special edition of the *Restoration Update* newsletter, responded to questions and took notes of comments made by meeting participants. Those in attendance were also encouraged to submit written comments. Two hundred forty-nine people attended the community meetings and summaries of each meeting were prepared for the Trustee Council and the PAG.

Public Advisory Group - In March 1997, the Trustee Council initiated efforts to seek input from the PAG regarding the Restoration Reserve. Assistant Attorney General Craig Tillery met with the PAG and asked members to consider this issue. Since that time, the PAG has discussed the Restoration Reserve at many of its meetings and has devoted a substantial amount of time to this effort.

[6] A listing of the community meeting schedule is provided on the back page of the special edition *Restoration Update* (March-April 1998) newsletter. The meetings scheduled for Chignik, Perryville and Old Harbor had to be canceled due to bad weather.

At its meeting on July 17, 1997, the PAG reviewed the Restoration Reserve "options paper" and also discussed long-term restoration research needs with Dr. Robert Spies, the Trustee Council's independent Chief Scientist, who outlined the possibility of using reserve funds to establish a long-term interdisciplinary monitoring and research program to track and predict ecological change and provide data for conservation and management. The PAG discussed the Restoration Reserve at its meeting on November 4-5, 1997 and then again at its June 1-2, 1998 meeting when it developed a working draft document entitled "Summary of Areas of Agreement re: Restoration Reserve". (Appendix G.)

Individual PAG members have articulated a diverse range of opinions on how to use and manage the Restoration Reserve. In the draft "Summary of Areas of Agreement" the PAG identified several broad categories of restoration activities as appropriate means to achieve the overriding goal of restoration and stewardship. These include:

- scientific research
- education/information
- community projects, and
- land acquisition.

The PAG's draft "Summary of Areas of Agreement" does not expressly address the questions of future governance or term.

The PAG continued its discussions at its July 28, 1998 meeting when they were joined by Trustee Council member Deborah Williams, Special Assistant to the Secretary of Interior for Alaska, who outlined potential future habitat protection possibilities.

Summary of Public Comment

As of September 18, 1998 the Restoration Office had received 1,361 responses to the special edition *Restoration Update* newsletter and the community meetings. Responses were in the form of completed forms from the newsletter, letters, form letters, e-mail messages, telephone messages, and testimony at public meetings. More than half the responses were from individuals within Alaska and 18 percent of the responses were from within the spill area. Some 38 percent of the responses were from outside Alaska.

The Trustee Council solicited public comment on four basic issues: use, governance, public advice, and term. (See above, Table 1.) Comments received by the Trustee Council reflect a broad spectrum of opinion. All responses addressed the issue of use and most responses reflected support for seeing the Restoration Reserve support a combination of uses rather than a single use.

A significant number of comments appear to be the direct result of outreach efforts by organizations or individuals advocating a particular outcome. About two thirds of all responses appear to have resulted from efforts by the Sierra Club, the Alaska Center for the Environment and the Alaska Rainforest Campaign. These responses varied slightly in content and form, but all urged the use of at least 75 percent of the Restoration Reserve for habitat protection. Another outreach effort on the part of a UAA faculty

member has generated some 130 comments in support of using the Restoration Reserve to endow research centers and chairs at the University of Alaska. Yet another effort on the part of the Chugach Regional Resources Commission appears to have resulted in 94 comments from individuals within the spill area expressing support for a set-aside of Restoration Reserve funds for tribes.

When the comments are analyzed from the perspective of location of origin, some distinctive trends can be discerned:

- About 82 percent of the responses came from outside the spill area, either within Alaska or outside the state. These comments generally expressed support for using the Restoration Reserve primarily for habitat protection, governed by the existing Trustee Council with a continuing role for the Public Advisory Group.

- By contrast, comments received from individuals within the spill area generally expressed strong preference for using the Restoration Reserve to support a combination of uses including research and monitoring and other kinds of community-based projects (i.e., not primarily for habitat protection). Some of the suggested ideas included research and monitoring, stewardship projects, public education, and scholarships. Less than one fifth of the responses from the spill area supported use of all or most of the Restoration Reserve for habitat protection.

On the question of governance, relatively few comments were received. The 270 comments on this issue were about equally divided between continued governance by the Trustee Council or establishment of a new board. However, nearly three-quarters of the comments from the spill area advocated the establishment of a new board.

On the question of public advice, relatively few comments were received. The 233 comments on this issue were about equally divided between continuing and disbanding the PAG, although approximately three quarters of the comments from the spill area favored elimination of the PAG.

On the question of term, about half of all comments addressed this issue. The 618 comments were divided fairly evenly between managing the Restoration Reserve as a permanent endowment and managing funds more flexibly in order to accommodate possible large parcel purchases. When considered by source of origin, nearly all responses from the spill area and about three-quarters of the responses from elsewhere in Alaska favored establishment of a permanent endowment.

DISCUSSION DRAFT: FUTURE USES OF THE RESTORATION RESERVE

The *Restoration Plan* adopted by the Trustee Council in 1994 reflects a comprehensive and balanced approach to the restoration of injuries from the oil spill that provides flexibility to address restoration needs over time through an adaptive management process. The establishment of the Restoration Reserve was itself a part of the adaptive management approach, in order to support long term restoration activities beyond the last settlement payment in September 2001.

On the basis of past restoration program experience, and with consideration of the broad range of public comment concerning future use of the Restoration Reserve, it is evident that:

1. a continuing long-term commitment to a comprehensive and balanced approach to restoration is necessary and appropriate;
2. major elements of a continuing restoration program should continue to include:
   -- scientific research/monitoring,
   -- habitat protection, and
   -- general restoration/community-based projects.
3. changes in the governance structure and decision-making processes could help further reduce program administration costs.

Elements of a Long-Term Restoration Program

At the time of the last Exxon payment in September 2001, it is expected that the Restoration Reserve will contain approximately $140 million inclusive of accrued interest on investments.[7] Without addressing the question of precisely how funding should be allocated among the respective uses, the basic elements of a possible long-term restoration program are outlined below together with the identification of key issues or questions associated with implementation of each element.

Fisheries and Marine Research, Improved Management and Conservation Fund

The mission of the Trustee Council is to restore the environment injured by the oil spill to a "healthy, productive world-renowned ecosystem while taking into account the importance of the quality of life and the need for viable opportunities to establish and sustain a reasonable standard of living."[8] The success of this mission rests on not only understanding how the northern Gulf of Alaska ecosystem was impacted by the oil spill, but also how it functions and changes in relation to natural systems and to human influences.

Since it was first established in 1989, the Trustee Council's science program has evolved substantially from a series of mostly independent species-oriented natural resource damage assessment studies to a more broad, integrated suite of multi-year, ecosystem-based investigations. The *Restoration Plan* expressly recognizes that monitoring and research activities require more than the study of individual species and that long-term research is needed to understand the physical and biological interactions that affect a resource or service and may constrain its recovery.[9]

The current Trustee Council program has four essential interrelated components:

- monitoring the recovery of injured populations;
- identification of factors limiting or influencing productivity and populations;

[7] Total earnings on Restoration Reserve funds could be substantially improved if Congressional legislation is enacted to permit investment of the reserve principal outside of the Court Registry Investment System.
[8] *Restoration Plan*, Chapter 2, p. 11.
[9] *Restoration Plan*, Chapter 2, p. 12.

- developing new management tools and techniques; and
- synthesizing the results and modeling the state of the ecosystem.

The program has systematically approached the issues controlling recovery and productivity through investigations along several different fronts. These include a broad array of investigations, including studies of physiology, disease, productivity, diet, trophic relationships and oceanographic influences. Through the three major ecosystem projects (SEA, NVP, APEX), understanding of the living marine resources of the northern Gulf of Alaska has been greatly accelerated. These efforts have been coupled with projects that have developed pioneering management techniques to help managers better protect recovering resources (e.g., genetic stock identification for in-season sockeye management, disease research on herring, pink salmon otolith marking).

As of the most recent update on the status of injured resources and services in September 1996, only one resource (bald eagle) was fully recovered. While there are indications that several injured resources are now making progress toward recovery, the outlook for many injured resources and services remains uncertain. Recovery for injured resources is extremely complex as ecosystems are always fluctuating due to both natural (e.g., oceanographic) as well as human-induced (e.g., pollution) changes. Accordingly, the lingering effects of the *Exxon Valdez* oil spill, while acting in combination with other factors, continues to influence the health of living systems. For example, the oil spill mortality of 300 harbor seals exacerbated the decline of these marine mammals which were already in decline prior to that time. Another example of spill-related impacts possibly joining with natural variability involves the collapse of the PWS herring fishery in 1993, partly due to a viral epidemic which, in turn, may be linked to the stress of oil exposure.

The implications and extent of long-term changes in trophic relationships resulting from the oil spill in the nearshore environment, being investigated under the NVP project are only now beginning to be understood. The physiology, diet and productivity work under the APEX project is resolving some questions, even as it is leading to others. The SEA program has brought forward new insight into the oceanographic and biological dynamics of Prince William Sound, but key questions about predator-prey relationships as they relate to injured species remain unresolved. At the same time, all of these investigations are generating new information that is helping to describe, for the first time, essential marine habitats such as bays and coves that provide foraging areas for seabirds, overwintering refuge for juvenile herring and nursery areas for pink salmon.

Many important questions and concerns remain. On-going declines of marine mammal populations, seabird die-offs, continuing depression of herring stocks, the collapse of major salmon runs even while others appear to flourish, and changing ocean temperatures with potentially severe implications for injured resources and services are just a few examples of the need for a sustained, long-term commitment to fisheries and marine ecosystem research/monitoring.

Proposal for discussion - The Trustee Council would establish a Fisheries and Marine Research, Improved Management and Conservation Fund to support a long-term interdisciplinary program to improve the understanding and management of living marine resources of the Northern Gulf of Alaska.

-- The fund would be structured as a perpetual endowment, inflation-proofed with only the net earnings spent on an annual basis. Funds would be invested through the State of Alaska and an exemption from the Executive Budget Act would be sought to allow state agencies to receive and expend funds without the additional requirement of an annual appropriation.

-- The fund would be used to facilitate integrated, cooperative research in the northern Gulf of Alaska as part of a larger collaborative effort in the northern Pacific coordinated with the North Pacific Research Board (NPRB).

-- Building on the restoration research program to date, the fund could be used to:
... develop information needed for long-term restoration, enhancement, management and conservation of injured resources and the marine ecosystem upon which they depend;
... track key changes in the Northern Gulf of Alaska to distinguish natural variability from human influences;
... support programs that promote the long-term sustainable use, conservation and stewardship of fisheries and other living resources of the Northern Gulf of Alaska ecosystem;
... develop new management tools and information; and
... support the identification of essential marine habitats.

-- The core of the program would be an integrated monitoring project that would take the "pulse" of the northern Gulf of Alaska ecosystem measuring such key parameters as long-term ocean temperature trends, the timing and strength of the spring plankton blooms, the strength and direction of the Alaska Coastal Current, distribution and population trends of forage fish species and the survival/productivity of apex predators.

-- The long-term monitoring would be supplemented with shorter term strategic research initiatives targeting specific resources (e.g., harbor seals) and/or management and conservation problems (e.g., genetic discrimination of fish stocks).

-- Specific funding decisions would be made by a new board, including federal and state agencies responsible for fish and wildlife resources, key stakeholders, and representatives of the scientific community.

-- Program management would be limited to a small professional staff to manage the administration, interagency coordination and scientific planning/peer review process. Opportunities for public comment on the science work plan would be provided although no formal public advisory body would exist.

-- A portion of the fund could be used to endow a research chair based at each of the three principal regional marine research institutions within the spill area (Alaska SeaLife Center, Near Island Research Facility, PWSSC) that provide key support for marine research efforts.

-- Program implementation would promote the integration of traditional knowledge and local involvement in project development and implementation.

-- The fund could also be used to support public information and education efforts, and possibly a small program of undergraduate and graduate scholarships and internship programs (e.g., Youth Area Watch) in marine sciences that would be coordinated with long-term research efforts.

Implementation Issues:

1. What, if any, changes in statute or the settlement would be necessary?
2. How would decisions be made on individual projects?
3. What kind of board would be created? What kind of participation by federal or state resource agencies?
4. What level of public involvement in decisions is appropriate?
5. What kind of cooperation should there be with other research efforts?
6. How would research priorities be set?
7. How would funds be invested?

Habitat Protection

General public comment as well as PAG discussions generally reflects support for a continuing habitat protection program although there is a great range of opinion concerning the appropriate scope and scale of such an effort.

Opportunities for large parcel acquisitions within the spill area beyond those currently in progress (e.g., Eyak and Koniag Phase II) are uncertain. While there has been informal discussion of a possible habitat acquisition within the vicinity of Lake Clark National Park that is of interest to the Department of the Interior, the surface estate ownership is fragmented among several landowners and no formal proposal has yet emerged. There has also been informal discussion of a possible acquisition of lands along Afognak Lake but no specific proposal that includes a federal or state land management agency as sponsor has been brought forward. Other speculative possibilities include purchase and protection of large private land holdings along the Kenai River, but the major private landowners in this region have not expressly indicated an interest in having their lands considered for purchase.

A substantial number of public comments have been received by the Trustee Council urging that the spill area boundaries be expanded to the east of Prince William Sound to encompass the entire Copper River/Bering River delta in order to allow purchase of habitat potentially threatened by development. This area is outside of the designated spill area and was not impacted by oiling from the spill. While the landowner (KADCO) of a portion of the subsurface estate in the vicinity of Carbon Mountain has indicated a willingness to sell those holdings, the surface estate owner (Chugach Alaska Corporation) has repeatedly indicated firm opposition to having its lands considered for acquisition. As the primary government land management agency for this area, the U.S. Forest Service informally examined the KADCO proposal but was not able to identify a

significant linkage between the restoration of injured resources in the spill area and the purchase of KADCO's subsurface holdings.[10]

The Restoration Office continues to receive a small but steady stream of small parcel nominations even though there has been no active advertising of the Small Parcel program for three years. Comments by the Public Advisory Group have been supportive of continuing a small parcel program to protect strategic parcels with important resource or service values. As with the Large Parcel program, future opportunities are also subject to uncertainty but some level of small parcel nominations can be reliably anticipated.

Proposal for discussion - To provide for future habitat protection needs the Trustee Council would authorize the creation of a Habitat Protection Trust Fund to be administered by a private non-profit organization.[11]

-- The Habitat Protection Trust Fund would be used to acquire and protect parcels of land within the spill area that have significant value for the protection or enhancement of injured resources or services.

-- The fund would be sufficiently large to generate annual earnings that could support an on-going small parcel program but use of the fund would be flexible in order to take advantage of one or more compelling large parcel acquisition opportunities.

-- Land purchases would be on the basis of fair market value appraisals.

-- Priorities for acquisition would be selected following public comment by an advisory group of state and federal resource management agencies and public members.

-- Proposed acquisitions would be publicly noticed with an opportunity afforded for public comment.

Implementation Issues:

1. What, if any, changes in statute or the settlement would be necessary?
2. How would decisions be made on individual parcels?
3. What if any direct participation by federal or state agencies?
4. Should lands be acquired for ownership by the state and federal government only or include possible ownership by local governments and/or land trusts?
5. What level of public involvement in decisions is appropriate?

---

[10] The *Restoration Plan* includes a policy regarding the location of restoration actions: "Restoration activities will occur primarily within the spill area. Limited restoration activities outside the spill area, but within Alaska, may be considered under the following conditions: when *the most effective restoration actions for an injured population* are in a part of its range outside the spill area; or when the information acquired from *research and monitoring activities* outside the spill area will be significant for restoration or understanding injuries within the spill area." (*Restoration Plan*, p. 14, emphasis added.)

[11] A proposal to establish a $20 million small parcel endowment was submitted to the Trustee Council for consideration by the Conservation Fund as part of the public comment process on the Restoration Reserve. Established and nationally recognized land trust organizations with substantial experience in Alaska include the Conservation Fund, the Nature Conservancy and the Trust for Public Lands. Each of these three organizations has participated in various ways with the development and implementation of the Trustee Council habitat protection program.

6. How would funds be managed and invested?
7. How could financial accountability for the trust funds be assured?
8. What if any limitations on administrative costs?
9. Should funds be used for the purchase of conservation easements?
10. Would conservation easements on fee simple acquisitions be conveyed to the governments or other parties?
11. How would subsequent land management costs be addressed?

General and Community-Based Restoration

The Trustee Council has been approached with numerous proposals for general and community-based restoration efforts intended to restore injuries sustained by communities impacted by the oil spill. To date, the Trustee Council has authorized a total of approximately $32 million for general and community-based restoration projects.

Several projects have been designed to improve the ability of resource managers to control human activities (e.g., coded wire tagging, otolith marking, recreational use modeling). Some projects have involved direct manipulation of the environment as means of restoring, enhancing or replacing resources and the human services supported by those resources. For example, in-stream habitat improvements have been undertaken to bolster wild salmon stocks that support commercial fisheries (e.g., Port Dick). Salmon release projects have been used to increase the local availability of salmon for subsistence harvest (e.g., Chenega chinook release). Still other projects have been designed to reduce sources of potentially harmful marine pollution (e.g., PWSWMP, KWMP, CIWMP).

Comment from residents within the spill area demonstrates strong interest in using the Restoration Reserve to support additional general and community-based restoration projects. Proposals from spill area communities include a wide range of activities, efforts and facilities to help restore, replace and enhance the services that were injured by the spill (subsistence, commercial fishing, recreation/tourism). Examples include additional shoreline cleanup work, small facilities for the processing of subsistence foods, clam bed seeding, skiff docks to facilitate subsistence activities, additional salmon releases to increase local harvest opportunities, programs and facilities to implement comprehensive pollution and solid waste management, small-scale hatchery construction, community multi-purpose facilities and cultural centers, youth education programs, and enhanced fisheries marketing assistance. While many general and community-based restoration proposals have been funded by the Trustee Council or through use of state criminal settlement restitution funds (SB 183), numerous additional proposals remain.

Proposal for discussion - The Trustee Council would make a one-time disbursement to the Alaska Department of Community & Regional Affairs (DCRA) and create a fund for general and community-based restoration projects. The grant would be managed and invested by the State of Alaska on a declining balance basis. A small percentage of the funds would be used to offset the costs of administering a grant program.

Proposals would be submitted to DCRA by local and regional governments and other community-based organizations for the purposes of restoring, replacing or enhancing

human services injured by the oil spill (subsistence, commercial fishing and recreation/tourism).

Implementation Issues:

1. What, if any, changes in statute or the settlement would be necessary?
2. How would decisions be made on individual project or program proposals?
3. What kind of decision-making body or process? What kind of participation by federal or state resource agencies?
4. What level of public involvement in decisions is appropriate?
5. How would project priorities be set? What criteria would be used to evaluate projects?

Elements of a Long-Term Restoration Program

Research and Monitoring

- Fisheries and Marine Research, Improved Management and Conservation Fund
- long-term interdisciplinary projects/programs to improve understanding and management of the living marine resources of the Northern Gulf of Alaska
- perpetual endowment, inflation-proofed with earnings only spent
- the fund used to:
    - -- develop information needed for long-term restoration, enhancement, management and conservation of marine resources
    - -- track key changes in the Northern Gulf of Alaska, building on the restoration research program developed to date, to distinguish natural variability from human influences
    - -- support programs that promote the long-term sustainable use, conservation and stewardship of fisheries and other living resources of the Northern Gulf of Alaska
    - -- develop new management tools and information
    - -- support the identification of essential marine habitats
- core program - integrated monitoring project to take "pulse" of the northern Gulf ecosystem
- long-term (decadal-scale) effort supplemented with shorter term strategic research initiatives
- funding decisions made by a new board including federal and state agencies responsible for fish and wildlife resources, key stakeholders, and representatives of the scientific community
- program management limited to small staff to manage administration and scientific peer review process
- fund used to endow a research chair at each of the three regional marine research institutions within the spill area (Alaska SeaLife Center, Near Island Research Facility, PWSSC)
- program implementation would promote the integration of traditional and local knowledge and local involvement in project implementation
- fund could be used to support small program of undergraduate and graduate scholarships and internship programs in marine sciences
- program could include public information and education efforts

Habitat Protection

- Habitat Protection Trust Fund
- administered by private non-profit organization
- used to acquire and protect parcels of land within the spill area that have significant value for the protection or enhancement of injured resources or services
- large enough to generate earnings for an on-going small parcel program
- fund use flexible to take advantage of a compelling large parcel opportunity
- acquisitions on the basis of fair market value appraisals
- opportunity for public comment on acquisitions
- resource agencies and public advisory body to recommend priorities for protection

General and Community-Based Restoration Projects

- grant to Alaska Department of Community & Regional Affairs for general and community-based restoration projects
- funds managed and invested by the State of Alaska on a declining balance basis
- grant proposals to be submitted by local and regional governments and other community-based organizations
- purposes would include restoration, replacement and enhancement of human services injured by the spill (i.e., subsistence, commercial fishing, recreation/tourism)
- small percentage of funds would be used to offset administrative costs

List of Appendices

Appendix A

Large Parcel Status Report (August 5, 1998)

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

Habitat Protection Program: Large Parcels Status Report

August 5, 1998

The *Exxon Valdez* Oil Spill Trustee Council funds the acquisition of land to protect the habitat of resources and services injured by the spill. Since 1993, the Council has obligated $238 million to protect 522,262 acres of land. Most of the land that has been acquired is in large tracts that help protect ecosystems, but some is in smaller tracts with unique habitat or strategic value.

This report describes the status of the Large Parcel Habitat Protection Program. Table 1 summarizes the status of activities related to the acquisition of these lands.

Acquisitions Completed. The Council has obligated $224 million to protect 518,595 acres of land in large parcels, including inholdings in Kachemak Bay State Park, land adjacent to Seal Bay / Tonki Cape on Afognak Island, commercial timber rights on land along Orca Narrows, a parcel on Shuyak Island, and lands formerly owned by Akhiok-Kaguyak, Inc., Old Harbor Native Corporation, Koniag, Inc., Chenega Corporation, English Bay Corporation and Tatitlek Corporation.

Offers Accepted. The Eyak Corporation has agreed to sell 75,425 acres of land subject to a shareholder vote, which is planned for September 1998. Afognak Joint Venture has agreed to sell approximately 41,750 acres of land on northern Afognak Island for $70.5 million plus an additional adjustment for deferred payments.

Negotiations. Negotiations are being held with Koniag, Inc., concerning acquisition of fee title to the 55,402 acres that are now under a limited conservation easement slated to expire in 2001. Port Graham Corporation has officially withdrawn from any further negotiations at this time.

Table 1. Status of Large Parcel Acquisitions (August 5, 1998)

Parcel Description	Acreage	Total Price (Incl. Interest)	Trust Fund	Other Sources[1]
Acquisitions Completed	**518,595**	**$279,920,753**	**$223,927,407**	**$55,993,346**
Akhiok - Kaguyak, Inc.	115,973	$46,000,000	$36,000,000	$10,000,000
Chenega	59,520	$34,000,000	$24,000,000	$10,000,000
English Bay[2]	32,537	$15,371,420	$14,128,074	$1,243,346
Kachemak Bay State Park Inholdings	23,800	$22,000,000	$7,500,000	$14,500,000
Koniag (limited term easement)	55,402	$2,000,000	$2,000,000	$0
Koniag (fee title)	59,674	$26,500,000	$19,500,000	$7,000,000
Old Harbor[3]	31,609	$14,500,000	$11,250,000	$3,250,000
Orca Narrows (timber rights)	2,052	$3,450,000	$3,450,000	$0
Seal Bay / Tonki Cape	41,549	$39,549,333	$39,549,333	$0
Shuyak Island	26,665	$42,000,000	$42,000,000	$0
Tatitlek[4]	69,814	$34,550,000	$24,550,000	$10,000,000
Offers Accepted	**117,175**	**$115,500,000**	**$115,500,000**	**$0**
Afognak Joint Venture[5]	41,750	$70,500,000	$70,500,000	$0
Eyak[6]	75,425	$45,000,000	$45,000,000	$0
TOTAL:	***635,770***	***$395,420,753***	***$339,427,407***	***$55,993,346***

Negotiations Continuing
Koniag (fee title)[7]

Negotiations Halted
Port Graham

---

[1] For the acquisition of Kachemak Bay State Park inholdings, funding from other sources consists of a State of Alaska contribution of $7 million from the Exxon plea agreement and $7.5 million from the civil settlement with the Alyeska Pipeline Service Company. For all other parcels, funding from other sources consists of a Federal contribution from the Exxon plea agreement.

[2] The first closing on the English Bay acquisition occurred in November 1997 and resulted in the purchase of 29,636 acres for $14.1 million. Subsequent closings will occur in the future to complete the acquisition.

[3] As part of the protection package, the Old Harbor Native Corporation agreed to protect an additional 65,000 acres of land on Sitkalidak Island as a private wildlife refuge.

[4] The first closing on the Tatitlek acquisition occurred in June 1998 and resulted in the purchase of 57,436 acres for $24,150,000. A second closing is scheduled for October 1998 to complete the acquisition.

[5] The purchase price is $70.5 million plus an additional adjustment for deferred payments.

[6] The purchase agreement is subject to a shareholder vote scheduled for September 1998.

[7] Negotiations concern fee title to the 55,402 acres that are now under a limited conservation easement.

Acquisitions Completed

Akhiok-Kaguyak. In May 1995, the federal government agreed to purchase from Akhiok-Kaguyak, Inc., surface title to 73,525 acres of land and conservation easements on 42,448 acres, for a total of 115,973 acres. These lands are within the Kodiak National Wildlife Refuge. The Council contributed $36 million to this acquisition and the federal government contributed $10 million from the federal restitution fund, for a total purchase price of $46 million.

Chenega. In June 1997, the Chenega Corporation transferred to the U.S. Forest Service surface title to 20,968 acres of land and a conservation easement on an additional 22,284 acres. The corporation also transferred to the State of Alaska surface title to 16,268 acres of land in Prince William Sound. The total acreage to be protected is 59,520. Public access is allowed on all the land in the conservation easement except 3,330 acres on the southern portion of Chenega Island in the vicinity of the original Chenega village site. Two parcels acquired in fee simple, the Eshamy Bay and Jackpot Bay parcels, are among the highest ranked parcels in the oil spill area. The Council contributed $24 million to this acquisition and the federal government contributed an additional $10 million from the federal restitution fund, for a total purchase price of $34 million.

English Bay. In February 1997, the Council authorized funds for the purchase from the English Bay Corporation of land within the Kenai Fjords National Park and the Alaska Maritime National Wildlife Refuge. Surface title to 32,537 acres of land will be acquired for a cost of $15.37 million, with the Council contributing $14.13 million. The federal trustees agreed to provide up to $1.24 million from federal criminal restitution funds to complete the acquisition. Certain access rights for hunting, fishing and gathering activities will be reserved and retained by the English Bay Corporation. The English Bay Corporation will commit $500,000 from its proceeds to establish a special cultural conservation fund to survey, protect, curate and interpret archaeological sites and cultural artifacts which are associated with the lands acquired. The first closing occurred in November 1997 and resulted in the purchase of 29,636 acres for $14.1 million. Subsequent closings will occur in the future to complete the acquisition.

Kachemak Bay. In August 1993, the state acquired surface title to 23,800 acres of private inholdings within Kachemak Bay State Park on the Kenai Peninsula. This acquisition protects a highly productive estuary, several miles of anadromous fish streams and intertidal shoreline and upland habitat for bald eagles, marbled murrelets, river otters, and harlequin ducks. The Council contributed $7.5 million to this purchase and the State of Alaska contributed $7 million from the Exxon plea agreement and $7.5 million from the civil settlement with Alyeska Pipeline Service Company.

Koniag. In November 1995, the federal government agreed to purchase from Koniag, Inc., surface title to 59,674 acres of prime habitat for bear, salmon, bald eagles, and other species in the Kodiak National Wildlife Refuge. This agreement protected an additional 55,402 acres under a nondevelopment easement through the year 2001. The nondevelopment easement includes land along the Karluk and Sturgeon Rivers. The Council contributed $21.5 million to this acquisition and the federal government contributed $7 million from the federal restitution fund, for a total purchase price of $28.5 million.

Old Harbor. Also in 1995, the federal government agreed to purchase from the Old Harbor Native Corporation surface title to 28,609 acres of land and the corporation donated a conservation easement on 3,000 acres. These lands are within the Kodiak National Wildlife Refuge. In addition, the Old Harbor Native Corporation agreed to preserve 65,000 acres of land on nearby Sitkalidak Island as a private wildlife refuge. The Council contributed $11.25 million to this acquisition and the federal government contributed $3.25 million from the federal restitution fund, for a total purchase price of $14.5 million.

Orca Narrows Subparcel. In January 1995, the federal government purchased from the Eyak Corporation commercial timber rights on 2,052 acres of land in Orca Narrows. This parcel is near Cordova in Prince William Sound and contains anadromous fish streams, active bald eagle nests and favorable habitat for marbled murrelet nesting. The Council authorized $3.45 million for this acquisition.

Seal Bay and Tonki Cape (Afognak Island). In November 1993, the state purchased surface title to 41,549 acres on northern Afognak Island. This mature spruce forest is adjacent to highly productive marine waters, includes anadromous fish streams, and provides excellent habitat for bald eagles and marbled murrelet nesting. The Council authorized $39.5 million (including interest) for this purchase. In 1994, the Alaska State Legislature designated these lands as the Afognak Island State Park.

Shuyak Island. In December 1995, the Council approved $42 million to purchase from the Kodiak Island Borough surface title to 26,665 acres of prime habitat on Shuyak Island, at the northern tip of the Kodiak archipelago. The Kodiak Island Borough agreed to commit $6 million from the land sale to expansion of Kodiak's Fishery Industrial Technology Center.

As part of the purchase agreement for lands on Shuyak Island, the Council authorized up to an additional $1 million to purchase small parcels within the Kodiak National Wildlife Refuge that have been acquired by the Kodiak Island Borough as a result of the property owners' failure to pay borough taxes. These parcels are about 10 acres in size and occupy key waterfront locations along Uyak Bay on Kodiak Island. In

June 1998 the Trustee Council modified its resolution to include 22 forfeited tax parcels and 42 additional 10-acre parcels along Uyak Bay.

Tatitlek. In three separate resolutions in 1996 and 1997, the Council authorized $24,550,000 (plus an additional sum in lieu of interest between the initial date of closing and October 1, 1998) for an agreement to purchase 69,814 acres from Tatitlek Corporation. An additional $10 million would come from the federal restitution fund, for a total of $34,550,000 million plus interest. The agreement includes acquisition of surface title to 32,284 acres of land and conservation easements on 37,530 acres. Two of the parcels in which interests will be acquired, Bligh Island and Two Moon Bay, were respectively the third and fourth highest ranked parcels in Prince William Sound. The offer includes timber-only conservation easements on the north shore of Port Fidalgo and on land at Sunny Bay. The first closing occurred in June 1998 and resulted in the purchase of 57,436 acres for $24,150,000. A second closing is scheduled for October 1998 to complete the acquisition.

As part of the offer, the Council designated the homesite lots located in the Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration under the Council's small parcel process. If the United States or the State of Alaska acquires any block of six or more homesite lots from willing sellers, the Tatitlek Corporation will convey, at no cost, the surface fee estate in an equivalent area behind the block of homesites.

Offers Accepted

Afognak Joint Venture. In April 1998, the Council authorized $70.5 million, plus an additional adjustment for deferred payments, for an offer to purchase from Afognak Joint Venture surface title to about 41,350 acres of land on northern Afognak Island and easements in an additional 400 acres. Surface title will be acquired in parcels adjacent to Shuyak Strait, adjacent to the Kodiak Island National Wildlife Refuge, east of Pauls and Laura Lakes, and adjacent to Tonki Bay, and several islands in Perenosa Bay and Blue Fox Bay. Afognak Joint Venture would retain timber rights for 15 years in about 2,213 acres to be acquired to the east of Pauls and Laura Lakes. Easements to be acquired include a conservation easement preserving a 200-foot buffer along the western shores of Pauls and Laura Lakes and easements for the operation of weir sites on the eastern shore of Waterfall Creek and at the mouth of Pauls Creek.

Eyak. In July 1997, the Council authorized $45 million to purchase 75,425 acres from The Eyak Corporation. The agreement includes surface title to 55,357 acres of land in eastern Prince William Sound, conservation easements on an additional 6,667 acres and timber easements on 13,401 acres. The package will protect habitat in the wooded shoreline areas of Nelson Bay, Eyak Lake and Hawkins Island, much of it visible from

the City of Cordova. The package also includes Port Gravina, Sheep Bay and Windy Bay, which are considered among the most valuable parcels in Prince William Sound for recovery of species injured by the spill. Most of the land would be administered as part of the Chugach National Forest. One small tract would be managed by the State as part of the existing Canoe Passage State Marine Park.

Negotiations Continuing

Koniag. The Council is interested in acquiring fee interest in the 55,402 acres covered by the limited term nondevelopment easement acquired in November 1995, and has agreed to maintain unobligated funds totaling $16.5 million for this purpose until the year 2001. The nondevelopment easement includes land along the Karluk and Sturgeon Rivers and expires on December 2, 2001.

Negotiations Halted

Port Graham. As indicated in a letter from board president, Pat Norman, the Port Graham Corporation has withdrawn from any further negotiations with the U.S. Department of the Interior for purchase of 46,170 acres. Most of this land is within the Kenai Fjords National Park.

Appendix B

Small Parcel Status Report (August 5, 1998)

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

Habitat Protection Program: Small Parcels Status Report

August 5, 1998

The *Exxon Valdez* Oil Spilll Trustee Council funds the acquisition of land to protect the habitat of resources and services injured by the spill. Since 1993, the Council has obligated $238 million to buy 522,262 acres of land. Most of the land that has been acquired is in large tracts that help protect ecosystems, but some is in smaller tracts with unique habitat or strategic value. This report describes the status of the Small Parcel Habitat Protection Program.

In response to public solicitations, 335 small parcels have been nominated. Council staff evaluate, score, and rank the parcels, taking into account the resource value of the parcel, adverse impacts from human activity, and potential benefits from public management. The nomination period is open-ended. Nominations continue to be received and evaluated.

Acquisitions (Table 1). The Trustee Council has spent $14 million to purchase 37 small parcels. Nearly 3,700 acres of land have been acquired.

Offers (Table 2). The Trustee Council has offered an additional $7.7 million to purchase eight small parcels, lands owned by the Kenai Natives Association and key waterfront parcels forfeited to Kodiak Island Borough for tax delinquency.

In the resolution authorizing funds for the purchase of lands on Shuyak Island, the Trustee Council committed up to $1 million toward the purchase of forfeited tax parcels on Kodiak Island on condition that the Trustee Council authorize specific purchases. In June 1998, the Council authorized the purchase of seven forfeited tax parcels for a total of $102,000 and reduced to $253,000 the funds set aside for the purchase of additional forfeited tax parcels. The Council reallocated the remaining $645,000 for acquisition of 42 other inholdings in the Kodiak National Wildlife Refuge. These parcels are not forfeited tax parcels.

Parcels Under Consideration (Table 3). The Trustee Council is considering seven additional parcels, homesite lots in the Two Moon Bay and Snug Corner Cove subdivisions and 42 inholdings within the Kodiak National Wildlife Refuge, but has not yet authorized offers to purchase these parcels. About 2,000 acres of land are under consideration. Recently, the owner of KAP 1055 (Abston Parcel) rejected the offer to purchase this parcel and, as a substitute for this parcel, the Trustee Council designated three parcels in Three Saints Bay as Parcels Meriting Special Consideration: KAP 95 (Inga Parcel), KAP 126 (Christiansen Parcel) and KAP 134 (Ignatin Parcel).

Nominations (Table 4) lists 37 recently nominated parcels.

Table 1. Small Parcel Acquisitions Completed (August 5, 1998)

Parcel ID	Description	Acres	Value	Status
Prince William Sound (PWS)		**357.9**	**$1,280,500**	
PWS 11	Horseshoe Bay	315.0	$475,000	
PWS 17, 17A-D	Ellamar Subdivision	33.4	$655,500	
PWS 52	Hayward Parcel	9.5	$150,000	
Kenai Peninsula (KEN)		**2,334.0**	**$11,225,100**	
KEN 10	Kobylarz Subdivision	20.0	$320,000	
KEN 19	Coal Creek Moorage	53.0	$260,000	
KEN 29	Tulin Parcel	220.0	$1,200,000	
KEN 34	Cone Parcel	100.0	$600,000	
KEN 54	Salamatof Parcel	1,377.0	$2,540,000	
KEN 55	Overlook Park	97.0	$279,000	
KEN 148	River Ranch	146.0	$1,650,000	
KEN 1005	Ninilchik	16.0	$50,000	
KEN 1006	Girves Parcel	110.0	$1,835,000	
KEN 1014	Grouse Lake	64.0	$211,000	
KEN 1015	Lowell Point	19.4	$531,000	
KEN 1038	Roberts Parcel	3.3	$698,000	
KEN 1049	Mansholt Parcel (Kenai River)	1.6	$55,000	
KEN 1060A-D	Mud Bay (Homer Spit)	68.7	$422,100	
KEN 1061	Beluga Slough (Homer Spit)	38.0	$574,000	City of Homer to add $41,000.
Kodiak/Alaska Peninsula (KAP)		**975.0**	**$1,368,200**	
KAP 91	Adonga Parcel (Sitkalidak Strait)	137.0	$137,000	Native Allotment
KAP 98	Pestrikoff Parcel (Sitkalidak Strait)	80.0	$128,000	Native Allotment
KAP 99	Shugak Parcel (Kiliuda Bay)	160.0	$155,200	Native Allotment
KAP 101	Haakanson Parcel (Sitkalidak Str.)	80.0	$52,000	Native Allotment
KAP 103	Kahutak Parcel (Sitkalidak Strait)	40.0	$66,000	Native Allotment
KAP 105/142	Three Saints Bay	88.0	$168,000	Native Allotment
KAP 114	Johnson Parcel (Uyak Bay)	55.0	$154,000	Native Allotment
KAP 115	Johnson Parcel (Uyak Bay)	65.0	$110,500	Native Allotment
KAP 131	Matfay Parcel (Kiliuda Bay)	40.0	$68,000	Native Allotment
KAP 132	Peterson Parcel (Sitkalidak Strait)	160.0	$256,000	Native Allotment
KAP 135	Capjohn Parcel (Kiliuda Bay)	70.0	$73,500	Native Allotment
	TOTAL:	***3,666.9***	***$13,873,800***	

Table 2. Small Parcel Offers (August 5, 1998)

Parcel ID	Description	Acres	Value	Status
Purchase Agreements Signed		**3,275.1**	**$4,183,000**	
Kenai Natives Assn. Pkg. (Stephanka/Moose R.)		3,254.0	$4,000,000	Plus $443,000 (fed restitution fund)
KEN 1051/52	Salamatof Parcels (Kenai NWR)	21.1	$183,000	
Offers Under Review		**1,313.0**	**$3,538,000**	
KEN 12	Baycrest	90.0	$500,000	
KEN 1009	Cooper Parcel	30.0	$48,000	
KEN 1034	Patson Parcel	76.3	$450,000	Offer has been accepted.
KAP 145	Termination Point	1,028.0	$1,865,000	
KAP 220	Mouth of Ayakulik River	5.4	$80,000	
KAP 226	Karluk River Lagoon	16.3	$240,000	
Kodiak Island Borough Tax Parcels (authorized)		67.0	$102,000	
Kodiak Island Borough Tax Parcels		unknown	$253,000	
	TOTAL:	***4,588.1***	***$7,721,000***	

Table 3. Small Parcels Under Consideration (August 5, 1998)

Parcel ID	Description	Acres	Comments
PWS 05	Valdez Duck Flats (USS 349 & 448)	42.0	Appraisal submitted to landower.
PWS 06	Valdez Duck Flats (USS 447)	24.7	Appraisal submitted to landower.
PWS 1010	Jack Bay	942.0	
PWS 1056	Blondeau Parcel (Valdez)	100.0	Appraisal underway.
Two Moon Bay and Snug Corner Cove Homesite Lots		132.0	Designated PMSC in the large parcel offer to Tatitlek Corporation.
KEN 1039	Oberts Parcel (Big Eddy)	31.7	Appraisal approved.
KEN 1040	Oberts Parcel (Honeymoon Cove)	4.2	Appraisal approved.
KEN 1041	Oberts Parcel (Peterkin Hmstd.)	30.0	Appraisal approved.
KAP 95	Inga Parcel (Three Saints Bay)	80.0	Native Allotment
KAP 126	Christiansen Parcel (Three Saints Bay)	40.0	Native Allotment
KAP 134	Ignatin Parcel (Three Saints Bay)	80.0	Native Allotment
Kodiak National Wildlife Refuge Inholdings		420.0	Conditional authorization: $645,000
	TOTAL:	***1,926.6***	

Table 4. Small Parcel Nominations (July 1995 to August 1998)

Parcel ID	Description	Acres	Sponsor	Rank
Prince William Sound (PWS)		**40.0**		
PWS 1045	Dennis Parcel (Valdez Duck Flats)	4.3	No sponsor	Below threshold criteria.
PWS 1068	Lowe Parcel (Latouche Island)	2.7	No sponsor	Below threshold criteria.
PWS 1072	Willis Parcel (S. of Cordova)	15.0	No sponsor	Below threshold criteria.
PWS 1077	Stalling Parcel (Fish Bay)	1.5	No sponsor	Below threshold criteria.
PWS 1081	Evans/Lawn Parcel (Port Valdez)	16.5	ADNR	Low
Kenai Peninsula (KEN)		**1,435.0**		
KEN 1030	Anchor River	127.8	No sponsor	Below threshold criteria.
KEN 1032	Matson Parcel (Ninilchik River)	7.4	ADFG	Low
KEN 1035	Mullen Parcel (Kenai River)	8.5	ADNR/ADFG	Low
KEN 1036	Weilbacher Parcel (Kenai River)	28.7	ADNR/ADFG	Low
KEN 1037	Coyle Parcel (Kenai City Boat Dock)	26.0	No sponsor	Below threshold criteria.
KEN 1042	College Estates (Kenai River)	56.0	ADNR/ADFG	Low
KEN 1043	College Estates (Kenai River)	77.9	ADNR/ADFG	Low
KEN 1044	Breeden Parcel (Kenai River Flats)	25.0	ADNR/ADFG	Low
KEN 1046	Pollard Parcel (Kasilof River)	155.0	ADFG	Low
KEN 1047	Calvin Parcel (Kasilof River)	76.8	ADFG	Below threshold criteria.
KEN 1057	Lowe Parcel (Kenai River)	22.0	ADNR	Low
KEN 1063	Eaton Parcel (Ninilchik Boat Harbor)	11.0	No sponsor	Low
KEN 1064	Lindle Parcel (Lower Kasilof River)	10.0	ADFG	Low
KEN 1066	Moore Parcel (Killey River)	30.0	ADFG	Low
KEN 1067	Fiore Parcel (Kenai River)	7.2	ADFG/ADNR	Low
KEN 1069	Wards Cove Parcel (Chisik Is.)	29.7	No sponsor	Below threshold criteria.
KEN 1070	Homer Spit, W. side	2.6	ADNR	Low
KEN 1071	Ellis Parcel (Kenai River/Cook Inlet)	43.0	No sponsor	Below threshold criteria.
KEN 1073	Cufley Parcel (near Baycrest, Homer)	9.3	No sponsor	Below threshold criteria.
KEN 1074	Gatz Parcel (Anchor River)	80.0	ADFG	Low
KEN 1075	Meridian Park Parcel (Bear Creek)	3.9	No sponsor	Below threshold criteria.
KEN 1076	Heus Parcel (Kenai River)	16.2	ADFG/ADNR	Low
KEN 1078	Simonds Parcel (Sterling Hwy.)	40.0	No sponsor	Below threshold criteria.
KEN 1079	Seldovia Native Assn (Kachemak Bay)	500.0	No sponsor	Below threshold criteria.
KEN 1080	Rhodes Parcel (Kenai River)	1.0	No sponsor	Below threshold criteria.
KEN 1084	Morris Parcel (Ninilchik River)	40.0		
KEN 1085	Beall Parcel (Kenai River)	55.0		
KEN 1086	Miller/Walli Parcel (Stariski Creek)	48.0		
Kodiak/Alaska Peninsula (KAP)		**3,541.0**		
KAP 1050	Christiansen Parcel (Sitalidak Strait)	159.0	USFWS	Low
KAP 1058	Leisnoi Parcel (Long Island)	1,462.0	ADNR	Moderate
KAP 1082	Bay View, Inc., Parcel (Ivanof Bay)	1,920.0	No sponsor	Below threshold criteria.
KAP 1083	Aposik Parcel (AK Maritime NWR)	160.0		
	TOTAL:	***5,016.0***		

(a) These parcels have been nominated since publication of *Comprehensive Habitat Protection Process: Small Parcel Evaluation & Ranking, Volume III,* Supplement July 15, 1995.

Appendix C

History of Project Costs: FY 92-FY 99

Table 1. History of Project Costs / FY 99 Work Plan

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
Pink Salmon	$1,834.7	$847.6	$1,512.6	$2,316.9	$1,901.8	$1,806.1	$1,202.3	**$835.1**	$12,257.1	$419.1	$12,676.2
076 / Effect of Oil on Straying and Survival	$0.0	$0.0	$0.0	$184.1	$371.3	$577.0	$272.2	**$0.0**	$1,404.6	$0.0	$1,404.6
093 / Diversion of Harvest Effort	$0.0	$0.0	$0.0	$57.8	$0.0	$0.0	$0.0	**$0.0**	$57.8	$0.0	$57.8
139 / Salmon Instream Habitat Restoration	$0.0	$0.0	$222.1	$25.4	$0.0	$0.0	$0.0	**$0.0**	$247.5	$0.0	$247.5
139A1 / Little Waterfall Barrier Bypass Improvement	$0.0	$0.0	$0.0	$83.8	$33.1	$26.4	$13.4	**$0.0**	$156.7	$0.0	$156.7
139A2 / Port Dick Spawning Channel	$0.0	$0.0	$0.0	$41.0	$222.8	$75.5	$85.8	**$85.8**	$510.9	$62.0	$572.9
139C1 / Montague Riparian Rehabilitation Monitoring	$0.0	$0.0	$0.0	$49.3	$8.4	$8.4	$0.0	**$0.0**	$66.1	$0.0	$66.1
186 / Coded-wire Tagging and Recovery	$1,421.8	$148.6	$237.7	$253.9	$239.8	$244.6	$120.2	**$0.0**	$2,666.6	$0.0	$2,666.6
188 / Otolith Thermal Mass Marking	$0.0	$0.0	$48.9	$636.7	$85.2	$120.0	$141.1	**$185.2**	$1,217.1	$0.0	$1,217.1
190 / Linkage Map for the Pink Salmon Genome	$0.0	$0.0	$0.0	$0.0	$163.0	$254.5	$229.4	**$212.1**	$859.0	$187.3	$1,046.3
191 / Oil-Related Embryo Mortalities	$412.9	$699.0	$823.5	$758.2	$605.2	$164.2	$159.4	**$58.4**	$3,680.8	$0.0	$3,680.8

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
194 / Spawning Habitat Recovery	$0.0	$0.0	$0.0	$0.0	$0.0	$140.2	$25.0	**$0.0**	$165.2	$0.0	$165.2
196 / Genetic Structure	$0.0	$0.0	$180.4	$226.7	$173.0	$195.3	$130.2	**$50.0**	$955.6	$0.0	$955.6
329 / Synthesis of Toxicological Impacts	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$25.6	**$44.4**	$70.0	$0.0	$70.0
366 / Remote Video and Time-Lapse Recording	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$52.0**	$52.0	$58.8	$110.8
367 / Synthesis and Publication of Fisheries Research	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$73.1**	$73.1		$73.1
476 / Effects of Oiled Incubation on Reproduction	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$74.1**	$74.1	$111.0	$185.1
Herring	$0.0	$0.0	$511.2	$1,301.5	$1,240.5	$954.0	$734.2	**$506.3**	$5,247.7	$211.5	$5,459.2
074 / Herring Reproductive Impairment	$0.0	$0.0	$0.0	$418.6	$146.9	$0.0	$0.0	**$0.0**	$565.5	$0.0	$565.5
162 / Disease Affecting Declines	$0.0	$0.0	$85.5	$389.9	$609.1	$550.2	$516.6	**$72.0**	$2,223.3	$0.0	$2,223.3
165 / Genetic Discrimination	$0.0	$0.0	$6.4	$98.3	$96.4	$37.7	$56.0	**$0.0**	$294.8	$0.0	$294.8
166 / Herring Natal Habitats	$0.0	$0.0	$419.3	$394.7	$388.1	$366.1	$42.3	**$0.0**	$1,610.5	$0.0	$1,610.5
311 / Productivity Dependencies: Stable Isotopes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$119.3	**$90.0**	$209.3	$0.0	$209.3
328 / Synthesis of Impacts on Pacific Herring	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$46.1**	$46.1	$0.0	$46.1
375 / Effects of Egg Distribution and Ecology	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$76.5**	$76.5	$48.2	$124.7

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
462 / Effects of Disease on Population Recovery	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$75.1**	$75.1	$163.3	$238.4
468-BAA / Estimations of Acoustic Target Strength	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$146.6**	$146.6	$0.0	$146.6
SEA and Related Projects	$0.0	$0.0	$5,618.5	$4,403.9	$5,110.3	$3,753.0	$2,669.6	**$1,040.0**	$22,595.3	$132.6	$22,727.9
195 / Pristane Monitoring in Mussels	$0.0	$0.0	$0.0	$0.0	$99.8	$114.5	$114.9	**$96.7**	$425.9		$425.9
297-BAA / Oceanography of PWS Bays and Fjords	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$94.2	**$0.0**	$94.2	$0.0	$94.2
320 / Sound Ecosystem Assessment (SEA)	$0.0	$0.0	$5,618.5	$4,403.9	$5,010.5	$3,638.5	$2,383.4	**$851.9**	$21,906.7	$16.1	$21,922.8
340 / Long-Term Oceanographic Monitoring	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$77.1	**$91.4**	$168.5	$116.5	$285.0
393-BAA / Food Webs: Structure and Change	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
Sockeye Salmon	$1,363.5	$1,552.3	$1,803.1	$1,497.3	$1,140.5	$555.5	$11.7	**$0.0**	$7,923.9	$0.0	$7,923.9
048-BAA / Historical Analysis of Sockeye Salmon Growth	$0.0	$0.0	$0.0	$0.0	$106.3	$0.0	$0.0	**$0.0**	$106.3	$0.0	$106.3
137 / Stock ID of Chum, Sockeye, Chinook and Coho in PWS	$310.9	$86.0	$188.4	$54.0	$0.0	$0.0	$0.0	**$0.0**	$639.3	$0.0	$639.3
251 / Akalura Lake Restoration	$0.0	$0.0	$0.0	$0.0	$0.0	$43.7	$0.0	**$0.0**	$43.7	$0.0	$43.7

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
254 / Delight and Desire Lakes Restoration	$0.0	$0.0	$0.0	$0.0	$0.0	$115.7	$11.7	**$0.0**	$127.4	$0.0	$127.4
255 / Kenai River Sockeye Salmon Restoration	$687.4	$405.2	$348.7	$451.2	$296.6	$157.1	$0.0	**$0.0**	$2,346.2	$0.0	$2,346.2
258 / Sockeye Salmon Overescapement	$0.0	$621.9	$762.3	$724.6	$540.2	$192.2	$0.0	**$0.0**	$2,841.2	$0.0	$2,841.2
259 / Restoration of Coghill Lake Sockeye Salmon	$0.0	$145.1	$240.8	$267.5	$197.4	$46.8	$0.0	**$0.0**	$897.6	$0.0	$897.6
504 / Genetic Stock ID of Kenai River Sockeye	$310.9	$294.1	$262.9	$0.0	$0.0	$0.0	$0.0	**$0.0**	$867.9	$0.0	$867.9
R113 / Red Lake Sockeye Salmon Restoration	$54.3	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$54.3	$0.0	$54.3
Other Fish	$132.1	$0.0	$0.0	$147.5	$222.3	$261.6	$357.9	**$292.1**	$1,413.5	$0.0	$1,413.5
043B / Cutthroat and Dolly Varden Habitat Improvement Monitoring	$0.0	$0.0	$0.0	$147.5	$22.3	$24.0	$24.0	**$9.5**	$227.3	$0.0	$227.3
145 / Anadromous and Resident Forms	$0.0	$0.0	$0.0	$0.0	$200.0	$229.7	$120.7	**$50.1**	$600.5	$0.0	$600.5
252 / Genetic Investigations of Rockfish and Pollock	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$209.1	**$232.5**	$441.6		$441.6
302 / PWS Inventory	$0.0	$0.0	$0.0	$0.0	$0.0	$7.9	$4.1	**$0.0**	$12.0	$0.0	$12.0
R106 / Dolly Varden Restoration	$37.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$37.9	$0.0	$37.9
R90 / Dolly Varden Char Monitoring	$94.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$94.2	$0.0	$94.2

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
Marine Mammals	$24.7	$332.8	$279.7	$839.2	$704.1	$796.5	$739.3	**$794.0**	$4,510.3	$674.5	$5,184.8
001 / Harbor Seal Condition and Health Status	$0.0	$0.0	$0.0	$105.4	$135.6	$192.0	$51.1	**$0.0**	$484.1	$0.0	$484.1
012-BAA / Killer Whale Investigation	$0.0	$113.5	$30.8	$296.1	$98.1	$156.6	$154.7	**$85.4**	$935.2		$935.2
064 / Harbor Seal Monitoring, Habitat Use, Trophic Interactions	$24.7	$219.3	$248.4	$342.6	$332.0	$304.6	$272.5	**$263.3**	$2,007.4	$130.0	$2,137.4
117-BAA / Harbor Seal Blubber and Lipids	$0.0	$0.0	$0.0	$95.1	$0.0	$0.0	$0.0	**$0.0**	$95.1	$0.0	$95.1
170 / Isotope Ratio Studies of Marine Mammals	$0.0	$0.0	$0.0	$0.0	$138.4	$143.3	$108.8	**$0.0**	$390.5	$0.0	$390.5
341 / Harbor Seals: Health and Diet	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$152.2	**$194.2**	$346.4	$209.5	$555.9
371 / Harbor Seal Metabolism/Stable Isotopes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$110.2**	$110.2	$203.4	$313.6
425 / Marine Mammal Book Publication	$0.0	$0.0	$0.5	$0.0	$0.0	$0.0	$0.0	**$0.0**	$0.5	$0.0	$0.5
441 / Harbor Seal Diet: Lipid Metabolism and Health	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$140.9**	$140.9	$131.6	$272.5
Nearshore Ecosystem	$1,725.4	$2,768.5	$2,519.3	$2,882.2	$2,926.9	$2,229.4	$2,249.1	**$1,050.1**	$18,350.9	$0.0	$18,350.9
025 / Nearshore Vertebrate Predators (NVP)	$0.0	$0.0	$0.0	$680.8	$1,814.4	$1,753.4	$1,652.9	**$500.0**	$6,401.5		$6,401.5
026 / Hydrocarbon Monitoring	$0.0	$0.0	$0.0	$116.5	$0.0	$15.1	$0.0	**$0.0**	$131.6	$0.0	$131.6

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
027 / Kodiak Shoreline Assessment	$0.0	$0.0	$0.0	$174.5	$40.4	$0.0	$0.0	$0.0	$214.9	$0.0	$214.9
034 / Pigeon Guillemot Recovery Monitoring	$0.0	$165.6	$194.5	$0.0	$0.0	$0.0	$0.0	$0.0	$360.1	$0.0	$360.1
035 / Black Oystercatcher Recovery Monitoring	$0.0	$109.2	$17.0	$0.0	$0.0	$0.0	$0.0	$0.0	$126.2	$0.0	$126.2
038 / PWS Shoreline Assessment	$0.0	$316.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$316.9	$0.0	$316.9
043 / Sea Otter Demographics and Habitat	$0.0	$144.0	$123.9	$0.0	$0.0	$0.0	$0.0	$0.0	$267.9		$267.9
086C / Herring Bay Experimental and Monitoring Studies	$0.0	$504.6	$697.9	$703.1	$169.6	$0.0	$0.0	$0.0	$2,075.2	$0.0	$2,075.2
090 / Mussel Bed Restoration	$769.3	$331.0	$433.6	$455.0	$197.6	$8.0	$0.0	$150.0	$2,344.5		$2,344.5
106 / Eelgrass Monitoring	$0.0	$0.0	$0.0	$181.6	$246.6	$0.0	$0.0	$0.0	$428.2	$0.0	$428.2
161 / Differentiation/Interchange of Harlequins	$0.0	$0.0	$0.0	$0.0	$79.4	$87.3	$16.5	$0.0	$183.2	$0.0	$183.2
223-BAA / Publication of Sea Otter Data	$0.0	$0.0	$0.0	$0.0	$0.0	$42.8	$0.0	$0.0	$42.8	$0.0	$42.8
266 / Experimental Oil Removal	$0.0	$0.0	$185.8	$143.9	$0.0	$0.0	$0.0	$0.0	$329.7	$0.0	$329.7
285 / Subtidal Monitoring	$0.0	$882.8	$581.3	$112.7	$0.0	$0.0	$0.0	$0.0	$1,576.8	$0.0	$1,576.8
289-BAA / Status of Black Oystercatchers in PWS	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$80.4		$80.4	$0.0	$80.4
290 / Hydrocarbon Database	$0.0	$120.1	$113.5	$141.2	$113.4	$75.0	$75.7	$58.9	$697.8		$697.8
325-BAA / Intertidal/Subtidal Manuscript Preparation	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$99.9	$41.1	$141.0	$0.0	$141.0
326 / Data Re-Analysis for MM6	$0.0	$0.0	$0.0	$0.0	$11.5	$0.0	$0.0	$0.0	$11.5	$0.0	$11.5

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
348 / Response of River Otters to Oil Contamination	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$245.4	**$240.1**	$485.5	$0.0	$485.5
379 / Assessment of Risk to Residual Oil Using P450	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0	$0.0	$0.0
423 / Population Change in Nearshore Vertebrate Predators	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$60.0**	$60.0		$60.0
427 / Harlequin Duck Monitoring	$470.5	$194.3	$171.8	$172.9	$254.0	$247.8	$78.3	**$0.0**	$1,589.6	$0.0	$1,589.6
432 / Effects of Oil on High Cockscomb	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
459 / Residual Oiling of Armored Beaches/GOA	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
466 / Barrow's Goldeneye Recovery Status	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
480 / Black Oystercatcher Abundance and Reproduction	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
R102 / Coastal Habitat Restoration	$485.6	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$485.6	$0.0	$485.6
Seabird/Forage Fish Projects	$743.8	$430.2	$1,154.5	$2,096.2	$2,314.8	$2,355.6	$2,992.1	**$2,630.1**	$14,717.3	$1,630.3	$16,347.6
021 / Seasonal Movements by Common Murres	$0.0	$0.0	$0.0	$53.9	$0.0	$0.0	$0.0	**$0.0**	$53.9	$0.0	$53.9
029 / Population Survey of Bald Eagles in PWS	$0.0	$0.0	$0.0	$49.3	$0.0	$0.0	$0.0	**$0.0**	$49.3	$0.0	$49.3
031 / Reproductive Success of Murrelets in PWS	$0.0	$0.0	$0.0	$245.9	$78.0	$0.0	$0.0	**$0.0**	$323.9	$0.0	$323.9

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
038 / Symposium/Publication on Seabird Restoration	$0.0	$0.0	$0.0	$74.5	$17.7	$0.0	$0.0	**$0.0**	$92.2	$0.0	$92.2
039B / Common Murre Productivity Monitoring	$0.0	$0.0	$0.0	$27.4	$0.0	$0.0	$0.0	**$0.0**	$27.4	$0.0	$27.4
041 / Introduced Predator Removal	$0.0	$0.0	$77.0	$66.5	$0.0	$0.0	$0.0	**$0.0**	$143.5	$0.0	$143.5
101 / Removal of Introduced Foxes from Islands	$0.0	$0.0	$0.0	$0.0	$7.0	$0.0	$0.0	**$0.0**	$7.0	$0.0	$7.0
102 / Murrelet Prey and Foraging Habitat	$428.9	$0.0	$239.7	$53.1	$0.0	$0.0	$0.0	**$0.0**	$721.7	$0.0	$721.7
121 / Fatty Acid Signatures of Forage Fish	$0.0	$0.0	$0.0	$33.2	$0.0	$0.0	$0.0	**$0.0**	$33.2	$0.0	$33.2
142-BAA / Status and Ecology of Kittlitz's Murrelet	$0.0	$0.0	$0.0	$0.0	$154.2	$182.2	$269.0	**$0.0**	$605.4	$0.0	$605.4
144 / Common Murre Population Monitoring	$314.9	$174.6	$211.1	$0.0	$65.1	$69.7	$57.4	**$72.6**	$965.4	$23.0	$988.4
159 / Marine Bird Abundance Surveys	$0.0	$255.6	$142.8	$0.0	$261.4	$62.4	$237.0	**$37.0**	$996.2		$996.2
163 / Alaska Predator Ecosystem Experiment (APEX)	$0.0	$0.0	$483.9	$1,492.4	$1,731.4	$1,797.4	$2,012.2	**$1,986.1**	$9,503.4	$900.1	$10,403.5
167-BAA / Curation of Seabirds Salvaged from EVOS	$0.0	$0.0	$0.0	$0.0	$0.0	$31.9	$0.0	**$0.0**	$31.9	$0.0	$31.9
169 / Genetics of Murres, Guillemots, Murrelets	$0.0	$0.0	$0.0	$0.0	$0.0	$59.8	$88.2	**$92.7**	$240.7	$13.8	$254.5
231 / Marbled Murrelet Productivity (in \163 after FY 97)	$0.0	$0.0	$0.0	$0.0	$0.0	$119.4	$0.0	**$0.0**	$119.4	$0.0	$119.4

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
306 / Ecology and Demographics of Sand Lance	$0.0	$0.0	$0.0	$0.0	$0.0	$32.8	$32.8	**$30.0**	$95.6	$20.0	$115.6
327 / Pigeon Guillemot Research	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$123.3	**$166.1**	$289.4	$262.8	$552.2
338 / Survival of Adult Murres and Kittiwake	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$56.2	**$57.9**	$114.1	$45.0	$159.1
346 / Sand Lance Publication	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5.4	**$10.4**	$15.8	$0.0	$15.8
347 / Fatty Acid Profile/Lipid Class Analysis	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$110.6	**$92.6**	$203.2	$35.8	$239.0
381 / Status of Seabird Colonies in Northeastern Prince William Sound	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
434 / East Amatuli Island Video Link	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0	$0.0	$0.0
479 / Effects of Food Stress on Survival and Reproduction	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$84.7**	$84.7	$329.8	$414.5
Archaeological Resources	$123.3	$1,581.9	$234.4	$276.3	$449.8	$201.8	$206.6	**$166.7**	$3,240.8	$0.0	$3,240.8
007A / Archaeological Index Site Monitoring	$0.0	$81.9	$234.4	$164.3	$109.9	$124.4	$139.7	**$151.5**	$1,006.1		$1,006.1
007B / Site Specific Archaeological Restoration	$0.0	$0.0	$0.0	$112.0	$78.2	$21.5	$0.0	**$0.0**	$211.7	$0.0	$211.7
066 / Alutiiq Archaeological Repository	$0.0	$1,500.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$1,500.0	$0.0	$1,500.0
149 / Archaeological Site Stewardship	$0.0	$0.0	$0.0	$0.0	$64.6	$55.9	$66.9	**$15.2**	$202.6	$0.0	$202.6

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
154 / Archaeological Resource Restoration Plan	$0.0	$0.0	$0.0	$0.0	$197.1	$0.0	$0.0	**$0.0**	$197.1	$0.0	$197.1
R104-A / Site Stewardship	$123.3	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$123.3	$0.0	$123.3
Subsistence	$0.0	$241.7	$430.3	$895.0	$1,252.7	$1,333.9	$1,481.9	**$954.2**	$6,589.7	$1,016.9	$7,606.6
009D / Survey of Octopuses in Intertidal Habitats	$0.0	$0.0	$0.0	$125.0	$141.2	$48.0	$0.0	**$0.0**	$314.2	$0.0	$314.2
052A / Community Involvement	$0.0	$0.0	$0.0	$79.8	$268.9	$248.4	$232.1	**$243.4**	$1,072.6	$524.0	$1,596.6
052B / Traditional Knowledge	$0.0	$0.0	$0.0	$0.0	$0.0	$92.4	$61.3	**$24.7**	$178.4		$178.4
127 / Tatitlek Coho Salmon Release	$0.0	$0.0	$0.0	$4.8	$24.3	$11.1	$10.5	**$10.7**	$61.4	$0.0	$61.4
131 / Clam Restoration	$0.0	$0.0	$0.0	$223.6	$257.3	$365.0	$290.1	**$83.4**	$1,219.4	$0.0	$1,219.4
138 / Elders/Youth Conference	$0.0	$0.0	$0.0	$75.1	$0.0	$0.0	$0.0	**$0.0**	$75.1	$0.0	$75.1
210 / Youth Area Watch	$0.0	$0.0	$0.0	$0.0	$100.3	$150.0	$150.2	**$150.4**	$550.9	$326.4	$877.3
214 / Harbor Seal Documentary	$0.0	$0.0	$0.0	$0.0	$72.4	$8.1	$0.0	**$0.0**	$80.5	$0.0	$80.5
220 / Eastern PWS Salmon Habitat Restoration	$0.0	$0.0	$0.0	$0.0	$70.4	$40.5	$11.9	**$0.0**	$122.8	$0.0	$122.8
222 / Chenega Bay Salmon Habitat Enhancement	$0.0	$0.0	$0.0	$0.0	$3.8	$0.0	$0.0	**$0.0**	$3.8	$0.0	$3.8
225 / Port Graham Pink Salmon Project	$0.0	$0.0	$0.0	$0.0	$88.5	$74.4	$73.5	**$75.6**	$312.0	$75.0	$387.0
244 / Community Harbor Seal Sampling/Management	$0.0	$0.0	$44.9	$76.1	$124.8	$111.6	$84.7	**$0.0**	$442.1	$0.0	$442.1
245 / Community-Based Harbor Seal Biosampling	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$70.7**	$70.7		$70.7

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
247 / Kametolook River Coho Salmon	$0.0	$0.0	$0.0	$0.0	$0.0	$31.6	$14.9	**$20.8**	$67.3	$68.0	$135.3
256B / Solf Lake Sockeye Salmon Stocking	$0.0	$0.0	$0.0	$0.0	$52.0	$34.7	$95.5	**$68.3**	$250.5		$250.5
263 / Port Graham Salmon Stream Enhancement	$0.0	$0.0	$0.0	$0.0	$0.0	$58.0	$107.0		$165.0	$23.5	$188.5
272 / Chenega Chinook Release Program	$0.0	$10.7	$55.4	$43.4	$48.8	$44.3	$0.0	**$0.0**	$202.6	$0.0	$202.6
273 / Surf Scoter Life History and Ecology	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$170.4	**$206.2**	$376.6		$376.6
274 / Herring/Nearshore Documentary	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$89.6	**$0.0**	$89.6	$0.0	$89.6
279 / Food Safety Testing	$0.0	$231.0	$272.1	$173.7	$0.0	$0.0	$0.0	**$0.0**	$676.8	$0.0	$676.8
286 / Elders/Youth Conference	$0.0	$0.0	$0.0	$0.0	$0.0	$15.8	$90.2	**$0.0**	$106.0	$0.0	$106.0
401 / Spot Shrimp Population	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
428 / Community Planning Project	$0.0	$0.0	$57.9	$93.5	$0.0	$0.0	$0.0	**$0.0**	$151.4	$0.0	$151.4
444 / Community-Based Harbor Seal Research	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0	$0.0	$0.0
Recreation	$0.0	$40.8	$75.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$115.8	$0.0	$115.8
065 / Prince William Sound Recreation Project	$0.0	$40.8	$75.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$115.8	$0.0	$115.8

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
Reduction of Marine Pollution	$0.0	$0.0	$0.0	$260.8	$48.4	$267.5	$0.0	**$54.5**	$631.2	$0.0	$631.2
115 / Sound Waste Management	$0.0	$0.0	$0.0	$260.8	$48.4	$0.0	$0.0	**$0.0**	$309.2	$0.0	$309.2
304 / Kodiak Waste Management	$0.0	$0.0	$0.0	$0.0	$0.0	$267.5	$0.0	**$0.0**	$267.5	$0.0	$267.5
514 / Lower Cook Inlet Waste Management Plan	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$54.5**	$54.5		$54.5
Habitat Improvement	$0.0	$0.0	$0.0	$108.2	$479.8	$664.8	$631.1	**$466.3**	$2,350.2	$0.0	$2,350.2
058 / Landowner Assistance	$0.0	$0.0	$0.0	$90.7	$0.0	$0.0	$0.0	**$0.0**	$90.7	$0.0	$90.7
060 / Spruce Bark Beetle Impacts	$0.0	$0.0	$0.0	$17.5	$0.0	$0.0	$0.0	**$0.0**	$17.5	$0.0	$17.5
180 / Kenai Habitat Restoration	$0.0	$0.0	$0.0	$0.0	$479.8	$599.4	$491.9	**$299.6**	$1,870.7		$1,870.7
230 / Valdez Duck Flats Restoration	$0.0	$0.0	$0.0	$0.0	$0.0	$65.4	$0.0	**$0.0**	$65.4	$0.0	$65.4
314 / Homer Mariner Park	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$99.5**	$99.5	$0.0	$99.5
339 / Western PWS Human Use and Wildlife Disturbance Model	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$139.2	**$67.2**	$206.4	$0.0	$206.4
Habitat Protection	$633.0	$1,102.9	$851.1	$150.1	$0.0	$0.0	$0.0	**$0.0**	$2,737.1	$0.0	$2,737.1
051 / Habitat Assessments	$633.0	$946.1	$413.2	$15.7	$0.0	$0.0	$0.0	**$0.0**	$2,008.0	$0.0	$2,008.0
059 / Habitat Identification Workshop	$0.0	$23.1	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$23.1	$0.0	$23.1
060 / Accelerated Data Acquisition	$0.0	$43.9	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$43.9	$0.0	$43.9

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
064 / Imminent Threat Habitat Protection	$0.0	$89.8	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**	$89.8	$0.0	$89.8
110 / Habitat Data Acquisition and Support	$0.0	$0.0	$437.9	$134.4	$0.0	$0.0	$0.0	**$0.0**	$572.3	$0.0	$572.3
Ecosystem Synthesis	$0.0	$0.0	$0.0	$0.0	$0.0	$55.4	$261.1	**$672.4**	$988.9	$35.0	$1,023.9
278 / Kachemak Bay Ecological Characterization	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$70.0**	$70.0	$35.0	$105.0
300 / Synthesis of Scientific Findings from EVOS	$0.0	$0.0	$0.0	$0.0	$0.0	$55.4	$81.3	**$80.3**	$217.0	$0.0	$217.0
330-BAA / Mass-Balance Model of Trophic Fluxes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$179.8	**$149.8**	$329.6	$0.0	$329.6
360-BAA / Guidance for Future EVOS Activities	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0		$0.0
368 / Environmentally Sensitive Areas: Summary Maps	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$37.3**	$37.3	$0.0	$37.3
391 / Information Management/Monitoring System	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$335.0**	$335.0	$0.0	$335.0
455 / Investigation of Data System for Long-Term Monitoring	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0	$0.0	$0.0
Admin./Sci. Mgmt./Pub. Info.	$0.0	$0.0	$69.4	$0.0	$35.0	$0.0	$0.0	**$347.0**	$451.4	$0.0	$451.4
470 / 10 Years After *Exxon Valdez*	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$152.0**	$152.0	$0.0	$152.0

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
471 / Updating the Status of Services	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$195.0**	$195.0	$0.0	$195.0
507 / EVOS Symposium Publication	$0.0	$0.0	$69.4	$0.0	$35.0	$0.0	$0.0	**$0.0**	$104.4	$0.0	$104.4
Project Management	$0.0	$0.0	$0.0	$0.0	$94.4	$572.6	$560.1	**$454.2**	$1,681.3	$0.0	$1,681.3
250 / Project Management	$0.0	$0.0	$0.0	$0.0	$0.0	$572.6	$560.1	**$454.2**	$1,586.9		$1,586.9
600 / NOAA Program Management	$0.0	$0.0	$0.0	$0.0	$94.4	$0.0	$0.0	**$0.0**	$94.4	$0.0	$94.4
Total Cost :	$6,580.5	$8,898.7	$15,059.1	$17,175.1	$17,921.3	$15,807.7	$14,097.0	**$10,263.0**	$105,802.4	$4,119.9	$109,922.3

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Table 2. History of Project Costs / Projects Outside FY 99 Work Plan

Project	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	Subtotal FY92-99	FY00-02	Total FY92-02
100 / Administration, Science Management, Public Information	$4,295.9	$2,653.9	$4,013.1	$3,024.1	$2,995.6	$2,650.9	$2,796.3	**$2,495.7**	$24,925.5		$24,925.5
115 / Sound Waste Management	$0.0	$0.0	$0.0	$0.0	$0.0	$1,138.8	$0.0	**$0.0**	$1,138.8	$0.0	$1,138.8
126 / Habitat Prot./Acq. Support	$0.0	$0.0	$822.9	$2,176.5	$1,967.1	$840.2	$851.4	**$770.4**	$7,428.5		$7,428.5
197 / SeaLife Center Fish Pass	$0.0	$0.0	$0.0	$0.0	$0.0	$535.9	$0.0	**$0.0**	$535.9	$0.0	$535.9
291 / Chenega Area Shoreline Residual Oiling Reduction	$0.0	$0.0	$0.0	$0.0	$3.0	$1,800.2	$182.0	**$0.0**	$1,985.2	$0.0	$1,985.2
304 / Kodiak Waste Management	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$1,857.1**	$1,857.1	$0.0	$1,857.1
405 / Port Graham Hatchery Reconstruction	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0		$0.0	$0.0	$0.0
424 / Restoration Reserve	$0.0	$0.0	$12,000.0	$12,000.0	$12,000.0	$12,000.0	$12,000.0	**$12,000.0**	$72,000.0	$36,000.0	$108,000.0
Total Cost :	$4,295.9	$2,653.9	$16,836.0	$17,200.6	$16,965.7	$18,966.0	$15,829.7	**$17,123.2**	$109,871.0	$36,000.0	$145,871.0

NOTES:

1. Costs are shown in thousands of dollars.
2. Figures for FY 92-97 are expenditures or obligations on restoration projects. Expenditures and obligations for FY 95-97 have been audited.
3. An additional $6.8 million were spent on damage assessment studies in FY 92.
4. Figures for FY 98-99 are amounts authorized by the Trustee Council.
5. Costs projected for FY 00-02 are for planning purposes and have not yet been approved by the Trustee Council.
6. A blank space means the Trustee Council has not made a long-term funding commitment due to uncertainty about a project's future cost or scope.

Appendix D

Update on Injured Resources and Services (September 1996)