

41.11.07

Agenda

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

May 22, 2000 @ 10:00 a.m.

645 G STREET, ANCHORAGE

5/16/00

11:07 am

DRAFT

DRAFT

Trustee Council Members:

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

MICHELE BROWN
Commissioner
Alaska Department of Environmental
Conservation

MARILYN HEIMAN
Special Assistant to the Secretary
for Alaska
U.S. Department of the Interior

DAVE GIBBONS
Trustee Representative
U.S. Department of Agriculture
Forest Service

STEVE PENNOYER
Director, Alaska Region
National Marine Fisheries Service

FRANK RUE
Commissioner
Alaska Department of Fish & Game

Federal Chair

1. Call to Order 10:00 a.m.
 - Approval of Agenda
 - Approval of April 24, 2000 meeting notes
2. Public Comment Period
3. Executive Director's Report - Molly McCammon
 - GEM Planning and Review
 - Habitat Update
4. Tatitlek Small Parcels*
5. Koniag Large Parcel*
6. Investments
 - Bill Wurts' report on AK Department of Revenue Investment Performance
 - Adoption of Payout Rule*

Federal Trustees

U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees

Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

7. Noon Tribute to Retiring Trustee Steve Pennoyer

* indicates tentative action items

1:30 p.m. Bill Wurts available for questions if needed.

Adjournment following

DRAFT

Meeting Notes

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

May 22, 2000 @ 10:00 a.m.

645 G STREET, ANCHORAGE

5/19/00

11:59 am

DRAFT

DRAFT

Trustee Council Members:

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

MICHELE BROWN
Commissioner
Alaska Department of Environmental
Conservation

MARILYN HEIMAN
Special Assistant to the Secretary
for Alaska
U.S. Department of the Interior

DAVE GIBBONS
Trustee Representative
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STEVE PENNOYER
Director, Alaska Region
National Marine Fisheries Service

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 - Approval of April 24, 2000 meeting notes
2. Public Comment Period
3. Executive Director's Report - Molly McCammon
 - GEM Planning and Review
 - Habitat Update
4. Tatitlek Small Parcels*
5. Possible Executive Session on Habitat Protection
6. Koniag Large Parcel*
7. Investments
 - Bill Wurts' report on AK Department of Revenue Investment Performance
 - Adoption of Payout Rule*

Federal Trustees

U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees

Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

8. Noon Tribute to Retiring Trustee Steve Pennoyer

DRAFT

* indicates tentative action items

1:30 p.m. Bill Wurts available for questions if needed.

Adjournment following

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

April 24, 2000 @ 10:30 a.m.

By Molly McCammon
Executive Director

DRAFT

Trustee Council Members Present:

Dave Gibbons, USFS
Marilyn Heiman, USDOJ
● Bill Hines, NMFS

*Frank Rue, ADF&G
● Dan Easton, ADEC
● Craig Tillery, ADOL

* Chair

In Anchorage: Gibbons

In Juneau: Rue, Heiman, Easton, Hines, and Tillery

● Alternates:

Dan Easton served as an alternate for Michele Brown for the entire meeting.

Bill Hines 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 10:36 a.m.

1. Approval of the Agenda

APPROVED MOTION: Approved the Agenda. Motion by Tillery, second by Heiman.

2. Approval of the Meeting Minutes

APPROVED MOTION: Approved March 16 and April 7, 2000 Trustee Council meeting notes. Motion by Heiman, second by Tillery.

No public comments were received.

3. Archaeology Repository Business Plan

APPROVED MOTION: Request the following information from Chugachmuit relative to the Chugach Repository and Museum: 1) new pro forma cash flow estimates with modifications to both revenues and expenses, as well as revised building plans, as recommended in Northern Economics' review of the repository business plan, dated April 14,

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2000, and information related to the adequacy of repository exhibit space for generating income for future stewardship programs; 2) greater detail about the proposed method of financing the repository, in particular, the source of the \$150,000 start-up loan mentioned in the repository business plan and the proposed method of investing and disbursing grant funds allocated for building acquisition; and 3) resolutions from the Boards of Directors of Chugachmuit and Chugach Alaska Corporation endorsing the repository as described in the repository business plan and committing the financial or in-kind support necessary to develop and maintain the repository as indicated in new pro forma cash flow estimates. Motion by Tillery, second by Hines.

DRAFT

4. Investments

APPROVED MOTION: To amend the Order for Deposit and Transfer of Settlement Proceeds to allow for the deposit of the Joint Trust Fund, or any portion thereof, including any interest accrued thereon, previously received or to be received by the United States and the State of Alaska pursuant to the Agreement and Consent Decrees, in the Natural Resource Damage Assessment and Restoration Fund or account outside the United States Treasury or both. Motion by Tillery, second by Hines.

APPROVED MOTION: Adopted an asset allocation plan to be effective through September 30, 2003 (see attached). Motion by Tillery, second by Heiman.

Meeting adjourned at 12:36 p.m..

Financial Report

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: May 16, 2000

RE: Financial Report as of April 30, 2000

Attached is the Statement of Revenue, Disbursements and Fees, and accompanying notes for the *Exxon Valdez* Joint Trust Fund for the settlement period ending September 30, 2002, as of April 30, 2000. The following is a summary of the information incorporated in the notes and contained on the statement.

Liquidity Account Balance	\$58,888,565	
Plus: Other Adjustments (Note 5)	8,466,848	
Less: Restoration Reserve Adjustment (Note 6)	<u>-58,589,800</u>	
Liquidity Fund Balance		\$8,765,613

Restoration Reserve Accrued Value	\$39,472,622	
Plus: Liquidity Fund Adjustment (Note 6)	<u>58,589,800</u>	
Restoration Reserve Balance		\$98,062,422

Joint Trust Fund as of April 30, 2000 **\$106,828,035**

Plus: Future Exxon Payments (Note 1)	\$140,000,000	
Less: Reimbursements (Note 3)	-7,500,000	
Less: Commitments (Note 7)	<u>-79,862,567</u>	
Uncommitted Balance		\$52,637,433

Joint Trust Fund as of September 30, 2002 **\$159,465,468**

Attachments

cc: Agency Liaisons
Bob Baldauf

Federal Trustees
U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees
Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

STATEMENT OF REVENUE, DISBURSEMENT, AND FEES
EXXON VALDEZ OIL SPILL JOINT TRUST FUND
As of April 30, 2000

	1997	1998	1999	To Date 2000	Cumulative Total
REVENUE:					
Contributions: (Note 1)					
Contributions from Exxon Corporation	70,000,000	70,000,000	70,000,000	0	760,000,000
Less: Credit to Exxon Corporation for Deposit of Maturing Securities			9,095,002	9,532,863	(39,913,688)
Total Contributions	70,000,000	70,000,000	79,095,002	9,532,863	18,627,865
					738,714,177
Interest Income: (Note 2)					
Exxon Corporation escrow account					831,233
Joint Trust Fund Account	2,971,070	2,673,585	2,124,921	1,650,546	24,799,862
Total Interest	2,971,070	2,673,585	2,124,921	1,650,546	25,631,095
Total Revenue	72,971,070	72,673,585	81,219,923	11,183,409	764,345,272
DISBURSEMENTS:					
Reimbursement of Past Costs: (Note 3)					
State of Alaska	5,000,000	3,750,000	3,750,000	0	99,059,288
United States	0	0	0	0	69,812,045
Total Reimbursements	5,000,000	3,750,000	3,750,000	0	168,871,333
Disbursements from Liquidity Account:					
State of Alaska	17,846,130	15,686,600	62,457,990	1,502,800	252,438,718
United States	60,101,802	39,468,461	32,676,850	639,854	233,389,487
Transfer to the Restoration Reserve	12,449,552				48,445,783
Total Disbursements	90,397,484	55,155,061	95,134,840	2,142,654	534,273,988
FEES:					
U.S. Court Fees - Liquidity Account (Note 1)	254,221	199,946	250,528	82,527	2,311,386
Total Disbursements and Fees	95,651,705	59,105,007	99,135,368	2,225,181	705,456,707
Increase (decrease) in Liquidity Account	(22,680,635)	13,568,578	(17,915,445)	8,958,228	58,888,565
Liquidity Account Balance, beginning balance	76,957,839	54,277,204	67,845,782	49,930,337	
Liquidity Account Balance, end of period	54,277,204	67,845,782	49,930,337	58,888,565	
Other Adjustments: (Note 5)					8,466,847
Restoration Reserve Adjustment: (Note 6)					(58,589,800)
Liquidity Fund Balance					8,765,612
Restoration Reserve Balance					98,062,422
Joint Trust Fund as of June 30, 1999					106,828,033
Future Exxon Payments (Note 1)					140,000,000
Reimbursements (Note 3)					(7,500,000)
Commitments: (Note 7)					(79,862,567)
Joint Trust Fund as of September 30, 2002					159,465,466

Statement 1

**Statement of Exxon Valdez Settlement Funds
As of April 30, 2000**

Beginning Balance of Settlement	900,000,000
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Receipts:

Interest Earned on Exxon Escrow Account	337,111
Net Interest Earned on Joint Trust Fund (Note 1)	22,488,475
Interest Earned on United States and State of Alaska Accounts	8,473,986

Total Interest	<u>31,299,572</u>
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Disbursements:

Reimbursements to United States and State of Alaska	168,871,333
Exxon clean up cost deduction	39,913,688
Joint Trust Fund deposits	570,674,077

Total Disbursements	<u>779,459,098</u>
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Funds Available:

Exxon Future Payments	140,000,000
Current Year Payment	0
Balance in Liquidity Account	58,888,565
Other Adjustments (Note 2)	8,466,847
Pending Court Requests	0
Acquisition Commitments (Note 3)	(77,331,567)
Archaeological Repository (Note 4)	(2,531,000)
Alaska Sealife Center (Note 4)	0
Remaining Reimbursements	(7,500,000)
Restoration Reserve Accrued Value	39,472,622

Joint Trust Fund Balance as of September 30, 2002	159,465,466
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Note 1: Gross interest earned less District Court registry fees

Note 2: Adjustment for unreported interest earned and lapse

Note 3: Includes both current year and future year payments

Note 4: Other Authorizations

Footnote:

Statement 2

Cash Flow Statement Exxon Valdez Liquidity Account As of April 30, 2000

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
September 1998	66,250,000
Deposit of Maturing Securities	9,095,002
September 1999	66,250,000
Deposit of Maturing Securities	9,532,863

Total Deposits	570,674,077	570,674,077
Interest Earned	24,799,862	
Total Interest	24,799,862	24,799,862
Total Receipts		595,473,939

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	55,155,061
Fiscal Year 1999	95,134,840
Fiscal Year 2000	2,142,654

Total Requests	485,828,205	485,828,205
District Court Fees	2,311,386	2,311,386
Transfer to the Restoration Reserve		48,445,783
Total Disbursements		536,585,374
Balance in Joint Trust Fund		58,888,565

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 difference of \$120 represents costs paid to the Federal Reserve Bank. An additional \$10 Federal Reserve Bank fees was assessed the Restoration Reserve on 11/17/97 for costs associated with the reinvestment of maturing securities.

Exxon Valdez Restoration Reserve
Matured Securities/Outstanding Deposits
As of April 30, 2000

		Deposit	Adjustment	Earnings	Total			
November 15, 1998 Par Value		9,095,002	284,088					
November 15, 1999 Par Value		9,532,863	0					
Total of Matured Securities		18,627,865	284,088	752,847	19,664,800			
Fiscal Year 1998 Deposit		12,000,000		1,575,000	13,575,000			
Fiscal Year 1999 Deposit		12,000,000		975,000	12,975,000			
Fiscal Year 2000 Deposit		12,000,000		375,000	12,375,000			
Total of Outstanding Deposits		36,000,000		2,925,000	38,925,000			
Total Included in Liquidity Account					58,589,800			
Reserve Portfolio Accrued Value					39,472,622			
Total Accrued Value of the Restoration Reserve					98,062,422			
Interest/Fees associated with the 1998 Security:								
	Reserve	Liquidity	Total	Reserve	Liquidity	Total	Reserve	Liquidity
Period	Balance	Balance	Interest	Interest	Interest	Fees	Fees	Fees
11/19/98 - 11/26/98	9,095,002	47,795,857	40,418	7,691	32,727	4,273	813	3,460
12/10/98 - 12/16/98	9,113,858	48,059,641	26,436	5,013	21,423	2,937	557	2,380
adjustment	284,088							
12/17/98 - 12/23/98	9,402,403	48,089,227	29,586	5,785	23,802	3,287	643	2,645
12/24/98 - 12/30/98	9,407,545	48,117,048	27,821	5,439	22,382	3,091	604	2,487
11/12/99 - 11/17/99	9,726,466	50,222,386	47,265	9,154	38,111	2,488	482	2,006
November 15, 1999 Par Value	9,532,863							
1/20/00 - 1/26/00	19,405,259	58,925,192	55,979	18,435	37,544	2,946	970	1,976
3/16/00 - 3/22/00	19,536,208	58,837,806	52,306	17,367	34,939	2,753	914	1,839
3/23/00 - 3/29/00	19,552,662	58,895,985	58,179	19,315	38,864	3,062	1,017	2,045
3/30/00 - 4/05/00	19,570,960	58,649,741	58,056	19,373	38,683	3,056	1,020	2,036
4/06/00 - 4/12/00	19,589,313	58,707,961	58,219	19,426	38,793	3,064	1,022	2,042
4/13/00 - 4/19/00	19,607,717	58,767,461	59,500	19,852	39,648	3,132	1,045	2,087
4/20/00 - 4/26/00	19,626,524	58,826,637	59,176	19,743	39,433	3,115	1,039	2,075
4/27/00 - 5/03/00	19,645,228	58,888,565	61,928	20,659	41,269	3,259	1,087	2,172
Total				803,416	2,138,156		50,569	137,777

Schedule of Payments from Exxon								
As of April 30, 2000								
	September 93	September 94	September 95	September 96	September 97	September 98	September 99	Total
Reimbursements:								
United States								
FFY92	0							24,726,280
FFY93	11,617,165							36,117,165
FFY94	0	6,271,600						6,271,600
FFY95	0		2,697,000					2,697,000
Total United States	11,617,165	6,271,600	2,697,000	0	0	0	0	69,812,045
State of Alaska								
General Fund:								
FFY92	0							25,313,756
FFY93	0							16,685,133
FFY94	14,762,703							14,762,703
FFY95	0	0						0
Mitigation Account:								
FFY92	0							3,954,086
FFY93	0							12,314,867
FFY94	5,237,297	5,000,000						10,237,297
FFY95 (Prevention Account)	0		0					0
FFY96 (Prevention Account)				3,291,446				3,291,446
FFY97 (Prevention Account)					5,000,000			5,000,000
FFY98 (Prevention Account)						3,750,000		3,750,000
FFY99 (Prevention Account)							3,750,000	3,750,000
Total State of Alaska	20,000,000	5,000,000	0	3,291,446	5,000,000	3,750,000	3,750,000	99,059,288
Total Reimbursements	31,617,165	11,271,600	2,697,000	3,291,446	5,000,000	3,750,000	3,750,000	168,871,333

	September 93	September 94	September 95	September 96	September 97	September 98	September 99	Total
Deposits to Joint Trust Fund								
FFY92	0							36,837,111
FFY93	68,382,835							124,969,147
FFY94	0							0
FFY95	0	58,728,400	67,303,000					126,031,400
FFY96				66,708,554				66,708,554
FFY97					65,000,000			65,000,000
FFY98						66,250,000	66,250,000	132,500,000
Total Deposits to Joint Trust Fund	68,382,835	58,728,400	67,303,000	66,708,554	65,000,000	66,250,000	66,250,000	552,046,212
Exxon clean up cost deduction	0	0	0	0	0	0	0	39,913,688
Total Payments	100,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	690,831,233
Remaining Exxon payments to be made:								
September 1994								
September 1995								
September 1996								
September 1997								
September 1998								
September 1999								
September 2000		70,000,000						
September 2001		70,000,000						
		140,000,000						
<p>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.</p> <p>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.</p>								

Schedule of Disbursements
Exxon Valdez Liquidity Account
As of April 30, 2000

	United States	State of Alaska	Court Request Total	Court Fees	Disbursements Total
Total Fiscal Year 1992	6,320,500	6,559,200	12,879,700	23,000	12,902,700
Total Fiscal Year 1993	9,105,881	18,529,113	27,634,994	154,000	27,788,994
Total Fiscal Year 1994	6,008,387	44,546,266	50,554,653	364,000	50,918,653
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	20,408,961	14,046,700	34,455,661		
Court Request 35 Correction					
Total Fiscal Year 1998	39,468,461	15,686,600	55,155,061	199,946	55,355,007
Court Request 35 Correctio	-300		-300		
Court Request 36		29,520,000	29,520,000		
Court Request 37	13,000,000		13,000,000		
Court Request 38	451,100	1,613,200	2,064,300		
Court Request 39	156,300		156,300		
98180 Revenue Adjustment	21,400	-21,400	0		
Court Request 40	4,951,500	4,858,800	9,810,300		
Court Request 41	14,096,850	26,487,390	40,584,240		
Total Fiscal Year 1999	32,676,850	62,457,990	95,134,840	250,528	95,385,368
Court Request 42	100,500	1,235,800	1,336,300		
Court Request 43	425,254	76,800	502,054		
Court Request 44	114,100	190,200	304,300		
Total Fiscal Year 2000	639,854	1,502,800	2,142,654	82,527	2,225,181
Total	233,389,487	252,438,718	534,273,988	2,311,386	536,585,374

Exxon Valdez Liquidity Account
Interest Earned/District Court Registry Fees
As of April 30, 2000

	FFY 1994	FFY 1995	FFY 1996	FFY 1997	FFY 1998	FFY 1999	FFY 2000	Total
Earnings Deposits	33,476	55,809						138,092
Earnings Allocated:								
1991								28,704
1992								1,080,309
1993	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					1,820,177	695,964		2,516,141
1999						1,178,429	597,184	1,775,614
2000							970,834	970,834
Total	3,338,524	5,064,001	3,566,766	2,716,849	2,473,639	1,874,393	1,568,019	22,350,383
Total Earnings	3,372,000	5,119,809	3,566,766	2,716,849	2,473,639	1,874,393	1,568,019	22,488,475
Registry Fees:								
1991								3,189
1992								120,034
1993	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					146,962	166,171		313,134
1999						84,357	31,431	115,787
2000							51,097	51,097
Total	364,000	586,857	396,307	254,221	199,946	250,528	82,527	2,311,386
Gross Earnings	3,736,000	5,706,667	3,963,073	2,971,070	2,673,585	2,124,921	1,650,546	24,799,862

Schedule of Interest Earned on United States and State of Alaska Accounts			
As of April 30, 2000			
	State of Alaska	United States	
	EVOSS Account	NRDA& R	Total
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	37,215		37,215
August 1998	78,178		78,178
September 1998	157,591	(44,921)	112,670
October 1998	61,084		61,084
November 1998	(16,484)		(16,484)
December 1998	74,639	87,633	162,272
January 1999	80,222		80,222
February 1999	(78,738)		(78,738)
March 1999	101,632	172,530	274,162
April 1999	58,096		58,096
May 1999	(12,282)		(12,282)
June 1999	37,975	94,821	132,797
July 1999	28,764		28,764
August 1999	37,133		37,133
September 1999	147,627	100,380	248,007
October 1999	80,400		80,400
November 1999	40,543		40,543
December 1999	25,243	64,447	89,690
January 2000	16,945		16,945
February 2000	87,023		87,023
March 2000	98,264	124,514	222,779
April 2000	36,287		36,287
Total	6,583,217	1,890,769	8,473,986
NOTE: The \$117,178 NRDA&R interest figure is cumulative.			
Interest was earned for the period July 1992 through June 1996, 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 April 30, 2000**

Court Request	United States	State of Alaska	Total	Comments
Court Request 2	39,871	80,775	120,646	
Court Request 3	3,648	35,012	38,660	
Total Fiscal Year 1993	43,519	115,787	159,306	
Court Request 5	51,231	64,944	116,175	
Court Request 6	22,427	180,536	202,963	
Court Request 7		58,554	58,554	
Total Fiscal Year 1994	73,658	304,034	377,692	
Court Request 8	34,621	52,823	87,444	
Court Request 9		117,838	117,838	
Court Request 10	37,618	44,291	81,909	
Court Request 13	3,849	320,837	324,686	
Court Request 15	63,226	449,634	512,860	
Total Fiscal Year 1995	139,314	985,423	1,124,737	
Court Request 19	48,676	262,202	310,878	
Notice 1	37,100	300	37,400	
Notice 2	26,600	289,400	316,000	
Court Request 22	109,666	934,433	1,044,099	
Total Fiscal Year 1996	222,042	1,486,335	1,708,377	
Court Request 25	29,041	398,567	427,608	
Court Request 26a		275,700	275,700	
Court Request 29	463,989	782,501	1,246,490	
Total Fiscal Year 1997	493,030	1,456,768	1,949,798	
Court Request 34a	19,000	8,700	27,700	
Court Request 35	300		300	
Total Fiscal Year 1998	19,300	8,700	28,000	
Total Fiscal Year 1999	0	0	0	
Notice 3	88,000	38,000	126,000	
Total Fiscal Year 2000	88,000	38,000	126,000	
Adjustments to Date	1,078,863	4,395,047	5,473,910	
Total Interest Reported	1,890,769	6,583,217	8,473,986	linked to the Int Acct spreadsheet
Unallocated Interest	811,906	2,188,171	3,000,076	

Footnote: The Total Interest Reported is linked to the INT Acct spreadsheet

**Schedule of Lapse Adjustments to the Court Requests
As of April 30, 2000**

Court Request	United States	State of Alaska	Total
Court Request 6	3,106,555	3,661,600	6,768,155
Total Fiscal Year 1994	3,106,555	3,661,600	6,768,155
Court Request 15	220,858	2,376,950	2,597,808
Total Fiscal Year 1995	220,858	2,376,950	2,597,808
Court Request 22	1,165,334	2,500,448	3,665,782
Total Fiscal Year 1996	1,165,334	2,500,448	3,665,782
Court Request 29	1,102,442	3,549,927	4,652,369
Total Fiscal Year 1997	1,102,442	3,549,927	4,652,369
Adjustments to Date	5,595,189	12,088,925	17,684,114
Total Reported thru FY99	8,724,103	14,426,782	23,150,885
Unallocated Lapse	3,128,914	2,337,857	5,466,771

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 96	FFY 97	FFY 98	FFY 99	FFY 00	Total
Work Plan Authorizations								
United States:								
June 15, 1992	6,320,500	0						
January 25, 1993	0	3,113,900						
January 25, 1993	0	6,035,500						
November 10, 1993	0	0						
November 30, 1993	0	0						
June 1994								
June 1994								
July 1994								
Carry Forward Authorization								
August 1994								
November 1994								
December 1994								
March 1995								
August 1995			6,238,800					
December 1995			3,270,900					
January 1996			150,000					
April 1996			478,000					
May 1996			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		
December 1998						451,100		
May 1999								
August 1999						91,700	4,859,800	
December 1999 (CR#42)							85,500	
January 2000 (CR#43)							197,400	
March 2000 (CR#44)								
Total	6,320,500	9,149,400	10,175,900	8,319,600	7,669,600	5,940,500	5,142,700	68,714,200

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 96	FFY 97	FFY 98	FFY 99	FFY 00	Total
Work Plan Authorizations								
State of Alaska								
June 15, 1992	6,559,200	0						
January 25, 1993	0	3,574,000						
January 25, 1993	0	7,570,900						
November 30, 1993	0	0						
June 1994								
June 1994								
July 1994								
Carry Forward Authorization								
August 1994								
November 1994								
December 1994								
March 1995								
August 1995			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						8,131,400		
December 1998						1,613,200		
January 1999						12,700		
May 1999								
August 1999						(13,000)	4,871,800	
December 1999 (CR#42)							624,000	
January 2000 (CR#43)							76,800	
March 2000 (CR#44)								
Total	6,559,200	11,144,900	15,385,000	12,107,400	10,103,900	9,744,300	5,572,600	105,204,900

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 96	FFY 97	FFY 98	FFY 99	FFY 00	Total
Other Authorizations								
United States:								
Orca Narrows (6/94)								3,450,000
Eyak Limited Conservation Easement								200,000
Eyak						27,096,850	29,854	27,126,704
Kodiak National Wildlife Refuge (3/95, 9/95 AKI)			7,500,000	7,500,000				36,000,000
Kodiak National Wildlife Refuge (3/95, 9/95 Old Harbor)								11,250,000
Koniag			12,500,000	4,500,000		4,500,000		21,500,000
Small Parcels			379,000	3,740,200	4,464,300	156,300	286,000	9,025,800
Chenega Land Acquisition				24,000,000				24,000,000
Chenega-Area Oiling Reduction			3,600	157,400	182,000			343,000
Tatitlek					24,719,461			24,719,461
English Bay				14,128,074				14,128,074
Total			20,382,600	54,025,674	29,365,761	31,753,150	315,854	171,743,039
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)			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	4,000,000	4,000,000	22,194,266
Afognak Joint Ventures (10/98)						50,357,990		50,357,990
Koniag Subsurface						750,000		750,000
Small Parcels			5,020,500	3,738,000	996,100	770,000	664,800	11,189,400
Alaska SeaLife Center			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		1,857,100		3,025,000
Archaeological Repository							129,400	129,400
Total		9,000,000	28,771,167	13,177,391	4,996,100	57,735,090	4,664,800	164,023,590
Total Other Authorizations	0	9,000,000	49,153,767	67,203,065	34,361,861	89,488,240	4,980,654	335,766,629
Total Work Plan Authorizations	12,879,700	20,294,300	25,560,900	20,427,000	17,773,500	15,684,800	10,715,300	173,919,100
Restoration Reserve			35,996,231	12,449,552	0	0	0	48,445,783
Total Authorized	12,879,700	29,294,300	110,710,897	100,079,617	52,135,361	105,173,040	15,695,954	558,131,512

Exxon Valdez — Storage Reserve
For the period ending April 30, 2000

	Matured	Purchase Date	Maturity Date	Unit Cost	Bond Yield	Holding Period	Par Value	Purchase Price	Projected Interest	Daily Accrual	Interest Accrued	Fees Accrued
A1	YES	02/15/96	11/15/97	92.014982	4.820%	639	6,520,000	5,999,376.83	520,623.17	814.75	520,623.17	52,062.32
A2	YES	02/15/96	11/15/98	87.582363	4.885%	1004	6,850,000	5,999,391.87	850,608.13	847.22	850,608.13	85,060.81
A3	YES	02/15/96	11/15/99	82.953778	5.050%	1369	7,232,000	5,999,217.22	1,232,782.78	900.50	1,232,782.78	61,639.14
A4		02/15/96	11/15/00	78.462785	5.175%	1735	7,646,000	5,999,264.54	1,646,735.46	949.13	1,458,808.30	72,940.42
A5		02/15/96	11/15/01	73.993112	5.310%	2100	8,108,000	5,999,361.52	2,108,638.48	1,004.11	1,543,322.54	77,166.13
A6		02/15/96	11/15/02	69.640845	5.435%	2465	8,615,000	5,999,558.80	2,615,441.20	1,061.03	1,630,804.51	81,540.23
B1	YES	06/19/97	11/15/98	92.238000	5.835%	514	2,245,000	2,070,743.10	174,256.90	339.02	174,256.90	17,427.77
B2	YES	06/19/97	11/15/99	86.555000	6.095%	879	2,397,000	2,074,723.35	322,276.65	366.64	322,276.65	16,111.11
B3		06/19/97	11/15/00	81.242000	6.195%	1245	2,554,000	2,074,920.68	479,079.32	384.80	402,888.39	20,144.42
B4		06/19/97	11/15/01	76.141000	6.285%	1610	2,725,000	2,074,842.25	650,157.75	403.82	422,804.45	21,140.22
B5		06/19/97	11/15/02	71.628000	6.270%	1975	2,896,000	2,074,346.88	821,653.12	416.03	435,580.16	21,779.01
B6		06/19/97	11/15/03	66.930000	6.360%	2340	3,106,000	2,079,915.79	1,026,084.21	438.50	459,106.91	22,955.35
C1		11/17/97	11/15/04	66.629000	5.890%	2555	9,281,000	6,183,837.49	3,097,162.51	1,212.20	1,086,128.22	54,306.41
											10,539,991.12	604,273.97
Status:							Deposits:		FRB			
A1	The proceeds were reinvested 11/17/97 (C1).						FY 96 (Securities A1-A6)		35,996,170.78	60.00		
A2	The proceeds were deposited into the Liquidity Account.						FY 97 (Securities B1-B6)		12,449,492.05	60.00		
A3	The proceeds were deposited into the Liquidity Account.						FY 98			10.00		
							Principal		48,445,662.83			
B1	The proceeds were deposited into the Liquidity Account.						Gross Earnings		10,539,991.12	Fees to Date		
B2	The proceeds were deposited into the Liquidity Account.						Less: 1998/1999 Securities		18,724,011.76 (Par)	151,404.12		
							Less: 11/97 Fee		336,150.75	Unpaid Fees		
							Book Value		39,925,491.44			
							Less: Unpaid Fees		452,869.85			
Average CRIS Liquidity Yield				5.72%			Net		39,472,621.60			
							Pending Deposits		58,589,800.32			
							Balance		98,062,421.92	130.00		
							Prior Period		97,651,297.75			
							Net Change		411,124.17			

	Principal	Adjustment	Interest	Total
FY 1998 Deposit	12,000,000	0	1,575,000	13,575,000
1998/1999 Par Value	18,627,865	284,088	752,847	19,664,800
FY 1999 Deposit	12,000,000	0	975,000	12,975,000
FY 2000 Deposit	12,000,000	0	375,000	12,375,000
Liquidity Account Total	54,627,865	284,088	3,677,847	58,589,800
Fiscal Year 1998 Contribution				
Period Ending	Principal	Interest @ 5%	Total Transfer	
September-97	12,000,000	25,000	12,025,000	
October-97	12,000,000	75,000	12,075,000	
November-97	12,000,000	125,000	12,125,000	
December-97	12,000,000	175,000	12,175,000	
June-99	12,000,000	1,075,000	13,075,000	
July-99	12,000,000	1,125,000	13,125,000	
August-99	12,000,000	1,175,000	13,175,000	
September-99	12,000,000	1,225,000	13,225,000	
October-99	12,000,000	1,275,000	13,275,000	
November-99	12,000,000	1,325,000	13,325,000	
December-99	12,000,000	1,375,000	13,375,000	
January-00	12,000,000	1,425,000	13,425,000	
February-00	12,000,000	1,475,000	13,475,000	
March-00	12,000,000	1,525,000	13,525,000	
April-00	12,000,000	1,575,000	13,575,000	
May-00	12,000,000	1,625,000	13,625,000	
June-00	12,000,000	1,675,000	13,675,000	
July-00	12,000,000	1,725,000	13,725,000	
August-00	12,000,000	1,775,000	13,775,000	
September-00	12,000,000	1,825,000	13,825,000	
Fiscal Year 1999 Contribution				
Period Ending	Principal	Interest @ 5%	Total Transfer	
September-98	12,000,000	25,000	12,025,000	
October-98	12,000,000	75,000	12,075,000	
November-98	12,000,000	125,000	12,125,000	
December-98	12,000,000	175,000	12,175,000	
July-99	12,000,000	525,000	12,525,000	
August-99	12,000,000	575,000	12,575,000	
September-99	12,000,000	625,000	12,625,000	
October-99	12,000,000	675,000	12,675,000	
November-99	12,000,000	725,000	12,725,000	
December-99	12,000,000	775,000	12,775,000	
January-00	12,000,000	825,000	12,825,000	
February-00	12,000,000	875,000	12,875,000	
March-00	12,000,000	925,000	12,925,000	
April-00	12,000,000	975,000	12,975,000	

May-00	12,000,000	1,025,000	13,025,000	
June-00	12,000,000	1,075,000	13,075,000	
July-00	12,000,000	1,125,000	13,125,000	
August-00	12,000,000	1,175,000	13,175,000	
September-00	12,000,000	1,225,000	13,225,000	
Fiscal Year 2000 Contribution				
Period Ending	Principal	Interest @ 5%	Total Transfer	
September-99	12,000,000	25,000	12,025,000	
October-99	12,000,000	75,000	12,075,000	
November-99	12,000,000	125,000	12,125,000	
December-99	12,000,000	175,000	12,175,000	
January-00	12,000,000	225,000	12,225,000	
February-00	12,000,000	275,000	12,275,000	
March-00	12,000,000	325,000	12,325,000	
April-00	12,000,000	375,000	12,375,000	
May-00	12,000,000	425,000	12,425,000	
June-00	12,000,000	475,000	12,475,000	
July-00	12,000,000	525,000	12,525,000	
August-00	12,000,000	575,000	12,575,000	
September-00	12,000,000	625,000	12,625,000	

Quarterly Project
Status

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

FROM: Sandra Schubert *Sandra Schubert*
Restoration Director

THROUGH: Molly McCann *Molly McCann*
Executive Director

DATE: May 1, 2000

RE: Quarterly Project Status Summary -- March 31, 2000

This memorandum summarizes the status of reports for the quarter ending March 31, 2000, for all restoration projects funded by the Trustee Council during 1992, 1993, 1994, 1995, 1996, 1997, 1998, and 1999. The memorandum also includes progress updates for 2000 projects and the status of the 22 NRDA reports that were not final at the time the settlement agreement was reached.

Attachment A summarizes the status of project reports (including NRDA reports) by agency.

Attachment B lists the reports that are significantly behind schedule. Reports are on this list if (1) they have not yet been submitted to the Chief Scientist, (2) they were reviewed by the Chief Scientist, returned to the PI for revision longer ago than six months, and have not been revised and resubmitted to the Chief Scientist, or (3) they were submitted to the Chief Scientist for peer review more than six months ago and have not yet been peer reviewed.

Attachment C summarizes activities conducted during the January-March quarter for all projects underway in FY 00.

As of March 31, 2000, a total of 319 restoration project reports had been peer reviewed and accepted by the Chief Scientist (this is up from 309 reports accepted as of December 31, 1999). Once accepted by the Chief Scientist, reports are submitted to the Alaska Resources Library and Information Services (ARLIS). As of March 31, 295 reports were available to the public through ARLIS and other libraries around the state (this is up from 284 reports available as of December 31, 1999). Please contact the Restoration Office or ARLIS if you would like a list of the reports that are currently available to the public.

Status of 1992 Project Reports as of March 31, 2000

A total of 75 reports are being produced on projects funded in the 1992 Work Plan. These reports are considered "final" reports and are subject to peer review and approval by the Chief Scientist. (NOTE: Reports "in progress" are in peer review, are under revision by the PI in response to peer reviewer comments, or have been revised and are undergoing a second review by the Chief Scientist.)

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
72	1	2	0

Status of FY 93 Project Reports as of March 31, 2000

A total of 28 final reports are being produced on projects funded in the 1993 Work Plan.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
25	1	1	1

Status of FY 94 Project Reports as of March 31, 2000

A total of 37 final reports are being produced on projects funded in the FY 94 Work Plan.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
36	1	0	0

Status of FY 95 Project Reports as of March 31, 2000

A total of 52 reports are being produced on projects funded in the FY 95 Work Plan. Beginning with the FY 95 project year, "annual" reports are required for continuing projects. Annual reports, although peer reviewed, are not required to be rewritten in response to peer review comments. Rather, the peer review comments are to be used to guide future work on the project.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
51	0	1	0

Status of FY 96 Projects as of March 31, 2000

A total of 51 reports are being produced on projects funded in the FY 96 Work Plan.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
46	3	0	2

Status of FY 97 Projects as of March 31, 2000

A total of 54 reports are being produced on projects funded in the FY 97 Work Plan.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
43	7	4	0

Status of FY 98 Projects as of March 31, 2000

A total of 48 reports are being produced on projects funded in the FY 98 Work Plan.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
21	13	11	3

Status of FY 99 Projects as of March 31, 2000

A total of 63 reports are being produced on projects funded in the FY 98 Work Plan.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
1	0	23	39

Status of FY 00 Projects as of March 31, 2000

A project-by-project summary of activities conducted during the January-March quarter is presented in **Attachment C**.

Status of NRDA Reports as of March 31, 2000

A total of 22 NRDA reports that were not final at the time the settlement agreement was reached are in the process of being finalized.

<u>Reports Available to Public at ARLIS</u>	<u>Reports Accepted by Chief Scientist but Not Yet Available to Public</u>	<u>Reports in Progress</u>	<u>No Report Yet Submitted</u>
20	0	2	0

ATTACHMENT A

Summary of Project Report Status as of March 31, 2000

1992 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	2	0	0	2	2
ADFG	26	0	2	24	26
ADNR	1	0	0	1	1
DOI	33	0	0	33	33
NOAA	11	0	0	11	11
USFS	2	0	0	2	2
TOTAL	75	0	2	73	72

1993 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	2	0	0	2	2
ADFG	12	1	1	10	10
ADNR	0	0	0	0	0
DOI	9	0	0	9	9
NOAA	3	0	0	3	3
USFS	2	0	0	2	1
TOTAL	28	1	1	26	25

1994 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	1	0	0	1	1
ADFG	19	0	0	19	19
ADNR	2	0	0	2	2
DOI	6	0	0	6	5
NOAA	5	0	0	5	5
USFS	4	0	0	4	4
TOTAL	37	0	0	37	36

ATTACHMENT A

Summary of Project Report Status as of March 31, 2000

1995 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	4	0	0	3	4
ADFG	26	0	1	25	26
ADNR	1	0	0	1	1
DOI	7	0	0	7	7
NOAA	8	0	0	8	8
USFS	6	0	0	6	5
TOTAL	52	0	1	50	51

1996 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	1	0	0	1	0
ADFG	27	2	0	25	25
ADNR	3	0	0	3	3
DOI	4	0	0	4	3
NOAA	9	0	0	9	9
USFS	7	0	0	6	6
TOTAL	51	2	0	48	46

1997 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	2	0	0	2	2
ADFG	28	0	3	25	23
ADNR	4	0	0	4	3
DOI	6	0	0	6	4
NOAA	8	0	1	7	8
USFS	6	0	0	6	3
TOTAL	54	0	4	50	43

ATTACHMENT A

Summary of Project Report Status as of March 31, 2000

1998 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	1	0	1	0	0
ADFG	21	1	6	14	11
ADNR	3	0	1	2	1
DOI	8	1	1	6	0
NOAA	11	0	1	10	8
USFS	4	1	1	2	1
TOTAL	48	3	11	34	21

1999 WORK PLAN

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	2	2	0	0	0
ADFG	25	15	10	0	0
ADNR	5	4	1	0	0
DOI	11	5	6	0	0
NOAA	15	10	5	0	0
USFS	5	3	1	1	1
TOTAL	63	39	23	1	1

NRDA REPORT COMPLETION

AGENCY	NUMBER OF REPORTS	Not Yet Submitted to Chief Sci.	In Progress	Peer Rev'd/ Accepted by Chief Scientist	Available to Public at ARLIS
ADEC	1	0	0	1	1
ADFG	17	0	2	15	15
DOI	2	0	0	2	2
NOAA	2	0	0	2	2
TOTAL	22	0	2	20	20

Overdue Reports (as of 4/26/00)

Agency	Project Number	PI	Final or Annual	Project Title	Status of Report
ADEC	99514	See	Final	Lower Cook Inlet Waste Management Plan	Project schedule delayed. Plan/report originally due 2/28/99; now expected 3/00.
ADFG	FS13	Baker	Final	Effects of hydrocarbons on bivalves	Peer reviewed; returned to PI for revision 11/11/98. Now expected early summer 2000.
ADFG	93033-1	Rothe	Final	Harlequin duck - Afognak habitat assessment/PWS production	Peer reviewed; returned to PI for revision 11/14/95; most recent due date was 7/1/98; now expected 5/31/00.
ADFG	93033-2	Rothe	Final	Harlequin restoration	Never submitted; most recent due date was 7/1/98; now expected 5/31/00.
ADFG	96258A-1	Tarbox	Final	Sockeye: Kenai	Never submitted; was due 1/1/98 (with manuscript). PI will retire 6/1/00; if report not submitted by that date, a new strategy will need to be devised.
ADFG	96258A-2	Swanton	Final	Sockeye: Kodiak	Never submitted; was due 10/30/97; now expected 3/31/00.
ADFG	97165	Seeb	Final	Herring genetics	Peer reviewed; returned to PI for revision 6/29/99
ADFG	98196	Habicht	Final	Pink salmon genetics	Never submitted; was due 4/15/99; now expected 4/30/00.
ADFG	99052A	Brown-Schwalenberg	Annual	Community involvement	Never submitted; was due 4/15/00
ADFG	99052B	Brown-Schwalenberg	Annual	TEK	Never submitted; was due 4/15/00
ADFG	99127	Kompkoff	Annual	Tatitlek coho release	Never submitted; was due 4/15/00
ADFG	99131	Brown-Schwalenberg	Final	Clam restoration	Never submitted; was due 4/15/00 [NOTE: Have requested FY 01 funds to complete report.]
ADFG	99252-1	L. Seeb	Final	Genetics project: pollock component	Never submitted; was due 9/30/99; now expected 4/30/00.
ADFG	99252-2	L. Seeb	Final	Genetics project: black rockfish component	Never submitted; was due 1/31/00; now expected 6/30/00.
ADFG	99263	Meganack	Annual	Port Graham streams	Never submitted; was due 4/15/00
ADNR	98180	Weiner	Annual	Kenai River restoration	Peer reviewed; returned to PI for revision 8/23/99

Overdue Reports (as of 4/26/00)

ADNR	99007A	Reger	Annual	Archaeology index sites	Never submitted; was due 4/15/00
DOI	99159	Irons	Annual	Marine bird surveys	Never submitted; was due 4/15/00
DOI	98286	Henrichs	Final	Elders/Youth Conference	Never submitted; was due 9/30/98
NOAA	99012A	Matkin	Annual	Killer whale monitoring	Never submitted; was due 4/15/00
NOAA	99361	Allen	Video	Dynamic graphical techniques	Never submitted; was due 9/30/99
NOAA	99368	Whitney	Maps	ESI maps	Never submitted; were due 9/30/99; now expected late summer 2000.
NOAA	99468	Thomas	Final	Acoustic target strength	Never submitted; was due 11/30/99
USFS	98145	Reeves	Final	Cutt/dolly populations	Never submitted; was due 9/30/99; then expected 4/15/00; now expected 7/15/00.
USFS	99256B	Gillikin	Annual	Solf Lake	Never submitted; was due 4/15/00
USFS	99339-2	Suring	Final	Human use model & recommendations	Never submitted; was due 12/31/99, now expected 4/15/00
USFS	99381	Bishop	Final	Seabird colony status	Never submitted; was due 9/30/99
The following reports were submitted to the Chief Scientist for peer review more than 6 months ago:					
	97139A1	Honnold	Final	Little Waterfall bypass	Submitted for peer review 8/30/99
	98247	McCullough	Annual	Kametolook River	Submitted for peer review 6/29/99
	98329	Rice	Final	Pink salmon synthesis	Submitted for peer review 10/7/99
	99188	Joyce	Final	Otolith marking	Submitted for peer review 9/29/99
	99348	Ben-David	Final	River otter	Submitted for peer review 10/4/99
	99471	Fall	Final	Subsistence update	Submitted for peer review 10/8/99

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00007A-CLO	Archaeological Index Site Monitoring	D. Reger/ADNR	ADNR

Project Tasks to be Completed this Quarter

by April 15

Submit final report for peer review
Submit ms. for Restoration Notebook series

by June 30

Move documents and collections to repositories

Conferences

Alaska Anthropological Association (March 2000) - present summary of data collected over life of EVOS archaeology program with reference to final and annual reports

00012A-BAA	Photographic and Acoustic Monitoring of Killer Whales in Prince William Sound and Kenai Fjords	C. Matkin/North Gulf Oceanic Society	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Input 1999 data into GIS system
DONE-Analyze photos from 1999 fieldwork
DONE-Complete analysis of pedigree and allele frequency data
UNDERWAY-Conduct acoustic analysis of killer whale calls from previous year
UNDERWAY-Continue winter recordings at ASLC from remote hydrophone

Jan - March

UNDERWAY-Continue winter recordings at ASLC from remote hydrophone

April-June

-Annual report due (4/15/00)

July-Sept

-Conduct fieldwork

Conferences

DONE-Society for Marine Mammalogy, Maui, HI (11/28-12/3/99) - present paper on changes in pods 1984-99

Publications

Definition of acoustic dialects
Contaminant results

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00025-CLO	Mechanisms of Impact and Potential Recovery of Nearshore Vertebrate Predators (NVP)	L. Holland-Bartels/ USGS-BRD, et al	DOI

Project Tasks to be Completed this Quarter

Dec

UNDERWAY (ABSTRACTS SUBMITTED)-Submit 10 ms. intended for feature article to journal

6 mo. after final report is peer reviewed

Complete revision of final report

Sept

Revised journal submission

Additional publications

1. O'Clair, et al - mussel population structure
2. Lindeberg, et al - mussel abundance and growth
3. Millstein, et al - mussel growth comparisons
4. Esler, et al - survival of radio-marked harlequins
5. Esler, et al - molting harlequins
6. Esler, et al - winter survival of female harlequins
7. Bowman, et al - winter harlequin densities
8. Rust, et al - P450 in seaducks
9. Mulcahy, et al - harlequin blood chemistry
10. Snyder, et al - P450 in sea otters
11. Seiser, et al - pigeon guillemot blood parameters
12. Seiser, et al - pigeon guillemot reproductive success
13. Taylor, et al - fecal porphyrin profiles in river otters

00048-BAA	Publication: Historical Analysis of Sockeye Salmon Growth Among Populations Affected by the Oil Spill and Large Spawning Escapements	G. Ruggerone/NRC, Inc., D. Rogers/Univ. Wash.	NOAA
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Project Tasks to be Completed this Quarter

Dec

DELAYED-Submit papers for publication:

1. Effects of large escapements on sockeye growth and returns
2. Marine growth and returns reflect 1970s ocean regime shift

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00052	Community Involvement/Traditional Ecological Knowledge	P. Brown- Schwalenberg/CRRC	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Natural resource training workshop for community facilitators and natural resource specialists

UNDERWAY-Work with RO to disseminate and receive feedback on GEM

Jan-March

DONE-Second natural resource training workshop for community facilitators and natural resource specialists

DONE-Develop new projects with communities

April 15

-Submit annual report

By Sept. 30

-Identify species on which to develop population and monitoring programs at the local level

-Pilot project communities talk to landholders adjacent to villages regarding stewardship and management programs

-Develop draft GEM Community Integration Plan

oing

rk with communities who are not under pilot program to develop tribal natural resource mgt. programs

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00064-CLO	Monitoring, Habitat Use, and Trophic Interactions of Harbor Seals in Prince William Sound	K. Frost/ADFG	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

DONE - Analyze 99 aerial survey data

DONE - Analyze D20 samples

DONE - Presentations on fatty acids (REPLACED WITH PRESENTATION ON COMPARATIVE PUP PHYSIOLOGY/DIVING - BURNS), seal diving (FROST), and Bayesian trend count analysis (VER HOEF) at Marine Mammal Conference, Maui, HI (Nov.)

NOT INVITED; DON'T KNOW IF IT OCCURRED; OTHER ADFG STAFF NOW REPRESENTING ALL ADF&G HARBOR SEAL STUDIES - Attend ANHSC meeting (Nov?)

Jan-Mar

DONE-Retrieve 99 Argos SDR data

DONE-Analyze 99 seal/prey fatty acid samples

?-Develop fatty acids model

DONE-Coordination meeting for ADFG and NOAA harbor seal studies

DELAYED TO 4/00-Submit ms. on PWS seal movements

DONE-Presentation at EVOS annual workshop

-June

Final SDR tag data analysis

Final trend analysis 1989-99

Final fatty acid analysis

Submit ms. on 1989-99 trend analysis using Bayes method

July-Sept

Conduct aerial surveys at 25 sites in PWS

Submit final report with recommended monitoring scheme

Submit ms. on fatty acids

Submit ms. on diving and movement of seal pups in PWS

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00090-CLO	Monitoring of Oiled Mussel Beds in Prince William Sound	P. Harris, C. Brodersen/NOAA	NOAA

Project Tasks to be Completed this Quarter

Oct-Dec

UNDERWAY-Complete hydrocarbon analyses

Jan-Mar

DONE-EVOS Annual Workshop

April-June

-Submit final report (4/15)

July-Sept

-Prepare ms:

1. Effectiveness of manual restoration of mussel beds
2. Natural recovery of mussel beds impacted by EVO

0	Public Information, Science Management, and Administration	All Trustee Council Agencies	ALL
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Project Tasks to be Completed this Quarter

One component of this project is ARLIS. For the quarter ending 3/31/00, ARLIS staff received 5,391 visitors and 1,254 incoming calls, issued 181 new library cards, responded to 4,413 requests for in-depth information, 303 of which were EVOS questions (routine requests for EVOS documents are now handled by the Restoration Office), and processed 3,393 interlibrary loans (165 for EVOS materials). 6,303 people have used the ARLIS web site since 12/31/99, which includes a list of links to oil spill related sites. ARLIS staff reviewed, approved, and distributed 4 final reports and 11 annual reports; 309 reports and 2 videos are now available. In February, the ARLIS Founders Board approved the strategic plan and FY 01 budget. In March, ARLIS staff began a quality control review of the public record copy of the Trustee Council official record.

00126	Habitat Protection and Acquisition Support	C. Fries/ ADNR, K. Holbrook/USFS, G. Elison/DOI	ADNR
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Project Tasks to be Completed this Quarter

Tasks performed Oct-Dec:

Continued work on numerous small parcel acquisitions. Completed Phase II of AJV. Second phase of Eyak ongoing. Tatitlek small parcels are being appraised. Work proceeding on Old Harbor exchange.

Tasks performed Jan-Mar:

Eyak Phase II closed.

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00127	Tatitlek Coho Salmon Release	G. Kompkoff/Tatitlek IRA Council	ADFG

Project Tasks to be Completed this Quarter

NOTE: PROJECT APPROVED 12/16/99.

Oct-Dec

DONE-Prepare net pens for smolt
DONE-Inspect net & repair if needed
DONE-Check anchors at site

April-June

Submit annual report (April 15)
Transport smolt to Boulder Bay and place in net pens (May)
Release smolt into Boulder Bay (June)

July-Sept

Egg take (August)

9A2	Port Dick Creek Tributary Restoration and Development	W. Bucher/ADFG	ADFG
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Project Tasks to be Completed this Quarter

Throughout year

-Monitor hydrologic parameters
-Monitor bedload transport, accumulated sediments, and transport rates

Oct-Dec

DONE-Collect final riffle elevations, streambed scour and sedimentation data

Jan-March

April-June

-Submit final report (April 15)
-Submit journal article

July-Sept

- Address peer review / editorial comments

**Exxon Valdez Oil Spill Project Status Summary
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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00144A-CLO	Common Murre Population Monitoring	D. Roseneau/USFWS	DOI

Project Tasks to be Completed this Quarter

Oct-Dec

UPDATE NOT PROVIDED.

- FY 99 data analysis
- Trend analysis FY 89-97
- Submit ms. using FY 89-99 results (Dec. 15)

Jan-March

UPDATE NOT PROVIDED.

- EVOS Annual Workshop
- Present project results at PSG conference

April-June

- Submit final report (April 15)

July-Sept

00159	Surveys to Monitor Marine Bird Abundance in Prince William Sound During Winter and Summer 2000	B. Lance, D. Irons/USFWS	DOI
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Arrange logistics for winter survey

Jan-Mar

UPDATE NOT PROVIDED.

- Conduct winter survey in PWS

April-June

- Data analysis
- Arrange logistics for summer survey
- Submit annual report (4/15/00)

July-Sept

- Conduct summer survey in PWS

**Exxon Valdez Oil Spill Project Status Summary
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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00163-CLO	Alaska Predator Ecosystem Experiment in Prince William Sound and the Gulf of Alaska (APEX)	D. Duffy/Paumanok Solutions, et al	NOAA

Project Tasks to be Completed this Quarter

by Sept 30
Submit final report

Manuscripts to be submitted in FY 00

- A: Thedinga, et al. Distribution and abundance of forage fish
- B: 1. Ostrand, et al. Murrelet and seabird foraging habitat
2. Ostrand, et al. Determining sand lance habitat through hydroacoustic data
3. Gotthardt, et al. Distribution of sand lance and burrowing habitat
4. Gotthardt, et al. Effects of climate variability on capelin
- E: 1. Suryan, et al. Kittiwakes as indicators of forage fish availability
2. Suryan, et al. Diets and daily foraging activities of kittiwakes
3. Irons, et al. Use of feeding flocks by kittiwakes.
4. Benson, et al. Limitations of foraging effort of kittiwakes
- F: 1. Golet, et al. Adult prey specialization affects on pigeon guillemots
2. Golet, et al. Factors limiting recovery of pigeon guillemot recovery
3. Golet, et al. Foraging site fidelity of pigeon guillemots
Golet, et al. Effect of prey selection on foraging patterns in pigeon guillemots
Ballachey, et al. Assessment of exposure to oil in marine predators
6. Seiser, et al. Blood parameters of pigeon guillemot chicks
- G: 1. Jodice, et al. Parental investment in black-legged kittiwakes
2. Jodice, et al. Parental energy expenditure in black-legged kittiwakes
- J: 1. Kettle, et al. Common murre nesting dates at East Amatuli
2. Roseneau, et al. Timing of nesting at Barren Islands
3. Roseneau, et al. Black-legged kittiwake productivity and growth at Kachemak Bay
- K. Roseneau, et al. Using halibut to sample forage fish
- L: 1. Piatt. Long-term changes in the GOA marine ecosystem
2. Piatt. Long-term shifts in benthic commercial fishery species: a case study
3. Piatt. Pandalid shrimp declines in GOA: forage fish regime shift
- M: 1. Piatt, et al. Response of seabirds to variation in food density
2. Drew, et al. Abundance of forage fish in lower Cook Inlet
3. Piatt, et al. Can seabirds recover from EVOS?
4. Abookire, et al. Structure and composition of fish communities
5. Speckman, et al. Spatial associations of seabirds and their prey
6. Shultz, et al. Common murres at Chisik, Gull, and Barren islands
7. Kettle, et al. Black-legged kittiwakes at Chisik, Gull, and Barren islands
8. Litzow, et al. Consequences of prey for breeding pigeon guillemots
9. Harding, et al. Horned puffins at Chisik Island
10. Kitaysky, et al. Stress response in common murres
11. VanPelt, et al. Diets of seabirds in lower Cook Inlet
12. Robards, et al. Monitoring of nearshore fish in Cook Inlet.
- O: Kern & Ostrand. Resource selection by seabirds 1996-99
- Q: 1. Ainley, et al. Factors affecting occurrence patterns of black-legged kittiwakes
2. Ainley, et al. Factors affecting distribution and size of black-legged kittiwake colonies
3. Ford, et al. Model of foraging strategies of black-legged kittiwakes
- R: 1. Kuletz, et al. Marbled murrelet: environmental factors and marine habitats
2. Kuletz, et al. Marbled murrelet foraging ranges and habitats
3. Kuletz. Marbled murrelet fledging
4. Kuletz, et al. Effects of prey on marbled murrelet productivity
5. DeGange, et al. Marbled murrelet nesting
6. Marks, et al. Use of forested and unforested marbled murrelet nesting habitat

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
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S: 1. Purcell, et al. Competition among jellyfish and forage fish
 2. Purcell, et al. Trends in scyphomedusae abundance
 3. Purcell, et al. Hydromedusan populations
 4. Purcell. Predation effects of scyphomedusae
 5. Purcell, et al. Biomass comparisons among forage fish and jellyfish
 T: None

Presentations at professional conferences:

E, G, I, M, Q: Joint American Ornithological Union/British Ornithological Society meeting in St. Johns, Newfoundland (August 14-19, 2000)

00169-CLO	A Genetic Study to Aid in Restoration of Murres, Guillemots, and Murrelets in the Gulf of Alaska	V. Friesen/Queen's Univ., J. Piatt/USGS-BRD	DOI
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Project Tasks to be Completed this Quarter

Oct-Dec

Jan-March

- IE-Analyze data for common murres

April-June

-Submit annual report (4/15/00)
 -Analyze data for murrelets
 -Analyze data for guillemots
 -Submit common murre ms. (6/30/00)

July-Sept

-Submit marbled murrelet ms. (8/31/00)

In FY 01 (to be completed with FY 00 funding)

-Submit guillemot ms. (10/31/00)
 -Submit Kittlitz's murrelet ms. (12/31/00)
 -Submit final report (4/15/01)

00180-CLO	Kenai Habitat Restoration and Recreation Enhancement	M. Rutherford/ADNR	ADNR
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Project Tasks to be Completed this Quarter

April 15

EXTENSION TO 9/30/00, PENDING COMPLETION OF SLIKOK PHASE II-Submit final report

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00190	Construction of a Linkage Map for the Pink Salmon Genome	F. Allendorf/Univ. Montana	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

ONGOING-Continue genetic analysis of fry from 1998 cohort

ONGOING-Perform genetic analysis of adults used in experimental matings to produce 1999 cohort

Jan-March

-

April-June

-Rear experimental progeny from 1999 cohort at Alaska SeaLife Center

-Submit annual report (4/15/00)

July-Sept

-Perform genetic analysis of 1999 cohort produced in experimental matings

-Begin analysis of returning sexually mature fish from the 1998 cohort

Conferences

(specified)

00195	Pristane Monitoring in Mussels	J. Short, P. Harris/NOAA	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Analyze FY 99 samples

Jan-March

DONE-Meet with PWS hatchery officials to coordinate sample collection in FY 00

April-June

-Submit annual report (April 15)

FIRST TRIP COMPLETED-Collect mussel samples

July-Sept

-Analyze 2000 samples for pristane

Publications

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00210	Youth Area Watch	R. DeLorenzo/Chugach School District	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Select students for participation

DONE-Provide protocol training to site teachers

DONE-Student orientation and training

DONE-Prepare weather station at each site

ALSO, STUDENTS ATTENDED HARBOR SEAL BIOSAMPLING TRAINING AND SUBMITTED PROPOSALS FOR LOCAL RESTORATION/RESEARCH PROJECTS

Jan-March

DONE-Project coordinator send data to PIs (March 1)

DONE-Site teacher follow-up training

ALSO, STUDENTS TRAVELED TO AUKE BAY LAB IN JUNEAU, PRESENTED AT EVOS ANNUAL WORKSHOP, AND ATTENDED HARBOR SEAL BIOSAMPLING TRAINING

April-June

-Project coordinator send data to PIs (June 1)

 dents complete project reports

 mit annual report (4/15/00)

July-Sept

-

Ongoing

-Students participate in research activities

-Students maintain web site

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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00225	Port Graham Pink Salmon Subsistence Project	E. McCollum/Port Graham IRA Council	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Heat-treat incubators containing the lots intended for extended rearing and heated water rearing, to produce a separate otolith mark for each lot

DONE-After eye-up, eggs from the lot intended to reach 1 gram by late May are put on a heated water regimen

Jan-March

DONE-Accelerated pinks with warmer water for early saltwater acclimation

DONE-Pink incubation, removed egg baskets - hatch complete

April-June

-Release heated-water-rearing lot into zooplankton bloom (May)

-Release standard-treatment-rearing lot into zooplankton bloom (May)

-Transfer pink fry to net pens

July-Sept

-Release extended-rearing lot (late June, early July)

itor pink salmon return to Port Graham

uture hatchery broodstock

-Egg take

-Submit final report (9/30/00)

00245	Community-Based Harbor Seal Management and Biological Sampling	V. Vanek/ADFG, M. Riedel/Alaska Native Harbor Seal Commission	ADFG
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Project Tasks to be Completed this Quarter

Ongoing

-Biological sample collection

Oct-Dec

DONE; ADDITIONAL TRAINING SESSIONS WERE HELD IN FEBRUARY-Hold training sessions for biological sampling for new technicians

Jan-Mar

DONE (OCTOBER)-Produce and distribute newsletter

April-June

-Submit annual report (April 15)

Sept

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FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00247	Kametolook River Coho Salmon Subsistence Project	J. McCullough, L. Scarborough/ADFG	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Capture adult coho and place in holding pens until salmon are ripe
 DONE-Perform maintenance of instream incubation system and school aquarium
 DONE-Conduct stream surveys
 DONE-Conduct escapement surveys
 DONE-Perform coho salmon egg take, fertilize eggs, place in incubation boxes
 DONE-Sample salmon for genetic and pathology tests
 UNDERWAY-Renew school aquarium FTP
 DONE-Consult with teachers
 DONE-Meet with school children and community to discuss project
 DONE-Hatchery specialist conduct additional training for Perryville assistants and evaluate project
 DONE-Status report of project to Alaska Board of Fisheries in Fairbanks
 ALSO, PRESENTED PROJECT AT AMERICAN FISHERIES SOCIETY MEETING IN KODIAK

Jan-March

DONE-Transport eyed eggs to the aquarium
 IE-Analyze commercial harvest data
 ERWAY-Analyze subsistence harvest data
 DONE-Present talk and poster at Annual Workshop

April-June

DONE-Review meeting with assessment team to evaluate the project
 -Fry release from egg boxes
 -Perryville students release aquarium fry
 ONGOING-Monitor incubation boxes
 EXTENDED TO 6/30/00-Submit annual report (April 15)
 DONE BY TELECONFERENCE 4/6/00-RPT meet in Chignik Bay to review status of project

July-Sept

-Monitor incubation boxes
 -Conduct stream surveys

00250	Project Management	All Trustee Council Agencies	ALL
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Project Tasks to be Completed this Quarter

N/A

Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00256B	Sockeye Salmon Stocking at Solf Lake	D. Gillikin/USFS, P. Shields/ADFG	USFS

Project Tasks to be Completed this Quarter

PROJECT APPROVED 1/31/00.

Oct-Dec

Jan-March

-

April-June

- Award logistics contracts (USFS)
- Release second year of sockeye fry at Solf Lake (PWSAC)

July-Sept

- Conduct limnological sampling and prepare report (ADFG)
- Conduct egg take for FY 2000 stocking at Solf Lake (PWSAC)

December 1999 (FY 2000)

- Complete survey and final design of fishway (USFS)

00263	Assessment, Protection and Enhancement of Salmon Streams in Lower Cook Inlet	W. Meganack, Jr./Port Graham Corporation	ADFG
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Project Tasks to be Completed this Quarter

Oct-Dec

- DONE-Monitor Windy Creek Left rearing ponds; conduct maintenance
- DONE-Monitor Port Graham River fish pass; conduct maintenance

Jan-March

- DONE-Present talk at Annual Workshop

April-June

- Maintain fish pass as needed
- Monitor use of rearing ponds by coho fry and smolt (May)

July-Sept

- Conduct salmon run surveys on Port Graham River
- Monitor fish pass and conduct maintenance as needed
- Monitor use of rearing ponds (Oct.)
- Submit final report (9/30/00)

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00273	Scoter Life History and Ecology: Linking Satellite Technology with Traditional Knowledge to Conserve the Resource	D. Rosenberg/ADFG	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

ONGOING-Coordinate and plan community involvement, Youth Area Watch, and TEK
DONE-Attend synthesis workshops in communities
DONE-Meet with local subsistence harvesters
DONE-Arrange logistics, order equipment

Jan-March

DONE-Reconnaissance surveys for scoter concentrations
DONE-Capture birds for radio implants

April-June

EXTENSION TO 6/15/00-Submit annual report (April 15)
-Continue capture activities
-Monitor birds at ASLC
-Conduct surgical implants and attach VHF transmitters
-Release birds in PWS
 -Induct VHF tracking flights to measure mortality
 -Monitor satellite transmitters

July-Sept

-Monitor movement of satellite transmitted birds
-Maintain web site

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00278	Development of an Ecological Characterization and Site Profile for Kachemak Bay/Lower Cook Inlet	G. Seaman/ADFG	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec & Jan-March

UNDERWAY-Collect existing spatial data and include in GIS

DONE-Digitize new spatial data

UNDERWAY-Develop metadata for GIS

UNDERWAY-Serve GIS spatial data and associated metadata on the KBNERR web page

UNDERWAY-Complete bibliography

UNDERWAY-Provide narrative and spatial information to CSC

April-June

-Develop draft CD

-Train managers, researchers, and other users of the product

-User evaluation

July-Sept

-Make appropriate modifications based on user evaluation

-Develop product maintenance plan

 Develop Internet product

 Submit final products and report to Chief Scientist and Trustee Council (9/30/00)

00287-BAA	Seabird-Oceanographic Relationships in the Northern Gulf of Alaska: Integration with NSF/NOAA Study GLOBEC	R. Day/ABR, Inc.	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

Jan-Mar

UNDERWAY-First cruise (March)

April-June

-Second cruise (April)

-Third cruise (May)

July-Sept

Also

-Fourth cruise (Oct.)

-Fifth cruise (Dec.)

 Final report due April 15, 2001 (presumably contract will be written through this date)

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00290	Hydrocarbon Data Analysis, Interpretation, and Database Maintenance	J. Short, B. Nelson/NOAA	NOAA

Project Tasks to be Completed this Quarter

Ongoing

- Store samples
- Analyze data

April-June

- Submit annual report in the form of updated release of hydrocarbon data software (April 15)

Conferences

- Quality Assurance/Quality Control Annual (1999 intercomparison exercise) Meeting (Maryland, April 3, 2000)

00306-CLO	Ecology and Demographics of Pacific Sand Lance in Lower Cook Inlet	J. Piatt/USGS-BRD	DOI
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Project Tasks to be Completed this Quarter

- IE-Submit final report (by April 15)

- Submit ms. for publication (by Sept. 30) -- Robards, et al

1. Prediction of sand lance habitat using hydroacoustics
2. Changes in sand lance abundance
3. Geographic variability in sand lance growth
4. Variability in abundance of sand lance

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00320-BAA	Sound Ecosystem Assessment (SEA): Publishing the Integrated Final Report and a Program Synthesis	J. Allen/PWSSC	NOAA

Project Tasks to be Completed this Quarter

NOTE: PROJECT NOT AUTHORIZED UNTIL 3/20/00 DUE TO PI'S OVERDUE PRODUCTS FROM 99320 & 99361.

by 2/1/00

UNDERWAY-Manuscript package for FO reviewed by Dr. Pearcy

UNDER PEER REVIEW-Final report copied and distributed by ADFG

-Synthesis revised by authors

by 3/1/00

UPDATE NOT PROVIDED

Reviewed package sent to FO for publication

by 9/1/00

Published volume ready for distribution

7	Pigeon Guillemot Restoration Research at the Alaska SeaLife Center	D. Roby/Oregon State Univ.	DOI
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Project Tasks to be Completed this Quarter

NOTE: PROJECT NOT AUTHORIZED UNTIL 2/24/00 DUE TO LATE SUBMITTAL OF REVISED DPD.

Oct-Dec

Jan-March

April-June

-Install artificial nest sites, decoys, and playback sound equipment at SeaLife Center (May 1-15)

July-Sept

-Collect field data on guillemot use of artificial nest sites, raise guillemot nestlings in captivity, conduct captive rearing experiments, and release captive-reared fledglings

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00330-CLO	Mass-Balance Model of Trophic Fluxes in Prince William Sound	D. Pauly/UBC	NOAA

Project Tasks to be Completed this Quarter

Oct-Dec

UPDATE NOT PROVIDED.

-Produce and distribute final CD-ROM

-Submit Wright, et al, ms. Ecological implications of ECOPATH

Jan-March

UPDATE NOT PROVIDED.

-Submit Purcell, et al, ms. Simulations of zooplanktivore populations using ECOPATH

00338	Survival of Adult Murres and Kittiwakes in Relation to Forage Fish Abundance	J. Piatt/USGS-BRD	DOI
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Evaluate results of FY 99 work

Jan-Mar

UNDERWAY-Arrange resighting logistics

April-June

-Arrange logistics

-Conduct field work

-Submit annual report (April 15)

July-Sept

-Compile resighting results; conduct data analysis

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00339-CLO	Western Prince William Sound Human Use and Wildlife Disturbance Model	L. Suring/USFS, K. Murphy/USFWS	USFS

Project Tasks to be Completed this Quarter

Oct-Dec

UNDERWAY-Synthesize literature on wildlife disturbance into draft management recommendations (Oct. 31)

UNDERWAY-Complete model of projections of future human use (Oct. 31)

UNDERWAY-Finalize management recommendations (Nov. 15)

DELAYED TO 4/15/00-Submit final report on projections of future human use and management recommendations (Dec. 31)

DESCRIPTION OF USE PATTERNS SUBMITTED TO CHIEF SCIENTIST 12/14/99

00340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	T. Weingartner/UAF	ADFG
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Project Tasks to be Completed this Quarter

Dec

UNDERWAY-CTD surveys IN OCT. AND DEC. BUT NOT IN NOV. DUE TO HARSH WEATHER ON POTENTIAL SAILING DATES-Monthly CTD surveys

DONE-Update homepage

SUBMITTED REQUEST FOR WIND FIELDS; NOT YET RECEIVED-Prepare wind fields and acquire meteorological fields

DONE-Recover/deploy mooring (Nov/Dec)

Jan-March

DONE-Monthly CTD surveys

JANUARY & FEBRUARY UPDATED; MARCH WILL BE SHORTLY-Update homepage

April-June

-Monthly CTD surveys

-Update homepage

-Submit annual report (4/15/00)

July-Sept

-Monthly CTD surveys

-Update homepage

Conferences

DONE; PRESENTED ON FRESHWATER VARIABILITY IN GOA - AGU/ASLO Ocean Sciences Meeting, San Antonio, TX (Jan. 2000)

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00341	Harbor Seal Recovery: Controlled Studies of Health and Diet	M. Castellini/UAF	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Trial 4 of staggered feeding protocol (Sept-Dec)(molting)
DONE-Assimilation efficiency experiments

Jan-March

UNDERWAY-Trial 5 of staggered feeding protocol (Jan-April)(spring)

April-June

-Trial 6 of staggered feeding protocol (May-Aug.)(breeding)
-Assimilation efficiency experiments
-Submit annual report (4/15/00)

July-Sept

-Assimilation efficiency experiments

Conferences

IE-Presentation at Marine Mammal Conference, Maui, HI (Nov)

00347-CLO	Fatty Acid Profile and Lipid Class Analysis for Estimating Diet Composition and Quality at Different Trophic Levels	R. Heintz/NOAA	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

UNDERWAY-Compile all FA and lipid data in working database
DONE-Complete chemical analysis of all samples
UNDERWAY FOR FUR SEAL DATA-Complete statistical analysis of temporal and life stage data

Jan-March

UPDATE NOT PROVIDED.
-Report on temporal scales of variability of forage fish FA profiles
-Submit ms. on spatial variability of FA

April-June

-Submit ms. on temporal variability of FA

July-Sept

-Submit final report (July)
-Submit ms. on life stage variations of FA

Conferences

Chemical Analysis Workshop
FISH Symposium

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00348-CLO	Responses of River Otters to Oil Contamination: A Controlled Study of Biological Stress Markers	M. Ben-David, T. Bowyer, L. Duffy/UAF	ADFG

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Complete lab analyses

Jan-March

DONE-Attend EVOS Annual Workshop

DONE-Complete radio tracking

April-June

Complete ms. for publication:

1. Taylor, et al. Response to oil contamination: fecal porphyrins
2. Ormseth, et al. Effects of oil ingestion on passage rate and assimilation efficiency
3. M. Ben-David, et al. Post-release survival

July-Sept

Attend Wildlife Diseases Association meeting (Aug)

00360-BAA	The Exxon Valdez Oil Spill: Guidance for Future Research Activities	C. Elfring/Polar Research Board, NRC	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

UNDERWAY-Begin committee nomination process

UNDERWAY-Select committee

UNDERWAY-Compile background materials

Jan-Mar

DELAYED TO MAY/JUNE-First meeting: orientation and information gathering

April-June

Second meeting: information gathering and analysis of draft GEM plan

July-Sept

Third meeting: continue discussions, assignments, report preparation

Fourth meeting: deliberations of conclusions and recommendations

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00366	Improved Salmon Escapement Enumeration Using Remote Video and Time-Lapse Recording Technology	E. Otis/ADFG	ADFG

Project Tasks to be Completed this Quarter

NOTE: FUNDING APPROVED 12/16/99

Jan-March

DONE; ALSO PRESENTED AT AFS MEETING IN KODIAK-Present poster at Annual Workshop

April-June

- Submit annual report (April 15)
- Deploy video equipment, camp, and weir
- Operate weir camp (July-Aug)
- Review tapes

July-Sept

- Evaluate camera's performance against weir counts

1	Effects of Harbor Seal Metabolism on Stable Isotope Ratio Tracers	D. Schell/UAF	ADFG
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Project Tasks to be Completed this Quarter

Nov-Aug

UNDERWAY-Isolate amino acids from prey species and establish isotope ratios in any essential amino acids identified

March-July

?-If necessary, implement alternate amino acid analysis via gas chromatography

April 15

- Submit annual report

Conferences

DONE-PI attend biennial marine mammal conference; graduate student present paper

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00374	Coordination and Planning for Herring Research	B. Norcross/UAF	ADFG

Project Tasks to be Completed this Quarter

NOTE: PROJECT APPROVED 12/16/99.

Jan-Mar

DONE-Receive all reports, papers, and proposals from EVOS
DONE-Organize herring workshop; send invitations
DONE-Conduct workshop (1 day Feb 21-26)

Apr-Sept

-Evaluate and prioritize herring research
-Write report

00375-CLO	Effect of Herring Egg Distribution and Ecology on Year-Class Strength and Adult Distribution	E. Brown, B. Norcross/UAF	ADFG
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Project Tasks to be Completed this Quarter

Oct-Dec

DELAYED TO HERRING 2000 IN FEB. 2000-Present analysis at Lowell Wakefield Symposium (Oct. 27-30)
DELAYED-Compile the list of biological indices to be compared to the model output; define apparent relationships to physical variables

April 15

EXTENSION TO 9/30/00-Submit final report (DPD says by 2/28/00)

00379-CLO	Assessment of Risk Caused by Residual Oil in Prince William Sound Using P450 Activity in Fishes	S. Jewett/UAF	ADFG
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Project Tasks to be Completed this Quarter

April 15

-Submit final report, which will consist of 1 manuscript

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00389	3-D Ocean State Simulations for Ecosystem Applications from 1995-98 in Prince William Sound	J. Wang/UAF	ADFG

Project Tasks to be Completed this Quarter

NOTE: PROJECT APPROVED 12/16/99.

Jan-Mar

UNDERWAY-Complete tide simulation and validation with the 4 years' observation

DONE-Attend Annual Workshop

WIND DATA DONE; OTHERS UNDERWAY-Complete preparing the forcing data of the 4 years

April-June

July-Sept

-Complete modeling of 1995-98

-Submit ms. to peer reviewed journal

1	CIIMMS: Cook Inlet Information Management/Monitoring System	K. Zeiner/ADNR, J. Hock/ADEC	ADNR
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Project Tasks to be Completed this Quarter

NOTE: PROJECT APPROVED 12/16/99.

Dec

DONE-Complete initial evaluation of CIIMMS prototype

?-Review preliminary system specifications

Jan-March

UNDERWAY-Finalize system specifications and implementation plan, including long-term O&M strategic plan

UNDERWAY-Begin implementation of final system specifications

April-June

July-Sept

-Refine user interface

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00393-BAA	Prince William Sound Food Webs: Structure and Change	T. Kline/PWSSC	NOAA

Project Tasks to be Completed this Quarter

Oct-Dec

Jan-March

April-June

- DONE-Prepare archived samples for mass spectrometry
- Submit annual report (April 15)

July-Sept

- Complete mass spectrometry at UAF
- Complete processing of new isotope data

Conference

(\$1,700 provided)

6	Alaska Shark Assessment	L. Hulbert/NOAA	NOAA
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Project Tasks to be Completed this Quarter

NOTE: DPD APPROVED 3/22/00.

Jan-Mar

UPDATE NOT PROVIDED

- Submit Argos System Use Agreement for Alaka shark Argos program
- Order PTTs from Wildlife Computers

April-June

July-Sept

- Conduct field data collections
- Analyze data from FY 00 field season

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00401	Assessment of Spot Shrimp Abundance in Prince William Sound	C. Hughey/ Valdez Native Tribe, C. O'Clair/ NOAA	NOAA

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Sample spot shrimp at ADFG sampling sites and 6 additional sites

Jan-March

DONE-Process egg samples and analyze data on abundance, sex and size composition, number of egg-bearing females and fecundity

April-June

-Submit annual report (April 15)

July-Sept

-Arrange logistics for sampling cruise in Oct. 2000

00407	Harlequin Duck Population Dynamics	D. Rosenberg/ADFG	ADFG
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Logistics

Jan-March

DONE-Conduct winter surveys (March)

April-June

Create databases, GIS

Analyze field data

Submit annual report (4/15/00)

July-Sept

Analyze field data

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00414-BAA	Development of a Web-Based System for Communicating Ecosystem Research Results to the Public	J. Allen/AK Digital Graphics	NOAA

Project Tasks to be Completed this Quarter

Oct-Dec

UNDERWAY-Content selection

UNDERWAY-Draft narrative and sketches available

Jan-Sept

UPDATE NOT PROVIDED.

Review and approval of narrative/sketches by lead scientists

Three core modules deployed

Additional modules under construction

Ongoing

Access tracking

00423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	J. Bodkin, D. Esler/USGS-BRD, T. Dean/CRA, Inc.	DOI
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Analysis of FY 99 data / report preparation

Jan-March

DONE-Plan surveys

UNDERWAY-Plan community involvement

April-June

-Prepare for field studies

-Submit annual report (April 15)

July-Sept

-Aerial survey of sea otters

-Sampling of intertidal green sea urchins

-Capture harlequins during wing molt for creation of captive flock

-Establish captive flock and initiate adjustment period

Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00424	Restoration Reserve	All Trustee Council Agencies	ALL

Project Tasks to be Completed this Quarter

Under PL 106-113, Congress allowed for the deposit of the Joint Trust Fund in appropriate accounts outside the US Treasury. To date, the Trustee Council has adopted investment policies and is deliberating on income-producing asset classes, debt obligations, equity securities and other instruments or securities that have a high degree of reliability and security. It is anticipated that by July 2000 the Joint Trust Funds will be on deposit outside the US Treasury.

00441	Harbor Seal Recovery: Effects of Diet on Lipid Metabolism and Health	R. Davis/Texas A&M Univ.	ADFG
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Trial 4 of staggered feeding protocol at ASLC (Sept-Dec); obtain and analyze blubber and muscle samples

Jan-March

IE-Trial 5 of staggered feeding protocol (Jan-April); obtain and analyze blubber and muscle samples

April-June

UNDERWAY-Trial 6 of staggered feeding protocol (May-Aug)

UNDERWAY-Analyze blubber and muscle samples from wild harbor seals in PWS in conjunction with biosampling program (May-Aug)

-Submit annual report (4/15/00)

July-Sept

-Analyze data and begin preparation of final report and ms.

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00454	Evidence and Consequences of Persistent Oil Contamination in Pink Salmon Natal Habitats	S. Rice/NOAA	NOAA

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Collect SPMDs and eyed eggs from streams
DONE-Collect eyed eggs to determine onset of P4501A activity

Jan-Mar

UNDERWAY-Begin fast-screen analysis of gravels and GC/MS analysis on SPMDs and eggs
UNDERWAY-Collect alevins for P4501A induction

April-June

-Collect fry samples for P4501A and remaining SPMDs from streams
-Collect final P4501A samples
-Evaluate fry surviving exposures
-Begin analysis of fry for cytochrome P4501A activity, and growing out fry exposed in lab

July-Sept

-Tao cultured fry

00455-BAA	An Evaluation of the Data System for the EVOS Long-Term Monitoring Program	C. Falkenberg/Ecologic Corp.	NOAA
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Project Tasks to be Completed this Quarter

Dec. 31

UNDERWAY-Complete plan for background research and a working list of possible advisory committee members

Jan 18-19

DONE-Attend EVOS Annual Workshop; meet with advisory committee

July 30

Complete final report of data system issues and background

**Exxon Valdez Oil Spill Project Status Summary
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Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00459-CLO	Residual Oiling of Armored Beaches and Mussel Beds in the Gulf of Alaska	G. Irvine/USGS-BRD	DOI

Project Tasks to be Completed this Quarter

Oct-Dec

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Jan-March

UNDERWAY-Data and hydrocarbon analyses

April-June

-Submit final report (April 15)

July-Sept

-Submit manuscript to peer-reviewed journals: 1999 results on oil persistence and degradation at high-energy armored beaches.

Conference

Ecological Society of America, Salt Lake City, UT

00462	Effect of Disease on Pacific Herring Population Recovery in Prince William Sound	G. Marty/Univ. of California Davis	ADFG
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE; WERE ABLE TO SAMPLE ONLY 40 OF THE EXPECTED 100 FISH-Collect fall samples

DONE; WERE ABLE TO SAMPLE ONLY 40 OF THE EXPECTED 100 FISH-Complete scale analysis of fall samples

Jan-March

DONE; WERE ABLE TO SAMPLE ONLY 40 OF THE EXPECTED 100 FISH-Complete virology and bacteriology of fall samples

April-June

-Collect spring samples

-Submit annual report (4/15/00)

July-Sept

-Complete statistical analysis of fall samples

-Complete scale analysis of spring samples

-Complete virology and bacteriology of spring samples

**Exxon Valdez Oil Spill Project Status Summary
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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00466-CLO	Recovery Status of Barrow's Goldeneyes	D. Esler/USGS-BRD	DOI

Project Tasks to be Completed this Quarter

Oct-Dec

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Jan-March

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April-June

DONE-Submit final report (April 15). Will consist of two ms:

1. Foraging ecology of Barrow's goldeneyes, including diet and body composition variation
2. Density of Barrow's goldeneyes, including habitat variables, mussel biomass, and oiling

July-Sept

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6	Effects of Oiled Incubation Substrate on Pink Salmon R. Heintz/NOAA Reproduction	NOAA
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Project Tasks to be Completed this Quarter

NOTE: FISH ARE OUT TO SEA SO NO ACTION UNTIL SEPTEMBER 2000.

Oct-Dec

Jan-March

April-June

-Submit annual report (April 15)

Aug-Oct

-Pink salmon return and sampling begins

**Exxon Valdez Oil Spill Project Status Summary
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<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00478	Testing Satellite Tags as a Tool for Identifying Critical Habitat	J. Nielsen/USGS-BRD	DOI

Project Tasks to be Completed this Quarter

NOTE: PROJECT AUTHORIZED TO BEGIN 4/11/00 DUE TO LATE SUBMITTAL OF DPD.

April-June

- Purchase tags
- Establish download links
- Develop field collection protocols
- Prepare live tanks at ASLC
- Consult with resource managers and local users on best populations to target
- Collect 6 halibut and transport to ASLC

July-Sept

- Captive test on light data arrays
- Analyze halibut physiology, tagging effects and efficiency, and survival traits in captivity
- Field trials of environmental sensors in satellite tags in GOS
- Deploy pop-up tag array on stationary buoy
- Capture, tag, and release 4 halibut in GOA; deploy tags to pop up in 2-3 months

00479	Effects of Food Stress on Survival and Reproductive Performance of Seabirds	J. Piatt/USGS-BRD, A. Kitaysky/Univ. of Washington	DOI
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Project Tasks to be Completed this Quarter

Oct-Dec

Jan-March

UNDERWAY-Prepare for field work, hire personnel
DONE-Submit annual report (2/15/00)

April-June

- Blood sampling during pre-incubation stage
- Set study plots for experimental work

July-Sept

- Blood sampling during chick-rearing stage, colony work
- Implant birds with hormonal implants
- Monitor parental feeding rates and chick survival
- Begin chick rearing in captivity at University of Washington

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00481	Documentary Film on the Oil Spill Impacts on Subsistence Use of Intertidal Resources	G. Evanoff/Chenega Bay IRA Council, P. Panamarioff/Ouzinkie Tribal Council	ADFG

Project Tasks to be Completed this Quarter

NOTE: PROJECT APPROVED 1/31/00

July-Sept

- Develop contract guidelines
- Award contract

00482-BAA	Optimization of Rapid Diagnostic Test Kits for Paralytic Shellfish Poisoning and Amnesic Shellfish Poisoning	J. Jellett/Jellett Biotek Limited	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

UNDERWAY-Test kits using 67 extracted samples collected from 1998 Kodiak field trials

-Mar

- UNDERWAY-Optimize test kits to Kodiak samples
- ?-Manufacture minimum of 200 rapid test prototypes for both PSP and ASP to test Kodiak samples

April-Sept

- Select sample sites and train shellfish sample collectors
- Test extracted and unextracted tissue (50 samples) from field sites
- Comparison to control mouse bioassay, HPLC
- Profiles developed on tests that do not agree
- Optimization of antibody mix

00493	Statistically-Based Sampling Strategies for Gulf of Alaska Ecosystem Trawl Survey Monitoring	P. Anderson/NOAA	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

- UNDERWAY-Assemble current database
- UNDERWAY-Statistical analysis of database

Jan-March

- DONE-Attend Annual EVOS Workshop

April-June

- DELAYED TO FALL 2000-Complete initial report

July-Sept

- DELAYED-Submit final report (9/30/00)

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00501	Protocols for Long-Term Monitoring of Seabird Ecology in the Gulf of Alaska	J. Piatt/USGS-BRD, G. Byrd, D. Roseneau/USFWS	DOI

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Initial planning meeting and review of data needs (Dec. 1)

Jan-Mar

UNDERWAY-Power analyses, data and protocol evaluation

DONE-Coordination meeting (Mar. 1)

April-June

-Complete draft monitoring protocols and distribute for review (April 30)

July-Sept

-Complete revised draft of monitoring protocol (Sept. 30)

00509	Long-Term Monitoring of Harbor Seal Populations: Development of an Experimental Design	R. Small, K. Frost/ADFG	ADFG
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE; CONTRACTORS AND ANHSC TECHNICAL REPRESENTATIVE TRAVELED FROM JUNEAU TO ANCHORAGE TO DISCUSS PROJECT OBJECTIVES AND METHODOLOGY-Select contractor and establish cooperative agreement

DONE-Acquire databases from ADFG and NMFS

Jan-Mar

DONE OR UNDERWAY (?) -Evaluate Kodiak and PWS trend route survey

April-June

-Complete evaluation of existing monitoring programs

July-Sept

-Complete development of new experimental design and integrate into monitoring programs

-Submit final report (Sept. 30)

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00510-BAA	Recovery of Intertidal Communities and Recommendations for Future Monitoring	T. Dean/CRA, Inc.	NOAA

Project Tasks to be Completed this Quarter

April 15

Complete drafts:

1. Dean, et al - Report or manuscript (if warranted by the analysis) describing the results of statistical comparisons of NOAA and CH1A data
2. McDonald, et al - Manuscript describing methods for assessing recovery and recommendations for future monitoring

Sept. 30

Report/manuscripts reviewed, revised, and submitted for final acceptance

00516-BAA	Publication: Comparative Habitat Use by Kittlitz's and Marbled Murrelets	R. Day/ABR, Inc.	NOAA
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Project Tasks to be Completed this Quarter

April 15

Submit manuscript to Chief Scientist (differences in at-sea habitat use by marbled murrelets and Kittlitz's murrelets)

00530	Lessons Learned: Evaluating Scientific Sampling of Oil Spill Effects	M. See/ADEC	ADEC
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Develop scope of questions for white papers (Oct. 31)

DONE-Prepare contract documents

Jan-Mar

DELAYED TO FEB. 29; DONE-White papers due (Jan. 10)

DELAYED TO MAR. 30-Reviewer comments due (Feb. 11)

DELAYED TO APRIL 24-26-Facilitated workshop for Trustee agencies and scientists to discuss and reach consensus on white papers (Mar.)

April-June

-Draft workshop report submitted to workshop participants for review (May 15)

-Comments due on workshop report (June 16)

July-Sept

-Final workshop report submitted to Chief Scientist and Trustee agencies for review and approval (July 17)

Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00541-BAA	Publication: Prince William Sound Isotope Ecology	T. Kline/PWSSC	NOAA

Project Tasks to be Completed this Quarter

June

Submit ms. to journal (Pacific salmon early marine life-history trophic shifts)

00552-BAA	Exchange Between Prince William Sound and the Gulf of Alaska	S. Vaughn/PWSSC	NOAA
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Project Tasks to be Completed this Quarter

Oct-Dec

DONE; DEPLOYMENT DELAYED TO MID-DECEMBER DUE TO WEATHER AND LOGISTICS-Mooring deployment and PWS cruise (Oct.)

Jan-Mar

DONE-Attend EVOS Annual Workshop

April-June

-Mooring retrieval and PWS cruise (May)

July-Sept

-Mooring deployment and PWS cruise (Sept.)

-Complete data exchange with other SEA investigators

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00567	Monitoring Environmental Contaminants in the Northern Gulf of Alaska	M. See/ADEC	ADEC

Project Tasks to be Completed this Quarter

Dec 20

CANCELED (SEE BELOW) - Issue RFP

Jan 17

IN APRIL, TRANSFERRED FUNDS TO NOAA TO PERFORM LITERATURE REVIEW - Select contractor

Jan-March

WHAT IS DUE DATE? - Literature compilation provided (March 6)

April-June

POSTPONED TO ALLOW FOR COORDINATION WITH RESTORATION OFFICE'S GEM EFFORT-Workshop (May)
Workshop summary and draft recommendation to reviewers (June 12)

July-Sept

Comments due (July 31)

Submit final report to Chief Scientist (Aug. 31)

00598	Publication: Resolution of Mixtures Containing <i>Exxon Valdez</i> Oil and Regional Background Hydrocarbons in Subtidal Sediments	J. Short/NOAA	NOAA
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Project Tasks to be Completed this Quarter

August

Submit ms. to journal (clarifying relative contributions of EVO and coal hydrocarbons to the hydrocarbons measured in PWS sediments after the spill)

Conference

American Chemical Society Meeting, San Francisco

00599	Evaluation of Yakataga Oil Seeps as Regional Background Hydrocarbon Sources in Benthic Sediments of the Spill Area	J. Short/NOAA	NOAA
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Project Tasks to be Completed this Quarter

April-June

Collect sediment and water samples

July-Sept

Analyze samples for hydrocarbons

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00605	Information Transfer to Resource Managers, Stakeholders, and General Public	Restoration Office	ALL

Project Tasks to be Completed this Quarter

Oct-Dec (by Dec. 1)

UNDERWAY; AS OF 3/31/00 HAD ACQUIRED ABOUT 20 ARTICLES BUT LEARNED OF 20 MORE-Obtain 83 articles not currently at ARLIS

DONE-Convert abstracts of all articles and final reports into word processing format

DONE-Convert bibliographies of articles and final reports to ProCite

UNDERWAY-Add key words and abstracts

DELAYED-Flag articles that will have data useful to resource managers

Jan-March

(by Jan. 15)

DELAYED TO MAY-Convert project database so it's searchable by key words

UNDERWAY-Add FY 00 projects to database

DONE-Update database with newly available final reports

DELAYED TO MAY-Install software for searching data and ordering reports from ARLIS

DONE USING OLD FORMAT; WILL CONVERT TO NEW FORMAT IN MAY-Post bibliographies of articles and final reports onto web using new format

Mar. 15)

DELAYED; MAPS NOT YET AVAILABLE FROM NOAA-Post ESI maps on web

April-June

-Complete publication for resource managers

-Make copies of ESI maps

DELAYED TO SEPTEMBER/OCTOBER-Host open house for resource managers

00610	Kodiak Island Youth Area Watch	P. Brown-Schwalenberg/CRRC	ADFG
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Project Tasks to be Completed this Quarter

Sept-Dec

-Confirm research and data collection activities to be conducted on ongoing basis:

UNDERWAY-Collect shellfish samples for field test

DELAYED; CAN'T SAMPLE UNTIL APRIL-Analyze algae

DONE-Conduct harbor seal biosampling

UNDERWAY-Local research projects

DONE-Site teacher, tribal, and researcher orientation

DONE-Students selected

DONE-Student orientation and training

Jan-March

DONE-Data/samples to PI (Mar. 1)

DONE-Site teacher follow-up training

April-June

Data/samples to PI and reports complete (June 1)

**Exxon Valdez Oil Spill Project Status Summary
FY 00 Work Plan
Quarter Ending March 31, 2000**

<u>Proj.No.</u>	<u>Project Title</u>	<u>Proposer</u>	<u>Lead Agency</u>
00630	Planning for Long-Term Research and Monitoring Program	Restoration Office	ALL

Project Tasks to be Completed this Quarter

Oct-Dec

DONE-Present draft of GEM to Trustee Council and PAG
DONE-Release draft of GEM to public
DONE-Produce materials needed for public presentations
DONE-Conduct first round of stakeholder and public meetings
DONE-Revise draft of GEM and circulate to core peer reviewers

Jan-Mar

DONE-Address peer review comments and revise draft of GEM as needed
DELAYED TO APRIL 15-Present revised GEM to NRC
DONE-Meet with core reviewers at Annual EVOS Workshop to discuss transition projects to be invited in the FY 01 Invitation

April-Sept

-Continue interactions with NRC as needed
-Continue consultations with stakeholders and others as needed

Exxon Valdez Oil Spill Trustee Council

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



MEMORANDUM

TO: Exxon Valdez Oil Spill Trustee Council

FROM: Molly McCammon
Executive Director

RE: Tatitlek Small Parcels

DATE: May 15, 2000

The U.S. Forest Service is requesting that the Trustee Council approve \$180,000 to purchase 13 Tatitlek homesites, as outlined in the attached maps and benefit reports.

The Trustee Council's December 1997 Tatitlek large parcel resolution committed Tatitlek Corporation to work with the Council to pursue acquisition of homesite lots in the Two Moon Bay and Snug Corner Cove subdivisions. There are 164 homesite lots, 120 in Two Moon Bay and 44 in Snug Corner Cove. Some of the lots are owned by individuals (77 lots) and some are owned by Tatitlek Corporation (87 lots). The resolution authorized expenditure of "an amount of funds not to exceed the amount previously authorized that are no longer needed" for the large parcel acquisition, or \$205,600.

The December 1997 resolution also provides that, if the US or the State acquires any block of six or more lots from Tatitlek Corporation or individual landowners, the Corporation will convey, at no cost, the surface fee estate to the acreage immediately behind the block of homesites. The USFS and State currently hold a conservation easement on the lands behind the homesites.

Appraisals on all 164 homesite lots have been completed and landowners have been notified of the appraised values. To date, the following 13 owners have indicated a willingness to sell their lots to the USFS (see attached summary map for location):

PWS 296	H. Olsen	1.5 ac	\$ 13,000
PWS 297	D. Totemoff	1.5 ac	\$ 12,000
PWS 298	J. Levshakoff	1.5 ac	\$ 15,000
PWS 299	L. Allen	1.5 ac	\$ 16,000
PWS 300	E. Barnes	1.5 ac	\$ 14,000
PWS 301	A. Elie	1.5 ac	\$ 14,000
PWS 302	L. Olsen	1.5 ac	\$ 12,000
PWS 303	S. Chernoff	1.5 ac	\$ 14,000

Federal Trustees

U.S. Department of the Interior
U.S. Department of Agriculture
National Oceanic and Atmospheric Administration

State Trustees

Alaska Department of Fish and Game
Alaska Department of Environmental Conservation
Alaska Department of Law

PWS 304	E. Gregorieff	1.5 ac	\$ 14,000
PWS 305	C. Totemoff	1.5 ac	\$ 14,000
PWS 306	D. Wilfer	1.5 ac	\$ 16,000
PWS 307	J. Totemoff	1.5 ac	\$ 13,000
PWS 308	P. Totemoff	<u>1.5 ac</u>	<u>\$ 13,000</u>
		19.5 ac	\$180,000

The USFS would like to use the currently earmarked funds to get the Tatitlek acquisition effort underway. The USFS will pursue additional funding to purchase additional Tatitlek homesite lots.

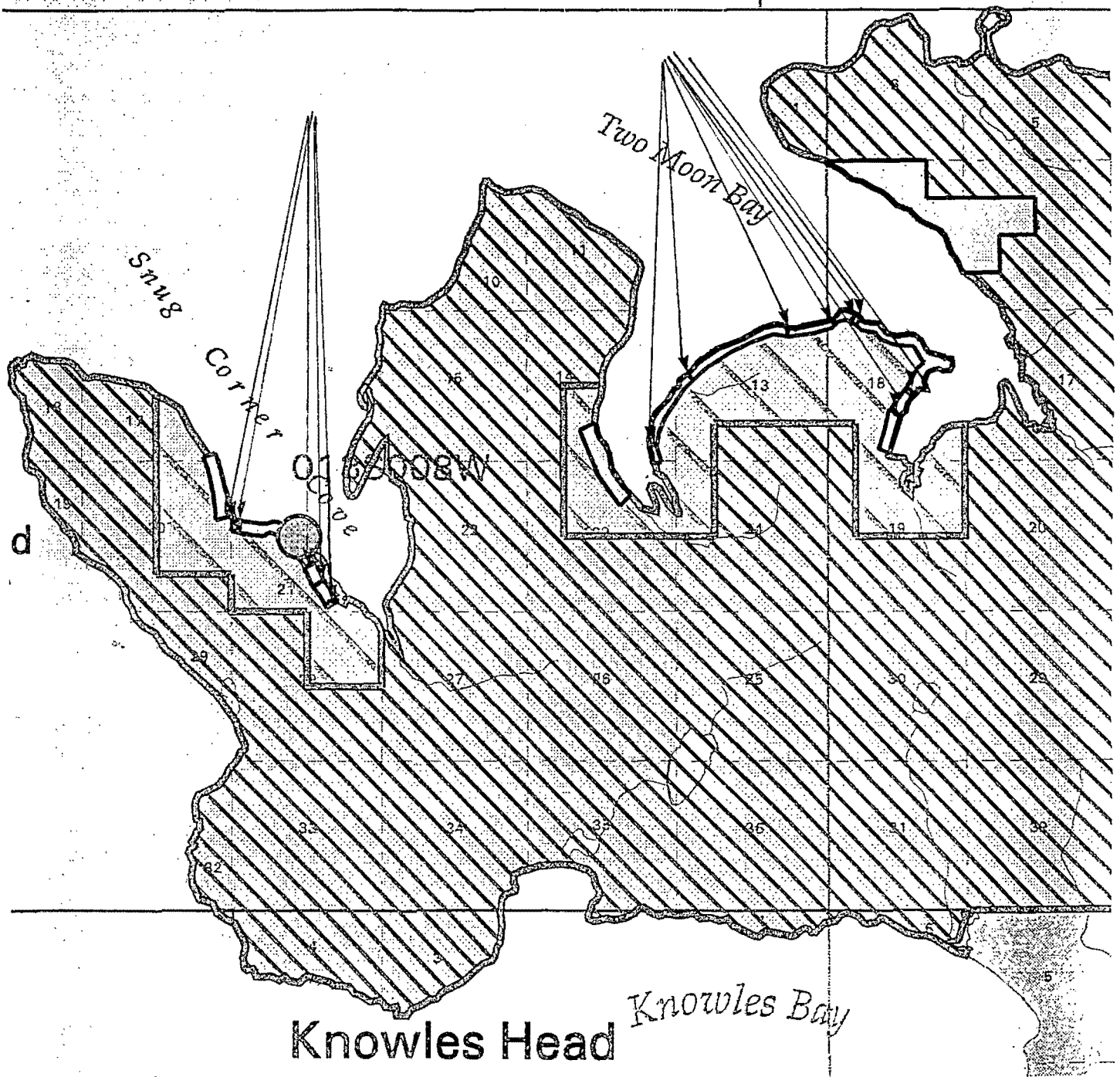
Summary Map

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS **Parcel Number:** PWS 296
USFS Parcel Number: SCC 1

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$13,000

Owner: Henry N. Olsen, Jr.

Location: West shore of Snug Corner Cove, Port Fidalgo, Prince William Sound

Parcel Description: Lot 1, Snug Corner Cove Subdivision. The parcel is gently sloping from the shore. Vegetation is spruce/hemlock with muskeg. There is an anadromous stream to the south of the parcel. Snug Corner Cove provides a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

Acquisition of this home site and other home sites in Two Moon Bay and Snug Corner Cove will help protect injured resources and services from further development caused impacts and allow for a more rapid recovery. The Two Moon Bay large parcel was the third highest ranked parcel in Prince William Sound and the forth-highest ranked parcel in the Council's Large Parcel Program. The Two Moon Bay parcel scored high for Pink Salmon, Cutthroat trout, Dolly Varden, Pacific Herring, Bald Eagle, Black Oystercatcher, Harbor Seal, Intertidal/Subtidal, River Otter, Sea Otter, Recreation/Tourism, Cultural Resources and Subsistence.

Potential Threats: This parcel is subject to recreational and residential development.

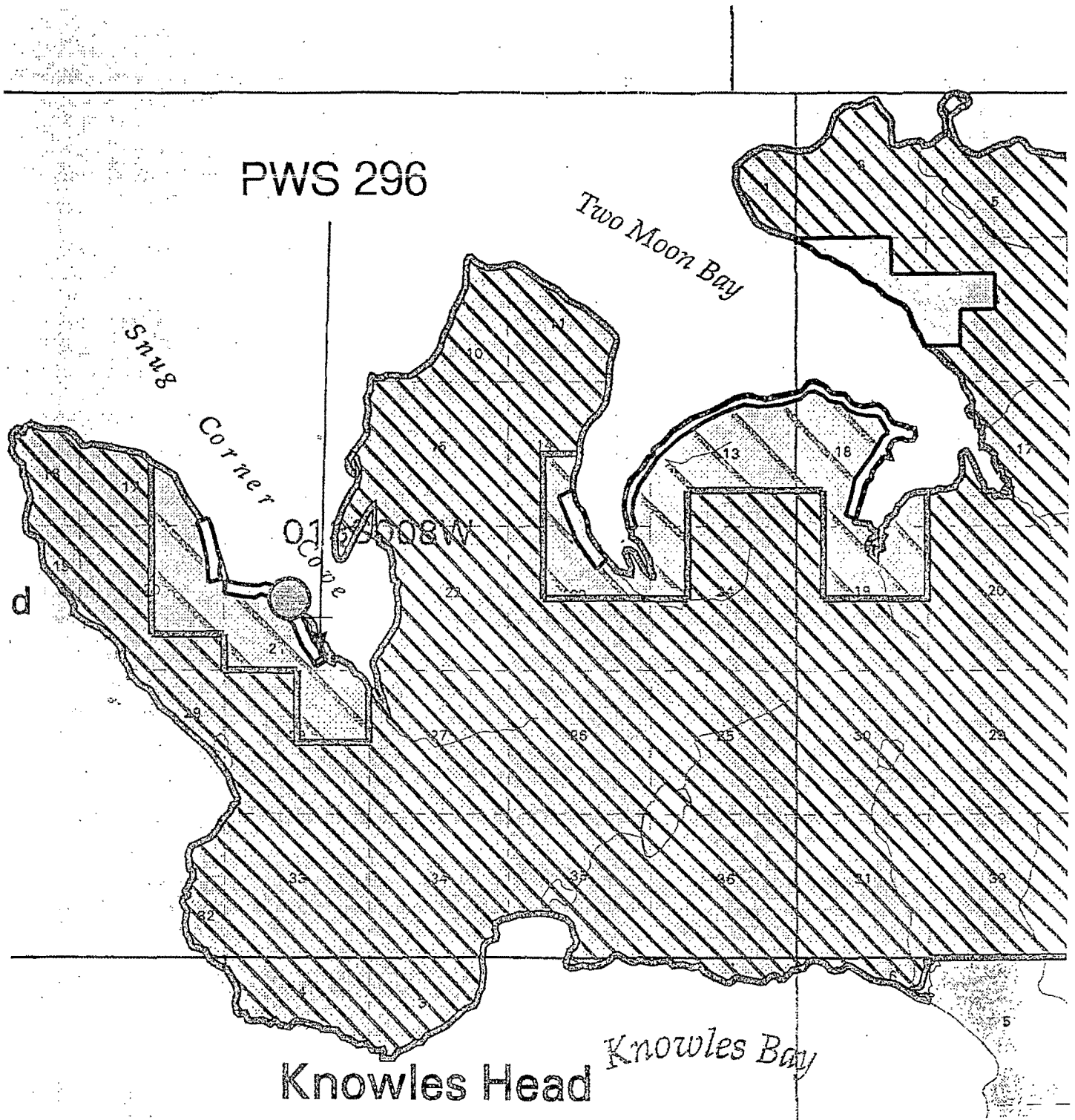
Proposed Management: This parcel will be managed by the U.S. Forest Service so as to assure public access and to preserve and protect injured resources and services in perpetuity.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 297
USFS Parcel Number: SCC 13

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$12,000

Owner: Darlene K. Totemoff

Location: West shore of Snug Corner Cove, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 13 of the Snug Corner Cove Subdivision. The parcel is gently sloping from the shore. The vegetation is spruce/hemlock with interspersed muskeg. There is a small pond on the lot. Snug Corner Cove provides a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

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Potential Threats: This parcel is subject to recreational and residential development.

Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

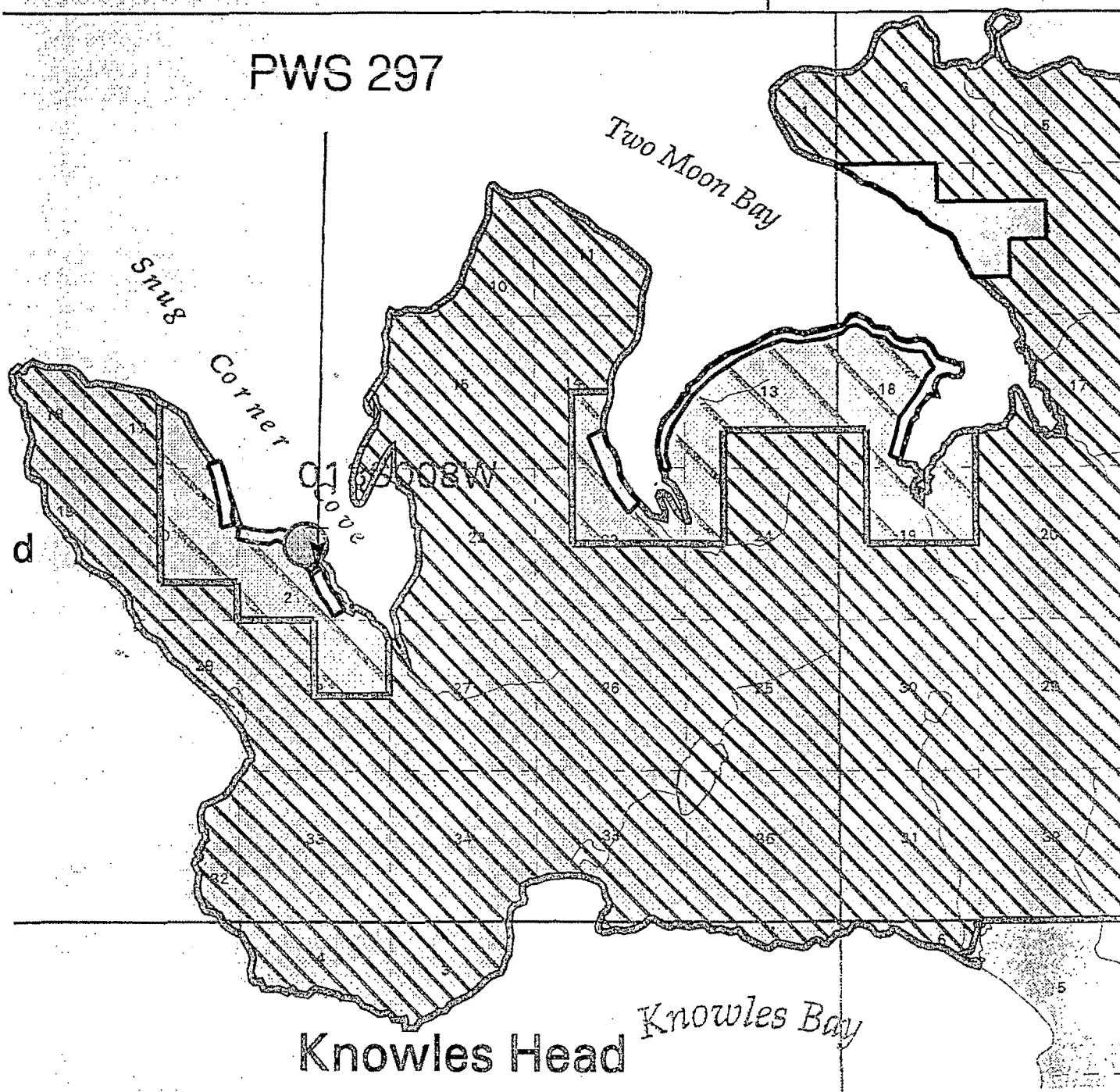
HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions

PWS 297



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 298
USFS Parcel Number: SCC 31

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$15,000

Owner: Jerry Levshakoff

Location: West shore Snug Corner Cove, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 31, Sung Corner Cove Subdivision. The parcel is gently slopping from the shore. Vegetation is sedge grass on the shore and spruce/hemlock in the interior of the parcel. There is an anadromous stream 200 feet from the parcel. Sung Corner Cove offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

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Potential Threats: This parcel is subject to recreational and residential development.

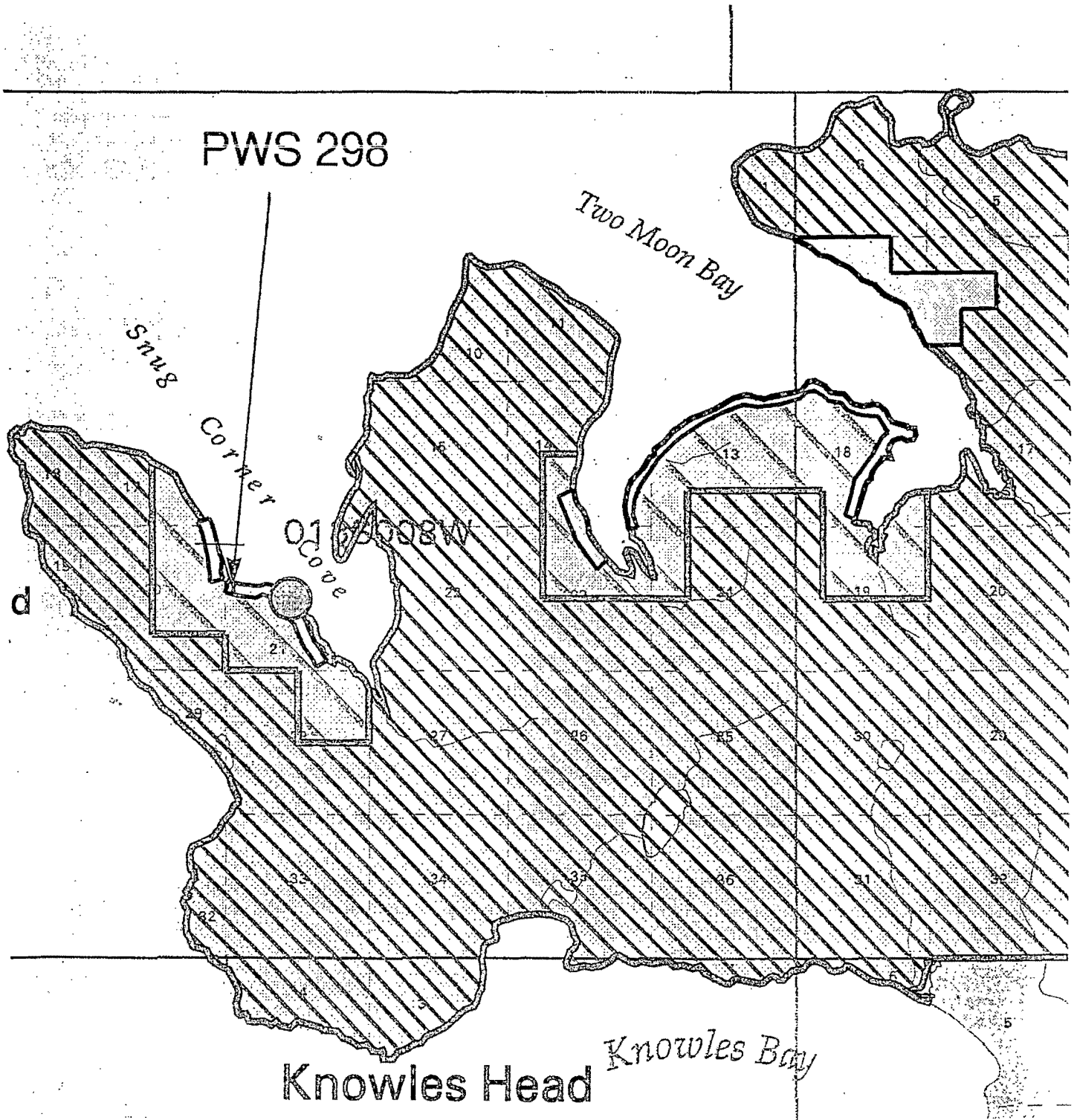
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 299
USFS Parcel Number: SCC 32

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$16,000

Owner: Leonard Lloyd Allen

Location: West shore of Snug Corner Cove, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 32, Snug Corner Cove Subdivision. The parcel is gently slopping from the shore. Vegetation is sedge near the beach and spruce/hemlock in the interior. There is an anadromous stream adjacent to the parcel. Snug Corner Cove provides a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

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Potential Threats: This parcel is subject to recreational and residential development.

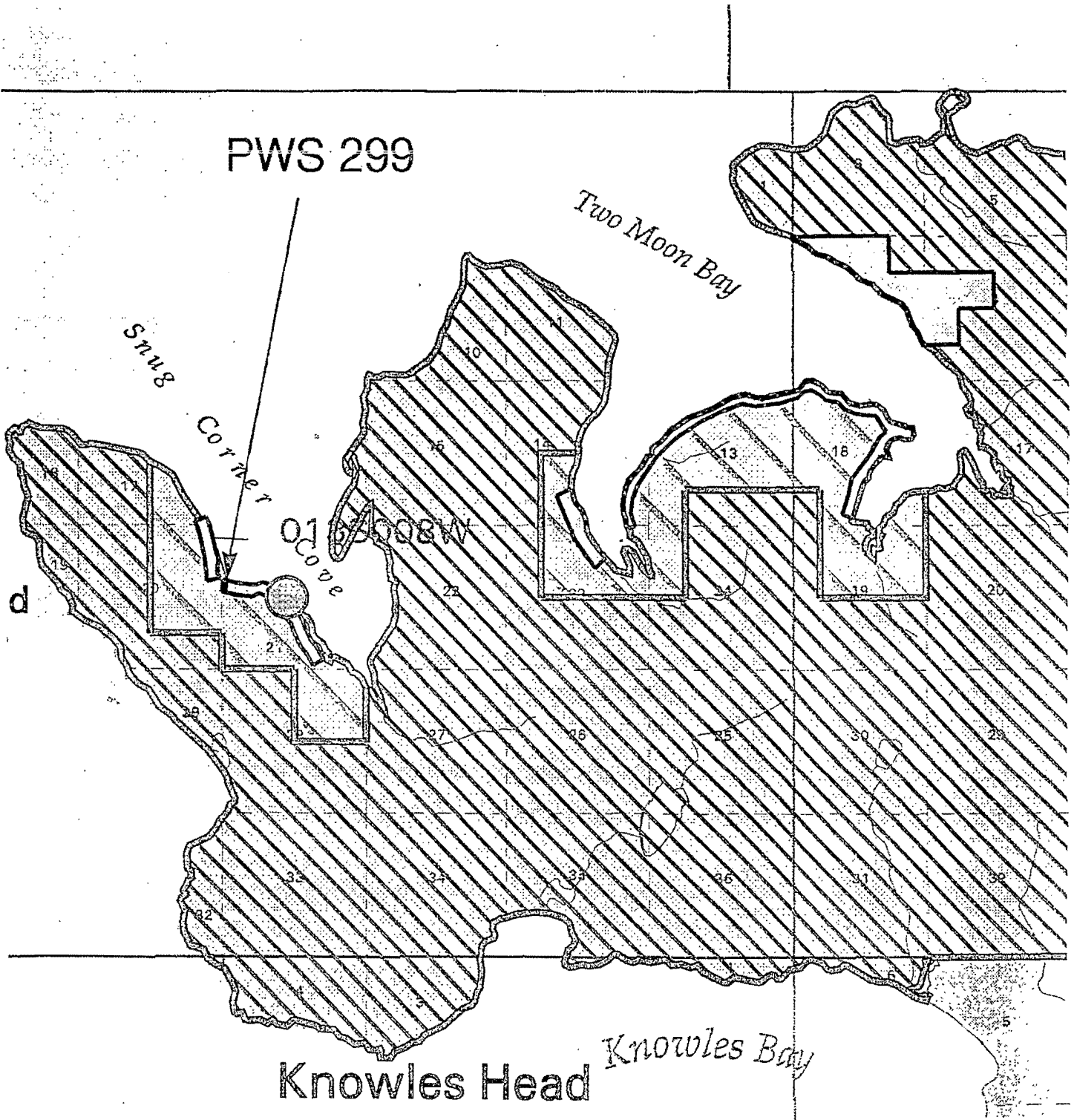
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 300
USFS Parcel Number: SCC 8

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$14,000

Owner: Edward R. Barnes

Location: The parcel is on the west shore of Snug Corner Cove, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 8, Snug Corner Cove Subdivision. The parcel is gently slopping from the beach. Vegetation is sedge grass near the shore with some spruce and a muskeg interior. The bay offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

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Potential Threats: This parcel is subject to recreational and residential development.

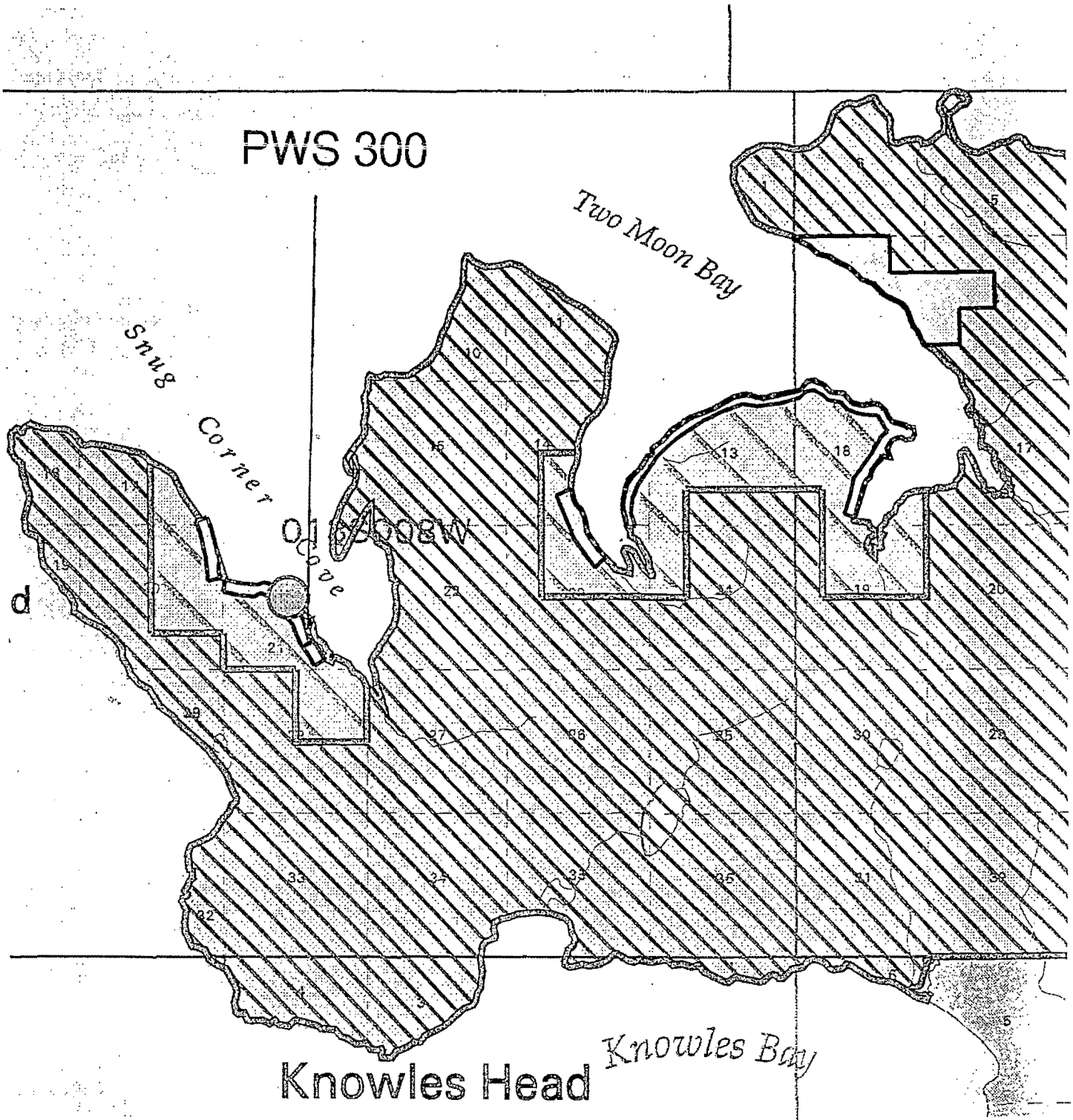
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 301
USFS Parcel Number: TMB 3

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$14,000

Owner: Alisa H. Elie et al.

Location: West arm of Two Moon By, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 3, Two Moon Bay Subdivision. The lot has a moderate embankment at the mean high tide line and a moderate sloping interior. Vegetation is dense spruce and hemlock. Two Moon Bay offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

Acquisition of this home site and other home sites in Two Moon Bay and Snug Corner Cove will help protect injured resources and services from further development caused impacts and allow for a more rapid recovery. The Two Moon Bay large parcel was the third highest ranked parcel in Prince William Sound and the forth-highest ranked parcel in the Council's Large Parcel Program. The Two Moon Bay parcel scored high for Pink Salmon, Cutthroat trout, Dolly Varden, Pacific Herring, Bald Eagle, Black Oystercatcher, Harbor Seal, Intertidal/Subtidal, River Otter, Sea Otter, Recreation/Tourism, Cultural Resources and Subsistence.

Potential Threats: This parcel is subject to recreational and residential development.

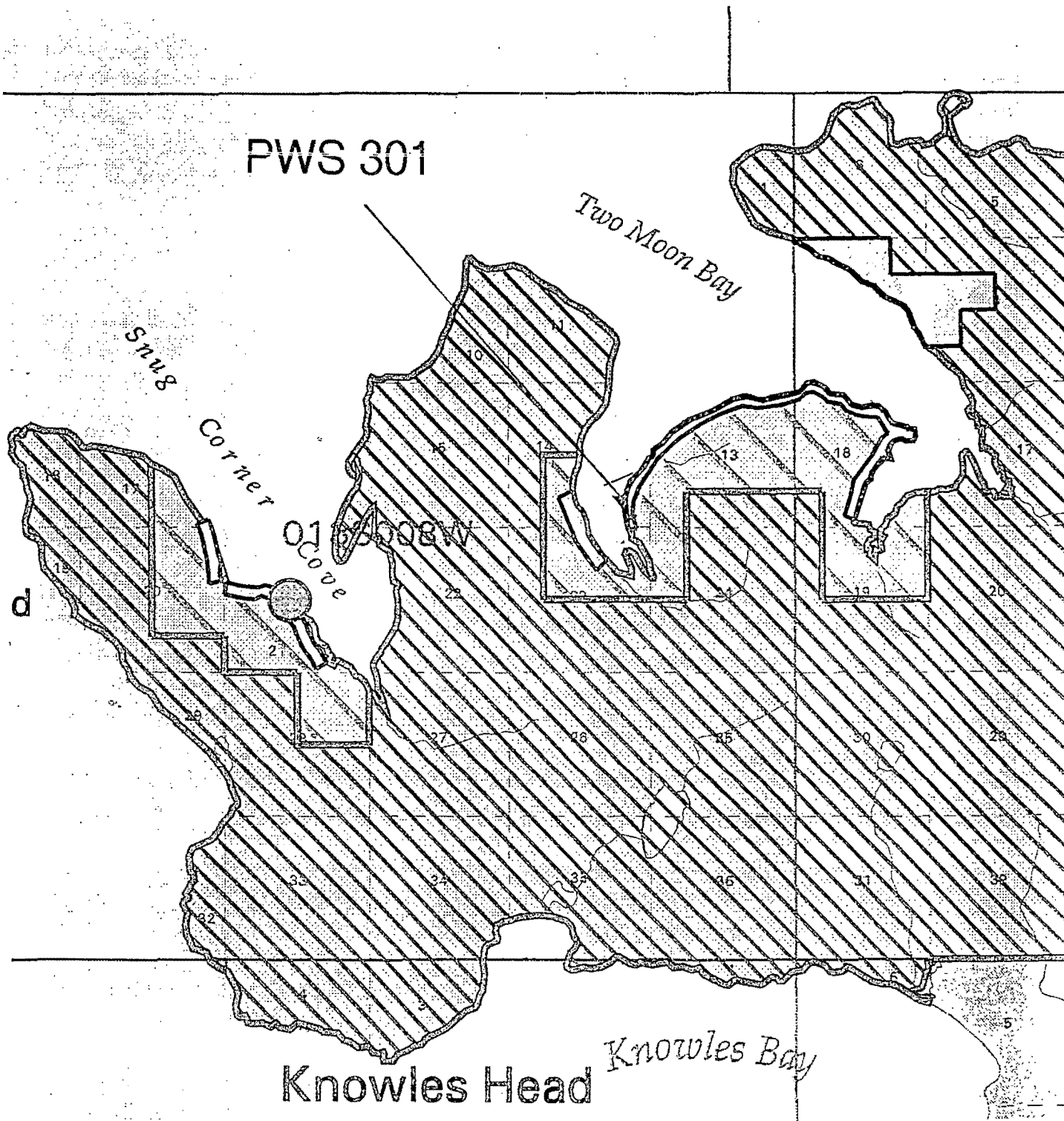
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 302
USFS Parcel Number: TMB 31

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$12,000

Owner: Leona S. Olsen

Location: West arm of Two Moon Bay, Port Fidalgo, Prince William Sound

Parcel Description: Lot 31, Two Moon Bay Subdivision. The lot has a steep embankment at the high tide line, with a steep sloping interior. The vegetation is dense spruce and hemlock. Two Moon Bay offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

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Potential Threats: This parcel is subject to recreational and residential development.

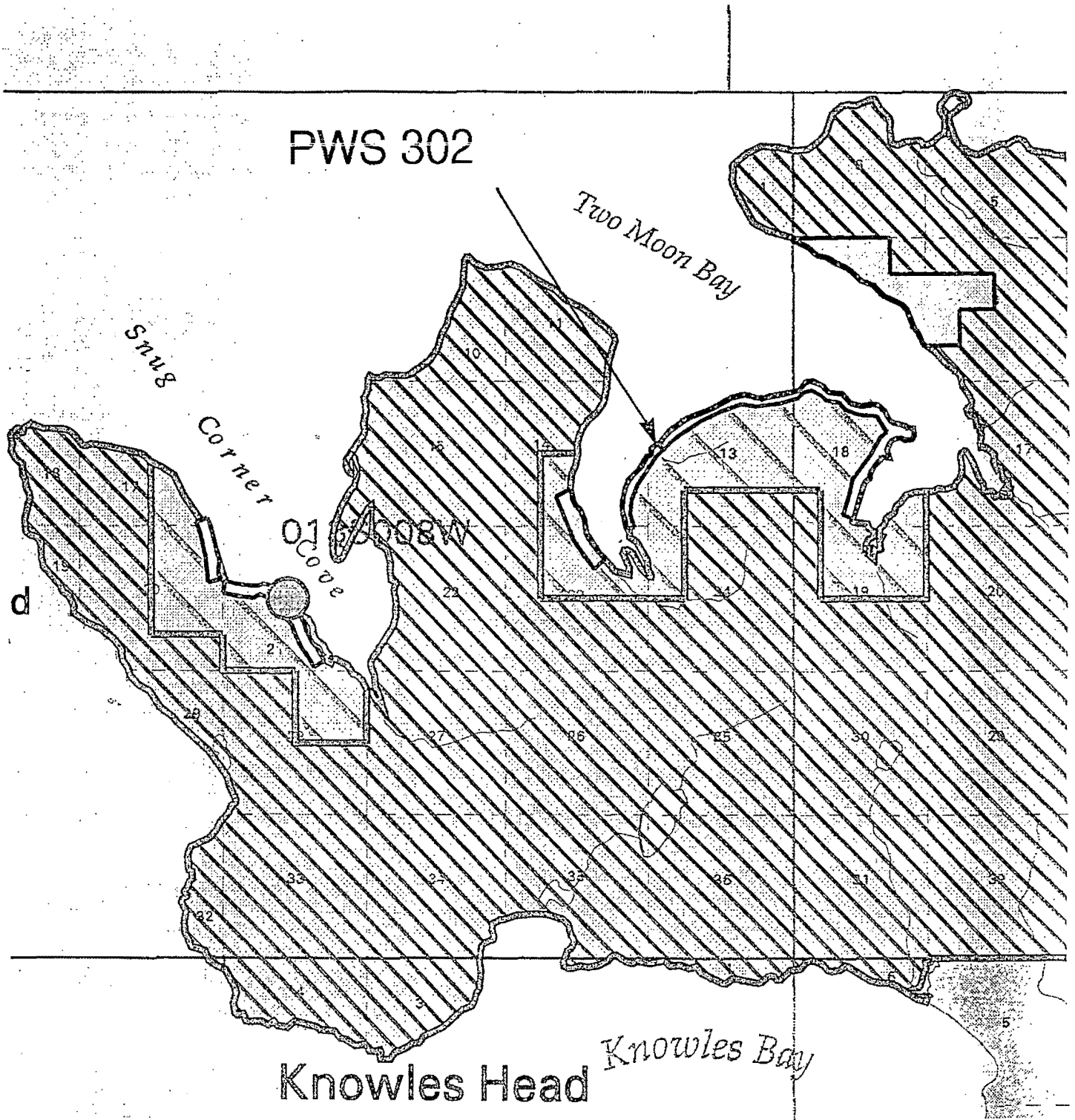
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 303

USFS Parcel Number: TMB 43

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$14,000

Owner: Shirley M. Chernoff

Location: West arm of Two Moon Bay, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 43 of the Two Moon Bay Subdivision. There is a moderate embankment at the high tide line and a modest to moderate sloping interior. The vegetation is dense spruce and hemlock.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

Acquisition of this home site and other home sites in Two Moon Bay and Snug Corner Cove will help protect injured resources and services from further development caused impacts and allow for a more rapid recovery. The Two Moon Bay large parcel was the third highest ranked parcel in Prince William Sound and the forth-highest ranked parcel in the Council's Large Parcel Program. The Two Moon Bay parcel scored high for Pink Salmon, Cutthroat trout, Dolly Varden, Pacific Herring, Bald Eagle, Black Oystercatcher, Harbor Seal, Intertidal/Subtidal, River Otter, Sea Otter, Recreation/Tourism, Cultural Resources and Subsistence.

Potential Threats: This parcel is subject to recreational and residential development.

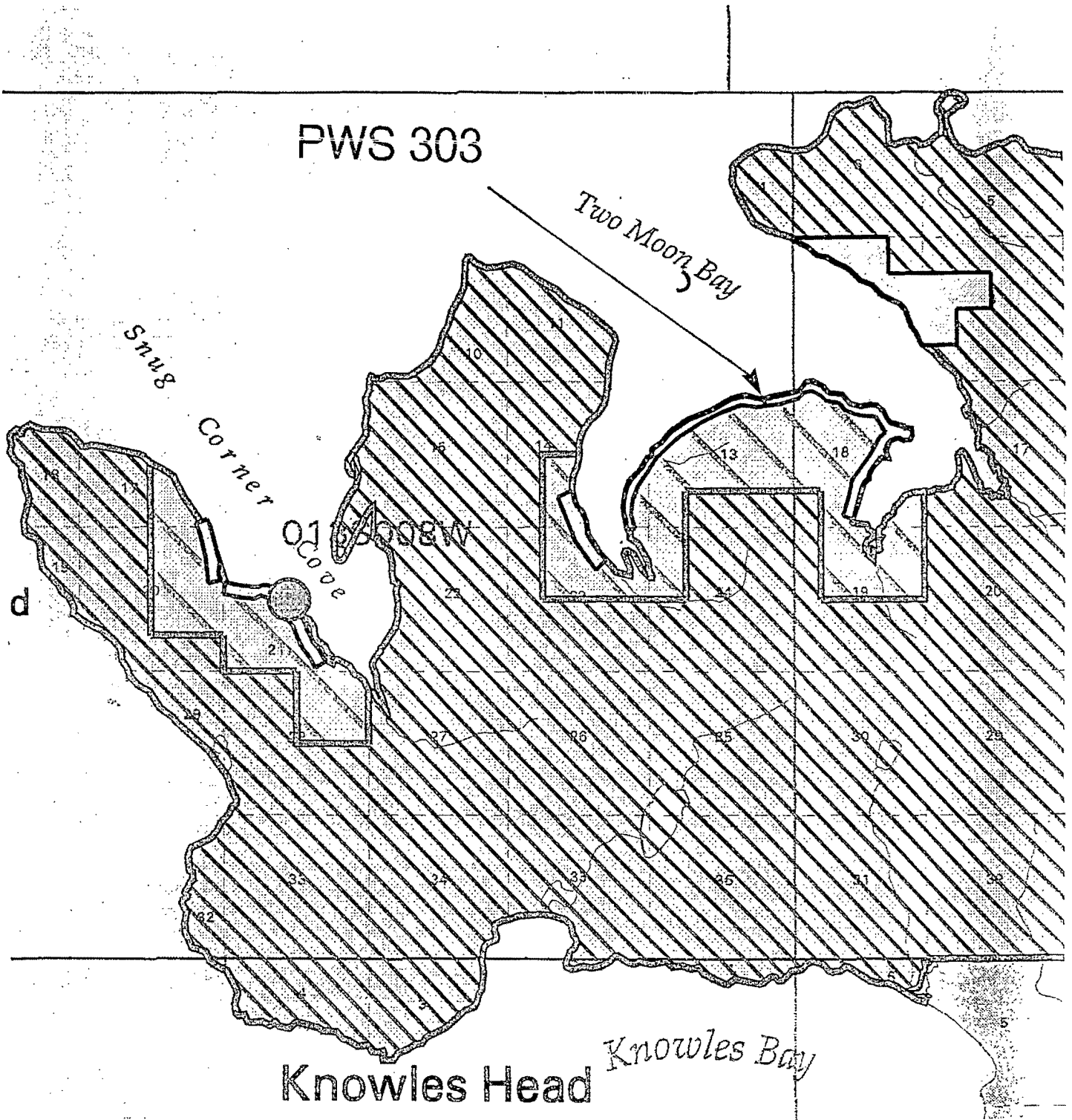
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 304
USFS Parcel Number: TMB 48

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$14,000

Owner: Exenia Gregorieff et al.

Location: West Arm of Two Moon Bay, Port Fidalgo, Prince William Sound

Parcel Description: Lot 48 of the Two Moon Bay Subdivision. There is a low embankment at the high tide line and the interior of the lot has a moderate sloping interior. The vegetation is dense spruce and hemlock.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

Acquisition of this home site and other home sites in Two Moon Bay and Snug Corner Cove will help protect injured resources and services from further development caused impacts and allow for a more rapid recovery. The Two Moon Bay large parcel was the third highest ranked parcel in Prince William Sound and the forth-highest ranked parcel in the Council's Large Parcel Program. The Two Moon Bay parcel scored high for Pink Salmon, Cutthroat trout, Dolly Varden, Pacific Herring, Bald Eagle, Black Oystercatcher, Harbor Seal, Intertidal/Subtidal, River Otter, Sea Otter, Recreation/Tourism, Cultural Resources and Subsistence.

Potential Threats: This parcel is subject to recreational and residential development.

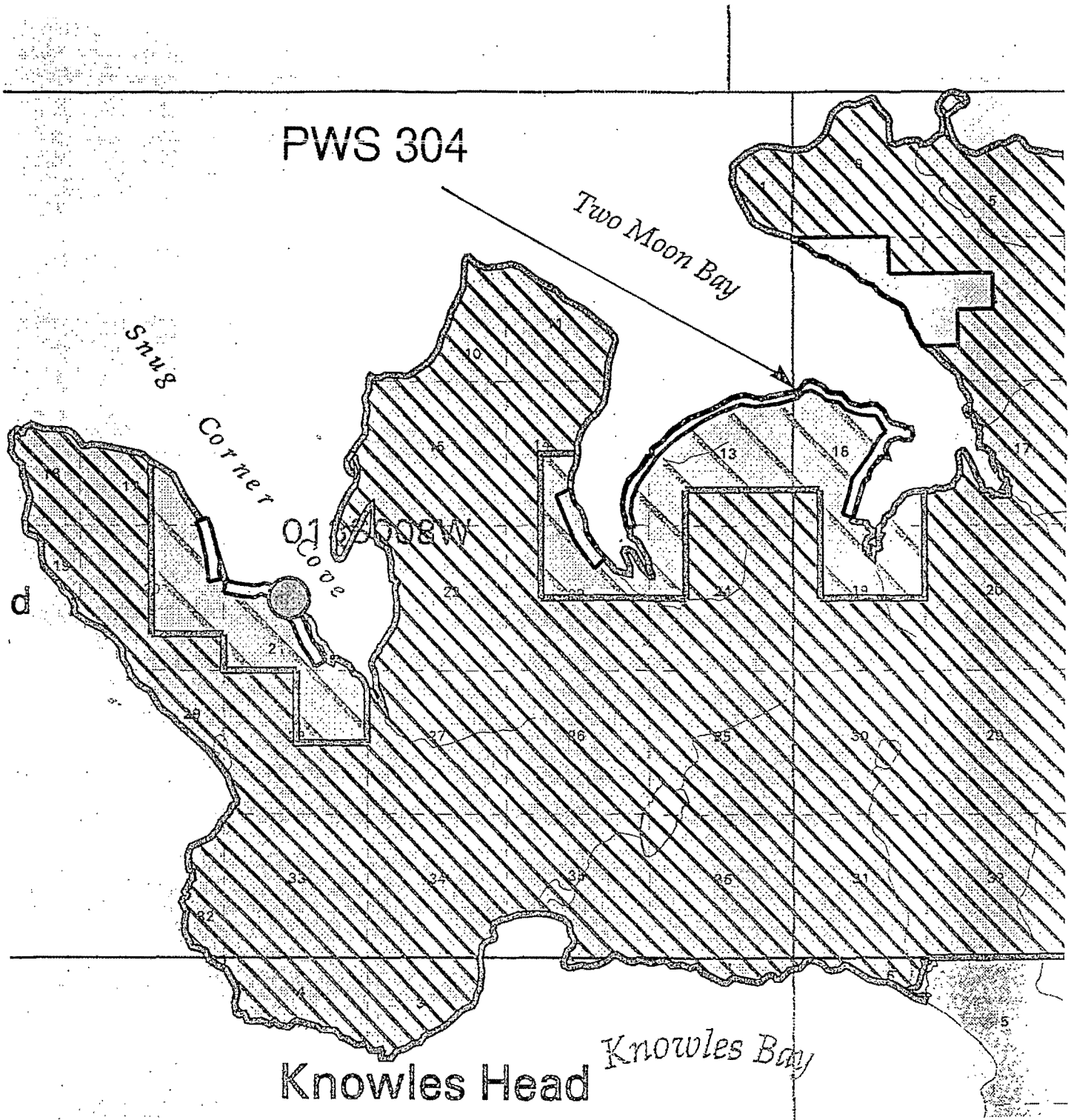
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 305
USFS Parcel Number: TMB 58

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$14,000

Owner: Calvin J. Totemoff

Location: East arm of Two Moon Bay, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 58 in the Two Moon Bay Subdivision. There is a moderate embankment at the high tide line and the parcel has a modest sloping interior. The vegetation is spruce and hemlock near the beach while the interior of the lot is sparsely vegetated interior. Two Moon Bay offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

Acquisition of this home site and other home sites in Two Moon Bay and Snug Corner Cove will help protect injured resources and services from further development caused impacts and allow for a more rapid recovery. The Two Moon Bay large parcel was the third highest ranked parcel in Prince William Sound and the forth-highest ranked parcel in the Council's Large Parcel Program. The Two Moon Bay parcel scored high for Pink Salmon, Cutthroat trout, Dolly Varden, Pacific Herring, Bald Eagle, Black Oystercatcher, Harbor Seal, Intertidal/Subtidal, River Otter, Sea Otter, Recreation/Tourism, Cultural Resources and Subsistence.

Potential Threats: This parcel is subject to recreational and residential development.

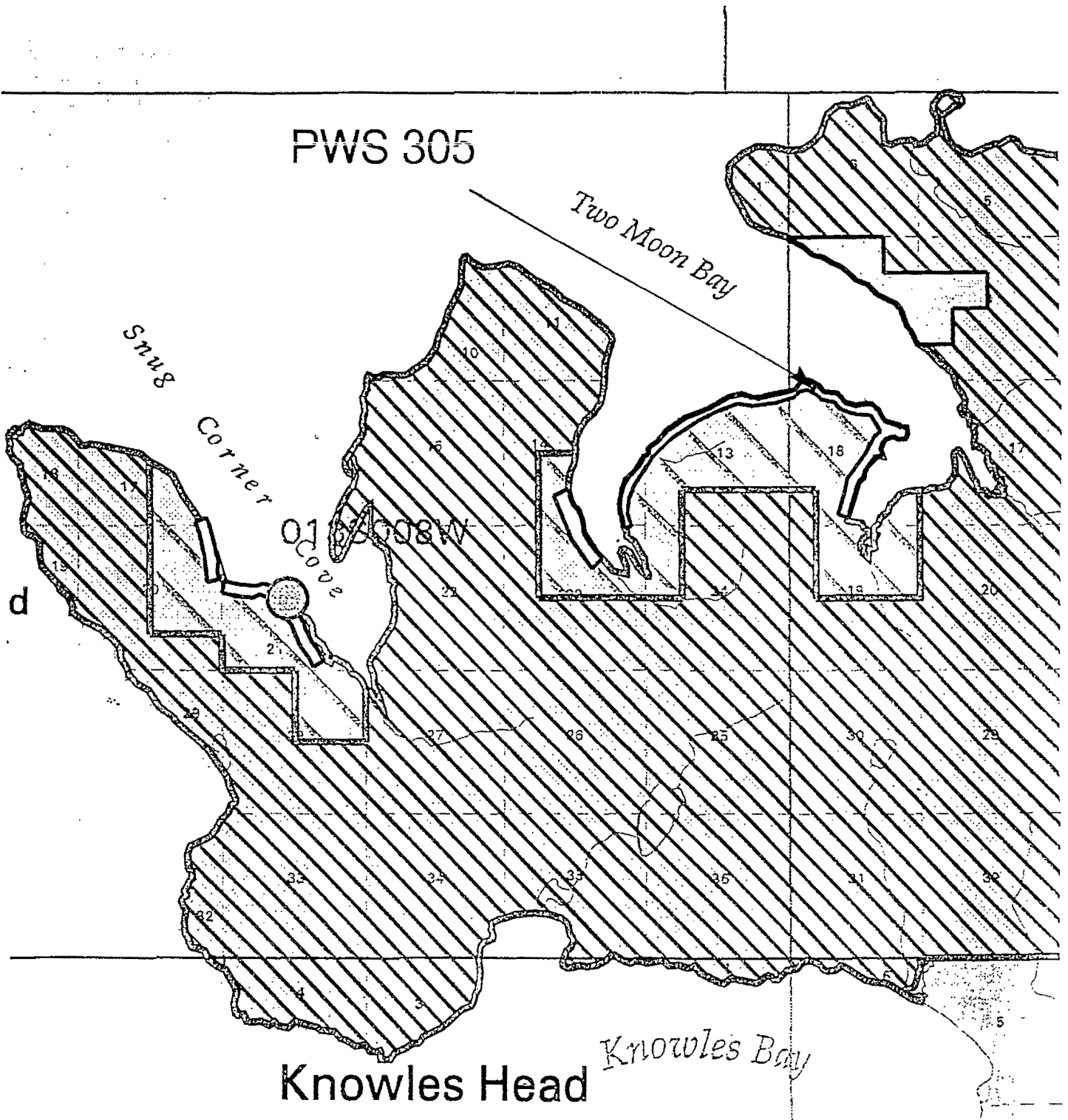
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 306

USFS Parcel Number: TMB 60

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$16,000

Owner: Dennis M. Wilfer

Location: East arm of Two Moon Bay, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 60 in the Two Moon Bay Subdivision. There is a moderate embankment at the high tide line, while the interior of the parcel has a modest slope. The vegetation is dense spruce and hemlock. Two Moon Bay offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

Acquisition of this home site and other home sites in Two Moon Bay and Snug Corner Cove will help protect injured resources and services from further development caused impacts and allow for a more rapid recovery. The Two Moon Bay large parcel was the third highest ranked parcel in Prince William Sound and the forth-highest ranked parcel in the Council's Large Parcel Program. The Two Moon Bay parcel scored high for Pink Salmon, Cutthroat trout, Dolly Varden, Pacific Herring, Bald Eagle, Black Oystercatcher, Harbor Seal, Intertidal/Subtidal, River Otter, Sea Otter, Recreation/Tourism, Cultural Resources and Subsistence.

Potential Threats: This parcel is subject to recreational and residential development.

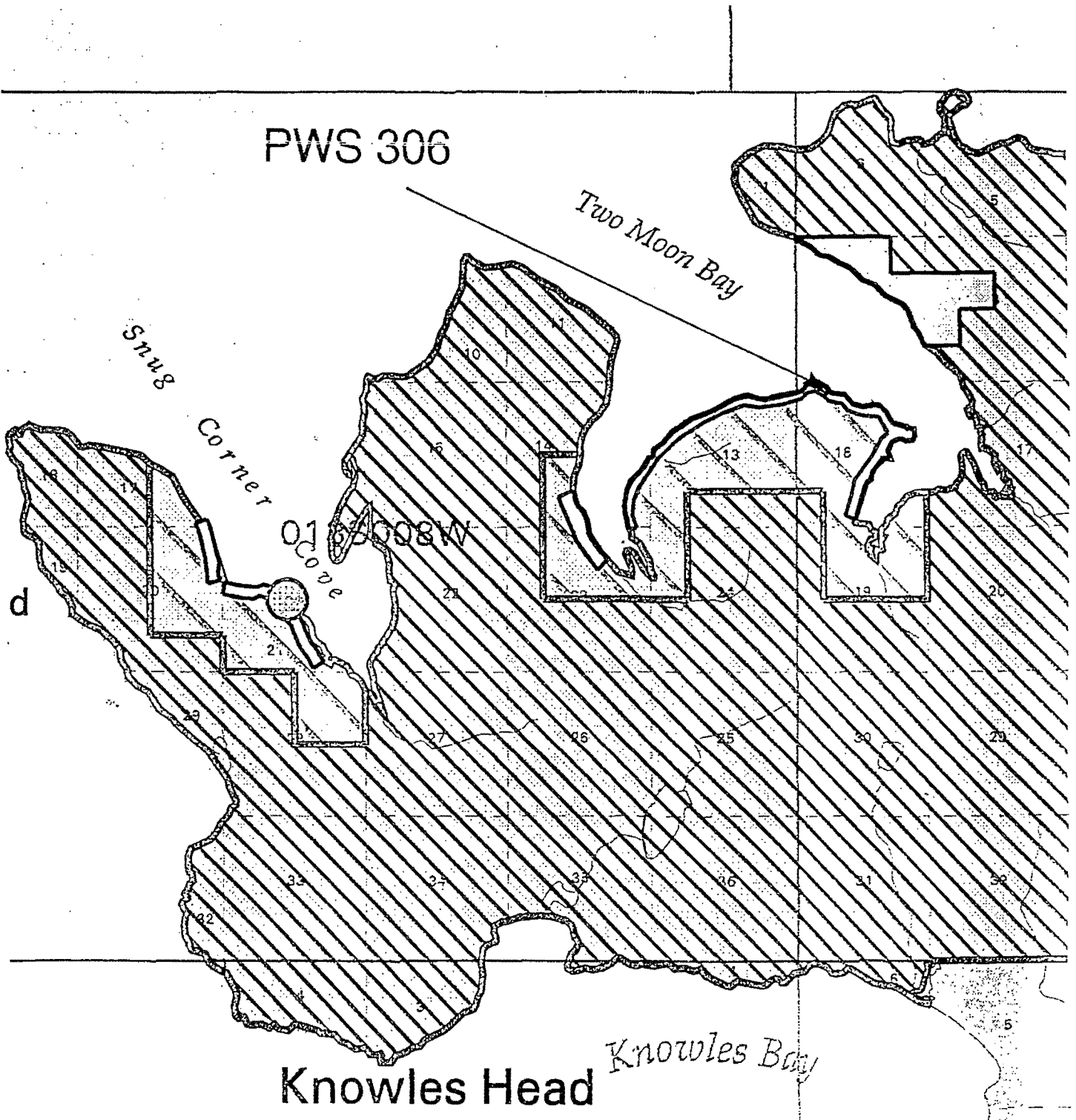
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 307
USFS Parcel Number: TMB 89

Acreage: 1.4 acres

Agency Sponsor: US Forest Service

Appraised Value: \$13,000

Owner: James P. Totemoff

Location: East arm of Two Moon Bay, Port Fidalgo, Prince William Sound.

Parcel Description: Lot 89 in the Two Moon Bay Subdivision. There is a steep embankment at the high tide line, while the interior of the parcel has a moderate slope. The vegetation is dense spruce and hemlock. Two Moon Bay offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

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Potential Threats: This parcel is subject to recreational and residential development.

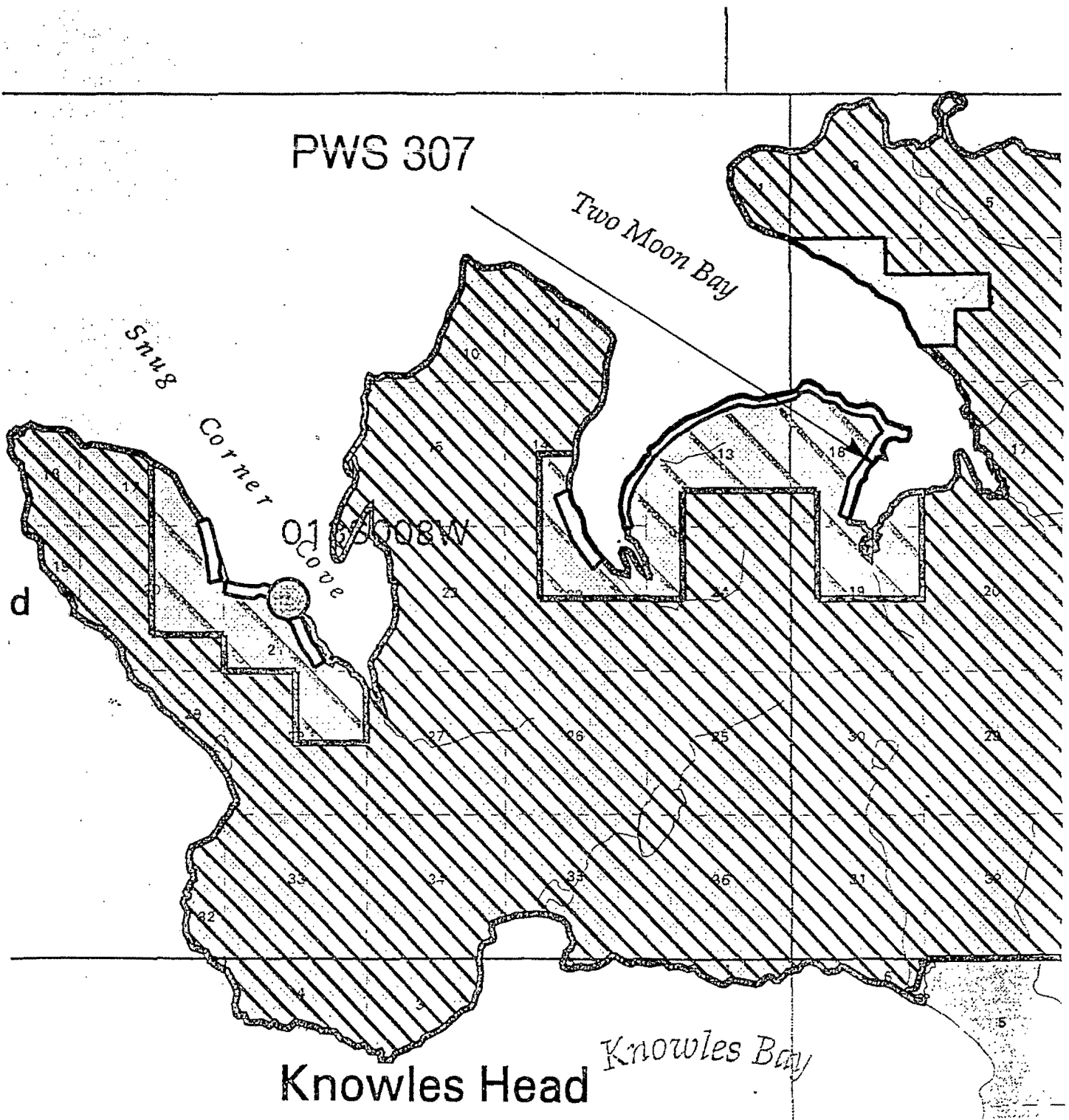
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



**EXXON VALDEZ OIL SPILL SMALL PARCEL PROGRAM
RESTORATION BENEFIT REPORT**

Parcel ID: EVOS Parcel Number: PWS 308
USFS Parcel Number: TMB 94

Acreage: 1.5 acres

Agency Sponsor: US Forest Service

Appraised Value: \$13,000

Owner: Peggy M. Totemoff

Location: East arm of Two Moon Bay, Port Fidalgo, Prince William Sound

Parcel Description: Lot 94 in the Two Moon Bay Subdivision. There is a moderate to steep embankment at the high tide line, while the interior of the parcel has a moderate slope. The vegetation is dense spruce and hemlock. Two Moon Bay offers a protected anchorage.

Restoration Benefits: In 1998 the Trustee Council finalized acquisition of 69,814 acres of lands and easements from The Tatitlek Corporation. This included 32,284 acres of surface title and 37,530 acres of conservation easements. Total purchase price was \$34,550,000. The Council's acquisition designated the home site lots located in Two Moon Bay and Snug Corner Cove subdivisions as parcels meriting special consideration in the Council's small parcel program. If the United States or the State of Alaska acquires any block of six or more home sites from willing sellers, The Tatitlek Corporation shall convey, at no cost, the surface fee estate to the acreage immediately behind the block of home site lots acquired. The band of acreage to be conveyed shall be of the same width as the block of lots acquired and shall connect with the fee simple interests already conveyed to the United States or the State of Alaska. Survey costs that may result, if any, shall be paid by The Tatitlek Corporation.

Acquisition of this home site and other home sites in Two Moon Bay and Snug Corner Cove will help protect injured resources and services from further development caused impacts and allow for a more rapid recovery. The Two Moon Bay large parcel was the third highest ranked parcel in Prince William Sound and the forth-highest ranked parcel in the Council's Large Parcel Program. The Two Moon Bay parcel scored high for Pink Salmon, Cutthroat trout, Dolly Varden, Pacific Herring, Bald Eagle, Black Oystercatcher, Harbor Seal, Intertidal/Subtidal, River Otter, Sea Otter, Recreation/Tourism, Cultural Resources and Subsistence.

Potential Threats: This parcel is subject to recreational and residential development.

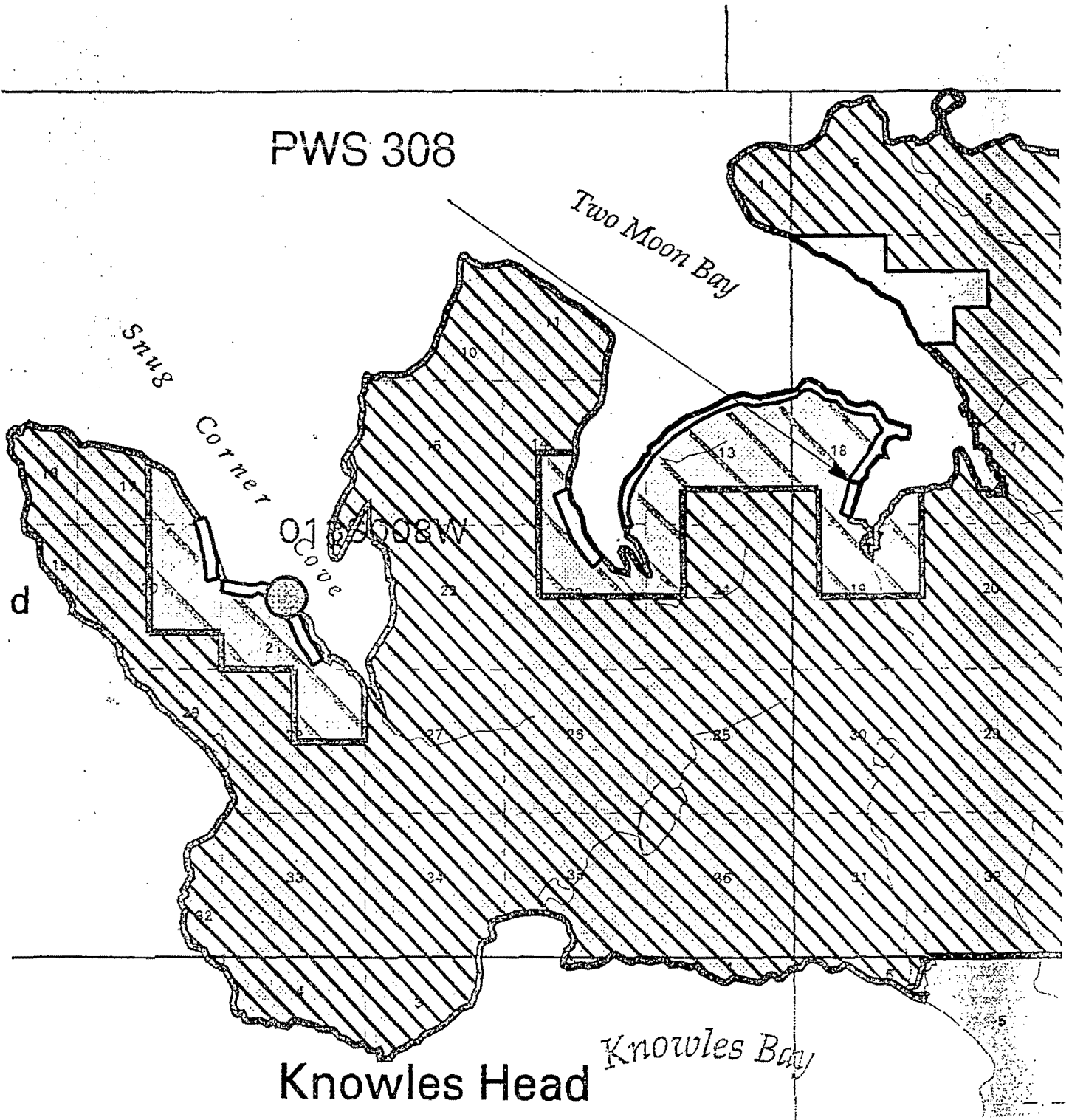
Proposed Management: The parcel will be managed by the U.S. Forest Service for conservation.

HABITAT PROTECTION SMALL PARCELS

Parcel ID: Tatitlek Homesite Parcels

Acres 19.5 (13 x 1.5)

Two Moon Bay & Snug Corner Cove Subdivisions



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**RESOLUTION OF THE
EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL**

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

1. Owners of small parcels identified in the "AGREEMENT FOR SALE AND PURCHASE OF LANDS AND INTERESTS IN LAND AMONG THE TATITLEK CORPORATION AND THE UNITED STATES OF AMERICA AND THE STATE OF ALASKA" as Homesites in Two Moon Bay and Snug Corner Cove have indicated an interest in selling those parcels;
2. The Trustee Council authorized appraisals of the above identified small parcels. Appraisals have now been completed for these small parcels which are more specifically identified in Attachment A to this Resolution (Restoration Benefits Report) and approved by the government review appraisers;
3. As set forth in Attachment A the small parcels have attributes which if they are acquired and protected will restore, replace, enhance and rehabilitate injured natural resources and the services provided by those natural resources including important habitat for several species for which significant injury resulting from the spill has been documented;
4. Existing laws and regulations, including but not limiting to the Alaska Forest Practices Act, the Alaska Anadromous Fish Protection Act, the Clean Water Act, the Alaska Coastal Management Act, the Bald Eagle Protection Act and the Marine Mammal Protection Act, are intended, under normal circumstances, to protect resources from serious adverse effects from activities on the lands. However, restoration, replacement and enhancement of resources injured by the EVOS present a unique situation. Without passing judgement on the adequacy or inadequacy of existing law and regulations to protect resources, scientists and other resource specialists agree that, in their best professional judgment, protection of habitat in the spill area to levels above and beyond that provided by existing laws and regulations will have a beneficial effect on recovery of injured resources and lost or diminished services provided by these resources;
5. There is widespread public support for acquisition of these parcels;
6. Purchase of these parcels is an appropriate means to restore a portion of the injured resources and services in the spill area. Acquisition of these parcels is consistent with the Restoration Plan and Final Environmental Impact Statement;
7. The purchase of small parcels is an appropriate means to restore a portion of the injured resources and services in the oil spill area.

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THEREFORE, we resolve to provide funds for the United States to purchase all of the sellers rights and interests in these small parcels and to provide funds necessary for closing costs recommended by the Executive Director of the Council, pursuant to the following conditions:

- (a) the amount of funds to be provided by the Trustee Council to the United States shall be one hundred and eighty thousand dollars (\$180,000) for these small parcels;
- (b) authorization for funding for any acquisition described in the foregoing paragraph shall terminate if a purchase agreement is not executed by September 1, 2001;
- (c) disbursement of these funds by the District Court;
- (d) completion of a title search satisfactory to the State of Alaska and the United States and the seller is willing and able to convey fee simple title by general warranty deed;
- (e) no timber harvesting, road development or any alterations of the land will be initiated by the owner prior to purchase without the express agreement of the State of Alaska and the United States;
- (f) completion of a hazardous materials survey satisfactory to the State of Alaska and the United States;
- (g) compliance with the National Environmental Policy Act; and
- (h) a conservation easement on the parcels, satisfactory in form and substance to the United States and the State of Alaska Department of Law, shall be conveyed to the State of Alaska.

By unanimous consent, following execution of the purchase agreement between the sellers and the United States and certification by the Executive Director that the executed purchase agreement is in accordance with the foregoing terms and conditions, we request the Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice petition the District Court for disbursement of the joint settlement funds in the above certified amount.

Such amount represents the only amount due under this resolution to the sellers by the United States to be funded from 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.

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Approved by the Council at its meeting of
by our signatures affixed below:

2000 held in Anchorage, Alaska, as affirmed

DAVE R. GIBBONS
Trustee Representative
Alaska Region
USDA Forest Service

BRUCE M. BOTELHO
Attorney General
State of Alaska

MARILYN HEIMAN
Special Assistant to the
Secretary for Alaska
US Dept. of the Interior

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

Attachment A: Restoration Benefits Report

Koniag Large
Parcel

Motion for the Trustee Council relating to the Koniag Acquisition

Motion:

I move that the Council direct the negotiators to proceed with the Koniag negotiations as generally described in the Proposal Framework, the Camp Island Operations and Facilities Framework, and the attached spreadsheet that reflects the estimated value of the account over time. Once the details of the Purchase Agreement and proposed conveyance documents have been resolved, the negotiators and the Executive Director are to submit them to the Trustee Council for review, together with a proposed resolution of approval for funding.

Comment:

The Council fully supports the work of the negotiators to date, but will need an opportunity to review the detailed language and conditions associated with the several easements, as well as the reservation terms of the deed should Koniag later exercise its option requiring the United States to purchase the property. We believe that the negotiators are, by now, quite familiar with the Council's concerns for public access and resource protection. The Council encourages the negotiators to complete their work as soon as possible and bring this matter back to us for approval and an anticipated closing on the easements later this year.

May 22, 2000

Proposal Framework

The lands considered under this proposal are the Koniag phase II lands and miscellaneous parcels discussed previously under the terms of a negotiated conservation easement. This proposal is subject to the negotiation of a conservation easement on Camp Island which allows development of facilities for a reasonable number of guests. A general outline of the Camp Island concept is attached. The proposal is subject to agreement regarding cabin management and outfitter permits.

The parties will extend the existing Koniag phase II easement from December 15, 2001 to October 15, 2002 for a payment of \$300,000, payable on December 15, 2001.

Effective, October 15, 2002, EVOS will establish an investment account of \$29.55 million.

EVOS will manage the account, in consultation with Koniag over the investment strategy, with an initial target of a projected average annual return of 5.75% above inflation when considered over a ten year period. All earnings are to be reinvested in the fund except for the annual payment for the conservation easement and the management fees for the account.

If the account is held in the State of Alaska's Treasury, the following fee structure applies: The annual management fee for the account at the time of establishment shall be as follows: (a) a fixed custody fee equivalent to \$5,000, plus a variable custody fee of 1 basis point (0.01%) of the total assets held; (b) a fixed income fee of \$16,573; (c) an investment fee for international equities of 15 basis points (0.15%) of assets under management; (d) an investment fee for domestic (broad market) equities of 1 basis point (0.01%) of assets under management. External investment manager fees will be assessed on a quarterly basis and will be based on the average month end balance. The fixed custody fee and the fixed income fee will be assessed on a monthly basis. During the agreement period, the fees for the Koniag Investment Account shall be assessed consistent with the fees for an account of this nature and charged by the Alaska Department of Revenue, Division of Treasury.

Fees shall change commensurate with management fee charges for an account of this nature.

If the account is held in an entity other than the State of Alaska, the fees will be charged commensurate with the management fees charged for an account of this nature.

An annual payment from the fund shall be made to Koniag as payment for the conservation easement. The payment shall be:

Year 1-- \$372,100, paid on October 15, 2003;
Year 2-- \$405,589, paid on October 15, 2004;
Year 3-- \$439,078, paid on October 15, 2005;
Year 4-- \$472,567, paid on October 15, 2006;
Year 5-- \$506,056, paid on October 15, 2007;
Year 6-- \$539,545, paid on October 15, 2008;
Year 7-- \$573,034, paid on October 15, 2009;
Year 8-- \$606,012, paid on October 15, 2010;
Year 9-- \$640,012, paid on October 15, 2011;
Year 10-- \$673,501, paid on October 15, 2012.

At the end of ten years, Koniag, at its sole option, may choose to--

1. sell the land for the amount of money in the account. The Camp Island easement included in the proposal framework, would be made permanent;
2. extend the agreement for ten more years;
3. end the agreement and any easements granted under it.

If Koniag chooses to extend the agreement for a second ten year period, the existing investment account will continue and will be managed in the same manner and with the same management fees as during the first ten years. The annual payout from the fund made to Koniag as payment on the conservation easement shall be

Year 11-- \$706,990, paid on October 15, 2013;
Year 12-- \$744,200, paid on October 15, 2014;
Years 13 through 20--\$744,200, payable on October 15 of each succeeding year.

If Koniag chooses to extend the agreement for a second ten year period, Koniag, at its sole option, may elect to sell the land for the balance in the account at any October 15 anniversary up until and including the end of year 20 (the Camp Island easement included in the proposal framework, would be made permanent).

If Koniag does not choose to sell the land at the end of year 20, the agreement and any easements granted under it will terminate unless the Trustee Council (or its successor) and Koniag mutually agree to extend them.

The payment of any costs to survey the lands will be the responsibility of the federal government.

May 22, 2000

CAMP ISLAND OPERATIONS AND FACILITIES FRAMEWORK

1. Bear viewing and guiding

- In the event of a future sale of the lands in accordance with this agreement, Koniag retains a right for bear viewing at Thumb Lake and River subject to reasonable management of habitat and wildlife by FWS.
- Koniag's 1307 preference within the Karluk and Sturgeon River drainages for bear viewing and other visitor services except guiding for sport fishing and hunting will be acknowledged.

2. Guest capacity and activities

- During the first 10 years of this easement, lodging capacity is limited to 28 guests and appropriate staff to service those guests. After year 10, Koniag may, without prior approval of FWS, increase lodging capacity to 40 guests with appropriate staff.
- After year 20, if the easement is made permanent, Koniag may increase guest capacity above 40 (with appropriate staff) with the approval of FWS, following an examination of changes and improvements proposed for the facilities, a consideration of the economics of the lodging operation, and a finding that such an increase will not cause significant harm to fish or wildlife or materially interfere with refuge purposes.
- Activities by guests and staff off of Camp Island on the lands subject to this agreement and on Karluk Lake shall be limited to those that are fish, wildlife and wildlands oriented or those related to archeology and cultural sites. Use of speed boats, jet skis, water skiing, personal water craft and other noise intrusive activities and conveyances are prohibited except as are necessary to participate in the above listed activities or to gain access to the facility.

3. Facilities

- The development site is limited to six acres. The site shall be reasonably compact and contiguous, except certain utilities including but not limited to generators and waste disposal as well as facilities associated with docks may be located away from the primary development area. Utilities will be sited so as not to detract or interfere with use and occupancy of Kodiak National Wildlife Refuge land on Camp Island. Noise, human activity, odor and attractive nuisance for wildlife will be considerations in siting. As utilities are developed, they may be shared with FWS facilities on the island. Prior to expansion of visitor capacity and after consultation with FWS, Koniag shall give notice to FWS of the site selected.
- Facilities could include cabins, multipurpose room, dining, kitchen, staff quarters, maintenance, office, reception, storage and hot tub/sauna.

- Facilities shall not exceed 30,000 square feet during the first 20 years.
 - After year 20, facilities may be expanded above 30,000 square feet if FWS approves building plans. Building plans will not be approved if there is a finding that increased size will significantly harm fish or wildlife or materially interfere with refuge purposes.
 - Buildings shall generally be designed in a manner similar to other remote Alaskan and Canadian lodges. No buildings shall be higher than two stories (except for such architectural features as vaulted ceilings, lofts, and/or cupolas appropriate to the design) unless approved by FWS.
4. Other provisions
- In the event operations are leased or contracted, Koniag remains the responsible party for compliance of its operator or contractor with terms of the agreement.
 - FWS will not permit other lodging concessions on those lands which are subject to the easement or possible future sale under the terms of the overall agreement.
 - Fish and Wildlife Service shall have a contractual right of first refusal for property interests retained by Koniag in the event Koniag should ever elect to sell Camp Island.
 - Terms and limitations of this agreement may be amended in the future by agreement of Koniag and FWS. FWS will consult with the State of Alaska on any proposed amendments.

Nominal Interest Rate			9.00%		Domestic Equities 68%	
Long Term Inflation Rate			3.25%		International Equities 20%	
Real Rate of Return			5.75%		Fixed Income 12%	
		ESTIMATED	ESTIMATED			ESTIMATED
		BEGINNING	TOTAL	ESCROW	Estimated	ENDING
		BALANCE	EARNINGS	PAYMENT	Fee	BALANCE
		-----		-----	-----	-----
1	10/15/02	\$29,550,000	\$2,659,500	\$372,100	\$35,938	\$31,801,462
2	10/15/03	\$31,801,462	\$2,862,132	\$405,589	\$37,032	\$34,220,973
3	10/15/04	\$34,220,973	\$3,079,888	\$439,078	\$38,208	\$36,823,574
4	10/15/05	\$36,823,574	\$3,314,122	\$472,567	\$39,474	\$39,625,655
5	10/15/06	\$39,625,655	\$3,566,309	\$506,056	\$40,838	\$42,645,070
6	10/15/07	\$42,645,070	\$3,838,056	\$539,545	\$42,308	\$45,901,273
7	10/15/08	\$45,901,273	\$4,131,115	\$573,034	\$43,893	\$49,415,460
8	10/15/09	\$49,415,460	\$4,447,391	\$606,523	\$45,605	\$53,210,724
9	10/15/10	\$53,210,724	\$4,788,965	\$640,012	\$47,454	\$57,312,222
10	10/15/11	\$57,312,222	\$5,158,100	\$673,501	\$49,454	\$61,747,368
11	10/15/12	\$61,747,368	\$5,557,263	\$706,990	\$51,616	\$66,546,025
12	10/15/13	\$66,546,025	\$5,989,142	\$744,200	\$53,955	\$71,737,012
13	10/15/14	\$71,737,012	\$6,456,331	\$744,200	\$56,495	\$77,392,649
14	10/15/15	\$77,392,649	\$6,965,338	\$744,200	\$59,262	\$83,554,526
15	10/15/16	\$83,554,526	\$7,519,907	\$744,200	\$62,276	\$90,267,957
16	10/15/17	\$90,267,957	\$8,124,116	\$744,200	\$65,560	\$97,582,313
17	10/15/18	\$97,582,313	\$8,782,408	\$744,200	\$69,138	\$105,551,383
18	10/15/19	\$105,551,383	\$9,499,624	\$744,200	\$73,037	\$114,233,770
19	10/15/20	\$114,233,770	\$10,281,039	\$744,200	\$77,284	\$123,693,326
20	10/15/21	\$123,693,326	\$11,132,399	\$744,200	\$81,911	\$133,999,614

			\$118,153,147	\$12,632,795		
				=====		

**Additional information
will follow when it
becomes available.**

4-30-00

Koniag Board of Directors

Dennis mettokin, President

Richard D Frost, Vice President

Glenn Godfrey Sr; Chairman

William Anderson Jr. Sec./Treasure

Fred Christensen

Charles "Butch" Pemberton Jr.

Frank R. Peterson Sr.

Clarence Selig

Jana Turvey

4300 B. Street Suite 407

Anchorage, AK. 99503

From:

Eldon + Joan Squarts

Box 41

Larsen Bay Alaska 99624

Hard copies will be sent certified mail.

9 pages faxed.

Please call if all pages

are not received.

cc. Exxon Valdez Oil Spill

Trustee Council

①

Joan Squarts

We, the undersigned, being voting shareholders of Koniag, Inc., and owners of the Sturgeon and Karluk River lands, a total of approximately 58,000 acres, do oppose any sale of our lands, now and in the future. By signing below, we are requesting that the Koniag, Inc., Board of Directors, Glenn Godfrey, Chairman, Dennis Mistrokin, President, Richard Frost, Vice-President, William Anderson, Secretary/Treasurer, Fred Christiansen, Charles Pemberton, Clarence Selig, Frank Peterson, Sr., and Jana Turvey, hereby stop any and all negotiations with the Exxon Valdez Oil Spill Trustee Council for the sale of these lands. These lands belong to our people and we want to keep them!

NAME	ADDRESS	Date:
Arthur Panamareff	PO Box 25 Larsen Bay AK	4-20-00
Frieda Panamareff	Box 25 Larsen Bay AK	4-20-00
Marina H. Wasilia	Box 21 Larsen Bay AK.	4-20-00
Al Panamareff	Box 6 Larsen Bay AK	4-21-00
Minnie Squartoff	Box 84 Larsen Bay	4-21-00
Sharon Knowls	Box 31 Larsen Bay 99624	4-21-00
Mable J Panamareff	Box 6 Larsen Bay 99624	4-21-00
Allen J Panamareff Sr	Box 145 Larsen Bay AK	4/21/00
Mackay M. Gage	Box 34 Larsen Bay AK 99624	4-21-00
Eli Squartoff	Box 86 Larsen Bay, AK	4-21-00
Moses P. Moshitov Sr	Box 14 Larsen Bay AK	4-21-00
Sophie J. Kukulmitoff	Box 82 Larsen Bay AK	4-21-00
Jana Noye	Box 71 Larsen Bay AK	4-21-00
John Noye	Box 7 Larsen Bay AK	4/21/00
Alberto Gage	P.O. Box 1 Larsen Bay AK	4-21-00
Charlie Gage	P.O. Box 1 Larsen Bay AK 99624	99624
Robert S. Kukulmitoff	P.O. Box 74 Larsen Bay AK 99624	4-21-00
John R. Noye	P.O. Box 53 LARSEN BAY AK	4/21/00
Kathryn Chaliaga	Box 83 Larsen Bay AK 99624	4-22-00

4-20-2000

We, the undersigned, being voting shareholders of Koniag, Inc., and owners of the Sturgeon and Karluk River lands, a total of approximately 58,000 acres, do oppose any sale of our lands, now and in the future. By signing below, we are requesting that the Koniag, Inc., Board of Directors, Glenn Godfrey, Chairman, Dennis Metrokin, President, Richard Frost, Vice-President, William Anderson, Secretary/Treasurer, Fred Christiansen, Charles Pemberton, Clarence Selig, Frank Peterson, Sr., and Jana Turvey, hereby stop any and all negotiations with the Exxon Valdez Oil Spill Trustee Council for the sale of these lands. These lands belong to our people and we want to keep them!

Date:

NAME	ADDRESS	
Belle Bronteau	PO BOX 51 Larsen Bay AK 99624	4-22-00
Joan D Squantz	PO BOX 41 Larsen Bay AK 99624	4-22-00
Chris Co	BOX 31 LARSEN BAY	4-22-00
Virginia Squantz	Box 35 Larsen Bay AK	4-23-00
Ray P. Jones	Box 111 LARSEN BAY AK	4-24-00
Randy H	Box 102 Le Y	4-28-00
Harold H	Box 4 LARSEN BAY AK	4-28-00
Charlene Claffier	Box 43 Larsen Bay AK	4-28-00
Carol R. Boudel	PO Box 101 Larsen Bay AK	4-28-00
John W. Hildreth	Box 74 LARSEN BAY	4-28-00
John M. Hildreth	POB 187 LARSEN BAY	4-30-00

We, the undersigned, being voting shareholders of Kootenai, Inc., and owners of the Scargoon and Kootenai River lands, a total of approximately 18,000 acres, do oppose any sale of our lands, now and in the future. By signing below, we are requesting that the Kootenai, Inc., Board of Directors, O'Brien Godfrey, Chairman, Dennis MacIntosh, President, Richard Fisk, Vice-President, William Anderson, Secretary/Treasurer, Fred Christensen, Charles Penabazco, Charles Bell, Frank Peterson, Jr., and Lena Turvey, hereby stop any and all negotiations with the Exxon Valdez Oil Spill Trustee Council for the sale of these lands. These lands belong to our people and we want to keep them!

NAME	ADDRESS
Mr. J. H. Smith	Box 28, Cretaceous
Mr. J. H. Smith	Box 152, Old Harbor
Mr. J. H. Smith	Box 111, Old Harbor

4-20-2000

We, the undersigned, being voting shareholders of Koning, Inc., and owners of the Sturgeon and Kerkik River lands, a total of approximately 51,000 acres, do oppose any sale of our lands, now and in the future. By signing below, we are requesting that the Koning, Inc., Board of Directors, Glenn Godfrey, Chairman, Dennis Mastrokin, President, Richard Frost, Vice-President, William Anderson, Secretary/Treasurer, Fred Christensen, Charles Pemberton, Clarence Selig, Frank Peterson, Sr., and Jane Turvey, hereby stop any and all negotiations with the Exxon Valdez Oil Spill Trustee Council for the sale of these lands. These lands belong to our people and we want to keep them!

NAME	ADDRESS
Christine Larsonoff	PO Box 13 Old Harbor
Walter Larsonoff	Box 13 Old Harbor
Tom Smith	Box 49 Old Harbor
Oliveria Christensen	Box 7 Old Harbor
Phyllis Lane	Box 24 Old Harbor
Emily Caplan	Box 52 Old Harbor
Sabrina Christensen	Box 108 Old Harbor
Donna Smith	Box 1 Old Harbor
Sabrina Larsonoff	Box 42 Old Harbor
Mary Chapman	Box 35 Old Harbor AK 99043
Susan Christensen	Box 35 Old Harbor AK 99043
Walter Christensen	Box 7 Old Harbor AK 99043
Mike Smith	Box 113 Old Harbor AK 99043

FROM : ROCKY & TILLY CHRISTIANSEN

PHONE NO. : 9872852248

4-20-2000

We, the undersigned, being voting shareholders of Koring, Inc., and owners of the Sturgeon and Kootenai River lands, a total of approximately \$8,000 acres, do oppose any sale of our lands, now and in the future. By signing below, we are requesting that the Koring, Inc., Board of Directors, Olaus Godfrey, Chairman, Dennis Mowbray, President, Richard Frost, Vice-President, William Anderson, Secretary/Treasurer, Fred Christensen, Charles Pustherton, Clarence Selig, Frank Peterson, Jr., and Jane Turvey, hereby stop any and all negotiations with the Exxon Valdez Oil Spill Trustee Council for the sale of these lands. These lands belong to our people and we want to keep them!

[illegible]

af

Investments

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
FROM: Molly McCannimon
DATE: May 16, 2000
RE: Investments

As you can see by the attached timeline, the Trustee Council is moving right along in establishing policies and making decisions leading to a transfer of the Joint Trust Funds from the Court Registry Investment System.

Also attached is the report from consultant Bill Wurts on the Alaska Department of Revenue's abilities to manage and invest the Joint Trust Funds. I will present this report at the meeting, with additional comments from Bob Storer and Peter Bushre. Bill Wurts had a prior commitment, but will be available by telephone at 1:30 p.m. for additional questions, if needed. No action is planned on this item. However, this information will be used to discuss, and in June to decide, where to invest the Joint Trust Funds.

The action item proposed for this meeting is adoption of a payout rule for future disbursements from the Joint Trust. Attached you will find a draft motion, followed by three options, with the preferred Option A identified. This recommendation is based on achieving three goals: fully inflation-proofing the fund; allowing the fund to grow in real value over time; and providing a stable program of at least \$6 million a year in the early years.

I realize that it is not apparent from Option A that the third goal would be achieved under this recommendation. However, given that Bill Wurts' report believes that the Callan projections of expected rates of return are very conservative, and given that the Alaska Department of Revenue investments over the past five years have performed better than that expected rate of return by 8-10%, I think we have reason to believe that the minimum payout in Fiscal Year 2005 and beyond will be at least \$6 million.

For these reasons, I recommend adoption of Option A for future payouts of the Joint Trust Funds earmarked for research, monitoring and general restoration.

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: May 16, 2000

RE: Investment of the Joint Trust Fund

The following timeline has been updated. The timeline continues to assume that the funds will be transferred in June 2000.

January 31, 2000	Trustee Council discusses the Draft Investment Policies of the Joint Trust Fund. COMPLETED
February 29, 2000	Trustee Council adopts Investment Policies. COMPLETED
March 16, 2000	Trustee Council discusses income producing obligations and other instruments and securities for purposes of developing an Asset Allocation Plan. The Trustee Council discusses the role of the investment consultant and investment managers. COMPLETED
April 24, 2000	Trustee Council adopts an Asset Allocation Plan. Trustee Council adopts a motion requesting that the Alaska Department of Law and the U.S. Department of Justice amend the Order for Deposit and submit to the court, allowing for transfer of the funds. Trustee Council discusses payout methodology and rule. COMPLETED
May 22, 2000	Trustee Council adopts a long-term payout methodology and rule. Trustee Council reviews the independent report of the Alaska State Department of Revenue, Division of Treasury relating to investment, custody and safekeeping functions. Trustee Council discusses custodial options, investment consultants and investment managers.
Early June	Trustee Council selects a custodian, investment consultant and investment manager.
Late June	Transfer Joint Trust Funds and implement the Asset Allocation Plan.

999 Third Avenue, Suite 3656
Seattle, Washington 98104-4021

WURTS  ASSOCIATES

Telephone: 206.622.3700

Facsimile: 206.622.0548

May 16, 2000

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

***RE: State of Alaska Department of Revenue – Division of Treasury
Investment and Custodial Review***

Dear Molly:

Enclosed are six copies of the Investment and Custodial Review for the State of Alaska Department of Revenue – Division of Treasury that we promised to delivery to you.

Please give me a call if you have any questions. I look forward to talking to you soon.

Sincerely,



Wm. W. Wurts
President

WWW/ks

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

State of Alaska Department of Revenue – Division of Treasury **Investment and Custodian Review**

SCOPE OF STUDY

At the request of the *Exxon Valdez* Oil Spill Trustee Council, we have reviewed the organizational structure, equity and fixed income management practices, asset modeling procedures, and the custody and safekeeping, as well as the accounting functions of the State of Alaska.

By way of background information, Wurts & Associates is the largest independent investment consulting firm located in Seattle, Washington. Our client base includes a number of sizeable West Coast based corporate retirement funds, Taft-Hartley labor management retirement funds, public funds, including the City of Seattle Employees Retirement Trust, and others. Together with our Santa Monica office, our seven Consultants service over 130 client accounts throughout the West Coast. Mr. William Wurts, the President of Wurts & Associates and an investment consultant for over 25 years, conducted this study.

In the process of gathering this information, we held interviews with Ms. Molly McCammon, Executive Director of the *Exxon Valdez* Oil Spill Trustee Council, Traci Cramer, Director of Administration of the *Exxon Valdez* Oil Spill Trustee Council, John Jenks, the recently-appointed Chief Investment Officer of the Department of Revenue, Robert Storer, his predecessor in that position and now the Executive Director of the Alaska Permanent Fund Corporation, Betty Martin, the Controller of the State of Alaska and Tim Davenport, the Assistant Controller.

Given the need to complete this project in a relatively short period of time, this was the extent of the interview process. It did give us, however, a good feeling for how the Department of Revenue operations are conducted and how they might apply to the *Exxon Valdez* Oil Spill Trustee Council investment program.

ORGANIZATION

The Department of Revenue, Division of Treasury provides custody and investment management services for all of the state funds, as well as some additional assets that are held on behalf of other entities. The ultimate fiduciary responsibility for state funds rests with the Commissioner of Revenue, Mr. Wilson Condon. The Deputy Commissioner of Revenue, Mr. Neal Slotnik, oversees day-to-day operations. The primary sections within the Division of Treasury are Accounting, which is managed by Ms. Betty Martin, Portfolio Management, managed by John Jenks, Debt Management, and Cash Management. In addition, there is a liaison to the Alaska State Pension Investment Board (ASPIB). In this report we will be dealing primarily with the Portfolio Management and, later in the report, the Accounting sections.

Fixed Income investments are managed internally, while domestic equities are invested through State Street Global Advisors, a division of State Street Bank. The latter funds are invested essentially in a combination of a Standard & Poors 500 Index Fund and a smaller capitalization fund which, taken together with the Standard & Poors Index Fund, provides a combined index fund that approximately equals the characteristics and size of the Russell 3000 Index, a broad market index. International equities are managed by Lazard Asset Management of New York.

We will now address each of these investment sectors.

FIXED INCOME INVESTMENT

The proposed investment vehicle for the *Exxon Valdez* Oil Spill Trustee Council Funds would be the Long-Term Fixed Income Pool, which is run by the Division of Treasury. In the past, this pool (or mutual fund) has been sometimes referred to as the "Unconstrained Fixed Income Pool", although this appears to be somewhat of a misnomer since "unconstrained" in a fixed income sense often means less-than-investment grade and non-U.S. fixed income investments, neither of which are allowed by state policy.

Internal management of fixed income securities seems to have a reasonably extensive history within the Division of Treasury. Michael Cheung, recently departed, along with John Jenks, in the early 90's, managed these assets and produced very competitive results. According to Mr. Jenks, their approach involved a global view of fixed income management and, while their investments were limited to investment grade U.S. fixed income securities, they still spent considerable time taking a top down approach and taking into consideration worldwide events that might be affecting the U.S. markets. In our interview with Mr. Jenks, he indicated that the "Economist" newspaper is required reading within the division, since it had such a global approach to the bond market.

Emphasis has been placed on what is now often referred to as "spread" products within the fixed income markets, i.e., corporates, mortgage-backed securities, asset-back securities, and, in general, non Treasury issues. The investment concept here is that this group of securities, since they are somewhat more complicated to analyze, will always carry a higher yield to maturity, a higher coupon, and, hence, will produce better returns in the long run. This is particularly true for those investors, such as the Division of Treasury, who do not have tremendous concerns about their portfolios' immediate liquidity characteristics.

Under this philosophy, corporate bonds taken as a sector, might be weighted in the portfolio as much as double that of the index, which was the Lehman Government Corporate Bond Index until April 1st of this year, and weightings would often end up in the 40% - 50% area vs. closer to 20% for the index. BAA/BBB rated bonds, the lowest general level of investment grade issues, were not overly emphasized in this process since, in the event of a downgrade, their risks were deemed to be too high. Their approach was to stay close to the duration of the Lehman Brothers Government Corporate Bond Index, plus or minus 10%. Hence, the duration (or maturity) "bets" that the managers were making were not large. In general, their maturity spread wound up in the intermediate term phase of the so-called "yield curve" or in the 5 - 12-year maturity range.

While Wall Street research was reviewed extensively by the fixed income investment team, John Jenks estimates that about 75% of the bonds selected for the portfolio came about as a result of internally-generated research. The fixed income investments are managed by a 3-person team that includes the investment officer, a full time fixed income analyst, whose responsibility is to research and produce acceptable ideas for possible purchase, as well as a bond trader.

The above approach, for the most part, was very successful during a good part of the 90's, although in the past 2 years the relative results have fallen off quite extensively. However, the results are still consistent with the overall index. The primary reason for this is that the U.S. Treasury market assumed domination

in the investment world, particularly in the summer and fall of 1998, when the default on the Russian bonds and concern with the Long Term Capital situation caused a considerable flight to quality and, hence, to U.S. Treasuries. Because of their approach, the U.S. Treasury and Agency part of the portfolio is typically underweighted in the Division of Treasury's portfolio, which caused an underperformance during this period and several subsequent quarters. In addition, 1999 was one of the poorest years for absolute bond results in the past decade, and those portfolios that emphasize corporates and, again, so-called "spread" products, generally underperformed, often quite dramatically.

Mr. Jenks did express his strong desire to "stay the course" and continue to pursue this investment approach. Now is not the time to change the investment process, he feels. We would agree with this statement.

Michael Cheung left the Department of Revenue early this year and he has been replaced recently by Mr. Lee Livermore, who has over 20 years of fixed income experience through several insurance companies and bank trust departments located in the mid west, the most recent one being the Royal Neighbors of America. His most significant experience involves 9 years as chief fixed income officer with Anthem Inc., a major Blue Shield/Blue Cross company in the mid west. Mr. Livermore's responsibilities included management of a bond portfolio valued at over \$2 billion. Mr. Livermore is in the process of moving to Juneau and is assuming his responsibilities as this is being written. He will assume responsibilities for all fixed income investments within the division.

Given his lack of firsthand experience with the Division of Treasury and the philosophies described above, Mr. Livermore's arrival does add some uncertainty to the implementation of the investment process in the future. John Jenks does feel that he is a very capable individual and one who will make a strong contribution to the future of the fixed income performance of the division. He also states that his investment approach coincides with that described above. Mr. Livermore himself confirmed that he has a strong belief in the merits of non-Treasury obligations ("spread product") in a managed bond portfolio. In the time allotted, we did not validate Mr. Livermore's past performance record at his previous employer, assuming that one might have been available.

It should be noted that the overall index objective for the division's fixed income total return portfolios has been changed effective the 1st of April from the Lehman Brothers Government Corporate Bond Index to the Lehman Aggregate Index. The Lehman Aggregate Index is generally felt to be more representative of the bond market as a whole since it includes mortgage-backed bonds, which the Lehman Brothers Government Corporate Index does not. As a result, it was selected by the Division of Treasury to be a more appropriate index for comparative purposes. Due to the fact that the Index contains over 30% of its weightings in mortgage-related bonds, this switch would put a renewed emphasis on the mortgage-backed sector of the market. Mortgage oriented investments tend to do better in a rising interest rate environment, since they typically return income to the holder on a monthly basis, which can then be reinvested at presumably higher rates. In the last several years, the Lehman Brothers Aggregate has tended to outperform the Lehman Brothers Government Corporate Index, although over a truly long period of time, one would expect the performance of these two broadly based indexes to be approximately the same.

Since the *Exxon Valdez Oil Spill Trustee Council Funds* fixed income performance objective is the Lehman Brothers Aggregate Index, this would appear to be an appropriate fit for the strategy employed by the Division of Treasury.

Here are the performance results for the Long-Term Fixed Income Pool (previously referred to as the "Unconstrained Fixed Income Pool") for the various periods indicated. I have also included the Lehman Brothers Government/Corporate Bond Index and the median (middle) fund performance for the Independent Consultants Cooperative (ICC) database of unconstrained maturity fixed income portfolios, which our firm uses for comparative purposes. This database has over 5,000 portfolios in it, so I feel it is representative of unconstrained fixed income management.

Periods indicated below are for 12/31/99:

	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>	<u>8 yr.</u>	<u>10 yr.</u>
Treasury's Long Term Fixed Income *	-2.4%	+5.5%	+7.6%	+6.8%	+8.0%
Lehman Brothers Govt./Corp. Bond Index	-2.2	+5.5	+7.6	+6.6	+7.7
Median ICC Core Bond Funds	-0.4	+5.8	+7.8	+6.8	+8.1

* Source: Callan Associates

As you can see from these figures, the underperformance of the last few years has pulled down the longer-term performance to the average to a somewhat below average level. It is important to note in this context that the relative performance for fixed income portfolios does not generally swing the balance fund results, since the difference between "good" and "bad" fixed performance is so small. Please also note, and this is important, that the above database performance is shown on a pre-fee basis and it is my understanding that the State of Alaska fixed income figures are also shown on a pre-fee basis. Note that the fee structure (one basis point) for the Joint Trust Fund would presumably be considerably less than that for the average bond portfolio manager in the ICC database for accounts in the \$100 million total asset range, which typically falls in the 25 – 30 basis point range.

Given the division's proposed fee structure for your account (see fee section which follows in this report), this would add approximately 25 basis points to your results on a relative basis, which would then push the performance results on an after-fee basis very close to the median level for most of the longer time periods under review.

As a result, we would conclude that the fixed income performance, while lagging over the shorter-term, has performed in a respectable manner, particularly when the after-fee results are reviewed. As is typically the case, however, the arrival of the new Fixed Income Investment Officer does add some uncertainty with regard to the future in this asset class. There is simply no way that we can predict the effectiveness of the new management in this regard, except to note that the philosophy and process appear to be sufficiently well entrenched to assure success once the market turns back again to favor the investment approach discussed above.

Based upon the overall process, however, and the fact that John Jenks did himself manage the fixed income portfolio of the State, this does give confidence for the expectation of reasonably competitive results in the future.

DOMESTIC EQUITY INVESTMENT

The analysis of the Domestic Equity Investment is considerably easier, since all of the funds will be invested in two index funds, as managed by State Street Global Advisors (SSGA), which are designed to replicate the Russell 3000 Index. Located in Boston, State Street is one of the largest investment management firms in the world, presently managing well over \$450 billion in client assets. They also have a very strong reputation in the area of indexed investments.

The Division of Treasury presently has \$1 billion invested with State Street Global Advisors (SSGA). The Russell 3000 Index, which essentially represents the largest 3000 U.S. companies in the market, would appear to us to be a very sensible objective, since it is a broader index than the Standard & Poors 500, which at present is so dominated by its larger component companies. Hence, the true exposure through the Russell 3000 is to the entire market. The strategy used by the Division of Treasury to gain exposure to the entire market in the past includes investing approximately 75% of the assets in the S & P 500 Index Fund and the remaining approximately 25% would be invested in a fund that is replicated to the approximate performance of the Russell 2000 Index. This latter fund is sometimes referred to as a "completeness" fund, which is designed for investors such as the State, where they decide to replicate the broader market and, in particular, to participate in those stocks not represented in the S & P 500 Index.

Now, we understand, a new arrangement has recently been negotiated with SSGA wherein a new Russell 3000 Fund will be formed directly, without having to use the above combination of funds. This would appear to us to be a more efficient approach and one that will avoid the S & P 500/Russell conflicts that occasionally arise as the indices are reconstituted due to market activity. John Jenks also has stated that the same fee structure (see below) will apply to this new fund. While the Council might be offered both of these options, we would recommend the direct (single) index fund as a more efficient investment, assuming that its initial assets exceed \$1 billion in size.

The fees in this area are estimated at approximately one basis point, since they are calculated at the incremental (or final) dollar on top of the billion dollars already invested by the State of Alaska with SSGA. This schedule would appear to be extremely competitive. The Trustee Council could expect to pay typically 40 to 50 basis points for equity management, given their size of assets, if it were to be invested by an active manager, and 5 to 10 basis points, if the equity funds were to be invested passively. As a result, the one basis point fee figure would appear to be extremely attractive.

Here are the performance results for the State of Alaska's Russell 3000 strategy with SSGA, the Russell 3000 Index and the median fund performance for the Independent Consultants Cooperative (ICC) for domestic equities:

	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>
Treasury's Domestic Equities *	24.0%	27.2%	26.6%
Russell 3000 Index	22.8	27.0	25.9
Median ICC Equity Fund	17.9	22.0	24.3

Source: State Street Bank

All returns are on a pre fee basis. Due to the fact that indexing has performed quite well on a relative basis in recent markets, the State of Alaska's equities do outperform the median fund in the ICC database of over 5,000 equity portfolios, which we use for comparative purposes. Hence, the recommendation of this strategy is relatively easy to make. Please also note that on an after-fee basis the difference in relative performance vs. active management would be even higher.

INTERNATIONAL EQUITIES

The International Equity Program is run by Lazard Asset Management, a substantial international equity firm with offices located in many cities throughout the world and headquartered in New York. In total Lazard manages over \$30 billion in non-U.S. and global equity funds. Lazard has developed a strong reputation over the years as a value style investor, meaning they tend to emphasize equity securities with evaluations, as expressed by price-to-earnings ratio and price-to-book ratios that are often well below that of the market in general.

This has been a good lower risk investment philosophy over the long-term, although during the last year the approach has caused some underperformance, as the world as a whole reacted so enthusiastically to technology and communications stocks that are generally underweighted in Lazard's (and other value style investor's) portfolios.

Here are the performance results for the Division of Treasury's Non-U.S. equities with Lazard, the Europe, Australia, and Far Eastern Index (EAFE), and the median fund performance for Independent Consultants Cooperative (ICC) for Non-U.S. equities :

	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>
Alaska Treasury's Non-U.S. Equities *	25.5	18.0	17.0
EAFE Index	27.0	15.8	12.8
Median ICC Non-U.S. Equity Fund	26.8	15.8	16.9

* Source: Callan & Associates

Again, all returns are on a pre fee basis. This Fund has tended to perform relatively well, beating both the EAFE Index, as well as the median fund, in the Independent Consultants Cooperative database of over 2,000 non-U.S. equity portfolios over the 3 & 5-year periods.

In addition, as was the case with domestic equities, the fee structure offered by the Division of Treasury for international management is extremely attractive, using the proposal that was made by the division to the Trustee Council of 15 basis points. Most international equity managers charge close to 75 - 100 basis points for their services. 15 basis points is extremely competitive and would simply not be available in the open market to a fund the size of the Council's.

ASSET ALLOCATION

It is our understanding that the Trustee Council recently adopted an overall asset allocation as follows:

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>	<u>Benchmark</u>
Domestic Equities (Broad Market)	41%	+/-7%	Russell 3000
International Equities	17%	+/-5%	EAFE
Domestic Fixed Income	42%	+/-7%	Lehman Aggregate

This allocation, according to the asset allocation modeling done by the State's consultant, Callan & Associates, should produce a median expected return of 8.25% with a Standard Deviation of 10.59%.

John Jenks produced the Callan-sponsored assumptions that went into this asset allocation modeling. They represent five (5) year market estimates and are as follows:

	<u>Total Return</u>	<u>Yield</u>	<u>Standard Deviation</u>
Domestic Equities (Broad Market)	9.2%	1.2%	16.2%
International Equities	9.75%	1.4%	21.5%
Bond/Aggregate	7.6%	7.6%	5.5%

The assumptions that went into the Division of Treasury's optimization model were provided by Callan & Associates and, along with certain correlation assumptions, produced an "efficient" number of portfolios that varied in their risk and return characteristics. As in any capital markets process, the greater the expected return potential of an efficient mix of assets, the greater the risk as measured by volatility (or standard deviation).

The mix selected is a relatively conservative one and, in our opinion, is also based on relatively conservative input characteristics. As an example, a 9.2% equity return is well below the 50 and 75 year return figures for the broad equity market. It is also less than half of the return earned by the broad market over the past decade, a highly unusual period, admittedly.

In addition, the relative difference in the return projections for the various asset classes are what is significant here. We would be inclined to argue that a 2.5% real return difference in stock vs. bond returns is certainly on the low side. In fact, for all periods ended December 31, 1999 (i.e., 10, 20, 30, 40, 50, and 70 year periods), there is no period where the differential has been this low. We would be inclined to use a higher equity assumption number and are more inclined to base our asset allocation assumptions on historical returns and spreads between asset classes.

Despite this observation, using higher equity assumptions would only serve to create a higher return projection for the presently proposed 41/17/42% allocation. This would represent a 58% investment in equity and 42% investment in fixed income. While this mix is reasonably conservative by today's standards, it still would seem to fit the broad investment policies and low risk taking exposure typically associated with this type of fund.

In addition, the higher percentage in international equity securities (17%) should also serve to dampen the volatility, since the correlation of non-U.S. to U.S. securities has historically been less than 65%. In other words, while international equities may carry more volatility in and of themselves, only 65% of the time are they typically moving in the same direction as U.S. equities. As a result, they tend to be volatility dampeners for the total portfolio, except during those periods of substantial market stress when both categories are heading in the same direction.

In summary, while we might have some quarrel with the equity assumptions used in the modeling process, we feel that the overall conclusion of a portfolio that is 41% invested in U.S., 17% in non-U.S. equity and 42% in domestic fixed income, is both conservative and over time should produce a return that is compatible with the objectives set forth in the Council's Investment Policy.

FEES

The fee structure, as proposed by the Division of Treasury, appears to be extremely attractive. As I understand it from conversations with Traci Cramer and John Jenks, the proposed fee structure is as follows:

<u>Custodian Fees</u>	<u>Estimate on \$100 mn in Assets</u>
- \$5,000 per account per year	\$ 5,000
- 1 basis point on total assets	10,000
Total Custodian Costs	\$15,000
<u>Fixed Income Management</u>	
- Indirect Personal Services Fee	\$16,500 approx.
<u>Equity Domestic</u>	
- 1 basis point - approximate (Assets \$41,000,000)	\$4,100
<u>Equity International (Lazard)</u>	
- 15 basis points - approximate (Assets \$17,000,000)	\$25,500
<u>Approximate Overall Fee</u>	\$61,100
As a percentage of \$100 million in assets:	6 basis points

The reason for the competitive fee structure is the fact that these assets are being added onto the assets already managed by the Division of Treasury. Hence, they are being charged only the incremental fee schedule.

The above fees would appear to be extremely competitive in nature as previously noted. An important point to keep in mind here is that the only thing that is guaranteed going forward is the fee structure that you are going to pay. Future investment results are, at best, estimates. Hence, the fee structure becomes

important to the extent that it is a certainty and, in our opinion, there is no question about the fact that this is essentially as low a fee as you might expect to find anywhere.

Here are some typical figures, based upon a study that we produced about a year ago, which backup these claims. We are basing them upon an actively-managed fund in the \$100 million asset range, which is approximately that of the Joint Trust Fund:

- Custodial Fees	\$ 30,000 (3 basis points)
- Domestic Equity Fees (\$41 mn in assets)	\$164,000 (40 basis points)
- International Equity Fees (\$17 mn in assets)	\$127,500 (75 basis points)
- Fixed Income Fees (\$42 mn in assets)	<u>\$105,000</u> (25 basis points)
- Total Estimated Fee (including Custodial Fee):	\$426,500 (or 43 basis points)

Please note that we have incorporated the fee structure in this example for an actively-managed account. In our opinion, it is the only reason (i.e., seeking active management) the Council might consider going outside of the services offered by the Division of Treasury, since their fees are so competitive for their package of active and passive management services.

In the event that the assets of the Joint Trust Fund were invested outside the Division of Treasury, with a combination of passively managed investments (Domestic Equities and Fixed Income) and actively managed investments (International Equities), again based on a study that we produced about a year ago, our best estimate of the fees would be:

- Custodial Fees	\$ 20,000 (2 basis points)
- Domestic Equity Fees (\$41 mn in assets)	\$ 41,000 (10 basis points)
- International Equity Fees (\$17 mn in assets)	\$127,500 (75 basis points) *
- Fixed Income Fees (\$42 mn in assets)	<u>\$ 42,000</u> (10 basis points)
- Total Estimated Fee (including Custodial Fee):	\$230,500 (or 23 basis points)

* The fee shown for International equities assumes that this portion of the portfolio will be actively managed.

As a final note, movement to outside management, either active or passive, would involve a considerable amount of time and expense. A consultant would have to be hired, along with investment advisors for each investment sector i.e. U.S. Domestic Equities, International Equities and Fixed Income. This would require several additional Trustee Council meetings, as well as considerable staff and consultant time. Clearly this is an additional expense that should be taken into consideration.

ASSET ACCOUNTING/CUSTODIAL SERVICES

We did meet with Betty Martin, Controller of the State of Alaska, and the Assistant Controller, Tim Davenport, with regard to the services offered in both Accounting and the Custodial area to all funds in the State of Alaska's Treasury. We will be reasonably brief in our coverage of this aspect because the assets are essentially held at State Street Bank, the largest of the global custodian providers. State Street does not typically take physical delivery of securities, but rather keeps them in electronic format so the securities can be more efficiently traded as necessary.

It is significant to note that the Division of Treasury currently manages assets on behalf of other entities. Examples include the School Public Trust Fund, the Alaska Children's Trust, and the Alaska Advance

College Tuition Payment Fund. Hence, there are other entities that are presently receiving similar services.

The *Exxon Valdez* Oil Spill Trustees Council would have similar services provided under the proposed arrangement and would also have some say in the flexibility of the reporting, according to Tim Davenport, who presently does some customization work for these other organizations in the reporting process and indicated a willingness to provide it to the Trustee Council.

State Street provides all of the pricing of securities in the portfolios, including domestic equities, and fixed income investments. The State's contract with SSGA clearly states how SSGA is to price the portfolio securities. The Department of Revenue cannot influence this pricing except to suggest that State Street might go out and check some other sources, if they feel that the State Street price is not accurate, a matter that does occur from time to time on bonds. Betty Martin must approve any dispute in pricing that is not quickly resolved.

KPMG annually audits assets under the authority of the Commissioner of Revenue, as well as the large public employees and teachers retirement funds of the State of Alaska.

In general, according to Betty Martin, the Department makes a practice of adhering to the standards of ERISA, even though they are not legally required to. In other words, all decisions are made to the best interest of the participants of each portfolio.

All reporting is downloaded via the Internet on a daily basis directly from State Street. Indeed, the State of Alaska has been one of the early influences of State Street to request that they go on line to provide this data via the Internet. Hence, if the Trustee Council wanted to review their own reports with very little delay, they can be produced. State Street also provides quarterly performance results for each fund. This would be available to the Trustee Council as well.

With regard to securities lending, the State apparently experimented with their service under the regime of Robert Storer in the early 90's and ran into some potential minor losses in 1994, when interest rates went up dramatically. As a result, there has been a tendency to draw back from a securities lending program and not view this as a source of additional income.

The bottom line to this section is that in the custodial area all assets are held at State Street and their values can be accessed on a daily basis. Each of State Street's pooled funds, which may be used by the State, are audited on an annual basis and subject to very close scrutiny. Hence, the chance for the loss of assets would appear to be slim. The Division of Treasury continues to be satisfied with State Street, despite the fact that, like many custodians, they are experiencing a high personnel turnover these days. We would have no problems about recommending them. In addition, the accounting and internal administrative operations of this division would appear to us to be very adequate for the needs of the Joint Trust Fund.

CONCLUSIONS AND RECOMMENDATIONS

Our conclusions are that turning the investment management and custodian/administrative responsibilities over to the Department of Revenue, Division of Treasury would appear to be a relatively safe and extremely cost effective method of investing the Council's assets. While the bond performance has suffered somewhat in recent years, the long-term record is reasonably competitive. In addition, the State Street Global Advisors Russell 3000 Fund (Domestic Equities) and the Lazard International (Non-U.S.) Equity performance each appear to be well above average over the long term (3 years and more). Since this is 58% of the portfolio, it should be the dominant factor in future results of the Joint Trust Fund.

Accordingly, we would feel comfortable in recommending the investment management and custodial functions as proposed by the Alaska Department of Revenue, Division of Treasury.

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

State of Alaska Department of Revenue – Division of Treasury
Investment and Custodian Review

SCOPE OF STUDY

At the request of the *Exxon Valdez* Oil Spill Trustee Council, we have reviewed the organizational structure, equity and fixed income management practices, asset modeling procedures, and the custody and safekeeping, as well as the accounting functions of the State of Alaska.

By way of background information, Wurts & Associates is the largest independent investment consulting firm located in Seattle, Washington. Our client base includes a number of sizeable West Coast based corporate retirement funds, Taft-Hartley labor management retirement funds, public funds, including the City of Seattle Employees Retirement Trust, and others. Together with our Santa Monica office, our seven Consultants service over 130 client accounts throughout the West Coast. Mr. William Wurts, the President of Wurts & Associates and an investment consultant for over 25 years, conducted this study.

In the process of gathering this information, we held interviews with Ms. Molly McCammon, Executive Director of the *Exxon Valdez* Oil Spill Trustee Council, Traci Cramer, Director of Administration of the *Exxon Valdez* Oil Spill Trustee Council, John Jenks, the recently-appointed Chief Investment Officer of the Department of Revenue, Robert Storer, his predecessor in that position and now the Executive Director of the Alaska Permanent Fund Corporation, Betty Martin, the Controller of the State of Alaska and Tim Davenport, the Assistant Controller.

Given the need to complete this project in a relatively short period of time, this was the extent of the interview process. It did give us, however, a good feeling for how the Department of Revenue operations are conducted and how they might apply to the *Exxon Valdez* Oil Spill Trustee Council investment program.

ORGANIZATION

The Department of Revenue, Division of Treasury provides custody and investment management services for all of the state funds, as well as some additional assets that are held on behalf of other entities. The ultimate fiduciary responsibility for state funds rests with the Commissioner of Revenue, Mr. Wilson Condon. The Deputy Commissioner of Revenue, Mr. Neal Slotnik, oversees day-to-day operations. The primary sections within the Division of Treasury are Accounting, which is managed by Ms. Betty Martin, Portfolio Management, managed by John Jenks, Debt Management, and Cash Management. In addition, there is a liaison to the Alaska State Pension Investment Board (ASPIB). In this report we will be dealing primarily with the Portfolio Management and, later in the report, the Accounting sections.

Fixed Income investments are managed internally, while domestic equities are invested through State Street Global Advisors, a division of State Street Bank. The latter funds are invested essentially in a combination of a Standard & Poors 500 Index Fund and a smaller capitalization fund which, taken together with the Standard & Poors Index Fund, provides a combined index fund that approximately

equals the characteristics and size of the Russell 3000 Index, a broad market index. International equities are managed by Lazard Asset Management of New York.

We will now address each of these investment sectors.

FIXED INCOME INVESTMENT

The proposed investment vehicle for the *Exxon Valdez* Oil Spill Trustee Council Funds would be the Long-Term Fixed Income Pool, which is run by the Division of Treasury. In the past, this pool (or mutual fund) has been sometimes referred to as the "Unconstrained Fixed Income Pool", although this appears to be somewhat of a misnomer since "unconstrained" in a fixed income sense often means less-than-investment grade and non-U.S. fixed income investments, neither of which are allowed by state policy.

Internal management of fixed income securities seems to have a reasonably extensive history within the Division of Treasury. Michael Cheung, recently departed, along with John Jenks, in the early 90's, managed these assets and produced very competitive results. According to Mr. Jenks, their approach involved a global view of fixed income management and, while their investments were limited to investment grade U.S. fixed income securities, they still spent considerable time taking a top down approach and taking into consideration worldwide events that might be affecting the U.S. markets. In our interview with Mr. Jenks, he indicated that the "Economist" newspaper is required reading within the division, since it had such a global approach to the bond market.

Emphasis has been placed on what is now often referred to as "spread" products within the fixed income markets, i.e., corporates, mortgage-backed securities, asset-back securities, and, in general, non Treasury issues. The investment concept here is that this group of securities, since they are somewhat more complicated to analyze, will always carry a higher yield to maturity, a higher coupon, and, hence, will produce better returns in the long run. This is particularly true for those investors, such as the Division of Treasury, who do not have tremendous concerns about their portfolios' immediate liquidity characteristics.

Under this philosophy, corporate bonds taken as a sector, might be weighted in the portfolio as much as double that of the index, which was the Lehman Government Corporate Bond Index until April 1st of this year, and weightings would often end up in the 40% - 50% area vs. closer to 20% for the index. BAA/BBB rated bonds, the lowest general level of investment grade issues, were not overly emphasized in this process since, in the event of a downgrade, their risks were deemed to be too high. Their approach was to stay close to the duration of the Lehman Brothers Government Corporate Bond Index, plus or minus 10%. Hence, the duration (or maturity) "bets" that the managers were making were not large. In general, their maturity spread wound up in the intermediate term phase of the so-called "yield curve" or in the 5 - 12-year maturity range.

While Wall Street research was reviewed extensively by the fixed income investment team, John Jenks estimates that about 75% of the bonds selected for the portfolio came about as a result of internally-generated research. The fixed income investments are managed by a 3-person team that includes the investment officer, a full time fixed income analyst, whose responsibility is to research and produce acceptable ideas for possible purchase, as well as a bond trader.

The above approach, for the most part, was very successful during a good part of the 90's, although in the past 2 years the relative results have fallen off quite extensively. However, the results are still consistent with the overall index. The primary reason for this is that the U.S. Treasury market assumed domination in the investment world, particularly in the summer and fall of 1998, when the default on the Russian bonds and concern with the Long Term Capital situation caused a considerable flight to quality and, hence, to U.S. Treasuries. Because of their approach, the U.S. Treasury and Agency part of the portfolio is typically underweighted in the Division of Treasury's portfolio, which caused an underperformance during this period and several subsequent quarters. In addition, 1999 was one of the poorest years for absolute bond results in the past decade, and those portfolios that emphasize corporates and, again, so-called "spread" products, generally underperformed, often quite dramatically.

Mr. Jenks did express his strong desire to "stay the course" and continue to pursue this investment approach. Now is not the time to change the investment process, he feels. We would agree with this statement.

Michael Cheung left the Department of Revenue early this year and he has been replaced recently by Mr. Lee Livermore, who has over 20 years of fixed income experience through several insurance companies and bank trust departments located in the mid west, the most recent one being the Royal Neighbors of America. His most significant experience involves 9 years as chief fixed income officer with Anthem Inc., a major Blue Shield/Blue Cross company in the mid west. Mr. Livermore's responsibilities included management of a bond portfolio valued at over \$2 billion. Mr. Livermore is in the process of moving to Juneau and is assuming his responsibilities as this is being written. He will assume responsibilities for all fixed income investments within the division.

Given his lack of firsthand experience with the Division of Treasury and the philosophies described above, Mr. Livermore's arrival does add some uncertainty to the implementation of the investment process in the future. John Jenks does feel that he is a very capable individual and one who will make a strong contribution to the future of the fixed income performance of the division. He also states that his investment approach coincides with that described above. Mr. Livermore himself confirmed that he has a strong belief in the merits of non-Treasury obligations ("spread product") in a managed bond portfolio. In the time allotted, we did not validate Mr. Livermore's past performance record at his previous employer, assuming that one might have been available.

It should be noted that the overall index objective for the division's fixed income total return portfolios has been changed effective the 1st of April from the Lehman Brothers Government Corporate Bond Index to the Lehman Aggregate Index. The Lehman Aggregate Index is generally felt to be more representative of the bond market as a whole since it includes mortgage-backed bonds, which the Lehman Brothers Government Corporate Index does not. As a result, it was selected by the Division of Treasury to be a more appropriate index for comparative purposes. Due to the fact that the Index contains over 30% of its weightings in mortgage-related bonds, this switch would put a renewal emphasis on the mortgage-backed sector of the market. Mortgage oriented investments tend to do better in a rising interest rate environment, since they typically return income to the holder on a monthly basis, which can then be reinvested at presumably higher rates. In the last several years, the Lehman Brothers Aggregate has tended to outperform the Lehman Brothers Government Corporate Index, although over a truly long period of time, one would expect the performance of these two broadly based indexes to be approximately the same.

Since the Exxon Valdez Oil Spill Trustee Council Funds fixed income performance objective is the Lehman Brothers Aggregate Index, this would appear to be an appropriate fit for the strategy employed by the Division of Treasury.

Here are the performance results for the Long-Term Fixed Income Pool (previously referred to as the "Unconstrained Fixed Income Pool") for the various periods indicated. I have also included the Lehman Brothers Government/Corporate Bond Index and the median (middle) fund performance for the Independent Consultants Cooperative (ICC) database of unconstrained maturity fixed income portfolios, which our firm uses for comparative purposes. This database has over 5,000 portfolios in it, so I feel it is representative of unconstrained fixed income management.

Periods indicated below are for 12/31/99:

	<u>1 yr.</u>	<u>3 yr.</u>	<u>5 yr.</u>	<u>8 yr.</u>	<u>10 yr.</u>
Treasury's Long Term Fixed Income *	-2.4%	+5.5%	+7.6%	+6.8%	+8.0%
Lehman Brothers Govt./Corp. Bond Index	-2.2	+5.5	+7.6	+6.6	+7.7
Median ICC Core Bond Funds	-0.4	+5.8	+7.8	+6.8	+8.1

* Source: Callan Associates

As you can see from these figures, the underperformance of the last few years has pulled down the longer-term performance to the average to a somewhat below average level. It is important to note in this context that the relative performance for fixed income portfolios does not generally swing the balance fund results, since the difference between "good" and "bad" fixed performance is so small. Please also note, and this is important, that the above database performance is shown on a pre-fee basis and it is my understanding that the State of Alaska fixed income figures are also shown on a pre-fee basis. Note that the fee structure (one basis point) for the Joint Trust Fund would presumably be considerably less than that for the average bond portfolio manager in the ICC database for accounts in the \$100 million total asset range, which typically falls in the 25 - 30 basis point range.

Given the division's proposed fee structure for your account (see fee section which follows in this report), this would add approximately 25 basis points to your results on a relative basis, which would then push the performance results on an after-fee basis very close to the median level for most of the longer time periods under review.

As a result, we would conclude that the fixed income performance, while lagging over the shorter-term, has performed in a respectable manner, particularly when the after-fee results are reviewed. As is typically the case, however, the arrival of the new Fixed Income Investment Officer does add some uncertainty with regard to the future in this asset class. There is simply no way that we can predict the effectiveness of the new management in this regard, except to note that the philosophy and process appear to be sufficiently well entrenched to assure success once the market turns back again to favor the investment approach discussed above.

Based upon the overall process, however, and the fact that John Jenks did himself manage the fixed income portfolio of the State, this does give confidence for the expectation of reasonably competitive results in the future.

DOMESTIC EQUITY INVESTMENT

The analysis of the Domestic Equity Investment is considerably easier, since all of the funds will be invested in two index funds, as managed by State Street Global Advisors (SSGA), which are designed to replicate the Russell 3000 Index. Located in Boston, State Street is one of the largest investment management firms in the world, presently managing well over \$450 billion in client assets. They also have a very strong reputation in the area of indexed investments.

The Division of Treasury presently has \$1 billion invested with State Street Global Advisors (SSGA). The Russell 3000 Index, which essentially represents the largest 3000 U.S. companies in the market, would appear to us to be a very sensible objective, since it is a broader index than the Standard & Poors 500, which at present is so dominated by its larger component companies. Hence, the true exposure through the Russell 3000 is to the entire market. The strategy used by the Division of Treasury to gain exposure to the entire market in the past includes investing approximately 75% of the assets in the S & P 500 Index Fund and the remaining approximately 25% would be invested in a fund that is replicated to the approximate performance of the Russell 2000 Index. This latter fund is sometimes referred to as a "completeness" fund, which is designed for investors such as the State, where they decide to replicate the broader market and, in particular, to participate in those stocks not represented in the S & P 500 Index.

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* Source: Callan & Associates

Again, all returns are on a pre fee basis. This Fund has tended to perform relatively well, beating both the EAFE Index, as well as the median fund, in the Independent Consultants Cooperative database of over 2,000 non-U.S. equity portfolios over the 3 & 5-year periods.

In addition, as was the case with domestic equities, the fee structure offered by the Division of Treasury for international management is extremely attractive, using the proposal that was made by the division to the Trustee Council of 15 basis points. Most international equity managers charge close to 75 - 100 basis points for their services. 15 basis points is extremely competitive and would simply not be available in the open market to a fund the size of the Council's.

ASSET ALLOCATION

It is our understanding that the Trustee Council recently adopted an overall asset allocation as follows:

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>	<u>Benchmark</u>
Domestic Equities (Broad Market)	41%	+/-7%	Russell 3000
International Equities	17%	+/-5%	EAFE
Domestic Fixed Income	42%	+/-7%	Lehman Aggregate

This allocation, according to the asset allocation modeling done by the State's consultant, Callan & Associates, should produce a median expected return of 8.25% with a Standard Deviation of 10.59%.

John Jenks produced the Callan-sponsored assumptions that went into this asset allocation modeling. They represent five (5) year market estimates and are as follows:

	<u>Total Return</u>	<u>Yield</u>	<u>Standard Deviation</u>
Domestic Equities (Broad Market)	9.2%	1.2%	16.2%
International Equities	9.75%	1.4%	21.5%
Bond/Aggregate	7.6%	7.6%	5.5%

The assumptions that went into the Division of Treasury's optimization model were provided by Callan & Associates and, along with certain correlation assumptions, produced an "efficient" number of portfolios that varied in their risk and return characteristics. As in any capital markets process, the greater the expected return potential of an efficient mix of assets, the greater the risk as measured by volatility (or standard deviation).

The mix selected is a relatively conservative one and, in our opinion, is also based on relatively conservative input characteristics. As an example, a 9.2% equity return is well below the 50 and 75 year return figures for the broad equity market. It is also less than half of the return earned by the broad market over the past decade, a highly unusual period, admittedly.

In addition, the relative difference in the return projections for the various asset classes are what is significant here. We would be inclined to argue that a 2.5% real return difference in stock vs. bond returns is certainly on the low side. In fact, for all periods ended December 31, 1999 (i.e., 10, 20, 30, 40, 50, and 70 year periods), there is no period where the differential has been this low. We would be inclined to use a higher equity assumption number and are more inclined to base our asset allocation assumptions on historical returns and spreads between asset classes.

Despite this observation, using higher equity assumptions would only serve to create a higher return projection for the presently proposed 41/17/42% allocation. This would represent a 58% investment in equity and 42% investment in fixed income. While this mix is reasonably conservative by today's

standards, it still would seem to fit the broad investment policies and low risk taking exposure typically associated with this type of fund.

In addition, the higher percentage in international equity securities (17%) should also serve to dampen the volatility, since the correlation of non-U.S. to U.S. securities has historically been less than 65%. In other words, while international equities may carry more volatility in and of themselves, only 65% of the time are they typically moving in the same direction as U.S. equities. As a result, they tend to be volatility dampeners for the total portfolio, except during those periods of substantial market stress when both categories are heading in the same direction.

In summary, while we might have some quarrel with the equity assumptions used in the modeling process, we feel that the overall conclusion of a portfolio that is 41% invested in U.S., 17% in non-U.S. equity and 42% in domestic fixed income, is both conservative and over time should produce a return that is compatible with the objectives set forth in the Council's Investment Policy.

FEES

The fee structure, as proposed by the Division of Treasury, appears to be extremely attractive. As I understand it from conversations with Traci Cramer and John Jenks, the proposed fee structure is as follows:

<u>Custodian Fees</u>	<u>Estimate on \$100 mn in Assets</u>
- \$5,000 per account per year	\$ 5,000
- 1 basis point on total assets	<u>10,000</u>
Total Custodian Costs	\$15,000
 <u>Fixed Income Management</u>	
- Indirect Personal Services Fee	\$16,500 approx.
 <u>Equity Domestic</u>	
- 1 basis point – approximate (Assets \$41,000,000)	\$4,100
 <u>Equity International (Lazard)</u>	
- 15 basis points - approximate (Assets \$17,000,000)	<u>\$25,500</u>
 <u>Approximate Overall Fee</u>	\$61,100
 As a percentage of \$100 million in assets:	6 basis points

The reason for the competitive fee structure is the fact that these assets are being added onto the assets already managed by the Division of Treasury. Hence, they are being charged only the incremental fee schedule.

The above fees would appear to be extremely competitive in nature as previously noted. An important point to keep in mind here is that the only thing that is guaranteed going forward is the fee structure that you are going to pay. Future investment results are, at best, estimates. Hence, the fee structure becomes

important to the extent that it is a certainty and, in our opinion, there is no question about the fact that this is essentially as low a fee as you might expect to find anywhere.

Here are some typical figures, based upon a study that we produced about a year ago, which backup these claims. We are basing them upon an actively-managed fund in the \$100 million asset range, which is approximately that of the Joint Trust Fund:

- Custodial Fees	\$ 30,000 (3 basis points)
- Domestic Equity Fees (\$41 mn in assets)	\$164,000 (40 basis points)
- International Equity Fees (\$17 mn in assets)	\$127,500 (75 basis points)
- Fixed Income Fees (\$42 mn in assets)	<u>\$105,000</u> (25 basis points)
- Total Estimated Fee (including Custodial Fee):	\$426,500 (or 43 basis points)

Please note that we have incorporated the fee structure in this example for an actively-managed account. In our opinion, it is the only reason (i.e., seeking active management) the Council might consider going outside of the services offered by the Division of Treasury, since their fees are so competitive for their package of active and passive management services.

In the event that the assets of the Joint Trust Fund were invested outside the Division of Treasury, with a combination of passively managed investments (Domestic Equities and Fixed Income) and actively managed investments (International Equities), again based on a study that we produced about a year ago, our best estimate of the fees would be:

- Custodial Fees	\$ 20,000 (2 basis points)
- Domestic Equity Fees (\$41 mn in assets)	\$ 41,000 (10 basis points)
- International Equity Fees (\$17 mn in assets)	\$127,500 (75 basis points) *
- Fixed Income Fees (\$42 mn in assets)	<u>\$ 42,000</u> (10 basis points)
- Total Estimated Fee (including Custodial Fee):	\$230,500 (or 23 basis points)

* The fee shown for International equities assumes that this portion of the portfolio will be actively managed.

As a final note, movement to outside management, either active or passive, would involve a considerable amount of time and expense. A consultant would have to be hired, along with investment advisors for each investment sector i.e. U.S. Domestic Equities, International Equities and Fixed Income. This would require several additional Trustee Council meetings, as well as considerable staff and consultant time. Clearly this is an additional expense that should be taken into consideration.

ASSET ACCOUNTING/CUSTODIAL SERVICES

We did meet with Betty Martin, Controller of the State of Alaska, and the Assistant Controller, Tim Davenport, with regard to the services offered in both Accounting and the Custodial area to all funds in the State of Alaska's Treasury. We will be reasonably brief in our coverage of this aspect because the assets are essentially held at State Street Bank, the largest of the global custodian providers. State Street does not typically take physical delivery of securities, but rather keeps them in electronic format so the securities can be more efficiently traded as necessary.

It is significant to note that the Division of Treasury currently manages assets on behalf of other entities. Examples include the School Public Trust Fund, the Alaska Children's Trust, and the Alaska Advance

College Tuition Payment Fund. Hence, there are other entities that are presently receiving similar services.

The Exxon Valdez Oil Spill Trustees Council would have similar services provided under the proposed arrangement and would also have some say in the flexibility of the reporting, according to Tim Davenport, who presently does some customization work for these other organizations in the reporting process and indicated a willingness to provide it to the Trustee Council.

State Street provides all of the pricing of securities in the portfolios, including domestic equities, and fixed income investments. The State's contract with SSGA clearly states how SSGA is to price the portfolio securities. The Department of Revenue cannot influence this pricing except to suggest that State Street might go out and check some other sources, if they feel that the State Street price is not accurate, a matter that does occur from time to time on bonds. Betty Martin must approve any dispute in pricing that is not quickly resolved.

KPMG annually audits assets under the authority of the Commissioner of Revenue, as well as the large public employees and teachers retirement funds of the State of Alaska.

In general, according to Betty Martin, the Department makes a practice of adhering to the standards of ERISA, even though they are not legally required to. In other words, all decisions are made to the best interest of the participants of each portfolio.

All reporting is downloaded via the Internet on a daily basis directly from State Street. Indeed, the State of Alaska has been one of the early influences of State Street to request that they go on line to provide this data via the Internet. Hence, if the Trustee Council wanted to review their own reports with very little delay, they can be produced. State Street also provides quarterly performance results for each fund. This would be available to the Trustee Council as well.

With regard to securities lending, the State apparently experimented with their service under the regime of Robert Storer in the early 90's and ran into some potential minor losses in 1994, when interest rates went up dramatically. As a result, there has been a tendency to draw back from a securities lending program and not view this as a source of additional income.

The bottom line to this section is that in the custodial area all assets are held at State Street and their values can be accessed on a daily basis. Each of State Street's pooled funds, which may be used by the State, are audited on an annual basis and subject to very close scrutiny. Hence, the chance for the loss of assets would appear to be slim. The Division of Treasury continues to be satisfied with State Street, despite the fact that, like many custodians, they are experiencing a high personnel turnover these days. We would have no problems about recommending them. In addition, the accounting and internal administrative operations of this division would appear to us to be very adequate for the needs of the Joint Trust Fund.

CONCLUSIONS AND RECOMMENDATIONS

Our conclusions are that turning the investment management and custodian/administrative responsibilities over to the Department of Revenue, Division of Treasury would appear to be a relatively safe and extremely cost effective method of investing the Council's assets. While the bond performance has suffered somewhat in recent years, the long-term record is reasonably competitive. In addition, the State

Street Global Advisors Russell 3000 Fund (Domestic Equities) and the Lazard International (Non-U.S.) Equity performance each appear to be well above average over the long term (3 years and more). Since this is 58% of the portfolio, it should be the dominant factor in future results of the Joint Trust Fund.

Accordingly, we would feel comfortable in recommending the investment management and custodial functions as proposed by the Alaska Department of Revenue, Division of Treasury.

	Oct. 1, 1999	Oct. 1, 2000	* Oct. 1, 2001	Oct. 1, 2002	Oct. 1, 2003	Oct. 1, 2004	Oct. 1, 2005	Oct. 1, 2006
Joint Settlement Fund	104,703,290	130,215,799	170,262,815	180,174,485	189,434,528	199,933,170	211,192,243	223,277,739
Research Program	49,703,290	75,215,799	115,262,815	125,174,485	129,772,607	135,212,272	140,981,494	147,109,569
Habitat Program	55,000,000	55,000,000	55,000,000	55,000,000	59,661,921	64,720,898	70,210,749	76,168,170
Annual Work Plan & Administrative Costs:			Projected Payout	Years				
Fiscal Year 2000	10,500,000		Actual					
Fiscal Year 2001	7,500,000		Fixed					
Fiscal Year 2002	6,500,000		Fixed					
Fiscal Year 2003	6,000,000		Fixed					
Fiscal Year 2004	6,000,000		Fixed					
Fiscal Year 2005	5,553,149		4.50% over 3 years	2001 - 2003				
Fiscal Year 2006	5,686,000		4.50% over 4 years	2001 - 2004				
Fiscal Year 2007	5,817,633		4.50% over 5 years	2001 - 2005				

Recommended
Payout Option
Option A
4.5%

	Oct. 1, 1999	Oct. 1, 2000	* Oct. 1, 2001	Oct. 1, 2002	Oct. 1, 2003	Oct. 1, 2004	Oct. 1, 2005	Oct. 1, 2006
Joint Settlement Fund	104,703,290	130,215,799	170,262,815	180,174,485	189,434,528	200,554,404	212,496,231	225,328,107
Research Program	49,703,290	75,215,799	115,262,815	125,174,485	129,772,607	135,833,506	142,285,482	149,159,936
Habitat Program	55,000,000	55,000,000	55,000,000	55,000,000	59,661,921	64,720,898	70,210,749	76,168,170
Annual Work Plan & Administrative Costs:			Projected Payout	Years				
Fiscal Year 2000	10,500,000		Actual					
Fiscal Year 2001	7,500,000		Fixed					
Fiscal Year 2002	6,500,000		Fixed					
Fiscal Year 2003	6,000,000		Fixed					
Fiscal Year 2004	6,000,000		Fixed					
Fiscal Year 2005	4,936,132		4.00% over 3 years	2001 - 2003				
Fiscal Year 2006	5,060,434		4.00% over 4 years	2001 - 2004				
Fiscal Year 2007	5,186,631		4.00% over 5 years	2001 - 2005				

Option B
49%

	Oct. 1, 1999	Oct. 1, 2000	* Oct. 1, 2001	Oct. 1, 2002	Oct. 1, 2003	Oct. 1, 2004	Oct. 1, 2005	Oct. 1, 2006
Joint Settlement Fund	104,703,290	130,215,799	170,262,815	180,174,485	189,434,528	199,311,937	209,889,819	221,232,929
Research Program	49,703,290	75,215,799	115,262,815	125,174,485	129,772,607	134,591,038	139,679,070	145,064,759
Habitat Program	55,000,000	55,000,000	55,000,000	55,000,000	59,661,921	64,720,898	70,210,749	76,168,170
Annual Work Plan & Administrative Costs:								
			Projected Payout	Years				
Fiscal Year 2000	10,500,000		Actual					
Fiscal Year 2001	7,500,000		Fixed					
Fiscal Year 2002	6,500,000		Fixed					
Fiscal Year 2003	6,000,000		Fixed					
Fiscal Year 2004	6,000,000		Fixed					
Fiscal Year 2005	6,170,165		5.00% over 3 years	2001 - 2003				
Fiscal Year 2006	6,310,012		5.00% over 4 years	2001 - 2004				
Fiscal Year 2007	6,444,800		5.00% over 5 years	2001 - 2005				

Option C
590

Draft Motion:

The total amount to be disbursed for research, monitoring and general restoration shall be based on the following schedule:

Fiscal Year 2001	The annual work plan and administrative costs shall not exceed \$7,500,000.
Fiscal Year 2002	The annual work plan and administrative costs shall not exceed \$6,500,000.
Fiscal Year 2003	The annual work plan and administrative costs shall not exceed \$6,000,000.
Fiscal Year 2004	The annual work plan and administrative costs shall not exceed \$6,000,000.

In Fiscal Year 2005, the annual work plan and administrative costs shall not exceed 4.5% of the average market value over the past three years of the Joint Trust Fund earmarked for long-term research, monitoring and general restoration. In Fiscal Year 2006, the annual work plan and administrative costs shall not exceed 4.5% of the average market value over the past four years of the Joint Trust Fund earmarked for long-term research, monitoring and general restoration. Beginning in Fiscal Year 2007 and in the years following, the annual work plan and administrative costs shall not exceed 4.5% percent of the average market value over the past five years of the Joint Trust Fund earmarked for long-term research, monitoring and general restoration.

Public Comments

FRANK H. MURKOWSKI

ALASKA

COMMITTEES:

CHAIRMAN

ENERGY AND NATURAL RESOURCES

FINANCE

VETERANS' AFFAIRS

INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-0202

(202) 224-6665

(202) 224-5301 FAX

222 WEST 7TH AVENUE, BOX 1
ANCHORAGE, AK 99513-7570
(907) 271-3735

101 12TH AVENUE, BOX 7
FAIRBANKS, AK 99701-6278
(907) 456-0233

P.O. BOX 21647
JUNEAU, AK 99802-1647
(907) 586-7400

130 TRADING BAY ROAD, SUITE 350
KENAI, AK 99611-7716
(907) 283-5808

109 MAIN STREET
KETCHIKAN, AK 99901-6489
(907) 225-6880

851 E. WESTPOINT DRIVE, SUITE 307
WASILLA, AK 99654-7142
(907) 376-7665

March 23, 2000

Ms. Molly McCammon
Executive Director
Exxon Valdez Oil Spill
Trustee Council
645 G Street, #401
Anchorage, AK 99501-3451

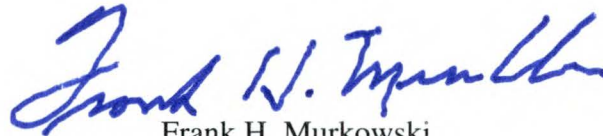
Dear Molly:

Thank you for your letter of support for my actions in obtaining the authority for the Exxon Valdez Oil Spill (EVOS) Council to exercise flexible investment options for EVOS funds.

I believe this will help the Council concentrate on its monitoring program in the northern Gulf of Alaska. I have long been a supporter of the EVOS Council's research goals, and I am glad I was able to assist you.

Please keep me abreast of your activities in the future. Again, thank you for your letter.

Sincerely,



Frank H. Murkowski
United States Senator

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Family finds, saves young harbor seal

Pup recovering after rescue on K-Beach

By SARA J. SMITH
Peninsula Clarion

Easter Day was more than just a holiday for the Lockwood family, it was the day they saved an innocent being from the harsh reality of nature.

The day before Easter, Mark and Jennifer Lockwood noticed that eagles were circling something on the beach near their home on Cannery Road, off Kalifornsky Beach Road.

At first, they thought the eagles had found a fish, maybe a king or a red salmon, but after closer examination, they found more than just a fish.

"It looked like a fur hat lying on the beach," Mark Lockwood said. The furry object turned out to

be a newborn harbor seal pup that started moving and crying soon after it was discovered by the family.

The couple decided to leave it alone in case its mother returned. They scoured the beach looking for its mother or any other seals, Mark Lockwood said.

The couple stayed near the pup for a couple of hours, Lockwood said, because they were afraid the eagles would eat it. Though they did not want to disturb the pup, they left it on the beach in case the mother did come back for it.

They checked on the pup the next day to find it in the same location with no sign of any other seal marks in the sand.

They called the Alaska SeaLife Center in Seward to find out how



Photo courtesy of Alaska SeaLife Center

This female baby harbor seal, shown here recovering at the Alaska SeaLife Center in Seward, was found Easter weekend by the Lockwood family on Kalifornsky Beach. The seal is in stable but guarded condition at the SeaLife Center.

they could help the pup, and back. experts told them to put it in a bathtub of cool water up to its

The Lockwoods rescued the
See SEAL, back page

...Seal

Continued from page A-1

pup from the beach and did what the center advised. The young seal was weak, Mark Lockwood said. It cried a lot but moved very little. Denali, the Lockwood's 5-month-old daughter, sat in a chair next to the bath tub watching excitedly.

The center also told the couple to give the pup a bottle, since it might be dehydrated. So they fed it with a 16-ounce bottle of Ensure.

After the bath, the family took the pup outside and let it pull itself around the yard. It seemed to be feeling better, Lockwood said.

"We had a ball," he said. "It was a real big thrill."

Lynn Aderholt, Alaska SeaLife Center rehabilitation coordinator, traveled to the Lockwood home to pick up the pup and identified it as a female that still had a fleshy

umbilicus and was said to be 2 days old.

When Aderholt arrived, she gave the pup an electrolyte and vitamin solution before the trip to Seward.

At the center, the seal was assessed, given fluids and purged of sand she had ingested on the beach. Her weight upon arrival at the center was almost 4 pounds, and her blood work came back with no sign of infection.

"She has a pretty good prognosis," Aderholt said. "She's a cutie."

Since her arrival at the center, the pup has gained a little more than 2 pounds.

Aderholt said the Lockwoods helped save the pup's life.

"They did everything correctly," she said.

The young seal was the second taken in by the SeaLife Center in April.

Another pup was found on Kodiak by subsistence seal hunters

who had taken the mother in Alitak Bay. The hunters discovered the mother was pregnant and the pup was removed by caesarean section.

The male pup was flown to the center April 16 and is in good but guarded condition.

As the pups, who have yet to be named, get teeth, gain weight and are stabilized, the center will then begin weaning them. When their weight reaches more than 11 pounds, the center will switch them to a live fish diet, eventually releasing them, Aderholt said.

When the pups are ready, center officials will contact the National Marine Fisheries Service for assistance in setting the young seals free. The seals are usually set free near the area they are believed to come from, Aderholt said.

The Lockwoods said they were thrilled to be a part of the rescue.

"It's really special to save an animal, that's the rewarding part of it," Mark Lockwood said.

Want meeting with Koniag, Inc. Tribal councils oppose land deal

By NAOMI KLOUDA
Special to the Mirror

Two village tribal councils drafted separate resolutions last week expressing opposition to a Koniag conservation easement sale in the Karluk River area and circulated a petition appealing for a special shareholder meeting.

Larsen Bay and Karluk tribal councils signed the joint resolution stating that the "low selling price" of about \$30 million to the Exxon Valdez Trustee Council (EVOS) will "constitute a land sale of the worst kind." They state they do not want their land sold at any price.

Larsen Bay tribal president Virginia Squartsoff and Alicia Lynn Reft, Karluk's tribal president, signed the resolutions on behalf of their 390 shareholders. The resolutions were distributed to Old Harbor tribal president Tony Azuyak Sr., for village circulation, as well as to other Kodiak tribal councils and village corporation offices.

The Koniag Regional Corp., which has been negotiating with EVOS on the second phase of a 59,000-acre temporary conservation easement, has approximately 3,400 shareholders. They want Koniag Inc., to agree to a meeting so shareholders can air concerns.

The group also is taking its case to Secretary of the Interior Bruce Babbitt, Sens. Frank Murkowski and Ted Stevens, Alaska Federation of Natives, and the National Congress of American Indians in Washington, D.C., and the Alaska Tribal Council.

Joan Katelnikoff Squartsoff, a Larsen Bay tribal member, wrote

"The bottom line is that I don't ever want our land sold.... When the companies are broke and gone what is left? But we will always have our land."

—Joan Katelnikoff Squartsoff
Larsen Bay tribal member

the petition separately after learning that negotiations are going on for another conservation easement. "The bottom line is that I don't ever want our land sold," she wrote in a cover letter accompanying the petition. "... when the companies are broke and gone what is left? But we will always have our land. Koniag's mission is to 'optimize profits, to provide dividends and benefits while preserving our cultural pride.' How can we have cultural pride without any land?"

Squartsoff said she thought of the petition as a way to get word out since they lack funds to hire an attorney to speak on their behalf. She said a conservation easement is "double speak" for a land sale.

Dennis Metrokin, Koniag's president, said these issues are being addressed and no agreements have yet been reached between Koniag and EVOS. He emphasized negotiations are for a temporary conservation easement that incorporates more conditions than the first conservation easement with EVOS in 1995. Koniag is "not interested in selling any

lands," he said.

At issue is whether shareholders agree that Koniag should be involved in any Karluk-Sturgeon River land negotiations on their behalf at this time. Tribal officials and shareholders with whom Koniag has been able to meet and discuss specific issues about the easement were supportive after learning the facts, Metrokin said.

But the confidential nature of negotiations has required that Koniag "cannot go into great detail in writing to all shareholders because you don't know where the negotiations are going to go. They can change on a day to day basis," Metrokin said.

Those who only recently found out about the negotiations are upset about being left out of the process. Kathryn Reft, Karluk tribal council member, said "our village and the residents are highly outraged. We want to keep our land. We've already lost out on a lot — and we don't want to lose our land. We've lost our village corporations. This land is all we have left."

Larsen Bay and Karluk have no village corporations. Unlike Old

➤ See SELLING PRICE, Page 8

Harbor, Afognak, Ouzinkie and Ahkiok-Kaguyak, theirs were dissolved in a 1980 merger with Koniag Inc. Yet, the merger was considered "legally flawed," according to an Alaska Superior Court ruling, the resolution states. This ruling allows the "former shareholders of the former village corporations... to continue to assert their legal claims" to their historical lands.

Alutiiq people have occupied Karluk for 7,000 years, according to archeology uncovered there by Dr. Rick Knecht. The Karluk River, world-renowned for Pacific salmon, is also known for fresh water trout, rainbows and Dolly Varden, as well as Steelhead. Karluk Alutiiqs received high status because they grew wealthy trading salmon for goods with other groups. Knecht and other archeologists believe their culture was sophisticated due to these elaborate trade relations.

"It is also known by the conservationists as one of the primary feeding grounds for the world-famous Kodiak Brown Bear and other animals of the Kodiak National Wildlife Refuge," said Frank Peterson Sr., a Koniag board director who is affiliated with two village corporations. "It just so happens that we the Alaska Natives of Koniag descent are the rightful owners of this great resource and the conservationists want these lands in the worst way."

Conservation easements allow Natives to continue to use lands, but since lands become part of the Kodiak National Wildlife Refuge, they are open to others wanting access, such as hunters and fishermen. Already an incident this winter in Karluk convinced Reft that the village is losing control of the land through the easement process. Hunters in the area shot and wounded a bear.

"Kids were out playing and that bear came toward the village," Reft said. "Finally the villagers had to track down the bear and shoot it for the hunters. We weren't even aware those hunters were in the area."

Selling price is an issue

The selling price set on the 59,000 acres also is at issue. Peterson said the value would be more like \$885 million if a median figure of \$75,000 per lot was used to assess Karluk/Sturgeon River lands, as had been done on the Ayakulik River. Metrokin said this figure is "absurd" because it does not use a reasonable measure for wilderness, which cannot be broken into lots.

"Comparable" is a real estate term that would not be out of line for calculating these "priceless lands," Peterson said. "These lands have not been appraised for commercial purposes — the assessments that have been done so far are a one-sided way of calculating land prices that gives the government the advantage."

EVOS negotiations for obtaining Karluk/Sturgeon Rivers conservation easements began shortly after the sale of the first 56,000 acres of former Karluk/Larsen Bay land in 1995. That land was sold to the Exxon Trustee Council and Koniag received approximately \$26,000,000 for it.

Talks broke down, however, in the late '90s, Metrokin said, because EVOS and Koniag "were so far apart" on the price and other aspects. This latest phase of negotiations began only after Karluk and Larsen Bay were unable to come up with a resource management plan that would allow them to manage their own lands, Metrokin said.

Koniag is receiving an additional \$2,000,000 over a seven-year period for a Conservation Easement for the purpose of negotiating the purchase of the remaining 59,000 acres of land currently in question. This ends in 2001. Talks are going on now in preparation for that date, confirmed Joe Hunt, EVOS spokesman.

Molly McCammon, EVOS executive director, was enroute to Texas but had been able to read the resolutions and spoke with a few shareholders earlier last week, Hunt said. She emphasized the negotiations are for "a temporary conservation easement and provisions would be made to keep options open so that the land could be reclaimed by Koniag after 10 years."

Metrokin said this wording is crucial because it shows that Koniag also is not interested in selling lands out of Native hands. The current deal asks for Koniag to be able to "co-manage" lands with the U.S. Fish & Wildlife Service. Subsistence rights would be retained along with a provision for commercial activity.

Shareholders have expressed concerns over outside sport-hunting groups' deep interest in the Karluk land issues. Several groups that raise funds for the Kodiak Brown Bear Trust advocate the sale of conservation easements, contending the area is necessary for bear habitat and other wildlife.

The Kodiak Brown Bear Trust, which receives funds from the National Rifle Association, Wildlife Forever (affiliated with North American Hunter Magazine) and Safari Club International, have been involved in the debate.

Karluk and Larsen Bay residents, whose actual numbers are small compared to the region's total shareholder population, have grown to suspect "conservation is a cloak to accommodate these sport people, more so than us Alaska Natives, the current owners."

In an article entitled "Putting Our Trust in the Kodiak Trust," published in *Safari: The Journal of Big Game Hunting*, Sept./Oct., 1999, author Bruce Mincher wrote: "Safari Club International, along with many of its chapters, has been partnering with the (Kodiak Brown Bear) Trust to meet goals."

The article discusses no dollar amount raised in the past decade, but an individual chapter, Mincher's Idaho chapter, has donated more than \$10,000 to the Trust in the past few years, Mincher said.

"After Congress passed the Alaska Native Claims Settlement Act in 1971, several areas of land that harbored critical wildlife fell into private hands," the article stated. The article does not immediately mention the "private hands" are the Kodiak Natives.

During the past five years of EVOS land buys, media coverage has not included the Native land owners' perspectives, Peterson said. "Most talk only about how important these lands are as habitat for the wildlife, particularly the Kodiak Brown Bear and how the rivers are feeding grounds for these animals. They don't talk about us Native people and our cultural and economic value we place on these and other lands."

Koniag also is concerned. "We feel that we are negotiating an agreement that will help get the (sporting interests) under control and open more participation for our shareholders," Metrokin said.

The Conservation Fund also has been involved in helping to influence the sale. That group receives funding from individual environmentalists who tend to view wildlife preservation as the primary goal. They also have been involved in cultural preservation projects, such as buying kayaks for Old Harbor.

Conservation Fund director Brad Meiklejohn said he did not wish to comment directly on this issue, viewing the current problem as an internal conflict that needs to be worked out between Koniag and its shareholders. But for conservation purposes, Kodiak is unique and must be protected, he said. "I do not view Native corporations any differently than any other large corporation like a Chevron or Dupont," Meiklejohn said. His concern has been to see the Native corporations' lands protected from future developments.

Since development is not the goal, Kathryn Reft says she does not see a problem that conservationists need to solve. "For 7,000 years we've lived with the bears. It's ridiculous how they are going around buying up the land for the protection of the bears. We've lived with them and haven't had a problem. We leave them alone and they leave us alone."

Metrokin said a direct response to the resolutions will be made to shareholders in a forthcoming letter. He is going to look into whether a special meeting will be required. Koniag already has village meetings scheduled that also will address this land controversy.

The petition asking for a special meeting continues to circulate. Once tabulated, they will be passed along to Koniag's board of directors.

Hatchery key to village economy

by Joel Gay

Managing Editor

When a fire razed Port Graham's cannery in the winter of 1998, it not only destroyed some of the village's past, it killed millions of salmon eggs in the adjoining fish hatchery that represented the future.

Last summer Port Graham Village Corp. officials cut the ribbon on a new processing plant, and this week they did the same for another hatchery.

"Now we've got a nice, new facility and we're back in the game," said hatchery manager Paul McCollum.

The 8,000-square-foot, \$1.5 million hatchery has room to incubate 110 million pink salmon eggs, roughly the same capacity as the Cook Inlet Aquaculture Association hatchery in Tutka Lagoon and nearly three times the number of the old one.

The eggs are collected from returning salmon every summer, then incubated over the winter. The following spring, the fry are released into Port Graham. The salmon spend a year at sea, and if all goes well about 3 million fish will return each July and early August, McCollum said.

The hatchery, which is permitted and overseen by the Department of Fish and Game, is allowed to harvest nearly half the return to pay for operations and provide enough

broodstock to refill the incubators. The remaining 1.6 million pinks will be available to commercial fishermen in lower Cook Inlet.

Because the Port Graham hatchery fire destroyed the fish that would have returned in 1999, last summer the staff put just 1.3 million eggs into the incubators – less than 2 percent of its capacity. Those fish will be released this spring and return in 2001, but it will take several years for the hatchery to build that odd-year run up to maximum production, McCollum said.

Port Graham Corp. president Pat Norman said the village is excited that it has a new hatchery alongside the new processing plant. In the old building, the hatchery was upstairs from the cannery, and only had room for 40 million eggs, even though it had a permit for 110 million.

"Even though the disaster was not good, what came out of it was a building that will take us up to our capacity," Norman said.

The hatchery was actually finished late last year, according to McCollum, but Port Graham officials decided to wait until the spring for an open house. Expected were village and state officials, including representatives of the Department of Community and Economic Development.

SEWARD PHOENIX LOG
May 4, 2000

Feds give SeaLife Center \$5 million

Seward Phoenix LOG

The financially troubled Alaska SeaLife Center received a hand up from the federal government Tuesday, when the Commerce Department released a long-sought grant of \$5.08 million.

"This is certainly going to help us with our cash flow through this year," said general manager Darrell Schaefermeyer.

The money will be used to help cover operational expenses and to pay down the principal and interest of \$17.5 million in nonrecourse start-up bonds issued by the city and borrowed by the SeaLife Center, Schaefermeyer said.

The federal appropriation was originally set at \$5.5 million, but was reduced by across-the-board congressional cuts, Schaefermeyer said. The funds will cover a 15-month period, from Oct. 1, 1999, through Dec. 31, 2000.

The center was on course to lose about \$2.7 million last year, including a \$750,000 operational shortfall, according to a financial adviser for the city.

The center is also still in arrears in \$38,524 in third-quarter sales tax from last year owed to the city, said city administrator Rick Gifford. The center paid last year's fourth-quarter and this year's first-quarter taxes, small amounts totaling about \$2,000, he said.

Approval for the federal funding came last fall, and was the leverage that prompted the city council to agree to a \$3 million nonrecourse grant anticipation note in December.

The center opted for a different route however, securing a \$3 million loan through a lending institution to help pay for operational and capital debt.

Alaska SeaLife Center News

■ Seal pups in rehab

The harbor seal rehabilitation effort started early, with the arrival of two pups. The first pup came from Alitak Bay on the south end of Kodiak Island. Hunters took the mother and the pup was delivered by Caesarean section. The hunters contacted the local National Marine Fisheries Services in Kodiak, which gave the pup fluids and flew it to Anchorage. The young male seal was assessed at the SeaLife Center and was found to be bright, alert and vocal. He is currently eating, gaining weight and in good but guarded condition.

The second pup was found at the tide mark on Kalifornsky Beach on Cook Inlet following a storm. She was later transported to Seward and is now being treated at the center. She also is in good but guarded condition.

■ Ophelia lays eggs

Ophelia, the giant Pacific octopus, and her eggs have been moved from the outdoor research deck to a holding tank behind the Denizens of the Deep exhibit. She is tending to her eggs, moving her suckers over them and blowing her siphon across them to ensure adequate oxygenation. The fertility of the eggs has yet to be determined by the center. Ophelia has been in the outdoor tank with Ulu, a male octopus, since last month. If the eggs are fertile, they should hatch in several months.

Ophelia came to the center in 1998 weighing 2 pounds.

■ A fishy tale

In late March, pink salmon fry were transferred from freshwater trays to saltwater ponds in the center's fish culture wet lab. The fry represent the second successful brood of salmon hatched at the center. The fry will be marked with fin clips to designate their association with the project and released in early May. Fin clipping will take place the first week of May and can be viewed from upstairs at the center by the Discovery Pool. The center hopes to see 250 to 1,250 of these fish return to the center in 2001.

ASLC is asking anglers fishing in the areas to keep an eye out for pink salmon lacking their adipose fin. An incentive program is under development to encourage anglers to bring in marked fish to the center. Fish biologists will obtain a fin clip to be used in genetic identification, then the fish will be returned to the angler.

Study finds lingering *Exxon Valdez* oil more problematic than once thought

Oil from the *Exxon Valdez* spill hung around longer and caused more problems for fish than expected, according to research by a federal laboratory near Juneau.

Jeffrey Short, a scientist from National Marine Fisheries Service's Auke Bay Laboratory, presented results of the research to the citizens' council board at its March meeting, in Anchorage.

According to Short's presentation and a paper he co-wrote with other Auke Bay scientists, the short-term effects of oil on sea life have gotten most of the attention but the long-term effects may be more important. Short and his colleagues focused on what happened after the highly visible effects of the first week or two of

the 1989 spill had passed.

One of their findings is that a particularly long-lived component of crude oil called polycyclic aromatic hydrocarbons, or PAH, worked its way into beaches in Prince William Sound. There it continued for years to release sufficiently high levels of poison to harm sea creatures, especially during the very first stages of life. This damage occurred even after the concentration of PAH had dropped far below the levels allowed by government clean-water regulations.

"PAH in weathered oil can be very persistent, biologically available for a long period of time, and very toxic to sensitive life stages," wrote Short and his colleagues. "The result is that fewer juvenile fish survive, so that recruitment from the early life stages is reduced, and adult populations are not replaced at sustainable levels. Eventually, adult populations may gradually decline to extinction."

For example, as late as four years after the *Exxon Valdez* spill,

pink salmon eggs spawned in streams near oiled beaches were less likely to survive than eggs from unaffected streams, according to the researchers.

Their conclusion was that oil-spill response should focus on long-term consequences as well as

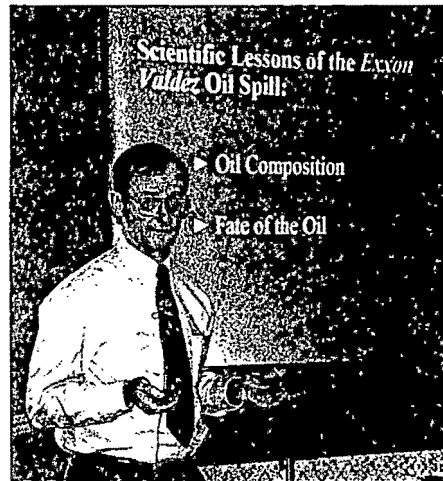
the more immediate effects.

"The threat is not from acutely toxic concentrations that result in immediate fish kills, but in the more subtle effects of low level oil pollution to

sensitive life stages," Short and his co-authors wrote in their paper.

Or, as Short summarized it in his presentation to the council in March, "Protection should emphasize habitats over species."

Short's co-authors in the paper "Life-History Consequences of Oil Pollution in Fish Natal Habitat" were Stanley D. Rice, Ron A. Heintz, Mark G. Carls, and Adam Moles, all of the Auke Bay laboratory. It will be presented this summer at an international energy conference in Las Vegas.



Jeff Short



Photos by BOB HALLINEN / Anchorage Daily News

Littlenecks repopulate Inlet beach

By JON LITTLE

Daily News Peninsula Bureau

PORT GRAHAM — Marlene Norman dug clams at Murphy's Slough a few days ago, something neither she nor any resident of this village on the south shore of Kachemak Bay has done for at least a decade.

She shoveled a few inches down into the gray, gravel beach and picked a handful of mottled blue-gray littleneck clams. They taste great steamed, she said. Norman and four companions spent a few more minutes carving out shallow holes, plucking just enough to offer a meal to village chief Elenore McMullen.

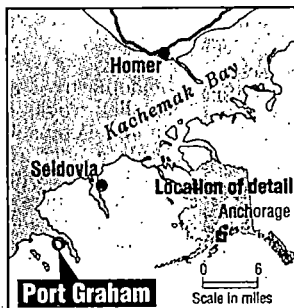
The rest of the clams on this small, quiet beach, curving like a smile at the base of the rugged Kenai Mountains, were left alone to fatten up over the summer.

Murphy's Slough once supported a large population of butter clams, but it went barren years ago. Some blame the 1964 earthquake. Others point to sea otter predation. Finally, the 1989 Exxon Valdez oil spill may have poisoned some native clams. At any rate, globs of weathered oil that washed up in the summer of '89 placed seeds of doubt about the safety of



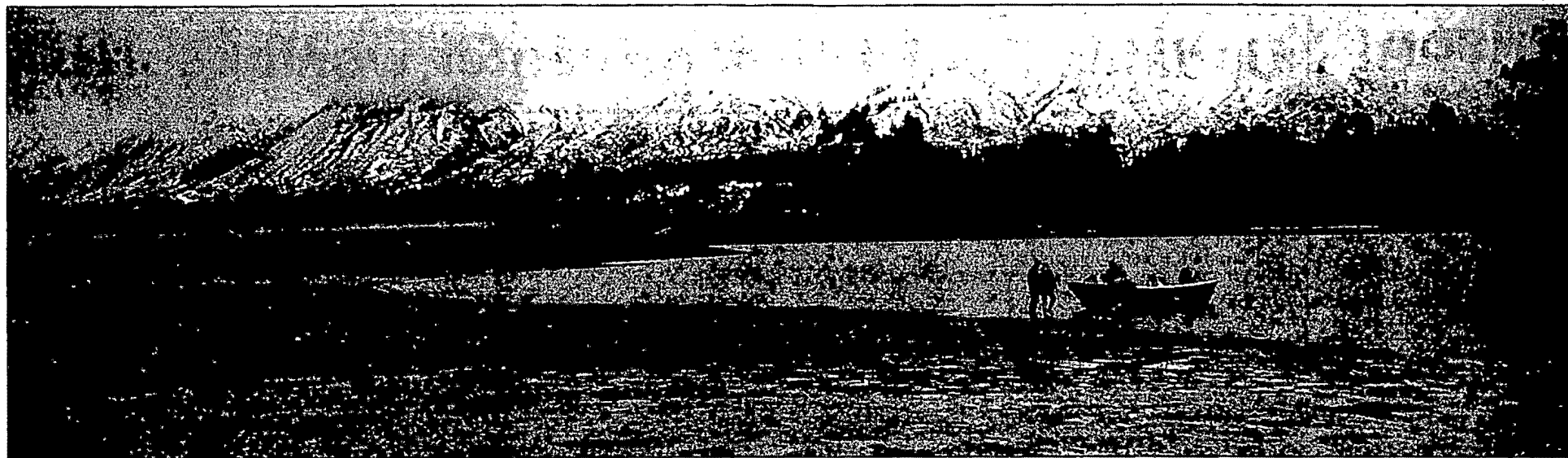
Top: Edgar Otis, natural resources specialist for the Port Graham Village Council, holds handfuls of clams taken from the beach near Port Graham on the Kenai Peninsula. The white spots at the hinge of the shell are where the seed clams planted.

Above: Otis holds up one of the protective mats that were laid over areas on the beach seeded with clams near Port Graham.



See Page B-3, **CLAMS**

RON ENGSTROM / Anchorage Daily News



BOB HALLINEN / Anchorage Daily News

This beach near Port Graham was seeded with clams that have grown to maturity sooner than expected.

CLAMS: Stocking project yields surprising success in Kachemak Bay village

Continued from Page B-1

the area's once-pristine clam beaches.

A five-year, \$1.4 million project — developed by Chugach Regional Resources Commission in 1995 and funded by the Exxon Valdez Oil Spill Trustees — attempted to fix that by stocking three beaches with littleneck clams.

The experiment was a first for growing baby littlenecks at a new Seward shellfish hatchery and planting them on a Cook Inlet beach. It appears to have succeeded, researchers say. Port Graham's new clam bed offers up edible littlenecks as big as two inches around just three years after clams the size of thumbtacks were planted.

"The advantage will be to get 'em whenever you want,"

Norman said, after she and a few other residents shoveled a few inches into the gray, rocky beach and picked a handful of mottled blue-gray steamer clams.

Villagers in Port Graham say that before the project, the nearest known clam beaches were miles away by boat. Leaders said the distance discouraged clamming, straining the village's effort to preserve its historic reliance on subsistence seafood.

Murphy's Slough is a five-minute skiff ride from Port Graham.

Four or five decades ago, when the beach at Murphy's Slough was productive, whole families would go out clamming, said Elenore McMullen, chief of the Native village of Port Graham. "My fear is

we've lost that," she said.

McMullen leads efforts to keep the community's hunting and gathering traditions alive. Besides being chief of the village of 170, she's also a health aide, a mother of five and grandmother of nine. She said she's spent years passing along lessons her grandmother taught her about collecting and sharing salmon, cockles and crab caught from the sea.

Neighboring Nanwalek also has a new clam beach, as does the Prince William Sound village of Tatitlek. But clams on both those beaches have been a little slower to grow, said Jeff Hetrick, who managed the project.

The biggest surprise is that Port Graham's clams reached a harvestable size three years after the beach was planted.

Researchers had expected it to take five years.

It's all the more amazing because Port Graham's beach was essentially devoid of clams when they started, said Patti Brown-Schwalenberg, executive director of the Chugach Regional Resources Commission, a nonprofit group that helps the seven tribes within the Chugach region solve environmental and resource problems.

The tribal resources commission developed the clam restoration project after member villages said they were distressed by the loss of subsistence clamming, Brown-Schwalenberg said.

"Elders said they once brought clams from one area to another area, and those clams re-established them-

selves. So we said, let's try it."

In Port Graham's case, they took some littleneck clams from a healthy clam beach near Seldovia and spawned them at the new Qutekac Shellfish Hatchery in Seward. About 500,000 newborn clams were then sprinkled on Port Graham's old subsistence beach. Some were covered with a plastic mesh to protect against predators. Others were left exposed.

Nobody had tried growing and planting littlenecks in this region before, so researchers conducting the project wanted to find out how the little mollusks fared under various conditions.

"When we started out, we had no idea they would even survive the winter," Hetrick said.

The techniques of growing and planting these shellfish are identical to those used in Alaska's young and sometimes controversial clam farming industry, but Brown-Schwalenberg said the intent here was to create a subsistence food, not a private farm.

"There aren't any plans to get it commercialized at all," she said. "The beaches we're using are basically public beaches. We're not leasing them from the state at all."

Because so many littlenecks have survived at Port Graham and the two other beaches, the tribal resources commission considers the project a success, Brown-Schwalenberg said. The goal is to plant clams at additional beaches: Cheñega Bay, Cordova, Seward and possibly Valdez, she said.

Unders ding Kodiak's wildlife

Photos by Melissa Dover

Students from Stacey Studebaker's biology classes are getting the opportunity to take a charter boat ride to gain a better understanding of Kodiak wildlife. The students on last Friday's trip got a good look at 25 species of birds, two gray whales, sea lions galore, phytoplankton, and zooplankton. Studebaker said she takes the yearly trips with students so they will make the connections between the smallest marine lifeforms and the largest ones, all of which they have been studying in class. Many students have

lived in Kodiak for years, but have never seen the island from a perspective other than land, so the boat rides offer a unique opportunity, Studebaker said. Eric Stirrup, owner of the charter boat Ten Bears, donates his time, fuel and other costs to take the students out on a total of five three-hour boat rides. Stirrup's belief that the public must have experiences with the ecosystem to be informed and work towards sustainable fisheries drives his yearly commitment to the trips, according to Studebaker.



How to spot a whale

High school biology teacher Stacey Studebaker tells students how to detect the spout of a gray whale, a difficult task in windy conditions.



Look, ma, microorganisms

With the help of Ten Bears Captain Eric Stirrup (center), the high schoolers perform a plankton tow, collecting zooplankton and phytoplankton from the marine ecosystem. Once the boat got back to town, they observed the plankton at the dock under microscopes Stacey Studebaker brought on the trip.



A little slice of life

Eric Stirrup (right) empties the captured plankton into a container Stacey Studebaker is holding for the journey back to the dock. Looking on are high school students Danielle Bushnell and Jamie Juhlin.



Eagle eyes

Part of the purpose of the trip was to allow students to get a real look at birds they have been studying in class throughout the semester. Here, Danielle Bushnell scans the horizon for unusual species. More than 25 species were spotted on the three-hour trip, including harlequin ducks, double-crested cormorants, pigeon guillemots, and a whole slew of black oystercatchers.



Look at that thing swim!

Students got a magnified look at live plankton, both plant and animal life, when they returned to the dock. Among the favorites were the monstrous-looking barnacle larva and the teeny jellyfish larva. Here, Robin Hone takes a turn at the microscope as Ryan Boudreau looks on.

Inspirational pup alive and well at SeaLife Center

By Nancy Erickson

Seward Phoenix LOG

The cry of newborn harbor seals is a familiar sound on rugged Alaskan rookeries this time of the year.

But who would have predicted the impact that one unborn pup from Akhiok would have on the subsistence hunters who killed his mother and saved his life.

Seal hunters in Olga Bay took the wide-eyed pup from his dead mother by cesarean on April 14, two days before the pup arrived at the Alaska SeaLife Center, according to Rohn Nelson with the National Marine Fisheries Service in Kodiak.

Nelson wasn't on duty that day, but wishes he had been.

The pup's determination for life touched the hearts of those who nurtured and transported him to Seward. But most affected were the Native hunters who saved him.

After removing the pup, the Akhiok hunters contacted the federal agency, which sent a plane to the village the next day.

But after a night of bottle-feeding and keeping him wet, the hunter who delivered the animal vowed to change his hunting practices.

"It changed my whole perspective on hunting," Willie Eluska told the Kodiak Daily Mirror. "I will no longer hunt after December — and neither will my brothers."

The pup arrived in Kodiak and into the nurturing hands of a veterinarian, Fisheries Service agent Ken Hansen and his 10-year-old son, Jesse, said Lynn Aderholt, SeaLife Center rehabilitation coordinator.

When the pup balked at eating, Jesse coaxed the infant to change his mind, Aderholt said.

SeaLife Center staff veterinarian Pam Tuomi met the pup on an Alaska Airlines cargo flight from Kodiak later that day and kept him at her Anchorage home overnight before taking him to Seward.

The pup has gained more than 3 pounds since his arrival at the research center and appears to be in good condition, Aderholt said last Thursday.

He is on a feeding regime of diluted formula and is even beginning to spend short periods of time in shallow water, she said.

"He put his head under water and was blowing bubbles. He's even exploring the underwater drain," she said.

But he's not out of the woods yet. Without the immunities initially passed to the baby from the mother's milk, the pup's system could be more susceptible to viruses, Aderholt said.

"It's important for a healthy system. But babies, both human and otherwise, do survive," she said.

Aderholt plans to start weaning the infant within the

"He put his head under water and was blowing bubbles. He's even exploring the underwater drain."

— Lynn Aderholt



Nancy Erickson/Seward Phoenix LOG

This newborn seal pup at the Alaska SeaLife Center is making some reconsider their hunting practices after the subsistence hunters who killed his mother removed him by cesarean section.

next week or two, reducing contact with humans at the same time. She's hoping more pups will come into the center to give the Kodiak seal a connection with his own species.

"Usually with seals, if contact time is reduced as they wean, we'll see him become self-sufficient and then release him. That's the goal," Aderholt said. "Right now, we're just seeing if he's going to survive."