

Exxon Valdez Oil Spill Trustee Council 2010 Annual Report*Rev 10/30/12*

The following is an estimate of how the *Exxon Valdez* Oil Spill Trustee Council (Council) has allocated its funds since its inception in 1991

The Council works in three major areas Restoration, Habitat, and Administration The following is a general guide to the activities included under these headings

Research, Monitoring, and General Restoration

Restoration forms the core mission of the Council Spending in this area includes hundreds of scientific research projects that address a broad variety of subject areas Surveys and other monitoring of fish and wildlife in the spill region provide information to determine population trends, productivity, and health Research increases knowledge of the biological needs of individual species and how each contributes to the Gulf of Alaska ecosystem This work also provides new information and better tools for effective management of fish and wildlife and is used to study the long-term impact of hydrocarbon exposure on affected species The Council's support has developed modeling, surveys, mapping of lingering oil and furthered science in the spill area General restoration includes projects to protect and improve archeological, subsistence and recreational resources Restoration has also been pursued through projects such as Kenai stream bank restoration, waste disposal facilities, the Alaska SeaLife Center and archeological site restoration

Public outreach is an integral part of Restoration and includes public meetings, exhibits, reports, films, lectures, scientific symposiums, publications and outreach by individual projects and through Trustee Council office activities

Restoration expenses include and overlap with Scientific Management, Public Information, and Administration for management of restoration efforts, such as staff support, data management, scientific meetings, oversight and management, project planning and development, public outreach efforts and publications For these reasons, delineating spending among these categories is somewhat artificial

Research, Monitoring, and General Restoration costs are expended through the Research Investment Sub-Account of the Investment Trust Fund

Habitat Protection

Habitat protection has provided the Council with a lasting legacy which supports the species and ecosystems injured by the spill These efforts include both small and large parcels and helps prevent additional injury to species due to loss of habitat The Council accomplishes this by providing funds to government agencies to acquire title or conservation easements on land important for the restoration of resources injured by the spill The majority of spending in this area is attributed to the actual cost to identify and acquire habitat Other expenses in this area include staff support, due diligence costs, NEPA reviews, habitat purchase negotiation support, and data management These costs overlap with Scientific Management, Public Information, and Administration, below

Habitat Protection costs are expended through the Habitat Investment Sub-Account of the Investment Trust Fund. Additionally, the Koniag Sub-Account is contractually obligated at this time for a conservation easement on Koniag, Inc. lands.

Science Management, Public Information and Administration

This component of the budget includes annual program implementation, development, and management of the Council's habitat, work plans and science programs. It also includes scientific oversight of research, monitoring and restoration projects, project planning and management, data management, scientific meetings and symposiums.

Administration for the habitat program includes funding NEPA reviews, agency coordination, habitat purchase negotiations, data management and acquisition support.

Administrative spending includes Council office staff, designated trust agency staff, infrastructure costs, agency coordination, and other contractual and administrative overhead. It also includes the cost of public meetings, publications and other means of public outreach, studies regarding Council activities and the support and administration of the Council's Public Advisory Committee.

Science Management, Public Information and Administration costs are expended through the Research Investment Sub-Account of the Investment Trust Fund.

How the Settlement Has Been Used

The following accounts for how settlement funds have been used (in millions) as of **September 30, 2011**

<u>Revenue</u>	<u>\$1,012.1¹</u>
Exxon Payments	\$900.8
Interest/Earnings (Minus Fees Plus Recoveries)	\$111.3
<u>Reimbursements for Damage Assessments & Response</u>	<u>\$216.4²</u>
Governments (includes Litigation & Clean-up)	\$176.5
Exxon (Clean-up during 1991 and 1992)	\$39.9
<u>Net Total Revenue (Revenue less Reimbursements)</u>	<u>\$795.7</u>
<u>Research, Monitoring & General Restoration (FY92 – FY10)</u>	<u>\$192.1³</u>
FY92–FY07 Work Plans –Restoration Program Projects	\$178.0 ⁴
Includes funding of	
▪ Restoration Program Projects	\$137.1

¹ Interest/Earnings amounts from 2009 Annual Report plus 2010 Schedule of Investment Income & Changes in Invested Assets reports at <http://treasury.dor.alaska.gov/programs/programs/other/ifr/reports/exxon.aspx?2010> less 2010 ADOR Management fees

² Amounts from 2009 Annual Report

³ FY92-FY08 Amounts based on 2009 Annual Report, FY09-FY10 from Work Plans, less APDI

⁴ Amounts from the 2009 Annual Report

▪ Infrastructure Improvements – Alaska SeaLife Center	\$26 2	
▪ Reduction of Marine Oil Pollution	\$5 7	
▪ Archaeological Repository/Exhibits	\$6 1	
▪ Kenai River Restoration & Recreation Enhancement	\$2 1	
▪ Port Graham Hatchery	\$0 8	
FY08–Work Plans –Restoration Program Projects		\$5 0
FY09 Work Plans –Restoration Program Projects		\$5 8
FY10 Work Plans – Restoration Program Projects		\$3 3
<u>Habitat Protection</u>		<u>\$379 8⁵</u>
Large Parcel Acquisition		\$347 9
Small Parcel Acquisition		\$23 5
Due Diligence & Admin Support Activities		\$4 5
Koniag Conservation Easement		\$3 9
<u>Science Management, Public Information & Administration (FY92–FY10)</u>		<u>\$51 0⁶</u>
FY92–FY07 Annual Program Development & Implementation		\$44 0
FY08 Annual Program Development & Implementation		\$2 2
FY09 Annual Program Development & Implementation		\$2 5
FY10 Annual Program Development & Implementation		\$2 3
<u>Investment Trust Fund Balance as of 09/30/10</u>		<u>\$172 8⁷</u>
Research Investment Sub-Account		\$95 8
Habitat Investment Sub-Account		\$32 0
Koniag Investment Sub-Account		\$45 0
<u>Net Total Expenditures (Research, Habitat, Science, Investment Fund)</u>		<u>\$795 7</u>

*Previously-allocated, lapsed, unencumbered funds and any interest earnings on the joint trust funds are reallocated by the Council. This practice ensures the funds are spent efficiently, but also contributes somewhat to the ambiguity regarding spending totals, as these funds have not been tracked through agencies, state and federal, over time. To date the Council has reallocated approximately \$28.4M⁸

⁵ Habitat Protection amounts from Samantha Carroll at ADNR based on 2009 Annual Report amounts plus 2010 expenditures and 2010 APDI allocations

⁶ FY92-FY08 Amounts based on 2009 Annual Report, FY09-FY11 from actual APDI, less Habitat

⁷ Amounts from ADOR website at

<http://treasury.dor.alaska.gov/programs/programs/other/ifr/index.aspx?2011>

⁸ Based on amounts noted in court notices and resolutions