

13.08.01 – Reading File

March 2003

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



MEMORANDUM

TO: Kevin Brooks, Director
Administrative Services Division
Alaska Department of Fish and Game

FROM: Sandra Schubert *Sandra*
Program Director
Exxon Valdez Oil Spill Trustee Council

RE: Federal Program Receipt Authority: Copy of Federal Grant Application

DATE: March 28, 2003

For your information, attached is a copy of the paperwork we have submitted to NOAA today for a three-year federal grant to implement the Trustee Council's Gulf of Alaska Ecosystem Monitoring and Research Program. You received an earlier draft of this grant proposal was provided to you as an attachment to M. McCammon's 3/26/03 memo to you. Today's attachment supersedes what you received earlier.

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 28, 2003

Max Mertz
Elgee, Rehfeld, Mertz & Barrett
9309 Glacier Highway, Suite B-200
Juneau, AK 99801

Dear Max:

On behalf of the Trustee Council, I am responding to the General Comments in the *Exxon Valdez* Oil Spill Trustee Council Internal Control and Operating Comments, dated March 3, 2003.

**Comment: ENSURE THAT AGENCY PERSONNEL RESPONSIBLE FOR
REPORTING PROJECT EXPENDITURES ARE AWARE OF THE TRUSTEE
COUNCIL'S FINANCIAL PROCEDURES**

Response:

We agree that agency personnel must have a copy of the Trustee Council's Financial Procedures and be informed on how to apply the procedures. It has been our practice to circulate the procedures to agency personnel whenever revisions to the procedures are made (most recently July 9, 2002). At the time of staff turnover in the agencies, we have relied on departing personnel to inform new personnel of the procedures. In an enhanced effort to ensure that agency personnel are properly informed, we will individually contact new staff, make sure that they have a copy of the procedures (which are posted on our web site for easy access), and offer training. As always, we will also continue to make Trustee Council staff available to agency personnel whenever needed to explain or clarify the procedures.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

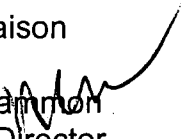
Exxon Valdez Oil Spill Trustee Council

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MEMORANDUM

TO: Bill Hauser
ADF&G Liaison

FROM: Molly McCammon 
Executive Director

RE: Authorization -- Project 030340
*Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska
Ecosystem*

DATE: April 3, 2003

The purpose of this memorandum is to formally authorize work to proceed on Project 030340/Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem. The work must be performed consistent with the Detailed Project Description dated April 4, 2002 and budget dated April 10, 2002. Please note that one of the contingencies placed on the project by the Trustee Council at the time of project approval--that the manuscript funded in FY 02 be submitted--has not yet been met. Rather, the submittal date for this manuscript (to *Deep-Sea Research*) has been extended to June 15, 2003. The manuscript has been drafted and is currently in internal review.

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 *RF*

Exxon Valdez Oil Spill Trustee Council

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March 3, 2003

Elgee, Rehfeld, Mertz and Barrett
9309 Glacier Highway, Suite B 200
Juneau, Alaska 99801

In connection with your audit of the financial statements of *Exxon Valdez* Oil Spill Trustee Council, (Council) Trust Funds as of and for the year ended September 30, 2002, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the cash balances of the NRDA&R and the financial position of the Investment Fund and the Settlement Trust as of and for the year ended September 30, 2002, and the results of their operations for the year then ended on the basis of accounting described in Note 2 for NRDA&R, and in conformity with generally accepted accounting principles for the Investment Fund and the Settlement Trust, we confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We are responsible for the fair presentation in the financial statements of financial position and results of operations of the Trust Funds in conformity with generally accepted accounting principles.
2. We have made available to you all—
 - a. Financial records and related data.
 - b. Resolutions made at meetings of the Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no—
 - a. Instances of fraud involving management or employees who have significant roles in the internal control structure.
 - b. Instances of fraud involving other employees that could have a material effect on the financial statements.
 - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
4. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund balances.
5. The following have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions and related accounts receivable or payable, including revenues, expenditures, and commitments.

6. There are no—
- Violations or possible violations of laws or regulations (including those pertaining to adopting and amending budgets) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.
 - Reservations or designations of fund equity that were not properly authorized and approved.
7. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.
8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
9. We are responsible for the Council's compliance with laws and regulations applicable to it; and we have identified, and disclosed to you, all laws and regulations that have a direct and material effect on the determination of financial statement amounts. We have complied with all aspects of laws, regulations, and contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
10. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
11. Subsequent to the balance sheet date, all funds were disbursed from NRDA&R and the Settlement Trust for the administration and implementation of the grant for small parcel habitat protection and the implementation of the *2003 Work Plan*, as disclosed in Note 9. No other events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.

Signed: Molly McCammon
Molly McCammon

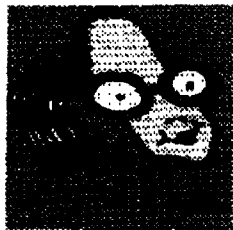
Title: Executive Director
Executive Director

Date: 4/3/03

Signed: Sandra Schubert
Sandra Schubert

Title: Program Director
Program Director

Date: 4-30-03



FAX TRANSMISSION

A Request for Permission Follows

March 26, 2003

TO:

Ms. Molly McCammon
Exxon Valdez Oil Spill Trustee Council

FROM:

Celeste Parker-Bates

FAX:

907 276 7178

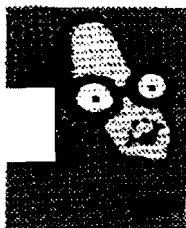
RETURN FAX:

(650) 964-1337

No. of pages: 2

Following please find a request for permission. Please advise if you do not control rights to this material.

for book.

**Permgirl, Inc.**

March 26, 2003

Ms. Molly McCammon
Exxon Valdez Oil Spill Trustee Council
441 West Fifth Avenue, Suite 500
Anchorage AK 99501

Celeste Parker Bates
1042 Williams Way
Mountain View, CA 94040
Tel: (650) 625-1337
Fax: (650) 964-1337
celestepb@aol.com

Dear Ms. Molly McCammon:

I am writing on behalf of Addison Wesley Longman who is preparing the following title for publication:

The Longman Handbook, 3E by Chris M. Anson, Robert A. Schwegler, Marcia F. Muth

A brief handbook for composition courses

Publication Date: 03/2003

Edition: Text

Binding: Case

Number of Pages: 960

Proposed Price: \$32.25

Market: North America

Language: English

First printing: 20,000

Ancillary Items: CD-ROM and Electronic Book

We request non-exclusive reprint rights for the following:

"Gulf Ecosystem Monitoring and Research Plan," as it appeared on Exxon Valdez Oil Spill Trustee Council Website. <http://www.oilspill.state.ak.us/restoration/index.html>.

Please extend rights to all future editions, derivative works, and to special non-profit editions for use by the handicapped.

For your convenience, you may indicate your approval by signing below and returning one copy of this letter.

(Note: If any fees are required for this permission, they will be paid for by the publisher.)

Sincerely,

Celeste Parker-Bates
Permissions Coordinator

PERMISSION GRANTED:

(In signing you warrant you are the owner of the rights granted herein)

Date: 3/26/03

By:

Molly McCammon Executive Director
Exxon Valdez Oil Spill Trustee Council

Terms:

SS# of FID#: 561-86-8082

Confid Line to read:

referring to the website is fine.

Exxon Valdez Oil Spill Trustee Council

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MEMORANDUM

TO: Dede Bohn / DOI
Carol Fries / ADNR
Ken Holbrook / USFS
Celia Rozen / ADF&G
Laura Beason / ADEC
Pete Hagen / NOAA

FROM: Sandra Schubert
Program Director

RE: Project Status – Quarterly Update
DUE FRIDAY, APRIL 25, 2003

DATE: March 19, 2003

Please find attached Project Status Update Forms for the quarter ending March 31, 2003. The forms and the instructions for filling them out are the same as they were last quarter. The quarterly report is an opportunity for you to contact each PI to discuss project progress and to report your findings to the Trustee Council Office. If a PI has an overdue report, please work with the PI to determine when it will be submitted. If other project tasks have been changed, delayed, or canceled, please get an explanation from the PI.

Please return your completed update forms to me by Friday, April 25, 2003.

Thank you for your cooperation.

sandra/qtrupdate.wpd

Exxon Valdez Oil Spill Trustee Council

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March 19, 2003



Dennis Metrokin, President
Koniag, Inc.
4300 B Street, Suite #407
Anchorage, AK 99503

Dear Dennis:

Per the terms of the agreement on the Conservation Easement and the Camp Island Limited Development Easement, Koniag, Inc. is to be provided a financial report on the Special Account at least quarterly. The report is to identify the investments held in the account, their value, and all transactions made with respect to the Special Account during the reporting period.

The Special Account was established on October 15, 2002 and on March 31, 2003 we will reach the end of the first full quarter. I am writing to ask how you would like to receive the financial report. The Alaska Department of Revenue, Treasury Division posts information on the Special Account (and all other accounts it manages) on the web on the 15th of each month. You can access this information yourself directly on the web at http://www.revenue.state.ak.us/treasury/FS_Distribution/EVOS/Detail_Rpt_Dist_master.htm or we can compile it into a report and send it to you at the end of each quarter. Just let me know which you prefer.

Please give me a call if you would like to discuss this matter.

Sincerely,

Molly McCammon
Executive Director

cc: William Timme, Counsel for Koniag
Alex Swiderski, Alaska Department of Law
Dave Allen, U.S. Fish and Wildlife Service

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



MEMORANDUM

TO: Bill Hauser
ADF&G Project Manager

FROM: Molly McCammon
Executive Director

RE: Extension of Due Date: Final Report
*Project 030462: Effect of Disease on Pacific Herring Population Recovery
in Prince William Sound*

DATE: March 14, 2003

This memo is to confirm an extension of the due date from April 15, 2004 to July 15, 2004 for the final report on Project 030462: Effect of Disease on Pacific Herring Population Recovery in Prince William Sound. I understand this extension is needed due to a delay in project start-up (the project was not authorized to begin until January 27, 2002 and the contract with the PI was not finalized until early March 2003).

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



MEMORANDUM

TO: Dede Bohn
DOI-USGS Project Manager

FROM: Molly McCann
Executive Director

RE: Partial Authorization -- Project 030585 / Lingering Oil: Bioavailability and Effects to Prey and Predators

DATE: March 14, 2003

The purpose of this memorandum is to formally authorize USGS to proceed with its component of Project 030585/Lingering Oil: Bioavailability and Effects to Prey and Predators. The work must be performed consistent with the revised Detailed Project Description and revised budget dated July 26, 2002. The amount of funding authorized by this memo is \$15,700, as outlined in the budget.

The NOAA component of this project (\$105,900) was approved contingent on submittal of several late reports. Authorization to proceed on the NOAA component will be provided once those reports are submitted.

cc: Pete Hagen, NOAA Liaison

Exxon Valdez Oil Spill Trustee Council

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MEMORANDUM

TO: Lisa Tibbets, DOI-NPS
Bruce Nessler, DOI-NRDAR Administrator
Bob Leonard (for Tony DeGange), DOI-USFWS
Dede Bohn, DOI-USGS
Pete Hagen, NOAA
Ken Holbrook, USFS
Laura Beason, ADEC
Kevin Buckland, ADF&G
Carol Fries, ADNR

FROM: Sandra Schubert *Sandra*
Program Director

RE: Review of Draft FY 02 Audit

DATE: March 12, 2003

The following items related to the FY 02 audit are attached for your review.

Internal Control and Operating Comments: This document summarizes the auditor's comments and suggestions regarding opportunities for strengthening internal controls and operating efficiency. Please review any comments specific to your agency and prepare a written response. Your responses, which will be incorporated into the final audit, must be addressed to Molly McCammon, Executive Director, and must be prepared on your agency's letterhead. Please send all responses **no later than April 4, 2003** to:

Julie Olson
Elgee, Rehfeld, Mertz & Barrett
9309 Glacier Highway, Suite B-200
Juneau, AK 99801

Also send a copy to the Trustee Council Office, Attention: Sandra Schubert

Trust Funds Financial Statements: Please review the sections that pertain to your agency, particularly pages 20-30 and the amounts shown as "budget", "actual expenditures & obligations", and "(over) under expended". Any errors or corrections should be reported directly to the auditor (see contact information above or phone Julie at 907-789-3178).

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

Rec'd 3-10-02

DRAFT

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Internal Control and Operating Comments

March 3, 2003

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL**INTERNAL CONTROL AND OPERATING COMMENTS AND RECOMMENDATIONS****Table of Contents**

	<u>Page</u>
LETTER TO THE TRUSTEE COUNCIL	1
CURRENT YEAR COMMENTS	
GENERAL COMMENTS	
Agency Accounting Personnel Turnover	2
UNITED STATES DEPARTMENT OF INTERIOR, FISH AND WILDLIFE SERVICE	
Improve Monitoring of Expenditures	2
UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	
Improve Monitoring of Expenditures	2
UNITED STATES, NATURAL RESOURCES DAMAGE ASSESSMENT AND RESTORATION FUND	
Improve Reporting	3
UNITED STATES DEPARTMENT OF INTERIOR, UNITED STATES GEOLOGICAL SURVEY	3
UNITED STATES DEPARTMENT OF AGRICULTURE, UNITED STATES FOREST SERVICE	3
UNITED STATES DEPARTMENT OF INTERIOR, OFFICE OF THE SECRETARY	3
STATE OF ALASKA, EXXON VALDEZ OIL SPILL INVESTMENT FUND	3
STATE OF ALASKA, EXXON VALDEZ OIL SPILL SETTLEMENT TRUST	3
ALASKA DEPARTMENT OF NATURAL RESOURCES	3
ALASKA DEPARTMENT OF FISH AND GAME	3
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION	3

DRAFT

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

INTERNAL CONTROL AND OPERATING COMMENTS AND RECOMMENDATIONS

Table of Contents (Continued)

	<u>Page</u>
STATUS OF PRIOR YEAR COMMENTS	
GENERAL COMMENTS	4
UNITED STATES DEPARTMENT OF INTERIOR, FISH AND WILDLIFE SERVICE	4
UNITED STATES DEPARTMENT OF INTERIOR, UNITED STATES GEOLOGICAL SURVEY	4
UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	4
UNITED STATES DEPARTMENT OF AGRICULTURE, UNITED STATES FOREST SERVICE	4
COURT REGISTRY INVESTMENT SYSTEM - JOINT TRUST ACCOUNT	4
UNITED STATES, NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION FUND	5
STATE OF ALASKA, <i>EXXON VALDEZ</i> OIL SPILL INVESTMENT FUND	5
STATE OF ALASKA, <i>EXXON VALDEZ</i> OIL SPILL SETTLEMENT TRUST	5
ALASKA DEPARTMENT OF NATURAL RESOURCES	5
ALASKA DEPARTMENT OF FISH AND GAME	5
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION	
UNITED STATES DEPARTMENT OF INTERIOR, OFFICE OF THE SECRETARY	5
TRUSTEE AGENCY RESPONSES	APPENDIX 1

DRAFT

March 3, 2003

Members, *Exxon Valdez* Oil Spill Trustee Council,
Anchorage, Alaska:

Dear Members:

In planning and performing our audit of the financial statements of the *Exxon Valdez* Oil Spill Trustee Council Trust Funds as of and for the year ended September 30, 2002, we considered the internal control structure used to administer the Trust Funds and used to expend funds related to restoration projects conducted by the Federal and State Trustee Agencies. This was done in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. We have not considered the internal control structure since the date of our report.

However, during our audit we noted certain matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated March 3, 2003, on the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, Trust Funds. Following our comments, we have listed our internal control and operating comments identified during our fiscal 2001 audit and the status of those comments as of our current year audit.

We have organized our comments by Trustee Agency. Those comments that relate to all Trustee Agencies or to other matters that came to our attention precede the individual Trustee Agency comments.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with appropriate personnel, and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We would also like to thank Molly McCammon, Sandra Schubert and the members of the Federal and State Trustee Agencies with whom we worked for their assistance during the audit. They worked very intently to ensure that the audit was completed as smoothly and as efficiently as possible.

Sincerely,

*Internal Control and Operating Comments -
Current Year Comments*

DRAFT

Page 2

GENERAL COMMENTS

Agency Accounting Personnel Turnover

Comment -

We noted that accounting personnel turnover at the trustee agencies has led to a lack of understanding of the expenditure and reporting requirements established by the operating procedures ("OP's"). It is important that agency personnel responsible for monitoring and reporting project expenditures are aware of the unique requirements for expenditure and reporting of settlement funds that are set forth in the OP's.

Recommendation -

We recommend that the Restoration Office develop and implement a system that will alert them to turnover at agencies of accounting personnel responsible for project accounting and that new accounting personnel receive a copy of the OP's and any other necessary information to sufficiently expend and report project funds. We also recommend the Restoration office considers providing periodic training for agency personnel regarding how to apply the OP's to agency expenditures and appropriately report on those expenditures.

UNITED STATES DEPARTMENT OF INTERIOR, FISH AND WILDLIFE SERVICE

Improve Monitoring of Expenditures

Comment -

We noted the accounting personnel responsible for monitoring expenditures related to EVOS funds were not familiar with the OPs. As in prior year, monitoring of the recoverable GA didn't take place. As a result, GA recovered was under the earned amount.

Recommendation -

We recommend FWS personnel responsible for monitoring and reporting activity of the FWS become familiar with the OPs and monitor the actual direct projects' spending as allowed by the OP's to ensure expenditures recovered are within the amount permissible.

**UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND
ATMOSPHERIC ADMINISTRATION**

Improve Monitoring of Expenditures

Comment -

During our audit, we noted the monitoring of expenditures related to EVOS funds was not occurring regularly. During the year, monitoring of the recoverable GA didn't take place. As a result, GA recovered was less than the earned amount by \$5,578. An adjustment has been made to recover the entire earned GA.

Recommendation -

We recommend NOAA personnel monitor the actual direct projects' spending as allowed by the OP's to ensure expenditures recovered are within the amount permissible.

**UNITED STATES, NATURAL RESOURCE DAMAGE ASSESSMENT AND
RESTORATION FUND**

Comment

The Quarterly Reports and Cash Flow plans provided by the United States Natural Resource Damage Assessment and Restoration Fund (NRDA&R) to the restoration office are used to report disbursements from the fund and allow the restoration office to plan for future cash needs. Due to turnover of NRDA&R staff preparing reports for the restoration office, some of the reports provided were not timely or accurate. The fourth quarter report was not provided until requested for audit in January 2003 and beginning balances did not agree with the third quarter ending balances. The Cash Flow Plan did not include funds previously transferred and held in NRDA&R for closing of English Bay (\$414,300) as reserved for this purpose. This caused the amount transferred to NRDA&R for FY03 Restoration projects to be less than will be needed.

Recommendation

We recommend reports provided are reviewed and all discrepancies promptly resolved. We also recommend the quarterly Report and Cash Flow Reports be provided to the Restoration Office within 30 days of the end of the each quarter.

WE HAVE NO COMMENTS WITH RESPECT TO THE FOLLOWING:

United States Department of Interior, United States Geological Survey

United States Department of Agriculture, United States Forest Service

United States Department of Interior, Office of the Secretary

State of Alaska, Exxon Valdez Oil Spill Investment Fund

State of Alaska, Exxon Valdez Oil Spill Settlement Trust

Alaska Department of Natural Resources

Alaska Department of Fish and Game

Alaska Department of Environmental Conservation

***Internal Control and Operating Comments -
Status of Prior Year Comments***

Page 4

Prior Year Caption _____ Current Status _____

GENERAL COMMENTS

Determine Allowability of Bonus Awards This issue was resolved in the current fiscal year.

Improve Peer Review Results Reporting This issue was resolved in the current fiscal year.

UNITED STATES DEPARTMENT OF INTERIOR, FISH AND WILDLIFE SERVICE

Improve Monitoring of General Administration Costs See our comment in the Current Year Comments section of this letter.

**UNITED STATES DEPARTMENT OF INTERIOR, UNITED STATES GEOLOGICAL
SURVEY**

Unallowable Direct Project Costs This issue was resolved in the current fiscal year.

**UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND
ATMOSPHERIC ADMINISTRATION**

Improve Contract Management This issue was resolved in the current fiscal year.

Return Unspent Funds From Prior Year Projects This issue was resolved in the current fiscal year.

Improve Controls Over Payroll This issue was resolved in the current fiscal year.

**UNITED STATES DEPARTMENT OF AGRICULTURE, UNITED STATES FOREST
SERVICE**

Return Unspent Funds from Prior Year Projects This issue was resolved in the current fiscal year.

Improve Monitoring of General Administrative Costs This issue was resolved in the current fiscal year.

COURT REGISTRY INVESTMENT SYSTEM - JOINT TRUST ACCOUNT

We had no comments with respect to the United States, Court Registry Investment System – Joint Trust Account in our prior audit.

***Internal Control and Operating Comments -
Status of Prior Year Comments***

Page 5

Prior Year Caption

Current Status

**UNITED STATES, NATURAL RESOURCE DAMAGE ASSESSMENT AND
RESTORATION FUND**

We had no comments with respect to the United States, Natural Resource Damage Assessment and Restoration Fund in our prior audit.

STATE OF ALASKA, *EXXON VALDEZ* OIL SPILL INVESTMENT FUND

We had no comments with respect to the State of Alaska, *Exxon Valdez* Oil Spill Investment Fund in our prior audit.

STATE OF ALASKA, *EXXON VALDEZ* OIL SPILL SETTLEMENT TRUST

We had no comments with respect to the State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust in our prior audit.

ALASKA DEPARTMENT OF NATURAL RESOURCES

We had no comments with respect to the Alaska Department of Natural Resources during our prior audit.

ALASKA DEPARTMENT OF FISH AND GAME

We had no comments with respect to the Alaska Department of Fish and Game during our prior audit.

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

We had no comments with respect to the Alaska Department of Environmental Conservation during our prior audit.

UNITED STATES DEPARTMENT OF INTERIOR, OFFICE OF THE SECRETARY

We had no comments with respect to the United States Department of Interior, Office of the Secretary.

DRAFT

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
TRUST FUNDS FINANCIAL STATEMENTS
and
SUPPLEMENTARY RESTORATION PROJECTS INFORMATION
Fiscal Year Ended September 30, 2002
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

RECEIVED

MAR 10 2003

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
TRUST FUNDS FINANCIAL STATEMENTS
and
SUPPLEMENTARY RESTORATION PROJECTS INFORMATION

DRAFT

Fiscal Year Ended September 30, 2002

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	i - ii
 TRUST FUNDS FINANCIAL STATEMENTS	
Independent Auditors' Report	1-2
Trust Fund Financial Statements	
Balance Sheet - State of Alaska, <i>Exxon Valdez</i> Oil Spill Investment Fund	3
Statement of Changes in Assets and Liabilities - State of Alaska, <i>Exxon Valdez</i> Oil Spill Investment Fund	4
Statement of Assets, Liabilities and Trust Fund Balance Arising from Cash Transactions - U.S. Department of the Interior, Fish and Wildlife Service, Natural Resources Damage Assessment and Restoration Fund	5
Statement of Receipts, Disbursements and Changes in Trust Fund Balance - U.S. Department of the Interior, Fish and Wildlife Service, Natural Resources Damage Assessment and Restoration Fund	6
Balance Sheet - State of Alaska, <i>Exxon Valdez</i> Oil Spill Settlement Trust	7
Statement of Revenues, Expenditures and Changes in Fund Balance - State of Alaska, <i>Exxon Valdez</i> Oil Spill Settlement Trust	8
Notes to Trust Funds Financial Statements	9 - 19
 SUPPLEMENTARY RESTORATION PROJECTS INFORMATION	
Independent Auditors' Report on Supplementary Restoration Projects Information	20
Schedules of Expenditures and Obligations - Budget and Actual	
State of Alaska	
Department of Fish and Game	21-22
Department of Environmental Conservation	23
Department of Natural Resources	24
United States Government	
Department of Agriculture, United States Forest Service	25
Department of Interior, Fish and Wildlife Service	26
Department of Interior, U.S. Geological Survey	27
Department of Interior, Office of the Secretary	28
Department of Interior, National Park Service	29
Department of Commerce, National Oceanic and Atmospheric Administration	30

DRAFT

TABLE OF CONTENTS (Continued)

SUPPLEMENTARY RESTORATION PROJECTS INFORMATION

	<u>Page</u>
Schedule of Fiscal 2001 <i>Work Plan</i> Status as of September 30, 2002 (Unaudited)	31
Notes to Supplementary Information Related to Restoration Projects	32-34

INDEPENDENT AUDITORS' REPORTS
ON COMPLIANCE AND ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	
<i>Exxon Valdez</i> Oil Spill Trustee Council	
State of Alaska, <i>Exxon Valdez</i> Oil Spill Investment Fund	35
U.S. Department of the Interior, Natural Resources Damage Assessment and Restoration Fund	36
State of Alaska, <i>Exxon Valdez</i> Oil Spill Settlement Trust	37

DRAFT

INDEPENDENT AUDITORS' REPORT

Members, *Exxon Valdez* Oil Spill Trustee Council,
Anchorage, Alaska:

We have audited the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, Trust Funds as of and for the year ended September 30, 2002, as listed in the accompanying table of contents. These financial statements are the responsibility of the *Exxon Valdez* Oil Spill Trustee Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial presentation for the State of Alaska, *Exxon Valdez* Oil Spill Investment Fund (Investment Fund) is of the Investment Fund only and is not intended to present the financial position of the State of Alaska or any of its component units and the results of their operations.

As discussed in Note 2, the financial presentation for the U.S. Department of the Interior, Fish and Wildlife Service, Natural Resources Damage Assessment and Restoration Fund (NRDA&R) is of the amounts related to the *Exxon Valdez* Oil Spill Trustee Council only and is not intended to present the financial position of NRDA&R or the U.S. Department of Interior Fish and Wildlife Service and the results of their operations, in conformity with generally accepted accounting principles of the United States.

As discussed in Note 2, the financial presentation for the State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust (Settlement Trust) is of the Settlement Trust only and is not intended to present the financial position of the State of Alaska or any of its component units and the results of their operations.

As discussed in Note 2, the financial statements for NRDA&R are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles of the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of NRDA&R and the financial position of the Investment Fund and Settlement Trust as of and for the year ended September 30, 2002, and the results of their operations for the year then ended on the basis of accounting described in Note 2 for NRDA&R, and in conformity with generally accepted accounting principles of the United States for the Investment Fund and Settlement Trust.

In accordance with *Government Auditing Standards*, we have also issued our reports dated March 3, 2003, on our consideration of the *Exxon Valdez* Oil Spill Trustee Council, Trust Funds' internal control over financial reporting and our tests of their compliance with certain provisions of laws, regulations and contracts.

March 3, 2003

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
STATE OF ALASKA - EXXON VALDEZ OIL SPILL INVESTMENT FUND
(An Agency Fund of the State of Alaska)

BALANCE SHEET
September 30, 2002

ASSETS:

Cash and Investments	\$ 143,313,451
Interest Receivable	<u>4,786</u>
Total Assets	<u><u>\$ 143,318,237</u></u>

LIABILITIES:

Accounts Payable	\$ 28,224
Assets Held in Custody by the State of Alaska	<u>142,290,013</u>
Total Liabilities	<u><u>\$ 142,318,237</u></u>

The accompanying notes to trust fund financial statements are an integral part of this statement.

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
 STATE OF ALASKA - EXXON VALDEZ OIL SPILL INVESTMENT FUND
 (An Agency Fund of the State of Alaska)
 STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 For the Year Ended September 30, 2002

Additions:

Interest and Investment Loss	\$ (10,303,330)
Total Additions	<u>(10,303,330)</u>

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Deductions:

State of Alaska	14,472,734.00
<i>Exxon Valdez</i> Oil Spill Settlement Trust	
Investment management fees	97,364
United States Department of the Interior, Fish and Wildlife Service,	
Natural Resources Damage Assessment and Restoration Fund	<u>7,260,000</u>
Total Deductions	<u>21,830,098</u>
Net Decrease in Assets	(32,133,428)
Assets Held in Custody by the State of Alaska, Beginning of Year	<u>174,423,441</u>
Assets Held in Custody by the State of Alaska, End of Year	<u><u>\$ 142,290,013</u></u>

The accompanying notes to trust fund financial statements are an integral part of this statement.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
UNITED STATES DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE
NATURAL RESOURCES DAMAGE ASSESSMENT
AND RESTORATION FUND

STATEMENT OF ASSETS, LIABILITIES AND TRUST FUND
BALANCE ARISING FROM CASH TRANSACTIONS
September 30, 2002

ASSETS:

Cash and Investments	\$ 1,239,036
Total Assets	<u>\$ 1,239,036</u>

LIABILITIES AND FUND BALANCE:

Liabilities	\$ -
Trust Fund Balance	<u>1,239,036</u>
Total Liabilities and Trust Fund Balance	<u>\$ 1,239,036</u>

The accompanying notes to trust fund financial statements are an integral part of this statement.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
UNITED STATES DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE
NATURAL RESOURCES DAMAGE ASSESSMENT
AND RESTORATION FUND
STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN TRUST FUND BALANCE
For the Fiscal Year Ended September 30, 2002

Receipts:

Contributions :

Exxon Valdez Oil Spill Settlement Trust	\$ 764,750
Exxon Valdez Oil Spill Investment Fund	<u>7,260,000</u>
	8,024,750

Unobligated Balances Returned to NRDA&R:

U.S. Department of Interior:

Fish and Wildlife Service	42,948
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United States Geological Survey	6,652
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U.S. Department of Commerce, National Oceanic and Atmospheric Administration	94,900
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U.S. Department of Agriculture, United States Forest Service	<u>531,368</u>
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675,868

Investment Income	<u>35,723</u>
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Total Receipts	<u>8,736,341</u>
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Disbursements:

U.S. Department of Interior:

Fish and Wildlife Service	(607,710)
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United States Geological Survey	(875,800)
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National Park Service	(12,800)
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Office of the Secretary	(26,000)
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Bureau of Land Management	-
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U.S. Department of Agriculture, United States

Forest Service	(7,044,200)
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U.S. Department of Commerce, National Oceanic

and Atmospheric Administration	<u>(1,160,100)</u>
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Total Disbursements	<u>(9,726,610)</u>
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Deficiency of Receipts Over Disbursements	(990,269)
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Trust Fund Balance, Beginning of Year	<u>2,229,305</u>
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Trust Fund Balance, End of Year	<u>\$ 1,239,036</u>
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The accompanying notes to trust fund financial statements are an integral part of this statement.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

STATE OF ALASKA - EXXON VALDEZ OIL SPILL SETTLEMENT TRUST

(A special Revenue Fund of the State of Alaska)

BALANCE SHEET

September 30, 2002

ASSETS:

Cash and Investments	\$ 8,374,632
Total Assets	<u>\$ 8,374,632</u>

LIABILITIES AND FUND BALANCES:

Liabilities:

Accounts Payable	\$ 940,284
Deferred Revenues	<u>2,703,781</u>
Total Liabilities	<u>3,644,065</u>

Fund Balances:

Reserved for Encumbrances	2,375,208
Unreserved	<u>2,355,359</u>
Total Fund Balance	<u>4,730,567</u>
Total Liabilities and Fund Balance	<u>\$ 8,374,632</u>

The accompanying notes to trust fund financial statements are an integral part of this statement.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
STATE OF ALASKA - EXXON VALDEZ OIL SPILL SETTLEMENT TRUST
(A Special Revenue Fund of the State of Alaska)

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2002

Revenues:

Contributions - State of Alaska	
Exxon Valdez Investment Fund	\$ 15,195,803
Interest and Investment Income	<u>391,106</u>
Total Revenues	<u>15,586,909</u>

Expenditures:

Current Operating:

Natural Resources Damage Assessment and Restoration Projects - Alaska	
Department of Fish and Game	3,169,275
Department of Environmental Conservation	620,135
Department of Natural Resources	<u>81,206</u>
Total Current Operating	<u>3,870,616</u>

Capital Outlay:

Research Infrastructure Improvements - Alaska	
Department of Fish & Game	-
Department of Environmental Conservation	157,902
Department of Natural Resources	823,419
Land Acquisitions - Alaska	
Department of Natural Resources	<u>12,263,299</u>
	<u>13,244,620</u>

Total Expenditures	<u>17,115,236</u>
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Deficiency of Revenues Over Expenditures	(1,528,327)
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Fund Balance, Beginning of Year	<u>6,258,894</u>
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Fund Balance, End of Year	<u>\$ 4,730,567</u>
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The accompanying notes to trust fund financial statements are an integral part of this statement.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

1. EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Formation of the Exxon Valdez Oil Spill Trustee Council

The United States of America (United States) and the State of Alaska (State) entered into a Memorandum of Agreement and Consent Decree (MOA) on August 28, 1991. The MOA was made to maximize the funds available for restoration of natural resources and to resolve the governments' claims against one another relating to the T/V *Exxon Valdez* Oil Spill (Oil Spill), which occurred on the night of March 23-24, 1989 in Prince William Sound, Alaska. Upon entering into the MOA, the United States and the State believed that the terms of the MOA were in the public interest and would best enable them to fulfill their duties as trustees to assess injuries and to restore, replace, rehabilitate, enhance, or acquire the equivalent of the natural resources injured, lost, or destroyed as a result of the Oil Spill.

Pursuant to the MOA and federal laws, the United States and State act as co-trustees in the collection and joint use of all natural resource damage recoveries for the benefit of natural resources injured, lost or destroyed as a result of the Oil Spill. To manage the co-trustee relationship, the *Exxon Valdez* Oil Spill Trustee Council (Council) was formed.

Exxon Valdez Oil Spill Trustee Council Structure

The Council consists of six trustees, three trustees represent the United States and three trustees represent the State. The United States' trustees are the Secretaries of the United States Departments of Interior and Agriculture and the Administrator of the National Oceanic and Atmospheric Administration (a bureau of the United States Department of Commerce). The State's trustees consist of the Commissioners of the State Departments of Environmental Conservation and Fish and Game, and the Attorney General of the State of Alaska. The MOA allows the President of the United States or the Governor of the State of Alaska to transfer trustee status from one official to another official of their respective governments.

All decisions of the Council must be made by the unanimous agreement of the trustees. The decisions of the United States' trustees must be made in consultation with the United States Environmental Protection Agency. If the trustees cannot reach unanimous consent, either the United States or the State may resort to litigation in the United States District Court for the District of Alaska (Court).

Restoration Office

The Council has established a Restoration Office, which is responsible for the coordination and supervision of the activities of the Council. The Restoration Office is managed by an Executive Director who reports directly to the Council. Since the Council exists through the MOA, it and the Restoration Office operate within the framework of the Trustee Agencies. During fiscal 2002, most activities of the Restoration Office were conducted through the Alaska State Departments of Fish and Game and Natural Resources.

The Restoration Office develops an annual budget, which, upon approval by the Council, sets forth the anticipated expenditures of the Restoration Office. The Council makes an annual contribution to the State agencies equal to the budget for the Restoration Office. The contributions are made using the disbursements procedures discussed in Note 6.

Termination of the Exxon Valdez Oil Spill Trustee Council

The MOA shall terminate when the United States and the State certify to the Court, or when the Court determines on application by either government, that all activities contemplated under the MOA have been completed.

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

DRAFT**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**State of Alaska, Exxon Valdez Oil Spill Investment Fund

As requested by the Council and ordered by the Court, the Council deposited all undisbursed balances into the State of Alaska Exxon Valdez Investment Fund (Investment Fund) established by the Alaska Department of Revenue, Division of Treasury. The transfer occurred October 5, 2000. The total amount deposited in the Investment Fund was \$134,697,905. As further discussed in Note 5, amounts paid by Exxon Corporation after October 5, 2000 are made directly to the United States and the State for reimbursement of certain costs incurred by them in connection with the Oil Spill. In accordance with the MOA, public law 106-113 and as ordered by the presiding Court pending disbursements to the Federal and State trust funds, money that is not directly paid to the United States and the State is placed in this interest bearing Investment Fund.

The Investment Fund is an agency fund within the State. Agency funds are custodial in nature (i.e. assets equal liabilities) and do not measure the results of operations. The State of Alaska adopted Governmental Accounting Standards Board Statement No. 34, *basic financial statements – and Management Discussion and Analysis for State and Local Governments* (GASB 34), in fiscal 2002, effective July 1, 2000. GASB 34 establishes financial reporting standards for all state and local governments and related entities. For the Investment Fund presentation in these financial statements, GASB 34 does not apply..

Upon unanimous approval of the Trustee Council, funds are disbursed to the United States NRDA&R Fund and the State Settlement Trust to be expended by the Trustee Agencies in accordance with the Council's wishes. The accompanying financial statements for the Investment Fund reflect the intent of the disbursements as to natural resource damage assessment and restoration, or the acquisition of land or research infrastructure improvements to further protect the natural resources. The financial statements also reflect the fiscal year that the disbursements are to be expended by the Trustee Agencies.

The financial presentation for the Investment Fund is of the Investment Fund only and is not intended to present the financial position of the State of Alaska or any of its component units and the results of their operations.

U.S. Department of the Interior, Natural Resources Damage Assessment and Restoration Fund

Disbursements which are made from the Investment Fund to the United States are deposited in the U.S. Department of the Interior, Fish and Wildlife Service, Natural Resources Damage Assessment and Restoration Fund (NRDA&R). NRDA&R was established pursuant to Public Law 102-154, and is administered by the U.S. Department of Interior, Fish and Wildlife Service. It is a trust fund which was established to hold natural resources damage assessment and restoration settlement proceeds of the United States Government. Public Law 120-229 requires that federal proceeds from the Agreement and Consent Decree (see additional discussion in Note 4) be deposited in NRDA&R, and that all interest earned on these proceeds be available to the Federal Trustees for necessary expenses for assessment and restoration of areas affected by the Oil Spill. Public Law 120-229 also calls for amounts in NRDA&R to be invested by the U.S. Secretary of the Treasury in interest bearing obligations of the United States.

Disbursements from NRDA&R are made pursuant to the directions of the Council and as notified to the Court. At the beginning of each fiscal year, the Department of Interior, Fish and Wildlife Service communicates with each of the United States Trustee Agencies to determine the timing of disbursements from NRDA&R to each Federal Trustee Agency. Investments are purchased in order to earn interest on available balances within NRDA&R, with scheduled maturity dates coincident with the scheduled date of disbursement.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U.S. Department of the Interior, Natural Resources Damage Assessment and Restoration Fund (Continued)

The financial presentation for NRDA&R is of the amounts related to the Council only and is not intended to present the financial position of NRDA&R or the Department of Interior, Fish and Wildlife Service and the results of their operations.

State of Alaska, Exxon Valdez Oil Spill Settlement Trust

Disbursements which are made from the Investment Fund to the State are deposited in the State of Alaska, Exxon Valdez Oil Spill Settlement Trust (Settlement Trust). The Settlement Trust is established pursuant to AS 37.14.400. Pursuant to State law a state agency may not expend money from the Settlement Trust unless the expenditure is in accordance with an appropriation made by law. Expenditures of funds are made upon properly approved requests for payment. The total of expenditures and encumbrances (obligations) may not exceed the appropriations to which they pertain.

The Settlement Trust is a special revenue fund of the State. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The State of Alaska adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis for State and Local Governments* (GASB 34), in fiscal 2002, effective July 1, 2000. GASB 34 establishes financial reporting standards for all state and local governments and related entities. The Settlement Trust was previously reported as an expendable trust fund of the State of Alaska. For the Settlement Trust presentation in these financial statements, GASB 34 does not apply.

Upon approval by the Council, the Court, and the State of Alaska, State Trustee Agencies make expenditures directly against the Settlement Trust.

The financial presentation for the Settlement Trust is of the Settlement Trust only and is not intended to present the financial position of the State of Alaska or any of its component units and the results of their operations.

Basis of Accounting

Basis of accounting refers to when revenues, expenditures and the related assets and liabilities are recorded in the accounts and financial statements. Specifically, it relates to the timing of the financial measurements made, regardless of the measurement focus applied.

The basis of accounting used by the Investment Fund, NRDA&R, Settlement Trust are as follows:

Investment Fund – Agency funds are used to report resources held by the state purely in a custodial capacity (assets equal liabilities). The financial statements of the Investment Fund are accounted for using a current financial resources measurement focus on the accrual basis.

NRDA&R - The financial statements of NRDA&R are prepared on a cash basis of accounting. As such, revenues are recognized when received, and disbursements are recognized when paid.

Settlement Trust - The financial statements of the Settlement Fund are accounted for using a current financial resources measurement focus on the modified accrual basis. The Settlement Fund recognizes revenues when the source is measurable and available, and intended for the fiscal year. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Assets are recorded when measurable and due.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Settlement Trust (Continued)

Expenditures are recorded when the related liability is incurred. Encumbrance accounting, under which purchase orders and contracts for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration of the Settlement Trust. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Until June 30, 1997, interest and investment income was allocated to the Settlement Trust as agreed to under a Memorandum of Understanding (MOU) by and between the State Departments of Revenue and Administration effective July 1, 1993. Under the MOU, interest was credited daily to the Settlement Trust by determining the Settlement Trust's daily cash balance and applying the current weekly 180-day Treasury Bill Rates based on the Treasury Bill auctions. Effective July 1, 1997, a new MOU, dated November 26, 1997, superceded the original MOU and modified the method of determining interest income earned by the Settlement Trust. Under the new method, interest income is allocated daily based on actual earnings of the cash management pool of which the Settlement Trust is a part.

Statement Presentation

Separate balance sheets and statements of receipts and disbursements or revenues and expenditures are presented for each of the Investment Fund, NRDA&R, and the Settlement Trust. This is due to the fact that ownership of the Trust Funds rests separately with each of the U.S. District Court, U.S. Department of Interior, Fish and Wildlife Service and the State of Alaska, and the different bases of accounting used by the Trust Funds.

Accounts Payable and Deferred Revenue - Settlement Trust

Accounts payable in the Settlement Trust financial statements include disbursements made against the Settlement Trust subsequent to September 30, 2002, but which relate to fiscal 2002 restoration activities.

Deferred Revenues in the Settlement Trust financial statements include amounts received or receivable at September 30, 2002, which are to be expended by the State in fiscal 2002.

3. CASH AND INVESTMENTS

Cash and investments for the Investment Fund, NRDA&R, and the Settlement Trust are as follows:

Investment Fund - Cash and investments of the Investment Fund represent cash on deposit in banks, and cash invested in various investments as a part of the Council's long-term investment needs. By law, all deposits and investments relating to the Investment Fund are under the control of the Commissioner of the State Department of Revenue. The State's cash is invested pursuant to State laws which mandate that investments shall be made with the judgment and care exercised by an institutional investor of ordinary professional prudence, discretion and intelligence. Certain types of investments are not subject to the custodial credit risk disclosure requirements in GASB Statement No. 3.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

3. CASH AND INVESTMENTS (Continued)

Investment Fund (Continued)

The State maintains the Investment Fund as part of several investment pools. The Short-term Fixed Income Pool, the Broad Market Fixed Income Pool, and the SOA International Equity Pool contain assets of other participants outside the control of the Commissioner of Revenue and, as such, cannot be categorized into one of the three risk categories because the amounts reported represent interests in the pool rather than ownership of specific identifiable securities. The Nonretirement Domestic Equity Pool is an open-ended mutual fund-like pool and is therefore not categorized with regard to credit risk. Investments of the State are stated at fair value in accordance with GASB Statement No. 31. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	Market/Carrying Value
<u>Cash and Equivalents</u>	
Short-term Fixed	
Income Pool	\$ 23,771
Marketable Debt and	
Equity Securities	
Bond Market Fixed	
Income Pool	63,862,585
Non-retirement Domestic	
Equity Pool	54,829,560
State of Alaska International	
Equity Pool	<u>29,844,062</u>
	<u>\$ 142,318,237</u>

Additional investment information on the various pools and investments, as well as the Funds, may be obtained from the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, Alaska 99811-0405.

NRDA&R - All cash and investments of NRDA&R are held in the name of the U.S. Department of the Interior, Fish and Wildlife Service, Natural Resources Damage Assessment and Restoration Fund at the U.S. Department of the Treasury. At September 30, 2002, substantially all balances are held in U.S. Treasury Bills and Notes with maturities ranging from 30 to 300 days. A nominal amount of cash is also included in the balance. Market values of investment securities held by NRDA&R approximate their cost at September 30, 2002. There are no uninsured or unregistered deposits or investments. This places all of NRDA&R's investments and deposits in GASB credit risk category 1 *.

	Category *			Market Value
	1	2	3	
<u>Cash and Equivalents</u>				
Cash	\$ 618	\$ -	\$ -	\$ 618
<u>U.S. Treasury Bills and Notes</u>				
U.S Treasury Bill	<u>1,238,418</u>	<u>-</u>	<u>-</u>	<u>1,238,418</u>
	<u>\$ 1,239,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,239,036</u>

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

3. CASH AND INVESTMENTS (Continued)

NRDA&R (Continued)

- * GASB Statement No. 3 requires deposits and investments to be categorized to indicate the level of risk assumed by an entity. For investments, category 1 consists of investments that are insured or registered for which the securities are held by the entity or its custodian in the entity's name, category 2 consists of uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the entity's name, and category 3 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent not in the entity's name.

Settlement Trust - Cash and investments of the Settlement Trust represent cash on deposit in banks, and cash invested in various investments as a part of the State's short-term cash management pools. By law, all deposits and investments relating to the Settlement Trust are under the control of the Commissioner of the State Department of Revenue. The State's cash is invested pursuant to State laws which mandate that investments shall be made with the judgment and care exercised by an institutional investor of ordinary professional prudence, discretion and intelligence. Certain types of investments are not subject to the custodial credit risk disclosure requirements in GASB Statement No. 3.

The State maintains the Settlement Fund as part of an investment pool. The Short-term Fixed Income Pool contains assets of other participants outside the control of the Commissioner of Revenue and, as such, cannot be categorized into one of the three risk categories because the amounts reported represent interests in the pool rather than ownership of specific identifiable securities. Investments of the State are stated at fair value in accordance with GASB Statement No. 31. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	Market/Carrying Value
<u>Cash and Equivalents</u>	
Short-term Fixed	
Income Pool	\$ 8,374,632

Additional investment information on the various pools and investments, as well as the Funds, may be obtained from the Department of Revenue, Treasury Division, P.O. Box 110405, Juneau, Alaska 99811-0405.

4. CONTRIBUTIONS BY EXXON CORPORATION

Agreement and Consent Decree

On October 8, 1991, the United States, the State, Exxon Corporation (Exxon) and Exxon Shipping Company, and Exxon Pipeline Company entered into an Agreement and Consent Decree (Agreement). The Agreement principally stipulates that Exxon make certain payments, and that all parties release and covenant not to sue or to file any administrative claim against the other parties or specifically identified third parties.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

4. CONTRIBUTIONS BY EXXON CORPORATION (Continued)

Agreement and Consent Decree (Continued)

Pursuant to the Agreement Exxon paid the United States and the State a total of \$900 million as follows:

<u>Date Payment Due</u>	<u>Amount</u>
Ten days after the Agreement became effective	\$ 90,000,000
December 1, 1992	150,000,000
September 1, 1993	100,000,000
September 1, 1994	70,000,000
September 1, 1995	70,000,000
September 1, 1996	70,000,000
September 1, 1997	70,000,000
September 1, 1998	70,000,000
September 1, 1999	70,000,000
September 1, 2000	70,000,000
September 1, 2001	70,000,000
	<u>\$ 900,000,000</u>

Reopener for Unknown Injury

In addition to the payment terms discussed above, the Agreement also has a reopener provision that allows the governments to claim an additional \$100 million from Exxon between September 1, 2002, and September 1, 2006, as required for the performance of restoration projects in Prince William Sound and other areas affected by the Oil Spill to restore one or more populations, habitats, or species which, as a result of the Oil Spill, suffered substantial loss or substantial decline in the areas affected by the Oil Spill.

The cost of the restoration projects must not be grossly disproportionate to the magnitude of the benefits obtained, and the reopener is available only for any losses or declines that could not reasonably have been known or anticipated from information available at the time of the Agreement.

5. REIMBURSEMENTS TO THE UNITED STATES AND THE STATE

Under the terms of the Agreement, certain amounts paid by Exxon are to be made directly to the United States and the State. These payments are to be used solely to reimburse them for the following purposes:

1. Response and clean-up costs incurred by either of them on or before December 31, 1990 in connection with the Oil Spill;
2. Natural resource damages assessment costs incurred by either of them on or before March 12, 1991 in connection with the Oil Spill;
3. (State only) Attorneys fees, experts' fees, and other costs incurred by the State on or before March 12, 1991 in connection with litigation arising from the Oil Spill;
4. Response and clean-up costs incurred by either of them after December 31, 1990 in connection with the Oil Spill;
5. To assess injury resulting from the Oil Spill and to plan, implement, and monitor the restoration, rehabilitation, or replacement of natural resources, natural resource services, or archaeological sites and artifacts injured, lost or destroyed as a result of the Oil Spill, or the acquisition of equivalent resources or services after March 12, 1991; and
6. (State only) Reasonable litigation costs incurred by the State after March 12, 1991.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

5. REIMBURSEMENTS TO THE UNITED STATES AND THE STATE (Continued)

The Agreement states that the amounts to be reimbursed to the United States for items one and two above are not to exceed \$67 million. The amounts to be reimbursed to the State for items one, two and three above are not to exceed \$75 million. The agreement does not place a cap on items four and five. The amounts paid to the State for item six above are not to exceed \$1 million per month.

6. DISBURSEMENTS FROM INVESTMENT FUND

Approved Payment Uses

Under the terms of the MOA, amounts paid by Exxon, excluding the reimbursements discussed in the preceding Note, are deposited into the Investment Fund. These payments are to be used solely to assess injury resulting from the Oil Spill and to plan, implement, and monitor the restoration, rehabilitation, or replacement of natural resources, natural resource services, or archaeological sites and artifacts injured, lost or destroyed as a result of the Oil Spill, or the acquisition of equivalent resources or services.

Project Approval

The Council has developed a solicitation and review process for projects to address the purposes stated above. The outcome of the process is the development of a fiscal year Work Plan, which approves the funding for all projects to be conducted during the fiscal year. For the fiscal year ending September 30, 2002, the following project solicitation and review process was used by the Council:

1. In February 2001, the Council published an *Invitation to Submit Restoration Proposals for Federal Fiscal Year 2002*. As part of the requirements, proposers developed and submitted detailed project descriptions and project budgets for review.
2. In May 2001, the Council's Chief Scientist and core reviewers coordinated a preliminary scientific and technical review of the proposals. The Council's Executive Director also discussed proposals with Trustee agencies, Chief Scientist and representatives of the Public Advisory Group (the Public Advisory Group consists of members of the public and concerned groups and was appointed by the Secretary of Interior based on the Council's recommendations in accordance with the MOA to help provide meaningful public participation in the injury assessment and restoration process) and drafted preliminary recommendations.
3. In June 2001, all proposals and the results of the reviews were published in the *Draft Fiscal Year 2002 Work Plan* and distributed for public comment.
4. In July 2001, a public hearing was held on the *Draft Fiscal Year 2002 Work Plan* and the Public Advisory Group met to advise Trustee Council on the final work plan.
5. The majority of approved projects, received funding from the Council in August 2001. In addition to the public review many proposals underwent further technical, budget, policy, and legal review.
6. In December 2001 the Council approved additional projects as part of the *FY 2002 Work Plan*

In addition to the process outlined above, the Council has also identified and acquired several tracts of land as permitted by the MOA. The land acquisition support costs are funded through the Work Plan. The Council separately approves land acquisitions.

Interest Income and Unobligated Balance Recovery - NRDA&R and the Settlement Trust

The governments are to report to the Council the amount of interest earned on net available balances in NRDA&R and the Settlement Trust. When appropriate, the Council then recovers the interest reported by reducing subsequent disbursements from the Joint Trust Fund for future projects. In addition, actual project costs are frequently less than the original project budgets. When this occurs, the United States and the State retain the unspent or unobligated balances. When appropriate, the Council then recovers these balances by reducing subsequent disbursements for new projects. During fiscal 2002, disbursements to the United States and the State were reduced by \$1,970,450 and \$702,800 for such interest income and unspent or unobligated balances, respectively.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

6. DISBURSEMENTS FROM INVESTMENT FUND (Continued)

Disbursements from the Investment Fund

During fiscal 2002, the Council disbursed \$2,726,000 for restoration projects, land acquisition and other Council Authorizations pursuant to the MOA as follows:

Restoration Projects Authorized By the Council

For 2002

To be conducted by the State	\$ 18,800
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For 2003

To be conducted by the United States	100,000
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To be conducted by the State	<u>2,607,200</u>
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Total	<u>2,726,000</u>
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Land Acquisitions and Research Infrastructure

Improvements Authorized By The Council

For 2002:

To be acquired by the United States	160,000
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To be acquired by the State	41,000
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For 2003:

To be acquired by the United States	7,000,000
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To be acquired by the State	<u>11,805,734</u>
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Total	<u>19,006,734</u>
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Other Authorizations by the Council	-
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Investment Management Fees	<u>97,364</u>
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Disbursements from the Investment Fund	<u>\$ 21,830,098</u>
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7. DEFERRED REVENUE

In August 2002, the Court was notified of the initial funding for restoration projects to be conducted by the Trustee Agencies in fiscal 2003 and land acquisition disbursements to be made in fiscal 2003. A disbursement relating to this activity was made from the Investment Fund on September 3, 2002, and of the amount disbursed to the State Trustee Agencies', \$2,607,200 has been recorded as deferred revenue for fiscal 2003 restoration projects, land acquisition and other Council Authorizations.

NRDA&R received the United States' disbursement relating to the initial funding for restoration projects to be conducted by the Trustee Agencies in fiscal 2003 prior to September 30, 2002. The amount received of \$100,000 has been recorded as Receipts - Investment Fund in the NRDA&R financial statements since NRDA&R is accounted for using the cash basis of accounting. NRDA&R also continues to hold approximately \$414,000 related to closing of certain small tracts which were part of the fiscal 1998 English Bay large parcel acquisition. These funds are expected to be disbursed in fiscal 2003.

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EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

8. REAL PROPERTY ACQUISITIONS

In order to protect the habitat of resources and services injured by the Oil Spill, the Council directed its staff to establish a process for the evaluation and acquisition of real property that was imminently threatened by development, or had habitat value. This process was divided into two phases; large parcels, generally those over 1,000 acres, and small parcels, generally those smaller than 1,000 acres.

Large Parcel Acquisitions

The large parcel phase of the land evaluation and acquisition process was initiated in 1992. This evaluation process lead to the consideration of numerous parcels for acquisition by Trustee Agencies. As of September 30, 2002, the Council funded the acquisition, through either the purchase of the property or the acquisition of a limited term conservation easement, for 635,770 acres, with a total purchase cost of \$395,648,124. Of the total purchase cost, excluding interest, \$341,454,778 is being provided from Joint Trusts, and \$54,193,346 from other sources.

During fiscal 2002, no large parcel acquisitions were completed.

Pending Large Parcel Easement Acquisitions

A large parcel acquisition offer for 55,402 acres that are now under a limited term conservation easement, is pending. An offer has been accepted and is expected to close during fiscal 2003. The easement terms are for a commitment by the Council of \$29,800,000 over the next ten years (until 2012). At that time the seller has the option to sell the easement.

Pending Large Parcel Acquisitions

A large parcel acquisition offer for 17,000 acres and timber rights for 2,300 acres, which will expire in fiscal 2005 is pending. The offer by the Council is to pay for one-half the value of these parcels, the balance of funds to be obtained by a group called the Afognak Conservation Partners.

Small Parcel Acquisitions

The small parcel phase of the land evaluation and acquisition process was initiated in 1994. The nomination period is open ended, and the Council continues to receive and evaluate nominations. The Council's staff evaluates, scores, and ranks the parcels, taking into account the resource value of the parcel, adverse impacts from human activity, and potential benefits to management of public lands.

Through September 30, 2002, the Trustee Council has completed the acquisition on 103 parcels containing 6,859 acres with a total cost of \$20,667,450. One of the acquisitions also contained a provision in which the seller relinquished remaining selections totaling 1,207 acres under their entitlement pursuant to the Alaska Native Claims Settlement Act (ANCSA). In addition, sellers on 4 parcels have accepted offers. These parcels contain 59 acres and have a total cost of \$306,000. All of the small parcels are purchased under fee simple title, and cash is paid on these parcels at closing. Most of these acquisitions are purchased through the Alaska Department of Natural Resources or the U.S. Department of the Interior, Fish and Wildlife Service. Of the total purchase cost on the parcels acquired to date, \$20,677,700 is being provided from the *Exxon Valdez* Oil Spill Trust Funds, and \$484,000 from other sources.

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

Fiscal Year Ended September 30, 2002

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8 REAL PROPERTY ACQUISITIONS (Continued)

Kodiak Island Borough Master Waste Management Plan

During fiscal 1999, the Trustee Council approved the expenditure of \$1,857,100 for capital improvement to various waste management systems of the remote communities of Kodiak Island. Specifically, this project will upgrade and improve landfills, disposal sites and solid waste management, and will construct and install used oil and hazardous waste storage and disposal facilities and equipment, and provide for systems maintenance and repairs for seven communities on Kodiak Island. The Alaska Department of Environmental Conservation (DEC) will expend the funds principally through contracts initiated in fiscal 2001 with anticipated completion by September 30, 2003. As of September 30, 2002, \$280,536 has been expended. Of the total funding for the project, \$48,700 will be retained by DEC for contract administration.

Archeological Repository

During fiscal 1998, the Trustee Council approved the concept of a single regional archeological repository in one of eight communities in the Chugach and lower Cook Inlet regions to house and display spill-related artifacts at a cost not to exceed \$1 million, the construction of new or renovated community facilities in the remaining seven communities to display spill-related archeological resources at a total cost not to exceed \$1.6 million, and the development of traveling exhibits of spill-related archeological materials for display in community facilities in the spill area at a total cost not to exceed \$200,000. During fiscal 1999, the Trustee Council resolved to provide \$2.8 million (plus a reasonable amount of funding for project management and general administration to be approved by the Council) to the Alaska Department of Natural Resources (DNR) to administer a grant award to Chugachmiut. Through fiscal 2002, the Trustee Council also approved \$157,200 for project management and general administration making the total approved \$2,902,580. As of September 30, 2002, \$1,270,653 has been expended on the project.

9. SUBSEQUENT EVENTS

On October 11, 2002, the Council notified the United States District Court of Alaska of a disbursement of \$456,000 from the Investment Fund for large and small parcel habitat acquisitions.

On October 11, 2002, the Council instructed the State of Alaska, Department of Revenue, to establish sub-accounts within the Investment Fund. These sub-accounts include: the Research Investment Sub-Account, the Habitat Investment Sub-Account, and the Koniag Investment Sub-Account. These sub-accounts were established to carry out the Council's resolution of March 1, 1999 to separately manage the remaining assets of the Joint Trust Funds for the specific purposes of funding a long-term research and monitoring program, the acquisition of lands along the Karluk River and the establishment of a fund to purchase small parcels of land that may become available in the future.

On December 10, 2002, the Council notified the United States District Court of Alaska of a disbursement of \$1,727,708 from the Habitat Sub-Account of the Investment Fund related to its fiscal 2003 *Work Plan* for restoration projects and a capital project \$48,400 from the Habitat Sub-Account of the Investment Fund related to habitat protection to be conducted by the Trustee Agencies.

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SUPPLEMENTARY RESTORATION PROJECTS INFORMATION

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY
RESTORATION PROJECTS INFORMATION

Members, *Exxon Valdez* Oil Spill Trustee Council,
Anchorage, Alaska:

We have audited the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, Trust Funds as of and for the year ended September 30, 2002, as listed in the accompanying table of contents, and have issued our report thereon dated March 3, 2003. These financial statements are the responsibility of the *Exxon Valdez* Oil Spill Trustee Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, Trust Funds, taken as a whole. The accompanying Schedules of Expenditures and Obligations - Budget and Actual, and Schedule of Fiscal 2002 *Work Plan* Status as of September 30, 2002 on pages 21 through 31, are presented for purposes of additional analysis and are not a required part of the financial statements. With the exception of the Schedule of Fiscal 2001 *Work Plan* Status as of September 30, 2002, on page 31 on which we express no opinion and which are marked "unaudited," the information in these schedules has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

March 3, 2003

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Exxon Valdez Oil Spill Trustee Council
Alaska Department of Fish and Game
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02052	Natural Resource Management and Stewardship Capacity Building	\$ 131,400	\$ 17,600	\$ 113,800
02100	Public Information, Science Management and Administration	1,030,300	921,317	108,983
02190	Construction of Linkage Map for the Pink Salmon Genome	168,000	168,000	-
02210	Prince William Sound/Lower Cook Inlet Youth Area Watch	106,100	106,100	-
02245	Community-Based Harbor Seal Management and Biological Sampling	26,800	26,800	-
02247	Kametolook River Coho Salmon Subsistence Project	30,800	20,512	10,288
02250	Project Management	60,600	55,188	5,412
02320	Sound Ecosystem Assessment (SEA): Printing the Final Report	2,100	599	1,501
02340	Toward Long-Term Oceanographic Monitoring of the Gulf of Alaska Ecosystem	77,800	77,800	-
02395	Workshop on Nearshore/Intertidal Monitoring	63,600	63,304	296
02407	Harlequin Duck Population Dynamics	68,700	68,375	325
02423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	153,000	153,000	-
02441	Harbor Seal Recovery: Effects of Diet on Lipid Metabolism and Health	20,200	20,200	-
02455	GEM Data System	105,000	95,771	9,229
02462-CLO	Effects of Disease on Pacific Herring Population Recovery in Prince William Sound	77,400	74,794	2,606
02535	EVOS Trustee Council Restoration Program Final Report	52,400	35,952	16,448
02538	Evaluation of Two Methods to Discriminate Pacific Herring Stocks along the Northern Gulf of Alaska	32,800	25,000	7,800
02550	Alaska Resources Library and Information Services	93,400	92,715	685
02556	Mapping Marine Habitats: Kachemak Bay	62,400	62,035	365
02558	Harbor Seal Recovery: Application of New Technologies for Monitoring Health	292,300	292,264	36
02584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	63,600	63,600	-
02593	River Otters and Fishes in the Nearshore Environment: A Synthesis	32,400	32,400	-
02603	Implementation of an Ocean Circulation Model: A Transition from SEA to GEM	80,000	80,000	-
02608	Permanent Archiving of Specimens Collected in Nearshore Habitats	61,600	61,550	50
02610	Kodiak Archipelago Youth Area Watch	61,800	61,800	-
02612	Detecting and Understanding Marine-Terrestrial Linkages in the Kenai River Watershed	44,600	43,177	1,423
02613	Mapping Marine Habitats: Prince William Sound to McCarty Fjord	80,000	80,000	-

(Continued)

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
Alaska Department of Fish and Game
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
(Continued)				
02614	Monitoring Program for Near-Surface Temperature, Salinity and Flourescence in the Northern Pacific Ocean	38,200	38,200	-
02619	Mapping Marine Habitats: Kodiak	70,000	70,000	-
02630	Planning for GEM	187,000	180,491	6,509
02649	Reconstructing Sockeye Populations in the Gulf of Alaska over the Last Several Thousand Years	88,100	88,100	-
02671	Coordinating Volunteer Vessels of Opportunity to Collect Oceanographic Data in Kachemak Bay and Lower Cook Inlet	34,800	34,633	167
	Alaska Department of Fish and Game Totals	<u>\$ 3,497,200</u>	<u>\$ 3,211,277</u>	<u>\$ 285,923</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
Alaska Department of Environmental Conservation
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02100	Public Information, Science Management and Administration	\$ 23,000	\$ 6,245	\$ 16,755
02250	Project Management	10,200	8,774	1,426
02514	Lower Cook Inlet Waste Management Plan Implementation Phase I	47,900	15,000	32,900
02630	Planning for GEM	16,100	16,700	(600)
02667	Effectiveness of Citizens' Environmental Monitoring Program	17,900	22,151	(4,251)
02668	Developing an Interactive Water Quality and Habitat Database and Making it Accessible on the Web	16,100	15,000	1,100
	Alaska Department of Environmental Conservation Totals	<u>\$ 131,200</u>	<u>\$ 83,870</u>	<u>\$ 47,330</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
Alaska Department of Natural Resources
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02100	Public Information, Science Management and Administration	\$ 307,700	\$ 305,565	\$ 2,135
02126	Habitat Protection and Acquisition Support	105,700	105,700	-
02250	Project Management	8,600	8,600	-
02600	Synthesis of the Ecological Findings from the EVOS Damage Assessment and Restoration Programs, 1989-2001	133,800	133,796	4
02630	Planning for GEM	117,700	59,844	57,856
	Alaska Department of Natural Resources Totals	<u>\$ 673,500</u>	<u>\$ 613,505</u>	<u>\$ 59,995</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
 Department of Agriculture, United States Forest Service
 Schedule of Expenditures and Obligations - Budget and Actual
 Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02100	Public Information, Science Management and Administration	\$ 20,000	\$ 21,028	\$ (1,028)
02250	Project Management	8,700	8,500	200
02256B-CLO	Sockeye Salmon Stocking at Solf Lake	15,500	9,093	6,407
	Department of Agriculture, United States Forest Service Totals	<u>\$ 44,200</u>	<u>\$ 38,621</u>	<u>\$ 5,579</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
Department of Interior, Fish and Wildlife Service
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02126	Habitat Protection and Acquisition Support	\$ 75,000	\$ 7,635	\$ 67,365
02144	Common Murre Population Monitoring	14,800	14,796	4
02159	Surveys to Monitor Marine Bird Abundance in Prince William Sound	33,200	33,300	(100)
02423	Patterns and Processors of Population Change in Selected Nearshore Vertebrate Predators	12,100	12,085	15
02561	Evaluating the Feasibility of Developing a Community - Based Forage Fish Sampling Project for GEM	54,300	33,720	20,580
	Department of Interior - Fish and Wildlife Service Totals	<u>\$ 189,400</u>	<u>\$ 101,536</u>	<u>\$ 87,864</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
Department of Interior, U.S. Geological Survey
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02100	Public Information, Science Management and Administration	\$ 112,500	\$ 108,790	\$ 3,710
02163M	APEX: Numerical and Functional Response of Seabirds to Fluctuations in Forage Fish Density	50,000	49,985	15
02404	Testing Archival Tag Technology in Coho Salmon	104,600	104,544	56
02423	Patterns and Processes of Population Change in Selected Nearshore Vertebrate Predators	317,600	317,600	-
02479	Effects of Food Stress on Survival and Reproductive Performance of Seabirds	55,000	54,998	2
02250	Project Management	36,200	36,200	-
02585	Lingering Oil: Bioavailability and Effects to Prey and Predators	94,800	94,223	577
02656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archeological Material and Isotopes	105,100	73,972	31,128
Department of Interior - U.S. Geological Survey Totals		<u>\$ 875,800</u>	<u>\$ 840,312</u>	<u>\$ 35,488</u>

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
Department of Interior, Office of the Secretary
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

<u>Project Number</u>	<u>Project Title</u>	<u>Budget</u>	<u>Actual Expenditures & Obligations</u>	<u>(Over) Under Expended</u>
02100	Administration, Science Management and Public Information	<u>\$ 43,800</u>	<u>\$ 40,688</u>	<u>\$ 3,112</u>
	Department of Interior - Office of the Secretary Totals	<u><u>\$ 43,800</u></u>	<u><u>\$ 40,688</u></u>	<u><u>\$ 3,112</u></u>

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Exxon Valdez Oil Spill Trustee Council
Department of Interior, National Parks Service
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02656	Retrospective Analysis of Nearshore Marine Communities Based on Analysis of Archeological Material and Isotopes	\$ 4,800	\$ 4,800	\$ -
	Department of Interior - National Parks Service Totals	<u>\$ 4,800</u>	<u>\$ 4,800</u>	<u>\$ -</u>

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Exxon Valdez Oil Spill Trustee Council
U.S. Department of Commerce, National Oceanic and Atmospheric Administration
Schedule of Expenditures and Obligations - Budget and Actual
Fiscal Year Ending September 30, 2002

Project Number	Project Title	Budget	Actual Expenditures & Obligations	(Over) Under Expended
02012-BAA	Photographic and Acoustic Monitoring of Killer Whales in Prince William Sound and Kenai Fjords	\$ 35,200	\$ 35,200	\$ -
02100	Public Information, Science Management and Administration	22,600	13,384	9,216
02195	Pristane Monitoring in Mussels	20,000	19,890	110
02250	Project Management	57,300	60,506	(3,206)
02290	Hydrocarbon Database and Interpretation Service	35,000	34,409	591
02360-BAA	The Exxon Valdez Oil Spill: Guidance for Future Research Activities	90,100	90,094	6
02396	Alaska Salmon Shark Assessment	28,800	27,800	1,000
02401	Assessment of Spot Shrimp Abundance in Prince William Sound	25,500	22,125	3,375
02476	Effects of Oiled Incubation Substrate on Pink Salmon Reproduction	39,800	36,700	3,100
02492	Were Pink Salmon Embryo Studies in Prince William Sound Biased	24,000	24,300	(300)
02538	Evaluation of Two Methods to Discriminate Pacific Herring Stocks along the Northern Gulf of Alaska	47,600	29,872	17,728
02543	Evaluation of Oil Remaining in the Intertidal from the Exxon Valdez Oil Spill	113,100	107,349	5,751
02552-BAA	Exchange Between Prince William Sound and the Gulf Alaska	102,500	109,200	(6,700)
02574-BAA	Assessment of Bivalve Recovery on Treated Mixed-Soft Beaches in Prince William Sound	94,800	94,831	(31)
02584	Evaluation of Airborne Remote Sensing Tools for GEM Monitoring	15,000	13,600	1,400
02585	Lingering Oil: Bioavailability and Effects to Prey and Predators	201,600	201,280	320
02622	Digital Maps from Existing Seasonal Environmental Sensitive Area Maps: Cook Inlet/Kenai Peninsula	36,600	36,380	220
02624-BAA	A CPR-Based Plankton Survey Using Ships of Opportunity to Monitor the Gulf of Alaska	120,600	120,632	(32)
02636-BAA	Management Applications: Commercial Fishing	50,000	49,948	52
	U.S. Department of Commerce, National Oceanic and Atmospheric Administration Totals	\$ 1,160,100	\$ 1,127,500	\$ 32,600

See Independent Auditors' Report on Supplementary Restoration Project Information and Notes Thereto.

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Exxon Valdez Oil Spill Trustee Council
Schedule of Fiscal 2001
Work Plan Status as of September 30, 2002
(Unaudited)

	Budget	Actual Expenditures & Obligations as of 9/30/2002	Unobligated Balance as of 9/30/2002
Alaska Departments of:			
Fish & Game	\$ 3,642,500	\$ 3,435,835	\$ 206,665
Environmental Conservation	108,900	103,296	5,604
Natural Resources	830,700	752,242	78,458
Total State of Alaska	<u>4,582,100</u>	<u>4,291,373</u>	<u>290,727</u>
United States Departments of:			
Agriculture, United States Forest Service	320,400	279,999	40,401
Interior:			
Fish & Wildlife Service	122,200	119,931	2,269
U.S. Geological Survey	777,100	773,753	3,347
Office of the Secretary	274,370	234,118	40,252
Commerce, National Oceanic & Atmospheric Administration	<u>1,893,400</u>	<u>1,836,500</u>	<u>56,900</u>
Total United States	<u>3,387,470</u>	<u>3,244,301</u>	<u>143,169</u>
Totals	<u>\$ 7,969,570</u>	<u>\$ 7,535,674</u>	<u>\$ 433,896</u>

See Note 5 of the Notes to Supplementary Information Related to Restoration Projects on Page 34 for additional discussion relating to this schedule.

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

NOTES TO SUPPLEMENTARY INFORMATION RELATED TO RESTORATION PROJECTS

Fiscal Year Ended September 30, 2002

1. PRESENTATION

The information presented in the accompanying Schedules of Expenditures and Obligations - Budget and Actual present the budgets for each project approved by the *Exxon Valdez* Trustee Council (Council) as included in the Council's *Fiscal Year 2001 Work Plan*, and any amendments approved thereto, along with expenditures and obligations incurred by the Trustee Agencies in carrying out the Fiscal 2002 restoration projects, only. The information presented is not intended to present the results of operations of any other activities conducted by the Trustee Agencies. Expenditures incurred by the Trustee Agencies in Fiscal 2002 relating to restoration projects of prior years and to the liquidation of prior year encumbrances, are also not presented. The procedures used to develop and implement the project budgets for Fiscal 2002 are discussed in Note 6 to the Trust Fund Financial Statements.

The schedules titled "Department Total" for each agency reflect total budgets, expenditures and obligations for each Trustee Agency.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenditures and the related assets and liabilities are recorded in the accounts and financial statements. Specifically, it relates to the timing of the financial measurements made, regardless of the measurement focus applied.

As discussed in Note 2 to the Trust Fund Financial Statements, the State of Alaska accounts for the expenditure of funds from the State of Alaska, Exxon Valdez Oil Spill Settlement Trust (Settlement Trust) on the modified accrual basis of accounting.

As discussed in Note 2 to the Trust Fund Financial Statements, the United States accounts for the U.S. Department of the Interior, Fish and Wildlife Service, Natural Resources Damage Assessment and Restoration Fund (NRDA&R) on the cash basis of accounting. However, the United States Trustee Agencies use modified accrual accounting to account for the expenditure of funds within each agency. Expenditures are recorded when the related liability is incurred. Encumbrance (obligation) accounting, under which purchase orders and contracts for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary integration of the United States Government. Encumbrances (obligations) outstanding at year-end are included in the Actual Expenditures & Obligations column in the accompanying Schedules of Expenditures and Obligations - Budget and Actual.

3. FINANCIAL OPERATING PROCEDURES

On September 21, 1992, the Council adopted Financial Operating Procedures (Procedures) to be used by the United States and State of Alaska Trustee Agencies in conducting restoration projects. The objective of the Procedures was to ensure public trust and accountability while maximizing the Council's ability to use settlement funds for approved restoration activities. On August 29, 1996, the Trustee Council adopted Procedures that supercede the Operating Procedures adopted by the Trustee Council September 21, 1992. On August 3, 2000, the Trustee Council adopted Procedures that supersede the Operating Procedures adopted by the Trustee Council August 29, 1996. On July 9, 2002, the Trustee Council adopted Procedures that supercede the Operating Procedures adopted by the Trustee Council August 3, 2000. The purpose of the adopted Procedures was to provide guidance regarding the authorities and responsibilities of agencies that receive Joint Trust Funds approved by the Trustee Council.

Fiscal Year Ended September 30, 2002

3. FINANCIAL OPERATING PROCEDURES (Continued)Adjustments

The Procedures allow Trustee Agencies to transfer funds into or out of projects up to the cumulative amount of \$25,000 or up to ten percent of the authorized level of funding for each affected project, whichever is less, provided that such transfers will not alter the underlying scope or objectives of the project. The Council must approve transfers in excess of this amount. The budget amounts presented include transfers made between projects by the agencies, which were approved by the Executive Director or were made in accordance with the Procedures.

Single Project Budget Transfers

The Procedures authorize Trustee Agencies to transfer, within a single project, budgeted funds between object classes (such as personnel, travel and contractual costs), and may change detailed items of expenditure, including specific personnel, to accommodate circumstances encountered during budget implementation, provided that such transfers will not alter the underlying scope or objectives of the project. The budget amounts presented do not include such transfers made by the agencies.

General Administration

The Procedures include a provision for general administration costs to be included in the budgets of the restoration projects. Actual recovery of general administrative costs shall be in proportion to actual direct costs and is limited to:

1. Fifteen percent of each project's actual personnel costs; and
2. Seven percent of the first \$250,000 of each projects actual contractual costs, plus two percent of project's actual contractual costs in excess of \$250,000.

4. SETTLEMENT TRUST RECONCILIATION

Total Current Operating Expenditures reflected in the State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust (Settlement Trust), Statement of Revenues, Expenditures and Changes in Fund Balances reconcile to Actual Expenditures and Obligations reflected in the accompanying "Department Totals" Schedules of Expenditures and Obligations - Budget and Actual for each State Trustee Agency as follows:

Actual Expenditures and Obligations, "Department Totals"

Schedules of Expenditures and Obligations - Budget and Actual,

Alaska Department of Fish and Game	\$ 3,211,277
Alaska Department of Environmental Conservation	83,870
Alaska Department of Natural Resources	<u>613,505</u>
Total	3,908,652

Add: Prior Years' Encumbrances Liquidated During Fiscal 2002	345,249
--	---------

Less: Encumbrances Outstanding at September 30, 2002 Relating to Fiscal 2002 Restoration Projects	<u>(383,285)</u>
---	------------------

Total Current Operating Expenditures, Settlement Trust Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 3,870,616</u>
---	---------------------

DRAFT

NOTES TO SUPPLEMENTARY INFORMATION RELATED TO RESTORATION PROJECTS

Fiscal Year Ended September 30, 2002

5. CURRENT STATUS OF 2001 WORK PLAN RESTORATION PROJECTS

Total expenditures and obligations relating to *2001 Work Plan* Restoration Projects for each agency as of September 30, 2002 is presented on page 31. This information is included in order to reflect any changes in expenditures and obligations from amounts previously reported.

The significant changes in the amounts previously reported, are due to encumbrances existing at September 30, 2001 which, during fiscal 2002, were liquidated due to incurring less expenditures under contracts than the amounts originally anticipated by the agencies.

DRAFT

INDEPENDENT AUDITORS' REPORTS ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING

DRAFT

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members, *Exxon Valdez* Oil Spill Trustee Council,
Anchorage, Alaska:

We have audited the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, State of Alaska, *Exxon Valdez* Oil Spill Investment Fund as of and for the year ended September 30, 2002, and have issued our report thereon dated March 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the *Exxon Valdez* Oil Spill Trustee Council, State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the *Exxon Valdez* Oil Spill Trustee Council, in a separate letter dated March 3, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the *Exxon Valdez* Oil Spill Trustee Council, State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the *Exxon Valdez* Oil Spill Trustee Council in a separate letter dated March 3, 2003.

This report is intended for the information of the *Exxon Valdez* Oil Spill Trustee Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

March 3, 2003

DRAFT

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members, *Exxon Valdez* Oil Spill Trustee Council,
Anchorage, Alaska:

We have audited the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, U.S. Department of the Interior, Natural Resource Damage Assessment and Restoration Fund as of and for the year ended September 30, 2002, and have issued our report thereon dated March 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the *Exxon Valdez* Oil Spill Trustee Council, U.S. Department of the Interior, Natural Resource Damage Assessment and Restoration Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the *Exxon Valdez* Oil Spill Trustee Council, in a separate letter dated March 3, 2003.

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This report is intended for the information of the *Exxon Valdez* Oil Spill Trustee Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

March 3, 2003

DRAFT

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members, *Exxon Valdez* Oil Spill Trustee Council,
Anchorage, Alaska:

We have audited the financial statements of the *Exxon Valdez* Oil Spill Trustee Council, State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust as of and for the year ended September 30, 2002, and have issued our report thereon dated March 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the *Exxon Valdez* Oil Spill Trustee Council, State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the *Exxon Valdez* Oil Spill Trustee Council, in a separate letter dated March 3, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the *Exxon Valdez* Oil Spill Trustee Council, State of Alaska, *Exxon Valdez* Oil Spill Settlement Trust's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the *Exxon Valdez* Oil Spill Trustee Council in a separate letter dated March 3, 2003.

This report is intended for the information of the *Exxon Valdez* Oil Spill Trustee Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

March 3, 2003

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Jack Cushing, Mayor
City of Homer
491 E Pioneer Ave
Homer, AK 99603-7624

Dear Mayor Cushing:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schumbert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Vincent Kvasnikoff, President
Nanwalek IRA Council
PO Box 8012
Nanwalek, AK 99603

Dear Mr. Kvasnikoff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Dear Friend:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez Oil Spill Trustee Council* office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Matt Zencey
Alaska Rainforest Campaign
16 G Street, Suite 209
Anchorage, AK 99501

Editor
Juneau Empire
3100 Channel Drive
Juneau, AK 99801

John Holland, Editor
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Pat Lynn, Editor
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Doug O'Hara
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KTUU
701 E Tudor Road, Suite 220
Anchorage, AK 99508

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Benna Hughey, President
Valdez Native Tribe
PO Box 1108
Valdez, AK 99686

Dear Ms. Hughey:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Gary Stevens, Mayor
Kodiak Island Borough
710 Mill Bay Rd
Kodiak, AK 99615

Dear Mayor Stevens:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Carolyn Floyd, Mayor
City of Kodiak
PO Box 1397
Kodiak, AK 99615

Dear Mayor Floyd:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Leonard Heitman, Chairman
Shoonaq Tribe of Kodiak
713 East Rezanof Drive, Suite B
Kodiak, AK 99615

Dear Mr. Heitman:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Roger Malutin, Chief
Village of Afognak
PO Box 968
Kodiak, AK 99615

Dear Mr. Malutin:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Dr. Gordon L. Pullar, President
Lesnoi Village
PO Box 9009
Kodiak, AK 88615

Dear Dr. Pullar:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Allen Panamaroff, Mayor
City of Larsen Bay
PO Box 8
Larsen Bay, AK 99624

Dear Mayor Panamaroff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Schubert" with "for" written below it.

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Brad Aga, President
Native Village of Larsen Bay
PO Box 35
Larsen Bay, AK 99624

Dear Mr. Aga:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

James Nestic, Mayor
City of Old Harbor
PO Box 109
Old Harbor, AK 99643-0109

Dear Mayor Nestic:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Tony Azuyak, Tribal President
Village of Old Harbor
PO Box 62
Old Harbor, AK 99643

Dear Mr. Azuyak:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Kevin Adkins, Mayor
City of Port Lions
PO Box 110
Port Lions, AK 99550

Dear Mayor Adkins:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Marilyn R. Wagner, President
Native Village of Port Lions
PO Box 69
Port Lions, AK 99550

Dear Ms. Wagner:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Diana Simeonoff, Mayor
City of Akhiok
PO Box 5050
Akhiok, AK 99615

Dear Mayor Simeonoff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Speridon Simeonoff, Sr., President
Native Village of Akhiok
PO Box 5030
Akhiok, AK 99615

Dear Mr. Simeonoff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for
Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Lubba Eluska
Kaguyak Tribal Council
PO Box 5077
Akhiok, AK 99615

Dear Ms. Eluska:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Zack Chichenoff, Mayor
City of Ouzinkie
PO Box 109
Ouzinkie, AK 99644-0109

Dear Mayor Chichenoff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
go

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Paul Panamarioff, President
Ouzinkie Tribal Council
PO Box 130
Ouzinkie, AK 99644

Dear Mr. Panamarioff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Samela Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Alicia Reft, President
Karluk IRA Tribal Council
PO Box 22
Karluk, AK 99608-0022

Dear Ms. Reft:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Rick Skonberg, Mayor
City of Chignik
PO Box 110
Chignik, AK 99564

Dear Mayor Skonberg:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Minnie Skonberg, President
Native Village of Chignik
PO Box 50
Chignik, AK 99564

Dear Ms. Skonberg:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Virginia Aleck, President
Chignik Lake Village Council
PO Box 18
Chignik Lake, AK 99548

Dear Ms. Aleck:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Laura Stephanoff, President
Native Village of Chignik Lagoon
PO Box 90
Chignik Lagoon, AK 99565

Dear Ms. Stephanoff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Marvin Yagie, President
Perryville Village Council
General Delivery
Perryville, AK 99648

Dear Mr. Yagie:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Gerald Kosbruk, President
Native Village of Perryville
PO Box 101
Perryville, AK 99648

Dear Mr. Kosbruk:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Mike Chenault, Co-chairman
House Resources Committee
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Representative Chenault:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Bud Fate, Co-chairman
House Resources Committee
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Representative Fate:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Paul Seaton, Chairman
House Special Committee on Fisheries
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Representative Seaton:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

A handwritten signature in black ink that reads "Molly McCammon". The signature is written in a cursive, flowing style.

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Peggy Wilson, Vice-chairman
House Special Committee on Fisheries
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Representative Wilson:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Schubert for". The signature is written in dark ink and is positioned above the printed name of the signatory.

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Brian Allee, Director
Alaska Sea Grant Program
PO Box 755040
Fairbanks, AK 99775-5040

Dear Mr. Allee:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

George Wuerch, Mayor
Municipality of Anchorage
PO Box 196650
Anchorage, AK 99519-6650

Dear Mayor Wuerch:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Mead Treadwell
Institute of the North
PO Box 101700
Anchorage, AK 99510-1700

Dear Mr. Treadwell:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Jeff Staser
Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501

Dear Mr. Staser:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Ben Butler, Mayor
City of Whittier
PO Box 608
Whittier, AK 99693

Dear Mayor Butler:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

David Carey, Mayor
City of Soldotna
177 N Birch Street
Soldotna, AK 99669-7578

Dear Mayor Carey:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Dale Bagley, Mayor
Kenai Peninsula Borough
144 N Binkley St
Soldotna, AK 99669-7599

Dear Mayor Bagley:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

John Williams, Mayor
City of Kenai
210 Fidalgo Ave Ste 200
Kenai, AK 99611-7750

Dear Mayor Williams:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Stu Clark, Mayor
City of Seward
PO Box 167
Seward, AK 99664-0167

Dear Mayor Clark:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

*Sandra Schubert
for*

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Arnie Hatch, President
Qutekcak Native Tribe
PO Box 1467
Seward, AK 99664

Dear Mr. Hatch:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Sue Hecks, Mayor
City of Seldovia
PO Box B
Seldovia, AK 99663-0149

Dear Mayor Hecks:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Don Kashevaroff
Seldovia Native Tribe
PO Drawer L
Seldovia, AK 99663

Dear Mr. Kashevaroff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Emilie Swenning, First Chief
Native Village of Nanwalek
PO Box 8065
Nanwalek, AK 99603

Dear Ms. Swenning:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Gundia Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Elenore McMullen, Chief
Port Graham IRA Council
PO Box 5510
Port Graham, AK 99663-5510

Dear Ms. McMullen:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Michael J Scott, Executive Director
Planning and Public Works
City of Anchorage
4700 South Bragaw
Anchorage, AK 99507

Dear Mr. Scott:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

David Policansky
National Research Council
2101 Constitution Ave., NW
Washington, D.C. 20418

Dear Mr. Policansky:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Ted Stevens
U.S. Senate
522 Hart Building
Washington, D.C. 20510-0201

Dear Senator Stevens:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Lisa Murkowski
U.S. Senate
322 Hart Building
Washington, D.C. 20510-0201

Dear Senator Murkowski:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

*Sandra Schubert
for*

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Bill Woolf, Legislative Assistant
Office of Senator Lisa Murkowski
322 Hart Building
Washington, D.C. 20510-0201

Dear Mr. Woolf:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Don Young
U.S. Congress
2111 Rayburn Building
Washington, D.C. 20515-0201

Dear Congressman Young:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Chris Fluhr, Legislative Staff
House Committee on Resources
1322 Longworth, HOB
Washington, D.C. 20515-0201

Dear Mr. Fluhr:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Alan Austerman
Fisheries Policy Advisor
Office of the Governor
PO Box 110001
Juneau, AK 99811-0001

Dear Mr. Austerman:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Kim Elton
Alaska State Senate
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Senator Elton:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Frank Murkowski
Governor
State of Alaska
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Murkowski:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

David Russell
Fisheries Staff
Office of Senator Ted Stevens
522 Hart Building
Washington, D.C. 20510-0201

Dear Mr. Russell:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Matt Paxton
Fisheries Staff
Office of Senator Ted Stevens
522 Hart Building
Washington, D.C. 20510-0201

Dear Mr. Paxton:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Ben Stevens
Alaska State Senate
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Senator Stevens:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

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Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Scott Ogan
Chairman
Senate Resources Committee
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Senator Ogan:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

The Honorable Tom Wagoner
Vice-chairman
Senate Resources Committee
State Capitol, MS 3100
Juneau, AK 99801-1182

Dear Senator Wagoner:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Lillian Elvsass
Seldovia Native Tribe
PO Drawer L
Seldovia, AK 99663

Dear Ms. Elvsass:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Eundia Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Pat Norman, President
Port Graham Village Council
PO Box 5510
Port Graham, AK 99603-5569

Dear Mr. Norman:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Tim Joyce, Mayor
City of Cordova
PO Box 1210
Cordova, AK 99574

Dear Mayor Joyce:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Robert Henrichs, President
Native Village of Eyak
PO Box 1388
Cordova, AK 99574

Dear Mr. Henrichs:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Gary Kompkoff, President
Tatitlek Village IRA Council
PO Box 171
Tatitlek, AK 99677-0170

Dear Mr. Kompkoff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert for
Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Larry Evanoff, President
Chenega IRA Council
PO Box 8079
Chenega Bay, AK 99574

Dear Mr. Evanoff:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Bert Cottle, Mayor
City of Valdez
PO Box 307
Valdez, AK 99686

Dear Mayor Cottle:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the *Exxon Valdez* Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 6, 2003

Chris Elfring
Polar Research Board (HA 454)
2001 Wisconsin Ave., NW
Washington, D.C. 20007

Dear Ms. Elfring:

Enclosed is a copy of the report entitled *Status of Alaska's Oceans & Watersheds 2002*. This report is the result of a two-day symposium on Alaska's Oceans and Watersheds held in Anchorage, Alaska on June 18 and 19, 2002 and co-sponsored by ten other organizations.

The report is also available on CD. You may contact the Exxon Valdez Oil Spill Trustee Council office at (907) 278-8012 or via email at restoration@oilspill.state.ak.us if you would like additional copies.

Sincerely,

Sandra Schubert
for

Molly McCammon
Executive Director

Enclosure

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



MEMORANDUM

TO: Craig Tillery, Alaska Department of Law
Regina Belt, U.S. Department of Justice

FROM: *Molly McCammon*
Molly McCammon
Executive Director

DATE: March 3, 2003

RE: Court Notice – Fifth Joint Notice from the Investment Fund

The purpose of this memorandum is to request that the Alaska Department of Law and the United States Department of Justice notify the United States District Court of our intent to expend \$1,130,000 from the EVOS Habitat Investment Sub-Account:

Description	From Habitat Sub-Account	To Be Disbursed To
Acquisition of Small Parcel PWS 1010 (Jack Bay)	\$1,130,000	United States

There have been no Trustee Council meetings since the last court notice, which was filed December 10, 2002.

The following documents are attached:

- Resolution 01-04 (dated 12/4/00), in which the Trustee Council resolved to provide \$1,130,000 for the acquisition of PWS 1010 should a purchase agreement be executed by 6/21/01. The notes from the meeting at which this resolution was adopted (12/4/00) are attached. Resolution 01-04 and the 12/4/00 meeting notes were originally submitted to the court on 12/31/00 as part of the 5th Joint Notice of Expenditures from Monies Previously Disbursed.
- Resolution 02-03 (dated 12/11/01), in which the Trustee Council resolved to provide \$1,130,000 for the acquisition of PWS 1010 should a purchase agreement be executed by 9/30/02. The notes from the meeting at which this resolution was adopted (12/11/01) are attached. The 12/11/01 meeting notes

were originally submitted to the court on 12/28/01 as part of the 10th Joint Notice of Expenditures from Monies Previously Disbursed; it appears that Resolution 02-03 was not part of that submittal.

- Meeting Notes from the 10/29/02 Trustee Council meeting, at which the Council approved a motion to amend Resolution 02-03 by extending the date by which a purchase agreement must be executed to 12/31/02.
- Executive Director's certification that the terms and conditions of Resolution 02-03 have been met.

If you have any questions or need additional materials, please let me know.

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178

FAX MEMORANDUM (7 pp.)



TO: Kevin Buckland, Finance Officer, ADF&G 907-465-6078
Bruce Nesslage, Budget Officer, DOI 202-208-2681
Divina Pelayo, Accountant, ADF&G 907-465-6078
Bruce Smith, Investment Officer, DOR 907-465-3699
FROM: *S. Schubert* Molly McCammon 4019
for Executive Director

RE: Authorization to Transfer Funds
Authorization to Disburse Funds to Trustee Agencies

DATE: March 5, 2003

Per the attached documents, the transfer of \$1,130,000 from the EVOS Habitat Investment Sub-Account to the United States (NRDAR Fund) is authorized for the purpose outlined below:

Purpose	From Habitat Sub-Account
Acquisition of Small Parcel PWS 1010 (Jack Bay)	\$1,130,000

This memo authorizes disbursement of the \$1,130,000 being transferred into the NRDAR Fund to the U.S. Forest Service for small parcel PWS 1010/Jack Bay.

Please find attached:

1. March 4, 2003 notification to the U.S. District Court regarding the Trustee Council's expenditure of these funds.
2. March 4, 2003 letter from Craig Tillery and Gina Belt to Gary Bader, Chief Financial Officer, Alaska Department of Revenue, requesting Gary to transfer funds from the Habitat Sub-Account to a specific U.S. account. Please note that the transfer is to take place no later than Friday, March 7, 2003.

If you have any questions about this memo, please contact Sandra Schubert of my staff at (907) 278-8012.

cc: Gary Bader, Chief Investment Officer, DOR (907-465-4397)
Melanie Bosch, Administrative Assistant, ADF&G (267-2464)

1 GREGG D. RENKES
ATTORNEY GENERAL

2 CRAIG J. TILLERY
3 Assistant Attorney General
4 State of Alaska
5 Department of Law
6 1031 West Fourth Avenue, Suite 200
7 Anchorage, Alaska 99501-1994
8 Telephone: (907) 269-5274
9 Facsimile: (907) 278-7022

10 Attorneys for the State of Alaska

11 UNITED STATES DISTRICT COURT
12 DISTRICT OF ALASKA

13 STATE OF ALASKA,

14 Plaintiff,

15 v.

16 EXXON CORPORATION, and EXXON
17 SHIPPING COMPANY,

18 Defendants.

No. A91-083 CIV (HRH)

19 **FIFTH JOINT NOTICE**
20 **OF EXPENDITURES FROM**
21 **INVESTMENT FUND**

22 The State of Alaska and the United States (the "Governments") jointly provide notice
23 of the expenditure of \$1,130,000 from the EXXON VALDEZ Oil Spill Investment Fund
24 ("Investment Fund"). The Governments' natural resource trustee agencies will use these funds for
25 purposes consistent with the Memorandum of Agreement and Consent Decree entered by this Court
26 in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991 ("MOA").

On September 25, 1991 the State of Alaska and the United States settled their claims
against the Exxon Corporation, Exxon Shipping Company, Exxon Pipeline Company, and the T/V
EXXON VALDEZ arising from the EXXON VALDEZ oil spill. All funds resulting from these

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

ACE 30399520

1 settlements were subsequently ordered by this Court to be placed in an interest-bearing account in
2 the Court Registry Investment System ("CRIS") administered through the United States District
3 Court for the Southern District of Texas.

4 On June 7, 2000 this Court entered its Third Amended Order for Deposit and
5 Transfer of Settlement Proceeds ("Third Amended Order"). The Third Amended Order allows the
6 Governments the option of investing the money in an account outside the United States Treasury.

7 On September 29, 2000, upon application by the Governments, the Court entered an Order Re:
8 Transfer of Funds from the Exxon Valdez Liquidity Account and the Reserve Fund to an Investment
9 Fund Within the Alaska Department of Revenue, Division of Treasury, authorizing transfer of
10 settlement proceeds to an account within the State. On October 5, 2000 all funds and securities were
11 transferred from the CRIS to the Investment Fund. The Third Amended Order further allows the
12 Governments to establish separate sub-accounts within the primary account "as the Trustee Council
13 determines appropriate." On October 1, 2002 three sub-accounts were created in the Investment
14 Fund, to wit: the Research Investment Sub-Account, the Habitat Investment Sub-Account, and the
15 Koniag Investment Sub-Account. These sub-accounts were established to carry out the Trustee
16 Council's decision in its Resolution of March 1, 1999 to separately manage the remaining assets of
17 the Joint Trust Funds for the specific purposes of funding a long term research and monitoring
18 program, the acquisition of lands along the Karluk River and the establishment of a fund to purchase
19 small parcels of land that may become available in the future.

20 Paragraph 27 of the Third Amended Order provides that "funds in an Investment
21 Fund shall remain on deposit in that Fund until such time as the Exxon Valdez Oil Spill Trustee
22 Council unanimously resolve to expend all or part of the funds." The funds may then be expended,
23 for purposes consistent with the MOA, upon the joint notification of the Governments to the
24
25
26

FIFTH JOINT NOTICE OF EXPENDITURES
FROM INVESTMENT FUND

Page 2

ACE 30399521

1 Investment Fund and the Court.¹ The notification is to inform the Court of the proposed uses of the
2 funds in the same manner and to the same extent as was the Governments' practice when the funds
3 were in the registry of the Court.

4 The Governments provide notice of the expenditure of \$1,130,000 from the Habitat
5 Sub-Account of the Investment Fund for the acquisition of small parcel PWS 1010, consisting of 942
6 acres of land owned by the University of Alaska in Prince William Sound.² Of the \$1,130,000 that
7 is the subject of this notice, all will be provided to the United States.

8 A complete summary of the Council's activities since approval of the settlement was
9 appended to our Second Application, filed January 19, 1993, Attachment B, and interim updates of
10 activities appeared as Attachments to each of the Governments' Third, Fourth, Fifth, Sixth, Eighth,
11 Ninth, Tenth, Eleventh, Twelfth, Fifteenth, Nineteenth, Twenty-First, Twenty-Second, Twenty-
12 Fourth through Twenty-Ninth, Thirty-First, and Thirty-Third through Forty-Fifth applications for
13 disbursement and the Fifth through Seventh and Tenth through Thirteenth Joint Notices of
14 Expenditure From Settlement Account Monies Previously Disbursed, and the First, Second and
15 Fourth Joint Notice of Expenditures From Investment Fund. Since the last summary provided to the
16 Court, the Trustee Council has not met.

17
18
19
20 ¹ A copy of the notice provided to the Investment Fund pursuant to paragraph 27 of
21 the Third Amended Order for Deposit and Transfer of Settlement Proceeds is appended to this
22 Notice as Attachment A, pp. 1 - 2.

23 ² A resolution evidencing the Trustee Council's approval for the purchase of small
24 parcel PWS 1010 appeared in the Fifth Joint Notice of Expenditures from Settlement Account
25 Monies Previously Disbursed at Attachment B, pp. 36-39. A second resolution approving the
26 purchase, with certain changes to the conditions for approval, is attached at Attachment A, pp. 3-
6. The time for completion of the purchase was subsequently extended by unanimous vote of the
Trustee Council at its October 29, 2002 meeting. The certification of the Program Director of the
Trustee Council that all terms and conditions in the second resolution as amended have been met
may be found at Attachment A, p. 7.

1 RESPECTFULLY SUBMITTED this 4th day of March, 2003 at Anchorage, Alaska.

2 FOR THE STATE OF ALASKA
3 GREGG D. RENKES
4 ATTORNEY GENERAL

5 By:

Craig J. Tillery
6 CRAIG J. TILLERY

7 Assistant Attorney General
8 State of Alaska

9 Department of Law
10 1031 West Fourth Avenue, Suite 200
11 Anchorage, Alaska 99501-1994
12 Telephone: (907) 269-5274
13 Facsimile: (907) 278-7022

14 FOR THE UNITED STATES OF AMERICA
15 THOMAS L. SANSONETTI
16 Assistant Attorney General
17 Environment & Natural Resources Division

18 WILLIAM D. BRIGHTON, Asst. Chief
19 Environmental Enforcement Section
20 Environment & Natural Resources Division
21 U.S. Department of Justice
22 Washington, D.C. 20530

23 By:

Regina R. Belt

24 REGINA R. BELT
25 Environmental Enforcement Section
26 Environment & Natural Resources Division
U.S. Department of Justice
801 B Street, Suite 504
Anchorage, Alaska 99501-3657
(907) 271-3456

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FRANK H. MURKOWSKI,
GOVERNOR

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907)269-5100
FAX: (907)276-3697

March 4, 2003

Gary Bader
Chief Investment Officer
Treasury Division, Dept. of Revenue
P.O. Box 110405
Juneau, AK 99811-0405

Re: Exxon Valdez Oil Spill Investment Fund

Dear Mr. Bader:

The Exxon Valdez Trustee Council has unanimously determined to expend \$1,130,000 in joint trust funds for restoration purposes consistent with the terms of the Memorandum of Agreement and Consent Decree entered by the federal district court in *United States v. State of Alaska*, No. A91-081 CIV (D. Alaska) on August 28, 1991. Of this amount, the entire \$1,130,000 will come from the Habitat Sub-Account. These joint trust funds are currently held by the State of Alaska in the Exxon Valdez Oil Spill Investment Fund and invested by the Treasury Division, Alaska Department of Revenue. Under the terms of the Reimbursable Services Agreement between the Alaska Department of Fish and Game and the Alaska Department of Revenue, please transfer the following amounts from cash held in the Exxon Valdez Oil Spill Investment Fund to the accounts described below:

United States

Amount: \$1,130,000

Beneficiary

account: 14X5198

name: Natural Resource Damage Assessment and Restoration Fund
(NRDAR)

Beneficiary

account: 14010001

name: Department of the Interior
Financial Management Services National Business Center

Gary Bader

March 4, 2003

Page 2

Beneficiary Bank

account: 021030004
name: Treasury, NYC

OBI Text

Natural Resource Damage Assessment Restoration Fund 14X5198
EVOS Exxon Valdez, Civil Settlement, FY03 Joint Funds

Beneficiary Reference

A91-082Civil

The transfer should take place when most financially advantageous, but no later than Friday, March 7, 2003 or as soon thereafter as possible. If you have any questions, please call Craig Tillery at (907) 269-5274.

Sincerely,



Craig J. Tillery
Assistant Attorney General
State of Alaska



Regina R. Belt
Environmental Enforcement Section
Environment & Natural Resources
Division
U.S. Department of Justice
United States of America

cc: Kevin Buckland

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



March 3, 2003

Tom Taylor
Alaska Department of Fish & Game
Contract & Lands Coordinator
P.O. Box 25526
Juneau, AK 99802-5526

Dear Tom:

The purpose of this letter is to clarify the Trustee Council's intent in approving Project 030630. As provided in the Detailed Project Description and budget approved by the Council, it is the Council's intent that this project be implemented in part through a contract with the following proposer:

<u>Project No.</u>	<u>Project Title</u>	<u>Proposer</u>
030630	Scientific Management Under GEM and Lingering Oil Programs	PICES (North Pacific Marine Science Organization)

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, reading "Molly McCammon". The signature is fluid and cursive, with the first name "Molly" and last name "McCammon" clearly distinguishable.

Molly McCammon
Executive Director

namedrecPICES.wpd

Exxon Valdez Oil Spill Trustee Council

441 W. 5th Ave., Suite 500 • Anchorage, Alaska 99501-2340 • 907/278-8012 • fax 907/276-7178



Schedule for Upcoming Meetings

March 2003

- 5-6 CORE Members meeting - Washington, D.C. (M)
- 7-8 Oilspill Conference - Santiago, Spain (M)
- 10-12 MMS Information Transfer - Anchorage, AK (P)
- 18-20 NPRB meeting - Anchorage, AK (P)
- 20-21 Mapping Workshop (tent)
- 20-23 Comfish - Kodiak, AK (P)
- 24 Exxon Valdez oil spill anniversary
- 31-1 Summit of Regional Observing Systems - Arlington, VA (M,P)

April 2003

- 2-4 U.S. GOOS Steering Committee meeting - Arlington, VA (P)
- 7-11 PICES-IGOOS Coastal Observing - Nantes, France (P)
- 14-15 CAOS users meeting (tent)
- 23 Trustee Council Meeting (tentative)

May 2003

- 20-21 NPRB meeting - Anchorage, AK (P)
- 21 AK Legislature ends - Juneau, AK

June 2003

- 7-9* PAC field trip - Cordova, AK (tentative)
- 19-23 IGBP Congress - Banff - GLOBEC Focus 4 (M)

July 2003

August 2003

September 2003

- 22-24 AAAS Arctic Science Conference - Fairbanks, AK

* tentative meeting dates

For more information on any of the above meetings, please contact: Brenda Hall.

3/6/03 F:\Misc\new mtgschdle.wpd

(P) = Phil will be attending

(M) = Molly will be attending

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