13.08.01 – Reading File March 1995

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Kevin Brooks

Director of Administration

Alaska Department of Fish and Game

FROM:

Molly McCammon

Executive Director

DATE:

March 30, 1995

RE:

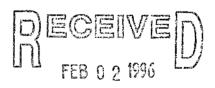
Pair Trawl for Project 95320E

I would like to bring to your attention the importance of obtaining a pair trawler for Project 95320E(bid #2039). Use of a vessel like this was recommended by the scientific peer reviewers for this project. Failure to obtain such a vessel could serously jeopardize the ability of this project to meet its objectives. I would appreciate any assistance you could provide in ensuring that the project leader be able to obtain the necessary vessel. If you have any questions, please don't hesitate to contact me.

CC:

Eric Myers

Joe Sullivan, ADF&G Mark Willette, ADF&G



EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL ADMINISTRATIVE RECORD

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



March 30, 1995

John Christensen, President Chugach Alaska Corporation 560 East 34th Avenue Anchorage, Alaska 99503

Dear Mr. Christensen:

Over the past few weeks I have received informal indications that Chugach Alaska may be willing to sell lands it owns within the *Exxon Valdez* oil spill area. The Trustee Council remains interested in considering additional acquisitions in this region.

The Council also recognizes that Chugach Alaska holds title to the subsurface estate underlying a number of acquisitions in which the Council is working with willing sellers to acquire the surface estate. The Council would be interested in pursuing discussions with Chugach Alaska concerning possible acquisition of the subsurface interest it holds.

As I am sure you are aware, all acquisitions funded by the Trustee Council are based upon fair market value as determined by a government approved appraisal. In addition, the proposed acquisitions are first analyzed for their value to restoring injured resources and services.

If Chugach Alaska is interested in selling lands for restoration purposes or in selling the subsurface estate in lands where the surface estate is being acquired, please contact me at 278-8012.

Sincerely,

Molly McCammon Executive Director

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Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Molly McCammon

FROM:

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Administrative Officer

DATE: March 29, 1995

RE:

FFY 1995 Budget Amendments

Based on communication from the Trustee Agencies, the following amendments to the Federal Fiscal Year 1995 budget require consideration by the Trustee Council.

Transfers Between Trustee Agencies

No. Title <u>Amount</u> From To 95126 Habitat Protection Acquisition & Support \$80,000 USFS ADNR

Comments - The funding associated with the acquisition of small parcels was appropriated to the USFS. After further review, it has been determined that the sponsoring agency will expedite the appraisal and acquisition process. It is requested that funding be transferred to the ADNR which is the land manager for the State of Alaska. After action by the Trustee Council, the FFY 1995 Revised Authorization will be:

USFS

\$337.4

ADNR

\$358.0

No.

951631

Title

Forage Fish: Program Management

<u>Amount</u> From \$130,600 NOAA To DOI

and Integration

Comments - At the time that approval was provided for the project, the assignment of cooperating agencies was unknown. In mid-December it was determined that both NOAA and the DOI-FWS would be participating on the project. Since the agencies have been operating in this manner, it is requested that the transfer be retroactive back to inception of the project. After action by the Trustee Council, the FFY 1995 Revised Authorization will be:

NOAA

\$19.4

DOI-FWS

\$130.6

Transfers Between Trustee Projects

No. <u>Title</u>

<u>Amount</u> \$25,000

95139A1 Salmon Instream Habitat and Stock

Restoration - Little Waterfall Creek

Comments - The original scope of the project was to provide access to under utilized habitat with a capacity for 24,000 spawners. This included the modification of the lower 60 foot section of the fish pass and the modification of the upper 20 foot section. However, in the preparation of the bid it has become obvious that the available funding is insufficient to complete the fish pass work. It is requested that additional funding be provided to carry out the original intent of the project. After Trustee Council action, the FFY 1995 Revised Authorization will be \$115.0.

No. <u>Title</u>

Amount

95139C2 Salmon Instream Habitat and Stock

(\$25,000)

Restoration - Lowe River

Comments - The Draft Environmental Assessment has been produced and comments in response revealed that some original planning assumptions may be flawed. Additional field data collection will be required in FFY 1995 before this project or a similar project in the Lowe River drainage can proceed. Since construction of the spawning channel cannot proceed as originally intended, funding is available for transfer to Little Waterfall Creek. After Trustee Council action, the FFY 1995 Revised Authorization will be \$145.1.

cc: Eric Myers
Dave Gibbons, USFS
Carol Fries, ADNR
Byron Morris, NOAA
Catherine Berg, DOI
Bob Baldauf, DOI

Joe Sullivan, ADF&G

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



<u>MEMORANDUM</u>

TO:

Trustee Council

FROM:

Molly McCammon, Executive Director

DATE:

March 29, 1995

SUBJ:

Recommendation — Project 95163/APEX - Forage Fish Project

The purpose of this memorandum is to provide you with my recommendation concerning Project 95163/Apex Predator Ecosystem Experiment (APEX), the so-called "forage fish" project. As proposed, this is a multi-year investigation of the importance of forage fish resources to the recovery of injured seabirds.

The Chief Scientist has prepared a review memo dated March 28, 1995 (attached). This review notes that the project has undergone a significant evolution from its initial form and received substantial praise from the peer reviewers. The Project Leader, Dr. David Duffy, and the respective investigators deserve recognition for their effort to prepare this proposal.

I recommend that Project 95163 be authorized at a funding level of \$1,167,900 for the remainder of FFY 95, with the project to proceed consistent with the provisions identified in the Chief Scientist's review memo and the other conditions identified below.

Importance of Project Review After First Field Season

As stated in the Chief Scientist review memo: "... a formal scientific review in the late fall of 1995 will be essential to make an assessment regarding the ability of the project to achieve its more challenging objectives" (italics in original). Certain methods and techniques proposed for use in the project are new and innovative and carry more risk than established techniques (especially some of the hydroacoustics work) and for this reason necessitate a more cautious approach to a long-term funding commitment. While envisioned as a multi-year effort, it is important to emphasize that initiation

of the project in FFY 95 is conditioned upon a first year review in the late fall of 1995. This review will provide the basis for determining whether to proceed with the project and, if so, at what level of funding.

FFY 95 Budget

The proposed project budget is \$1,167,900 for the remainder of FFY 95. This budget figure is substantially lower than the prior budget of \$1,586,800 reflected in the materials enclosed in the Trustee Council packet. The revised budget is a result of examination and discussion among the Chief Scientist, NOAA staff, and the Project Leader. The budget reductions are summarized in a table and notes appended to this memo. The current budget has also been reviewed by Traci Cramer/Director of Administration. This review found that the agencies had done a good job of reducing program management costs, consolidating activities, and reducing the scope of certain activities. Traci Cramer will work with Bruce Wright/NOAA to finalize the detailed budget documentation within the \$1,167,900 authorization.

FFY 96 and Beyond

The Trustee Council should be aware that if a favorable review in the fall of 1995 supports continuation, a significant long-term commitment to the project would be required to obtain meaningful results. At a minimum, it will be necessary to support the project effort through the first quarter of FFY 96 (i.e., through the late fall 1995 review). Following the fall review, the Trustee Council will be in a position to determine whether to proceed with a full-scale effort.

The FFY 96 budget is estimated at \$1,898,700 and approximately \$2 million per year has been projected for the period FFY 97-FFY 99. In the budget review prepared by the Director of Administration, it was noted that the effort to identify reductions for the FFY 95 budget has not yet been undertaken in the same manner for the FFY 96 budget. Substantial reductions to the FFY 96 figure could be expected upon closer examination.

The appropriate level of funding for FFY 96 and beyond will be determined annually through the peer review/adaptive management process in light of project findings and developments. It is expected that a refined FFY 96 and beyond budget will be submitted by May 1, 1995 as part of the FFY 96 project proposal review process.

The Director of Administration will work with the Project Leader to ensure that the FFY 96 budget documentation appropriately distinguishes first quarter activities. In conclusion, based on the strength of the peer review recommendation and after consideration of long-term restoration efforts and commitments, I believe that initiation of this project at this time is appropriate.

attachments:

- Chief Scientist review memo (March 28, 1995)
- summary of Project 95163 budget revisions
- Director of Administration budget review memo (March 28, 1995)

March 28, 1995

TO: Molly McCammon Executive Director

FROM: Robert Spies, Chief Scientist

Andy Gunther, Asst. Chief Scientist

CC: Stan Senner

RE: Recommendation for APEX project

On March 1, 1995, a revised proposal for the "Seabird Forage Fish Interaction" project (95163) was received in our office. This project has undergone a significant evolution from its initial form, which we reviewed in a memo to Jim Ayers on September 2, 1994. Based upon the response of the principal investigators to that memo, the Trustee Council provided interim funding for further development of a project plan. This project is now entitled the "Apex Predator Ecosystem Experiment" (APEX), and includes an overview document and twelve appendices that describe each project component.

We have each examined the document, and we have obtained reviews from four other scientists. We have also had several discussions with the Project Leader (Dr. David Duffy)indicating some of our concerns, and he has responded with revisions to the proposal. Based upon the reviews of the proposal and the responses of the Project Leader, we now recommend this project for funding as described below.

Recommendation

The Trustee Council Work Plan for 1995 should include studies of forage fish because their composition, abundance, and distribution may be controlling the recovery of injured species. Restoration of injured species may not be possible if the factors controlling recovery remain unknown. The APEX proposal is a promising plan for addressing the question of whether forage fish availability is limiting the recovery of resources injured by the *Exxon Valdez* oil spill. The application of some of the methods are new and innovative (particularly the hydroacoustic technologies and their applications), and therefore carry more risk than established and routine oceanographic and biological techniques. On the other hand, the findings from a successful study will contribute greatly to understanding the ecosystem of the oil spill area. A formal scientific review in the late fall of 1995 will be *essential* to make an assessment regarding the ability of the project to achieve its more challenging objectives (see 5. below).

We recommend that the project be approved to begin work in FY95, provided that:

Andy Gunther

- 1. The primary objective for the first year of the project should be a comparison of the productivity of two bird colonies likely to have very different forage fish resources. This will provide a pilot phase of the project to test its basic organizing hypothesis, and provide a clear milestone by which to assess performance in the late fall of 1995.
- 2. The portions of the project addressing factors controlling forage fish resources should be scaled back significantly. We should first document a relationship between the productivity of injured birds and forage fish abundance and distribution prior to investing resources toward understanding the environmental factors that influence the distribution and abundance of the forage species. Given the cost of obtaining samples for these studies, we do recommend that a formal process of sample collection and archiving be conducted this year for future processing, as these samples can be efficiently obtained this year for very little additional cost.
- 3. Careful attention must be paid to hydroacoustic sampling and analysis methods to ensure that this project generates data that are comparable to those generated by several other studies examining fish distributions within the spill area. These studies include a seabird/forage fish project being funded the Minerals Management Service (lower Cook Inlet/Barren Islands), a sea lion foraging project being funded jointed by the National Marine Fisheries Service and ADF&G (Barren Islands), and the SEA program (Prince William Sound). All evidence so far suggests that the principal investigators of these studies are cooperating closely regarding hydroacoustic research. Similarly, seabird observations should be coordinated between the MMS project and APEX.
- 4. The hydroacoustic sampling program in APEX must be designed to detect temporal fluctuations in forage fish resources that could influence the productivity measures being conducted at the bird colonies. Repeated sampling of certain transects on a weekly basis, for example, is essential to determine the scales of temporal variation in forage fish abundance and distribution.
- 5. A detailed review of the results of the first year's work should be conducted in the late fall of 1995 as part of the Council's adaptive management process. At this time it will be *essential* to make an assessment regarding the ability of the project to achieve its more challenging objectives. These include: (1) using hydroacoustic technologies to differentiate forage fish species, (2) determining the abundance and distribution of forage fish species in the upper one meter of the water column, (3) integrating observations on foraging range and behavior of seabirds with estimates of abundance and distribution of prey species to make effective deductions regarding prey availability to seabirds, (4) determining the relative importance of demersal and pelagic prey to pigeon guillemots at Naked Island, and the abundance and distribution of important demersal species at this site, and (5) adequately identifying and surveying the foraging areas of kittiwakes, which can be very large.

Funding for FY96, which will be approved in August of 1995, should be contingent upon a satisfactory assessment of the performance of the project during the late fall review. If the project is not successful in achieving any of its more challenging

objectives, serious consideration must be given to the prudence of conducting another season of field work until the problems are rectified.

- 6. The project should produce an integrated final report that includes a synthesized analysis of the data generated by each project component. If the project goes forward into future years, then interim reports will be prepared each year. The interim reports should also include a synthesis of key findings from each project component.
- 7. Many minor comments have been provided on each specific project component by the peer reviewers, and these have been delivered to Project Leader. These comments should be addressed in writing by the principal investigators prior to commencing work.

General Comments

In support of this recommendation we provide the following comments.

- 1. The Project Leader and the principal investigators are to be congratulated for the progress they have made in developing an integrated research proposal. They have been quite responsive to concerns expressed by the Chief Scientist and peer reviewers, and have in general done an excellent job in tackling a complex and challenging subject. In particular, they have made major strides regarding the management and integration of the project.
- 2. The proposal currently has two major objectives. First, the studies are designed to examine the impact of forage fish abundance and distribution on injured bird species. In addition, there are two projects (Appendices 2 and 4) that propose to examine the impact of oceanographic conditions and diet on the forage fishes themselves. While this is an important issue if we are to understand the causes of variations in forage fish populations, at this time it seems prudent to first investigate whether there is a demonstrable link between the productivity of injured species and the availability of forage fishes (e.g., "Is it food"?). Once this hypothesis is tested, we can consider examining the processes controlling forage fish abundance and distribution.

Consequently, we do not recommend going forward at this time with the projects described in Appendices 2 and 4. However, given the fact that forage fishes will be captured as part of the net collections associated with validating the hydroacoustic measurements, it seems reasonable to archive these samples for future energetic and diet analyses. The relative cost of archiving this samples is minor compared to the cost of capturing the fishes. The Project Leader has also suggested that limited analyses of these samples be conducted to provide information for planning of future sampling, and this also seems reasonable, assuming the cost of these analyses does not interfere with altering the study as described in the recommendation above and does not expand the budget beyond that deemed reasonable by the Executive Director.

3. As currently envisioned, the proposal calls for both intra-annual comparisons (between colonies in a given year) and inter-annual comparisons (time series analyses at a single colony). We concur with the recommendations of several reviewers that the project should focus upon intra-annual comparisons among colonies. Intra-annual comparisons, which will be testing spatial and within season heterogeneity in forage resources, will be more likely to result in detectable differences than interannual comparisons. The Project Leader and principal investigators will need to present a revised study plan that identifies which colonies will be studied in 1995, and document a data collection effort that will be adequate to characterize the key parameters at that colony. Clearly, an effort should be made to identify locations (such as the Barren Islands or Naked Island) where several species may be studied.

Structuring the project around interannual comparisons among colonies also has two other important benefits. First, the results of intra-annual comparisons are available after the end of the first field season. This generates a clear milestone for consideration as part of the Trustee Council's adaptive management process (see below). In addition, there is another research project beginning this year to examine the relationship between available forage resources and bird productivity in lower Cook Inlet (and hopefully the Barren Islands). This project is going to be conducted by the National Biological Survey with funding from the Minerals Management Service (\$316,000 for FY95-96). By having two projects conducting intra-annual comparisons at different bird colonies, we will develop over the next few years a powerful dataset to address the question of the role of forage resources in controlling the productivity of injured bird species.

4. Critical to obtaining this dataset is the development of an independent measure of prey availability to the colonies under study by using hydroacoustic techniques to study the abundance and distribution of forage fish. Having this independent measure will allow us complete the line of reasoning: productivity is low because of dietary deficiencies that are correlated with certain patterns of prey resources. The validity of our interpretations will depend upon a determination that the proposed combination of hydroacoustic techniques and foraging observations provide a satisfactory measurement of prey availability. Hydroacoustic techniques are a proven method of estimating relative abundance and distribution of schooling fishes, and with concurrent net collections can be used to estimate species composition. However, estimates of abundance and distribution will have to be interpreted using information about foraging ranges and behavior to make statements about prey availability for injured species.

We cannot at this time predict how effectively these interpretations will be able to be made, and consider the assessment of the results from the 1994 pilot study (Project 94163) to be essential in this regard (the draft report from this study will be available in April, and findings will discussed at the workshop in Cordova the end of March). Hydroacoustic techniques will not provide us with absolute estimates of biomass; we will not be able to state with certainty that forage fish stocks are up are down from year to year. Instead, we will obtain information about the relative abundance of fish based upon the frequency of encounters along specific transects. For the broad scale transects, especially in conjunction with data from other hydroacoustic programs, we will be able to develop an understanding of the relative richness of

different areas over time with regards to forage fish assemblages. In the finer scale work (more frequent transects in foraging areas), we will have information about the presence or absence of forage fishes to relate to predator productivity and health. These measurements will certainly be useful in making more informed judgments about food limitation of injured resources, but the strength of our interpretations will depend upon factors such as (1) our ability to correctly identify foraging habitat, (2) developing confident understanding of predator-prey relationships (i.e., in relation to guillemots as discussed above), (3) relating distribution of schooling fish at depth to foraging of kittiwakes at the surface, or (4) providing confident statements regarding the species composition of forage fish assemblages. Assessing the ability of the project to address these factors will be a key objective of the adaptive management review session. If the validity of our interpretations remains weak because of the inherent uncertainties in the methods being used, the program should not continue until these problems can be rectified.

Applied Marine Sciences

5. Essential to prey availability measurements will also be a hydroacoustic sampling scheme that is designed to detected short-term fluctuations in forage fish abundance and distribution that may be important to the productivity of bird colonies. Miscellaneous observations by different scientists suggest that birds sometimes concentrate their foraging efforts at places where bathymetric or tidal influences concentrate prey. It is essential that we be able to determine if high-density forage patches are making significant contributions to the energy budgets of the bird colonies, and we therefore recommend an intensive systematic survey around colonies in the first year. The use of low-altitude aircraft surveys to locate persistent of quasipermanent seabird foraging sites should be considered by the principal investigators. If the sampling scheme does not provide adequate spatial and temporal coverage to detect the impact of shorter term phenomena, the power of our interpretations of results will be significantly reduced.

We suggest that the Project Leader and principal investigators consider applying the resources saved from Appendices 2 and 4 toward more intensive sampling of forage fish abundance and distribution. The results of project 94163 should be considered in making this assessment. After one year of intensive sampling, the required intensity of sampling for adequately characterizing forage fish resources should be more apparent, and cruise schedules and budgets could be adjusted accordingly for 1996.

In addition, there is concern that the hydroacoustic equipment that is proposed for use is still in the final stages of testing and development. Our expert reviewer cautioned that the Project Leader should carefully match the capabilities of the hydroacoustic technology, and the hydroacoustic sampling plan, with the expectations of the APEX biologists for data.

6. It is essential that the data produced by the APEX project and the MMS project are comparable, as this will provide a much more powerful test of the central APEX hypothesis over the next two or three field seasons. Comparability will be achieved by utilizing similar techniques for (1) measurement of bird productivity and foraging, (2) calibrating and deploying hydroacoustic sampling equipment, and (3) data reduction and analysis techniques for acoustic signals. To achieve this end, we

7/8

have invited the principal investigator of the MMS project (Dr. John Piatt) to the hydroacoustic workshop in Cordova (to be held March 28-30, 1995). Dr. Piatt is also a collaborator on the APEX project (Appendix 1: Historic Review of Ecosystem Structure in the Prince William Sound / Gulf of Alaska Complex), and so coordination of his work with APEX has already begun.

7. There was strong support among the reviewers for the work proposed at the Barren Islands for several reasons. First, recent data suggest that the abundance of capelin around the Barren Islands has been increasing, providing the opportunity to study an area with an abundance of a forage species of known importance to seabirds. Second, there is evidence of very well-planned cooperation between the Barren Island project and several other studies (MMS seabird work, NMFS/ADF&G sea lion foraging study, and the murre satellite telemetry study [95021]). It is clear this coordination will result in efficient use of shared platforms and appropriate sharing of data. The data collected at the Barrens will also provide valuable information regarding the recovery of the murre colonies there. Due to the relative isolation of the Barrens, however, intensive hydroacoustic sampling in this region will be challenging. It will be essential to coordinate hydroacoustic sampling carefully with the MMS seabird project and NMFS/ADF&G sea lion project.

The proposal to study forage fish populations using the stomach contents of large predatory sport fish was also supported. Although there was some skepticism on the part of the reviewers that the demersal species discussed (cod and halibut) would prove adequate samplers of the pelagic environment, it is clear from limited sampling last year that halibut were consuming capelin. We recommend the proposal go forward in a pilot form in 1995, and then be evaluated prior to its continuation in the future.

- 8. The revised study plan should be subject to another review to avoid duplication of effort through coordination between study components and with other projects. For example, all the reviewers questioned the need to have three different laboratories (Appendices 4, 5, and 12) performing energetic analyses of forage fishes. The Project Leader now indicates that these analyses will be conducted by only one laboratory. The Project Leaders has also indicated that other apparent duplications will be eliminated. For example, why should the Tufted Puffin Foraging and Reproductive Success project (Appendix 11) be funded to visit W. Amatuli Island when the Barren Island Seabird Studies group (Appendix 10) will already be on E. Amatuli Island? (It is clear the two groups will be well coordinated, but wouldn't it be more efficient for one group be responsible for all work at the Barrens?) How does the work to be conducted under Appendix 11 relate to the work to be conducted by MMS?
- 9. With regards to focusing upon pigeon guillemots, data from project 94173 and other observations will need to verify that the guillemots under study in Appendix 8 are preying upon small schooling fish. The principal investigators indicate that guillemots at Naked Island are known to feed on demersal fish, and the abundance and distribution of these species will not be documented by hydroacoustic methods. If guillemots are preying upon demersal species, then there will be no measure of prey availability for pigeon guillemots developed in the APEX project.

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Nearshore demersal fishes will be surveyed in the Nearshore Vertebrate Predator (NVP) project, and the Project Leader has indicated that close collaboration between NVP and APEX will occur in this regard.

10. We recommend that this project be reviewed as part of the Trustee Council's adaptive management process. During the fall of 1995, preliminary results of the project and implications for FY96 should be considered in a workshop setting similar to the review held in October, 1994, for project 94320. Funding in 1996 should be conditional upon the results of this review.

Original and Revised 95163 Budget

PROJECT COMPONENT	TITLE	ORIGINAL REQUEST	REVISED BUDGET
95163 A	Fish Survey & Biology	660.2	482.3
95163 B	Bird/Fish Interactions	112.4	86. 6
95163 C	Fish Diet Overlap	90.0	60.0
95163 D	Puffins as Samplers	51.7	41.7
95163 E	Black-legged Kittiwakee	152.2	108.7
951 63 F	Pigeon Guillemots	172.1	134.5
95163 G	Energetics	223.8	148.4
95163 X	Proximate Composition	38.6	0.0
95163 I	Project Leader	0.0	0.0
95163 J	Barren I. Murres & BLKs	36.1	36.1
95163 K	Fish as Samplers	15.1	15.1
95163 L	Barrens & Historical	34.5	54.5
TOTAL		\$ 1,586.7	\$ 1,167.9

- (A) Reduce indirect cost from 42.2% to 25% of base and eliminate program manager costs. Combine July and August cruise to a 4-5 week cruise (save \$50.0K). Eliminate the spring 1996 cruise from this budget request (save \$50.0K).
- (B) Make reductions described in 3/7/95 memo.

Expediter	10.0
Project Manager	11.0
emergency travel	0.6
travel to scientific meetings	2.0
film processing	0.2
publication page charges	0.5
safety training (from 2.5 to 1.0)	1.5

- (C) Eliminate 9 man months of fish stomach analysis.
- (D) Reduce budget to level submitted 10/95, plus a more complete survey of PWS. Reduce effort to only PWS. Amount for this survey is an estimate.
- (E) Make reductions described in 3/7/95 memo.

Expediter	10.0
Project Manager	11.0
emergency travel	1.0
travel to scientific meetings	2.0
publication page charges	0.5
safety training (from 2.5 to 1.0)	1.5
misc. commodities & squip. (vas 7.8)	4.0
boat fuel (from 13.5 to 7.0)	6.5
truck rental (from 4.0 to 2.0)	2.0
maintenance/cleaning/repair (was 11.6)	5.0

(F) Make reductions described in 3/7/95 memo.

Expediter	10.0
Project Manager	11.0
emergency travel	0.6
travel to scientific meetings	1.0
safety training (from 2.5 to 1.0)	1.5
boat fuel (from 13.5 to 7.0)	6.5
truck rental (from 5.0 to 3.0)	2.0
maintenance/cleaning/repair (was 11.6)	5.0

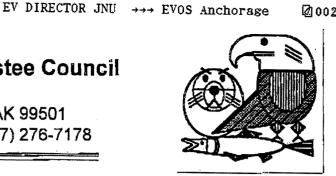
(G) Make reductions described in 3/7/95 memo (attached). Reduce indirect cost from 42.2% to 25% of base of \$118.7%.

ict cost from 42.2% to 25% of base of \$1	.18.7X.
Boston Whalar (from TC?)	15.0
outboard motors (from TC?)	4.5
mustang suits (from TC?)	9.0
weatherport x Z (from TC?)	2.8
field radios (reduce from 6.0 to 3.0)	3.0

- (H) Eliminate this component from APEX project.
- (I) Zero funding requested. Funding already approved in 95163I.
- (J & K) No reductions
- (L) Increase by \$20.0% to increase forage fish survey of Barrens.

Restoration Office 645 "G" Street, Anchorage, AK 99501

Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

13:44

TO:

Molly McCammon

FROM:

DATE: March 28, 1995

RE:

Nearshore/APEX Review

The following comments are provided for the Nearshore and the APEX projects.

Nearshore -

Federal Fiscal Year 1995

As proposed, the budget requests \$606.1 for the remainder of FFY 1995 or six months. At a minimum, I feel that the budget could be reduced by at least \$40.0. Areas that I would highlight as soft include the following:

- It appears that the role of ADF&G is to pass a contract to the University of Alaska. In doing so. the department is has included \$6.0 for program management costs and has assessed the appropriate indirect rate at a cost of \$10.2. If this assumption is correct, is it necessary for ADF&G to include program management costs or can the budget be reduced \$6.0?
- 2. While unclear, a question exists as to the level of travel required during 1995. In addition, it does not appear as if the agencies are utilizing savings from purchasing tickets in advance. While I recognize that a risk exists, they should be able to plan some of the activities in advance and take advantage of substantial savings. As an example the budget assumes 18 round trips between Anchorage and Cordova at \$250 (full-fare) a trip or \$4,500. When advance purchase would be \$70 a trip and run \$1,260. In all fairness, it must be pointed out the bulk of the travel is occurring in 1996.
- The commodities line includes \$9.0 for surgical supplies in 1995 and \$9.0 in 1996. No justification is provided for the surgical supplies, so it is unclear what is being purchased.
- 4. The commodities line includes \$3.0 for training in 1995 and \$2.0 in 1996. While not to minimize the need for training, if the staffing information is correct, approximately \$1.0 is being used to

train the individuals employed on this project, but the budget does not indicate what type of training is being provided.

EV DIRECTOR JNU --- EVOS Anchorage

- The budget includes \$1.5 for program management supplies which should be covered with general administration.
- When you combine equipment being purchased for the contractors and that documented in the budget a total of \$52.3 is budgeted for 1995. Included in that figure is \$8.0 for miscellaneous equipment. I must caution, until we develop a method to track and share Trustee Council equipment, the ability to reduce equipment purchases without jeopardizing the projects is limited.

Federal Fiscal Year 1996

As proposed, the budget requests \$1,680.5 for FFY 1996. At a minimum, I feel that the budget could be reduced by at least \$150.0. Areas that I would highlight as soft include the following:

- If ADF&G is simply a pass-through the \$7.0 budgeted for program management could be deleted.
- The budget for National Biological Service includes \$88.7 for program management costs 2. (before general administration). Is it necessary to carry this level of program management?
- The budget includes \$269.3 for chartering both vessels and air transportation and \$22.2 to purchase fuel. It is unclear the level of coordination between the various components of the projects and why fuel must be purchased on top of the charters.
- 4. Again the budget did not assume the use of advance purchases on travel. See item #2 in the 1995 discussion.
- The budget includes \$2.2 for program management supplies which should be covered with general administration.
- When you combine equipment being purchased for the contractors and that documented in the budget a total of \$54.0 is budgeted for 1996. Included in that figure is \$8.0 for miscellaneous equipment. I must caution, until we develop a method to track and share Trustee Council equipment, the ability to reduce equipment purchases without jeopardizing the projects is limited.

APEX -

Federal Fiscal Year 1995

The budget has been reduced from \$1,586.8 to \$1,167.9. This has been done by reducing program management costs, consolidating activities, and reducing the scope of various components. I feel that the agencies did a good job a reducing the costs and should be commended.

Federal Fiscal Year 1996

The budget requests \$1,898.7 for FFY 1996. The agencies did not review the FFY 1996 budget at the same time that reduction where made to the FFY 1995 budget. However, it would be reasonable that approximately \$500.0 could be saved. That would bring the request to roughly \$1,398.7.

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To:

Trustee Council Members

From:

Molly McCammon

Executive Director

Date:

March 30, 1995

Subj:

Technical budget amendments

As reflected in the attached memo from Director of Administration Traci Cramer, the Council needs to take action on three technical budget items. These are not requests for additional funds. In two cases, they reflect the transfer of previously authorized funds between Trustee agencies. In the third case, the transfer is between two subprojects within an already authorized project.

I recommend the Council approve a motion to adopt the technical budget amendments as described in the memo from Ms. Cramer.

mm/raw

Restoration Office

645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Molly McCammon

FROM:

mai Ca

Administrative Officer

DATE: March 29, 1995

RE:

FFY 1995 Budget Amendments

Based on communication from the Trustee Agencies, the following amendments to the Federal Fiscal Year 1995 budget require consideration by the Trustee Council.

Transfers Between Trustee Agencies

No.

Title

Amount

From

To

95126

Habitat Protection Acquisition & Support \$80,000

USFS

ADNR

Comments - The funding associated with the acquisition of small parcels was appropriated to the USFS. After further review, it has been determined that the sponsoring agency will expedite the appraisal and acquisition process. It is requested that funding be transferred to the ADNR which is the land manager for the State of Alaska. After action by the Trustee Council, the FFY 1995 Revised Authorization will be:

USFS

\$337.4

ADNR

\$358.0

No.

Title

Amount

From

To

951631

Forage Fish: Program Management

\$130,600 NOAA

DOL

and Integration

Comments - At the time that approval was provided for the project, the assignment of cooperating agencies was unknown. In mid-December it was determined that both NOAA and the DOI-FWS would be participating on the project. Since the agencies have been operating in this manner, it is requested that the transfer be retroactive back to inception of the project. After action by the Trustee Council, the FFY 1995 Revised Authorization will be:

NOAA

\$19,4

DOI-FWS

\$130.6

Transfers Between Trustee Projects

No. <u>Title</u>

Amount

95139A1

Salmon Instream Habitat and Stock

\$25,000

Restoration - Little Waterfall Creek

Comments - The original scope of the project was to provide access to under utilized habitat with a capacity for 24,000 spawners. This included the modification of the lower 60 foot section of the fish pass and the modification of the upper 20 foot section. However, in the preparation of the bid it has become obvious that the available funding is insufficient to complete the fish pass work. It is requested that additional funding be provided to carry out the original intent of the project. After Trustee Council action, the FFY 1995 Revised Authorization will be \$115.0.

No.

Title

<u>Amount</u>

95139C2 Salmon Instream Habitat and Stock

(\$25,000)

Restoration - Lowe River

Comments - The Draft Environmental Assessment has been produced and comments in response revealed that some original planning assumptions may be flawed. Additional field data collection will be required in FFY 1995 before this project or a similar project in the Lowe River drainage can proceed. Since construction of the spawning channel cannot proceed as originally intended, funding is available for transfer to Little Waterfall Creek. After Trustee Council action, the FFY 1995 Revised Authorization will be \$145.1.

cc: Eric Myers
Dave Gibbons, USFS
Carol Fries, ADNR
Byron Morris, NOAA
Catherine Berg, DOI
Bob Baldauf, DOI

Joe Sullivan, ADF&G

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Trustee Council

FROM:

Molly McCammon, Executive Director

DATE:

March 29, 1995

SUBI:

Recommendation — Project 95025/Nearshore Vertebrate

Predator Project

The purpose of this memorandum is to provide you with my recommendation concerning the proposed Project 95025/Nearshore Vertebrate Predator Project, a five year ecosystem investigation of resources injured in the nearshore environment.

The Chief Scientist has prepared a review memo dated March 22, 1995 (attached). The peer reviewers were unanimous in their praise of the project. Dr. Spies noted that the project leader, Dr. Leslie Holland Bartels/NBS, and the PIs have done an excellent job of reshaping the proposal into a cohesive package during the planning process. Dr. Spies has asked that a response be provided to the comments and recommendations of the peer reviewers, but also has indicated his strong support for the project.

I recommend that Project 95025 be authorized at a funding level of \$606,100 for the remainder of FFY 95, with the project to proceed consistent with the provisions identified in the Chief Scientist's review memo and the conditions identified below.

FFY 95 Budget

The budget for FFY 95 is \$606,100 for the remaining six months of FFY 1995. The most recent version of the budget (dated March 14, 1995) has been reviewed by Traci Cramer/Director of Administration. A copy of the budget

The most recent Project 95025/Nearshore Vertebrate Predator budget dated 3/14/95 is slightly higher (\$606.1 vs. \$596.2) than the version in the Trustee Council packet. The difference is attributable to certain proposed program management expenditures.

review memo is attached. The budget review identified a number of minor issues that should be resolved, but do not warrant a delay in proceeding with the project at this time. This further review will include examination of the Trustee Council equipment list to verify that requested equipment is not otherwise available from the existing inventory.

Traci Cramer will work with the Dr. Holland-Bartels to obtain further information regarding these budget matters in order to identify possible savings with budget revisions to be made accordingly.

FFY 96 and Beyond

The Trustee Council should be aware that initiation of this project at this time reflects a significant long-term commitment. Project 95025 proposes a budget of approximately \$1.64 million each year during FY 96-FY 98, with a final FY 99 budget of \$450,000. The appropriate level of funding for FFY 96 and beyond will be determined annually through the peer review/adaptive management process in light of project findings and developments. It is expected that a FFY 96 and beyond budget will be submitted by May 1, 1995 as part of the FFY 96 project review process.

Proposed Collections

It should also be noted that the study design for Project 95025 includes the proposed collection of certain seaducks. In FFY 95 (fall of 1995), the project proposes to collect 25 harlequin ducks to establish a condition index. Later in the project, 50 White winged scoters and 50 Barrows goldeneyes would be taken in each of two years (winter 96-97 and winter 97-98). A federal collection permit application has been submitted.

This element of the project requires further review prior to approval. It is recognized that any scientific project that proposes a collection of birds or mammals should be allowed to proceed only if there are substantial benefits to the restoration mission. Prior to any final approval regarding these elements of the project the Chief Scientist will review the proposed collections and consult with peer reviewers and others with appropriate expertise. The Chief Scientist's review will address issues concerning possible impacts to the species collected (i.e., number of birds to be collected, total population, health of the population, alternative data collection options including non-lethal taking methods, etc.), as well as the need and merit of a proposed collection as it relates to restoration goals (i.e., information that would be lost if there was no take and what would realistically be accomplished as a result of the collection).

The Chief Scientist will then make a recommendation to the Executive Director. The Executive Director will in turn inform the PAG and the Trustee Council of this recommendation in writing prior to final approval. All federal or State permits will be required prior to implementation of a project.

In conclusion, based on the strength of the peer review recommendation and after consideration of long-term restoration efforts and commitments, I believe that initiation of this project at this time is appropriate.

attachments:

- Chief Scientist review memo (March 22, 1995)
- Director of Administration budget review memo (March 28, 1995)



Molly McCammon
Executive Director
Exxon Valdez Oil Spill Trustee Council
645 G Street Ste.402
Anchorage, AK 99501

Re: Recommendation on Nearshore Vertebrate Predator Project (95025)

Dear Molly,

We received the detailed project description for the "Nearshore Vertebrate Predator Project" in our office on February 21, 1995. It was sent to several reviewers and they have provided written comments on the project description. The proposal was also the subject of a conference call on March 20, 1995 with the core reviewers, myself, Andy Gunther and you.

The project will focus on the recovery of a suite of important predators that were injured by the spill in the nearshore part of the Prince William Sound ecosystem: (1) two invertebrate consumers: sea otters and harlequin ducks, and (2) two fish eaters: river ofters and Pigeon Guillemots. The study asks three basic questions: (1) Is the recovery of these species being constrained by intrinsic demographic factors? (e.g., intrinsic rate of population increase?) (2) Is the recovery of these species being constrained by food?, and (3) Is the recovery of these species being constrained by continuing oil exposure? There are separate approaches to answering each of these general questions. For the demographic factors, studies of the population sizes and growth rates of these predators will be carried out. For assessing the possible role of continuing oil toxicity, assessments of individual health of organisms will be carried out using a biochemical indicator of oil exposure and immune system indicators. For the food availability questions, the abundance of major prey items will be assessed in oiled and unoiled areas. The project is proposed to start in 1995 with an expenditure of \$596K and to expand to \$1.64M in FY1996 and FY1997.

The reviewers were unanimous in their praise of this project. Dr. Holland-Bartels, with the help of the Principal Investigators, has done an excellent job in molding the original proposed work into a cohesive package. It is obvious that the funds that were provided by the Trustee Council in November 1994 for further planning were a sound investment. This is a logically organized and defensible project, there are a series of well articulated hypotheses and alternative hypotheses. It is well focused on EVOS restoration goals. The reviewers also consider the four species chosen to represent important vertebrate species injured by the spill and to have been studied sufficiently in past studies so that we have a reasonable chance to

determine what may be limiting their populations, and, therefore, their recovery.

The reviewers have some specific recommendations for improving certain aspects of the proposed studies that should be implemented. These suggested changes are not serious enough that I am requiring a revision or further consideration of the study plan before formulating a recommendation to you for funding. I do request that Dr. Holland-Bartels respond to the written comments and suggestions of the reviewers before the project goes into the field so that the reviewers can be satisfied that the field work is being properly conducted. The reviewer comments are appended to this letter.

Based on my evaluation of the project, the written reviews, and discussions with the reviewers I am recommending that this project be funded as an important ecosystem approach to understanding recovery of the nearshore portion of the marine ecosystem that was hard hit by the oil spill.

Sincerely yours,

Robert B. Spies Chief Scientist

CC: L. Holland-Bartels

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



<u>MEMORANDUM</u>

TO:

Molly McCammon

Staci

FROM:

Traci Cramer

DATE: March 28, 1995

RE:

Nearshore/APEX Review

The following comments are provided for the Nearshore and the APEX projects.

Nearshore -

Federal Fiscal Year 1995

As proposed, the budget requests \$606.1 for the remainder of FFY 1995 or six months. At a minimum, I feel that the budget could be reduced by at least \$40.0. Areas that I would highlight as soft include the following:

- It appears that the role of ADF&G is to pass a contract to the University of Alaska. In doing so, the department is has included \$6.0 for program management costs and has assessed the appropriate indirect rate at a cost of \$10.2. If this assumption is correct, is it necessary for ADF&G to include program management costs or can the budget be reduced \$6.0?
- While unclear, a question exists as to the level of travel required during 1995. In addition, it does not appear as if the agencies are utilizing savings from purchasing tickets in advance. While I recognize that a risk exists, they should be able to plan some of the activities in advance and take advantage of substantial savings. As an example the budget assumes 18 round trips between Anchorage and Cordova at \$250 (full-fare) a trip or \$4,500. When advance purchase would be \$70 a trip and run \$1,260. In all fairness, it must be pointed out the bulk of the travel is occurring in 1996.
- 3. The commodities line includes \$9.0 for surgical supplies in 1995 and \$9.0 in 1996. No justification is provided for the surgical supplies, so it is unclear what is being purchased.
- 4. The commodities line includes \$3.0 for training in 1995 and \$2.0 in 1996. While not to minimize the need for training, if the staffing information is correct, approximately \$1.0 is being used to

03/28/95

- train the individuals employed on this project, but the budget does not indicate what type of training is being provided.
- 5. The budget includes \$1.5 for program management supplies which should be covered with general administration.
- 6. When you combine equipment being purchased for the contractors and that documented in the budget a total of \$52.3 is budgeted for 1995. Included in that figure is \$8.0 for miscellaneous equipment. I must caution, until we develop a method to track and share Trustee Council equipment, the ability to reduce equipment purchases without jeopardizing the projects is limited.

Federal Fiscal Year 1996

As proposed, the budget requests \$1,680.5 for FFY 1996. At a minimum, I feel that the budget could be reduced by at least \$150.0. Areas that I would highlight as soft include the following:

- If ADF&G is simply a pass-through the \$7.0 budgeted for program management could be deleted.
- 2. The budget for National Biological Service includes \$88.7 for program management costs (before general administration). Is it necessary to carry this level of program management?
- 3. The budget includes \$269.3 for chartering both vessels and air transportation and \$22.2 to purchase fuel. It is unclear the level of coordination between the various components of the projects and why fuel must be purchased on top of the charters.
- 4. Again the budget did not assume the use of advance purchases on travel. See item #2 in the 1995 discussion.
- 5. The budget includes \$2.2 for program management supplies which should be covered with general administration.
- 6. When you combine equipment being purchased for the contractors and that documented in the budget a total of \$54.0 is budgeted for 1996. Included in that figure is \$8.0 for miscellaneous equipment. I must caution, until we develop a method to track and share Trustee Council equipment, the ability to reduce equipment purchases without jeopardizing the projects is limited.

APEX -

Federal Fiscal Year 1995

The budget has been reduced from \$1,586.8 to \$1,167.9. This has been done by reducing program management costs, consolidating activities, and reducing the scope of various components. I feel that the agencies did a good job a reducing the costs and should be commended.

Federal Fiscal Year 1996

The budget requests \$1,898.7 for FFY 1996. The agencies did not review the FFY 1996 budget at the same time that reduction where made to the FFY 1995 budget. However, it would be reasonable that approximately \$500.0 could be saved. That would bring the request to roughly \$1,398.7.

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Catherine Berg/DOI-USFWS

FROM:

Molly McCammon

Executive Director

DATE:

March 29, 1995

RE:

Authorization -- Project 95031/Reproductive Success as a Factor Affecting

Recovery of Murrelets in Prince William Sound

The purpose of this memorandum is to formally approve work to proceed on Project 95031/Reproductive Success as a Factor Affecting Recovery of Murrelets in Prince William Sound, as described in the Detailed Project Description and consistent with the review of the Chief Scientist (see attached).

I would like to reiterate the Chief Scientist's comment about using, whenever possible, existing equipment previously purchased by the Trustee Council. As you know, until an integrated, centralized inventory of Trustee Council equipment held by all Trustee agencies is completed, I am asking the liaisons to contact the other Trustee agencies regarding the availability of equipment before any purchases are made.

I would also like to call your attention to two budget items. These items will be reviewed in greater depth in the FY 96 budget review process. Any excess funding in FY 95 should be lapsed to the joint trust fund at the end of the fiscal year.

- 1. DOI includes in the majority of its projects substantially more program management costs than the other Trustee agencies. The budget for Project 95031 includes costs for a Project Leader \$51,600 (12 months), an Expediter \$10,000 (3 months), a Project Manager \$11,000 (2 months), and a Program Manager \$6,000 (1 month). The justification for this level of program management is unclear.
- 2. Most DOI project budgets contain \$5,000 for safety training. It is unclear what type of training is being provided and why funding is being provided more than once.

Attachment

cc: Bob Spies

Traci Cramer

95031

March 21, 1995



Cathrine Berg U.S. Fish and Wildlife Service 1011 East Tudor Rd. Anchorage, AK 99503

Dear Cathrine,

Regarding the approval of the detailed project description for "Reproductive success as a factor affecting the recovery of murrelets in PWS" (95031), I received a copy of a memo from Kathy Kuletz to you dated February 10, 1995, an accompanying letter from you to me dated February 22, 1995 and an accompanying letter from you. While I am pleased that the program manager is no longer a line item in the budget I am disappointed that other costs have increased. I refer the budget to Traci Cramer for possible further review. Based on its technical content, I am recommending to the Executive Director that this project be approved for funding as proposed. Good luck to the Ms. Kuletz and her associates this field season; I look forward to seeing the results of this project.

Sincerely yours,

Robert B. Spies Chief Scientist

CC: M. McCammon K. Kuletz



United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Rd. Anchorage, Alaska 99503-6199

NMBM

22 February 1995

TO:

Catherine Berg

FROM:

Kathy Kuletz, Principal Investigator, Project 95031

RE:

Response to review comments on 95031 proposal

Dear Catherine,

The review of the proposal was favorable and offered some helpful statistical advice which we will apply in the analysis of the 1995 data. The comment regarding the exploration of different transect lengths (item 8) has led me to eliminate that portion of the analysis, as it is not of great importance to the goals of this project and is not appropriately addressed by our study.

Regarding comments on the budget, your salary as Program Manager is no longer a line-item in the budget because it is now part of the administrative overhead account. This, combined with reducing the GS-7 position from 12 to 9 months, effectively reduces the personnel costs by 10 percent, as requested by Dr. Spies. Also, most of the safety and boat equipment needs were taken care of by funds made available by the Service. However, the total budget basically remains the same due to the increased amount for boat fuel and to the requirement for two boats operating for two months. The old estimate was appropriate for one boat on a more reduced schedule, and was inadvertently left unchanged in the budget. Secondly, because there will be no permanent field camp, the cost of lodging in Prince William Sound for the crew for 7 days during the field season was included to allow them to clean clothes and gear and arrange logistics. Thirdly, two Global Positioning System (GPS) units were added to the equipment list. These were recently offered for civilian use and are much more accurate than our current GPS. These units are required for more exact location of marine transects, and in the future, for exact mapping of murrelet nest sites and radio-tagged birds.

Sincerely,

Kathy Kuletz

Principal Investigator

APPLIED AMMANINE STOLENCES

Katherine Berg USFWS 1011 E. Tudor Rd. Anchorage, Alaska 99503-6199

Dear Katherine,



EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Enclosed is the review of the detailed project description for "Reproductive success as a factor affecting the recovery of murrelets in PWS" (95031). This project was very favorably reviewed and appears to be a worthwhile project. The investigator, Katherine Kuletz has performed very well on past projects for the Trustee Council.

Before I recommend approval of this project to the Executive Director I want a leaner budget. I would like to see the personnel costs reduced by at least 10%. In addition, I am sure that most of the equipment is probably available from completed Trustee Council projects from the past. I would start with ADF&G Cordova office to find the camping equipment (past TC work at fish weirs), or with the Anchorage Office for the river otter and harlequin duck projects (they had 2 camps in 1993), or with those that did the killer whale work (Craig Matkin or Marilyn Dahlheim). The state DEC could outfit a battalion with survival suits--check with them on floatation devices. Both ADF&G and USFWS have bought many boats and motors, check with them on boat equipment. Nine hundred dollars for camp fuel and bug spray seems high for commodities. Before I approve this budget I would like a list of all equipment that is needed and who was contacted to find available Trustee Council-surplus equipment. Also, specific costs are needed-- no etceteras and no round numbers, please.

Sincerely yours,

Robert B. Spies Chief Scientist

CC: M. McCammon

K. Kuletz

D. Irons

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Bruce Wright/NOAA

FROM:

Molly McCammon

Executive Director

DATE:

March 29, 1995

RE:

Authorization -- Project 95090/Mussel Bed Restoration and Monitoring in

PWS and Gulf of Alaska

The purpose of this memorandum is to formally approve work to proceed on Project 95090/Mussel Bed Restoration and Monitoring in PWS and Gulf of Alaska, as described in the Detailed Project Description and consistent with the review of the Chief Scientist (see attached).

I would like to reiterate the Chief Scientist's comment about using, whenever possible, existing equipment previously purchased by the Trustee Council. Until an integrated, centralized inventory of Trustee Council equipment held by all Trustee agencies is completed, I am asking the liaisons to contact the other Trustee agencies regarding the availability of equipment before any purchases are made.

Attachment

cc:

Bob Spies

Traci Cramer

95090

A PPLIED

AMMANNE

SCIENCES

March 21, 1995

Bruce Wright
National Marine Fisheries Service
P.O. Box 210155
Auke Bay, AK 99821

RE: Detailed Project Description for Project 95090 (Mussel Bed Restoration and Monitoring in Prince William Sound and the Gulf of Alaska)

VIA FAX and Mail

Dear Bruce:

On February 15, 1995, I forwarded a letter to you with comments on the Detailed Project Description for the above project. On March 20, 1995, my office received a detailed response from the principal investigators (dated March 15, 1995). I appreciate the careful attention the principal investigators have given to my concerns and those of the reviewers. While at this time I am recommending that this project be approved for full funding, I would like to offer the following observations.

The principal investigator should consider refining their objective to "...sample as many of the 56 sites within and the 12 sites outside of PWS [as possible] to track their recovery progress." My concern is that given the restrictions of weather, tides, and funding, it seems unlikely that all 68 sites will be visited. I would suggest that sites be prioritized for visitation, using criteria such as geographic locations, geomorphology, exposure, or TPH concentration in 1992-93 (I leave it to the principal investigators to choose the appropriate criteria). The objective of this procedure is to assure that enough sites of different types are included in the analysis of trends in hydrocarbon concentrations from 1992-1995.

I appreciate the response of the principal investigators regarding the questions about the budget. It seems that they understandably misinterpreted the comments of the reviewer regarding "elimination of items from the budget without justification." I believe the reviewer meant only that items that could not be justified should be eliminated, not that the list of items should be eliminated without any further response from the principal investigators. I note that justification has been provided for most, but not all, of the proposed costs. I would also like to note that from my perspective, where I review every project being conducted by the Trustees, I see a significant amount of duplicative equipment purchases. However, I understand that sometimes it can be difficult for an agency scientist to obtain equipment from another agency in a timely fashion.

In approving the project I am assuming that the principal investigators will make every attempt to utilize equipment previously purchased by the Trustee Council. In particular, it is my understanding that any equipment purchased by Trustee Council funds

by the National Park Service should be available for Trustee Council-sponsored work by the National Biological Service. Questions regarding the existing inventory of equipment, including portable computers, should be directed to Tracie Cramer in Juneau at 907-586-7152.

Finally, I would note that I am surprised that NOAA needs to purchase expensive hydrocarbon-free jars (I-CHEM, I presume) for this project. I would assume that rinsing any glass sampling container with clean solvent, and lining the lid with baked aluminum foil, would suffice for the samples from mussel beds.

Sincerely,

Robert B. Spies Chief Scientist

cc:

Molly McCammon Traci Cramer **************

TRANSMISSION OK

TX/RX NO.

6925

CONNECTION TEL

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CONNECTION ID

B. SPIES

START TIME

03/30 15:00

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TRANSMISSION OK

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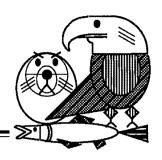
4

RESULT

OK

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To:

Habitat Protection Work Group,

From:

Molly McCammon

Executive Director

Date:

March 29, 1995

Subj:

Evaluation of Kenai Natives Association Parcels

The Department of Interior has requested that two parcels of land on the Kenai Peninsula owned by the Kenai Natives Association be evaluated as part of the large parcel habitat protection process. Could you please provide me with a preliminary evaluation of these lands based on existing and easily obtainable information. Please advise me on what level of your effort would be required to provide this preliminary analysis.

mm/raw



RE/601.GM

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Rd. Anchorage, Alaska 99503-6199



EXXON VALDEZ OIL SPILL
MAR 2 | 1995 TRUSTEE COUNCIL

Ms. Molly McCammon, Executive Director Exxon Valdez Oil Spill Trustee Council 645 G Street
Anchorage, Alaska 99501

Dear Ms. McCammon:

I am writing to nominate two parcels for consideration by the Exxon Valdez Oil Spill Trustee Council as part of the large parcel habitat protection process. The Swanson River and Beaver Creek parcels are located on the Kenai Peninsula and are owned by Kenai Natives Association (KNA). We believe that the acquisition and permanent protection of these parcels by the U.S. Fish and Wildlife Service (Service) as part of the Kenai National Wildlife Refuge (Kenai Refuge) would help restore resources and services injured by the Exxon Valdez Oil Spill. A preliminary biological inventory of these parcels conducted by the Service has determined they provide habitat for river otters and bald eagles. The parcels would also provide for year-round recreational opportunities.

Enclosed are nomination letters from Lance Gidcumb, legal counsel for KNA, that were forwarded to the Service. Danielle Jerry (786-3335) of the Service's Anchorage Regional Office is the point of contact for additional information and maps of these parcels.

Thank you for your assistance in this matter.

Sincerely,

Regional Director

Enclosures

cc: Deborah Williams, Special Assistant to the Secretary

LAW OFFICE OF

LANCE E. GIDCUMB

ATTORNEY AT LAW 2530 Brittany Drive Anchorage, Alaska 99504

Tel (907) 333-4911 Fax (907) 333-8191

February 27, 1995

Executive Director
Exxon Valdez Oil Spill Trustee Council

Dear Executive Director:

On behalf of my client, the Kenai Natives Association, Inc.(KNA), the following parcel is submitted for consideration in the Exxon Valdez Oil Spill (EVOS) Trustee Council's Small Parcel Process:

Beaver Creek Tract

Legal Description:

T.6N, R.11W., S.M.
Section 11, all;
Section 12, W1/2, SE 1/4;
Section 13, all; and
Section 14, N1/2, NE1/4SE1/4.

Containing approximately 2,120 acres.

My client is willing to sell the above-listed parcels at fair market value as partial consideration for settlement of a land exchange negotiated with the USFWS which is currently pending before Congress. KNA understands that this parcel nomination does not bind KNA to sell any of its property, nor does the nomination bind the Trustee Council to buy any KNA lands.

The parcel is within the oil spill area and will benefit the restoration of the species and services injured by the oil spill. A description of the injured species and services found on the parcel and its benefit to the EVOS restoration effort is found on the attached small parcel nomination forms. If a site evaluation of the properties is necessary, please have the Trustee Council staff contact KNA at (907) 283-4851 to coordinate a visit.

Sincerely,

Lance E. Gidcumb

cc: Thomas M. Stroman, President, KNA

LANCE E. GIDCUMB

Attorney at Law 2530 Brittany Drive Anchorage, Alaska 99504 (907) 333-4911 (907) 333-8191 fax

FACSIMILE COVER SHEET

TO:

Ms. Mollie McCammon

Executive Director

EVOS Trustee Council FAX (907) 276-7178

FROM:

Lance E. Gidcumb

DATE:

March 8, 1995

NO. OF PAGES:

3

(including cover sheet)

RE:

Nomination of Parcel for Large Parcel Consideration

REMARKS: See attached letter. Original has been mailed.

The information contained in this fax message is confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you are not the named recipient of this communication, your receipt shall not be deemed to be a waiver of the attorney\client or work product privileges, and you are hereby requested to immediately notify us, collect, by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

LANCE E. GIDCUMB

ATTORNEY AT LAW
2530 Brittany Drive
Anchorage, Alaska 99504

Tel (907) 333-4911 Fax (907) 333-8191

March 8, 1995

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

Dear Ms. McCammon:

On behalf of my client, the Kenai Natives Association, Inc. (KNA), the following parcel is submitted for consideration in the Exxon Valdez Oil Spill (EVOS) Trustee Council's Comprehensive Habitat Protection Process:

Swanson River Road West Tract

Legal Description:

T.6N. R.9W., S.M. (See Attached)

Containing approximately 10,172 acres.

My client is willing to sell the above-listed parcel as partial consideration for settlement of a land exchange negotiated with the USFWS which is currently pending before Congress. KNA understands that this parcel nomination does not bind KNA to sell any of its property, nor does the nomination bind the Trustee Council to buy KNA lands.

The parcel is within the oil spill area and will benefit the restoration of the species and services injured by the oil spill. A description of the injured species and services found on the parcel and their benefit to the EVOS restoration effort will be provided by the USFWS, and sent under separate cover. If a site evaluation of the properties is necessary, please have the Trustee Council staff contact KNA at (907) 283-4851 to coordinate a visit.

Sincerely,

Lance E. Gidcur

cc: Thomas M. Stroman, President, KNA

Swanson River Road West Tract

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T.6N. R.9W. S.M.
Section 13, lot 3;
Section 14, lots 2 and 3;
Section 15, lots 2, 3 and 4;
Section 16, lots 2 and 3;
Section 17, lot 2;
Section 18, lot 2;
Section 19, lots 1 and 2;
Section 20, lots 1, 2 and 3;
Section 21, lots 1, 2 and 3;
Section 22, all;
Section 23, all;
Section 24, that portion lying west of Swanson River Road;
Section 25, that portion lying west of Swanson River Road;
Section 26, that portion lying west of Swanson River Road;
Sections 27 to 30, all;
Section 31, lots 1 to 4;
Section 32, all;
Section 33, lots 1 to 5;
Section 34, all;
Section 35, that portion lying west of Swanson River Road;
Section 36, that portion lying west of Swanson River Road.
```

Containing approximately 10,171.56 acres.

LAW OFFICE OF

LANCE E. GIDCUMB

ATTORNEY AT LAW 2530 Brittany Drive Anchorage, Alaska 99504

Tel (907) 333-4911 Fax (907) 333-8191

March 8, 1995

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



Dear Ms. McCammon:

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

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Sincerely,

Lance L. Olded

cc: Thomas M. Stroman, President, KNA

Swanson River Road West Tract

```
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Section 13, lot 3;
Section 14, lots 2 and 3;
Section 15, lots 2, 3 and 4;
Section 16, lots 2 and 3;
Section 17, lot 2;
Section 18, lot 2;
Section 19, lots 1 and 2;
Section 20, lots 1, 2 and 3;
Section 21, lots 1, 2 and 3;
Section 22, all;
Section 23, all;
Section 24, that portion lying west of Swanson River Road:
Section 25, that portion lying west of Swanson River Road;
Section 26, that portion lying west of Swanson River Road;
Sections 27 to 30, all;
Section 31, lots 1 to 4;
Section 32, all;
Section 33, lots 1 to 5;
Section 34, all;
Section 35, that portion lying west of Swanson River Road;
Section 36, that portion lying west of Swanson River Road.
```

Containing approximately 10,171.56 acres.

TO

LAW OFFICE OF LANCE E. GIDCUMB

ATTORNEY AT LAW 2530 Brittany Drive Anchorage, Alaska 99504

Tel (907) 333-4911 Fax (907) 333-8191

March 8, 1995

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

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Sincerely.

Lance E. Gideumb

cc: Thomas M. Stroman, President, KNA

P.03

Swanson River Road West Tract

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Section 33, lots 1 to 5;
Section 34, all;
Section 35, that portion lying west of Swanson River Road;
Section 36, that portion lying west of Swanson River Road.
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Containing approximately 10,171.56 acres.

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[39] 3491723

MARK KUWADA

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RESULT

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Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To:

Trustee Council

From:

Molly McCammon Executive Director

Date:

March 29, 1995

Subj:

Technical Amendments on AKI and Old Harbor

This is the resolution for technical amendments to the AKI and Old Harbor resolutions. Please insert into the briefing binder for the upcoming Friday, March 31 Trustee Council meeting.

Agency Liaisons CC:

mm/raw

DRAFT #2; 3/29/95

RESOLUTION OF THE EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Whereas, the Exxon Valdez Oil Spill Trustee Council ("Trustee Council"), approved by Resolutions dated November 2, 1994, the use of the joint Federal and State of Alaska settlement funds for the acquisition of lands and interests in lands owned by Akhiok-Kaguyak, Inc. (AKI) and Old Harbor Native Corporation (OHNC) within the boundaries of the Kodiak National Wildlife Refuge;

Whereas, on March 15, 1995, the shareholders of AKI approved the sale and donation of lands and interests in such lands to the United States;

Whereas, on March 22, 1995, the shareholders of OHNC approved the sales and donation of lands and interests in such lands to the United States;

Whereas, all parties involved desire to complete the initial closings for these acquisitions at the earliest possible date in order to protect these key ecosystems and promote the restoration of the natural resources and related services injured as a result of the Exxon Valdez Oil Spill;

Whereas, the United States and the State of Alaska have continued to discuss and refine the most feasible means for accomplishing their mutual responsibility for achieving the restoration of the injured ecosystems;

Therefore, by unanimous consent, we the undersigned, duly authorized members of the Trustee Council, do hereby supplement and

amend our November 2, 1994, Resolutions with respect to AKI and OHNC as follows:

- 1. The State of Alaska Department of Law and the Assistant Attorney General of the Environment and Natural Resources Division of the United States Department of Justice are hereby requested to petition, at the earliest possible date, the United States District Court for the District of Alaska for the disbursement and distribution to the United States of the initial installments of the joint settlement funds in the amounts set forth in those Resolutions.
- 2. The provisions of those Resolutions prohibiting the subsequent conveyance by the United States of the properties so acquired are hereby eliminated and in lieu thereof, the following shall apply:

Title to the lands conveyed to the United States shall be subject to a right to be held by the State of Alaska to enforce the restoration and conservation purposes for which such acquisition is made. Conveyance instruments to establish such rights shall be subject to review and approval as to form and substance by the U.S. Department of Justice and the State of Alaska Department of Law.

3. Closing of these acquisitions shall not occur prior to the execution of implementing Purchase Agreements by the United States and approval by the Trustee Council Executive Director of the conveyance instruments to be used for compliance with the requirements of the respective November 2, 1994, Resolution, as supplemented and amended herein.

PHIL JANIK
Regional Forester
Alaska Region
USDA Forest Service

Date:

GEORGE T. FRAMPTON, Jr.
Assistant Secretary for Fish
and Wildlife and Parks
U.S. Department of the Interior

Date:

Frank Rue

Commissioner
Alaska Department of
Fish and Game

Date:

BRUCE M. BOTELHO Attorney General State of Alaska

Date:

STEVEN PENNOYER Director, Alaska Region National Marine Fisheries Service

Date:

Gene Burden

Commissioner Alaska Department of Environmental Conservation

Date:

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



March 29, 1995

Gary Kompkoff, Chief Native Village of Tatitlek POB 171 Tatitlek, AK 99677

Dear Gary:

Thank you for your March 1 letter regarding possible Trustee Council action to protect resources in Boulder Bay. I have forwarded your request to the Council's lead negotiators on Tatitlek lands: Mr. Alex Swiderski of the Alaska Department of Law and Mr. John Harmening of the U.S. Forest Service. It is my understanding that Mr. Swiderski has been in contact with Citifor Corp. regarding possible acquisition of timber rights on these lands. If the company is interested in selling those rights, the Trustee Council would be interested in possibly considering the acquisition of these rights as well as the underlying interest in land for inclusion in a future Tatitlek protection package. Thank you for bringing your interest in this to the Council's attention.

On another topic, it was good to talk to you at the Chugach Heritage Foundation meeting last week. I understand your continued interest in obtaining funding for a community store and smokery, and will make arrangements to have a discussion on the legal problems with these proposals with Alex Swiderski, of the Alaska Department of Law, perhaps in Tatitlek during a community meeting tentatively scheduled for April 10. In the meantime, I believe we have made progress on a number of other projects, and look forward to working with you on these and other projects in the future.

Sincerely,

Molly McCammon Executive Director

mm/raw

TATITLEK VILLAGE IRA COUNCIL

P.O. Box 171 Tatitlek, AK 99677

Ph. (907) 325-2311 FAX (907) 325-2298

March 1, 1995

Ms. Molly McCammon, Executive Director Exxon Valdez Oil Spill Trustee Council 645 G Street, Suite 401 Anchorage, Alaska 99501-3451 RECEIVED MAR 6 1995

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Dear Ms. McCammon:

With the cooperation of the Exxon Valdez Oil Spill Trustee Council and state and federal agencies, the Native Village of Tatitlek has made considerable progress towards the common goal of restoring, and where necessary, replacing the resources damaged by the Exxon Valdez Oil Spill. We have established a mariculture operation capable of producing shellfish of the highest quality in the world today; in cooperation with the Valdez Fisheries Development Association, we have developed a highly successful salmon re-enhancement program; and we are pioneering the first successful clam restoration project in Prince William Sound. Through these efforts, we have just begun to restore the faith and trust of the Native people in the ocean's ability to again produce safe and harvestable subsistence resources.

The progress that we have made to this point, however, will soon be jeopardized if proposed logging activities are permitted to expand to the area where these projects are located. For example, we can expect to encounter such problems as erosion and siltation in the streams that will seriously impair the salmon spawning beds; we can expect the activities related to logging to interfere with the natural return routes of the salmon; and we can expect interference with the natural production of plankton and other micro-organisms that are so vital to the growth and survival of the mariculture products. At this point in time, there are no plans to construct a log dump site in that area, although we know that it has been discussed. The Native Village of Tatitlek is opposed to any such activity due to the adverse affects it would have on our projects. We strongly urge the EVOS Trustee Council to provide for protection of these resources which are located in Boulder Bay, near the Village of Tatitlek. The timber harvest and log dump site proposed for this area will, without a doubt, adversely affect the natural and enhanced salmon returns, as well as the highly successful mariculture projects that the Native residents value so much and have worked so hard to establish.

Thank you for the opportunity to express our concerns. I look forward to hearing your response on this very important issue.

Vary D. Kompkoff, Chief Native Village of Tatitlek

Sincerely

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

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Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

To: John Harmening Number:
To: John Harmening Number: From: Molly McComm Date: 3/7/95
Comments: Total Pages:
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Thanks.
Thanks.
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Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

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Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To:

Trustee Council

From:

Molly McCammon

Executive Director

Date:

March 29, 1995

Subj:

1995 Public Meeting Schedule

Attached, please find a copy of the 1995 Public Meetings schedule. I strongly urge you to attend as many of these meetings as you can. As a form of public outreach, we have discovered how informative these meetings have been, not only for the Trustees and staff, but also for the public. In particular, they appreciate Trustees visiting their communities. Again this year, our intent is to listen to the public's concerns and answer their questions. We plan to discuss with them what we have learned over the last six years, and our expectations of future restoration needs.

If you have any questions, please contact me at the Restoration Office. If you can attend a meeting please inform Rebecca Williams at 1-907-278-8012.

mm/raw

April 1995 1995 EVRO Public Meeting Schedule

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1 April Fools Day
Daylight Savings—set ahead 1 hour	3	4 1:00-5:00pm NANWALEK	5 4:00-6:00pm CORDOVA 6:30pm SELDOVIA PORT GRAHAM (DAY)	6	7 • FQ	8
Palm Sunday	10 5:00pm TATITLEK	11 6:30pm VALDEZ	12 6:30pm HOMER	13 6:30pm KODIAK	14 Good Friday	15 1:00-3:00pm WHITTIER O FM Passover
Easter	17 6:30pm CHENEGA	18 6:30pm SEWARD	19 6:30pm KENAI	20 6:30pm ANCHORAGE	21 • LQ	22
23	24	25	26	27	28	29 • NM
30						

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



March 29, 1995

James K. Wilkens Bliss and Wilkens POB 201128 Anchorage, AK 99520-1128

Dear Jim:

Thank you for your March 16 correspondence regarding the AKI land proposal. I am pleased that the AKI shareholders overwhelmingly supported this proposal at their special shareholders meeting.

The Trustee Council also shares your interest in closing the deal as quickly as possible and appreciate your offer of assistance. The Council will consider at its March 31 meeting language being prepared by Barry Roth of the Department of Interior as technical amendments to the AKI and Old Harbor resolutions in order to resolve the "reverter" language. This should pave the way for the Trustees to request the funds from the federal district court next week in preparation for a final closing in April. As you can well appreciate, closing on a multi-million dollar land acquisition is a complex and time-consuming transaction. I believe in this case, the attorneys are expediting a process that in many cases takes much longer than this. Be assured the Council is moving as fast as it can and signing the final agreement is a high priority.

I look forward to reaching conclusion on this matter in the next few weeks. In the meantime, if you have any questions or concerns, please don't hesitate to contact me.

Sincerely,

Molly McCammon Executive Director

mm/raw

Restoration Office 645 "G" Street, Anchorage, AK 99501 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Sandra Schubert

FROM:

Traci Cramer

DATE: March 28, 1995

RE:

Budget Comments

I have reviewed the budget for 95031 and 95090 and the following are my observations;

95031 Recovery of Marbled Murrelets in PWS - The Department of Interior includes in the majority of their projects substantially more program management costs then the other trustee agencies. As an example, this budget includes costs for a Project Leader \$51.6 (12 months), an Expediter \$10.0 (3 months), a Project Manager \$11.0 (2 months), and a Program Manager \$6.0 (1 month). It is difficult to justify this level of program management. Additionally, they budget \$5.0 for safety training in most budgets. While not to minimize the need of training, it is unclear what type of training is being provided or if funding is being provided more than once. Another item which causes indigestion is the practice of budgeting for per diem and a food allowance. The travel line reflects 6 people for 80 days at \$3.00 a day and commodities reflect food for 6 people for 80 days at 10.00 a day. While it might be appropriate, it is unclear. Finally, the department is requesting safety equipment which I am beginning to think either never gets purchased or is never used more than once.

Would strongly recommend that DOI be put on notice that any excess funding should be lapsed and that these items will be reviewed to greater depth in 1996.

95090 Mussel Bed Restoration and Monitoring - The agencies consistently budgets travel at full coach fare and I would hope they are taking advantage of advance purchases to the fullest extent possible. If yes, any savings should be lapsed. Additionally, the budget includes \$3.3 for travel between Anchorage and Juneau for the Department of Environmental Conservation. I could be wrong but I think the people who are working this project are in Anchorage. If so, any savings should be lapsed.

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

State Trustee Council Members

FROM:

Molly McCammon-

Executive Director

RE:

March 31 Trustee Council Meeting -- Review of Subsistence Project from

Criminal Settlement Funds

DATE:

March 28, 1995

Attached is a proposal from the community of Perryville for a subsistence education center, to be funded with a grant from the \$5 million set aside by the Alaska State Legislature from the criminal settlement with Exxon. The grant program for subsistence restoration projects is administered by the Department of Community and Regional Affairs. The legislation authorizing the grant program directed the commissioner of DC&RA to consult with the three state Trustees before awarding grants.

I would like to bring up this proposal for your review immediately following the Trustee Council meeting on March 31, 1995. Please plan to stay on the line for an additional 20 to 30 minutes. The proposal has been reviewed by the State attorneys and by the State Division of Subsistence, and found to be consistent with the terms of the settlement and the enabling legislation.



PERRYVILLE SUBSISTENCE EDUCATION AND TRAINING CENTER

Project # Amount - \$125,000

- Oil from the Exxon Valdez Oil Spill did not reach the Alaska Peninsula until June 1989.
- A Subsistence Harvest Survey completed by Fish and Game in 1989 does not provide a complete picture of possible impacts to subsistence harvests because the survey includes data from the six months before oil arrived in the area.
- The 1989 Fish and Game survey shows that the subsistence harvest did not decline but the composition of the harvest did change.
- More recent Fish and Game marine mammal surveys show that the harvesting of marine mammals by Perryville residents has declined.
- Since the completion of the Subsistence Harvest Survey, residents have reported to Fish and Game that is necessary to stay out longer and travel further to find resources.
- According to residents, concerns over the safety of eating subsistence resources also impacted the use of subsistence resources.
- The community is concerned that impacts resulting from the spill has interfered with the transferring of subsistence skills and knowledge to the youth of the community. To address this concern, the community wishes to establish a subsistence education and training center which will focus on transferring subsistence skills and knowledge to the youth of the community.
- The training and education center will be based in the community tsunami shelter, which will be built this summer using grant funds from other sources.
- Funds from this grant will purchase and install the equipment and supplies needed to make the shelter usable for both purposes.
- A resident from the community with the help of a VISTA Volunteer has volunteered to organize the subsistence education center for the community. Elders from the community have also volunteered to participate in education programs.

PERRYVILLE VILLAGE COUNCIL SUBSISTENCE RESTORATION PROJECT

Project Number: Perryville: 95-1

Project Title: Construction of Perryville Subsistence Cultural Education

Centre

Project Category: Subsistence Restoration Projects for Unincorporated

Rural Villages

Project Type: Restoring and Enhancing Subsistence Education Services

Lead Agency: Alaska Department of Fish and Game

Cooperating Agencies: Alaska Department of Community and Regional

Affairs

Project Term: March 1 to July 15, 1995 (Centre Mobilization and

Construction)

Introduction:

The transferring of subsistence knowledge and skills to Perryville youth was severely interrupted because of the EVOS and the spill clean-up aftermath. It is the desire of the community to address this interruption in the transfer of subsistence knowledge through the use of Subsistence Restoration Grant Program funds. The \$125,000 being requested will be used by the Perryville IRA Council to assist with restoring and enhancing subsistence services through the traditional handing down of the Aleut culture from Tribal elders to youth through the sharing, instructing, and practising of subsistence skills and knowledge. To accomplish this, the Council intends to use the funds to provide a location that is suitable for teaching and practising subsistence skills. In this Subsistence Cultural Education Centre, elders will emphasize the spiritual, ethical and cultural importance of subsistence resources to the community. Specific skills that will be taught include: the efficient and non wasteful harvesting, processing and preparation of resources; building bidarkas and barabaras; the use of plants and herbs for medicinal purposes and dyes; the building and repairing of fish nets and traps; the building and

use of traditional hunting weapons; the making of Aleut masks, adornments and clothing; the handling and preparing of animal hides and guts; traditional dancing; an understanding of Aleut myths and history; the telling of cultural stories; and, the speaking of the Aleut language. An additional benefit resulting from this community effort is that, because the youth will be more aware and more skilled, there will be less waste associated with the harvesting of resources. This especially will be beneficial to those resources that were damaged as a result of the spill.

Need For Project:

First and foremost, the need for remedial action via the use of Subsistence Restoration funds in Perryville, is based on the actual damage that was caused by the 24 March, 1989 Exxon-Valdez Oil Spill (and the clean-up aftermath) to the subsistence resources at Perryville and to the subsistence practices of the residents of Perryville. According to the 1994 Report, Volume III, of the Alaska Natives Commission, the average per capita subsistence harvest of wild foods during the mid-1980's, was 391.3 pounds per Perryville resident. The 1989 harvest survey conducted by the Department of Fish and Game, Subsistence Division, shows that the number of subsistence resources harvested per capita in Perryville did not decline, but the composition of the harvest did change. However, this data does not provide a complete picture of possible subsistence related impacts resulting from the spill. Oil from the spill did not reach the Alaska Peninsula until June of 1989, which means that that six months of the harvesting/reporting period was not impacted by oil. The six month period not impacted included spring, which is a very active gathering period. Additional impacts to subsistence in the years immediately following the spill cannot fully be identified because subsistence harvest surveys have not been completed in the community since 1989. Nevertheless, Perryville residents have reported to Fish and Game that to harvest subsistence resources it has been necessary to stay-out longer and travel further. These reports support Fish and Game marine mammal survey results which show a decline in the harvesting of marine mammals by Perryville residents.

Although there are brown bears and some moose in the Perryville area, the main subsistence foods were, and still are, salmon, especially sockeye salmon, seals and ducks; with salmon being the predominant subsistence food. Based on their knowledge and experience, it is the opinion of the residents that sockeye salmon particularly were damaged. According to a

Village Council spokesperson: "...we were afraid to use any of the fish, even if lightly oiled, for our subsistence food." Also the seals considerably decreased; indeed, for a long time it seemed there were no seals and there are few of them now. Residents also said that: "there were many dead birds and people were afraid to hunt and eat the ducks..." which ordinarily were a prime subsistence staple.

An additional visible effect of all the diminished subsistence fishing and hunting and the resulting near elimination of cooking and eating subsistence foods, was that "...all of us parents were putting-in at school for free or reduced payment lunches for our kids and we had to do this over long periods of time because there was so little undamaged subsistence food at home for our children to eat." Reliance on the school lunch program, as a substitute for the non-available subsistence foods, also was used to feed Village Elders. Another person remarked that "...the fish and birds we did catch, we boiled them so long they didn't taste good." One party mentioned that because the fish, both red and pink salmon, were so oiled, very little smoked salmon was produced for a long time, which meant that hardly any smoked salmon was available for food during the winter months. Since smoked salmon always has been a prime source of protein for Perryville residents during the winter and early spring, this loss had a serious effect on the Community diet. Accordingly, it appears that Perryville residents, as a result of the EVOS, were afraid to eat many of the foods which they formerly harvested through subsistence practices. Also, they were forced to adapt their eating habits by making use of the school lunch programs and other non-subsistence food sources.

However, it is the conviction of the Perryville Community, which consists of 103 residents of whom 43 are under 18 years of age, that any consideration of the negative impact of the EVOS on subsistence practices, must deal with more than the obviously damaged resources. A true and integral consideration of the negative impacts must also address the cultural repercussions on village members, particularly the Youth. Due to the fear of eating oiled-toxic or contaminated fish and game, Perryville elders and other adults did not engage in subsistence practices or severely reduced such activities in the immediate years following the spill. Accordingly, Village Youth were deprived not only of the primary means and experiences through which the Aleut cultural tradition was transmitted from Elders to Youth; but also, of the personal sense of cultural/social identification and belonging. As elsewhere, this deprivation, in the opinion of some Village parents, resulted in

a lack of self esteem and community belonging among their Youth which, in turn, contributed to negative social behavior.

In some aspects, the personal and social damage to Perryville Youth, resulting from the interruption of cultural subsistence practices caused by the EVOS, can never be remedied. However, the Community feels that the damage can partially be repaired by establishing a community-based alternative cultural education program. To be successful, it is important that this program be based in a community facility that can adequately support associated activities and functions with only minimal interruptions from other community activities. Such a location will strengthen the identity of the program and permit continuity in activities and gatherings associated with the education program. At this time, the community does not own a facility that has the capability to support such a program. The existing community hall is small and functions as a combination Village Council office and a meeting room. If the community tries to use the community hall for this purpose, scheduling conflicts will be a problem and there is not sufficient space in which to work-on and store larger projects such as the building of bidarkas. The school is also not an option because of space and scheduling limitations.

The community has received other grant funds for a facility that also has the potential of supporting the Subsistence Cultural Education Centre. The new facility, which will be built this summer, is an emergency tsunami shelter. By adding the funds requested through this program (\$125,000) to the funds the community already has received for the shelter, the community will own a facility in which both emergency needs and subsistence needs can be satisfied. The additional funds will provide a facility that is better suited for implementing the community's desire to strengthen the cultural identity and sense of belonging of the Youth of the Community. The community is hopeful that an enhanced sense of cultural identity in Perryville Youth will result in increased motivation at school, the creating long-term, personal and career goals which are realistic and attainable, acquiring increased social skills, and, the seeking natural "highs" available to them in subsistence and subsistence related practices.

Project Design:

The community already has received the funds necessary to build a basic 40'x 80' emergency tsunami shelter. The facility, which will be a building shell with a concrete floor, will meet the emergency needs of the community when Alexander Commen

such a facility is needed, but it will not be suitable for use as a Subsistence Cultural Education Centre. The funds requested through the Subsistence Restoration Grant program will be used to increase the usability of the facility and to provide materials and equipment that will support the education program effort. The following identifies how the usability of the building will be enhanced. If the building is used only for emergency purposes, the only access needed will be a good all terrain vehicle trail. However, if the building also is to be used as an educational centre, the increase in use and the need to move additional materials and supplies will require improved access. Improved access will be a one lane gravel road to the facility. Additional improvements to the building will include plumbing, bathroom, bathroom fixtures, a septic tank and drain field, wiring and fixtures, a generator and fuel tank, water filter, water pump and pressure tank, and furniture. Funds also will be used to purchase computer language equipment, training on the use of the computer language equipment, and other materials and equipment to support the education program. Through these improvements and purchases, the Perryville IRA Council will have the ability to assist with restoring and enhancing subsistence services through the traditional handing down of the Aleut culture from tribal elders to youth through the sharing, instructing and practising of subsistence skills and knowledge.

The Perryville IRA Council has overall responsibility for the administration of the Perryville Subsistence Education Program. The Council has selected Ms. Diane Shangin, to plan the program, create the program goals and objectives. as well as develop the strategies and organize the activities which will achieve these established objectives. Ms. Shangin, a mother within the Village, is respected by Elders and Youth alike. On a volunteer basis, she has agreed to organize and coordinate the Saturday subsistence education program activities at the Centre, through which the Elders will transmit the traditional cultural knowledge and practices to Village Youth. Ms. Shangin will provide monthly, oral reports to the Council and the entire Community at the regularly held, public Village Council meetings. She will be provided technical assistance, as needed, by the Borough Community Development Coordinator. A prominent Village Elder, Mr. Ignatius Kosbruk, and the two other Village Elders who, together, are the only remaining residents who speak the Aleut language fluently and as a first language, are eager to assist Ms. Shangin in conducting the Aleut Computer Language Program at the Centre; also, various men in the Village are interested in working with Village Youth, under Mr. Kosbruk's direction, to help in the building of authentic, full-scale models of barabaras and bidarkas.

Implementation:

Preliminary design work on the Centre building is being performed by Mr. Fred Yenney, of Yenney & Associates Construction, Inc., Homer, Alaska. A Joint Agreement Resolution has been negotiated between the Perryville IRA Council and the Lake & Peninsula Borough Assembly, whereby the Borough would administer the funds associated with the project. The completed facility would be owned and operated by the Perryville IRA Council. Revenue for ongoing operation and maintenance costs would be provided through Borough Revenue Sharing funds generated through the Borough's 2% raw fish sales/use tax. Village Elders, in conjunction with the Youth of the Community — with strong support from the Village Council, interested Village School faculty and other adult residents — would implement the subsistence-education projects. The existing Port Graham Sugcestun Computer language program would be used as the model for the Perryville Aleut language project.

Coordination:

The Division of Subsistence-Alaska Department of Fish and Game, and the Municipal and Regional Assistance Division-Alaska Department of Community and Regional Affairs, would be the primary State Agencies involved in the project. The administration of construction project funds and the construction bid selection/award process would be conducted by the Lake and Peninsula Borough. Borough Staff will work closely with the Village Council concerning the general aspects of the project and with the Village Administrator regarding project particulars. The Perryville IRA Council would provide the land for the site from land deeded by the Oceanside Native Corporation, the Village Native Corporation formed under ANCSA.

Public Process:

The Subsistence Restoration Project Program was explained to the Village Council and Village residents by ADF&G-Division of Subsistence, and DCRA Staff, at a public meeting that was held at Perryville in September, 1994. Following the latter meeting, it was agreed that the negative impact of the EVOS on the traditional cultural transmittal process, through the Spill's interruption of customary subsistence practices, has had a profound influence on Village Youth. Therefore, it was recommended that a Subsistence

Cultural Education Centre be constructed as a means to remedy this situation. There was consensus that combining in one building the emergency functions of the proposed Tsunami Shelter with the ongoing subsistence-education projects of the Centre, would be the most effective and cost efficient manner of realizing the goals and objectives of these two top priority Village projects. Borough Staff have been in constant contact with the Village Council president and the Village Administrator in an effort to bring the recommendations of Tribal Governing Body members to actuality.

Personnel Qualifications:

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The Perryville Village Administrator has been employed by the Village Council, on a continuous basis, since September, 1993. The Borough Community Development Coordinator, who manages Federal, State and Borough capital project grant awards administered by the Borough for Borough City/Village projects, has been employed at the Borough since August, 1993. He successfully has administered this past year, in excess of \$2,908,964 in capital project, fisheries research and other program funds for the Borough; as has been verified by the recently completed FY-94 independent audit of Borough finances. He has worked closely with the Perryville Village Council President and the Village Administrator this past year, on a small, Village road upgrading and bridge rehabilitation grant from the 1993 Legislature. His work is supervised by the Borough Manager and overseen by the Borough Planning Commission.

Ms. Diane Shangin, the Village Subsistence Education Program Coordinator, is a member of the Executive Board of the Bristol Bay Area Health Corporation (BBAHC). More pertinent, she is a member of the Alcohol and Drug Abuse Committee of the BBAHC, and has a keen awareness of the need for a Subsistence Education Program at Perryville, as a means of fostering personal identity, individual motivation and increased self-confidence among Village Youth, through their learning the cultural knowledge and traditional practices to be transmitted at the Centre by the Elders.

BUDGET EXPENDITURE BREAKDOWN BY FUNDING **SOURCE:**

I. EVOS TRUSTEES COUNCIL SUBSISTENCE RESTORATION **FUNDS** -

A. Materials —	
1) Plumbing and 1,250 gal. Septic Tank:	1,614.00
2) Ten cubic yards aggregate for drain field:	809.00
3) Electrical Materials:	18,299.00
4) Generator: 8 KW (Lugan):	7,399.00
5) Fuel Tank: 3,000 gal. with secondary containment	nt
& petrometer level gauge with gallon scale:	18,299.00
6) Fire Extinguishers: (2):	690.00
7) Heaters: (2) Modine POH185, includes material	S
& Installation:	8,583.00
8) Water Tank, Filter, Pump & Pressure Tank;	3,651.00
9) Bathroom Building Materials:	1,844.00
10) Fixtures: For the 2 Bathrooms; includes 2	
commodes, 2 sinks, 1 urinal, 2 lights with fans,	
2 handrails (handicapped approved):	915.00
11) Aggregate for Access Road:	17,000.00
12) Computer Equipment (Aleut Language Program)	
Includes Tapes & Microphone:	3,500.00
13) Project Materials Crafts Projects (Lumber,	•
Saws, Hand Tools:	3,000.00
	\$ 85,603.00
B. Labor:	25,652.00
C. Equipment:	
1) Furniture Chairs, Sofa, Cots, Refrigerator, etc.:	3,500.00
D. Training & Air Fare Costs:	
1. Computer & Language Training	
a) Air Fare (Kodiak/Perryville/Kodiak)	
Per Diem & Training Stipend:	2,816.00
2) Air Fare (Construction Personnel)	3.138.00
	5,954.00
	•

LAKE AND PENINSULA BOROUGH > 19072694539

E. Room & Board:

1) On-Site Board & Room:(Construction Personnel)

4.291.00

Total EVOS Subsistence Restoration Budget:

\$ 125,000.00

1994 LEGISLATIVE RE-APPROPRIATION BILL-TSUNAMI II. SHELTER FUNDS VIA ALASKA DEP'T OF ADMINISTRATION -

A. Materials — (Building Superstructure (100%):

Superstructure, Exterior/Interior Paneling & Materials Freight Costs: 40' x 80' x 10' Facility. This includes engineering with design plans, a stamp of approval by State Fire Marshall, doors windows, wainscotting painted:

\$ 118,227.00

B. Labor:

1) Labor (\$6,773 of total \$61,739.92):

6.773.00

Total Re-Appropriation Bill Funds Via DOA:

\$ 125,000.00

III. FY-1994 & FY-1995 STATE CAPITAL PROJECT MATCHING **GRANT PROGRAM FUNDS --**

A. Labor:

\$9.998.92

Total State Capital Project Matching Grant Funds:

9.998.92

IV. BOROUGH COMPETITIVE GRANT FUNDS -

A. Labor (\$19,316 of total \$61,739.92):

19.316.00

Total Borough Competitive Grant Funds:

\$19,316.00

V. TOTAL PROJECT FUNDS:

\$ 279,314.92

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Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

To:

Restoration Work Force

From:

Molly McCammon

Executive Director\\\

Date:

March 28, 1995

Subj:

March 30 RWF Meeting

The weekly Restoration Work Force meeting will be held **Thursday**, March 30 (instead of Wednesday) at 9:00 a.m. The Juneau location is the Executive Director's Office while the Anchorage location is the Restoration Office.

Topics to be discussed include:

- 1995 Public Meeting Schedule and Participation.
- March 31 Trustee Council meeting.
- Overview of the PAG meeting and Open House.

mm/raw

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



FAX COVER SHEET

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B.SPIES

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ERROR

Restoration Chaqate March 1995 Vol 2 No. 1

Workshop Participants Present 1994 Findings

ore than 130 researchers, resource specialists and members of the public discussed key outcomes from restoration work completed in 1994 at the Trustee Council's annual Restoration Workshop in January. The group also began work on a financially sustainable, long-term approach to restoration compatible with the Council's Restoration Plan.

"The basic message is that, six years after the Exxon Valdez oil spill, recovery is occurring at different rates for different resources," said Chief

Scientist Bob Spies. "This is a complicated process, and many factors influence the rate of recovery. The Trustee Council is doing every-thing practical to accelerate recovery where possible, and to understand what is constraining recovery for some resources."

Workshop presenters participated in numerous sessions and informal meetings in Anchorage during the four-day workshop. Each investigator provided a summary of the work completed last year, and an update on the status of recovery of injured resources and services. A more detailed discussion of the status of recovery is included in the Trustee Council's 1995 Annual Status Report, which will be available in early April. The Invitation to



Restoration workshop attendees listen to Dave Irons of the U.S. Fish and Wildlife Service summarizing discussions that took place about birds injured by the ExxonValdez oil spill. Photo by L.J. Evans.

Submit Restoration Projects for Federal Fiscal Year 1996 and Draft Restoration Program presents additional information on the status of injured resources and restoration needs, focusing on 1996 and extending to future years. Both of these documents are available at the Council offices or the Oil Spill Public Information Center.

Following are summaries of the major topics and findings discussed at the workshop.

Fish Resources: Stock Separation and Management

The Trustee Council recognizes that development of more efficient or effective management methods may be one of the best strategies to aid recovery of such injured resources as sockeye and pink salmon. Providing resource managers with better tools makes it possible to guide harvests and avoid further injury to spill-affected populations while allowing harvest to continue on undamaged populations.

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Restoration Workshop

Continued from Page 1

Pink Salmon

'The basic message

oil spill, recovery is

different resources.'

different rates for

Chief Scientist Bob Spies.

is that six years

Exxon Valdez

occurring at

after the

Although record numbers of mixed stocks of pink salmon were harvested in Prince William Sound in 1994, the return from wild stock streams was below average. Management strategies have thus been developed to protect the wild salmon

stocks, which were adversely affected by at oiling stream

mouths.

For the last several years, the Trustee Council has funded coded-wire marking of hatchery-raised pink salmon in Prince William Sound. While method has provided valuable information, its major short-coming is that only a fraction of the

fish can be marked. A new hatchery fish marking method called thermal otolith marking has been under development and will be implemented in 1995.

Raising the water temperature in hatcheries by a few degrees causes rings to form on a small bone in the fish's head — the otolith. These rings can be detected after the salmon grows to adulthood and returns to spawn. By using this technique, hatchery managers can mark all the smolts prior to release. When the pink salmon return, the presence of hatchery fish in proportion to wild fish can be determined and fishery openings can be managed to minimize harvest of wild stocks.

Researchers at the workshop described an overlap of at least one year while switching from the already established technique of inserting coded wire tags to complete reliance on thermal otolith marking. This will enable scientists to ensure the new method provides the expected results with sufficient accuracy.

Sockeye Salmon

The Kenai River sockeye population may have been injured because fishing was closed in 1989 for fear of oiling the catch. As a result, too many fish escaped to

spawn. Fishery biologists feared the overabundant fry would starve once they had consumed all the available food, and the losses would show up in subsequent years as fewer sockeye returning to spawn in the Kenai river system. However, 1994 brought three times as many fish as expected, which suggests that major decreases predicted in 1995 and 1996 sockeye returns may not be as large as initially feared. These returns will be closely monitored and factored into future sockeye restoration activities.

To aid selective sockeye harvest in lower Cook Inlet, the Trustee Council has been supporting development since 1992 of a database of genetic information from 30 subpopulations of sockeye salmon from the Kenai/Skilak, western Cook Inlet, Kasilov and Susitna river systems. Using tissue samples from the commercial catch, stock composition estimates can now be provided within 48 hours to enable fishery managers to allocate harvest quotas. Fishery managers have also been using hydroacoustic techniques to count fish as a complement to other methods used.

These techniques have provided the Alaska Department of Fish and Game with additional tools to adjust the mixed-stock fishery in Cook Inlet and protect injured stocks, while also providing a lasting legacy for conservation of Kenai River and other Cook Inlet sockeye salmon in the future.

Trustee-sponsored management projects such as these are developed with defined endpoints and timelines. The objective is to phase out Trustee Council support, and turn the programs and techniques over to the management agencies and constituent groups for continued use.

Enhancement and Replacement

Enhancing, supplementing and replacing injured resources are among the options available for restoration. Enhancement and supplementation are general terms for actions that aid the survival of natural populations. Replacement is an appropriate restoration option either when the injured resource is no longer available or seriously reduced, or when harvest of a different resource would Continued on Page 4

SEA Program Pink Salmon, Herring Studies Providing Results

The Sound Ecosystem Assessment or SEA program was launched by the Trustee Council in the spring of 1994 to conduct research on the ecological factors responsible for fluctuations in herring and pink salmon populations in Prince William Sound.

In 1994 SEA researchers began testing several hypotheses using data collected from oceanographic measurements and biological samples collected in western Prince William Sound. The hypotheses focus on understanding how sea water circulating in the upper layers of the sound, which varies seasonally and annually, influences the abundance, movement, timing and species composition of plankton available to feed fish, birds and mammals in the region.

SEA investigators believe that in years with high rates of sea water flushing through the sound there is a large reduction in the availability of plankton. This results in more juvenile herring, pink salmon and other small fish being eaten by larger fish and birds. Investigators also suspect that a combination of physical factors and predation have an influence on the losses of herring spawn each year. Several species of ducks, shorebirds and gulls are believed to be the major predators.

In 1994 researchers observed a generally counter-clockwise circulation in the upper 150 meters of the water circulation system through Prince William Sound. Below that depth a weaker clockwise spin was observed. Analysis indicated that water entering through Hinchinbrook Entrance was cooled and diluted as it passed through the sound, and that circulation was weaker in the northern and northwestern regions. The plankton bloom (a period of rapid population increase) was approximately 15 days than in 1993. Researchers said most of this difference can be accounted for by cooler springtime temperatures in 1994.

Scientists at the Prince William Sound Science Center and the University of Alaska Fairbanks continue to analyze the data collected in 1994 and translate their findings into practical strategies for managing these important fishery resources. SEA scientists will investigate further in 1995 who eats whom in the surface waters of the sound, and how the survival of larval pink salmon and herring is affected by physical different biological conditions.



Jim Murphy hauls in a CTD (current/temperature/depth) recorder while Dr. Ted Cooney looks on. The SEA program surveys collected nearly 1,000 CTD measurements during the 1994 field season. Photo by Robert Spies.

The Restoration Update is published by the Exxon Valdez Oil Spill Trustee Council approximately six times a year. Its purpose is to update interested members of the public about actions, policies and plans of the Trustee Council to restore resources and services injured by the Exxon Valdez oil spill.

For more information, mailing address correction or to request future articles on specific subjects, please contact:

Executive Director • Molly McCammon

Director of Operations • Eric Myers

Editor • L.J. Evans

Exxon Valdez Oil Spill Trustee Council, 645 G Street, Suite 401, Anchorage, Alaska 99501-3451
Telephone: 907/278-8012, Toll free within Alaska at 800-478-7745, Toll- free outside Alaska at 800-278-7745 FAX: 907/276-7178



Chenega resident Pete Selanoff, Jr. picks up oiled mussels for transfer to another part of the beach. Chenega residents worked with Alaska Department of Environmental Conservation and National Marine Fisheries Service staff to clean up twelve mussel beds in 1994. Photo by L.J. Evans.

Restoration Workshop Continued from Page 2

allow natural recovery of the injured resource to take place.

Salmon Habitat Improvement During 1994, salmon habitat restoration and enhancement work was undertaken at four locations in Prince William Sound, one in lower Cook Inlet, and one on Afognak Island. The project was the result of a three-year survey of the spill area to identify appropriate, cost-effective instream habitat restoration and enhancement techniques and candidate locations. Workers at the six sites improved fish habitat and rehabilitated streams affected by environmental and human-induced factors, constructed fish passes, and repaired a waterfall bypass originally constructed in 1962.

Coghill Lake Sockeye At Coghill Lake in northwestern Prince William Sound, Trustee Councilfunded work has been underway to increase production of an already-present but declining sockeye salmon run as a replacement fishery for sport and

commercial harvests affected by the spill. Fertilizers are being added to the lake to encourage growth of plankton consumed by sockeye smolts. The availability of food in rearing lakes determines the growth and size of smolts that migrate to sea. Smolt size is an important factor contributing to ocean survival and subsequent adult returns. Over time, as the sockeye run increases, the sockeye will fertilize the lake themselves through the decomposition of spawned out carcasses.

The 1995 season will be the third of a five year fertilization plan for Coghill Lake. Sockeye fry were also added to the lake in 1994. Plankton production was significantly increased in 1993, but in 1994 results were less conclusive. Monitoring of results will continue to determine the project's success.

Chenega Chinook Release In 1994 the Trustee Council approved a local salmon run to be established at Crab Bay, as proposed by the residents of Chenega, to develop an alternate food source to replace subsistence resources injured by the oil spill. Last year, 50,000 Chinook smolts were barged by the Prince William Sound Aquaculture Corporation from the Esther Island hatchery to be reared for two weeks in net pens at Crab Bay by Chenega residents. The Aquaculture Corporation has donated egg-take and hatchery rearing for this project.

After only four days at the netpen stage, 200 fish died from a disease which is not contagious to stocks. The Alaska Department of Fish and Game State Pathologist recommended that the fish be released early to avoid congestion and increased disease transmission among the penned smolts. Since the fish were released after only four days, it is uncertain whether they imprinted sufficiently to return to the area. Salmon returns will be monitored to evaluate the effectiveness of this project. Additional chinook fry will be released in 1995 as part of this ongoing project.

Bird Predator Removal Prior to 1930, foxes were introduced to most of the islands southwestern Alaska for fur farming. These predators reduced populations of native birds, including black oystercatchers, common murres and pigeon guillemots. Since removal of the artificially-introduced predators would allow remnant populations of birds to increase or recolonize, the Trustee Council approved a project in 1994 to eliminate foxes on two islands near the western edge of the oil spill region.

The U.S. Fish and Wildlife Service has documented in the past that these types of predator removal projects are very effective in increasing bird populations. An increase of seabird populations in the Gulf of Alaska will make it more likely that birds can

repopulate areas that experienced the greatest spill impacts.

Fish and Wildlife Service workers removed 39 foxes from Simeonof and Chernabura Islands. Follow-up surveys in 1995 will assess bird population changes and verify that all foxes have been removed.

Marine Mammals

Harbor Seals Researchers working in Prince William Sound detected no signs of harbor seal recovery in 1994, either from spill-related effects or the area-wide decline which began prior to the spill.

Previous work has suggested that disease is not the cause of the ongoing decline, and reproduction rates appear to be normal. However, as in each of the years since the spill, surveyors in 1994 found approximately 40 percent fewer seals in the oiled areas of the sound than counted during a similar survey conducted the year before the spill.

Current hypotheses suggest that factors contributing to the harbor seal decline could include decreases in food availability, predation by killer whales or harvest by subsistence hunters. Projects are underway for 1995 which will examine the availability and abundance of the forage fish that harbor seals rely upon for food, gauge recovery of killer whales and investigate whale predation upon seals, and work with subsistence hunters who voluntarily want to manage their harvest patterns to aid in the recovery of harbor seals.

Sea Otters

Surveys of sea otters in Prince William Sound conducted in 1992 through 1994 suggest that population numbers remain low and that recovery of sea otters in oiled areas has not yet occurred. Continued monitoring of sea otters will be carried out as part of the Nearshore Ecosystem project (see Nearshore studies below).

Seabirds and Forage Fish

Populations of several fish-eating bird and mammal species have declined in Prince William Sound over the last 20 years, while species which depend on other food sources such as clams have not declined. Some forage fish, such as herring and juvenile salmon, are known to have been injured by the spill. Scientists say that changes in forage fish abundance or distribution may be constraining recovery of resources such as common murres, harbor seals, harlequin ducks, marbled murrelets and salmon. The Trustees funded a forage fish pilot study in 1994 to test techniques and collect data to aid in designing sampling methods for subsequent years.

Seabird surveys were conducted from boats at the same time hydroacoustic equipment on

board assessed the presence of fish schooling underwater. Researchers noted that seabirds were often observed near dense schools of forage fish close to the water's surface, and that forage fish were found distributed in patches around seabird colonies. In future years the project will integrate seabird and forage fish research to determine if enough suitable food is available for these species.

Nearshore Ecosystem

The nearshore ecosystem includes the community of plants and animals that inhabit the relatively shallow water of shoreline areas. Much of the oil spilled by the Exxon Valdez ended up in this area, and the nearshore ecosystem suffered further disturbance as a result of cleanup activities.

Continued on Page 9

Archaeologist Mary Irving begins removal of the top layers at an archaeological site between Seward and Whittier. The site was studied and stabilized as part of a Trustee Council project to restore and protect archaeological sites injured because of the oil spill. Photo by Linda Yarborough, USFS.





Invitation for 1996 Work Projects Combined with Long-Term Plan

Do you have a Restoration Project you think the Trustee Council should consider? If so, the best time for you to make your suggestion is between now and May 1.

On March 24, the Trustee Council published an *Invitation to Submit Restoration Projects for Federal Fiscal Year 1996*. The *Invitation* provides the guidelines necessary for private contractors, agencies, universities, communities, and other interest groups to suggest restoration projects for 1996. Proposals are due May 1. The 1996 federal fiscal year begins October 1, 1995, and ends September 30, 1996.

Projects received before May 1 will be reviewed by the Trustee Council's scientific advisors, the Public Advisory Group, and trustee agency staff. Those recommended for funding will be published in late June in the Draft 1996 Work Plan. The Trustee Council plans to decide upon the final 1996 Work Plan at the end of August 1995.

If you would like to submit a project for evaluation, please contact the Restoration Office for a copy of the Invitation. Use the guidelines in the invitation to submit your project to the Trustee Council before May 1.

If you have questions about how to write a proposal, or how they will be evaluated, come to a meeting on Tuesday, April 18, 1995, at 2:30 pm, at the Restoration Office, 645 G Street in Anchorage. If you are not in Anchorage and would like to participate by teleconference, please call Rebecca Williams at 907/278-8012, toll-free within Alaska at 800-478-7745, or toll-free outside Alaska at 800-283-7745, by April 17. However, please call at any time if you have questions.

A Vision for the Future: *The Draft Restoration Program*

In January, more than 130 scientists, staff, and members of the public came together in Anchorage to review restoration activities over the past year, and develop a vision of the future — a forecast of work plan projects needed in the coming years to accomplish restoration objectives.

This vision is described in the Draft Restoration Program: 1996 and Beyond which is published as a part of the Invitation. For each injured resource and service, the document describes projects likely to be proposed for restoration including an estimate of the cost, what the project will accomplish, and when it will be finished. Collectively, the information provides a view of priorities for the work program for next year, and beyond.

"This is the first time we have had a long range view of our projected needs, "said Executive Director Molly McCammon." With this information, we can realistically assess restoration needs, and put together a financially sustainable restoration program to make the best use of available funding."

The Draft Restoration Program is a starting point for this year's funding decisions by the Trustee Council. It has not yet been adopted by the Trustee Council, and is being distributed to the public for review and comment

The Draft Restoration Program: 1996 and Beyond or a shorter summary of the document is available by calling the Restoration Office. Comments are due by May 1 in order to be incorporated into the final decision process.

Public Meetings Taking Place in April

Trustee Council staff will be conducting meetings in the spill region during April to update the public on the status of restoration, what the Council has learned about recovery in the last year, and what the future holds for restoration activities. The team visiting each community will include the Chief Scientist or an expert working on a project particularly relevant to the area.

Public meetings are being scheduled in the following communities: Cordova, Homer, Valdez, Seldovia, Kodiak, Kenai, Tatitlek, Chenega, Port Graham and Seward. The dates and times of the meetings will be announced in local newspapers and other public media.

Please call the Trustee Council office at 907/278-8012 or the Oil Spill Public Information Center at 907/278-8008, toll free within Alaska at 1-800-478-7745 for additional information.



Update: small parcel habitat protection Trustees seek public comment

The Trustee Council recently gave the green light for further consideration of protecting 22 small parcels important to the restoration of injured resources and services. Evaluations of these parcels were included in the *Comprehensive Habitat*

Protection Process: Small Parcel Evaluation & Ranking reviewed at the Council's February 13 meeting.

Sixteen of the parcels were ranked as having "high" or "moderate" value to the restoration of injured resources and services, and an additional five tracts were designated "Parcels that Merit Special Consideration" because they contain unique or other outstanding resource, service or management values.

The evaluation included a review of small parcel nominations of less than 1,000 acres received during a public solicitation period in the summer of 1994. At the February 13 meeting, the Trustees authorized Executive Director Molly McCammon to oversee preliminary negotiations for acquisition and protection of the 22 parcels as part of the Council's overall program to protect habitat

important to the recovery of resources or services injured by the oil spill.

In addition, the Trustees gave agencies and the public until March 31, 1995 to nominate additional small parcels for consideration. Parcels nominated in this supplementary process must receive agency sponsorship before they are evaluated.

Public comment is now being sought on these parcels. Based on public comment and further analysis, McCammon will present an initial recommendation to the Trustees by June 15, 1995 regarding those small parcels that should be protected using joint settlement funds.

Copies of the Comprehensive Habitat Protection Process: Small Parcel Evaluation & Ranking Vol. III, which summarizes the small parcel evaluation process and provides information on the parcels under consideration, or the parcel nomination packet are available by contacting the Trustee Council office or the Oil Spill Public Information Center. All written comments should be sent to EVOS Trustee Council, 645 G Street, Suite 401, Anchorage, AK 99501.

Small Parcels Under Consideration

Parcel #	Parcel Name	Acres
PWS 5	Valdez Duck Flats	30
KEN 10	Kobylarz Subdivision	20
KEN 12	Baycrest	90
PWS 17	and the state of t	172
KEN 19		
KAP 22	The Triplets	, 70
KEN 29	Tulin Parcel	
KEN 34	##CDV 1.32.300 F.	
PWS 52	Valdez, Hayward	10
KEN 54		
KEN 55		97
KAP 105	Three Saints Bay	48
KAP 130		
KAP 142		
KAP 145	Three Saints Bay Termination Point	1,028
KEN 148		
KEN 149		157
KAP 150		
1/15	Ayakulik River Mouth	
KAP 226	Karluk River Lagoon	22
KEN 1001	Deep Creek Parcel	91
	Stephanka Tract	803

Burden and Rue Join Trustee Council

Governor Tony Knowles have resulted in changes in two Trustee Council members — the representatives for the Alaska Departments

of Fish and Game and Environmental Conservation.

As the new Commissioner of the Department of Fish and Game, Frank Rue is already familiar with the issues reg a r d i n g restoration. He was appointed director of the Habitat Division in the Department of

Fish and Game in 1988, and played an active role in response to the Exxon Valdez spill in 1989. Under his direction Habitat staff collected critical information about the effects of the oil on resources in the spill's path and monitored cleanup operations.

The Oil Spill Impact Assessment and Restoration office was com-

bined with the Habitat Division in 1993, making Rue also the director of Fish and Game's restora-

tion activities.

G e n e Burden came to the post of Commissioner of the Alaska Department of Environmental Conservation after serving ten years in several posts at

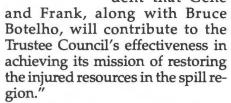
Tesoro Alaska Petroleum Company. He is familiar with the risks

associated with oil spills, the importance of prevention and being prepared to respond if one should occur, and the issues involved in restoration. While he was working for Tesoro, the company responded to a 750,000

gallon underground oil spill at the Nikiski refinery on the Kenai Peninsula

> Governor Knowles praised both officials in their roles on the Trustee Council.

"Using the settlement funds wisely to assist restoration and recovery will benefit all Alaskans," Knowles said. "I'm confident that Gene



Gene Burden

Since Governor Knowles retained Bruce Botelho as Attorney General, he will continue as the third State of Alaska Trustee Council member.



Frank Rue

New Public Advisory Group to Meet

A new slate of members in the Trustee Council's Public Advisory Group has been selected and will hold its first meeting in Anchorage on March 23 and 24.

Representatives on the Public Advisory Group volunteer their time to advise the Trustees on issues of concern to the interest groups and communities they represent. They meet approximately four times a year and provide an additional avenue for public involvement in the restoration process.

The public advisory group members selected for the 1994 – 1996 term are listed to the right.

Public Advisory Group - 1995 - 1997 Term

Member	Principal Interest
Rupert Andrews	Sport Hunting & Fishing
Chris Beck	Public at Large
Karl Becker	Forest Products
Pamela Brodie	Environmental
Dave Cobb	Local Government
Chip Dennerlien	Conservation
James Diehl	
John French	Science/Academic
James King	Public at Large
Nancy Lethcoe	Commercial Tourism
Vern McCorkle	Public at Large
Brenda Schwantes	
Thea Thomas	Commercial Fishing
Charles Totemoff	
Martha Vlasoff	Public at Large
Gordon Zerbetz	Public at Large

Ex-Officio Members

Alaska State Senator Georgianna Lincoln Alaska State Representative Alan Austerman

Restoration Workshop

Continued from Page 5

Oiling Conditions

Residual subsurface oil lingers in patches on beaches within the spill region. At some locations the oil continues to cause contamination problems, especially in mussel beds. In 1994, assessment teams removed 38 tons of oiled sediment from beneath 12 oiled mussel beds in Prince William Sound, resulting in a 95 percent reduction of oil at those sites.

A 1995 project will conduct a final survey of oiled shorelines of concern to community residents in the Kodiak region.

Intertidal plants and invertebrates The key to recovery in the upper intertidal zone appears to be reestablishment of the brown seaweed Fucus. A canopy of large leaves of adult plant needs to become re-established to provide shelter for young plants, snails, limpets and other invertebrates.

Fucus is a slow-growing plant which spreads outward from adult plants, regaining ground in crevices which retain moisture. Studies to determine the best restoration strategy for these intertidal communities will continue in 1995.

Harlequin ducks

Harlequin ducks still do not appear to be reproducing in significant numbers in the heavily oiled western half of Prince William Sound. Several years of studies have not yet allowed scientists to rule out oil exposure as an underlying cause of this decline, rather than some natural geographic differences between the western and eastern sides of the sound.

An integrated package of nearshore research projects has been developed and reviewed, and will be available for Trustee Council action at its meeting scheduled for March 31. Nearshore resources to be studied

Wallace
Moonin of
Port
Graham
cuts a
salmon to
dry as part
of his
traditional
subsistence
practices.
Photo by Ron
Stanek, ADF&G.



include sea otters, river otters, harlequin ducks, pigeon guillemots, black oystercatchers, mussels, clams, and other intertidal and subtidal organisms. More extensive discussion of 1994 findings on some of these resources is included in the 1995 Annual Status Report.

Subsistence Resources

Residents of some communities in the spill region continue to have concerns about the safety of their subsistence food resources. A 1994 project analyzed samples of subsistence resources from harvest areas used by communities in Prince William Sound, the Gulf of Alaska and Kodiak, and reported the test findings back to the communities. Tests conducted on shellfish, finfish and harbor seals all found hydrocarbon levels so low as to be within the margin of error for the tests.

In many cases the injured resources aided by other restoration projects are the same species, such as pink salmon, traditionally used as subsistence resources. The Trustee Council is supporting projects in 1995 to implement additional community outreach and involvement in the restoration program, enhance and replace subsistence resources, and survey oiled shorelines of concern to communities in the Kodiak

region and near Chenega Bay.

Cultural Resources

During 1994, archaeologists monitored sites on the Kodiak and Katmai coasts, the outer Kenai coast, Kachemak Bay, and Prince William Sound. These archaeological sites were injured as a result of the spill, either directly, by oiling, or from cleanup activities or increased vandalism. Surveyors in 1994 did not find any new evidence of vandalism, but natural erosion continues to be a problem at some sites.

At two sites in Prince William Sound, archaeological excavations recovered data about early residents of the area. Evidence of house posts and the remains of tools were discovered at one site between Seward and Whittier, and layers of volcanic ash from eruptions 300 and 2,000 years ago were found. Information recovered from these sites will provide significant insights into the early residents of the sound.

Additional Information

For more information, contact the Oil Spill Public Information Center at 645 G Street, Anchorage, AK 99501, or call 907/278-8008, toll-free within Alaska at 1-800-478-7745, outside Alaska at 1-800-283-7745, or call the Trustee Council offices at 907/278-8012.

Trustee Council Meeting

The next meeting of the Trustee Council is scheduled to take place on Friday, March 31, from 2:00 -4:00 pm, at 645 G Street in Anchorage. The agenda will include review of the Nearshore Ecosystem and Forage Fish integrated restoration projects. The meeting will be available by teleconference at Legislative Information Offices in the spill area.

For more information or to obtain a copy of the agenda, contact the Oil Spill Public Information Center at 907/278-8008, toll-free within Alaska at 1-800-478-7745.

New Documents, Marine Ecosystem Poster Available

The 1995 Annual Status Report will be available in early April. The report summarizes the main elements of the Trustee Council's program in 1994, including the outcome of restoration activities and findings from research and monitoring projects.



The Invitation to Submit 1996 Projects and Draft Restoration Program includes an invitation to submit projects for the 1996 work plan and also presents a draft restoration program for public comment (see page 6).

As part of meeting its public information and education goals, the Trustee Council this winter produced a

full-color poster showing the various components of Alaska marine ecosystems involved in the 1989 *Exxon Valdez* oil spill. Posters are available for \$10 each.

To obtain any of these documents, contact the Oil Spill Public Information Center at 645 G Street, Anchorage, AK 99501-3451, or by calling 907/278-8008, toll-free within Alaska at 1-800-478-7745, outside Alaska at 1-800-283-7745.

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

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Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



March 24, 1995

Stan Stanley
Executive Director
Prince William Sound Regional
Citizens' Advisory Council
750 West 2nd Avenue Suite 100
Anchorage, Alaska 99501-2168

Dear Mr. Stanley:

The Exxon Valdez Oil Spill Trustee Council is in the process of developing a long-range plan for our restoration program. With six years of payments from Exxon Corporation remaining under the terms of the settlement between Exxon and the federal and state governments, the Trustee Council has asked staff to put out for public review the anticipated research, monitoring, and restoration needs for the years ahead. In addition, we are reaching out to other research efforts within the state in order to ensure better coordination, avoid duplication, and maximize the potential results of available research dollars.

I would like to request the assistance of RCAC on one item and offer assistance on another. First, I am enclosing a draft of our FY96 Invitation and Draft Long-Range Plan. I invite your organization to review and comment on this document. Secondly, I would like to offer the participation of our science staff on your Scientific Advisory Committee. Beginning in late March, we will have a new staff member in Anchorage - Mr. Stan Senner, who will serve as Science Coordinator, working closely with Dr. Robert Spies, the Chief Scientist for the Trustee Council. If you believe it would be useful to have Mr. Senner and Dr. Spies participate in the activities of your Scientific Advisory Committee, please let me know. I believe it is very important that organizations such as ours work closely wherever our missions may overlap.

If we can provide you with any other assistance, or if you have any questions about our program, please don't hesitate to contact us.

Sincerely.

Molly McCarnmon Executive Director

Enclosures: FY Work Plan and the FY96 Invitation and Draft Long-Range Plan mm/rew

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Ernie Piper/DEC

FROM:

Molly McCammon

Executive Director

DATE:

March 24, 1995

RE:

Authorization -- Project 95027/Kodiak Archipelago Shoreline Assessment:

Monitoring Surface and Subsurface Oil

The purpose of this memorandum is to formally approve work to proceed on Project 95027/Kodiak Archipelago Shoreline Assessment: Monitoring Surface and Subsurface Oil as described in the Detailed Project Description, and the changes to the DPD and budget outlined in the March 13, 1995 memorandum to the Chief Scientist from Ron Bruyere.

Based on the Chief Scientist's concerns about the scope of a 50-beach survey, I believe your 33-beach proposal is a more appropriate project scope. In addition, I have been assured by the project leaders that they will reevaluate the location and number of beach segments following community visits and agency review, and report their recommendation to me.

Attachments

cc:

Bob Spies

Traci Cramer Bob Loeffler Ron Bruyere

RONMENTAL CONSERVATION

Memorandum

To:

Bob Spies

Copy:

Molly McCammon, Ernie Piper, Bob Loeffler

From:

Ron Bruyere, Dianne Munson Rom Dim

Date:

March 13, 1995

Subject:

Changes to 95027 DPD

Per our meeting of February 9, 1995, you requested a memo to your office regarding the changes in the Detailed Project Description for the Kodiak Shoreline Assessment with the attached following items:

- The changes to the objectives which were redrafted by Bob Loeffler 1)
- 2) Modifications to the budget, see attached copy of the budget with handwritten changes. We will stay within the revised budget, however and as in the past all unused funds will be returned.
- 3) A copy of the National Marine Fisheries Auke Bay Laboratory memo, stating that the samples collected from the field season in summer 1995 would receive high priority for processing and therefore would be completed in the timely fashion requested by you. I have also had reaffirmation conversations with Stanley Rice regarding the same issue.

Also as a part of the meeting was that we would coordinate with Rita Miraglia and Jim Fall regarding meetings on Kodiak Island so that cost savings could be realized and that efforts would not be duplicated as far as meetings go. Contact has been made with them and we are working at making this happen. At this point the meetings will occur between March 27 and April 19. Rita and Jim are waiting for a response from the villages as to whether the meetings should occur in a centralized site versus going to the villages. Rita and Jim also must go to the Alaskan Peninsula. These meetings will provide local community's input on selection of sites for the assessment.

Ernie Piper is going to negotiate for the geomorphologist's position and is confident that it will be within the constraints of the budget.

If there is no further information needed, this memo therefore completes the concerns raised by peer review of the Detailed Project description for project 95027, Kodiak Archipeligo Shoreline Assessment.

Attachment 1

3. Objectives

- a. Create a common understanding that does not now exist among the Trustees, local residents, subsistence and recreational users groups, scientists, and the general public about the presence or absence of *Exxon Valdez* oil in the Kodiak Area. The project should take special concern and focus on areas of community concern with respect to the presence or absence of the oil.
- b. Achieve the above objective in such a way that the project provides current information about the presence or absence of oil that is useful for all injured resources and services; that is, the project will update the 1991 information base necessary for other research and restoration in the Kodiak area.
- c. Where (and if) surface and subsurface oil is found, the project will locate "hot spots" where continued monitoring, and possible treatment, is necessary. Where oil is found, analysis will be done to determine toxicity and origin of the oil. Where oil is not found or found only in trace amounts, the project will end the need for continued shoreline assessments. Thus, this project may be the last comprehensive shoreline for this area.
- d. Maintain (and possibly end) the record of the extent, concentration and degradation of surface and subsurface oil from the 1989 Exxon Valdez oil spill in these areas.

npelied

SCIENCES

March 20, 1995

Molly McCammon Executive Director Exxon Valdez Oil Spill Trustee Council 645 G Street, Suite 401 Anchorage, Alaska 99501

Dear Molly,

I have now completed the review process for the project "Kodiak Shoreline Assessment: Monitoring surface and subsurface oil" (95027). My original review (see letter of January 28, 1995 to Mark Broderson) had suggested a number of changes to the project, both technical and budgetary. This letter considers the proposers response as outlined in the memo of March 13, 1995 from Mr. Ron Bruyere to me. Please consider the following four main points that were the subject of my earlier memo:

- 1. My original review found that the size of the project was not in proportion to the main purpose as originally stated, i.e., to address the concerns of local residents about oil remaining on their beaches. A scientific survey of 50 beaches was proposed, much as had been done in 1991. As we had originally discussed this was more than was necessary to satisfy local residents. In their resubmission the proposers have not modified the size of their surveys to focus on this narrower purpose, but have elected to remain with a more comprehensive approach. Thus, as proposed, the project in my opinion goes beyond the need to only address the concerns of the local residents about oil remaining on their beaches. It is a broader study of oil persistence under differing geomorphological conditions. There is some scientific value to the broader survey, so I am not entirely opposed to it. However, even if there is some scientific value to this broader approach I am not convinced that such value exceeds the values of other scientific projects that the Trustee Council is proposing. In my judgment, based solely on scientific merit, some of these funds could more profitably be spent elsewhere.
- 2. I had also expressed a concern in my earlier memo about the time it takes to analyze for petroleum hydrocarbons. I have now received assurances that this time will not exceed 90 days. I would have liked a strict assurance of 60 days, but I think that 90 will be workable.
- 3. The proposers have assured me that the geomorphologist's contract will probably not exceed the cost quoted earlier, approximately \$25K.
- 4. There are no further written assurances of local hire, but I leave it up to you to determine if this project meets your policy objectives in this area.

5. Finally, the budget has been reduced approximately \$66K due to changes in the contractual, commodities, equipment areas of the budget. I believe that these changes are not as extensive as you had requested.

Sincerely yours,

Robert B. Spies Chief Scientist

CC: R. Loeffler R. Bruyere

- MEMORANDUM

State of Alaska

DEPARTMENT OF ENVIRONMENTAL CONSERVATION EXXON VALDEZ OIL SPILL RESTORATION OFFICE

TO- Molly McCammon, Bob Spies

DATE: February 9, 1995

FROM

Bob Loeffler, David Bruce,

TELE: 278-8012

who of the

Ron Bruyere, Dianne Munson

FAX: 276-7178

SUBJECT

Notes from 2/9 meeting on Peer Review Comments; Project 95027

Thank you all for your time this morning. These notes reflect the conclusions from the our productive 2/9 teleconference meeting concerning peer review comments on Project 95027, Kodiak Shoreline Assessment. Please review them and let me know if there are any errors. If we do not hear of any errors by Wednesday, February 15th, we will continue work consistent with these notes.

Notes

- 1. Purpose of Project. The objectives of the project will be rewritten to emphasize doing the project for local concerns, but to do it in such a way that it satisfies the secondary objective of a scientifically comparison with previous surveys. (For wording on the secondary, a good place to start in the peer-reviewer's comment on page 2. It is the 3rd paragraph that reads, "A third goal is to document the areas extent of oil residues in the Kodiak region, to repeat the systematic shoreline surveys conducted in 1989, 1990, and 1991 as part of the SCAT and MAYSAP surveys. The proposed 1995 survey would most likely be the last, providing information on natural rates of removal (degradation) for specific types of stranded oil and shoreline habitats.)"
- 2. Number of Sites Surveyed (Bob Spies Cmnt #1). Start with the approximately 31 sites that are 1s and 1-2s in Dianne and Ron's sheet. Reevaluate the location and number after public review/input that will occur in March as part of the Ron/Diane go with Rita/Jim trip.
- 3. Auke Bay Analysis (Bob Spies Cmnt #2). Need to resolve the issue of whether NOAA can do the work (cost and time schedule), or whether it goes to RFP in discussion with NOAA.
- 4. Geomorphologist Contract (Bob Spies Cmnt #3). Geomorph, is expected for \$25,000 indicated. Thus, no changes expected.
- 5. Local Participation (Bob Spies Cmnt #4). Current DPD reflects use of local employment. Thus DPD agrees with Bob's comment. No Changes expected. However, methods section of DPD is generic with respect to coordination with other projects. Specifically, 95027 will coordinate with ADF&G subsistence planning project & Rita/Jim's travel to Kodiak.

- 6. Survival Suits/Portable Computer (Bob Spies Cmnt #5). Agreed that budget will reflect change. Also see discussion of budget info, below.
- 7. Toxicity/Weathering Scale. (Peer Review Comment, 1st full paragraph on Page 2). "Toxicity" referenced in the BPD is meant to be the components of the oil (i.e., weathering), not the effect of the oil on, say, the food chain. The measurement and communication of weathering/residual oil components should be done simply, both to decrease costs and to simplify communication of the results. Project will use something like the peer reviewer's recommended "four weathering stages".
- 8. Don't Record Selected Biological Info (Peer Reviewer Cmnt, ¶1, pg 3). As recommended, agreed not to record the info.
- 9. Budget. There was discussion of a variety of budget details, such as the Risk Management costs, etc. DEC will prepare a revised budget which is expected to revise the entire FY 95 cost to approximately \$350K (including NOAA).

What Happens Next

- 1. DEC will submit a revised budget and memo that amends the DPD with the recommendations of the meeting recorded in these notes (including changes to these notes, if they aren't accurate). Bob Spies/Molly will review the memo/budget to ensure that budget memo appropriately reflects the agreements from the meeting.
- 2. DEC, NOAA, Molly, and Bob need to meet to finish discussion with respect to NOAA's lab analysis (See Notes #3).
- 3. Number and location of sites will be reevaluated after public review/input.

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



MEMORANDUM

TO:

Joe Sullivan/ADFG

FROM:

Molly McCammon

Executive Director

DATE:

March 23, 1995

RE:

Authorization -- Project 95279/Food Safety Testing

The purpose of this memorandum is to formally approve work to proceed on Project 95279/Food Safety Testing, as described in the Detailed Project Description and consistent with the review of the Chief Scientist (see attached). This authorization is conditioned on the communication aspects of this project being coordinated through the Anchorage Restoration Office, as was agreed with the project leader.

How best to coordinate the communication of the Subsistence Division and the Trustee Council with spill-area communities has been the subject of ongoing discussions between my office and the project leader. My goal is to coordinate our message and to achieve cost efficiencies over the long term. Toward this end, the Brief Project Description used by the Trustee Council in authorizing this project called for producing "the final two issues" of the Subsistence Restoration Newsletter during 1995. I note that the Detailed Project Description calls for four issues of the newsletter in 1995.

It is still my intent that the Subsistence Restoration Newsletter be phased out in FY 95, whether two or four newsletters are issued. In FY 96, the community outreach portion of this project will be rolled into the successor to Project 95052. I would like to invite Rita Miraglia to work with L.J. Evans of my staff to ensure that the transition to a single Trustee Council newsletter is smooth and effective.

Attachment

cc:

Bob Spies

Traci Cramer Dean Hughes Rita Miraglia

March 21, 1995



Dr. Dean Hughes Assistant Fisheries Program Manager Alaska Department of Fish and Game 333 Raspberrry Road Anchorage, Alaska 99518-1599

Dear Dr. Hughes,

I recently received a letter from Rita Miraglia addressing concerns that I had raised in my letter of February 17, 1995 after initial review of her project "Subsistence restoration project: Resource abnormality study" (95279). I make the following points in response:

- 1. I only raised the point about the uncertain link between the oil spill and abnormalities in marine organisms so that the ADF&G personnel would not inadvertently mislead others as to what is and is not known about the effects of crude oil. Hopefully this will be kept in mind throughout this project.
- 2. I will refer the budget for this project to Traci Cramer for further review along with my original concerns. I do not intend to withhold my recommendation based any such remaining concerns.
- 3. Let me clarify my comparisons of the cost of this project with what I believe that it would cost my firm to do the work. This did not constitute an offer to have Applied Marine Sciences do this work; I was merely making an educated guess based on my experiences in my own firm that the cost seemed high in relation to the technical scope of work. I was also offering to give a lecture on techniques of dissecting and preserving abnormal organisms at no cost to the project. Neither did this constitute an offer to have AMS do the work rather than have it bid. We would not carry out this project for ADF&G because it would probably be an conflict of interest for our firm.
- 4. I still believe that there are probably too many newsletters to area residents, but I refer this concern to the Executive Director for further consideration.

With further consideration of the above points I am now recommending that the Executive Director fund this project as proposed.

Sincerely yours,

Robert B. Spies Chief Scientist

CC: M. McCammon

S. Schubert

T. Cramer

R, Miraglia

DEPARTMENT OF FISH AND GAME

DIVISION OF SUBSISTENCE

March 7, 1995

333 RASPBERRY ROAD ANCHORAGE, ALASKA 99518-1599 PHONE: (907) 267-2353 FAX: (907) 349-4712

DECEIVED

Dr. Robert Spies, Chief Scientist Applied Marine Sciences 2155 Las Positas Court, Suite S Livermore, CA 94550

Dear Dr. Spies:

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

Thank you for your comments on the detailed project description for restoration project number 95279 titled, "Subsistence Restoration Project: Resource Abnormality Study". I will attempt to answer your questions in the order you raised them.

1. "Crude oil does not cause physical deformities..."

It is not our contention that abnormalities have been caused by the oil spil; such a conclusion is outside our area of expertise. Rather, we contend that the oil spill has caused subsistence users to more closely examine the animals they harvest. As a result, people are noticing and reporting abnormalities they may not have been concerned about before the spill. The intent of the project is not to catalog abnormalities caused by oil contamination. Instead, it is meant to help subsistence users deal with the increased anxiety caused by the oil spill. The main goal of the project is to help people understand the possible causes and possible human health implications of the abnormalities they are seeing. As you have pointed out, crude oil may be weakly carcinogenic, and we also know that, while it may not be an appetizing prospect, eating a tumor will not cause a person to contract cancer. In most cases, the abnormalities seen, will not be linked to the oil spill, or to health risks for the consumer. In large part, the project is about empowerment. It is about giving people the opportunity to have their specific questions about a particular animal answered by a specialist. I do not think we have misrepresented this, either to the communities, or to the Trustees. At the same time, a number of researchers, upon hearing about abnormalities observed by subsistence users, have expressed interest in obtaining samples. Because subsistence users have more day to day contact with resource species than most researchers do, there is a greater likelihood they will encounter abnormalities.

2. Budgetary Concerns

In September and October 1994, all of the restoration projects proposed by the Division of Subsistence were reviewed by Molly McCammon, then Director of Operations. The Divisions restoration program was condensed, with a corresponding reduction in budget. The present project budget reflects the revisions approved by Molly, and passed by the Trustee Council.

You should note, that the bulk of the \$180.6 K overall project budget was for finishing up the sample collection and hydrocarbon testing which was supposed to take place as part of 94279. For various reasons, tasks proposed and approved as part of the 1994 project had not been completed by September 30, 1994. The money which had been set aside for these tasks lapsed and had to be re-approved as part of the 1995 interim budget. The actual cost of the abnormalities study is \$65.4 K in 1995. This represents the \$40 K contract, 2.6 months of subsistence resource specialist time to coordinate the project (including recruiting researchers willing to look at samples), and support for the program manager's staff in the Division of Habitat and Restoration.

It is anticipated that most of the cost and effort involved in the abnormalities study will be in the initial set up of the project. In subsequent years, there should only be minor costs to replace supplies as needed and to pay for shipping of samples. Starting in 1996, it is anticipated these costs will be subsumed under another project, possibly "Community Interaction/Traditional Knowledge" (052). However, in 1995, 279 will require considerable effort to organize. Most of this work will be substantially different from that to be done under 95052. To combine the two projects in 1995 would not result in any cost savings.

a) alternative suggestions

In most cases, community health aides are already overworked, and are not likely to be receptive to adding subsistence food testing to their duties. According to Chugachmuit, the not-for-profit corporation for Prince William Sound and the lower Kenai Peninsula, the statewide average salary for community health aides is \$35,000 per annum: Supplementing the salaries of up to 21 community health aides at 10%, in addition to paying for their travel to the training session, and purchasing supplies and assembling kits, would clearly cost more than the presently proposed contract.

b) communication of results

As for the question of too many newsletters, I remain perplexed as to why "newsletter" has become a forbidden word. The expressed desire of the Trustee Council is to involve spill region communities as much as possible in the restoration process and to inform local residents of restoration activities and the results of research. The Subsistence Restoration Newsletter (and the Oil Spill Health Task Force Newsletter before it), has informed residents of the oil spill impact area and researchers alike on the results of subsistence food testing conducted as part of restoration (and earlier, response) efforts. It has done so in an effective, and inexpensive manner. Presenting these informal communications as part of a series enhances their effectiveness. People are more likely to read a communication if they recognize it as part of a series that has, in the past, provided them with useful information presented in a clear manner. This newsletter has received praise both from residents of the spill impacted communities, and the scientists whose work is summarized in it. I have yet to have anyone explain to me how the communication of such information can be achieved more effectively or less expensively. It has become evident that the Trustee Council will not be funding newsletters beyond 1995. However, information will still need to be conveyed to the communities. Do you have any suggestions of how this may be achieved without the use of brief written summaries in plain English, accompanied by photos (i.e.: newsletters)?

The newsletters are already being coordinated among all of the subsistence restoration projects. The newsletter mentioned in the project description for 95279 is not anticipated to be a new series, but rather, these would be issues of the existing subsistence newsletter addressing the abnormalities study.

c) the tasks under the contract can be done for less by Applied Marine Sciences

The \$40 K estimated for the contract includes all travel and per-diem for activities carried out under the project. For example, whether the contractor chooses to send an instructor out to each of the communities included in this project or to bring the trainees in to a central location, all of the travel must come out of the bid amount. In addition, the \$40 K is a "not-to-exceed" amount. if contractors bid less and can demonstrate their ability to carry out the project goals for less, the contract will be let for less, and the remaining dollars will go back to the Trustee Council.

It is important that the training for this project be done in a culturally appropriate and effective manner. Research will have to be done into the different types of samples that might be collected. Not all samples are handled, packaged and shipped in the same manner, and there are certain minimum requirements for training in the handling of hazardous materials. In addition, the instructor will be expected to take the time to adequately instruct the trainees and work with them individually to ensure that they understand the protocols. For this reason, it is necessary that the instructor(s) be familiar with cross-cultural communication, Alutiq culture, and preferably have some experience dealing with the specific communities involved in the project.

I find your offer to do this work yourself, as opposed to letting it out for competitive bid confusing. It is my understanding that the Trustee Council wants as much of the restoration work let out for competitive bid as possible. Further, I am surprised that we are being asked to substantially redesign this project at such a late date. This sort of input would be more helpful much earlier in the process.

I hope this letter answers your questions. Please feel free to contact me at (907) 267-2358 if you have any further questions or comments on this or any of the projects the Division of Subsistence is working on.

Sincerely,

Rita A. Miraglia

Oil Spill Coordinator
Division of Subsistence

cc: . M

Molly McCammon Traci Cramer Joe Sullivan Dean Hughes James A. Fall

95279

February 17, 1995



Mr. Dean Hughes Assistant Fisheries Program Manager 333 Raspberry Road Anchorage, Alaska 99518-1599

Dear Dean,

Thank you for the opportunity to review the detailed project description (DPD) for "Subsistence Restoration Project: Resource Abnormality Study" (95279). I have one technical and some budgetary concerns with this project. First, we have an obligation to be completely honest with the native people that have concerns about oil causing abnormalities in natural resources. The scientific literature indicates in general that crude oil does not cause physical deformities, although it may be weakly carcinogenic. Furthermore, the *ad hoc* collection of rarely occurring abnormal animals and analysis of their tissues has a low probability of finding a cause for the abnormalities. So, we do not want to build an expectation that such a program has more than a very small chance of uncovering a trail of evidence that leads back to the oil spill.

Second, in view of the modest objectives of this program the budget appears excessive. I would instead favor a slightly different and less expensive approach where people in existing positions within the native communities, e.g., health aids, be brought to Anchorage for a short training session and that their salaries be supplemented in 1995 only (perhaps up to 10%) if they should collect abnormal animals. Communication with the community on this endeavor could be folded into other subsistence activities (e.g., with those of project 95052). Dissecting and preserving abnormal tissues in formalin is pretty straight forward. I could outline the basics of this myself in an hour lecture with a few hours of preparation. The kits could be assembled for less than several hundred dollars. So I don't understand why a \$40,000 contract is needed for instruction and kit making. My company could easily do this for a fraction of the price. In fact I would be glad to give the lecture(s) myself if the budget is greatly reduced.

The supplementation of existing positions within the community would be consistent with the policy of greater community involvement and more meaningful hire of area residents, although I recognize that to have full time employees that wait for abnormal animals to turn up (if at all) is not efficient or very meaningful involvement. The number of newsletters sent to the community should be kept to the minimum; there would be three newsletters if all those proposed by Fish and Game were funded. Also, In order to be consistent with the brief project description, there should be funding for the final two issues of the newsletter only. Any additional information proposed to be incorporated into the newsletter for this project should be combined with another newsletter. A more modest budget for this whole effort would also, in my opinion, not add to the perception that Trustee Council funds for restoration of subsistence resources are expended on agency personnel.

Please address these concerns in a short memo with a revised budget and I will be pleased to respond as soon as I receive it.

Sincerely yours,

Robert B. Spies Chief Scientist

CC: M. McCammon

S. Schubert

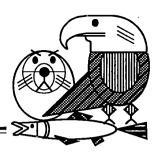
J. Sullivan

R. Miraglia

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451 Phone: (907) 278-8012 Fax: (907) 276-7178



March 22, 1995

Mr. Rick Steiner Mr. David Grimes The Coastal Coalition PO Box 2424 Cordova, Alaska 99574

Dear Mr. Steiner and Mr. Grimes:

This letter responds to your appeal dated March 14, 1995, in regard to efforts by the *Exxon Valdez* Trustee Council to secure habitat protection for restoration purposes on lands owned by the Eyak Corporation in eastern Prince William Sound.

As you know, the Trustee Council-Eyak/Sherstone negotiations have been lengthy. The Trustee Council shares your interest in seeing the lands of eastern PWS safeguarded. This letter is intended to help clarify the record regarding the Council's efforts to secure habitat protection in the spill area to date, and specifically those lands owned by Eyak Corporation.

Habitat Protection/Acquisition as a Part of the Restoration Effort

The Trustee Council is strongly committed to habitat protection. The Restoration Plan specifically identifies Habitat Protection and Acquisition as one of the principal tools of restoration. The other elements of the restoration effort include Monitoring and Research; General Restoration; Public Information/Science Management/Administration; and allocations to the Restoration Reserve for long-term restoration purposes. Together they form the basis of the Trustee Council's comprehensive and balanced approach to restoration. The Restoration Plan was the product of an extensive public process that demonstrated the need and support for each of these elements.

As indicated by the summary of past and estimated future expenditures included in the *Restoration Plan* (Table 1, page 6), habitat protection efforts will by far account for the largest portion of expenditures from the settlement, although not to the exclusion of other important elements of the restoration program as your appeal urges.

Habitat Evaluation Process

Your appeal also suggests that the Trustee Council has been slow to address habitat protection needs. A review of the record shows that this is not the case. To ensure responsible allocation of trust funds consistent with the terms of the settlement, habitat protection efforts have proceeded with a systematic analysis of opportunities for habitat protection throughout the spill area. At the same time, the Council's efforts have, to the extent possible, been responsive to the need to protect habitat threatened with imminent injury.

Almost immediately following the settlement in late 1991, the Trustee Council undertook an "imminent threat" study process to identify those lands in the oil spill area that were imminently threatened with significant habitat degredation. As a result, the Trustee Council approved funds to purchase inholdings in Kachemak Bay State Park² and lands surrounding Seal Bay³ on Afognak Island (lands subsequently designated a State Park by the Alaska Legislature) and initiated negotiations with Eyak.⁴ The Trustee Council continued and completed its comprehensive evaluation of large habitat parcels (> 1,000 acres) potentially available for protection and/or acquisition with the publication of the Comprehensive Habitat Protection Process; Large Parcel Evaluation and Ranking Volumes I and II (November 30, 1993). The evaluation process identified lands with High, Moderate and Low restoration values with specific regard to the injured resources and services identified in the Restoration Plan. On the basis of the comprehensive evaluation — which included more than 850,000 acres of land in the spill area — the Trustee Council moved forward with multiple, geographically balanced negotiations,⁵ focused on those lands identified as having high restoration value. A small parcel (< 1,000 acres) process was also undertaken and the results have recently been published.⁶ Preliminary negotiations with more than 20 small parcel owners are now underway.

In addition to the Kachemak and Seal Bay purchases, important accomplishments include action by the Trustee Council to pursue a number of other large parcel acquisitions throughout the spill area. These include offers to purchase lands involving Afognak Joint Venture (48,728 acres); Akhiok Kaguyak (119,885 acres); Chenega (74,554 acres); Kodiak Island Borough (26,665); Koniag (115,739); Old Harbor (32,100 acres); and Tatitlek

Opportunities for Habitat Protection/Acquisition, prepared by the Exxon Valdez Oil Spill Restoration Team, Habitat Protection Work Group (February 16, 1993).

Trustee Council Resolution dated December 11, 1992.

Trustee Council Resolution dated June 6, 1993.

The Trustee Council also authorized negotiations with English Bay Corporation regarding lands in the vicinity of Port Chatham. These negotiations were terminated when English Bay indicated it was not a willing seller of its lands.

Trustee Council action as part of the FY 94 Work Plan approved January 31, 1994. Attachment B.

⁶ Comprehensive Habitat Protection Process: Small Parcel Evaluation and Ranking Volume III, prepared by the Exxon Valdez Oil Spill Restoration Office, Habitat Work Group (February 13, 1995).

(56,785 acres) as well as Eyak (28,500 acres). Appraisals and negotiations with landowners continue throughout the spill area and are progressing steadily, with some very close to completion.

Trustee Council - Eyak/Sherstone Negotiations

Efforts to negotiate habitat protection on lands owned by Eyak/Sherstone are part of a much larger Trustee Council effort. Nevertheless, the Eyak/Sherstone negotiations have been a top priority. Several key points are essential to understanding the Trustee Council's efforts to secure habitat protection on the Eyak lands:

- It is incumbent upon the Trustees to seek protection of those lands with the highest value to the recovery and restoration of injured resources and services. As documented by the comprehensive Large Parcel evaluation process, the so-called "Other Lands" (Sheep Bay/Port Gravina/Windy Bay) are the Eyak lands with the highest restoration values and are of particular interest to the Trustee Council. The Trustee Council also recognizes that there are certain important restoration values on the "Core Lands" and "Orca Narrows-Orca Revised" lands along Nelson Bay, especially for recreation/tourism and subsistence services, although these lands were generally identified as moderate or low value parcels.
- The Trustee Council has not been successful at reaching agreement with Eyak concerning large-scale protection of its other lands because of fundamentally conflicting land use objectives. Although willing to sell the "Core Lands" in fee, Eyak has chosen to retain wide-ranging and essentially unspecified development rights on the lands along Orca Narrows/Nelson Bay as well as the Other Lands. Development other than commercial timber harvest can jeopardize the very resources and services the Trustee Council is seeking to protect.
- The Trustee Council can only work with willing sellers to protect habitat.
 As owners of the land, the Eyak Corporation has the right to retain development rights on the lands it offers for sale; if Eyak chooses to pursue alternative uses of its lands, it is free to do so.
- The purchase of commercial timber rights-only on significant portions of Eyak's lands is not sufficient to safeguard critical restoration values. On a limited scale, in a specific instance, or as part of a larger comprehensive protection effort, commercial timber rights-only could be adequate for certain areas. However, in most instances, commercial timber rights-only purchases have been deemed insufficient to safeguard many of the critical restoration values the Trustee Council is seeking to protect.

- The Trustee Council's large parcel program is designed to secure restoration benefits from the protection of large tracts of lands with "greater ecological integrity that contain more linked habitats and services." Because Eyak has chosen to retain certain portions and/or development rights on its lands the Trustee Council and Eyak have been unable to reach mutually acceptable terms that will assure restoration of injured resources and services on the high value lands of particular interest to the Trustee Council.
- The Trustee Council lacks funds to purchase all lands from all willing sellers. Limited funds require that the Trustee Council focus its acquisition efforts on those lands with the greatest value to restoration. In the case of Eyak, the Trustee Council has attempted to reach agreement on the purchase of lands that will safeguard high restoration values.
- The Trustee Council continues to negotiate with Eyak in good faith. The Trustee Council remains hopeful that comprehensive habitat protection involving Eyak's lands especially the high value Other Lands can be successfully negotiated.

Response to Perceived Problems and Proposed Solutions

With specific regard to the "Problems and Proposed Solutions" described in your appeal beginning in page 15:

1. You have recommended the Trustee Council appoint a Master to review the Habitat Acquisition and Protection Program and develop a plan to expand and expedite the acquisition and protection of imminently threatened habitat in the oil spill region.

We do not believe such action is necessary or appropriate. The Trustee Council has completed a three-year process to develop the information, policies and public and scientific review that form the foundation for the existing habitat protection program (see above). The Trustee Council has adopted a clear policy for its habitat program of dealing only with willing sellers. All landowners were contacted early in the process, and periodically, contact is renewed to ensure that all willing sellers continue to be identified. The Trustee Council has taken action that has resulted in the protection of approximately 65,000 acres of habitat to date. Also, the Trustee Council has offers pending that would protect another several hundred thousand acres. These efforts are all in various stages of implementation and represent a comprehensive approach to habitat

Working Document, Comprehensive Habitat Protection Process; Large Parcel Evaluation and Ranking Volume I, prepared by the Exxon Valdez Oil Spill Restoration Team, Habitat Protection Work Group (November 30, 1993).

protection that is scientifically sound, geographically diverse, and reflects the priorities of the Trustee Council.

2. You have asked the Trustee Council to accept the Eyak Corporation's December 12 "Concept Change" with additional provisions to limit development rights.

As noted earlier, the Trustee Council attempted to reach agreement with Eyak on the issue of development rights, but was not able to do so within the time constraints the Council was given by Eyak. The Council offered numerous alternatives to deal with the development issue, including one recommended by the Public Advisory Group last summer and expressed its willingness to look at other alternatives. None was acceptable to Eyak, nor did Eyak propose other alternatives. For that reason, the Council offered to purchase a moratorium on commercial timber harvest in the form of a limited conservation easement to provide time to continue further negotiations. That offer also was rejected by Eyak. At this time the Council is focusing on protection of the area within the "viewshed" of Orca Narrows (along Nelson Bay) because of its importance to the community of Cordova and its high value for the restoration of recreation and tourism. The Council remains interested in further Eyak acquisitions. Once again it should be emphasized that the areas of greatest restoration value are those "high" ranked parcels located in Sheep Bay, Port Gravina and Windy Bay.

3. You have asked the Trustee Council to abolish the Restoration Reserve because it is illegal.

We believe establishment of the Restoration Reserve is a prudent action because it sets aside funds to be invested in a manner that will generate higher interest income, yet still provide a great deal of liquidity and flexibility for future restoration needs. The Trustee Council has indicated an intent to add up to \$12 million per year to the Restoration Reserve. The level of funding allocated to the Reserve in any one year will be made only after consideration of the other needs for restoration at that time.

4. You have asked the Trustee Council to commission the National Research Council to conduct an independent review of the Trustees' Science and Monitoring Program, including the NRDA process, which you believe to lack coherence, direction, and a clearly-defined link to Restoration.

This recommendation actually deals with two issues. The first is the Council's annual Research and Monitoring Program; the second is the earlier NRDA process. If you read the *Restoration Plan* adopted by the Council last November, you will find the Council has adopted goals, objectives and strategies for all injured resources and services. The

Restoration Plan was subject to an extensive public review process and an Environmental Impact Statement. Any project approved by the Council must be clearly linked to the restoration goals, objectives and strategies described in the plan. Restoration proposals submitted to the Trustee Council are thoroughly scrutinized by the Council's Chief Scientist and some of the top scientists in the country. Council staff is releasing for public review this week a projection of research and monitoring needs for the next three years.

The second issue is a review of the NRDA process from 1989 through the settlement. Various Council members have discussed during the past year the possibility of commissioning a historical review of the *Exxon Valdez* Oil Spill NRDA process and development of the Trustee Council. Such a review would be conducted both from the perspective of "process" and "science" in order to document the lessons learned in the event of another oil spill. This is especially appropriate given the length of time since the spill and the potential for losing much of our historical knowledge. A question has been raised about whether this is a legally permissible use of settlement funds. An options paper for Council consideration is being developed.

5. You have asked that the Trustee Council visit sites in the oil spill region significant to their Restoration Objectives.

This is a valid recommendation and one that has been taken to heart by past and current Council members. Last summer, Trustees visited sites within the Kodiak region, the Kenai Peninsula and Prince William Sound. The two new state Trustees on the Council are very familiar with the spill area, and I am sure will be availing themselves of future opportunities to visit sites throughout the spill area.

Finally, in your concluding postscript, you note that the "way in which the *Exxon Valdez* Oil Spill natural resource damage settlement is used for restoration is enormously important in assessing society's genuine commitment to redress environmental damage caused by industrial disasters."

I believe all the Trustees would agree with this statement. The Trustees all take their trust responsibilities very seriously.

Sincerely,

Molly McCammon Executive Director

Molly McCamm

Additional Notes

Although the following notes are not intended as an exhaustive review of the appeal dated March 14, 1995, these additional comments are provided:

- The argument that several hundred million dollars "worth of scientific research into the impacts of the spill... proved this to be the most damaging oil spill in human history" (on p. 3) is inconsistent with the later criticism (on p. 7) that early Exxon payments were "... drained into reimbursing the state and federal governments ... for their presettlement expenses... ." It was these very pre-settlement expenses primarily for damage assessment and research studies that provided the basis for asserting the damages that led to the settlement. Moreover, the Consent Decree specifically recognized reimbursements for the damage assessment and previously approved restoration work as a priority use of the settlement funds.
- Criticisms about the progress of the habitat protection program (on p. 5) are unfounded. The Trustee Council as we know it now did not come into existence until after December 1991. The Trustee Council took action to protect habitat (e.g., Kachemak Bay) within the first year of the Council's existence.
- The GAO "report" was replete with baseless conclusions. As noted in the report itself, the GAO specifically did *not* obtain written agency comments on the draft report before it was finalized as it was only a briefing report, not an audit report.
- The suggestion that a proposal by Mike Barton would be accepted by Eyak is not correct. First, the so-called "Barton proposal" (on p. 9) was not specific enough to constitute an offer (i.e., no definition of value; no definition of a restrictive easement; no definition of reasonable public access) that could be accepted, nor is there substantial evidence that Eyak "... intended to accept the offer." Indeed, the so-called "Barton proposal" was nothing more than a concept with numerous undefined elements yet to be worked out.
- The statement that the Trustee Council reversed its position (on p. 11) is not accurate.
- The appeal fails to acknowledge that Eyak withdrew its approval for appraisal work to be done during 1994 and that this delay contributed significantly to the failure to reach agreement with Eyak within the time frame imposed by Eyak.

- The statement that logging operations (on p. 11) are the only imminent threat to the Eyak lands is not accurate. At various times, discussion with Eyak concerned the landowner's interest in various types of residential development, lodge development, homesite disposals and other forms of commercial or industrial development that could be detrimental to restoration values in key, high-value areas.
- While the possibility of a 25% limitation on development (p. 11-12) was raised by Eyak and discussed briefly by the Council, no formal proposal regarding restrictions in this regard has been presented to the Trustee Council.

AN URGENT APPEAL TO THE E.V.O.S. TRUSTEE COUNCIL TO IMMEDIATELY PROTECT THREATENED HABITAT IN PRINCE WILLIAM SOUND

THE COASTAL COALITION Rick Steiner, David Grimes PO Box 2424 Cordova, AK 99574

> 907-424-5509 907-346-4071 907-424-7491 (Fax)

DATED:

March 14, 1995

DISTRIBUTED: E.V.O.S. Trustee Council

Eyak Corporation

Honorable H. Russell Holland, U.S. District Court

Embargoed for press release until March 22, 1995.

This Coastal Coalition paper details an urgent situation concerning the restoration and recovery of Prince William Sound from the Exxon Valdez Oil Spill. The first part provides an introduction and background; pages 8 - 14 explain the current emergency; and the last part summarizes specific problems and proposed solutions.

The Coastal Coalition genuinely and respectfully intends this position paper to serve as a constructive aid for the Trustee Council in fulfilling its responsibility to the Court, the public and the environment injured by the Exxon Valdez Oil Spill.

Because of the emergency at Orca Narrows/Simpson Bay, we ask for a written response to this paper from the E.V.O.S. Trustee Council no later than March 21, 1995.

Prince William Sound should have to make no more sacrifice.

INTRODUCTION

On October 8, 1991, the U.S. District Court, District of Alaska, approved the AGREEMENT AND CONSENT DECREE (Civil Actions No. A91-082 and A91-083) resolving claims of the United States and the State of Alaska against Exxon for damages caused by the Exxon Valdez Oil Spill.

The other document providing legal context to this complaint and approved by this court is the MEMORANDUM OF AGREEMENT AND CONSENT DECREE (Civil Action No. A91-081 CV), between the United States of America and State of Alaska.

Together, these two documents, both approved by the Court, govern the use of monies provided by the civil settlement.

This landmark settlement, providing \$900 million over ten years, was supported by the public and rightfully by the Court primarily because it was to immediately provide the money necessary to attend to the extraordinary damage caused by the spill.

As to the damage caused by the spill, presiding U.S. District Court Judge H. Russell Holland stated in approving the settlement:

"The Exxon Valdez oil spill was a complete, utter disaster, which I previously characterized as being off the chart."

Judge Holland's statement was corroborated by several hundred million dollars worth of scientific research into the impacts of the spill, which proved this to be the most damaging oil spill in human history.

The M.O.A. provides that: "The governments shall jointly use <u>all</u> (*emphasis added*) natural resource damage recoveries for the purposes of restoring, replacing, enhancing, rehabilitating or acquiring the equivalent of natural resources injured as a result of the oil spill and the reduced or lost services provided by such resources, except as provided in paragraph B of this article (reimbursement of certain expenses)."

The Trustees, as defined in the Consent Decree and M.O.A., are charged by the Court with the task of executing this court order.

The Court's approval of the civil settlement initiated by far the most extensive attempt in human history to mitigate environmental damage caused by an industrial disaster.

As such, the trust responsibility of the Trustees is unique, precedent setting, and indeed historic.

Certain recitations were made before the Court in attempts to win approval of the civil settlement and criminal plea agreement:

U.S. DEPT. OF JUSTICE:

- "This Oil Spill was a catastrophe and was also an environmental crime."
- "Today the Court has the opportunity to deal with that environmental consequence immediately."
- "The Court is faced today with the difficult and important task of evaluating the acceptability of this plea agreement and the proposed consent decree, which are both unprecedented in nature..."
- "Unlike other economic crimes in which this court is well aware, we can't simply pay interest 20 years down the road to make up for the losses. In environmental cases, it is crucially important that we address the consequences of the conduct immediately."
- "We believe it is in the public's best interest to settle this case in this matter to get the much needed money into Prince William Sound and Gulf of Alaska now as opposed to years from now."
- THE COURT: "Okay. Second question, and this gets to some of the muttering that I heard that has made me uneasy about where the restitution money is gone go. Are you satisfied, to a reasonable legal certainty, that this restitution money, if I approve that agreement, will get where it is agreed to go -- to restoration, rehabilitation, and so forth, of Prince William Sound, as opposed to being drained off?..."

ALASKA ATTORNEY GENERAL: "Is the Court talking about the civil settlement?"

THE COURT: "I'm talking about the civil settlement."

ALASKA ATTORNEY GENERAL: "...I personally represent to this Court...I guarantee that the money will be used for restoration of the Prince William Sound, and it isn't going to be drained."

The asserted intentions of the State of Alaska and the United States in asking for the Court's approval of their settlement agreement with Exxon were honorable — to get money necessary to aid the recovery of the damaged environment.

BACKGROUND ON HABITAT PROTECTION AND ACQUISITION AS THE PRINCIPAL TOOL OF RESTORATION

Of the five categories of restoration activities specified by the Trustee Council in the "Exxon Valdez Oil Spill Restoration Plan" (Nov. 1994) — General Restoration; Habitat Protection and Acquisition; Monitoring and Research; Restoration Reserve; and Public Information, Science Management, and Administration — the category that clearly offers the best chance of achieving the goals of the Consent Decree and M.O.A. referred to above is Habitat Protection and Acquisition.

In fact, the broad consensus among citizens of the oil spill region to quickly settle government claims against Exxon out-of-court was a direct result of the urgent need to secure funds specifically for implementing a comprehensive program of coastal habitat acquisition.

It was widely acknowledged that because it would be virtually impossible to actually restore, in the truest sense of the word, the natural resources and services injured by the oil spill, the most important means of aiding the recovery of the damaged environment to pre-spill condition and of replacing lost resources and services would be the acquisition of yet undamaged habitat in the spill region. This was seen to be best accomplished by the acquisition of certain protections for privately owned coastal habitat threatened by certain industrial activities, primarily unsustainable clearcut logging. As is the first rule in medical treatment, the first rule in ecosystem restoration is seen to be, first, protect the patient (ecosystem) from further injury. Also, the acquisition and intact retention of threatened coastal habitat is the clearest, most direct way to offset and redress other values and services lost or injured as a result of the spill.

This was first formally proposed on behalf of citizens of the region through The Coastal Coalition comprehensive settlement proposal issued July 4, 1990. About 2 1/2 years later, the Trustee Council came to consensus supporting this concept and began to take action (Trustee Council Resolution to Proceed with Habitat Protection Program, January 31, 1993). Finally, in the "Exxon Valdez Oil Spill Restoration Plan" issued November, 1994, five and a half years after the grounding of the Exxon Valdez, the Trustee Council at last had an approved plan with which to implement its comprehensive habitat protection and acquisition program.

The following is part of the Plan's discussion of the issue of habitat protection and acquisition:

Habitat protection and acquisition is one of the principal tools of restoration. It is important in ensuring continued recovery in the spill area.

Resource development, such as harvesting timber or building subdivisions, may alter habitat that supports injured resources or services. Protecting and acquiring land may minimize further injury to resources and services already injured by the spill, and allow recovery to continue with the least interference. For example, the recovery of harlequin ducks might be helped by protecting nesting habitat from future changes that may hamper recovery.

Habitat protection and acquisition may include purchase of private land or interests in land such as conservation easements, mineral rights, or timber rights. Different payment options are possible, including multi-year payment schedules to a landowner. Acquired lands would be managed to protect injured resources and services. In addition, cooperative agreements with private owners to provide increased habitat protection are possible.

Most public comments on the restoration alternatives favored using habitat protection and acquisition as a means of restoration. The following injured resources might benefit from the purchase of private land or property rights: pink and sockeye salmon, Dolly Varden and cutthroat trout, Pacific herring, bald eagle, black oystercatcher, common murre, harbor seal, harlequin duck, marbled murrelet, pigeon guillemot, river otter, sea otter, intertidal organisms, and archaeological sites.

Habitat protection and acquisition is a means of restoring not only injured resources, but also the services (human uses) dependent on those resources. Subsistence, recreation, and tourism, benefit from the protection of important fish and wildlife habitats, scenic areas, such as those viewed from important recreation or tourist routes, or important subsistence harvest areas. For example, protecting salmon spawning streams benefits not only the salmon, but also commercial, subsistence, and recreational fishermen.

Habitat protection on existing public land and water may include recommendations for changing agency management practices. The purpose, in appropriate situations, is to increase the level of protection for recovering resources and services above that provided by existing management practices. The Trustee Council may conduct studies within the spill area to determine if changes to public land and water management would help restore injured resources and services. If appropriate, changes will be recommended to state and federal management agencies. Recommendations for special designations, such as parks, critical habitat areas, or recreation areas, may be made to the Alaska legislature or the U.S. Congress.

[from: Exxon Valdez Oil Spill Restoration, November, 1994]

Considering the Trustee's obligation to fulfill the orders of the Court, how is the oil spill region recovering under the Trustees' guardianship? Original injuries from the oil spill continue to manifest in the Sound. Herring populations have crashed, leading to the failure and closure of commercial herring fisheries in Prince William Sound for the last three years. Wild stock salmon populations are in jeopardy. Many marine bird populations are severely compromised. By Trustee Council findings, species not recovering include common murre, marbled murrelet, pigeon guillemot, harlequin duck, harbor seal, sea otter, pink salmon and herring.

New injuries that the Trustees have failed to prevent during their tenure at the helm of restoration include the removal by unsustainable clearcut logging of several hundred thousand acres of coastal forest habitat that was critical to restoration and recovery of the oil spill region, in spite of the fact that many of these forests had been made available to the Trustees for acquisition at fair-market value by landowners.

The Trustees, painfully slow to begin their habitat acquisition program, have been sharply criticized by the public and the U.S. government, which in its 1992 GAO report found serious problems with the Trustee Council expenditure process. One problem among many stood out—that Trustee funds essential to emergency mitigation efforts were drained into other, far less urgent ones. For example, of the \$240 million from the first two Exxon payments in December of 1991 and 1992, \$147 million was drained into reimbursing the state and federal governments and Exxon for their pre-settlement expenses, suggesting that the Trustees considered these parties' needs to be more urgent than those of the damaged ecosystem — this was indeed telling the injured ecosystem to step to the back of the line. And unfortunately, most of the rest of the first two years' expenditure was either unused or spent on an agency "science" program without a clear link to restoration.

On the positive side, in the last year or so the Trustees have begun to acquire habitat essential to restoration and are near closure on significant, comprehensive deals in the Kodiak Archipelago and the Kenai Peninsula. However, Prince William Sound itself, the area of maximum spill impact, has yet to receive any significant habitat protection and continues to experience new injuries devastating to restoration and recovery.

TRUSTEE COUNCIL - EYAK CORPORATION HABITAT NEGOTIATIONS

Due to frequent Trustee Council deliberations in Executive Session, thus excluding the public, it is difficult to know exactly what has transpired throughout the negotiation process. The following is our understanding of the history.

The Eyak Corporation, since 1988, has been engaged in logging operations on some of its lands adjacent to the Copper River Delta, just east of Cordova.

As part of its comprehensive habitat protection program, the Trustee Council has been negotiating or otherwise discussing with the Eyak Corporation a purchase of certain protections on almost all Eyak lands for over three years now. There has been overwhelming public support for the comprehensive protection of Eyak lands as an important component in the Trustee Council restoration program.

However, despite overwhelming public support and the expressed intentions of the Trustee Council and Eyak, the Council was unable until quite recently to secure any protections on any Eyak lands, and clearcut logging continued on the Copper River Delta.

Then in August, 1993, Eyak Corporation began to relocate its logging operation for the first time into Prince William Sound, at Orca Narrows/Simpson Bay about five miles north of Cordova.

In the midst of vehement public protest against Eyak's plan, an emergency meeting was called in Cordova between Trustee representatives and Eyak. At this time, Trustees strongly reaffirmed their desire to protect Orca Narrows/Simpson Bay so as to fulfill their restoration obligations.

In order to keep negotiations alive and to assure protection for the imminently threatened Orca Narrows area, Trustees helped to expedite the emergency conveyance to Eyak of other lands on the Copper River Delta so that Eyak could continue timber harvesting operations to satisfy their financial obligations.

Thus, the Trustees allowed for significant sacrifices to be made in the Copper River Delta--important to Cordova subsistence, recreation, and tourism--in order to protect the Orca Narrows/Simpson Bay area and other Eyak lands in Prince William Sound.

A Trustee Council meeting soon followed in Anchorage on August 6, 1993, at which time Mike Barton, USFS Trustee, proposed on behalf of all Clinton Administration Federal Trustees an offer that would have secured commercial timber rights in perpetuity on Orca Narrows and all other Eyak lands west and

north of Cordova, and additionally would have secured the "Core lands" immediately adjacent to Cordova either in fee or in a highly restrictive easement —the whole deal capped at \$50 million. For the record, the transcript of Mr. Barton's proposal is as follows:

MR. BARTON: Mr. Chairman, I would like to amend the motion in this manner, that the Trustee Council approve — a counter proposal, if you will, I guess is the right term — that for fifty million dollars or the appraised fair market, whichever is less, Eyak will convey to the government (a) a restrictive perpetual conservation easement to Power Creek and Eyak Lake lands (the "Core Lands") with the same restrictions contained in the Eyak proposal dated August 5 and that we pursue fee simple through a shareholder vote, that is at minimum, get a restrictive — a restrictive perpetual easement in their proposal; (b)... a less restrictive perpetual easement to all remaining Eyak lands which at a minimum precludes commercial timber harvesting and grant a right of reasonable public access for non-commercial purposes..." (italics and emphasis added)

MR. PENNOYER: All those in favor of the amendment, say aye.

RESPONSE FROM COUNCIL: Aye.

MR. PENNOYER: Opposed.

MR. SANDOR AND MR. COLE (State Trustees): No.

Because two of the State Trustees opposed, the Barton proposal was not adopted. Eyak, however, intended to accept the offer.

About two weeks later, new Federal Trustee George Frampton said:

"...it's also important to note that the Secretary (of the Interior, Bruce Babbitt) made some statements yesterday... that he recognized Prince William Sound was the most impacted area and that any program of habitat acquisition ought to look with a very high priority at areas in eastern and western Prince William Sound, and islands in Prince William Sound." (italics added)

Shortly thereafter, the Eyak Corporation voluntarily ceased its logging operations, and on September 21, 1993, made a good faith offer to the Trustee Council, stating, among other things, the following:

"This offer extends to a very large tract of lands, from 39,000 to 61,000 acres depending on the status of Eyak's selections in the area. The Board remains willing to convey only commercial timber rights in this area (apart from the "Core" lands" which were offered in fee or with restrictive conservation easements). Eyak believes that this proposal extends a very high level protection and achieves the restoration goals of the Council in a very extensive area, unavailable in any other way to the Council. (italics added)

In analyzing the significance of a commercial timber sale, there has been discussion with the Council concerning whether a Wal-Mart store, or a nuclear waste dump, might be constructed in one of the bays in Prince William Sound. We believe the real environmental threat in the Sound is primarily from commercial timber harvesting. The purchase of commercial timber rights is the most effective way (and indeed, the only way) of serving the restoration goals of the Council on such a large tract of lands."

This Eyak offer was entirely consistent with the Barton/Federal Trustees offer of August, 1993. Clearly, the Eyak Corporation was willing to get out of the timber business for the sake of restoration, but Eyak's offer was rejected by the Trustees. Negotiations continued throughout the winter. By spring, Eyak still could not get a comprehensive deal with the Trustees to protect their coastal habitat and decided they would have to revive their timber harvest plans.

In order to secure protection from the imminent threat of logging, the Council, on May, 1994, finally made their very first (and to this date, only) restoration acquisition in Prince William Sound by signing an agreement to purchase a commercial timber-rights-only conservation easement in perpetuity on 2052 acres at Orca Narrows/Simpson Bay. This was an extremely important acquisition in an area which is the doorway for all travel between Cordova and Prince William Sound. The acquisition, among other things, initiated protection of east Simpson Bay, Cordova's favorite Prince William Sound recreation site, and one of the most important nursery sites for eastern Prince William Sound sea otter populations.

Also secured in the agreement was a 10-month Moratorium on all Eyak logging operations until March 1, 1995. The public was genuinely appreciative and greatly relieved, since the purpose of the Moratorium was specifically to provide enough time for the Council and Eyak to come to closure on a comprehensive deal to protect all remaining Eyak lands. This was not accomplished.

Though the deal to protect in perpetuity the 2052 acres at Orca Narrows/ Simpson Bay closed in January with the payment of \$3.45 million to Eyak, by February, as the Moratorium expiration date approached, negotiations for comprehensive protection were going badly and the Eyak Corporation and its timber subsidiary, Sherstone, Inc., reasserted their intention to commence logging an area of 14,800 acres near Orca Narrows, known to the Council as "Orca Revised," currently under timber contract to Rayonier, Inc.

The Trustee Council's current acknowledgment of the imminent threat to these lands and the importance of protecting them as part of their legally mandated restoration responsibilities was again stated clearly in the findings of their February 22, 1995 resolution, as follows:

- The Orca Revised lands are threatened with imminent clearcut logging. Although protected under a moratorium on commercial timber harvesting negotiated with Eyak in 1994, the moratorium will expire March 1, 1995. Presale preparation activities by Eyak have begun and Eyak has represented that permits have been secured or are pending for the logging of portions of the Orca Revised lands and that a majority of the commercial timber in the Orca Revised lands is scheduled for harvest by clearcut logging over the next few years.
- The Trustee Council remains desirous of purchasing interests in the Orca Revised lands to alleviate the immediate threat to the injured resources and services that may result from logging activities. Purchasing interests on the Orca Revised lands is important to maintaining water quality and riparian habitats for anadromous fish and maintaining nesting and foraging opportunities for marbled murrelets and bald eagles. The area has a high value for recreation and tourism and is highly visible to the nearby community of Cordova.
- There is widespread public support for the acquisition of interests in the Other Lands and the Orca Revised lands.
- The purchase of the interests in the Other Lands and the Orca Revised lands is an appropriate means to restore a portion of the injured resources and the lost or reduced services in the oil spill area. Acquisition of any interests in these lands is consistent with the Final Restoration Plan. (emphasis added)

Further, the Trustees in their November 1994 Restoration Plan state that:

"any restoration strategy that ...prevents further injuries will assist recovery.."

To the Coastal Coalition, all this language seems remarkably similar to Eyak's September 21, 1993, offer to the Trustees. Both the Trustees and Eyak seem to recognize that logging activities represent the most serious threat in perpetuity to these lands critically needed for restoration purposes, and indeed that logging operations are the only imminent threat to these lands.

Still, in the final week of the Moratorium, a deal did not come together because the Trustees, again in a reversal of their earlier position, now asserted they needed to acquire at Orca Narrows/Simpson Bay certain development rights beyond just timber rights in perpetuity. Attempting to accommodate this concern, Eyak first proposed offering to restrict all development on the 14,800 acre "Orca" Revised" parcel to no more than 652 acres (2 acres for each of the 326 shareholders) the first 10 years after closure, and then an additional 652 acres from 11 to 35 years after closure. After 35 years, Eyak would retain industrial development rights on the 9,000 or so acres of the parcel potentially able to be developed. The Trustees, however, still asserted they needed to acquire some additional development restrictions in perpetuity. Subsequently, Eyak further proposed to limit in perpetuity all industrial development to no more that 25% of

the 9,000 developable acres, an amount equal to only 15% of the total 14,800 acre parcel.

Thus, at the Orca Revised lands, 100% of commercial timber rights and 85% of other industrial development rights were offered for sale in perpetuity. Eyak, in taking the notion of perpetuity seriously, felt it very important to retain at least some economic development rights for future generations, though it clearly wished to retire permanently from the commercial logging business.

Eyak's offer seems to us to be a fine and legitimate offer for restoration. The Trustees, again in contradiction to their assertions, stated that this offer was inconsistent with their restoration objectives, and despite overwhelming public support for a deal, including letters from former President Jimmy Carter and actor/director Robert Redford urging the protection of the forests in this area, the negotiations fell apart.

In a final attempt to resolve their differences three days before the Moratorium expired March 1, both parties entered into non-binding mediation.

On the day the Moratorium expired, following two days of mediation, Trustees announced they had entered into a most astonishing "agreement" with Eyak. Backing far, far away from their stated desire to substantially protect the Orca Revised area, the Trustees, in this agreement, would acquire no other industrial development rights whatsoever and in addition, would acquire only about 50% of the available timber rights in perpetuity!

In other words, the Trustees somehow completely failed to protect most of what they and Eyak actually agreed upon. Even more astonishing, the Trustees, in attempting to mitigate certain aspects of the logging which would be visible from Cordova, agreed to relinquish and trade to Eyak over half of the timber rights that the Trustees had just acquired "in perpetuity" in the 2052 acre parcel! This is amazing — the Trustee's <u>only</u> restoration acquisition in Prince William Sound to date was protected, not for perpetuity as promised to the public, but for <u>only two months!</u>

Evidently the Trustees, in holding out for a "perfect" deal, have closed on a disastrous deal completely inconsistent with their own asserted objectives and legal responsibilities. In so doing, the Trustees have abandoned extraordinarily valuable resources and services in the Orca Revised area, including Rude River/Nelson Bay, arguably Eyak's wildest and most pristine property, now scheduled for logging.

We wish to underscore one more time the fallacy of Trustees' logic in this agreement: in stubbornly negotiating to secure a better deal than 100% of the commercial timber rights and 85% of other industrial development rights offered

in perpetuity by Eyak, the Trustees wound up securing no industrial development rights at all, and only half of the available timber rights. And, in a shameful breach of the public trust, the Trustees reneged on half of the only protection they had to date acquired in Prince William Sound in the nearly 6 years since the oil spill.

They have, to borrow an apt and venerable expression, "thrown the baby out with the bath water." Both the public and Eyak are astonished at the Trustee's inability to meet their own clearly-stated restoration objectives. With their first deal in Prince William Sound, the Trustees claimed they wished to set a good precedent for ongoing negotiations with other landowners, but a poorer precedent is hard to imagine.

We applaud the Trustees' desire to protect Prince William Sound from some future threat, but what we cannot understand is that they refuse to protect Prince William Sound from its current and worst imaginable threat -- clearcut logging. Instead of preventing new injury, they seem to be facilitating it.

The Trustees, after allowing significant sacrifices to be made on the Copper River Delta solely to protect the Orca Revised land, now are unbelievably asking citizens to accept the sacrifice of the Orca Revised lands. This is a complete abandonment of Trustee restoration commitments. It is ludicrous for the Trustees, in trying to prevent all imagined and imaginary future problems, to completely fail to prevent obvious and greater immediate problems. The public will not condemn the Trustees for failing to acquire, in this case, those development rights that were not for sale from Eyak. But the public most certainly will harshly judge the Trustees' failure to acquire what was for salemost important of all—the immediate protection of the coastal forest. Apparently the Trustees' fear of looking bad in the future consigns the forests to death today.

In summary, the Trustees have failed to prevent ongoing injury to their patient—the ecosystem—by worrying obsessively about possible future injury. This is like an emergency-room physician who fails to stop the bleeding of her patient's severed artery because she is more concerned with preventing the patient from catching pneumonia 35 years in the future. Both are admirable objectives, but at the very least, the bleeding must be stopped now.

We do not expect the Trustees to foresee and prevent every future threat to Prince William Sound. We find it inexcusable that the Trustees would fail to protect Prince William Sound from the most obvious current threat to its recovery.

The Trustees, who have been given the money and sacred responsibility to protect and restore Prince William Sound, can solve the Eyak problem immediately. Even if, because of the appraisal process, they have to pay 90% or more of the value of <u>all</u> commercial development rights to secure <u>only</u> timber rights in perpetuity, so be it. The people of the region will hardly accuse the Trustees of making a bad bargain.

Unfortunately, the facts are clear — since the establishment of the Trustee Council in May, 1989, several hundred million dollars have been drained to non-emergency ends while several hundred thousand acres of further injury to the oil spill region has occurred.

In approving the agreement and consent decree referred to above, Judge Holland made the following warning:

"I want you all to know that I, you know, am not able to monitor this kind of thing, but I expect you all to do the monitoring; and quite frankly, I expect to see people back here if the money that flows from these three cases is not going where I expect it to go, based upon the terms of these agreements."

It is our position that the money collected by the Trustee Council as a result of these cases is not being used in the maximum interest of environmental recovery. As such, we believe the Trustee Council has failed to fulfill its obligations to the Court, the public, and the injured resources.

POST SCRIPT

The concept of Natural Resource Damages as a substantial compensable loss in the case of oil spills and other industrial disasters is unique to the legal system of the United States.

The level of environmental damage mitigation proposed by the Consent Decree and MOA approved by this Court is entirely unprecedented in history.

As such, the way in which the Exxon Valdez Oil Spill natural resource damage settlement is used for restoration is enormously important in assessing society's genuine commitment to redress environmental damage caused by industrial disasters.

The Coastal Coalition is an informal coalition of concerned citizens that formed in 1989 to assist in expediting restoration of the oil spill region. The Coalition helped create a regional consensus for the notion of settling the natural resource damage case out-of-court and formally proposed such to the State of Alaska, the United States, and Exxon on July 4, 1990. Since the settlement, the Coalition has been concerned that all natural resource damage recoveries be expended in the maximum interest of environmental recovery, and in a timely manner.

Coastal Coalition members Rick Steiner and David Grimes are residents of Prince William Sound, and this paper is written out of love for their home.



the view from Hawkins Island onto Orca Inlet, Orca Narrows and Nelson Bay near Cordova, Prince William Sound

1. PROBLEM: The Trustee Council, by failing to provide any significant protection to coastal habitat in Prince William Sound in the almost six years since the grounding of the Exxon Valdez, has allowed further significant, irreparable injury to occur to an ecosystem already severely stressed by the oil spill, and has relinquished some of the most valuable opportunities to replace lost or injured resource services such as the appreciation of the aesthetic and intrinsic values of undisturbed areas" (Exxon Valdez Oil Spill Restoration Plan, Nov. 1994). While the Trustees are now doing a good job in acquiring habitat in areas of the oil spill region not immediately threatened, they have clearly failed to offer protection in most areas that are immediately threatened or continue to be injured. The most important responsibility of the Trustees is to first minimize further injury to the oil spill-damaged ecosystem. In this responsibility they have failed tragically.

SOLUTION: We ask that the Trustee Council appoint a Master to review the Habitat Acquisition and Protection Program and to submit within one month a plan to expand and expedite the acquisition and protection of <u>imminently</u> threatened habitat in the oil spill region, particularly Prince William Sound.

In the review, the Master should consult with Trustee Council habitat staff, resource owners in the region, and the public to identify existing problems and to recommend immediate solutions, both administrative and financial.

2. PROBLEM: The Trustee Council's refusal to acquire the highest level of protection offered by Eyak Corporation at Orca Narrows/Simpson Bay has exposed these lands to industrial activities highly detrimental to the restoration and recovery of Prince William Sound. While the Eyak proposal fell somewhat short of the full protections desired by the Trustees, their current rejection of the offer essentially eliminates one of the Trustee's most important restoration opportunities, and is completely inconsistent with the Trustee's oft-stated desire to protect the area.

We find unacceptable the Trustees' excuse that they will protect the area only if the price is a good bargain. The Trustees' job is not to be "bargain shoppers" at the expense of further Prince William Sound habitat destruction.

SOLUTION: We ask the Trustee Council to accept the Eyak Corporation's counter proposal (December 12, 1994) to the Council's Dec. 2, 1994 resolution - referred to as the "Orca Revised Tract Development Rights Offer Concept Change -- with an additional provision that limits industrial development on the Orca narrows Revised parcel in perpetuity to no more than 25% of the total

development acreage. Rather than allow additional injury to coastal habitat in the region, we ask in this specific case that the Trustees, at a minimum, acquire the highest level of protection that Eyak is willing to sell. This is entirely consistent with the Trustees' Restoration Plan which, again, states: "Any restoration strategy that aids recovery of injured resources, or prevents further injuries (emphasis added), will assist recovery..." and is consistent with the Trustee Council Feb. 11, 1995 resolution which, again, states: "Acquisition of any interests in these lands is consistent with the Final Restoration Plan."

URGENT

Because timber harvesting operations at Orca Narrows/Simpson Bay are set to begin any day, we respectfully ask that the Trustees on an emergency basis consider this proposal. We wish to strongly state our desire that this proposal in no way prejudice any other Trustee Council acquisition negotiation. We support these negotiations and applaud the Trustees in their efforts at restoration.

3. PROBLEM: The Restoration Reserve, into which the Trustees have been depositing \$12 million each year from annual Exxon payments, and which would accumulate by the year 2001 to \$108 million, is an illegal encumbrance of funds that were intended to be made available for Restoration as they are paid by Exxon.

It was clearly the intent of the Court's approval of the consent Decree and MOA that these monies were needed for environmental recovery on an expedited basis and should not be arbitrarily withdrawn from their present availability, as long as they are needed for environmental recovery. The Trustee Council must have immediate access to sufficient funds to fulfill their primary restoration obligation of habitat acquisition and protection. Any funds expected from each annual payment by Exxon can remain in an interest-bearing account.

The Court, in its wisdom, has already provided for the availability in the year 2002 of a \$100 million reopener in order to carry on restoration activities beyond the last scheduled payment from Exxon. The Restoration Reserve is clearly duplicative, an is an inappropriate drain on settlement dollars.

SOLUTION: We ask the Trustee Council to abolish the Restoration Reserve account, and to make all monies in the account to date - (\$24 million) - and all proposed future deposits into the account - (\$88 million) - to be made available on an as-needed basis for habitat protection.

4. PROBLEM: The Trustee Council's Science and Monitoring Program has, since its inception, lacked coherence, direction, and a clearly-defined link to Restoration. About \$200 million has been spent to date on science, and the

Restoration Plan envisions an equivalent expenditure on science through the remainder of the settlement. A science program of this magnitude deserves thorough, independent scrutiny and review. Science for science's sake does nothing to actually assist the recovery of the injured ecosystem. While science and monitoring may be important, far too much emphasis has been placed on them in the name of restoration. As Al Gore stated in his book <u>Earth in the Balance</u>, "Research in lieu of action is unconscionable.... We need to act now on the basis of what we already know."

SOLUTION: We ask the Trustee Council to commission the National Research Council to conduct a thorough independent review of the Trustee Science and Monitoring Program from 1989 to date and report within 6 months its findings and recommendations as to:

- a. How best to organize and conduct other NRDA programs in the future.
- b. What size, scope organization, facilities and administrative management of the existing Trustee Science and Monitoring Program would best support the mandate of the Consent Decree and M.O.A. to restore, replace, rehabilitate and acquire the equivalent of injured resources and services.
- **5**. PROBLEM: The Trustees and their council designates lack current, intimate familiarity with the oil spill region and this unfamiliarity seriously handicaps their ability to make appropriate decisions concerning restoration of the area.

SOLUTION: We ask the Trustees and their Council designates to, within 5 months, conduct thorough site visits in all areas of the oil spill region significant to their Restoration Objectives, and to avail themselves of guides with local knowledge. Trustees should also visit the many coastal areas that, since the establishment of the Trustee Council in May of 1989, have been destroyed and essentially lost as restoration opportunities.

SUMMARY: In light of the foregoing problems, we believe the Trustee Council is in violation of the consent Decree and M.O.A. referred to above.