

13.08.01 July 1996

13.08.01 – Reading File

July 1996

Chugach Regional Resources Commission

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Anchorage AK 99501

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July 30, 1996

Community Involvement Facilitators:

Please forgive me for not sending you a newsletter for the month of June. I have been trying to follow the community based projects through the process here at the Restoration Office which has meant a series of meetings and rewrites for each of the projects which I thought had a chance of getting funded. This is the only way I figured that I could make sure they remained in the running. I have learned through this effort that I really didn't need to put quite so much time in on that and I should have actually spent more time traveling out to the villages. So I hope to do that later in August and I will probably be traveling with Leanne Ferry, who was just hired by Prince William Sound Regional Citizens Advisory Commission as Community Liaison. She was in my office last week and we exchanged phone numbers of contacts and promised to work together to convey local concerns to our respective organizations. I will write more about that in my next newsletter (see notice from Leann Ferry).

Please make sure you read through this newsletter, post it in the community and be ready for the Teleconference next week on August 5, 1996 at 11:00 AM. Molly has asked that we go through the Purple Book, Fiscal Year 1997 Draft Work Plan, dated June 1996, so have your copy handy when we start the meeting on Monday. This is a preview of what will be discussed to the Public Advisory Group on August 7, 1996. Molly will present her preliminary recommendations on what will be funded and get feedback from the Community Involvement Facilitators.

There will be an additional opportunity for people from your community to make public comment to the PAG on August 6, 1996 at 7:00 PM. If you know of someone from your community who wants to make a public comment on the Fiscal Year 1997 Work Plan, contact Cherri Womac at 1-800-478-7745 and she will get it set up for through the Legislative Information Office (LIO). I have included the agenda for the meetings coming up and a list of the LIO phone numbers. I will send you an agenda for Mondays Community Facilitator Meeting tomorrow.

Here is a list of the projects that are recommended for funding for this year:

- 97052 Community Involvement Project
- 97352 Traditional Ecological Knowledge Project
- 97286 Elders /Youth Conference
- 97263 Assessment, Protection, and Enhancement of Wildstock Salmon Streams in Lower Cook Inlet
- 97127 Tatitlek Coho Salmon Release
- 97272 Chenega Chinook Release Program
- 97225 Port Graham Pink Salmon Subsistence Project
- 97244 Community-Based Harbor Seal Management

Community Involvement Facilitators

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- 97131 Chugach Native Region Clam Restoration
- 97256 A&B Sockeye Stocking at Solf and Columbia Lakes (pending completion of feasibility study)
- 97210 Youth Area Watch
- 97214 Documentary on Harbor Seal

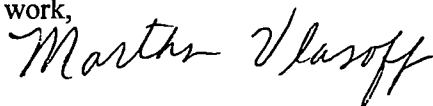
These four projects have legal questions and may be submitted for consideration by the EVOS Criminal fund administered by Alaska Department of Community and Regional Affairs if they are not able to be funded by the Trustee Council.

- 97267 Port Graham Floating Skiff Dock
- 97268 Funding for Educational Harvest Trips
- 97247 Kametolook River Coho Salmon Subsistence Project
- 97276 Access Road to Donor Bay - Chignik Lagoon

I have also included a registration form for the Arctic Science conference which will be held in Girdwood in September. We still need to make a decision about if the Community Facilitators should come in to attend this conference using travel money from the 96052 Community Involvement Project.

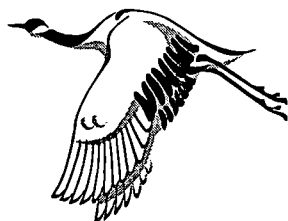
I know this is a lot of information but I think it is all very important for you, the CI Facilitators, to see what is going on as well as being completely informed so you can make public testimony on what is important for your community. Please make sure that the Village Council from your community has a chance to review what I have sent to you before next week. Talk to you next week and if there is any thing you have a question on please just call me. 1-800-478-7745

Thanks for your hard work,



Martha Vlasoff

Community Involvement Coordinator



Community Involvement Report

July 30, 1996

Chenega Residual Oil Cleanup Project To Start This Year

The EVOS Trustee Council recently approved \$1.9 million to clean up eight beaches in the vicinity of Chenega Bay, an effort community leaders have been calling for since 1993. The project proposal, written by the Alaska Department of Environmental Conservation (ADEC), was based on the outcome of a Residual Shoreline Oiling Workshop held in November of 1995 at which 14 Chenega Bay residents testified about their dissatisfaction with the condition of the environmental conditions in the surrounding area.

Larry Evanoff stated "How would you like it if the supermarket you shopped at was filthy and contaminated? Would you buy your food there?" He said the same is true of the beaches where they hunt

and gather intertidal and marine subsistence foods.

The planning phase of the project will start with a Memorandum of Agreement between ADEC and the Prince William Sound Economic Development Council in Valdez. PWSEDC will initiate the planning phase of the project this summer and have a remediation plan ready to implement by December of 1996. An advisory committee of two Chenega Corporation and two Chenega Village Council representatives will be formed to work with PWSEDC on the remediation plan. In phase two, the advisory group will recommend a bonded contractor for the remediation work and local hire will be a key factor in this phase. After the clean up work is completed, the next phase will be to monitor and evaluate the results of the remediation efforts.

Teleconference Notice

A Community Involvement Facilitators' teleconference has been scheduled for August 5, 1996 at 11:00 AM to bring everyone up to date on what has happened during the past two months. Molly McCammon has asked me to set up a teleconference with the Community Involvement Facilitators before the Public Advisory Group meets on August 7, 1996. Cherri Womac from the EVOS Restoration Office has contacted all the CI Facilitators to notify them of this meeting, but if you have questions call 1-800-478-7745. Some of the topics to be discussed: 1) topics of concern to oil spill communities in regard to the EVOS Trustee Council, 2) subsistence project recommendations for the FY 97 EVOS Trustee Council funding, 3) the Traditional Knowledge Protocols, 4) the Traditional

Ecological Knowledge Project 97352

A public hearing on the FY 97 Draft Work Plan has been scheduled for August 6, 1996 at 7:00 PM, contact your local Legislative Information Office to participate (list enclosed). If you want to testify at the public hearing on Tuesday night or at the Public Advisory Group meeting on Wednesday, August 7, 1996, call Cherri well in advance so she can assist you.

Local News

Tatitlek

Gary Kompkoff, Chief of Tatitlek, reported on the burst of activities that are proceeding throughout the spring and summer months.

"The new ferry dock was completed in 1996," Gary said. The state ferry "Bartlett" made its first stop in Tatitlek on May 16, 1996. "The extension of the existing 2200 foot airstrip to 4200 feet is scheduled to be completed by July 1996." The Army Corps of Engineers and the Alaska Department of Transportation recently completed the feasibility phase and will begin the design phase of a new boat harbor which is scheduled for construction within the next few years. Gary provided an extensive list of local resources including a list of trained local

personnel, accommodations, facilities, and available equipment, vehicles, boats, and skiffs.

The village is very busy with many projects including a subsistence/mariculture processing facility, clinic construction, new teacher housing, and a new generator facility.

"It appears there will be a good salmon return, if indications prove correct. Many Elders and residents are already smoking salmon, and it's great to see this type of activity again."

The Tatitlek Mariculture Project has grown over the past few years to the point of the community constructing a subsistence/oyster processing facility funded through the State EVOS criminal funds with plans to expand to littleneck clams, scallops, mussels, and cockles. The project employs eight community members to care for the oyster seed until they reach marketable size, at which time they sort them and prepare them for market. Another component of this project is to expand upon the existing marketing plan to ensure continuous funding for the project.

Eyak

There has been a record sockeye run on the Copper River Delta but the seiners are reluctant to go out to the fishing

grounds due to the low pink and dog salmon price. Most of the fishermen are either staying on the flats or going out to Esther Island to gillnet. An Interim Board of Directors was elected for the Copper River/Prince William Sound Native Fishermen's Association on April 22, 1996.

Bob Henrich, President of the Native Village of Eyak said there will be a Copper River Tribal Caucus later this summer.

On June 8, 1996 the IKUMIT ALUTIIT Dance Group presented their premier performance at the Masonic Hall. Lydia Robart, from Port Graham was in Cordova the week of June 3-8, 1996, instructing youth and adults in the cultural art of Alutiiq dance. Lydia was assisted by her dance students from Tatitlek.

Approximately 30 children and 6 adults danced to the delight of a packed audience, dressed in costumes embellished with beads and otter fur. They hope to continue dance meetings, and acquire additional funding to learn to make traditional headwear, including bentwood hats and beaded headdresses.

Port Graham

Walter Meganack, Jr. reports there are a number of projects happening this summer including work on the road to Windy Bay, which will increase

the local access to subsistence resources and help with tourism development plans. Port Graham Seafoods started buying fish on July 6, 1996 and will operate a four pound can line throughout the summer. This is the first time the cannery has operated since the oil spill in 1989. Walter said that there are two local boats out fishing but most of the fleet is working on other local construction projects since the fish prices are so low. There was an archeological project near the cannery led by Bill and Karen Workmen of UAA, Robert McMullen was the project director and it employed four local students. The Port Graham Tribal Hatchery has been a great success to the community and to the local salmon stocks in the area. Pink salmon eggs are taken from the Port Graham River, raised in the hatchery and released in Port Graham Bay. The first successful pink salmon return was in 1995 and the tribe was able to take over 15,00 broodstock for future years. The tribal hatchery recently expanded their capabilities to include sockeye and coho salmon production. The long range plan is to produce enough fish to sell to the village corporation's cannery and to other markets as well.

Nanwalek

Hans Petersen who replaced Charles Moonin as the Community Facilitator for Nanwalek says the Village Council has already met to discuss the project proposals they want to work on for next year. He said, due to the lack of trust in the safeness of subsistence foods, they have been eating more processed, store-bought staples instead of relying on natural foods from the sea and the land. He also mentioned that locals cannot make a living off the fishing industry to support their families since fish prices crashed. Hans worked with Dr. Ken Brooks over the July 4th holiday to seed 900 littleneck clams, after three months he will help remeasure the clams to see how much they have grown. The Nanwalek Sockeye Enhancement Project is operated through a cooperative agreement between the Port Graham Tribal Hatchery and the Nanwalek Village Council for the production of Red Salmon to be placed in the lakes above Nanwalek. The eggs are taken from the salmon in Nanwalek, transported to Port Graham to be hatched and reared to fingerling size, then returned to the lakes in Nanwalek for further rearing in net pens in the lake system before they are released in late October. Due to this

cooperative remote release program in 1995, the community was able to open the subsistence and commercial fishery for the first time in 10 years. The Chugach Regional Resources Commission provides this project with a professional fisheries biologist to assist with the technical and education aspects of the program. All other employees are local residents of Nanwalek. Ron Stanek, ADF&G Subsistence Division, reports that the Jukebox Project is moving along in Nanwalek and Port Graham. There will be one college intern, Sperry Ash (working on the Sugestun language) and two high school seniors, Leo Ash (working on music and dance) and Kaylyn Moonin (working on traditional foods), participating in the project. They will compile materials and do interviews.

Seward

The Qutekcak Tribal Shellfish Hatchery (QTSH) in Seward, began operation in 1992 to raise oyster spat for sale to the shellfish farms in the State of Alaska, it recently conducted research on raising littleneck clams. As a result, QTSH is the first and only hatchery in the nation to successfully spawn out and raise this species of clams. This project increased the activity and experience of the tribal hatchery staff, who

recently received a grant to investigate the possibility of raising rock scallops, and other shellfish species. CRRC is currently working with the State of Alaska to construct a new hatchery and research facility which will be operated, in part, by CRRC in cooperation with the Qutekcak Native Tribe.

Chigniks

Virginia Aleck reported that a new road is being built in to the old land fill. She wishes additional money could be received to lay a gravel trail to the clam digging beach they have used since the oil spill while the road crew is still there with their equipment. I have sent a copy of the request letter from Chignik Lake Village Council to John Gliva at DCRA, but they won't make a decision until the Trustee Council has made their final decision on August 28, 1996. Toni Lind, the Chignik Lake Assistant Administrator, reported that during the closure of the old land fill some of the workers took old skiffs, hondas, trucks, and drums that had been lying around the village for years and disposed of them. The village looks cleaner, uncluttered.

They are waiting for the second run of fish to show up. There are no fish in the Lagoon right now. The second run has

declined over the last 5 years and the locals are wondering if ADF&G will recognize the need to upgrade the amount of fish they are allowing through the weir. She did not say which species of salmon she was talking about, I assumed it was sockeye.

Valdez

Karen Goodberlet is Tina Wheeler's replacement at the Valdez Native Tribe (VNT). In her last report that Tina said she was resigning for health reasons. She noted some local observations she received from hunters. John Boone noticed they are still seeing sea otter with lesions. He will try to bring one in for sampling. Jesse Frank has noticed that the sea otters are eating seagulls which they do not normally eat. He theorized they have exhausted their normal food supply. He also stated his relatives in Southeast Alaska have noticed an increased number of sea otters, suggesting to him that sea otters from our region have migrated south for better food supplies. The VNT, with technical assistance from CRRC, has developed a Smoked and Dried Fish Operation which targets its sales to Native consumers. Initially, the VNT has been able to sell everything they produce proving the feasibility of such a venture. As a result, CRRC and

the tribe are cooperatively seeking funding to expand the project.

Kodiak

Hank Eaton stated that he has been working on a duck survey that he sent to the villages. Based on local observations, he said that the number of Eider ducks are down 50 percent compared to before the oil spill. Black and harlequin ducks are down at least 20 percent. Sea Quail were also down as much as 50 percent. "The time it took to get all the responses back from the villages points dramatically to the need for a computer communication system that would facilitate responses from tribal groups." Hank said, "It was five weeks before I received all the return mail relating to the duck survey." Hank stated there is still concern about oil spill preparedness in the villages.

***Thanks to every one
who sent local news.***

Chugach Regional Resources Commission

According to Patty Brown-Schwalenberg the EVOS Trustee Council funded the Clam Restoration Project that uses the expertise of the Qutekcak Shellfish Hatchery and Nursery and newly

recruited hatchery manager Jon Agosti, to raise littleneck clams to grow-out stage. Jon started work on June 10, 1996. He has over ten years experience working at the Westcot Bay Sea Farms in Washington State developing hatchery and nursery techniques for oysters, clams, scallops, and cockles. Jon will serve as hatchery manager for two to three years as a mentor to Carmen Young who has directed the hatchery work prior to this season. Once Carmen receives more training and takes over as manager again, Jon will move into a research and development position so that Qutekcak Tribal Shellfish Hatchery can stay at the forefront of shellfish technology in Alaska. Between June 29- July 6, 1996 teams, headed by Dr. Ken Brooks, planted the littleneck clams that were produced and raised at Qutekcak at three village sites; Tatitlek, Port Graham and Nanwalek. In addition to the reseeding project, they also investigated predator control methods for razor clams in the Native Village of Eyak and predator control for littleneck clams in Tatitlek. They conducted beach surveys for Ouzinkie and Chenega Bay for future reseeding of those village beaches.

Kodiak Island Borough News

I talked to Linda Freed of the Kodiak Island Borough regarding their efforts to secure oil spill response equipment for the villages on Kodiak Island and the City of Kodiak. "ADEC is committed to providing funding in the amount of \$300-500,000 for the acquisition of this spill response equipment. Industry as required by ADEC, will work to provide training and drills for the use of this equipment by community residents and personnel

Protocols for Traditional Knowledge Update

The Protocols that were written in April have been circulated to the agencies for comment and revised to incorporate those comments. A second draft will be circulated to agencies before distribution to the Community Involvement Facilitators for their review later this summer.

FY 97 Project Progress

If you have wondered why I haven't sent out the amount of information I did throughout the spring, it is because I have been working to get the community based projects through the review and evaluation process here at the

Restoration Office. I am still working with others on rewrites for: Project 97052 Community Involvement Project to include one more CI Facilitator in Seldovia. Project 97352 Traditional Ecological Knowledge-A Consolidated Approach Project, this project will hire a consultant with expertise in traditional knowledge to lead this effort for the next few years. Project 97286 Elders/Youth Conference, fund a planning effort for the next oil spill community conference which will actually take place in the winter of 1997. Project 97263 Assessment Protection and Enhancement of Wildstock Salmon Streams in the Lower Cook Inlet.

There are continuing projects including 97127 and 97272 which are remote release projects to create replacement runs of salmon near Chenega Bay and Tatitlek. Project 97220 allows salmon stream enhancements near the Village of Eyak and Project 97225 will increase the availability of pink salmon near Port Graham until coho and sockeye runs return to normal. Six projects were differed until feasibility studies are completed: Project 97222: A fish pass on Anderson Creek near Chenega Bay. Project 97247: Habitat improvements on the Kametook River near Perryville. Project 97256 A and B: Stocking Columbia Lake

(near Tatitlek). Then because of legal questions two new projects were deferred. Project 97267: Build a float dock to improve access to subsistence resources for Port Graham residents and the other is to conduct educational subsistence harvest trips. These last two projects were submitted to John Gliva at DCRA, who is in charge of the EVOS criminal funds, for consideration if they do not pass review of the EVOS Trustee Council.

Alaska Native Harbor Seal Commission Report

Monica Reidel, Chair of the Alaska Native Harbor Seal Commission (ANHSC) reports that they are in their slow months for taking samples but they are still going to have their second workshop on the status of the harbor seal to bring the board up to date on the biosampling program. After consulting with the project co-director Jim Fall, ADF&G Subsistence Division, Monica said they agreed to hold their next meeting at the 47th Annual Arctic Science Conference. The conference will be held at Girdwood on September 19-21, 1996.

"Kate Wynne, UAF/Sea Grant, will be there with an update on the biosampling program as well as several of our Commissioners who will be on panels presenting their own

local projects." Monica said, "I believe it is a good opportunity for our Native Leaders to participate in a world class convention."

Time line for FY 97 Work Plan

April 15, 1996-Restoration Office received 126 proposals requesting \$38 million for FY 97.

May 16-18, 1996-Chief Scientist and core reviewers met to discuss the scientific merits of proposals.

May 23, 1996-Executive Director discussed proposals with agencies, Chief Scientist, and Public Advisory Group and drafted preliminary recommendations.

June 5, 1996-Public Advisory Group discussed proposals and preliminary recommendations and advised the Executive Director.

June 24, 1996-FY 97 Draft Work Plan is distributed for public comment.

August 5, 1996-Teleconference with the Community Involvement Facilitators at 11:00 AM.

August 6, 1996-Public hearing on the FY 97 Draft Work Plan.

August 7, 1996-Public Advisory Group meets to develop recommendations for the Trustee Council on FY 97 Final Work Plan.

August 28, 1996-Trustee Council is expected to decide on FY 97 Final Work Plan.

October 1, 1996-Fiscal year 1997 (FY97) begins.

Subsistence Resource Abnormalities Study Continues

Rita Miraglia has informed me that the ADF&G Subsistence Division still has the system in effect which enables subsistence harvesters to send in samples of abnormal resources to be examined by pathologists. The scientist's findings are reported to the communities, with an explanation of the results. The project began in 1995 in response to requests from the subsistence users in the oil spill area who noticed abnormalities but had no way to find out what caused the conditions. A total of 61 people were trained and work as volunteers to collect, preserve, and fill out forms in regard to, then package and ship the samples to ADF&G. Now that harvest activities are in full swing, Rita wanted to remind everyone that this service is still available. If you harvest any animal that appears abnormal and you would like to have it examined, contact one of the volunteers in your community or call their Hotline **1-800-267-2552**.

To obtain additional copies of or to be put on the mailing list to receive the Community Involvement Report please call Martha Vlasoff at 1-800-478-7745 or write EVOS Restoration Office, 645 G Street, Anchorage, Alaska 99501. Please send as many local news letters to me as possible so we can keep everyone informed of local issues.

EXTENSION OF CALL FOR ABSTRACTS and Posters

Submit all abstracts to Jack Kruse, conference chair, by July 31, 1996. Include contact information (mailing address, telephone and fax numbers, e-mail address). Send abstracts via e-mail or in hard copy accompanied by a Mac or DOS disk.

We will assign all abstracts to technical sessions. Posters should be set up Wednesday evening, September 18, and remain until Saturday afternoon.

Graduate students who are U.S. citizens enrolled at any university in the region covered by the Arctic Division of the AAAS can apply for the Larus prize. It is awarded to the graduate student submitting the paper or poster judged best by a panel of scientists. The winner receives an all-expense paid trip to the AAAS meeting in Seattle in February 1997.

Look for new program developments and abstracts on our web site. <http://www.uaa.alaska.edu/iser/aaas.htm>.

Special Events

Top of the Tram Reception

Ride the Alyeska Tramway to the 2,300-foot level of Mt. Alyeska for an opening reception Thursday evening, September 19, from 5:30 to 7:30 at the Glacier Express Restaurant. There will be a light buffet dinner and no-host bar.

Dr. Andrei Sher

Dr. Andrei Sher of the Severtsov Institute of Evolutionary Animal Morphology and Ecology in Moscow will speak Wednesday evening. He discovered the dwarf mammoths of Wrangel Island; his work has been featured on the NOVA television series.

Women in Science Luncheon

The Association for Women in Science, Alaska Chapter, will sponsor a luncheon during the conference; it will be open to all. **Dr. Edna MacLean**, President of Ilisagvik College in Barrow, will speak on science communications in the Arctic.

Portage Pass Field Trip

Kristine Crossen, chair of the Geology Department at UAA, will lead a full-day field trip through Portage Pass on Sunday, September 22. The group will leave the hotel at 9:00 a.m. and return

at 8:00 p.m. Participants will examine the Little Ice Age moraines of Burns Glacier, the recent retreat of Portage Glacier, and plant colonization on the recently deglaciated terrain. The cost is \$85; it includes transportation from the hotel, train ride to Whittier, tour boat return trip across Portage Lake, and Kris Crossen's guidebook to the area. Be prepared for moderate hiking; bring hiking boots, rain gear, and day packs. Some modifications may be required for poor weather.

More About the Conference Site

The Westin Alyeska Prince Hotel sits at the base of Mt. Alyeska in the resort community of Girdwood, 40 miles south of Anchorage. It offers spectacular views of the Chugach Mountains, Glacier Valley, and Turnagain Arm. All conference activities will take place at the hotel and will include hotel-catered breakfasts and lunches. Amenities include a fitness center, a swimming pool, and a jacuzzi.

Room Reservations

You must make your hotel reservations by September 5. Standard guest rooms include two double beds, voice mail, refrigerator, safe, hair dryer, heated towel racks, and robes. Be sure to identify yourself as a conference participant to receive the conference rate of \$120 per night plus tax. Phone 800-880-3880 or 907-754-1111, fax: 907-754-2200.

Transportation

No public transportation is available between Anchorage and Girdwood, 40 miles south of Anchorage via the Seward Highway. Options are:

- Alyeska Prince Hotel has negotiated a \$50 one-way fare with Anchorage Taxicab (278-8000). This charge will be billed to your room.

- Rental cars are available at the airport; Portage Glacier, the historic mining town of Hope, and other attractions are near Girdwood.

- ISER will arrange for a shuttle from the Anchorage airport to the conference on Wednesday evening and a return for Saturday afternoon. Please contact us if you would like to use this service.

- There will be a daily conference shuttle from the University of Alaska Anchorage campus.

Conference Registration

1996 Arctic Science Conference, September 19-21

To make the conference possible, all participants (including presenters) must register and pay the fees. Please fill in name and affiliation as you wish them to appear on your conference badge.

NAME _____ NAME OF ACCOMPANYING SPOUSE/GUEST _____

AFFILIATION _____

ADDRESS _____

CITY/STATE/ZIP _____

DAYTIME PHONE _____

FAX _____

E-MAIL _____

Registration Fee

Before 1 Aug.

After 1 Aug.

<input type="checkbox"/> Full Registration*	\$250	\$300
<input type="checkbox"/> One-day	\$100	\$125
<input type="checkbox"/> Graduate Student	\$100	\$125
<input type="checkbox"/> One-day Graduate Student	\$35	\$40

*Your registration fee includes 3 breakfasts, 3 lunches, beverage service, and materials.

Optional Fees (please circle any you choose)

Thursday Evening Reception (includes light dinner and tram ride)	\$30
Portage Glacier Field Trip (Sunday 9:00 a.m.-6:00 p.m.)	\$85

Total Fees Paid

\$ _____

Method of Payment

I authorize UAA to charge my credit card

CARD NUMBER _____

☐ Visa

☐ MasterCard

☐ Discover

EXPIRATION DATE _____

CARDHOLDER NAME _____

SIGNATURE _____

Check or money order, payable to University of Alaska

☐ PURCHASE ORDER NO. _____

☐ J.V. No. _____

Refunds will be made for cancellations received by September 1, 1996, minus a \$30 handling fee. No refunds will be made after September 1. However, substitutions may be made any time before the conference.

Please return completed registration with payment by August 1, 1996, to:

Mary Killorin, Conference Coordinator
Institute of Social and Economic Research
University of Alaska Anchorage

3211 Providence Drive • Anchorage, Alaska 99508

907-786-7724 • Fax 907-786-7725 • E-mail: auaas@uaa.alaska.edu

Preliminary Program

The retreat atmosphere and scenic beauty of the resort community of Girdwood will set the stage for our conference theme: *Shaping an Unpredictable Future—Science and Communities*. The conference will open with a traditional Alaska Native ceremony. The keynote speaker, Kai Erikson, will talk about "The Concept of Community." Dr. Erikson is the William R. Kenan, Jr. Professor of Sociology and American Studies at Yale University and the author of *Everything in Its Path: Destruction of Community in the Buffalo Creek Flood*, which was a National Book Award finalist. His most recent book, *A New Species of Trouble: Explorations in Disaster, Trauma and Community*, examines the effects technological disasters have on people.

Issue Forums

These forums will be conversations among people with different points of view—for example, community residents involved in grassroots projects; representatives of government agencies; and academic researchers. Participants will talk about what has worked in communities and how researchers and scientists can help. There will be ample time for audience/panel discussions.

Technological Disasters and Polar Communities: Perspectives on an Emerging Social Problems

Organizer: Steve Picou, Chair, Department of Sociology and Anthropology, University of South Alabama, 334-460-6347; fax: 334-460-7925, e-mail: spicou@jaguar1.usouthal.edu

Bridging Indigenous Knowledge Systems and Western Science/Education

Organizers: Oscar Kawagley, Patricia Cochran, Ray Barnhardt, and Dorothy Larson, Alaska Federation of Natives, 907-274-3611; fax: 907-276-7989, e-mail: fydl@aurora.alaska.edu

Sustainability and Availability of Caribou to Arctic Alaskan Communities—Building Bridges between Local, Traditional and Western Scientific Knowledge

Organizers: Sverre Pedersen and John Trent, Division of Wildlife Conservation, Alaska Department of Fish and Game, 907-267-2191, e-mail: johnt@fishgame.state.ak.us

Exploring Communications between Scientists, Resource Users, Management Agencies, and the Public in Alaska's Fishing Industry

Organizers: Dan Hull and Gunnar Knapp, Institute of Social and Economic Research, University of Alaska Anchorage, 907-742, fax: 907-786-7739, e-mail: anhdh@acad2.alaska.edu

Sharing the Responsibilities and Benefits of Science in the Arctic: Collaboration between Native Peoples and Government-Funded Scientists and Managers

Organizer: Jim Sedinger, Institute of Arctic Biology, University of Alaska Fairbanks, 907-474-6598, fax: 907-474-6967, e-mail: fjss@aurora.alaska.edu

The Effects of Arctic System Contaminants on Natural Resources and Human Health

(Contact us if you can organize or participate in this forum.)

Symposia

These symposia will cover topics conference participants have identified as important to communities; we will set up additional sessions as we receive papers. If you're interested in any of these sessions, please contact the individual organizers.

Western Arctic/Bering Sea Impact Studies

Organizers: Gunter Weller or Patricia Anderson, Center for Global Change and Arctic System Research, University of Alaska Fairbanks, 907-474-7371, fax: 907-474-7290, e-mail: gunter@gi.alaska.edu

Biogeography of Southeastern Alaska

Organizers: Gerald Shields and Joe Cook, Biology and Wildlife Department, University of Alaska Fairbanks, 907-474-6946, e-mail: fjac@aurora.alaska.edu

Federal Funding for Science and Technology: Impacts on Alaska and Arctic Research

Organizer: Al Teich, Director, Science and Policy Programs, AAAS

Ecological Monitoring—A Community-Based Approach

Organizer: Don Russell, Manager, Canadian Wildlife Service, 403-393-6700, fax: 403-667-7962, e-mail: russelld@ywc.yk.doe.ca

Alaska Native Geographies: What's in the Place Names?

Organizer: Tom Thornton, Assistant Professor of Anthropology, University of Alaska Southeast, 907-465-6397, e-mail: jtft@acad1.alaska.edu

Indigenous Partnerships in Northern Cultural Research

Organizer: Aron Crowell, Smithsonian Arctic Studies Center, Anchorage Museum of History and Art, 121 W. 7th Ave., Anchorage, AK 99501, 907-343-6142, fax: 907-343-6149, e-mail: aronc@muskox.alaska.edu

Lessons Learned: Expectations and Realities of Community-Based Arctic Research

Organizer: Carole Seyfrit, Department of Sociology, Old Dominion University, 804-683-3803, fax: 804-683-5746, e-mail: cls100f@cc.odu.edu

Management of Alaska's Wildlife—Who are the users? Who should set priorities? Who should pay?

Organizer: David R. Klein, Senior Scientist, Alaska Cooperative Fish and Wildlife Research Unit, University of Alaska Fairbanks, 907-474-6674, fax: 907-474-6967, e-mail: klein@redback.lter.alaska.edu

Tourism in the North: Strategies for Reducing Host-Guest Conflicts

Organizer: Judith Kleinfeld, Director of Northern Studies, University of Alaska Fairbanks, 907-474-5266, fax: 907-474-5817, e-mail: fjfsk@aurora.alaska.edu

Cost-Effective Delivery of Rural Utilities: Sanitation, Electricity, and Telecommunications

Organizer: Steve Colt, 603-774-3294, e-mail: sgcolt@aol.com, Mark Foster, 907-272-0207, e-mail: mafa@alaska.net

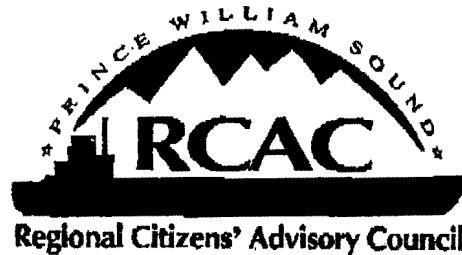
Special Workshops

Beringian Margins: Paleoenvironments of Southcentral Alaska

Wendy Eisner, NSF visiting professor in biological sciences at UAA, hopes this workshop will encourage conference participants to think about studying past biological and physical processes and human activities as a means of helping forecast future environmental changes. Her workshop goal is to write a report identifying mutual research interests and recommendations for the development of integrated regional studies of the impacts of global change on the physical and cultural landscape. For further information, contact Wendy Eisner, Department of Biological Sciences, University of Alaska Anchorage, 907-786-1591, e-mail: afwre@acad2.alaska.edu, co-sponsored by the Alaska Quaternary Center, Anchorage

Planning Workshop for the International Arctic Science Committee, Bering Sea Impact Study

Sponsored by the International Arctic Science Committee, Bering Sea Impact Study (BESIS) Project Office, Fairbanks, this will be a day-long workshop Wednesday, September 18, by invitation only. For information contact Gunter Weller or Patricia Anderson, Center for Global Change and Arctic System Research, UAF, phone: 907-474-7371, fax: 907-474-7290, e-mail: @gi.alaska.edu



**Notice to Communities
August 1996**

**RCAC
has a new Community Liaison
to improve outreach in your area.**

Leann Ferry has been appointed to fill the new position of Community Liaison at the Prince William Sound Regional Citizens' Advisory Council (RCAC). In her new position, Ferry will work to improve communications with the communities and groups that make up RCAC.

The RCAC is an independent non-profit organization formed in 1989 after the Exxon Valdez oil spill. Its mission is to make oil transportation safer. RCAC advises Alyeska Pipeline Service Company, oil shippers, state and federal agencies, and the general public.

RCAC represents the interests of people whose communities may be at risk from oil transportation. RCAC's members are communities and boroughs impacted by the 1989 Exxon Valdez Oil Spill, as well as commercial fishing, aquaculture, Native, recreation, tourism and environmental representatives.

The 18 member organizations include:
Chugach Alaska Corporation
Community of Chenega Bay
Community of Tatitlek
Kodiak Village Mayors Association

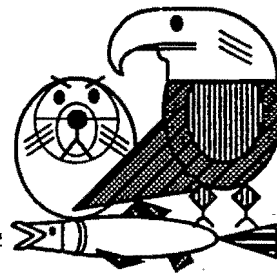
For more information about RCAC or the representative in your area, call Leann Ferry toll free at 1-800-478-7221.

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



29 July 1996

William E. Davis, Jr.
Wilson Bulletin Book Editor
127 East Street
Foxboro, Massachusetts 02035

Dear Ted:

Here is a draft of the review of the ASTM proceedings of the *Exxon Valdez* symposium. This is not quite my final version, as I still have a few items to track down and verify. I thought you should have a draft now, however, in case this is not something you're going to be able to use.

I have tried to be very careful with my comments, because I know that Wiens et al. will jump all over what I say. In fact, one measure of their sensitivity is that one of the Exxon contractors represented in this book read a draft of my review and provided comments, but only on the condition that I not mention him in the acknowledgments!

At any rate, please take a look and let me know if this is what you are after. I know that this is long, but I doubt that I can shorten it more than another page or so. As it is, my comments only scratch the surface.

Best wishes,

Stan

Stanley E. Senner
Science Coordinator

enclosure (1)

Trustee Agencies

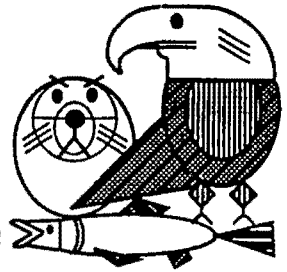
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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



July 29, 1996

John A. Wiens, Professor of Ecology
Colorado State University
Department of Biology
Fort Collins, Colorado 80523-1878

Dear John:

Thanks for your letter of 24 June in which you invited me to contribute a section on unresolved issues pertaining to seabirds following the *Exxon Valdez* oil spill. It is a good topic, and I'd like to think there could be some meeting of minds on these questions.

I am sorry to be slow in responding (and to then respond in the negative), but I will decline your kind offer. My plate is full now, and it only seems prudent to first take care of several existing writing commitments (most of which must get taken care of on my own time). Beyond that, and notwithstanding your responsiveness to reviewer comments, I would still have some problem with the overall "flavor" of the book, especially the lack of an alternative viewpoint to your chapter 17 (Wiens, Maki, Parrish, and ???), which seems intended as an important summary drawing on the *Exxon Valdez* experience.

Thanks again for the offer, but I must decline.

Sincerely,

Stanley E. Senner
Science Coordinator

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

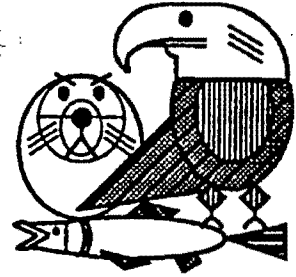
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

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



MEMORANDUM

TO: Agency Liaisons
FROM: *Traci Cramer*
Traci Cramer
Administrative Officer

DATE: July 26, 1996

RE: Revised Operating and Financial Procedures

Attached for your review is another DRAFT of the EVOS Policies and Procedures. The document includes the addition of five new sub-sections and various revisions. As planned, this DRAFT is being sent to the Public Advisory Group for their review at the August 7th meeting. Since the goal is to have the Trustee Council adopt a final document at the meeting scheduled in late August, it is requested that any comments regarding this DRAFT be submitted to the **Juneau Office by close of business Friday August 2, 1996.**

Based on discussion at the Restoration Work Force meeting three new sub-sections have been added. These include reference to the Restoration Plan which is located on page 5, the inclusion of Habitat Protection and Acquisition, and the Restoration Reserve, which are located on pages 8 and 9 respectively. At the request of the Department of the Interior, two new sub-sections have been added to Appendix A. The new sub-sections include the quarterly instruction for transfer and recovery of prior year funds.

The most noticeable revision is that the format of the document has changed. The triple spacing and the line numbering has been removed. However, the only significant revisions involve the following.

Chair (page 6) - The original Operating Procedures adopted by the Trustee Council in 1992 included a provision for a Presiding Officer. The attached DRAFT has been revised to reflect the current structure of the Trustee Council.

Adjustments (page 11) - At the request of the Department of the Interior, the term transfer has been changed to adjustments when discussing the agency's ability to move authorization between projects and line-items.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

As you will recall, not all of the issues discussed at the Work Force meeting have been resolved. Outstanding issues include:

1. Emergency Action (page 7) - The original Operating Procedures adopted by the Trustee Council in 1992 included a provision for Interim Emergency Action. While a suggestion was made to delete the sub-section, the attached DRAFT continues to provide flexibility to the Council to take emergency action.
2. Meetings (page 7) - The current DRAFT requires that a proposed agenda and appropriate briefing materials be provided to Council members in advance of a meeting. However, it is silent in terms of how far in advance the information is to be provided.
3. Public Notice (page 10) - The current DRAFT requires reasonable public notice be given for all meeting of the Trustee Council. However, as was the case with the original procedures adopted in 1992, the term reasonable public notice is not defined.
4. Public Review and Comment (pages 8, 9 and 12) - Within the Restoration Work Plan, the Habitat Protection and Acquisition, and the Revisions sub-sections public review and comment is required prior to Trustee Council action. However, no minimum period of review is spelled out in the document.
5. General Administration Formula (page 12) - The method used to determine the amount of general administration requires each agency to perform at least two and sometimes three calculations. First the agency calculates fifteen percent on personnel costs, then seven percent on contractual cost for the first \$250,000, and if greater than \$250,000, that portion is multiplied by two percent. To reduce the administrative cost of performing these calculations, it has been suggested that one formula be applied against the project total. While the attached DRAFT continues the current practice, I am reviewing the current year and prior years Work Plans. When my review is complete, I will communicate my findings under separate cover.
6. Fiscal Year (page 11) - The attached document continues the Trustee Council's practice of authorizing funding on an annual basis. Technically, this means that authorization is available for only one year. In the case of a project that continues over a number of years, agencies are required to control and account for each fiscal year authorization separately. Not only is an agency required to submit an annual proposal and budget, but the prior year project must be closed out and the unexpended and unobligated balance returned. As before, the attached DRAFT continues to limit expenditure activity to the fiscal year for which it was authorized.

If you have any questions, give me a call at (907) 586-7238.

attachment

cc: Molly McCammon
Eric Myers
Bob Baldauf
Kim Garner
Craig Tillery
Regina Belt
Barry Roth
Maria Lisowski

**EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL
POLICIES AND PROCEDURES
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INTRODUCTION

1. *Purpose.* Define the Policies and Procedures of the *Exxon Valdez* Oil Spill Trustee Council (Trustee Council) and provide guidance regarding the authorities and responsibilities of agencies that receive Joint Trust Funds approved by the Trustee Council.

2. *Supersession.* These procedures supersede the Operating Procedures adopted by the Trustee Council January 10, 1992, and the Financial Operating Procedures adopted by the Trustee Council September 21, 1992.

3. *Relationship.* The financial operating procedures of the Trustee Council augment state and federal procedures. Agencies receiving funding approved by the Trustee Council are responsible for ensuring that the procedures described in this document and the appropriate state or federal procedures are followed.

4. *Amendments.* These procedures may be modified by unanimous agreement of the Trustee Council.

5. *Authority.* The principles and processes stated herein are based on the authorities conveyed by the Memorandum of Agreement and Consent Decree entered as settlement of United States of America v. State of Alaska, No. A91-081 Civil, U.S. District Court of Alaska. The Joint Trust Fund is comprised of all payments received in settlement of State of Alaska v. Exxon Corporation, et al., No. A91-082 CIV, and United State of America v. Exxon Corporation, et al., No. A91-082.

6. *Restoration Plan.* The *Exxon Valdez* Restoration Plan provides long-term guidance for restoring the resources and services injured by the oil spill. It contains policies for making restoration decisions and describes how restoration activities will be implemented. The Restoration Plan was adopted by the Trustees in November 1994 after completion of the Final Environmental Impact Statement. By unanimous consent, the Trustee Council may change the plan if the Council determines that the plan is no longer responsive to restoration needs.

OPERATIONAL POLICIES AND PROCEDURES

TRUSTEE COUNCIL

1. *Basic Governing Procedures.* The current edition of *Roberts Rules of Order* will govern the Trustee Council. All provisions of these rules of order will apply to Trustee Council deliberations unless the Council unanimously decides to proceed differently.

2. *Trustee Council Membership.* The following officials act on behalf of the public as trustees: the Attorney General of the State of Alaska; the Commissioner of the Alaska Department of Environmental Conservation; the Commissioner of the Alaska Department of Fish and Game; the Secretary of the United States Department of Agriculture; the Secretary of the United States Department of the Interior; and the Administrator of the National Oceanic and Atmospheric Administration, United States Department of Commerce. The State Trustees serve directly on the Trustee Council. The Federal Trustees have each appointed a representative to serve on the Council. These appointments include the Alaska Regional Forester, United States Department of Agriculture; the Assistant Secretary for Fish, Wildlife and Parks, United States Department of the Interior; and the Alaska Region Director, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, United States Department of Commerce. In the event a Council member is precluded from attending a meeting or must be excused during a meeting, an alternate may exercise voting privileges on behalf of the Council member. Each Council member shall designate in writing an alternate member and the designation shall be maintained in the official record or an alternate may be identified at the meeting and so stated for the record.

3. *Quorum.* A quorum of two-thirds (2/3) of the total Council membership including at least two state members and two federal members shall be required to convene a meeting. All decisions shall be made by unanimous agreement of the six Council members or their designated alternates.

4. *Chair.* The Trustee Council shall designate a chair to preside at each meeting. The chair may participate in discussion and debate at the meetings and shall vote on all questions before the Trustee Council.

5. *Council Action.* All matters before the Trustee Council which require a vote, make a recommendation, approve or disapprove an item, or otherwise render a decision shall require the unanimous approval of the six Council members or their designated alternates. All actions by the Trustee Council shall be taken at duly convened meetings except as provided in Section 10.

6. *Abstention.* Abstaining from voting by a Council member shall not be permitted unless there is an affirmative vote of all members of the Trustee Council and any apparent, or declared, conflict of interest is stated for the record. In the event a Council member believes he or she must abstain from participating in a decision, the Council member may request the

decision be deferred until a designated alternate is available to vote.

7. *Meetings.* Meetings shall be held at times and locations determined by the Council. The Executive Director shall provide a proposed agenda and appropriate briefing materials to the Council members in advance of the meeting. The final agenda for the meeting will be determined by the Council and shall include a reasonable opportunity for public comment.

8. *Executive Sessions.* Executive sessions shall be kept to a minimum and shall be used only for discussion of matters concerning confidential personnel issues, litigation or legal advice, habitat acquisition negotiations, confidential archaeological information, confidential fisheries information or other matters included under AS 44.62.310(c) or other applicable State or Federal laws.

9. *Minutes of Council Meetings.* All meetings shall be recorded electronically or by a court reporter, and said records shall, along with the written, approved meeting notes, constitute the official record of the Council's actions.

10. *Emergency Action.* In the event of an emergency requiring Council action before a meeting can be held in accordance with the procedures described herein, the Executive Director will poll the Trustee Council and take action by unanimous agreement. Any decisions of the Trustee Council shall be reflected in the official record of the Trustee Council along with justification regarding the need to take emergency action.

STRUCTURE

1. *General.* Pursuant to the agreement between the State of Alaska and the federal government, signed December 1993, the Trustee Council has created the position of Executive Director and the Restoration Office to manage the day-to-day administrative functions of the Trustee Council and the overall restoration program. These activities are complemented by the agencies which are responsible for agency management activities and the management of projects approved by the Trustee Council.

2. *Restoration Office.* Under supervision of the Executive Director, the Restoration Office is responsible for: (1) facilitating communication between the federal and state governments, the six Council members and the Public Advisory Group; (2) maintaining the official record of the Council's action; (3) coordinating the annual project proposal solicitation and annual restoration work plans; (4) preparing and analyzing financial and project status information; (5) developing and implementing procedures to achieve the goals and objectives of the Trustee Council; (6) performing and/or overseeing special and on-going projects; and (7) public outreach and public participation.

3. *Agencies.* Under supervision of the agency's Council member, the agency is responsible for: (1) ensuring that the procedures described herein, and the appropriate state or

federal procedures are followed, including compliance with the National Environmental Policy Act; (2) ensuring that projects funded meet their stated goals, objectives and schedules, and are accomplished consistent with the funds authorized; (3) implementing, evaluating and monitoring approved project; (4) obtaining information from or facilitating the exchange of information among the Restoration Office, the public, cooperating agencies, and principal investigators; (5) developing agency goals and objectives for the restoration program; (6) assisting in the preparation and review of project proposals and detailed budgets; (7) assisting in the development of the annual restoration work plan; and (8) representing their Council member in matters related to the restoration program.

RESTORATION WORK PLAN

1. *Invitation.* Annually the public, private sector, non-profit groups, and government agencies will be invited to submit proposals for funding based on identified restoration priorities and needs.

2. *Internal Review.* Proposals received will be subject to independent scientific review, as well as, policy, budget, agency and legal review.

3. *Public Review and Comment.* Prior to Trustee Council action, the Work Plan and the project proposals shall be made available to the public for review and comment.

4. *Adoption.* After expiration of the period for public review and comment, the Trustee Council, in open session and with additional opportunity for public comment, will review the proposed Work Plan. The Trustee Council may make such changes to the Work Plan or include terms and conditions of funding as the Council deems appropriate. Upon unanimous approval, the Work Plan shall be adopted by the Trustee Council.

HABITAT PROTECTION AND ACQUISITION

1. *General.* Habitat Protection and Acquisition is an important means of restoring injured resources and the services that are dependent upon those resources. Habitat Protection and Acquisition may include the purchase of lands or interests in land such as conservation easements, mineral rights, or timber rights.

2. *Parcel Nomination and Sponsorship.* Only those parcels nominated by a willing seller will be considered for purchase. In addition, a federal or state land management agency must sponsor the parcel prior to evaluation and ranking.

3. *Parcel Evaluation and Ranking.* Parcels that have been nominated and sponsored will be evaluated and ranked according to the potential benefits that purchase and protection would provide to injured resources and services. The criteria and procedures for evaluating and ranking parcels shall be developed by the Executive Director and approved by the Trustee Council.

4. *Terms and Conditions.* By unanimous agreement of the six Trustees or their designated alternates, a resolution shall be adopted authorizing the purchase of land or ownership rights. The resolution shall set forth the terms and conditions appropriate for the identified parcel(s).

5. *Title and Management.* The title of any lands, or ownership rights will be specified in the resolution adopted by the Trustee Council. All land acquired shall be managed in accordance with the terms and conditions of the Trustee Council.

6. *Public Review and Comment.* Prior to final Trustee Council action, reasonable public notice shall be given and the public shall be provided an opportunity to comment.

7. *Application for Disbursement of Joint Funds.* Upon certification from the Executive Director that the terms and conditions set forth in the resolution have been satisfied, the Alaska Department of Law and the United States Department of Justice shall be requested to petition the District Court for the withdrawal of funds.

RESTORATION RESERVE

1. *General.* The Trustee Council has established the Restoration Reserve. Pursuant to Court Order, the Restoration Reserve is a separate account within the Court Registry Investment System (CRIS) administered through the United States District Court for the Southern District of Texas.

2. *Payments.* The amount to be deposited on an annual basis will be determined by the unanimous agreement of the six Trustees or their designated alternates. Upon approval, the Alaska Department of Law and the United States Department of Justice shall petition the District Court to transfer the funds.

3. *Investments and Interest.* The Restoration Reserve shall be invested with the intent of maximizing interest earnings and all such earnings shall be retained in the Restoration Reserve.

4. *Use.* While the Trustee Council intends that the principle and interest from the Restoration Reserve be available following Exxon's last payment, the Trustee Council may, at any time by unanimous vote of the six members, use the principle or interest before that time.

PUBLIC PARTICIPATION

1. *General.* The Trustee Council recognizes that public participation in the restoration program is an integral part of the process. To that end, the public is invited to review, comment and participate in the development and implementation of the restoration program.

2. *Exxon Valdez Oil Spill Public Advisory Group.* By order of the District Court for the District of Alaska, the Public Advisory Group is to advise the Trustees, appointed to administer the fund established in settlement of United States v. Exxon Corporation, Civil Action No. A91-082, and State of Alaska v. Exxon Corporation, Civil Action No. 091-083, both in the United States District Court for the District of Alaska, in all matters described in Paragraph V.A.1 of the MOA referenced above. The overall procedures for the Public Advisory Group are contained in the Charter unanimously approved by the Trustee Council and signed by the Secretary of the United States Department of the Interior. The Public Advisory Group consists of members recommended by the Trustee Council and appointed by the Secretary of the United States Department of the Interior.

3. *Public Notice.* Reasonable public notice shall be given for all meetings of the Trustee Council. The notice shall include, when possible, publication in one or more newspapers of general circulation in the following communities: Anchorage, Chenega, Cordova, Homer, Juneau, Kenai, Kodiak, Seward, Tatitlek, Valdez and Whittier and by distribution of the public notice to radio stations broadcasting to these communities. The public notice shall identify the proposed agenda and include a reasonable opportunity for public comment.

4. *Access to Information.* The public shall have access to the official record of the Council's action and information regarding proposed or completed studies or other activities funded by Joint Trust Funds.

FINANCIAL POLICIES AND PROCEDURES

SETTLEMENT FUNDS

1. *Joint Trust Fund.* Pursuant to Court Order and in accordance with the Terms of the Memorandum of Agreement and Consent Decree, all payments are placed in an interest-bearing account in the Court Registry Investment System (CRIS) administered through the United States District Court for the Southern District of Texas.

2. *Disbursement.* Upon joint application of counsel for the United States and the State of Alaska, the United States District Court for the District of Alaska orders the disbursement of funds for purposes consistent with the Memorandum of Agreement and Consent Decree. The joint application shall consist of legal documents required by the Court and documentation demonstrating the unanimous approval of the Trustee Council. When appropriate, interest earned on the federal and state accounts and/or unobligated balances from prior years Work Plans shall be subtracted from the disbursement.

3. *Authority to Spend.* No obligations shall be incurred until such time as a Court Order is entered by the United States District Court for the District of Alaska and any terms and conditions placed on the funding by the Trustee Council have been met.

4. *Federal Account.* In accordance with federal law, funds required for federal project implementation are deposited in the Natural Resource Damage Assessment and Restoration (NRDA&R) Fund.

5. *State Account.* In accordance with state law, funds required for state project implementation are deposited in the *Exxon Valdez* Oil Spill Settlement (EVOS) Fund.

AUTHORIZATION

1. *General.* Initial authorization shall be recorded consistent with the budgets approved by the Trustee Council.

2. *Fiscal Year.* Unless otherwise approved by the Trustee Council, the fiscal year begins on October 1 and ends on September 30. In the event the Trustee Council approves a project with a different fiscal year, the fiscal year must be clearly stated in the approval motion.

3. *Adjustments.* As long as an adjustment does not alter the underlying scope or objectives of the affected projects, agencies have the authority to move funds into or out of projects up to the cumulative amount of \$25,000 or up to 10% of the authorized level for each affected project, whichever is less. In addition, as long as an adjustment does not alter the underlying scope or objectives of the project, agencies are authorized to move, within a single project, budgeted funds between line items and may change detailed items of expenditure to accommodate

circumstances encountered during budget implementation. Justification and supporting documentation as to the reason for any such adjustments (both between projects and line-items) shall be maintained by the agencies. Any adjustments between projects shall be reported to the Executive Director in the Quarterly Financial Report. For further information regarding the Quarterly Report, refer to the Reporting section of these policies and procedures.

4. *Revisions.* Trustee Council action is required to move amounts greater than that authorized in section 3 above. Trustee Council action is also required if the revision changes the scope or objectives of a project, establishes a new project, or terminates an approved project during the fiscal year. In the event the proposed revision changes the scope or objectives of a project, establishes a new project, or terminates an approved project during the fiscal year, the public must be notified of the proposed change prior to action of the Trustee Council and given the opportunity to comment.

PROJECT COSTS

1. *Direct Project Costs.* Direct costs are those costs that can be identified with or linked to a specific project.

2. *Indirect Project Costs.* Indirect costs are those that are incurred for common or joint projects and therefore cannot be identified readily and specifically with a project. In the case of governmental agencies, indirect costs are covered through a general administration formula. The appropriate indirect rate for contractors will be approved on a case-by-case basis.

3. *General Administration Formula.* The general administration formula is used to reimburse governmental agencies for indirect project costs incurred in implementing the restoration program. Actual recovery shall be in proportion to actual direct costs and is limited to:

- a. Fifteen percent of each projects actual personnel cost; and
- b. Seven percent of the first \$250,000 of each projects actual contractual costs, plus two percent of each projects actual contractual costs in excess of \$250,000.

4. *Unallowable Costs.* Restoration funds shall not be used to support normal agency functions and activities. As such, costs that would have been incurred, absent the oil spill, are not eligible for reimbursement. This includes costs considered necessary for the management, supervision and administrative control of an agency.

ACCOUNTING

1. *General.* It is the responsibility of agency personnel and certifying officers to make certain that all actions are based on sound accounting and budgetary practices.

2. *Source Documentation.* Adequate justification and supporting documentation must be

maintained for each project.

3. *Appropriateness.* Expenditures charged to a project must be directly attributable to or allocated to the project benefiting from the activity. Salaries and benefits may be charged for the time an individual is working directly on a project, when supported by time sheets and when work performed by such individuals is necessary to the project.

4. *Reasonableness.* Costs attributable to a project must be necessary and reasonable to achieve the objectives of the project and be consistent with the policies and procedures governing other activities of the agency.

5. *Segregation.* Accounts must be properly designed and maintained to ensure that funds are expended in accordance with Trustee Council approval. In addition, direct project costs must be segregated from indirect costs to ensure that restoration projects are assessed the general administration formula in proportion to direct costs.

6. *Expended (Outlays).* The term expended shall be defined as the actual outlay of funds through the issuance of checks or warrants, the disbursement of cash, or the electronic transfer of funds. The term expenditure shall be defined as the act of expending.

7. *Obligations (Encumbrances).* The term obligations shall be defined as a commitment to acquire goods or services during the fiscal year, or to accommodate contracts where the length of time for completion of the service extends into the following fiscal year. An obligation is a commitment to pay and should not be considered an expenditure until the goods or services have been received and the invoice paid. Funds approved for contracts in which the length of time for completion of the service extends into the following fiscal year, may be obligated at year end. To be valid, the length of time to complete the service should be identified in the Detailed Project Description and the budget approved by the Trustee Council. As a general rule, agencies shall have one year from the end of a projects approved fiscal year to satisfy all obligations.

LAPSE

1. *General.* The unexpended and unobligated balance of a project shall lapse on September 30 of the fiscal year for which the project was approved. However, an undisclosed obligation may be established and/or paid during the Close-Out Period.

2. *Close-Out Period.* During the months of October, November and December agencies may pay from prior year funds an expense which was undisclosed during the fiscal year just ended. In addition, agencies may establish obligations to accommodate an expense which was undisclosed during the fiscal year just ended. Thirty days following the end of the Close-Out Period, agencies shall report to the Executive Director the total expended for each project, plus any obligations relating to the fiscal year just ended. For further information regarding the Annual Financial report, refer to the Reporting section of these policies and procedures.

3. *Reimbursement for Prior Year Expenses.* Expenses discovered after the Close-Out Period may be charged to the subsequent year's project budget. In the event the agency determines that insufficient funds are available to charge the expense to the subsequent year's budget, or the expense relates to a completed project Trustee Council approval is required.

EQUIPMENT

1. *Title.* Subject to the conditions set forth in this section, title to equipment acquired with Joint Trust Funds will be retained by the respective governmental agency. In the event equipment is transferred between governments, title to the equipment shall also be transferred.

2. *Use.* Equipment shall be used for the project for which it was acquired. When no longer needed for the original project, the equipment may be used in other activities for which funding was approved by the Trustee Council. The equipment may also be used for other agency purposes, providing that first preference be given to the restoration projects for which funding was approved by the Trustee Council, even when the project is being accomplished by another agency.

3. *Inventory.* Property records shall be maintained in accordance with agency procedures.

4. *Repair, Maintenance and Safeguarding.* The repair, maintenance and safeguarding of equipment purchased with joint funds shall be accomplished in accordance with agency procedures.

5. *Disposal.* Equipment which has ceased to function or have value shall be disposed of in accordance with agency procedures.

PROFESSIONAL SERVICES CONTRACTS

1. *General.* Agencies shall ensure that professional services are accomplished in accordance with the terms, conditions, and specifications of the project approved by the Trustee Council. In the event the approved motion of the Trustee Council specifically identifies the entity to carry-out the project and the contracting agency determines that an award to an entity, different than that specified by the Trustee Council, would better serve the restoration program, the basis of that determination shall be stated in writing to the Executive Director and forwarded to the Trustee Council for approval.

2. *Definition.* Professional services means contracts for professional, technical, or consultant services which result in the production of a report or the completion of a task, and include analysis, evaluation, prediction, planning, or a recommendation.

3. *Indirect Rates.* The appropriate indirect rate for contractors will be determined on a project by project basis or through a memorandum of understanding with a contractor that

provides for a consistent rate and methodology.

4. *Equipment.* Equipment purchased by the contractor will remain the property of the contracting agency.

5. *Special Considerations.* All notes and other data developed by the contractor shall remain the sole property of the contracting agency.

REPORTING

1. *Joint Account.* Revenues, disbursements and fees associated with the Court Registry Investment System shall be reported to the Trustee Council on a monthly basis. This report shall include an analysis of the Joint Trust Fund Balance and the total estimated funds available.

2. *Quarterly Financial Reports.* Within thirty days following the end of each quarter, agencies shall report expenditures and obligations recorded at the end of the quarter to the Executive Director. The report shall include the total amount authorized for each project, any revisions approved by the Trustee Council, any adjustments between projects, the total expended by project, and the total of any outstanding obligations by project.

3. *Quarterly Status Reports.* Within thirty days following the end of each quarter, agencies shall submit a project status report to the Executive Director. The report submitted by the agencies shall communicate the project status in relationship to the project tasks that were identified in the proposal approved by the Trustee Council, any problems which are being encountered, and noteworthy accomplishments.

4. *Annual Financial Reports.* Thirty days following the end of the Close-Out Period, agencies shall report to the Executive Director the total expended for each project, plus any valid obligations relating to the fiscal year just ended. The report shall reflect the total amount authorized by line-item, any revisions approved by the Trustee Council, any adjustments between projects, and any adjustments between line-items.

5. *Annual Project Reports.* Annually, agencies shall submit a report to the Executive Director for all continuing projects approved by the Trustee Council. To be considered continuing, a project must have been initiated with the expectation that it was multi-year. The report deadline and format shall be determined by the Executive Director.

6. *Final Project Reports.* Upon completion of a project or the determination by the Trustee Council to no longer fund a project, agencies shall submit a report to the Executive Director. The report deadline and format shall be determined by the Executive Director.

7. *Equipment Reports.* By December 31 of each year, agencies shall report equipment valued at a cost of \$1,000 or more, and other sensitive items to the Executive Director. Sensitive

items shall include firearms, audio/visual equipment, computers and cameras. The report shall include a listing of equipment purchased during the fiscal year just ended, the reassignment of equipment to other activities funded by the Trustee Council and any equipment currently being used for other agency purposes. Agencies shall also report all equipment which has ceased to function or have value and identify any equipment which was disposed of during the previous fiscal year.

AUDITS

1. *General.* The purpose of an audit is to ensure public trust and accountability regarding the use of settlement funds. An audit provides credibility to the information reported by or obtained from management by independently acquiring and evaluating the evidence.

2. *Definition.* The term audit includes both financial and performance audits.

3. *Readiness.* When an agency receives funding from the Trustee Council, the agency assumes certain responsibilities along with those funds. These include ensuring that source documentation is organized and available for review, internal controls are documented and that individuals knowledgeable about the projects are available to answer questions.

4. *Professional Services Contracts.* Contractors who receive funding for professional, technical, or consultant's services are not automatically subject to an annual audit. However, this does not preclude the Trustee Council or the agency from making a determination that an audit is required over and above an agency's review of expenditure documentation and work produced by a contractor.

5. *State and Federal Audits.* Each Federal agency and the State of Alaska have audit functions. In the event an audit is performed, a copy of the audit shall be provided to the Executive Director.

6. *External Audits.* All external audits shall be conducted in accordance with Governmental Auditing Standards. In addition, the firm and the staff assigned to conduct the audit shall be independent of the Trustee Council, the funding agencies, the Court Registry Investment System, Exxon Corporation, Exxon Shipping Company and Exxon Pipeline Company.

APPENDIX A: FEDERAL INTERNAL PROCEDURES

NATURAL RESOURCES DAMAGE ASSESSMENT AND RESTORATION FUND

1. *Segregation.* All principal and interest shall be accounted for separately by the Department of the Interior, Fish and Wildlife Service, Division of Finance. Each disbursement shall be assigned an appropriate account, sub-activity and/or project number when deposited to the aggregate Fish and Wildlife Service account within the Federal Reserve Bank. Confirmation of the deposit shall be provided to the Treasury Department which reconciles the deposit with the Federal Reserve Bank.

2. *Investments.* By law, the funds may only be invested in Treasury Securities and all ownership is maintained in the name of the Natural Resource Damage Assessment and Restoration Fund. Based on an estimate of cash flow requirements, the Department of the Interior, Office of the Secretary generates instructions for investment and forwards the instructions to the Division of Finance. The Division of Finance develops and submits an Investment Confirmation Letter which indicates which account investments are being purchased, the scheduled maturity dates and the investment type(s) to the Department of Treasury which purchases the securities. At maturity, interest income is paid directly to the account.

3. *Reports.* At maturity, the Department of the Interior shall report interest income to the Executive Director. In addition, all disbursements to the federal agencies shall be reported to the Executive Director.

AUTHORIZATION

1. *General.* Congress permanently appropriated funding approved by the Trustee Council in Section 207 of Public Law 102-227. However, all authorization is subject to compliance with any terms and conditions imposed by the Trustee Council.

2. *Budget and Reports.* Under Section 207, agencies are required to comply with directions published by the Federal Office of Management and Budget. This includes submitting a budget for the upcoming fiscal year and documentation associated with the current and prior fiscal year.

3. *Obligation Authority.* Prior to the obligation of any funds, agencies must first complete the allocation process required by their respective budget offices to establish codes for each project. The allocation process provides the authority, amount of funding and the guidance with which to obligate funds.

4. *Quarterly Instructions for Transfer.* On a quarterly basis, federal agencies are required to submit to the United States Department of the Interior, Office of the Secretary, Budget Office instructions regarding the transfer of settlement funds. The instructions shall specify the purpose of the transfer, which account the funds are to be transferred, and an estimate of cash flow

requirements. Unless the transfer represents a one-time payment, the cash flow estimate shall be structured on a quarterly basis. Any change in cash flow requirements during the fiscal year shall be reflected on subsequent quarterly instruction for transfer. A change is defined as a decrease in the cash flow requirement due to an unanticipated delay in a project or an increase in the cash flow requirement due to an unanticipated change in the schedule.

5. *Fund Transfers.* There are two types of fund transfers. The first type of transfer is internal to Department of the Interior, Fish and Wildlife Service. The form used is the Allotment Advice, Form FWS 3-1951. The Allotment Advice is initiated and prepared by the Division of Budget, Fish and Wildlife Service and then sent to the Division of Finance, Fish and Wildlife Service where the funds are made available through the Control Schedule Process. The second type of transfer is to agencies/bureaus outside of the Fish and Wildlife Service. The form used is a SF1151, a non-expenditure transfer. The SF1151 is initiated, prepared, and approved by the Division of Budget, Fish and Wildlife Service and then sent to Treasury where the funds are transferred within the Treasury system.

6. *Recovery of Prior Year Funds.* On January 31 of each year, Federal Trustee Agencies shall return to the Natural Resource Damage Assessment and Restoration Fund the unexpended and unobligated balance for the fiscal year just ended. Concurrently, the agencies shall return any Recovery of Prior Year Obligations. The Department of the Interior shall report the recovery of prior funds to the Executive Director by February 15 of each year.

APPENDIX B: STATE INTERNAL PROCEDURES

EXXON VALDEZ OIL SPILL SETTLEMENT FUND

1. *Segregation.* All principal and interest shall be accounted for separately by the Alaska Department of Revenue, Division of Treasury. Each disbursement shall be deposited in a Department of Law sub-account. Confirmation of the deposit shall be provided by the bank to the Department of Revenue, at which time the funds are moved from the sub-account to the general investment pool within the Alaska State Accounting System. The Department of Law, Division of Administrative Services is notified of the deposit and allocates the funds to the *Exxon Valdez* Oil Settlement Fund.

2. *Investments.* The Alaska Department of Revenue, Division of Treasury will calculate the daily income amount and provide for daily compounding (including weekends and holidays) as follows: (a) using the weekly 180 day Treasury Bill Rates for the month based on the weekly auctions occurring during the month; and (b) the daily cash balance of the *Exxon Valdez* Oil Settlement Fund within the Alaska State Accounting System. The income shall be credited to the fund and posted in the Alaska State Accounting System on a monthly basis.

3. *Reports.* The Department of Revenue, Division of Treasury shall report income earned to the Executive Director on a monthly basis.

AUTHORIZATION

1. *General.* Pursuant to Alaska Statute 37.14.405(a), a state agency may not expend money received from the trust unless the expenditure is in accordance with an appropriation made by law. However, prior to the expenditure of funds, Trustee Council approval must be obtained, the Court Order signed, and any terms and conditions placed on the funding by the Trustee Council have been met.

2. *Budget and Reports.* To meet the requirements of Alaska Statute 37.14.415, agencies are required to comply with directions published by the State Office of Management and Budget, Division of Budget Review. Alaska Statute 37.14.415 states: The state trustees shall

(1) submit to the governor and the legislature by December 15 of each year a report setting out, for each object or purpose of expenditure, the amounts approved for expenditure from the trust during the preceding fiscal year and the amounts actually expended during the preceding fiscal year.

(2) prepare and submit, under AS 37.07, a budget for the next fiscal year setting out, for each object or purpose of expenditure, the trustees' estimate of the amounts that are, during the next fiscal year, to be funded by the trust and expended by state agencies; and

(3) prepare and submit to the legislature, at the same time the budget for state agency expenditures is submitted under (2) of this section, a proposal setting out, for each object or purpose of expenditure, the trustees' estimate of the amounts that are to be funded by the trust in

the next fiscal year and that are not included in the budget submitted under (2) of this section.

3. *Legislative Budget and Audit Committee.* Alaska Statute 37.14.405(b), allows agencies to meet the requirements of an appropriation conditioned on compliance with the program review provisions of AS 37.07.080(h). In accordance with the procedures of the Alaska Office of Management and Budget (OMB), agencies are required to submit a request to OMB for transmittal to the Legislative Budget and Audit Committee.

4. *Expenditure Authority.* Authorization to receive and expend shall be recorded in the Alaska State Accounting System within the *Exxon Valdez* Oil Spill Settlement Fund. Following legislative action, OMB will record the authorization by approving an Authorized Budget Transaction (AB).

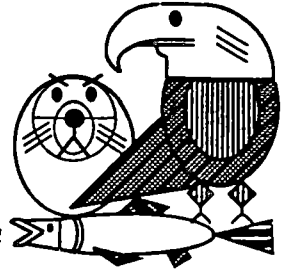
draft

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



July 26, 1996

Dr. Brian Himelbloom
Associate Professor of Seafood Microbiology
University of Alaska Fairbanks
Fishery Industrial Technology Center
900 Trident Way
Kodiak, Alaska 99615-7401

Dear Brian:

Thank you for your letter of June 9. I apologize for the delay in responding to you. I've been awaiting the Kodiak meeting summary to enclose for your use.

I've also enclosed copies of the FY97 Invitation and Draft Work Plan. If you have any questions on these, don't hesitate to contact me or Sandra Schubert of our office.

I should also mention that, as a result of your testimony, DEC Commissioner Michele Brown has asked her staff to follow up on a PSP screening program. Staff at DEC have initiated discussions with ADF&G on whether the state should develop a program to monitor recreational/subsistence shellfish, and if so, what the program should look like and how it might be funded. I have made Commissioner Brown aware of the Trustee Council's interest in this issue.

For further information on DEC's work on this, I would suggest you contact:

Janice Adair
Director, Environmental Health
ADEC
555 Cordova Street
Anchorage, Alaska 99501
Phone (907) 269-7644

Thanks again for your interest Brian.

Sincerely,

Molly McCammon
Executive Director

enclosures (3)
cc: Janice Adair, DEC

MMW

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

*Exxon Valdez Oil Spill Trustee Council Public Hearing
in Kodiak, Alaska
June 15, 1996, Senior Citizens Center, 4:30 p.m.*

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Trustee Council members present:

STATE OF ALASKA - DEPARTMENT
OF FISH AND GAME:

MR. FRANK RUE
Commissioner

U.S. DEPARTMENT OF THE INTERIOR:

MS. DEBORAH WILLIAMS
Special Assistant to the
Assistant Secretary

STATE OF ALASKA -
DEPARTMENT OF LAW:

MR. CRAIG TILLERY (Chair)
Trustee Representative
for the Attorney General

U.S. DEPARTMENT OF AGRICULTURE -
U.S. FOREST SERVICE:

MR. JIM WOLFE
Trustee Representative
for the Regional Forester

STATE OF ALASKA - DEPARTMENT
OF ENVIRONMENTAL CONSERVATION:

MS. MICHELE BROWN
Commissioner

Members of the public present:

Stacy Studebaker
Mary Forbes
Brian Himelbloom
Barbara Rudio
Mike Sirofchuck
Hank Eaton
Mayor Selby
Brad Meiklejohn
Brenda Schwantes
Dan Busch
Claire Holland
Heidi Zemach
Bob Pfutzenreuter

Opening comments by Craig Tillery, chair. Trustees introduce themselves.

Note: The following are summations, not verbatim transcription.

DRAFT

Stacy Studebaker: Nominated Termination Point for Trustee Council acquisition three years ago, a 1,000 acre parcel at the end of the Kodiak road system. I want to encourage you, now that the Stratman lawsuit is nearly over, to pursue acquiring that property. That parcel is so important recreation-wise to the community because it's located right on the road system, and accessible to everybody. North Afognak and the Long Island parcel are important too, but for direct benefit to the people of Kodiak, the Termination Point parcel is really, really important. Acquiring land and setting it aside for generations to come is the best way to use the money we have and anything you can do to further that process to benefit Kodiak would be appreciated. You have heard from the people of Kodiak, how does the Termination Point fit into the Trustee's priorities?

Molly McCammon: The large parcel program is for parcels over 1,000 acres, the Small Parcel is for parcels under 1,000 acres. The Large Parcel transactions that the Trustees have completed in the Kodiak area include Seal Bay, Akhiok-Kaguyak, Koniag, Old Harbor, and Shuyak Island. We are stilling working on Afognak Joint Venture and details will be worked out over the next few years for permanent protection on those Koniag lands with a seven-year easement. The Small Parcel program went through a major nomination period and Termination Point was one of those nominated. It ranked highly, and was considered one the Council was interested in. It has commercial timber on it so it needs a timber appraisal which will add to the cost of the parcel because of the timber value. The cloud on the title made the Council hesitant to invest in an appraisal, but in the last six months the questions relating to the title have become a little less cloudy, so money has been put in the budget for the timber appraisal, scheduled for late this summer or early fall. Negotiations can begin when the appraisal is completed.

Deborah Williams: Do you have any thoughts on whom you think should manage the land? Should the Trustee Council purchase it?

Stacy Studebaker: State Parks because they do have other parcels on the road system that they manage well now, and I'd like to see an agency responsible for the land instead of local people.

Mary Forbes: Thank you for your past purchases in the Kodiak area and urge you to continue your efforts toward Afognak. Including Paul's and Laura's Lakes and Termination Point. (Submits 15 letters from individuals supporting habitat protection on northern Afognak Island.)

Brian Himelbloom: I'd like to address Paralytic Shellfish Poisoning. Last year we submitted a proposal thru Kodiak Tribal Council on PSP that didn't get funded. Is there a possibility of getting this funded? We had a lot of problems with PSP last year, someone even died. Is there a way to having funding be made available to study PSP?

DRAFT

Molly McCammon: Two years ago this project was submitted and we did work with folks about how to answer some technical ways that would set up a new bioassay besides rats or mice. Who would take over the project? No state or federal agency was willing to take this project over, which is a major policy question. Another question was legal liability. If we were setting up a monitoring program, community based, who is liable for actually determining that things are safe? PSP is a big issue in Kodiak and in April while touring the six communities here on Kodiak Island, PSP was mentioned at almost every village. And I'd like to continue working on this proposal and seeing if there is some possibility of reaching a mutually acceptable project.

Brian Himelbloom: We didn't know how to answer the questions about the liability. We were going to work with DEC to coordinate our testing with theirs. We were looking for a quick screening method. The Governor is wanting something done for the subsistence users. A lot of shellfish are clean but you don't know that unless they are tested. Is this a project that can be revisited? Is it worth pursuing? Should we restructure this?

Jim Wolfe: This sounds like a great project of some sort. Are you proposing that this would be a replacement for some shellfish in the Kodiak area that were damaged during the spill? I wasn't aware of any shellfish that were damaged as a result of the spill in Kodiak.

Brian Himelbloom: There were some subtidal and shellfish resources that did get impacted. If we did get a project like this funded, I would expect that it would spread back to Prince William Sound since that area doesn't have this kind of testing either. Other oil impacted areas as well, where shellfish are harvested.

Molly McCammon: Subsistence users still don't have confidence that the resources are safe from the oil impact and from PSP.

Jim Wolfe: A lot of testing has been done by NOAA and ADEC of the fisheries and shellfish which indicated residual oil was affecting only mussels. It sounds like a good project. It sounds like a good project with potential.

Deborah Williams: Was there an increase in PSP after the oil spill?

Brian Himelbloom: 1994 was the year we had the highest incidents of poisoning and record levels of PSP. But there has not been a monitoring program because it takes a lot of resources to do this type of program. I can't say if it's gotten worse, but people's awareness has risen.

Craig Tillery: The message you should probably get from this meeting is that you should be encouraged to look at the issues that created the problems last time. Molly and the staff may be able to help you.

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Brian Himelbloom: I just really didn't know if there was an answer to some of these questions. I didn't know if three years down the line some group was going to take over the monitoring or if we can re-tool it in some way. And for the legal liability, we'd have to address that to ADEC. The legal responsibility there is if the product is tested and it's tested wrong there must be some retribution to whoever tested it. Thank you for your time. I appreciate it.

Bob Pfutzenreuter: Two things, I support the Termination Point acquisition. Over the years, the trail has developed, meaning it's gotten deeper, because it's so popular. It's one of the most popular, if not the most popular hike in Kodiak. It would be a tragedy if it were logged. It is a community asset and it would be a crime if something happened to it. The other thing is the Paul's Lake area. Many people have fished this area year after year. It's a beautiful area, big trees with undergrowth and it's another one of the areas that if logged, it will impact severely the silver salmon fishery and productivity of that ecosystem. A very worthwhile area to acquire. As time goes by more people will use this area, which isn't necessarily good, but it's a place people want to return to and I'd hate to see it change in any way.

Deborah Williams: What kind of habitat is in the area?

Bob Pfutzenreuter: Over the years at Termination Point I haven't seen bears, but there are signs of bears. I've seen marbled murrelets, they nest in the area, along with deer, birds, rabbits. I don't think there are any salmon streams in the area, maybe some trout in the lake systems. There are some really big trees that if you peel the moss off them you can see the ash from the Katmai volcano which blew in 1912. Lots of undergrowth, and still fairly pristine. There are active beaver ponds. It's 15 minutes from town, but you feel you are further out than that because you sometimes don't see anyone on the trail. It's tough to find trails in Kodiak because of the undergrowth. Kids to folks in the 70s can hike the trail because of it's easy access and easy trail. Like I said, it's a tremendous asset to the community.

Michele Brown: If the property was acquired who do you think should manage it?

Bob Pfutzenreuter: State Parks I think, I don't know about budget problems, or the number of people they could allocate to that area to manage it. Claire (Holland) may be able to address it.

Deborah Williams: Do you think the community would be willing to do clean up projects?

Several folks speak at once: We already do. Most people who go out there come back with a bag of trash.

Barbara Rudio: I'm currently chairman of the Kodiak State Parks Advisory Board. We'd like to express our appreciation for the purchase of the Shuyak Island lands. On

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a personal note, I'd like to echo the people who have encouraged the Termination Point acquisition. I'd like to point out that we can access that area all year round. I'd like to add my name to the list of people in favor of purchasing Termination Point. Thank you.

Mike Sirofchuck: I'm a member of the Kodiak State Parks Advisory Board, but I'm speaking as a private citizen. The first thing I'd like to say is thank you for coming to Kodiak, and thank you very much in your work in acquisition habitat and funding research projects. I think the way the money is being used in the Exxon Settlement is the right way and we've seen plenty of examples of that today. As someone who has spent a lot of time on Shuyak Island and the Pillar Lake area on Afognak, I know they are good additions to the State Parks system. We hear a lot of talk about locking up land, but when they become public and a part of the state I think they become more available to the citizens of the state. A lot of the lands are used not only for recreation but for subsistence. I'd like to express my support for the acquisition of the Paul's Lake area. I've spent some time there fishing and it has a strong sockeye and silver run so it's important for habitat that was damaged by the spill. It's also an important recreation area. Some mention has been made about the Long Island parcel which is a valuable recreation area. People get to it by kayak and skiff so a number of people use that area, as I have. It also has a sea lion haul out there along with lots of sea birds. I'd like to add my vote to the Termination Point acquisition. I appreciate that the Trustees have stuck with that. It's been confusing, but I hope resolution is near. I think it's an important parcel and I hope you continue to pursue it. The Near Island habitat pull is mainly the sea lions. There is a place where you can view the sea lions from above and they don't know you're there. There are sea birds out there too, along with deer. It's a good recreational parcel.

Hank Eaton: I'd like to talk about PSP. I followed up on this after our trip to the villages in April. I wrote to the Governor who wrote back and said there was no money for it but there was a facility in Palmer that could do the PSP testing. I talked to John French at the Fish Tech Center, and they said yeah they could do it in Palmer but it takes a week to 10 days to get the results back. If we had a facility here for a minimum amount of money we could take the samples in here on one day and have an answer back in 24 hours. I don't remember from the old days having any problems with PSP. I've eaten clams and dug around here for most of my life. It's been within the 10-12 years that we've had a problem with clams. Clams are a major source of subsistence for the Natives around the Island. The clam beaches on Long Island would have to be cleaned up by the military. The Coast Guard was posted there all throughout the war and you can still see the barracks and facilities. Once it's cleaned up, I think it would be fine for a park. Just keep the three-wheelers off it and Termination Point. I think with a little pressure the Governor would see his way clear to allocating a few bucks to set-up a PSP facility here at our Tech Center. We then would be able to get results to folks within 24 hours. The Palmer facility won't work for us because PSP can set in fairly quickly and you may get a reading that says the beach is ok, but by that time PSP may have set in.

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Deborah Williams: Do you know if the Military has been asked to clean up Long Island?

Hank Eaton: Yes, they were asked to clean up their debris on the whole island. But they have only cleaned up Chiniak.

Mayor Selby: There is a Corp of Engineers Project that is funded to clean up Long Island this summer or next summer. Along with the sea lion rookery on Long Island, there is a large lagoon that is used heavily as a recreational area. There is lots of timber and the south end has a nice lake with fish in it. There are beaches where people picnic. If Long Island was added to Ambercrombie and Termination Point, that would give you a real nice park situation with many different opportunities to recreate. Also, the Borough lands adjacent to Termination Point are already designated as a park area. Monies from the State Criminal Settlement will develop that park. Development was held up until we found out if Termination Point was going to become part of the State Park system. The rest of the Borough's land there at Termination Point is watershed and permanently designated as such.

Brad Meiklejohn: Alaska representative of the Conservation Fund. Let's finish the job in Kodiak. Thank you for all you have done in Kodiak.

Brenda Schwantes: A member of the Trustee Council's Public Advisory Group. The local villages have a big concern about PSP. I encourage testing support. Folks have stopped using these resources as much as they did in the past. Regarding the Afognak Joint Venture land acquisition, please keep negotiating with them. Also, I'm concerned about crab and shrimp stocks, this is a significant issue. I'm concerned about our response to future oil spills.

Dan and Randy Busch: My wife and I are owners and operators of Kodiak Island River Camps. Since 1989 we've used land around Paul's Lake every August and September, through an agreement with Afognak Native Corporation. We think all our guests would endorse the Trustee's acquisition of this land, as we do.

Brian Himelbloom: I want to clarify that we are not asking to build a new PSP testing facility here, but to do some research.

Hank Eaton: Why isn't there a Native Trustee? This is the most important group with a big concern about future oil spills with the oil export ban lifted.

Gale Smith: Kodiak State Parks Advisory Board member. I support Shuyak and Afognak Island acquisitions. I'd like to see the purchase of Termination Point and to add to the facilities.

FISHERY INDUSTRIAL
TECHNOLOGY CENTER

900 TRIDENT WAY, KODIAK, ALASKA 99615-7401 (907) 486-1500 FAX: (907) 486-1540

file under mtg mins
June 15.76
(Kodiak transcript)

June 19, 1996

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

RECEIVED
JUN 24 1996

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Molly,

It was a pleasure to meet you and to testify before the EVOS Trustee Council in Kodiak last Saturday. I would like to pick up where Dr. John French left off on the proposal "Restoration of Subsistence Shellfish Consumption: A PSP Screening Program". As you heard, concern among Alaska Natives about the safety of subsistence shellfish is still an issue. I feel that this proposal could be revised to meet the questions posed during its earlier submittal.

Please send me your latest packet of information for submitting proposals. Would it be possible to receive a tape and transcript of the testimony on PSP? Thank you for spending your valuable time discussing the issues regarding paralytic shellfish poisoning in Kodiak and the positive response I received from the council.

Sincerely,

Brian Himelbloom

Dr. Brian H. Himelbloom
Associate Professor of
Food Microbiology

R- from public hearing in Kodiak
we should develop a summary
document.

let's talk.

M.

Do you want me to make a transcript
of the meeting?

yes - summary
notes - not
word for
word.

file under mtg mins
June 19, 96
(Kodiak transcript)

June 19, 1996

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

RECEIVED
JUN 24 1996

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Molly,

It was a pleasure to meet you and to testify before the EVOS Trustee Council in Kodiak last Saturday. I would like to pick up where Dr. John French left off on the proposal "Restoration of Subsistence Shellfish Consumption: A PSP Screening Program". As you heard, concern among Alaska Natives about the safety of subsistence shellfish is still an issue. I feel that this proposal could be revised to meet the questions posed during its earlier submittal.

Please send me your latest packet of information for submitting proposals. Would it be possible to receive a tape and transcript of the testimony on PSP? Thank you for spending your valuable time discussing the issues regarding paralytic shellfish poisoning in Kodiak and the positive response I received from the council.

Sincerely,



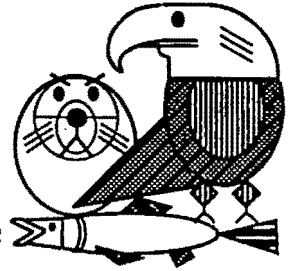
Dr. Brian H. Himelbloom
Associate Professor of
Seafood Microbiology

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



July 26, 1996

Walter Meganack, Jr., Community Facilitator
Native Village of Port Graham
P.O. Box 5510
Port Graham, Alaska 99603

Dear Walter:

Thank you for your recent letter regarding the Trustee Council's habitat program. I appreciate the concerns you expressed in your letter, and will make sure each Trustee is given a copy. However, I would like to make two observations.

First, the Council's habitat program is designed to work with landowners to craft a mutually agreeable package that meets the Council's goals to ensure permanent protection of fish and wildlife habitat, as well as the landowners' desires to have some form of economic development compatible with that goal. We hope to present an "option" to the landowner. It is up to the landowner to decide if it is in their best interest to accept this option. In the case of Alaska Native corporations, this requires a vote of approval by two-thirds of the shareholders.

Second, the Council's commitment to its habitat program has not prevented any restoration project from being funded if that project is scientifically credible, well-designed, and has a strong link to restoration. I am not aware of any meaningful restoration projects that have been ignored or put on the back burner. The clam restoration project is undergoing the same review and oversight that any other science project goes through. Although it holds promise, it is still considered a "pilot" effort, and has a long way to go before any major expansion would be appropriate. In regard to the Community Involvement project, I am not recommending that funds for community facilitators be reduced. What appears to be most needed are additional travel funds, and these are recommended for an increase.

Port Graham submitted a number of projects for several million dollars with little detail about what would be accomplished, and that were unclear about how they would aid restoration of the resources injured by the oil spill. I indicated to you several areas that the reviewers thought showed promise for future work, and we are more than willing to work with you to develop these ideas or any others that hold promise.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Page 2
Meganack
July 26, 1996

Thank you, Walter, for your interest and commitment to this process.

Sincerely,

A handwritten signature in cursive script that reads "Molly McCammon". The signature is fluid and elegant, with a long, sweeping underline.

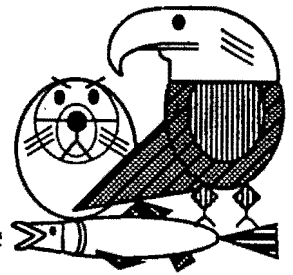
Molly McCammon
Executive Director

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: Bill Simeone/ADF&G

FROM: Sandra Schubert *Sandra*
Project Coordinator

RE: Project 97214: Distribution of Video

DATE: July 26, 1996

The peer reviewer for Project 97214/Documentary on Subsistence Harbor Seal Hunting in Prince William Sound has suggested that the video be distributed to the following additional organizations:

Myra Olsen, President, RurAL CAP Board
Carl Jack, Subsistence Director, RurAL CAP
Carol Torsen, Indigenous Survival International
Dolly Garza and Jude Pate, Sitka Marine Mammal Commisison
Ayakulik, Inc.
Native Village of Tyonek
Loretta Bullard, Kawerak
Patty Brown Schwalenberg, CRRRC
Maniilaq Association
Myron Naneng and Calvin Simeon, Association of Village Council Presidents
Perry Eaton, Alaska Village Initiatives
Milton Freeman, University of Alberta
Cook Inlet Marine Mammal Council
Cook Inlet Treaty Tribes
Ninilchik Tribal Council
Charlie Johnson, Nanuuq Commission
Charlie Brower, North Slope Borough Natural Resources Department
Inuit Circumpolar Conference
Dave McGillivary, Marine Mammals Management, USF&WS
Hank Eaton, Chair, Kodiak Tribal Council
Leroy Bingham, Cook Inlet Tribal Council

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

The peer reviewer suggested that, in sending the video to oil spill communities, a copy be sent to both the tribal council and the school in each community. She also suggested sending more than one copy to some of the organizations (such as Alaska Native Harbor Seal Commission, Alaska Federation of Natives).

Molly McCammon and Martha Vlasoff also looked over the list, and suggest adding the following names to the distribution list:

Senator Georgianna Lincoln
Representative Gene Kubina
Senator Drue Pearce
Gina Belt, US Dept. of Justice
OSPIC (Oil Spill Public Information Center)
Libraries in the oil spill region
ARC (old RATNET)
Patricia Cochrane, Alaska Native Science Commission
Aaron Kroll, Arctic Studies, Anchorage Museum of History and Art
Paul Jackson, Chugachmiut Environmental Consortium
John Johnson, Chugach Heritage Foundation

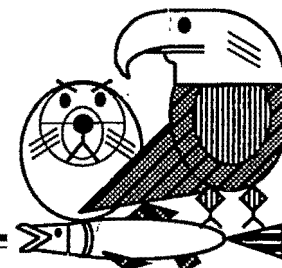
Please let me know what you think of this list and whether your current budget request (\$12,100 -- which Molly does, by the way, intend to recommend that the Trustee Council approve) would cover this wider distribution. Thanks.

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



July 26, 1996

Mr. Jim Sinnett
Chugach Heritage Foundation
4201 Tudor Centre Drive, Suite 220
Anchorage, Alaska 99508

Mr. Keith Gordaoff
Chugach Development Corporation
560 E. 34th Avenue, Suite 201
Anchorage AK 99503

Re: Contract No. 53-0109-6-00411/1084-96-600059
Project 96154, Comprehensive Community Plan for the Restoration of
Archaeological Resources in Prince William Sound and Lower Cook Inlet

Dear Mr. Sinnett and Mr. Gordaoff:

This letter is a response to your July 15th request for assistance. As we promised at the contract compliance meeting of July 10, we have contacted representatives of the organizations you listed in your letter and encouraged them to respond to your inquiries. We have also enclosed copies of relevant financial and policy documents.

1. Assistance in Collecting Information

On behalf of the Restoration Office, Veronica Christman has spoken to the contacts listed for four of the six organizations listed in your letter. No contacts were listed for the Alaska State Museum or Exxon Corporation and there is no indication that they have been asked for information, nor that they have any spill-related artifacts.

*U.S. Department of Agriculture, Forest Service, Alaska Region
Dr. David Gibbons, 586-8784*

Dr. Lora Johnson met with Linda Yarborough to discuss artifacts collected in concert with the restoration projects funded by the Trustee Council and completed by the Forest Service. Linda Yarborough provided a complete listing of all the artifacts that have been collected through these efforts.

With regard to the artifacts collected as part of the damage assessment project, the Chugach Heritage Foundation did not ask Forest Service personnel for an inventory until the contract compliance meeting of July 10. The damage assessment study was

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Page 2
Sinnott and Gordaoff
July 26, 1996

conducted by the State University of New York at Binghamton. Dr. Gibbons will send you under separate cover an inventory of artifacts recovered during this damage assessment project. The inventory must be reviewed for compliance with confidentiality requirements, but Dr. Gibbons expects to be able to release it to you shortly.

*U.S. Department of the Interior, National Park Service
Don Callaway, 257-2408*

Mr. Callaway met with Dr. Lora Johnson and provided considerable information in response to her inquiries. He provided all the information he was asked to provide, has received no follow-up telephone calls and is unaware of any outstanding requests. He is willing to provide additional information if asked. Mr. Callaway has conferred with Dr. Ted Birkedal, Chief, Cultural Resources Division, and confirmed their understanding that spill-related artifact collections from the Chugach / Cook Inlet region collected by the National Park Service are housed at the University of Alaska Museum in Fairbanks. Mr. Callaway suggested that if you require additional information about the National Park Service artifact collections and curation policies, you should contact the agency's curator, Betty Knight, 257-2656.

*State of Alaska, Department of Natural Resources, Office of History and Archaeology
Dr. Doug Reger, 269-8725*

Dr. Lora Johnson also met with Dr. Reger. He provided all the information he was asked to provide and is unaware of any outstanding requests. However, he would be willing to provide additional information if you request it. Dr. Reger informed Ms. Christman that spill-related artifact collections from the Chugach / Cook Inlet region collected by the State of Alaska are housed at the University of Alaska Museum in Fairbanks. This statement is consistent with the following statement from page 74 of the preliminary draft report: "The State of Alaska consistently accessions their archaeological materials with the University of Alaska Museum in Fairbanks."

*University of Alaska Fairbanks Museum
Dr. Michael Lewis, 474-6943*

The information you requested from the University of Alaska Museum in Fairbanks is vital to the project. As time allows, Dr. Lewis has been assembling the voluminous information requested. He was unaware of a deadline for submission of the information. After learning that an acceptable draft report is overdue, Dr. Lewis estimated he would supply the necessary information by August 5 at the latest. A follow-up telephone call and a deadline would have been effective in securing information in a timely manner.

Page 3
Sinnott and Gordaoff
July 26, 1996

In addition to the Museum, we suggest you contact the University of Alaska Library Archives at 474-6594 for archived information about archaeological resources (see Contract Methods Section 1.01(c)). Dr. Lewis can also provide information about the Museum Studies Program (see Contract Methods Section 7.02(a)).

Alaska State Museum Juneau
No contact listed

Page 46 of the preliminary draft report includes no contact for the Alaska State Museum and the note "need to contact." According to Dr. Reger, the Alaska State Museum has none of the spill-related artifacts from the Chugach / Cook Inlet region. The contract mentions the Alaska State Museum only once, in Methods Section 7.02(d), which pertains to potential sources of training. We recommend that you contact Jerry Howard, Museum Services, at 465-4867, on that issue.

Alyeska Corporation and/or Exxon
No contact listed

Neither the Alyeska Corporation nor the Exxon Corporation is listed as a participating entity. Furthermore, spill-related artifacts collected by these corporations have been incorporated into the EVOS collection at the University of Alaska Museum in Fairbanks. An inventory of the artifacts recovered by Exxon Corporation is contained in the Exxon Cultural Resource Program reports. These reports are available at the Oil Spill Public Information Center, 645 G Street, Suite 100, Anchorage (ph. 278-8008).

2. Financing Methods

Enclosed is a copy of the cooperative agreement between the Alaska Department of Fish and Game and the City of Seward for the construction, operation and maintenance of research infrastructure improvements at the Alaska SeaLife Center. We will forward a copy of the contract between the Department of Environmental Conservation and the Kodiak Area Native Association for the Alutiiq Cultural Center as soon as we receive it from the contracting agent in Juneau. Additional information about the Trustee Council's deliberations about the Alutiiq Cultural Center can be found in the transcripts of the Council's meeting of March 10, 1993 (copy enclosed).

Additional guidance about financing methods has been given to you in correspondence related to this contract. The most recent letter from McCammon and Gibbons to Sinnott and Girvan, dated July 15, 1996, reiterates on page 4 points discussed at the July 10 contract compliance meeting and cites the Contract Objectives Section 2(c).

The Trustee Council does not have the authority to lend money. Part II also assumes the Trustee Council would contribute to the operation and maintenance of the proposed facilities despite the fact that the Contract clearly states, "The long-term cost of operation and maintenance must be sustainable from sources other than the civil settlement."

An earlier letter from McCammon and Gibbons to Sinnott, dated March 14, 1996, provided additional guidance for the financial plan:

At the planning conference, Elstun Lauesen presented a hypothetical spreadsheet that assumed Trustee Council funding for a portion of the construction costs for space for general government, clinic, VPSO, and federal agencies. The Trustee Council cannot contribute restoration funds for these functions, but may consider requests for projects necessary for the restoration of archaeological resources injured by the spill...

Any community or organization that proposes a facility or a program will have to demonstrate the financial and institutional ability to operate and maintain them...

In 1991, English Bay Corporation, Port Graham Corporation, Chenega Corporation, and Chugach Alaska Corporation sued for recoveries from the Trans-Alaska Pipeline Liability Fund (TAPLF) for damage to archaeological resources on private land. The Administrator of TAPLF agreed to compensate the Corporations for the costs of excavation and curation of oiled archaeological sites on their land. Before the Trustee Council could evaluate the appropriateness of using any of the settlement funds for restoration measures that would encompass nonpublic artifacts, we need to know whether funds have already been recovered by private parties for injuries to these resources and whether those funds are being used to restore archaeological resources; and, if so, the uses to which those funds have been committed in relation to this project.

The facility financing overview states that the financing framework includes Trustee Council funding of "the cultural resource inventory, monitoring and research of public lands acquired through recent and future habitat purchases." This is not a reliable assumption. The Trustee Council will assess proposals for these activities case by case and will need to know if damages have been recovered by the previous owners. (See the discussion of TAPLF above.) The Council's monitoring program is limited to about seven sites per year and will end in FY 98 if no further evidence of injury is observed.

3. Policies for Restoration of Archaeological Resources

The primary documents that guide the restoration program, including the restoration of archaeological resources, are 1) the Consent Decree between Exxon Corporation and the state and federal governments, 2) the Memorandum of Understanding between the State of Alaska and the United States, and 3) the *Restoration Plan* (November 1994). We have enclosed copies of the Consent Decree and the Memorandum of Understanding. The *Restoration Plan* is quoted or paraphrased extensively in Parts I and II of the preliminary draft, so we presume you have ready access to the document.

We have also enclosed a copy of the *Draft Update on Injured Resources and Services* (April 1996), which is an update of much of the information in Chapter 5 of the *Restoration Plan*, and a 2-page excerpt of the section on Archaeological Resources from the *Invitation to Submit Restoration Proposals for Federal Fiscal Year 1997* (February 1996). The *Invitation* provides more current information about restoration strategies for archaeological resources than is contained in the *Restoration Plan*.

You have asked for a summary of the legal review of the preliminary draft report. Legal counsel advised Dr. Gibbons that the preliminary draft fails to comply with the scope of work identified in the contract. For example, the scope of work states that the plan must document the size and nature of the artifact collections, develop alternatives in response to this information and evaluate the alternatives. This has not been completed. Only two options for restoration of archaeological resources have been presented, the construction of repositories and programs to address protection and preservation of archaeological sites and collections. This is a significant flaw in the document since the Trustee Council could not validly rely on the results of the draft plan to conclude that repositories should be funded as the most effective means to restore the publicly managed archaeological resources injured by the spill.

Legal counsel has also advised us that the proposed financing plan goes beyond the legal authority of the federal government by proposing to directly invest funds into a project with an expected rate of return on the investment. The consent decree does not appear to provide the Trustee Council with the ability to invest funds (except through the Court Registry Investment System), loan settlement funds for restoration purposes, or accept any repayment of such funds. We are not aware of any state agency that has the legal authority to engage in these kinds of activities with settlement funds.

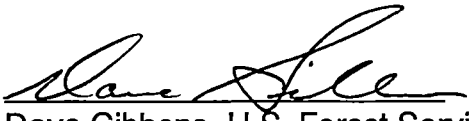
4. Deadline for Submission of a Revised Draft

In your letter, you reiterate your request for a 30-day extension of the deadline for submitting the final plan. Dr. Gibbons is willing to extend to October 31, 1996, the

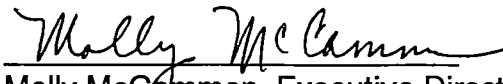
Page 6
Sinnott and Gordaoff
July 26, 1996

deadline for submitting the final plan. You have not yet proposed a deadline for submitting a revised draft of the plan. In order to meet the October 31 deadline and allow a reasonable period of time to review the draft, we must receive the draft plan by August 31. Dr. Gibbons will send a contract amendment letter under a separate cover.

Sincerely,



Dave Gibbons, U.S. Forest Service
Contracting Officer's Representative



Molly McCommon, Executive Director
EVOS Trustee Council

Enclosures (6)

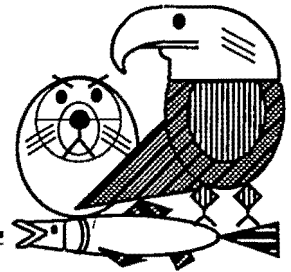
cc(w/o enclosures): Steve Zeckser - Contracting
Karen Forsland - SBA
Linda Yarborough - USFS
Veronica Christman - ADNR

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



July 26, 1996

Mr. Bob Henrichs, President
The Native Village of Eyak Tribal Council
P.O. Box 1388
Cordova AK 99574-1388

Dear Mr. Henrichs:

This is a response to your letter of July 17 which expressed concern about the ability of the Chugach Heritage Foundation to satisfactorily complete projects funded by the Trustee Council. The Chugach Heritage Foundation is conducting only one restoration project (#96154). On behalf of the Trustee Council, the U.S. Forest Service entered into a contract with the Chugach Heritage Foundation to develop, in consultation with an advisory board of community representatives, a comprehensive community plan for restoration of archaeological resources in those parts of the Chugach Region and the Cook Inlet Region that were affected by the *Exxon Valdez* oil spill.

The project is behind schedule and the contracting officer is negotiating a revised schedule. The Restoration Office has not yet audited the project and therefore cannot verify whether accurate accounts have been kept. Under the terms of the contract, the Chugach Heritage Foundation is to be reimbursed for expenses incurred and work performed. Documentation is required.

In May, the Chugach Heritage Foundation issued a preliminary draft report entitled *Comprehensive Community Plan for the Restoration of Archaeological Resources in Prince William Sound and Lower Cook Inlet*. The Foundation sent two copies of this draft report to the Native Village of Eyak Tribal Council.

Thank you for your interest in this restoration project. If you have further questions or concerns about this or any other restoration project, please contact me again.

Sincerely,

A handwritten signature in cursive script, reading "Molly McCammon". The signature is fluid and stylized, with a long horizontal line extending from the end.

Molly McCammon
Executive Director

cc: Dave Gibbons, U.S. Forest Service
Veronica Christman, ADNR

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

The Native Village of Eyak Tribal Council

P.O. Box 1388

Cordova, Alaska 99574-1388

(907) 424-7738 • Fax (907) 424-7739

July 17, 1996

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

Dear Molly

I am concerned about Chugach Heritage Foundation's ability to operate the way they have handled the finances for the programs they are attempting to carry out. In March I was made aware that CHF was into Chugachmiut for approximately \$180,000. Upon further investigation I found that this money was loaned to CHF from Chugachmiut, with no authorization from the CHF Trustees or the Chugachmiut Board of Directors. I know that CHF is carrying out some projects that are being funded by EVOS. How are they doing? Are they following the time frame that was in the proposal? Have they kept accurate accounts and made reports on the funds that they have been advanced?

As a former CHF Trustee and a current member of the boards of both Chugachmiut and Chugach Alaska, as well as being President of the NVE Traditional Council, I am very concerned about this matter.

I would like to hear the answers to the above questions and if there were any reports filed, I would like copies of those also.

Thanks for your help on this matter.

Sincerely yours

Bob Henrichs

Bob Henrichs
 President, Traditional Council
 Native Village of Eyak

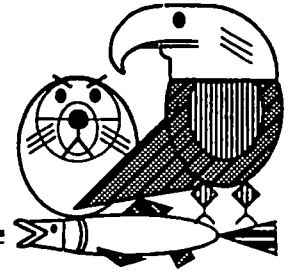
Post-It™ brand fax transmittal memo 7871		# of pages = 1
To: Martha O'Leary	From: Bob Henrichs	
Cc: Please see	Cc:	
Subject: Molly gets	Phone #	
File #	Fax #	

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



July 26, 1996

Brian Malnak
U.S. Senate
Energy and Natural Resources Committee
SD 364
Washington, D.C. 20510

Dear Brian:

I appreciated the opportunity to meet with you last week regarding our current activities with the restoration program. I am enclosing some information about our habitat program as you requested. These include status reports on the large parcel habitat program and the small parcel program. All of the small parcels have been approved at appraised value since in general, there is a market for land with this amount of acreage. For the large parcels, if the appraisal reflects commercial timber as the highest and best use, then we have been able to reach agreement for purchases at appraised value. For other large parcels, the landowners have not been willing to sell for the government-appraised price. I have enclosed for your reference the language used in several of the authorizing resolutions for above-appraisal acquisitions. In addition, I have included some information about our habitat evaluation process which was used to evaluate and rank lands based on their habitat value.

At your request, I am also enclosing a flow chart which shows where the funds from Exxon go in payment of the settlement with the state and federal governments.

If I can be of any further assistance, please don't hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Molly McCammon".

Molly McCammon
Executive Director

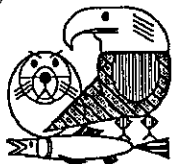
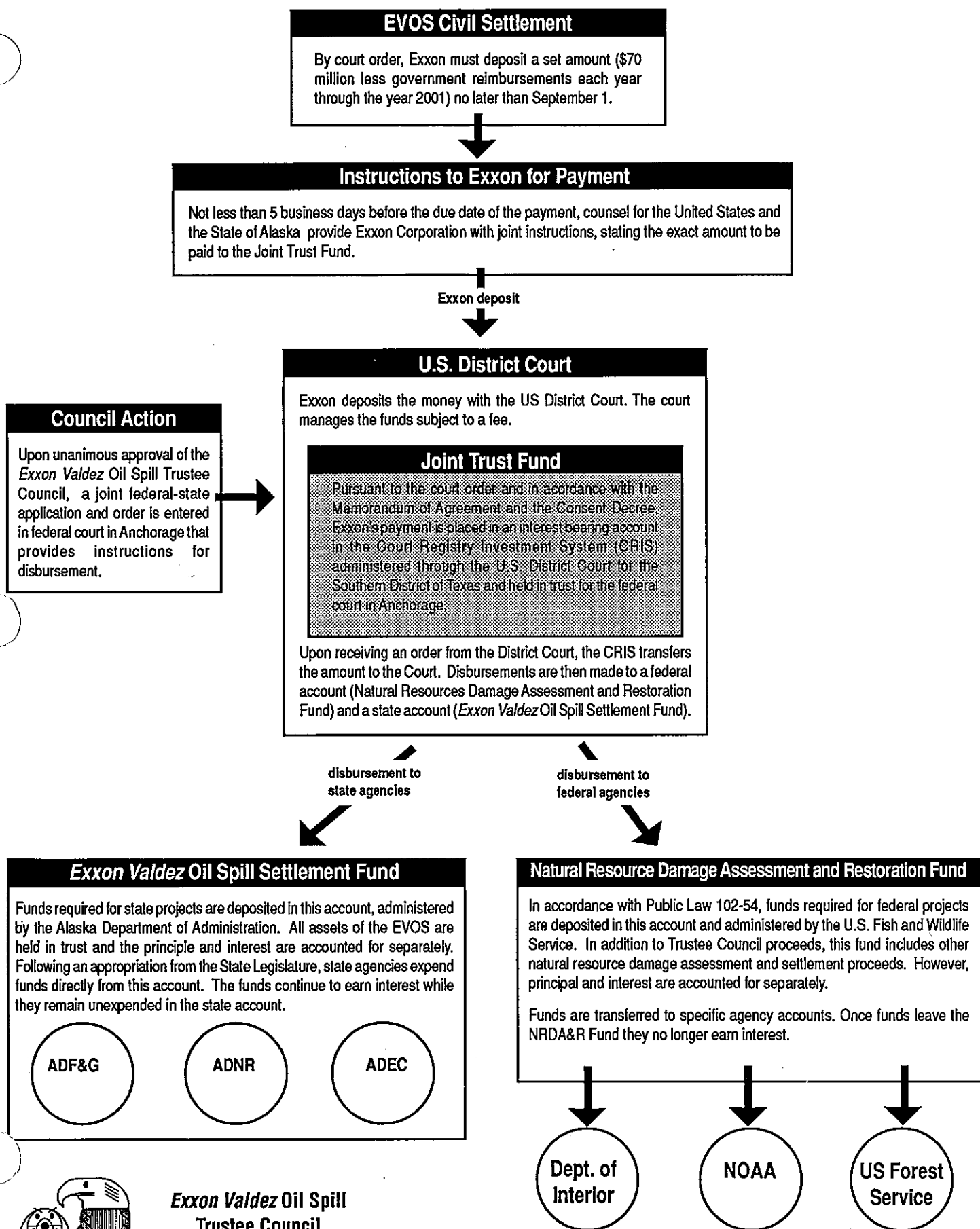
enclosures

MM/ty

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

How the *Exxon Valdez* Civil Settlement Funds Flow



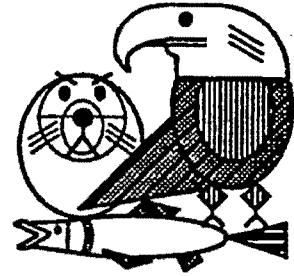
**Exxon Valdez Oil Spill
Trustee Council**
645 G Street - Suite 401
Anchorage, AK 99501-3451

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

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



MEMORANDUM

TO: Molly McCammon
FROM: *Traci Cramer*
Traci Cramer
Administrative Officer

DATE: July 25, 1996

RE: Cash Flow Explanation

This explanation has been developed for the cash flow statement and supporting schedules dated July 25, 1996.

As we discussed, I have developed an estimate regarding the Tatitlek land acquisition. The estimate assumes a down payment of \$3,000.0 will occur in January of 1997, with two equal payments occurring in September 1997 and September 1998.

In order to ensure that funds are available to meet the obligation, I have made the following adjustments to the cash flow.

1. The amount set-aside for the small parcel payment in September 1997 has been reduced from \$10,600.5 to \$10,000.0.
2. The payments to the Restoration Reserve have been moved around to accommodate anticipated cash flow requirements. However, this cash flow assumes that the total contribution to the Restoration Reserve will be \$123,500.0.

I have also taken the opportunity to update the cash flow to reflect the following changes.

1. The funding set-aside for Administration, SRB & Public Info. has been reduced from \$3,200.0 to \$2,900.0.
2. The funding set-aside for Habitat Protection Associated Costs has been increased from \$300.0 to \$1,500.0.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

Land Acquisition Down Payments

Down payments reflected in FFY 1996 include the following.

Koniag, Incorporated *	\$3,000.0	Nov.
Kodiak Island Borough * (Shuyak)	\$8,000.0	Mar.

Down payments reflected in FFY 1997 include the following.

Kenai (English Bay)	\$13,500.0	Oct.
Chenega Corporation	\$24,000.0	Oct.
Tatitlek Corporation	\$3,000.0	Jan.
Afognak Joint Ventures	\$14,000.0	Mar.
Eyak Corporation	\$4,000.0	Mar.

Land Acquisition Payments

The FFY 1996 land payments include the following.

Seal Bay *	\$3,294.7	Nov.
Koniag, Incorporated *	\$5,000.0	Nov.
Small Parcel *	\$5,399.5	May
Akhiok-Kaguyak, Incorporated *	\$7,500.0	Sept.
Koniag, Incorporated *	\$4,500.0	Sept.
Kodiak Island Borough * (Shuyak)	\$2,194.3	Sept.
Small Parcel	\$10,000.0	Sept.

The FFY 1997 land payments include the following.

Seal Bay * (Interest est. 6%)	\$3,091.7	Nov.
Akhiok-Kaguyak, Incorporated *	\$7,500.0	Sept.
Koniag, Incorporated *	\$4,500.0	Sept.
Kodiak Island Borough * (Shuyak)	\$4,000.0	Sept.
Eyak Corporation	\$7,500.0	Sept.
Tatitlek Corporation	\$10,075.1	Sept.
Afognak Joint Ventures	\$3,500.0	Sept.

The FFY 1998 land payments include the following.

Koniag, Incorporated *	\$4,500.0	Sept.
Kodiak Island Borough * (Shuyak)	\$4,000.0	Sept.
Eyak Corporation	\$7,500.0	Sept.
Tatitlek Corporation	\$10,075.1	Sept.
Afognak Joint Ventures	\$10,500.0	Sept.

The FFY 1999 land payments include the following.

Kodiak Island Borough * (Shuyak)	\$4,000.0	Sept.
Eyak Corporation	\$7,500.0	Sept.
Afognak Joint Ventures	\$10,500.0	Sept.

The FFY 2000 land payments include the following.

Kodiak Island Borough * (Shuyak)	\$4,000.0	Sept.
Eyak Corporation	\$7,500.0	Sept.
Afognak Joint Ventures	\$10,500.0	Sept.

The FFY 2001 land payments include the following.

Koniag, Incorporated *	\$16,500.0	Sept.
Kodiak Island Borough * (Shuyak)	\$4,000.0	Sept.
Eyak Corporation	\$7,500.0	Sept.
Afognak Joint Ventures	\$10,500.0	Sept.

The FFY 2002 land payments include the following.

Kodiak Island Borough * (Shuyak)	\$11,805.7	Sept.
Afognak Joint Ventures	\$10,500.0	Sept.

attachments

EVOS Financial Plan
Stated in Thousands

	FFY 1996	FFY 1997	FFY 1998	FFY 1999	FFY 2000	FFY 2001	FFY 2002	FFY 2003
Joint Trust Fund, Beginning Balance	129,567.5 [1]	66,626.9	2,219.8	1,038.9	12,225.2	6,556.2	21,508.7	107.5
Exxon Payment	70,000.0	70,000.0	70,000.0	70,000.0	70,000.0	70,000.0		
Reimbursements	-3,300.0 [2]	-5,000.0	-5,000.0	-5,000.0	-5,000.0			
Interest Earned	3,704.3	510.7	104.7	95.9	34.4	725.0	1,005.0	0.4
Estimated Revenue	199,971.8	132,137.6	67,324.4	66,134.8	77,259.6	77,281.2	22,513.6	107.9
Administration, Scientific Mgt. & Public Info.	2,900.0 [3]	2,800.0	2,500.0	1,700.0	1,500.0	1,500.0	0.0	
FY General Restoration-Monitor & Research	19,634.1 [4]	14,000.0	12,000.0	12,000.0	12,000.0	10,000.0	0.0	
Habitat Protection:								
Acquisition Down Payments	11,000.0	58,500.0	0.0	0.0	0.0	0.0	0.0	
Annual Payments	37,888.5	40,166.8	36,575.1	22,000.0	22,000.0	38,500.0	22,305.7	0.0
Associated Costs	3,595.9 [5]	200.0	0.0	0.0	0.0	0.0	0.0	
Special Projects		5,000.0						
Alaska Sealife Center	24,956.0 [6]	0.0	0.0	0	0	0	0	
CRIS Management Fees	370.4	51.1	10.5	9.6	3.4	72.5	100.5	0.0
Restoration Reserve Contribution	36,000.0	10,000.0	16,000.0	19,000.0	36,000.0	6,500.0	0.0	
Estimated Expenses	136,344.9	130,717.9	67,085.6	54,709.6	71,503.4	56,572.5	22,406.2	0.0
Joint Trust Fund, Ending Balance	63,626.9	1,419.8	238.9	11,425.2	5,756.2	20,708.7	107.5	107.9
Lapse/Interest Adjustment (estimate)	3,000.0	800.0	800.0	800.0	800.0	800.0		
Adjusted Joint Trust Fund, Ending Balance	66,626.9	2,219.8	1,038.9	12,225.2	6,556.2	21,508.7	107.5	107.9

Footnotes:

1. Balance as of September 30, 1995
2. Represents Reimbursements due the State of Alaska.
3. An estimate of \$2,900.0 has been included for the FFY 1997 Work Plan(occurring in September of 1996).
4. An estimate of \$15,410.9 has been included for the FFY 1997 Work Plan(occurring in September of 1996).
5. An estimated of \$1,500.0 has been included for the FFY 1997 Work Plan(occurring in September of 1996).
6. Represents the \$12,500.0 approved for 9/15/95, plus the balance which is due 9/15/96.

EVOS Monthly Cash Flow Estimate
Stated in Thousands

FFY 1996													
Beginning Balance	129,567.5	117,506.5	106,610.1	107,009.9	102,200.6	66,448.9	58,668.0	58,888.0	52,556.9	52,754.0	52,951.8	53,150.4	
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.												2,900.0	2,900.0
FY General Restoration-Monitor & Research				4,223.2								15,410.9	19,634.1
Habitat Protection Down Payments		3,000.0				8,000.0							11,000.0
Habitat Protection Payments		8,294.7						5,399.5				24,194.3	37,888.5
Habitat Protection Associated Costs				967.9				1,128.0				1,500.0	3,595.9
Alaska Sealife Center	12,500.0											12,456.0	24,956.0
Restoration Reserve Contribution					36,000.0								36,000.0
CRIS Management Fees	48.8	44.3	44.4	42.4	27.6	24.4	24.4	21.8	21.9	22.0	22.1	26.4	370.4
Exxon Payment after Reimbursements												66,700.0	66,700.0
Interest Estimate	487.8	442.5	444.2	424.2	275.8	243.5	244.5	218.2	219.0	219.8	220.6	264.1	3,704.3
Ending Balance	117,506.5	106,610.1	107,009.9	102,200.6	66,448.9	58,668.0	58,888.0	52,556.9	52,754.0	52,951.8	53,150.4	63,626.9	
FFY 1997													
Beginning Balance	66,626.9	29,236.1	26,242.5	26,340.9	18,409.6	18,478.7	480.5	482.3	484.1	485.9	487.7	489.6	
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.												2,800.0	2,800.0
FY General Restoration-Monitor & Research												14,000.0	14,000.0
Habitat Protection Down Payments	37,500.0			3,000.0		18,000.0							58,500.0
Habitat Protection Payments		3,091.7										37,075.1	40,166.8
Habitat Protection Associated Costs												200.0	200.0
Alaska Sealife Center													0.0
Special Projects				5,000.0									5,000.0
Restoration Reserve Contribution												10,000.0	10,000.0
CRIS Management Fees	12.1	10.9	10.9	7.6	7.7	0.2	0.2	0.2	0.2	0.2	0.2	0.6	51.1
Exxon Payment after Reimbursements												65,000.0	65,000.0
Interest Estimate	121.4	108.9	109.3	76.4	76.7	2.0	2.0	2.0	2.0	2.0	2.0	5.9	510.7
Ending Balance	29,236.1	26,242.5	26,340.9	18,409.6	18,478.7	480.5	482.3	484.1	485.9	487.7	489.6	1,419.8	

EVOS
EVOS Monthly Cash Flow Estimate
Stated in Thousands

FFY 1998													
Beginning Balance	2,219.8	2,228.1	2,236.4	2,244.8	2,253.2	2,261.7	2,270.2	2,278.7	2,287.2	2,295.8	2,304.4	2,313.1	
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.												2,500.0	2,500.0
FY General Restoration-Monitor & Research												12,000.0	12,000.0
Habitat Protection Down Payments													0.0
Habitat Protection Payments												36,575.1	36,575.1
Habitat Protection Associated Costs													0.0
Alaska Sealife Center													0.0
Restoration Reserve Contribution												16,000.0	16,000.0
CRIS Management Fees	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	0.1	10.5
Exxon Payment after Reimbursements												65,000.0	65,000.0
Interest Estimate	9.2	9.3	9.3	9.4	9.4	9.4	9.5	9.5	9.5	9.6	9.6	1.0	104.7
Ending Balance	2,228.1	2,236.4	2,244.8	2,253.2	2,261.7	2,270.2	2,278.7	2,287.2	2,295.8	2,304.4	2,313.1	238.9	
FFY 1999													
Beginning Balance	1,038.9	1,042.7	1,046.7	1,050.6	1,054.5	1,058.5	1,062.4	1,066.4	1,070.4	1,074.4	1,078.5	1,082.5	
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.												1,700.0	1,700.0
FY General Restoration-Monitor & Research												12,000.0	12,000.0
Habitat Protection Down Payments													0.0
Habitat Protection Payments												22,000.0	22,000.0
Habitat Protection Associated Costs													0.0
Alaska Sealife Center													0.0
Restoration Reserve Contribution												19,000.0	19,000.0
CRIS Management Fees	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	4.7	9.6
Exxon Payment after Reimbursements												65,000.0	65,000.0
Interest Estimate	4.3	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.5	47.4	95.9
Ending Balance	1,042.7	1,046.7	1,050.6	1,054.5	1,058.5	1,062.4	1,066.4	1,070.4	1,074.4	1,078.5	1,082.5	11,425.2	

EVOS Monthly Cash Flow Estimate
Stated in Thousands

FFY 2000													
Beginning Balance	12,225.2	226.0	226.9	227.7	228.6	229.5	230.3	231.2	232.0	232.9	233.8	234.7	
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.												1,500.0	1,500.0
FY General Restoration-Monitor & Research												12,000.0	12,000.0
Habitat Protection Down Payments													0.0
Habitat Protection Payments												22,000.0	22,000.0
Habitat Protection Associated Costs													0.0
Alaska Sealife Center													0.0
Restoration Reserve Contribution	12,000.0											24,000.0	36,000.0
CRIS Management Fees	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.4	3.4
Exxon Payment after Reimbursements												65,000.0	65,000.0
Interest Estimate	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	23.9	34.4
Ending Balance	226.0	226.9	227.7	228.6	229.5	230.3	231.2	232.0	232.9	233.8	234.7	5,756.2	
FFY 2001													
Beginning Balance	19,071.2	12,618.4	12,665.7	12,713.2	12,760.9	12,808.7	12,856.7	12,905.0	12,953.3	13,001.9	13,050.7	13,099.6	
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.												1,500.0	1,500.0
FY General Restoration-Monitor & Research												10,000.0	10,000.0
Habitat Protection Down Payments													0.0
Habitat Protection Payments												38,500.0	38,500.0
Habitat Protection Associated Costs													0.0
Alaska Sealife Center													0.0
Restoration Reserve Contribution	6,500.0												6,500.0
CRIS Management Fees	5.2	5.3	5.3	5.3	5.3	5.3	5.4	5.4	5.4	5.4	5.4	13.8	72.5
Exxon Payment after Reimbursements												70,000.0	70,000.0
Interest Estimate	52.4	52.6	52.8	53.0	53.2	53.4	53.6	53.8	54.0	54.2	54.4	137.9	725.0
Ending Balance	12,618.4	12,665.7	12,713.2	12,760.9	12,808.7	12,856.7	12,905.0	12,953.3	13,001.9	13,050.7	13,099.6	33,223.7	

FT
EVOS Monthly Cash Flow Estimate
Stated in Thousands

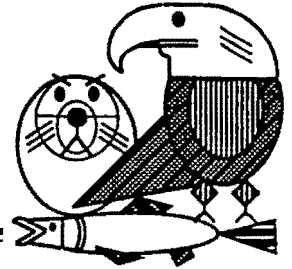
FFY 2002													
Beginning Balance	21,508.7	21,589.4	21,670.3	21,751.6	21,833.1	21,915.0	21,997.2	22,079.7	22,162.5	22,245.6	22,329.0	22,412.8	
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.													0.0
FY General Restoration-Monitor & Research													0.0
Habitat Protection Down Payments													0.0
Habitat Protection Payments												22,305.7	22,305.7
Habitat Protection Associated Costs													0.0
Alaska Sealife Center													0.0
Restoration Reserve Contribution													0.0
CRIS Management Fees	9.0	9.0	9.0	9.1	9.1	9.1	9.2	9.2	9.2	9.3	9.3	0.0	100.5
Exxon Payment													0.0
Interest Estimate	89.6	90.0	90.3	90.6	91.0	91.3	91.7	92.0	92.3	92.7	93.0	0.4	1,005.0
Ending Balance	21,589.4	21,670.3	21,751.6	21,833.1	21,915.0	21,997.2	22,079.7	22,162.5	22,245.6	22,329.0	22,412.8	107.5	
FFY 2003													
Beginning Balance	107.5												
Item	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Total
FY Increases & Other Authorization													0.0
Administration, SRB & Public Info.													0.0
FY General Restoration-Monitor & Research													0.0
Habitat Protection Down Payments													0.0
Habitat Protection Payments													0.0
Habitat Protection Associated Costs													0.0
Alaska Sealife Center													0.0
Restoration Reserve Contribution													0.0
CRIS Management Fees	0.0												0.0
Exxon Payment													0.0
Interest Estimate	0.4												0.4

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



July 25, 1996

John Shively, Commissioner
Alaska Department of Natural Resources
3601 C Street, Suite 1210
Anchorage, Alaska 99503-5921

Dear John:

Thank you for your letter of July 8 regarding Alaska Native participation in restoration projects. I completely agree with your statement that it is important to encourage Native communities in their efforts to address restoration needs in their communities. In fact, this has been one of my top priorities since I started working for the Council nearly three years ago. At that time, very few proposals important to the communities were submitted, let alone funded. In both FY95 and FY96, the Council funded \$1.3 - 1.5 million in subsistence/community projects, and a similar amount is expected this year, even with total available funding for the work plan decreasing by \$2 million each year. These amounts do not include funding for the community waste management planning and implementation efforts, nor the archaeological repository/stewardship efforts, both of which are expected to result in direct community benefits of several million dollars.

We have consistently told communities to give us their ideas; if they have promise, we will work with them to develop them. This has been the case with Port Graham. Of the proposals submitted this year, several were identified as having future possibilities. Staff have been working with Port Graham to further develop them.

In addition, we have worked with Port Graham on submitting proposals through the state criminal process. When I first started this job, of the \$5 million appropriated by the Legislature for subsistence from the state's criminal settlement with Exxon, none had been spent. Although the Trustee Council has no authority over these funds, in response to the need for project planning assistance, I created a planning project that has resulted in nearly all of that money now being allocated for projects for subsistence communities. Port Graham has received funds for their salmon hatchery out of that process, and are also participating in a regional spirit/cultural camp. Several additional proposals are still being considered for funding.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Page 2
Shively
July 25, 1996

Also under my direction, the Council has developed a community involvement project with the express purpose of fostering two-way information sharing between the communities and the Restoration Office. An Alaska Native community coordinator is located in our office, tasked with facilitating that communication, through working directly with part-time paid liaisons in each community, including Port Graham.

Regarding the Council's habitat program, I want to assure you that the Council works closely with the landowners to tailor acquisition proposals to meet not only the Council's desire for permanent habitat protection, but also the landowners' desires for compatible economic development. We are merely providing an option to the landowners for their consideration. Any acquisition agreement requires approval by two-thirds of the shareholders of the Native corporation.

I am very proud of the progress that has been made in working with Native communities during the last two years, and am always looking for ways to improve, within the limitations of our funding. I would be happy to discuss this with you further at any time.

Sincerely,



Molly McCammon
Executive Director

cc: Walter Meganack Jr.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FAX: (907) 465-3886

3601 C STREET, SUITE 1210
ANCHORAGE, ALASKA 99503-5921
PHONE: (907) 269-8431
FAX: (907) 269-8918

July 8, 1996

Ms. Molly McCammon
Executive Director
Exxon Valdez Oil Spill Restoration Office
645 G Street, Suite 401
Anchorage, AK 99501

Dear Molly,

I have had an opportunity to review the projects proposed for Trustee Council Funding for Fiscal Year 97 as well as the Executive Director's and Chief Scientist's recommendations. Many interesting and worthwhile projects were proposed, and it is certainly a difficult task to evaluate these proposals in light of existing funding constraints.

It has been brought to my attention that Port Graham proposed quite a few projects in an effort to address restoration of resources and services injured by the Exxon Valdez Oil Spill in their community. I feel that it is important to encourage Native communities in their efforts to address these issues. Perhaps, it would be possible for the restoration office to work with Port Graham to modify the proposals submitted so that concerns raised by the restoration office and Chief Scientist can be met. This approach would enable Port Graham to capitalize on those important ideas which were identified by the Chief Scientist as well as develop an understanding of the requirements imposed by the settlement and the Restoration Office. In this way, future proposals submitted by this community could clearly address restoration office requirements.

I would encourage your office to devote more time to fostering Native participation in restoration projects. As you know, I have some serious reservations about purchases of large tracts of land from Native corporations.

Thanks for your consideration. I would be pleased to discuss this with you at any time.

Sincerely,


John Shively
Commissioner

cc: Walter Meganack Jr.

Subsistence Cluster *

1995 - 11 projects

\$ 1,627.6

** SWMP 284.5

(includes \$447.8
Kodiak shoreline
assessment &
\$172.9 Experimental
oil removal)

1996 -

12 projects

\$ 1,352.2

** SWMP 28.3

(doesn't include
Kodiak shoreline
\$39.8)

1997 Draft WP -

19 projects

\$ 1,567.7

} Find, find
contingent,
defer

** SWMP 1,167.9
KWMP 267.5

- * If you want, I can go through the work plan
◦ add in other community projects (i.e., non subsistence)
▶ ** Done - penciled in above.

Criminal (Port Graham):

1 project

\$ 438.3

(+ Nanwalek: 1 project, \$424.0)
(+ Regional Spirit Camp: 1 project, \$228.0)

MEMORANDUM

TO: Byron Morris/NOAA

FROM: Molly McCammon
Executive Director

RE: Authorization -- Project 95012/Comprehensive Killer Whale Investigation
(NMML component)

DATE: September 5, 1995

The purpose of this memorandum is to formally approve work to proceed on the National Marine Mammal Laboratory (NMML) portion of Project 95012/Comprehensive Killer Whale Investigation, as outlined in the August 31, 1995 letter from Marilyn Dahlheim to the Chief Scientist, Dr. Robert Spies, and consistent with the review of Dr. Spies (see attached).

In authorizing this project I would like to underscore the Chief Scientist's comment about Mr. Matkin and Dr. Dahlheim sharing samples collected by Mr. Matkin for purposes of genetics, stable isotope, and other analyses. It is my understanding that, to avoid duplication of effort and unnecessary biopsies on killer whales in Prince William Sound, no additional samples will be collected by Dr. Dahlheim under this project.

Attachment

cc: Bob Spies
Traci Cramer

*Endl
amt*

1,130.9

12 projects

defer

203.4

78.8

18.9

34.4

16.8

62.5

22.0

436.8

7 defer

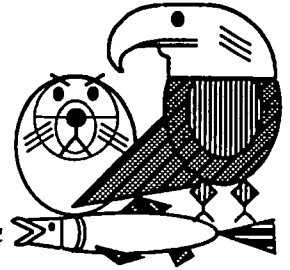
1,567.7

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



July 25, 1996

David Allen, Regional Director
U.S. Fish and Wildlife Service
1011 E. Tudor Road
Anchorage, Alaska 99503

Dear Mr. Allen:

The marbled murrelet was one of the bird species injured by the *Exxon Valdez* oil spill, and this species has been a major focus of the Trustee Council's restoration program since the settlement in 1991. Not including the tens of millions of dollars spent to acquire timbered uplands as nesting habitat for murrelets, the Trustee Council has allocated more than \$1.5 million on research and monitoring studies to benefit this species.

Still, it is not yet evident that the marbled murrelet has recovered from the effects of the oil spill, and we continue to explore other avenues for restoration action. In this regard, one of the possibilities mentioned by the Pacific Seabird Group and others is to reduce the incidental take of murrelets in salmon gillnets. I know that the incidental take of seabirds in commercial fisheries is a long-standing concern of the Service in Alaska and that the Service is working with fishermen in Puget Sound to test ways of reducing murrelet mortalities in gillnets. I also understand that the National Marine Fisheries Service has some data on gillnet mortalities in Prince William Sound and south Unimak Pass in 1990 and 1991.

I would appreciate having the assistance of your staff in evaluating the significance of gillnet mortalities for the marbled murrelet populations affected by the oil-spill area and in suggesting possible ways to approach this problem, if it is deemed to be of importance in the recovery of the species. My specific questions are:

(1) Using available data and best professional judgment, what is the estimated mortality of marbled murrelets due to gillnets in Prince William Sound and how does this compare to the population in the Sound? If possible, please comment more broadly about murrelets in the larger oil-spill area.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Page 2
Gillnet
July 25, 1996


(2) Is the estimated mortality sufficiently high, or is the mortality affecting an important segment of the population (e.g., adult breeders), such that it could be limiting recovery of marbled murrelets from the *Exxon Valdez* oil spill?

(3) Based on the Fish and Wildlife Service experience in Puget Sound (or elsewhere), are there practical measures (e.g., gear or timing) that have a potential for reducing the incidental take of murrelets?

(4) If it were desirable to obtain additional information on the level and significance of gillnet mortalities in the oil-spill, what would be the approach to and cost of such a project? I am only looking for a general idea here, not a detailed analysis.

Your assistance with this request would be greatly appreciated. Thank you.

Sincerely,


Molly McCammon
Executive Director

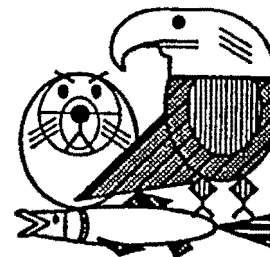
cc: George Frampton, DOI Trustee
Deborah Williams, DOI Trustee Alternate
Catherine Berg, DOI Liaison
Kent Wohl, MBMO, USFWS
Bruce Wright, NMFS
David Duffy, APEX Project Leader

Exxon Valdez Oil Spill Trustee Council

Public Advisory Group

645 G Street, Suite 401, Anchorage, Alaska 99501-3451

Phone 907-278-8012 Fax 907-276-7178



AGENDA

Exxon Valdez Oil Spill Trustee Council

Public Advisory Group

First floor conference room

645 G Street, Anchorage, Alaska

Tuesday-Wednesday, August 6-7, 1996

7:00 PM - Tuesday

8:00 AM - Wednesday

DRAFT

DRAFT

7/25/96

PURPOSE:

1. Receive status reports on restoration program and habitat acquisition
2. Develop recommendations for Fiscal Year 1997 Work Plan

Tuesday

7:00 PM	Public hearing on Fiscal Year 1997 Work Plan for Public Advisory Group and Trustee Council	Molly McCammon, Executive Director Vern McCorkle, Chair
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Wednesday

8:00 AM	Call to order/roll call/ approval of agenda	Vern McCorkle, Chair
8:05	Approval of summaries of March 13 and June 5, 1996 PAG meetings	Vern McCorkle, Chair

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

8:10	Executive Director's Report <ul style="list-style-type: none"> ● Status report on recent activities ● Habitat Protection ● Administrative issues <ul style="list-style-type: none"> - reduction of investment fees ● PAG field trip ● PAG membership renewal 	Molly McCammon, Executive Director
8:45	Community Involvement Coordinator's Report	Martha Vlasoff, Community Involvement Coordinator
9:00	Discussion of Food Policy	Molly McCammon, Executive Director
9:15	Policies and Procedures	Molly McCammon, Executive Director Traci Cramer, Administrative Officer
10:00	10th Anniversary Planning	Molly McCammon, Executive Director Stan Senner, Science Coordinator Dr. Robert Spies, Chief Scientist
10:15	Update on Injured Resources and Services	Stan Senner, Science Coordinator Dr. Robert Spies, Chief Scientist
10:45	National Biological Survey Collection Request	Stan Senner, Science Coordinator Dr. Robert Spies, Chief Scientist
11:00	Recommendations for FY 97 Work Plan	Stan Senner, Science Coordinator Dr. Robert Spies, Chief Scientist
12:00 PM	Working Lunch - brief recess for takeout. (return to meeting to eat and continue working on recommendations)	
12:15	Recommendations for FY 97 Work Plan - continued	

ACTION ITEM: Motion on Fiscal Year 1997 Work Plan Recommendation

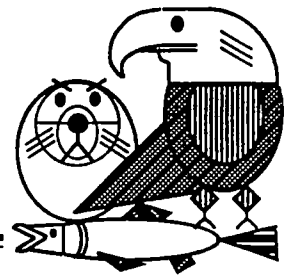
5:00 Adjourn

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: Public Advisory Group

FROM: Molly McCammon, Executive Director

DATE: July 24, 1996

SUBJ: Policy Discussion — Expenditures for Food

The purpose of this memorandum is to solicit the Public Advisory Group's input on the matter of Trustee Council expenditures for food.

Background

As you know, the Trustee Council sponsors various kinds of meetings, conferences and workshops. This includes meetings of the Trustee Council, the 17-member Public Advisory Group (PAG), peer review workshops, other work sessions, and the annual restoration program conference. These meetings involve principal investigators, agency managers, researchers, spill-area residents, and members of the general public. Many of these meetings, are lengthy events that require sustained participation by attendees.

Under both federal and state regulations, food purchases are only allowed under certain circumstances. This includes groceries for remote field camps and expenses incurred by employees on travel status (through per diem). State procurement rules are more flexible than federal rules. Under state guidelines, expenditures on "foodstuffs and utensils" such as coffee/tea, doughnuts are generally not permitted "... unless reviewed by the appropriate agency head and deemed necessary for such state functions as training, conferences, board meetings etc., and not to exceed a reasonable amount." (ADFG, AAM 35.150) The state does, however, allow the purchase of coffee, tea and soft drinks for meetings hosted by the state at which the public is present and coffee/tea/soft drinks may be purchased for state employee meetings held away from their normal business location (e.g., a training conference held at a hotel meeting room). Under ADFG guidelines, purchases "must be reasonable for the circumstances" and requests for

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

purchase of food must be authorized by the Director of the Division of Administrative Services or to the Commissioner.

Consistent with this guidance, the Restoration Office has submitted purchase requests for certain Trustee Council sponsored meetings. In presenting these requests, it has been recognized that Trustee Council meetings are often lengthy and that the provision of refreshments greatly benefits the public process. These requests have been properly approved through ADFG. Generally, they have involved minor expenses with the exception of food at the Trustee Council's annual Restoration Workshop.

Discussion of Food Policy Issues

In order to simplify overall administration, the ADFG Division of Administrative Services has suggested delegation of authority for further food purchases to the Executive Director of the Trustee Council. I would like the PAG's input to help guide further decisions in this area. I will also review this issue with the Trustees and would like to relate the PAG perspective.

- Should the Trustee Council provide liquid or other refreshments at public meetings (e.g., coffee/tea/cookies). If so, when?
- Should the Trustee Council provide food for the PAG and/or the Council or working lunches during meetings (with appropriate adjustment to per diem)?
- Should the Trustee Council host lunches and/or receptions at the annual restoration workshop?
- Should costs for such lunches be paid for by conference participants? Since the Trustee Council is paying for most participants to attend, would this create needless administrative costs (i.e., lunch and/or registration fees can be reimbursed when they are mandatory)?
- Would fees for registration and/or lunch discourage public participation in public events and undermine a basic purpose of the annual restoration conference (i.e., to share information with the public)?

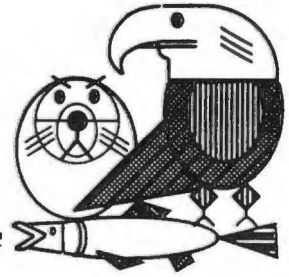
I would appreciate your assistance in considering this issue.

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: Trustee Council
From: Molly McCammon, Executive Director
Date: July 24, 1996
Subject: Proposed Collections of Birds

On June 5, Stan Senner, the Science Coordinator, briefed the Public Advisory Group (PAG) on the proposed collection of one nestling each from 20 tufted puffin and 20 black-legged kittiwake nests. This is for Project 96163N, "Effects of Diet Quality on Postnatal Growth of Seabirds: A Controlled Experiment," which is part of the Alaska Predator Ecosystem Experiment (APEX) project. Dr. John Piatt of the National Biological Service is the principal investigator.

As you can see from the enclosed memorandum from Dr. Robert Spies, the Chief Scientist, the taking of these nestlings (many of which would not survive anyway) will have a negligible effect on puffin and kittiwake populations in the Barren Islands, and the work will provide an important test of the APEX hypotheses about food limitation in a controlled, laboratory setting. In the the briefing on June 5, the PAG had no objection to proceeding with the collections as proposed.

Accordingly, I am now prepared to give this proposal my approval. If you have any objection or questions, please let me or Stan Senner know immediately.

In addition, Dr. David Irons of the U.S. Fish and Wildlife Service has notified the Restoration Office that he has a depredation permit that allows him to kill up to 10 each of ravens, crows, gulls, and magpies at his black-legged kittiwake colony study sites. This authority only would be used in the event that an avian predator was wreaking havoc with nests at one of the study sites for Project 96163E, "Kittiwakes as Indicators of Change in Forage Fish." As noted in Dr. Irons' memo, he did not use this authority in 1995 and does not expect to use it in 1996, but he does want the Trustee Council to be aware of this possibility.

enclosures (3)

cc: Catherine Berg & Lisa Thomas, DOI Liaisons
John Piatt, NBS PI
David Irons, FWS PI
Dave Duffy, APEX Project Leader

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

A P P L I E D

marine

S C I E N C E S

April 29, 1996

TO: Molly McCammon
Executive Director

FR: Robert Spies *RRS*
Chief Scientist

RE: Proposed Collection of Bird Specimens for Project 96163N, "Effects of Diet Quality on Postnatal Growth of Seabirds: A Controlled Experiment"

Marc Romano and John Piatt, both of the National Biological Service, have requested permission to collect one chick from each of 20 tufted puffin and 20 black-legged kittiwake nests in the Barren Islands during the FY 1996 field season. Their work is part of the Alaska Predator Ecosystem Experiment (APEX) Project, which is addressing the question of whether declines or changes in the availability of forage fish have contributed to the lack of recovery of marine birds in the oil-spill area. Most of the objectives of the APEX project are being addressed through surveys and observations in the field, linking the presence and availability of forage fish to the foraging and reproductive success of marine birds. It is important to the success of the APEX, however, that these efforts in the field are complemented with laboratory experiments that test, under controlled conditions, the effects of diet on the growth of seabird chicks. This is what Romano and Piatt propose to do.

I have attached their justification for the proposed collections. They have carefully addressed the questions in the draft Trustee Council policy on collections dated March 30, 1995, and I will not repeat their answers here. The effects of taking 20 chicks each from the tufted puffin and black-legged kittiwake population in the Barren Islands will be negligible, especially given the many chicks of this age (5-7 days post hatching) do not survive to maturity. Further, neither species is considered to have been injured by the oil spill, and there is no concern about the conservation status of either species in the northern Gulf of Alaska. Finally, I note that a federal collecting permit has been secured.

In summary, I recommend approval of the request from Romano and Piatt. Please let me know if you have additional questions.

enclosure (1)

cc: Marc Romano & John Piatt, NBS
Lisa Thomas, NBS
Stan Senner, Restoration Office
Dave Duffy, APEX Project Leader





United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Rd.

Anchorage, Alaska 99503-6199

IN REPLY REFER TO:

MBM

Memorandum

June 21, 1996

To: Stan Senner, EVOS

From: David Irons, MBM

Subject: Depredation Permit for Predators of Black-legged Kittiwakes in Prince William Sound.

Stan, it has recently come to my attention that I have not notified EVOS Trustees of a Depredation Permit that I have to collect kittiwake predators. The permit allows me to collect up to about 10 crows, magpies, ravens or gulls if their depredation endangers the APEX study by removing chicks or eggs that are needed to study the effects of lack of food.

I had a similar permit last year, but I did not need to collect any birds. Also, I have been concerned about predators at the Shoup Bay kittiwake colony since 1991, because of another study on the cost of chick rearing and I did not have to collect any birds during those four years either. I obtained the permit as a last resort to rescue the APEX study if need be, but I do not anticipate needing to use it.

FY96 PROPOSED COLLECTION OF TUFTED PUFFINS AND BLACK-LEGGED KITTIWAKES FROM THE BARREN ISLANDS IN LOWER COOK INLET, ALASKA, AS PART OF PROJECT 96163N

What will be learned from the collections?

The proposed research addresses the physiological changes in nestling tufted puffins and black-legged kittiwakes in response to diet quality. It is known that energy density and lipid content within prey species of forage fish influence nestling seabird growth. To isolate the role that various dietary components (i.e. lipid levels and energy content) play in the growth and development of nestling seabirds, a laboratory situation for rearing captive birds will be used. Factors influencing growth and development of young birds such as extremes in weather and inconsistency of food delivery can be controlled. Lab studies will allow the effects of the dietary components to be observed without confounding factors.

A measure of fat reserves at time of fledging relates directly to the survivability of young birds. Fat reserves may be especially important for high latitude seabird chicks that need to withstand extreme water temperatures while developing their prey foraging strategies. Studies to estimate the body condition of nestling seabirds have relied primarily on morphological characteristics that are easily measurable (weight, wing length, tarsus length, culmen length). However, no condition indices have been created specifically for fledglings of these species. For accurate determination of fat reserves we will need to sacrifice birds and perform a laboratory analysis. Not only will this allow us to answer our specific research question but it will also create a condition index for future researchers to employ.

Effects on population levels

Chicks to be used in this study will be removed from their nests at 5-7 days post hatch, and transported to the Kasitsna Bay Fisheries Lab for the controlled feeding experiment. These birds will be obtained from the Barren Islands Group, which is part of the Alaska Maritime National Wildlife Refuge. Twenty birds of each species will be required. Tufted puffin population estimates for the Barren Islands are approximately 102,000 birds, while black-legged kittiwakes are estimated at 53,200 birds. Our take of puffins would represent 0.02% of the population and that of kittiwakes would represent 0.04% of the population.

No adult birds will be removed from the population for this research. The use of nestlings reduces the impact of removing birds from the population considerably. During the nestling phase seabirds face the highest mortality rate of their life history. Predators, environmental conditions, and food shortages combine to take a large percentage of chicks. Many of the chicks

taken for the captive feeding trials would not survive to fledge under natural conditions. Of the birds that fledge successfully from a colony site, many will not survive to return to the colony to breed as an adult. Thus the long-term effects of our take on the breeding population of birds is much less than if we were taking breeding adults.

Currently, population trend data for puffins and black-legged kittiwakes on the Barren Islands is unavailable. Alaska Maritime National Wildlife Refuge biologists report no observable change in either population in recent years. This is true despite a total breeding failure at the kittiwake colony site on East Amatuli Island in 1993. Such an event is a common occurrence at kittiwake colonies throughout Alaska. The information collected as a part of this study will give researchers and managers valuable insight into the periodic failure of kittiwake colonies. Failures have been linked to a decrease in food supply; chicks hatch successfully yet die of starvation within the first few weeks. To understand this process the importance of certain food items within the diets of kittiwakes and puffins be determined. This information will assist managers in assessing the impacts of changing forage fish abundance and availability on seabird productivity.

Collection methods and possible alternatives

Black-legged kittiwake and tufted puffin chicks will be removed from their nests at five to seven days post hatch and transported to a captive rearing facility (Kasitsna Bay Fisheries Research Station, Kachemak Bay, Alaska). Kittiwakes will be removed in late June and early July and puffins will be removed in late July. Kittiwakes will be fed for approximately thirty days then sacrificed. Puffins will be fed for approximately forty-five days before they are sacrificed. These time periods reflect approximate fledging rates for both species. The birds will be euthanized using diethyl ether which is an accepted and widely used method.

To measure body composition variation, relative to diet quality, we will determine fat and protein content of experimentally reared individuals. An alternative to sacrificing birds to gain this information would be the application of a condition index that includes morphological and total body electrical conductivity (TOBEC) data. Unfortunately no indices have been derived for fledglings of the species we have proposed to collect. To create a condition index it is necessary to sacrifice at least twenty birds of each species. Thus deriving a condition index would not reduce the number of collected birds. However, we intend to use data from this study to create a condition index that can be used as a non-lethal estimate of condition in the future.

What will be lost by not taking the birds?

The question we are trying to answer requires exact knowledge of body condition (i.e. protein and fat contents). It is not possible to obtain this

information without sacrificing birds. In previous work conducted on red-legged kittiwakes, chicks given two different diet treatments did not differ greatly in morphological characteristics. However, when analyzed in the laboratory it was found that their fat levels differed significantly. The differences would have a significant effect on their survivability. Research establishing these parameters will help to explain future seabird breeding failures observed within Prince William Sound and Lower Cook Inlet.

What can we hope to learn from this study to justify collection?

Currently, seabird/forage fish interactions are a topic of great concern in Prince William Sound and throughout the area affected by the *Exxon Valdez* oil spill. It is believed that distribution and abundance of certain fishes limit piscivorous bird and mammal populations. The consequences of prey availability on predatory species cannot be fully understood without knowledge of the physiological effects of various dietary components. The detailed tissue analysis resulting from this research will help identify the key components of growth and development within nestling seabird diets. Without a detailed tissue analysis of sacrificed birds it will be virtually impossible to accomplish this.

Federal and state permits

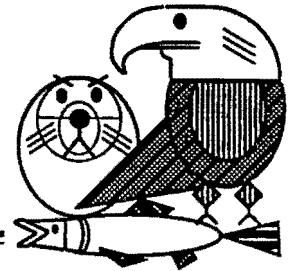
Federal and state permits to conduct collection of birds for research purposes have been secured through the US Fish and Wildlife Service, Office of Law Enforcement (permit # PRT-789758).

Exxon Valdez Oil Spill Trustee Council

Restoration Office

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



July 24, 1996

Byron Morris
Trustee Council Liaison
NOAA/NMFS
110305 Glacier Highway
Juneau, AK 99821

Dear Bruce:

I am writing to follow up on the discussion Bruce Wright had with Sandra Schubert regarding budget reductions for projects 97076/Effects of Oil on Pink Salmon, 97195/Pristane, and 97290/Hydrocarbon Database. I recognize that the amounts of money we're talking about on a per-project basis are relatively small. However, this level of reduction in the 95 or so projects we would like to fund in FY 97 adds up to significant savings. Furthermore, such reductions are necessary if we are to meet our target of \$16 million, a target about which the Trustee Council is quite serious. Through the cooperation of PIs we have been able to reduce project costs from the \$16.7 million identified in the Draft Work Plan to roughly \$16.5 million, but still have work to do if we are to achieve our target while at the same time funding some new projects, which is a high priority of the Council's and mine.

With that in mind, I am prepared to recommend funding in the following amounts:

97076/Effects of Oil on Pink Salmon

\$618,800

This is the amount of my recommendation in the Draft Work Plan, which was based on travel and 3 days of per diem for each project's PI and co-PI to the Annual Workshop. I appreciate Alex Wertheimer's comments about the importance of the workshop and know that the Auke Bay Lab has been a strong proponent of it. However, with the amount of funding for the Council's research, monitoring, and general restoration program diminishing, we have got to hold the line on costs. The \$618,800 level of funding would pay for the PI and the two co-PIs identified in the 97076 budget to attend the workshop, which is already an exception to our rule. Alex has the discretion of reallocating funds within his budget to accommodate sending a fourth person to the workshop, if that is his preference.

97195/Pristane

\$115,300

This is higher than my recommendation in the Draft Work Plan -- it is the amount of Jeff

Trustee Agencies

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United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Short's original request. I appreciate Jeff providing more information on his budget, but am unwilling to recommend an increase over his original request. Within the \$44,700 being requested for travel, can't a \$1,500 reduction be accommodated? For example, our budget review guidelines specify 3 days per diem for the Annual Workshop; reducing the 4 days budgeted to 3 days would save \$400. Perhaps the \$800 in "miscellaneous" travel expenses and the 33 air charters in Prince William Sound are worth another look as well.

97290/Hydrocarbon Database

\$76,300

This amount is higher than my recommendation in the Draft Work Plan but \$1,000 lower than the original request. The budget contains two trips to the Annual Workshop. I am informed that Bonita Nelson is the PI on this project and presume one trip is for her. Eliminating the second trip would achieve \$1,000 in savings. I would point out that workshop travel for 2 persons is contained in 97195, which I presume to be for Jeff Short and Pat Harris, who I understand is the co-PI on that project.

In closing, let me reiterate that all project budgets were reviewed using one standard set of guidelines and we have consistently asked all PIs to limit their travel to the Annual Workshop in this way. Revised detailed budgets should be submitted to my office by Wednesday, August 7, in preparation for the August 15 Restoration Work Force meeting at which my recommendations to the Trustee Council will be finalized. I appreciate the work NOAA has done to keep budgets at their lowest level, and look forward to your cooperation on this.

Sincerely,



Molly McCammon
Executive Director

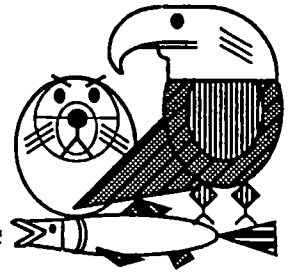
cc: Bruce Wright, EVOS Project Manager, NOAA
Bonita Nelson, NOAA (97290 PI)
Jeff Short, NOAA (97195 PI)
Alex Wertheimer, NOAA (97076 PI)

Exxon Valdez Oil Spill Trustee Council

Restoration Office

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



MEMORANDUM

TO: Ernie Piper/ADEC

FROM: Molly McCann
Executive Director

RE: Authorization -- Project 96291/Chenega-area Shoreline Residual Oiling Reduction

DATE: July 23, 1996

The purpose of this memorandum is to approve expenditure of funds to implement Phase 1 of Project 96291/Chenega-area Shoreline Residual Oiling Reduction. Funds must be spent in accordance with the Detailed Project Description and budget, which are dated July 23, 1996 and are attached.

cc: Dianne Munson, ADEC
Carol Fries, ADNR
Dave Gibbons, USFS
Bruce Wright, NOAA
James Winchester, PWSEDC
Bob Spies, Chief Scientist
Traci Cramer, Administrative Officer

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Chenega-area Shoreline Residual Oiling Reduction

Project Number: 96291

Restoration Category: General Restoration

Proposer: Chenega Bay and ADEC

Lead Trustee Agency: ADEC

Cooperating Agencies: USFS, ADNR, NOAA

Alaska SeaLife Center: No

Duration: 2 years

Cost FY 96: Phase 1 \$ 293,000

Cost FY 97: Phase 1 \$ 36,400
Phase 2 \$1,570,600

Cost FY 98 - 02: \$0

Geographic area: Southwest Prince William Sound

Injured Resource/Service: Subsistence, Recreation

ABSTRACT

Significant concentrations of surface and subsurface residual oil from the *Exxon Valdez* spill remain at locations in southwest Prince William Sound near the village of Chenega Bay. Residents continue to express uncertainty about the health of subsistence resources in the area and cite residual oiling as the source of that uncertainty. This project would reduce or remove tar, asphalt, emulsion and contaminated soils from shorelines identified as high priority by the village residents.

INTRODUCTION

The community of Chenega Bay has consistently expressed concern about residual oiling stranded on shorelines near the village. The 1993 Shoreline Assessment funded by the Trustee Council identified 225 locations at 45 ground survey sites with surface oil, and 109 locations with subsurface oil. The survey showed further that much of the most significant residual oiling was found near the village, at Latouche, Elrington, and Evans Islands.

NEED FOR THE PROJECT

A. Statement of Problem

While this residual oil is generally heavily weathered, and there is no demonstrated link between the residual oiling and the abundance or health of subsistence resources such as harbor seals, village residents say that the continued presence of the oil affects their confidence in the resources. This lack of confidence leads to changes in their subsistence harvest or use of resources. In addition, village residents say they have a more far-reaching concern about the long-term, general, sinister effect of the residual oil on the overall ecosystem.

B. Link to Restoration

Removal of some of the oil near the village will increase confidence levels and improve subsistence participation, residents say. It will also improve the visual appearance of some shorelines, thereby improving recreation opportunities.

C. Location

Village residents have worked with ADEC to identify eight high-priority sites: Five on Latouche island, two on Evans Island, and one on Elrington Island. Sleepy Bay at Latouche Island contains the three most heavily oiled sites; by area, the Sleepy Sites comprise 72 percent of the cumulative oiled area among the eight high-priority sites.

COMMUNITY INVOLVEMENT

The community of Chenega Bay has been directly and energetically involved in the discussions, site selection, and technical examination of this proposed project. In November 1995, 14 village residents participated in the Residual Oiling Workshop that produced a consensus on the target of the proposed project, and the expected results. Contract specifications for this project will require use of local labor and consultation with the village leaders or deliberative body chosen by the villagers to participate.

PROJECT DESIGN

A. Objectives

The project is intended to remove as much residual oil and contaminated material as possible from the sites, using existing approved technologies and methods.

B. Methods/Cooperating Agencies, Contracts, and Other Agency Assistance

Prince William Sound Economic Development Council, Inc. (PWSEDC) will coordinate the cleanup effort through an Alaska Department of Environmental Conservation (ADEC) sole-source contract provided by Alaska State Statute (AS 36.30.850). This enabling statute provides state projects like this to be coordinated by the local economic development corporation. PWSEDC has coordinated seven such projects and has the experience and expertise to ensure a quality community driven project using local labor, on time and within budget.

PWSEDC's responsibilities will include:

1. Develop Chenega-Area Shoreline Remediation Plan
2. Public involvement
3. Select remediation response contractor
4. Administer remediation response contract

The remediation plan will be developed by a Remediation Planning Team consisting of representatives of PWSEDC, PWSEDC's technical contractor Steph Engineering, and the Alaska Department of Environmental Conservation (ADEC). An Advisory Committee consisting of leaders from the village of Chenega Bay and representatives of coordinating agencies (ADNR, NOAA, USFS) will participate in the planning process.

The plan will include individual, site-specific work orders that will be reviewed by the Advisory Committee for worker safety, technical rigor, cost-effectiveness, environmental safety, and compliance with agency regulatory authorities and permits. The Advisory Group will approve each site's work orders, operating on a consensus basis. If the Advisory Committee cannot reach consensus on a given point or points, the matter will be referred to the Trustee Council Executive Director for resolution. During the implementation phase of the project, the ADEC field manager will be responsible for making sure work orders are properly executed, and will forward to the Advisory Group any proposed alterations in the work orders due to conditions encountered in the field.

During development of the Remediation Plan, ADEC will be responsible for obtaining necessary permits to implement construction and will provide support during plan preparation (supply

historical data, pertinent reports, direction on cleanup strategies). ADEC will give final approval to the remediation plan. The USFS will be responsible for ensuring NEPA compliance, issuing necessary permits for upland occupancy, and preparing cultural resource clearance reports for sites on federal land. ADNR will be responsible for issuing necessary tidelands permits. Regarding cultural resources on state land, ADEC will submit maps depicting the location of cleanup sites to the Office of History and Archaeology/ADNR. If cultural resources are present, procedures will be devised to avoid impact to the sites. If avoidance is impractical, mitigation and possibly site monitoring during cleanup will be advised.

The planning work is proposed to begin in August 1996 and selection of the remediation contractor is planned to take place in December 1996 with cleanup occurring in May and June of 1997.

Phase 1. Remediation Plan and Remediation Response Contractor Selection

Task A - 50% Remediation Plan Development

Subtask A.1 - Remediation Plan Outline

Following approval of the project scope of work, an outline for a Remediation Plan shall be submitted to the ADEC and Advisory Committee for consideration before actual preparation begins. The outline will include the major headings of the plan with a brief description of the contents of each section.

Subtask A.2 - Data Gathering and Review

Historical data from each of the proposed cleanup sites will be collected and reviewed to assess the level of effort required at each site. ADEC will be the primary source for the data used in the project and will provide additional guidance on other sources of data where necessary.

Subtask A.3 - Site Visit

Representatives of PWSEDC, Steph Engineering, ADEC, and the Advisory Committee will visit the cleanup site to inspect the proposed cleanup areas. It is assumed the trip will last one day and a helicopter will be chartered from Valdez to the site and back. It is assumed the helicopter charter costs will be paid by Steph Engineering.

Subtask A.4 - Advisory Committee/Restoration Planning Team Meeting

The Remediation Planning Team (PWSEDC, ADEC, Steph Engineering) will meet to discuss the status of the work to date and discuss any issues of importance. A second meeting will be held on the same day between members of the remediation planning team and the Advisory Committee (representatives of Chenega Bay, USFS, ADNR, NOAA). The purpose of this meeting is to advise the committee of the status of the Remediation Plan and solicit their input.

Subtask A.5 - 50 % Remediation Plan Completion

A remediation plan will be developed that outlines the strategy for addressing the eight sites prioritized for cleanup by ADEC and Chenega Bay. The plan will be organized according to an outline agreed to under Subtask A .1. At this stage, the plan will consist of a brief summary of existing site conditions and will propose appropriate treatment technology(ies) to be used at each site, a proposed schedule for treatment of each site, and a monitoring program for each site (i.e., site-specific work orders). The treatment technologies selected will be commensurate with the level of effort at each site (e.g., removal for small accessible areas or applying surfactants to promote hydrocarbon recovery in other less accessible areas). The monitoring programs developed for each site will allow for some comparison of hydrocarbon reduction before and after treatment. The plan will also include provisions for waste handling and disposal as well as health and safety. Steph Engineering will perform an internal senior review of the 50% Remediation Plan.

Subtask A.6 - Remediation Planning Team Review Meeting

Members of the Remediation Planning Team will meet to discuss the 50% complete remediation plan and provide comments or recommended changes to the remediation plan. These comments will be incorporated into the 80% remediation plan to be completed in the following task.

Task B - 80% Remediation Plan Development

Subtask B.1 - Develop Contractor Qualifications

This task includes development of the qualifications for selection of the remediation response contractor(s) who will perform the remediation cleanup work.

Subtask B.2 - Meet with Contractors

During this task, representatives of Steph Engineering will meet with prospective remediation contractor(s) to discuss the scope of the remediation work and the contractors' qualifications for completing the work. In addition, contractors will be requested to review the 50% Remediation Plan and provide comments concerning the proposed work and methods. Their input may be used to modify the cleanup methods to suit the available resources and technology of the cleanup contractors. It is proposed that Steph Engineering will take the prospective contractors to the cleanup site so they can better assess the work.

Subtask B.3 - Advisory Committee/Team Meeting

In this task, the Remediation Planning Team will meet to discuss the status of the work to date and discuss any issues of importance. A second meeting will be held on the same day between members of the Remediation Planning Team and the Advisory Committee. The purpose of this

second meeting is to advise the committee of the status of the Remediation Plan and solicit their input.

Subtask B.4 - Preliminary Cost Estimate

Based on cost information gained from past remediation work and from the contractors approached in Subtask B.3 above, Stephl Engineers will develop a preliminary cost estimate of the remediation cleanup work. The estimate will be a rough order of magnitude cost estimate with an accuracy of approximately plus or minus 40 percent. The estimated cost will include the remediation work as well as engineering and administrative costs.

Subtask B.5 - 80% Remediation Plan Completion

The Remediation Plan at this stage will include the final strategies for site cleanup (treatment technologies, specific monitoring requirements, and schedules for implementation).

Subtask B.6 - Site Visit/Review Meeting

Representatives of PWSEDC, Stephl Engineers, ADEC, and the Advisory Committee will visit the cleanup site a second time if necessary to reevaluate the area for the proposed cleanup methods. It is assumed the trip will last one day and a helicopter will be chartered from Valdez to the site and back. It is assumed the helicopter will be paid by Stephl Engineers. During this same day, members of the Remediation Planning Team will discuss the 80% complete Remediation Plan and provide comments or recommended changes to the remediation plan. These comments will be incorporated into the final Remediation Plan to be completed in the following task.

Task C - Final Remediation Plan

Subtask C.1 - Select Contractor

A remediation response contractor will be selected to complete the remediation work. The selection will be based on the contractor's qualifications to complete the remediation work as described in the remediation plan, using local labor and other personnel qualified and experienced in the work.

Subtask C.2 - Final Cost Estimate

A final cost estimate will be developed based on cost information provided by the selected remediation response contractor. The estimate will be a rough order of magnitude cost estimate with an accuracy of approximately plus or minus 15 percent. The estimated cost will include the remediation work as well as engineering and administrative costs.

Subtask C.3 - Advisory Committee/Team Meeting

In this task, the Remediation Planning Team will meet to discuss the status of the work to date

and discuss any remaining critical issues. A second meeting will be held on the same day between members of the Remediation Planning Team and the Advisory Committee. The purpose of this second meeting is to advise the committee of the status of the final Remediation Plan and solicit their input.

Subtask C.4 - Plan Completion

The Remediation Plan will be completed and submitted to ADEC, the Advisory Committee, and the Trustee Council's Executive Director for review and approval.

Subtask C.5 - Assistance with Funding Approval and Development of Phase 2 Workplan

During this task, Stephl Engineers will assist PWSEDC in providing any information or data requested as part of the Trustee Council and ADEC review of the final Remediation Plan. Effort to complete any final minor revisions or modifications requested to the plan are included in this task. In addition, this task includes development of the scope of work for the engineering and administration services required for Phase 2 of this project.

Phase 2 Beach Remediation and Contractor Oversight

Phase 2 will involve contracting with the remediation response contractor selected in Phase 1. The cost for Phase 2 will be determined after Phase 1 is complete.

SCHEDULE

A. Measurable Project Tasks for FY96 and FY97

Phase 1

August 1, 1996:	Work on Phase 1 begins
September 6, 1996:	Task A (50% remediation plan)
October 18, 1996:	Task B (80% remediation plan)
December 2, 1996:	Task C (final remediation plan)
December 1996:	Select remediation contractor
August-December 1996:	NEPA compliance, permitting framework

Phase 2

Cleanup work must be completed near anadromous streams no later than July 15, 1997, or before salmon begin returning to the area, whichever comes first.

May-June 1997:	Shoreline work
July - September 1997:	Post-treatment assessment and report

B. Project Milestones and Endpoints

See above.

C. Completion Date

September 30, 1997

PUBLICATIONS AND REPORTS

ADEC expects to submit papers on this project to the 1998 Arctic Marine Oil Pollution symposium and the 1999 International Oil Spill Conference.

NORMAL AGENCY MANAGEMENT

ADEC would not conduct this project on its own. The residual oiling, although unpleasant to residents and/or land managers, does not constitute a threat to the environment, and therefore ADEC would not conduct cleanup under its pollution control and abatement authority.

However, considering the magnitude of the project, its potential for releases of weathered oil into marine waters, and the state's interest in major activities on public-owned tidelands, funding ADEC oversight and involvement is warranted. ADEC's involvement in this case is similar to the department's oversight and monitoring of contaminated site cleanups. In those cases, ADEC does not expend its own funds for its participation; the responsible party carries that cost for the agency. While this is not exactly like a contaminated site cleanup, the structure and payment plan is consistent with normal agency processes.

COORDINATION AND INTEGRATION OF RESTORATION EFFORT

The principal concern in proposing and designing this project was that it not set back intertidal recovery. At the residual oiling conference, third-party experts in the field told us that the project would not set back overall recovery as long as it were limited to one season, at a few sites.

PROPOSED PRINCIPAL INVESTIGATOR

Ernie Piper
Program Manager, Damage Assessment and Restoration
ADEC
555 Cordova Street
Anchorage, Alaska 99501
907 269 7632
269 7652 (fax)
epiper@envircon.state.ak.us

PERSONNEL

The proposed PI (Ernie Piper) was state on-scene coordinator for the *Exxon Valdez* cleanup and has managed shoreline survey projects for the Trustee Council.

The field manager will be Dianne Munson of ADEC, who was a shoreline operations manager for ADEC during the cleanup, managed a test cleanup for the Trustee Council in 1994, and was chief surveyor on the 1993 and 1995 shoreline surveys sponsored by the Trustee Council.

chenega.dpd

FY 96-97 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1997

Budget Category:	Proposed FFY 1996	Proposed FFY 1997	PROPOSED TRUSTEE AGENCIES TOTALS					
			ADEC	ADF&G	ADNR	USFS	DOI	NOAA
			See 3A	\$0.0	\$0.0	See 3A	\$0.0	See 3A
Personnel	\$14.4	\$27.8						
Travel	\$1.5	\$2.0						
Contractual	\$257.2	\$2.2						
Commodities	\$0.1	\$0.1						
Equipment	\$0.0	\$0.0	LONG RANGE FUNDING REQUIREMENTS					
Subtotal	\$273.2	\$32.1	Estimated FFY 1998	Estimated FFY 1999	Estimated FFY 2000	Estimated FFY 2001	Estimated FFY 2002	
General Administration	\$19.8	\$4.3						
Project Total	\$293.0	\$36.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Full-time Equivalents (FTE)	0.3	0.5						
Dollar amounts are shown in thousands of dollars.								
Other Resources	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<p>Comments:</p> <p>This budget is for Phase 1 only (development of remediation plan). Phase 1 is scheduled to begin the last week of July 1996 (FY 96) and conclude in December 1996 (FY 97), and funds for both fiscal years are included on these budget forms.</p>								

**FY 96-
97**

Project Number: 96291
Project Title: Chenega Residual Oil (Phase 1 only)
Lead Agency: ADEC

**FORM 2A
MULTI-TRUSTEE
AGENCY
SUMMARY**

FY 96-97 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1997

Budget Category:	Proposed FFY 1996	Proposed FFY 1997						
Personnel	\$12.6	\$16.8						
Travel	\$1.0	\$1.0						
Contractual	\$256.2	\$1.2						
Commodities	\$0.1	\$0.1						
Equipment	\$0.0	\$0.0						
Subtotal	\$269.9	\$19.1	LONG RANGE FUNDING REQUIREMENTS					
General Administration	\$19.5	\$2.6	Estimated FFY 1998	Estimated FFY 1999	Estimated FFY 2000	Estimated FFY 2001	Estimated FFY 2002	
Project Total	\$289.4	\$21.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Full-time Equivalents (FTE)	0.2	0.3						
Dollar amounts are shown in thousands of dollars.								
Other Resources								
<p>Comments:</p> <p>This budget is for Phase 1 only (development of remediation plan). Phase 1 is scheduled to begin the last week of July 1996 (FY 96) and conclude in December 1996 (FY 97), and funds for both fiscal years are included on this budget form. Additional FY 97 funds will be requested for Phase 2 (cleanup).</p>								

FY 96-
97

Project Number: 96291
 Project Title: Chenega Residual Oil (Phase 1 only)
 Agency: AK Dept. of Environmental Conservation

FORM 3A
TRUSTEE
AGENCY
SUMMARY

FY 96-97 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1997

Personnel Costs:		GS/Range/ Step	Months Budgeted	Monthly Costs	Overtime	Proposed
Name	Position Description					
Dianne Munson	Project Manager (FY 96 portion)	20A	2.3	5.6		12.6
Dianne Munson	Project Manager (FY 97 portion)	20A	3.0	5.6		16.8
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
Subtotal						
Personnel Total						\$29.4
Travel Costs:		Ticket Price	Round Trips	Total Days	Daily Per Diem	Proposed
Description						
Anchorage--Chenega & return FY 96		900.0	1	1	50.0	0.0
						1.0
						0.0
						0.0
Anchorage--Chenega & return FY 97		900.0	1	1	50.0	1.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
Travel Total						\$2.0

FY 96-97

2 of 5

Project Number: 96291
Project Title: Chenega Residual Oil (Phase 1 only)
Agency: AK Dept. of Environmental Conservation

FORM 3B
Personnel
& Travel
DETAIL

7/23/96

FY 96-97 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1997

Contractual Costs:		Proposed
Description		
Courier, legal ads, and postage FY 96		0.2
Equipment cleaning and repair FY 96		0.2
Contract for Phase 1 Remediation Plan and Remediation Response Contractor Selection FY 96		255.8
Courier, postage FY 97		0.2
Hazmat training, OSHA mandated FY 97		1.0
When a non-trustee organization is used, the form 4A is required.		
Contractual Total		\$257.4
Commodities Costs:		Proposed
Description		
Film and video tape FY 96		0.1
Consumable office and field supplies FY 97		0.1
Commodities Total		\$0.2

**FY 96-
97**

Project Number: 96291
Project Title: Chenega Residual Oil (Phase 1 only)
Agency: AK Dept. of Environmental Conservation

**FORM 3B
Contractual &
Commodities
DETAIL**

October 1, 1995 - September 30, 1997

**FY 96-
97**

FORM 3B
Equipment
DETAIL

PWSEDC Project Budget (96291)

Personnel

Proj. Director - \$2,500 x 4.5 months	\$ 11,250
Level I Support - \$1,000 x 4.5 months	\$ 4,500

Travel

5 committee persons x 4 trips @ \$300	\$ 6,000
10 Vdz/Anc trips x 300	\$ 3,000

Contractual

Phone/Teleconf.	\$ 1,000
Legal Fees	\$ 10,000
Stephl Engineers (see attached)	\$220,000

Commodities

\$ 0

Equipment

\$ 0

TOTAL

\$255,750

Chenega-area Shoreline Residual Oiling Reduction

Stephl Engineers Cost Breakdown

Phase 1 Remediation Plan and Remediation Response Contractor Selection

Personnel	Months Budgeted	Monthly Costs	Subtotal Costs
Project Manager/Engineer	3.8	\$14,500	\$55,100
Environmental Scientist	4	\$15,700	\$62,800
Senior Biologist	0.4	\$13,800	\$5,520
Technical Staff	3.6	\$12,900	\$46,440
Graphics Staff	0.3	\$9,000	\$2,700
Support Staff	2	\$7,700	\$15,400
Editorial Staff	0.4	\$11,500	\$4,600
	Subtotal		\$192,560

Travel

Air Fare Valdez/Anchorage	20 trips	\$80 per trip	\$1,600
Helicopter Charter	3 days	\$5,000 per day	\$15,000
	Subtotal		\$16,600

Expenses

Computer		\$3,000
Communication		\$2,000
Room and Board		\$1,000
Postage Freight		\$500
Reproduction		\$1,000
Health and Safety		\$1,200
Miscellaneous Expenses		\$2,140
	Subtotal	\$10,840

Total Cost **\$220,000**

1996 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1996

Budget Category:	Authorized FFY 1995	Proposed FFY 1996						
Personnel		\$1.8						
Travel		\$0.0						
Contractual		\$1.0						
Commodities		\$0.0						
Equipment		\$0.0						
Subtotal	\$0.0	\$2.8	LONG RANGE FUNDING REQUIREMENTS					
General Administration		\$0.3	Estimated FFY 1997	Estimated FFY 1998	Estimated FFY 1999	Estimated FFY 2000	Estimated FFY 2001	Estimated FFY 2002
Project Total	\$0.0	\$3.1						
Full-time Equivalents (FTE)		0.0						
Dollar amounts are shown in thousands of dollars.								
Other Resources								
Comments: Forest Service provides NEPA direction and process; participates in scoping including public involvement; reviews documentation of impacts prepared by State of Alaska; and approves analysis. The Forest Service will also provide for cultural resource clearance including field surveys, writeup and monitoring. The Forest Service will prepare and issue Special Use Permits for upland (above mean high tide) occupancy.								

1996

Project Number: 96291
Project Title: Chenega Area Shoreline Residual Oil Reduction
Agency: USFS

FORM 3A
AGENCY
PROJECT
DETAIL

October 1, 1995 - September 30, 1996

1996

Project Number: 96291
Project Title: Chenega Area Shoreline Residual Oil Reduction
Agency: USFS

FORM 3B
Personnel
& Travel
DETAIL

7/23/96

October 1, 1995 - September 30, 1996

1996

FORM 3B
Contractual &
Commodities
DETAIL

October 1, 1995 - September 30, 1996

1996

Project Number: 96291
Project Title: Chenega Area Shoreline Residual Oil Reduction
Agency: USFS

FORM 3B
Equipment
DETAIL

1997 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1996 - September 30, 1997

Budget Category:	Authorized FFY 1996	Proposed FFY 1997						
Personnel	\$1.8	\$11.0						
Travel		\$0.0						
Contractual	\$1.0	\$1.0						
Commodities		\$0.0						
Equipment		\$0.0						
Subtotal	\$2.8	\$12.0	LONG RANGE FUNDING REQUIREMENTS					
General Administration	\$0.3	\$1.7	Estimated FFY 1998	Estimated FFY 1999	Estimated FFY 2000	Estimated FFY 2001	Estimated FFY 2002	
Project Total	\$3.1	\$13.7						
Full-time Equivalents (FTE)		0.2						
Dollar amounts are shown in thousands of dollars.								
Other Resources								
Comments: Continuation of 96291.								

1997

Project Number: 97291
 Project Title: Chenega Area Shoreline Residual Oil Reduction
 Agency: USFS

FORM 3A
 TRUSTEE
 AGENCY
 SUMMARY

1997 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET .
October 1, 1996 - September 30, 1997

Personnel Costs:		GS/Range/ Step	Months Budgeted	Monthly Costs	Overtime	Proposed FFY 1997
Name	Position Description					
Yarborough	Archaeologist	GS-11	0.5	5		2.5
Keeler	Lands Forester	GS-11	0.5	5		2.5
Vacant	NEPA Coordinator	GS-13	1.0	6		6.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
Subtotal			2.0	16.0	0.0	
Personnel Total						\$11.0
Travel Costs:		Ticket Price	Round Trips	Total Days	Daily Per Diem	Proposed FFY 1997
Description						
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
Travel Total						\$0.0

1997

Project Number: 97291
Project Title: Chenega Area Shoreline Residual Oil Reduction
Agency: USFS

**FORM 3B
Personnel
& Travel
DETAIL**

Prepared:

2 of 4

7/23/96

October 1, 1996 - September 30, 1997

1997

Project Number: 97291 Project Title: Chenega Area Shoreline Residual Oil Reduction Agency: USFS

FORM 3B
Contractual &
Commodities
DETAIL

October 1, 1996 - September 30, 1997

1997

FORM 3B
Equipment
DETAIL

FY 96-97 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1997

Budget Category:	Proposed FFY 1996	Proposed FFY 1997						
Personnel	\$0.0	\$0.0						
Travel	\$0.5	\$1.0						
Contractual	\$0.0	\$0.0						
Commodities	\$0.0	\$0.0						
Equipment	\$0.0	\$0.0						
Subtotal	\$0.5	\$1.0	LONG RANGE FUNDING REQUIREMENTS					
General Administration	\$0.0	\$0.0	Estimated FFY 1998	Estimated FFY 1999	Estimated FFY 2000	Estimated FFY 2001	Estimated FFY 2002	
Project Total	\$0.5	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Full-time Equivalents (FTE)	0.0	0.0						
Dollar amounts are shown in thousands of dollars.								
Other Resources								
Comments: This budget is for Phase 1 only (development of remediation plan). Phase 1 is scheduled to begin the last week of July 1996 (FY 96) and conclude in December 1996 (FY 97), and funds for both fiscal years are included on this budget form.								

**FY 96-
97**

Project Number: 96291
Project Title: Chenega Residual Oil (Phase 1 only)
Agency: NOAA

**FORM 3A
TRUSTEE
AGENCY
SUMMARY**

FY 96-97 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1997

Personnel Costs:		GS/Range/ Step	Months Budgeted	Monthly Costs	Overtime	Proposed
Name	Position Description					
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
Subtotal						
Personnel Total						\$0.0
Travel Costs:		Ticket Price	Round Trips	Total Days	Daily Per Diem	Proposed
Description						
Juneau-Anchorage for Advisory Committee Meeting (FY96)		450.0	1	1	50.0	0.0
						0.5
						0.0
						0.0
						0.0
Juneau-Anchorage for Advisory Committee Meeting (FY97)		450.0	2	2	50.0	1.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
Travel Total						\$1.5

FY 96-97

Project Number: 96291
 Project Title: Chenega Residual Oil (Phase 1 only)
 Agency: NOAA

FORM 3B
 Personnel
 & Travel
 DETAIL

FY 96-97 EXXON VALDEZ TRUSTEE COUNCIL PROJECT BUDGET

October 1, 1995 - September 30, 1997

Contractual Costs:		Proposed
Description		
		0.0
		0.0
		0.0
		0.0
		0.0
		0.0
When a non-trustee organization is used, the form 4A is required.		
Contractual Total		\$0.0
Commodities Costs:		Proposed
Description		
		0.0
		0.0
Commodities Total		\$0.0

**FY 96-
97**

Project Number: 96291
Project Title: Chenega Residual Oil (Phase 1 only)
Agency: NOAA

**FORM 3B
Contractual &
Commodities
DETAIL**

October 1, 1995 - September 30, 1997

**FY 96-
97**

FORM 3B
Equipment
DETAIL



United States Department of the Interior

NATIONAL PARK SERVICE
Katmai National Park and Preserve
Aniakchak National Monument and Preserve
Coastal Unit Office

202 Center Avenue, # 201
Kodiak, Alaska 99615-6312
(907) 486-6730 FAX (907) 486-3331
July 15, 1996

IN REPLY REFER TO: N1623 - Coast

RECEIVED
JUL 17 1996

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Molly McCammon
Executive Director
Exxon Valdez Oil Spill Trustee Council
Restoration Office
645 G Street, Suite 401
Anchorage, AK 99501-3451

RE: Project 97158/Monitoring Nearshore Ecosystems in Katmai National Park, Alaska Peninsula

Dear Molly:

Thank you for the reviews and comments on the above proposal. As a result of a busy field season, I regret my responses could not have been more timely.

The Chief Scientist's brief review attached to your letter of 6/14 clearly indicates only a superficial look at the proposal by reviewers. It is well understood that the Restoration Office is under a heavy workload. In spite of these comments, an extensive statistical power analysis was completed on the project design as indicated on page 9. I spent no less than 20 hours on the computer running these analyses, and have the digital files available if needed. I did not include printouts of each run to keep the proposal short and the software does not have a print function. The methods used are well referenced in the proposal.

Both the Chief Scientist and Executive Director's recommendations comments expressed a lack of pre-spill data as cause not to fund restoration work on the Alaska Peninsula oil spill affected area. Pre-spill data are not totally lacking for this area, just poor in relation to other databases for some species in PWS. However, for some species in PWS, such as harlequin ducks, researchers openly admit pre-spill data is poor in quality. Yet these projects are funded (as they should be). The pre-spill data for the Alaska Peninsula, although thin, still strongly suggests declines in population levels for those species targeted in the proposal.

The Chief Scientist commented that the sampling and analysis could be greatly improved, yet the techniques and methods described are straight out of the most current literature and currently funded EVOS Restoration projects. Please keep in mind the proposal is a "developmental" project as indicated by title and description. The Trustee Council funds developmental projects in other areas. Because of local area conditions, a developmental strategy would be best to fine tune techniques to local area conditions.

Reviewers commented that it was unclear how recovery can be gauged in this area without pre-spill data. This is another indicator that the review given this proposal was cursory. As indicated on page 6, recovery will be gauged using trend analysis of various population and productivity parameters over at least 3 years. Trend analysis is not uncommon to currently funded EVOS restoration projects.

Lastly, reviewers could not see any management value to the proposal. It is difficult to implement any recovery actions if we do not have even the most basic life history data for injured species in this area. Since the area is a National Park, and the greatest expanse of designated Wilderness in the spill area, this information can be used to control public uses to mitigate injury and facilitate recovery. Without this information management hands are tied as we cannot act on speculation. And although not a primary objective, the data gathered would also provide essential pre-spill data for oil spill vulnerable species in the event of future spills.

This proposal was written based on previous information provided by the Restoration Office as follows:

- (1) It was not a collaborative effort or partnership of several agencies that damaged first drafts of 96161 (Stan Senner) and to reduce costs;
- (2) The nearshore zone was targeted as per Dr. Spies emphasis in his presentation during the winter '96 Science Workshop;
- (3) Only species on the Restoration Office injured species list were targeted for study;
- (4) Only species on the injured species list and known to be in decline in the area were included;
- (5) Coordination with local area natives was included in proposal development to determine the practicality and value of native participation;
- (6) Methods used for prey monitoring were simplified to reduce costs. The next level of precision would require tens of thousands of dollars for hydro acoustic equipment. During the Science Workshop, it was stated that one PWS project will be replacing their hydro acoustics hardware and the PI intended to keep the old units. Since these are Restoration Office property, can we use the older units on this project to upgrade prey monitoring?;and
- (7) Costs were kept bare-bones at a ratio of nearly 2:1 (NPS: EVOS Restoration Office).

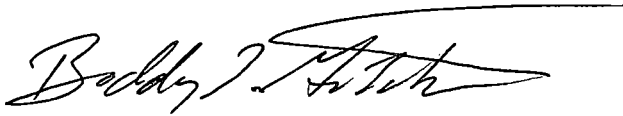
I request a peer review be made of this proposal before a final decision be made to not fund. Please keep in mind that it is a developmental project and it includes statistician input throughout the term of the project. The power analysis completed puts us within the margins of reasonable field effort and gives us minimum replications to target, but refinements along the way with input from professional statisticians are essential to answer questions in recovery for this area.

Beyond the current proposal, I am greatly concerned with two perceptions I have of the restoration process as it pertains to the Alaska Peninsula spill affected area. The first is because of the lack of pre-spill data, the Restoration Office has trouble funding work in the area. I am one of the few persons to have experience on the ground in both PWS in 1989 and the Alaska Peninsula since 1993. Although impacts were perceived to be lesser the farther west the spill went, damage none-the-less exists. How can we circumvent the lack of pre-spill data in some spill affected areas to enable restoration to proceed? This area clearly received direct oiling (i.e., is in the "bath-tub ring"), yet is passed by for restoration funding to fertilize lakes miles from the spill area or to enhance recreational fisheries equally distant from directly oiled sites. I understand the ecological perspective towards restoration and support these indirect projects, including land acquisitions. But if you perform an audit of your funding of Alaska Peninsula spill affected area restoration in contrast with the other spill affected areas, you will see what I am trying to convey.

My second concern is the trend of the Trustee Council to tie funds up in large mega-projects without considering geographical balance and needs beyond the interests of the PIs managing the mega-projects. The Restoration Office needs to consider allocation of funds by spill affected area. This will encourage PIs of the mega-projects to look at injury and recovery options outside PWS. Currently, there is no incentive for this type of effort. The NPS would jump at the opportunity to provide a hospitable and inviting environment for restoration researchers on our coast.

Thank you for your time and reviews.

Sincerely,

A handwritten signature in black ink, appearing to read "Buddy L. Goatcher", with a long horizontal line extending from the end of the signature.

Buddy L. Goatcher
Coastal Unit Manager

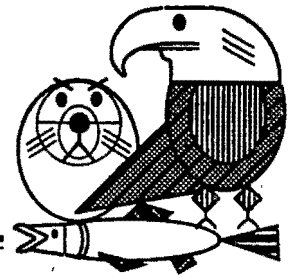
cc: Catherine Berg, DOI Liaison
Bud Rice, NPS Liaison
Dr. Robert Spies, Chief Scientist
Mayor Jerome Selby, Kodiak Island Borough
Dan Sakura, DOI
Bill Pierce, Supt. Katmai National Park

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



July 22, 1996

Council Coordinator
North American Wetlands Conservation Council
U.S. Fish and Wildlife Service
4401 North Fairfax Drive, Room 110
Arlington, VA 22203

Dear Council Coordinator,

The *Exxon Valdez* Oil Spill Trustee Council is committed to providing \$359,000 to purchase USS 362 Karluk River and USMS 247 Ayakulik River, both located on Kodiak Island, Alaska. The Trustee Council recognizes significant oil spill restoration benefits to fish and wildlife by the acquisition described in the grant request "Kodiak Island Small Parcel Protection Project."

Although Trustee Council commitment of \$359,000 does not meet the Matching Contributions guidelines, it nonetheless is a non-matching contribution to the "Kodiak Island Small Parcel Protection Project."

Should you have any questions, please do not hesitate to call me at (907) 278-8012.

Sincerely,

Molly McCammon
Executive Director

MM/kh

Trustee Agencies

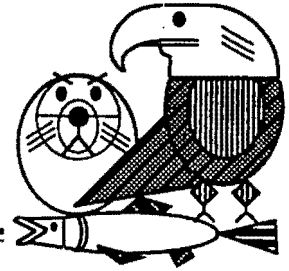
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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



July 23, 1996

Jim Seeb
Principal Geneticist
Division of Commercial Fisheries
Management and Development
Alaska Dept. of Fish and Game
333 Raspberry Road
Anchorage, Alaska 99518-1599

Dear Jim:

Thanks for your replies to the executive director's recommendations on projects 97196 and 97165. I need to follow up on a couple of items, and also raise a question about 97191A.

97196, Genetic Structure of PWS Pink Salmon

Thanks for your flexibility on this budget. The reductions you have proposed are significant and appreciated. The only additional item I can identify is under Contractual, where you should reduce your publication cost from \$2.0 to \$1.0. Our budget guidelines offer a maximum of \$1.0 toward journal page charges as a contribution from the Trustee Council. This is not intended to cover all page costs, and most journals are willing to reduce or waive such costs if the author does not have full institutional support.

The executive director's recommendation is to fund this project contingent on submission of a revised DPD (and receipt of report on 95191A). Can you produce the revised DPD by August 7, which still allows for time to read it before the Restoration Work Force meeting on August 15? The reviewers were supportive of this work, but there were several questions as raised in the chief scientist's draft recommendation.

97191A, Field Examination of Embryo Mortalities in Pink Salmon

We understand that you are willing to reduce the budget from \$283.4 to \$208.0, and it is the genetics component that would go. We were confused by the genetics component in 97191A, and I want to make sure I understand what is at stake if this work is eliminated. We had thought that the molecular genetics work was being closed out in FY 96, but apparently it was not? Is there work on '96 data that will not be completed if the '97 funding is eliminated? Also, how essential is the production of the haploid and diploid families for Allendorf's gene mapping experiment at Univ Montana? How much is this component ?

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Page 2
Seeb.196
July 23, 1996

97165. Genetic Discrimination of PWS Herring

I don't believe that either the chief scientist or executive director intend for there to be a full-scale review this fall. For the reasons you described in your memo, however, the timing of the project is a bit out of synch, and the question was raised in the Restoration Work Force about progress to date. Would it be possible in the fall to produce a detailed memorandum or mini-report summarizing your progress, including some 1996 results? This could be circulated (including to the chief scientist/outside reviewer), and, if need be, we could arrange a conference call with the chief scientist and interested Work Force members. But the intent is not for a full-scale, formal review.

There was a big question about the decision to shift the DNA work from a contractor to ADFG. This was more an issue of efficiency, cost, and timing than of capability. Since FY 1998 would be the last year of this project (as currently envisioned), and the ASLC will not actually be open for use until '98 sometime, does it make sense to maintain your current outside contract? Could this be done at the \$103.0 level, rather than the higher amount (\$121.9) you requested?

Finally, please provide a justification for the purchase of a pentium computer as part of 97165. So many computers have been purchased, that there is a high level of skepticism about additional purchases.

I know you are away for a few more days, but your help with these questions would be appreciated. An e-mail reply will suffice, if that is most convenient.

Sincerely,



Stanley E. Senner
Science Coordinator

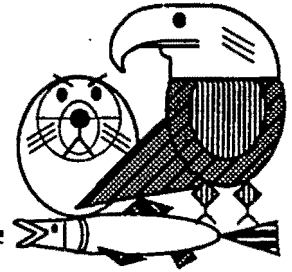
cc: Dan Moore
Bob Spies
Sandra Schubert

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



July 22, 1996

James O. Cochran
Mariculture Coordinator
Commercial Fisheries Management
and Development Division
Alaska Department of Fish and Game
P.O. Box 25526
Juneau, Alaska 99802-5526

Dear Jim:

Recently I read your memorandum of July 12, 1996 to the Mariculture Technical Center/Shellfish Hatchery Ad hoc Steering Committee, and I was disappointed in your characterization of my draft recommendation not to fund start-up operations at this new facility (project proposal 97171). Your memo indicates that there was not adequate attention given to the potential of the project, nor a clear understanding of what the restoration benefits might be. For the record, my recommendation is based on the following considerations:

- (1) Before your proposal was submitted, we discussed the possibility of the Trustee Council providing limited, short-term start-up funding to work with the on-going clam project (see 3rd item below). Specifically, we discussed the possibility of covering a few months start-up time for a technician. Unfortunately, your proposal requested nearly \$275,000, covering everything from two full-time staff positions down to snow removal!
- (2) The Trustee Council has in several cases made major investments in the research and development of a new "tool" to aid management of resources injured by the *Exxon Valdez* oil spill. The Trustee Council, however, is extremely reluctant to support on-going operations, which are the responsibility of the managing agency. Beyond a brief mention of possible sources of long-term support, your Detailed Project Description did not describe any strategy or plan for obtaining the funds needed other than the desired support from the Trustee Council.
- (3) Your Detailed Project Description was very weak in terms of providing any specific strategy or program for research aimed to benefit resources injured by the *Exxon Valdez* oil spill. The only specific item mentioned was assistance to the Chugach Regional Resource Commission's clam restoration project (131), for which the Trustee Council already has provided major support (a total of about \$500,000 in the 1995 and 1996 fiscal years and a recommendation

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

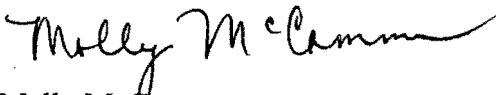
Page 2
Cochran
July 22, 1996

of \$365,000 in FY 1997). Beyond the mention of this project, it was not clear at all what program the Trustee Council was being asked to support, and this is essential, since providing operating support for a facility is neither compelling nor even appropriate for the restoration program.

This is a difficult time in that state and federal natural resource agencies face severe budget limitations, and there is a tendency to look to the Trustee Council as a source of unlimited funds. The reality, however, is that the Trustee Council's research, monitoring, and general restoration spending is also on a tight budget and is subject to the legal terms of the settlement with Exxon. Competition for restoration funds is tough, and my staff and I work hard to ensure that the Trustee Council allocates its dollars in the way that achieves the best, most cost-effective restoration benefits.

If you have additional comments or questions, please give me a call.

Sincerely,



Molly McCammon
Executive Director

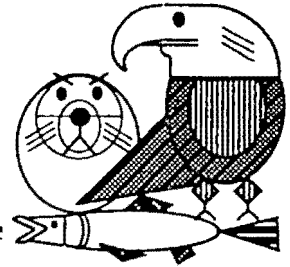
cc: Commissioner Frank Rue
Senator John Torgerson
Representative Gail Phillips
Ron Garzini, Seward City Manager
Bob Clasby, Director-CFMD
Stan Steadman, KPB-EDD
Mark Bradley, KSMA
Rodger Painter, ASGA
Dave Daisy, CRRC
Patty Brown-Schwalenberg, CRRC
Ray RaLonde, UA-MAP
Earnie Greek, ADF&G-Admin
Francis Keenan, DOT/PF
Don Beard, KCM

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



July 22, 1996

I, Molly McCammon, certify as follows:

I am Executive Director of the Exxon Valdez Oil Spill Trustee Council. At its meeting on February 23, 1996, the Trustee Council unanimously agreed to offer the owners of the Salamatof parcel (KEN 54) \$2.54 million, which was an increase of \$220,000 from the original offer made on November 20, 1995, due to a revised appraisal which was reviewed and accepted by Trustee Council staff.

Molly McCammon
Executive Director

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

MEMORANDUM**STATE OF ALASKA
DEPARTMENT OF FISH AND GAME**

TO: Mariculture Technical Center/
Shellfish Hatchery
Ad hoc Steering Committee

DATE: July 12, 1996

FILE NO:

RECEIVED
JUL 19 1996

TELEPHONE NO: 465-4160

**EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL**

FROM: James O. Cochran
Mariculture Coordinator
Commercial Fisheries Management
and Development Division -- Juneau

SUBJECT: Mariculture Technical Center
Operational Funding

Scan we should report in note the distribution list.

I would like to take this opportunity to follow up on the Mariculture Technical Center operational funding situation and to give you an update on the project.

First, the good news. We started construction in May and though the project is not moving as fast I would like it to (do they ever?), all of the site utilities have been installed and the contractor is working on the building foundation. I am still optimistic that we will have beneficial occupancy by October. We now have a full-time inspector on-site. His name is Jim Smith. Our telephone number in Seward is 224-3215. Stop by if you have an opportunity. Its quite exciting to watch a "first of its kind" facility evolve.

Now, the "bad news". As I mentioned in my May 31 memo, the Executive Director of the EVOS Trustee Council decided not to recommend startup funding of technical center operations. Attached is a copy of her recommendation. Unfortunately, I don't believe there was adequate attention given to the potential of the project, nor a clear understanding of what the restoration related benefits might be. Nevertheless, we now have to develop a new plan to operate the technical center component of the facility.

I received a few responses to my last memo regarding a committee meeting. Obviously, this is a very busy time for all of us and it was not possible to organize anything on short notice. I believe that all of you still want to be involved, therefore I would like to try for a meeting in September. I will be on leave in late July and early August. It is my intent to contact each of you during the first week of September and try to put a meeting together.

Attached is a letter from Senator Torgerson expressing some ideas regarding the technical center and an advisory committee, which I hope will provide guidance in our discussions. I believe meeting in Seward is a good idea, if everyone can make it. I will poll everyone well in advance to make sure.

Thanks for your time and have a good summer. I'm looking forward to meeting with everyone. I know you all agree that a project with this potential should not be allowed to fail.

Distribution-Committee Members

Representative Gail Phillips
Senator John Torgerson
Stan Steadman, KPB-EDD
Mark Bradley, KSMA
Rodger Painter, ASGA
Dave Daisy, CRRC
Patty Brown-Schwalenberg, CRRC
Ray RaLonde, UA-MAP

cc Commissioner Frank Rue
Bob Clasby, Director-CFMD
Earnie Greek, ADF&G-Admin
Molly McCammon, ED-EVOS Trustee Council
Francis Keenan, DOT/PF
Don Beard, KCM
Ron Garzini, Seward City Manager

PRELIMINARY EXECUTIVE DIRECTOR'S RECOMMENDATION/FY 97 WORK PLAN

Proj.No.	ProjectTitle	Proposer	Lead Agency	New or Cont'd	FY97 Request	FY97 Recommended	FY98 Rec.	FY99 Rec.	Total: FY97-02, Rec.
97171	Alaska Department of Fish and Game Mariculture Technical Center Operational Funding	T. Rutz/ADFG, J.Cochran/ADFG	ADFG	Cont'd 1st yr. 5 yr. project	\$271.8	\$0.0	\$0.0	\$0.0	\$0.0

Abstract

This project would operate a facility where bivalve shellfish and aquatic plant research could take place. The ability of the Mariculture Technical Center to hold large culture phytoplankton and to rear large numbers of bivalve shellfish would be unique within the State of Alaska. This capability would open new avenues for research and research funding beneficial to the restoration of subsistence shellfish resources lost or diminished as a result of the *Exxon Valdez* oil spill.

Chief Scientist's Draft Recommendation

This is a good project that is difficult to judge by the mainly scientific criteria used to evaluate the FY 97 proposals. Defining a common set of criteria to judge this and other nonresearch proposals requires a venture into the policy arena. In my judgment, success in aquaculture requires momentum that builds with success. My concern is that if the MTC never gets off the ground with solid achievements, and is therefore unable to attract other long-term sources of revenue, the Trustees may be saddled with operational support of this facility for many years. The reviewers cannot recommend either substantial or extended funding of facility operations. Do not fund as proposed.

Executive Director's Draft Recommendation

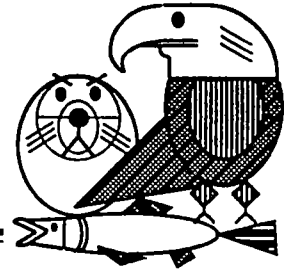
Do not fund. General funding of operation of the state's mariculture facility is not related to the restoration objectives adopted by the Trustee Council.

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



July 22, 1996

Mr. Buddy Goatcher
Katmai National Park and Preserve
Coastal Unit Office
202 Center Avenue, #201
Kodiak, Alaska 99615-6312

Dear Buddy:

Thank you for your letter dated July 15, 1996 regarding my preliminary recommendation on your proposal (97158) for monitoring nearshore ecosystems in Katmai National Park. Your comments cover a number of points, and I will try to respond at least briefly to the main ones.

Scientific Review

You are concerned that the review was only "superficial" and have asked that there be a peer review. Your proposal was reviewed and discussed at length by the entire panel of core peer reviewers. In the opinion of the Chief Scientist, no additional review is required. In regard to the power analysis, the problem was the lack of supporting detail that would have enabled independent evaluation of the analysis. Please note in the enclosed summary review that the concern is that there was "no presentation" of the power analyses. The issue of the power analysis was not, in itself, decisive in the recommendation not to fund this proposal. There were other, more fundamental concerns in regard to prespill data and the sample design and analysis.

Prespill Data

Lack of quality prespill data is a problem that has plagued the Natural Resources Damage Assessment and Restoration programs from the outset. The fact that some studies have been carried out in some cases in the absence of good prespill data is not justification to undertake yet another study that lacks solid prespill data. In the specific instance you cite, the current harlequin duck study (96427, Harlequin Duck Recovery Monitoring) does not rely on prespill data in its primary sample design, since it addresses age and sex ratios in populations in oiled and unoled parts of Prince William Sound. Finally, although your detailed project description (p. 2) mentions of the results of pre- and postspill surveys on the Alaska Peninsula, no actual data or methods were presented for the benefit of the reviewers.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Sample Design and Analysis

You have proposed two very ambitious working hypotheses. In the judgment of the reviewers, testing these hypotheses adequately would require a much more substantial project than is described or budgeted in project proposal 97158. For example, these hypotheses are essentially the same ones being addressed in the Nearshore Vertebrate Predator project (1025), and there is no certainty that even this large and expensive project will resolve these issues with finality. Any one of several aspects of your proposed project might have been the focus of a discrete study. However, you have proposed a multifaceted study, and the reviewers do not believe that these many objectives can be achieved at such low cost. There also was a specific concern about the sufficiency of the methods proposed to assess prey availability.

Gauging Recovery

In the judgement of the reviewers, gauging recovery by a trend analysis is most useful when solid prespill data provide a context for that analysis. Your comment on page 6 of the DPD refers to the monitoring of productivity. Without having prespill data on productivity, one can document that productivity is or is not within normal bounds based on what is known from other locations, but how does one interpret a trend (or lack of a trend) relative to the oil spill?

Management Value

Other than indicating that basic information on population and productivity trends is needed, your proposal did not discuss what the potential management applications might be. Your proposal leaves the strong impression that the goal is simply to obtain an inventory and baseline data on populations and productivity of selected species in the Katmai National Park. Although this goal is appropriate and worthwhile for resource managers, especially in relation to future oil spills, this project--as presented--is largely a matter of normal agency management with a weak link to the *Exxon Valdez* oil spill.

Previous Guidance from the Restoration Office

The steps you outline are all appropriate, but this is still not a compelling proposal. In regard to possible surplus hydroacoustic equipment, if there is extra equipment, it should be available for other Trustee Council projects. This is something which your agency liaison might want to pursue.

Geography of the Restoration Program and Funding

We are striving to support a restoration program that has geographic balance, and I would be pleased to support more work outside of Prince William Sound. As you know, tens of millions of dollars have been spent on habitat protection outside Prince William Sound (e.g., on Kodiak and Afognak islands and at Kachemak Bay). In addition, however, the Trustee Council has supported and is supporting a number of research, monitoring, and general restoration projects outside Prince William Sound. In addition to your own work on harlequin duck genetics (161),

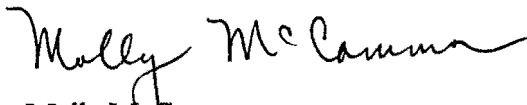
Page 3
Goatcher
July 22, 1996

current examples include work on marine birds (Barren Islands and lower Cook Inlet), sockeye salmon overescapement (Chignik Lake, Kenai River, and Kodiak I.), and fisheries enhancements (outer Kenai coast and Afognak I.). In FY 1997, the extension of harbor seal biosampling to the Kodiak area and development of a Kodiak Waste Management Plan have received favorable draft recommendations. You specifically mention the ecosystem projects supported by the Trustee Council but do not acknowledge that one of the largest components (163M) of the Alaska Predator Ecosystem Experiment is based in lower Cook Inlet and includes Chisik Island as a key study site.

As noted above, the Trustee Council has supported and is supporting considerable work outside of Prince William Sound. Certainly we would like to do more on the Alaska Peninsula, but the combination of a general lack of good baseline data, less obvious injury, and high costs is a significant limitation on the size and scope of the restoration efforts on the Alaska Peninsula.

Buddy, the proposal (97158) you submitted for consideration in FY 1997 got a fair review scientifically, but it did not fare well in competition with the many other proposals that were submitted. Furthermore, there will be some very good science projects that will not be funded in FY 1997 because of the need to hold the FY 1997 Work Plan at the target level of \$16 million. I will be pleased in FY 1998 to look at new proposals for discrete research, monitoring, and general restoration projects outside Prince William Sound, and I hope that you are not discouraged from trying again.

Sincerely,



Molly McCammon
Executive Director

enclosure (1)

cc: Deborah Williams, DOI, Special Asst. to the Secretary for Alaska
Catherine Berg, DOI Liaison
Bill Pierce, Superintendent, Katmai National Park
Bud Rice, NPS Liaison
Dan Sakura, DOI Asst. Secretary's Office
Jerome Selby, Mayor, Kodiak Is. Borough
Dr. Robert Spies, Chief Scientist

FY 1997 PEER REVIEWER EVALUATION FORM
AND TECHNICAL CRITERIA

Project No. 97158

Project Title: Monitoring Nearshore Ecosystem in Katmai

[The following are scored 1-5, with 5 being the highest rating (e.g., excellent)]

1. The overall scientific merits of the proposal as demonstrated through (a) understanding of the problem, (b) soundness of the technical approach, (c) innovation and uniqueness of the project, and (d) feasibility (i.e., prospects for the project's success).

Score 3 Comments?

- proposes boat surveys on birds/sea otters on the Katmai coast
- there is no solid, convincing evidence of the level of damage from the spill, so that recovery monitoring proposed here has no standard against which to measure
- there are apparently some prespill data, but the proposal does not provide methodologies or results for inspection
- the proposed assessment of prey is not sufficiently comprehensive to be meaningful
- no presentation of power analyses that would indicate subsequent surveys will be able to detect changes
- all of the survey work is summer oriented, while some of the TC-funded survey work elsewhere covers other seasons

2. The potential contribution of the proposal to the identified recovery objectives. In other words, the extent to which the proposal will help achieve the restoration objectives identified for a given resource.

Score 2 Comments?

- not directly responsive to identified restoration needs, especially absent solid prespill data

3. The organization's (a) capabilities and experience and (b) record of past performance (including in the EVOS program). The (c) experience and qualifications of key personnel, and

(d) whether facilities or other factors integral to the proposal success are available to support the project.

Score 2.5 Comments?

- the PI does not demonstrate a record of peer-reviewed publication
- concern about ability to develop appropriate sample design, analyses, etc.

4. The cost effectiveness of the project proposal.

Score 5 Comments?

- cost is low, given the amount of work proposed
- this work would probably cost a lot more to do properly

Overall assessment of this project and its relationship to the cluster and overall program

Since we do not have solid prespill data from the Katmai coast, it is unclear how recovery can be gauged in this area. The sampling and analysis of prey could be greatly improved, and the proposal lacks a power analysis in regard to the ability of the surveys to detect changes. Do not fund.

Alaska State Legislature

District Address

145 Main St. Loop; Suite 226
Kenai, Alaska 99611
(907) 283-2690 • Fax 283-9267



Session Address

State Capitol; Room 427
Juneau, AK 99801-1182
(907) 465-2828: fax 465-4779

July 8, 1996

Senator John Torgerson

CFM & D

JUL 12 1996

MARICULTURE

Mr. Jim Cochran
Alaska Dept. of Fish & Game
Commercial Fisheries Management
P.O. Box 25526
Juneau, AK 99802-5526

Dear Mr. Cochran;

Please reference our telephone conversation on July 1st concerning the Seward Mariculture Center. I believe that several points made during that conversation should be followed up.

First, and I believe the most important, is the appointment of an advisory board to help give some oversight to the project. A very large component of the advisory board must be local involvement so that the residents will take a local ownership to the project.

I would be happy to furnish you with a suggested list of names to add to our current working group, or even better, let the City of Seward and the Seward Chamber nominate some residents.

Second, that the project be constructed so that the research facility can be shut down with minimum maintenance if there are not any projects going on. I still have the fear that some agencies are reluctant to go forward with any help because it looks like a black hole to operate if there isn't any ongoing project to pay the overhead.

Thanks for your time and give me a call next time you are in Seward. Also, I suggest that the next meeting of our working group be held in Seward - good public relations.

Sincerely,

A handwritten signature in black ink, appearing to read "John Torgerson".

Senator John Torgerson

(JT:mj/cochran/MTC-SH)

THE CONSERVATION FUND

BRAD A. MEIKLEJOHN
ALASKA REPRESENTATIVE
9850 HILAND ROAD
EAGLE RIVER, ALASKA 99577
(907) 694-9060
FAX (907) 694-9070

Molly McCammon
Executive Director
Exxon Valdez Oil Spill Trustee Council

VIA FAX

July 19, 1996

Dear Molly,

Attached is draft text for a non-matching partner letter from the EVOS Trustee Council in support of a grant request to the North American Wetland Conservation Council for the "Kodiak Island Small Parcel Protection Project." The purpose of the partner letter is to document the commitment of funds from EVOS should TCF be successful in negotiating the acquisition. Please note that EVOS funds do not qualify as matching funds and I have listed them as non-matching funds.

I have attached a draft of the proposal with relevant budget numbers so you can see who the other partners are.

I hope I am not too presumptuous in asking for a partner letter from you. The proposal deadline is August 2, 1996. If all this is possible, it would be best to send or fax the letter to me for inclusion with the proposal.

Thank you very much,


Brad Meiklejohn

**NORTH AMERICAN WETLANDS CONSERVATION ACT PROPOSAL
KODIAK ISLAND PROTECTION PROJECT**

BOROUGH, STATE, AND CONGRESSIONAL DISTRICT: Kodiak Island Borough, Alaska.
Congressional District 1.

TITLE HOLDERS AND MANAGERS: The Conservation Fund (468 acres); Private Landowners (457 acres); Karluk Tribal Council (8 acres)//Future owners and managers: U.S. Fish and Wildlife Service (826 acres); Alaska Department of Fish and Game (107 acres).

FUNDING, PROJECT COSTS, AND ACREAGE:

GRANT FUNDS	\$ 471,000
PARTNER FUNDS	
Grantee: The Conservation Fund (TCF)	\$ 243,680
Richard King Mellon Foundation (RKMF)	\$ 700,000
Kodiak Brown Bear Habitat Trust (KBBHT)	\$ 100,000
Wildlife Forever (WF)	\$ 50,000
National Rifle Association (NRA)	\$ 5,000
Anheuser - Busch, Inc. (A-B)	\$ 16,000
U.S. Fish and Wildlife Service (USFWS)	\$ 147,000
Exxon Valdez Oil Spill Trustees (EVOS)	\$ 359,000
Proposed Contributor	
National Fish and Wildlife Fdn (NFWF)	\$ 75,000
TOTAL CONTRIBUTIONS	\$2,166,680

ACQUISITION - 933 acres

Fee Title - acquired - 615 acres -	\$1,466,680	\$2,385/acre
Fee Title - donated - 318 acres	\$ 700,000	\$2,220/acre
TOTAL COST AND ACREAGE - 933 acres	\$2,166,680	

PURPOSE AND WORK PLAN: The U.S. Fish and Wildlife Service (USFWS) has accepted fee-title donation of 318 acres of marshlands, tidal estuary, forested wetlands and uplands in the Kodiak National Wildlife Refuge (KNWR) from The Richard King Mellon Foundation (RKMF). Fee-title of an additional 160 acres of palustrine wetlands and uplands has been acquired by the Kodiak Brown Bear Habitat Trust (KBBHT), Wildlife Forever (WF), and the USFWS. Grant funds are requested for fee-title acquisition by The Conservation Fund (TCF) of 31 separate properties totaling 455 acres of coastal wetlands. All proposal lands will be managed by the USFWS as part of the KNWR (826 acres) and the Alaska Department of Fish and Game (ADF&G; 107 acres).

The purpose of the proposal is to protect and manage valuable wetlands threatened by residential development. The need for the proposal is to ensure the biological integrity of KNWR and to maintain viable populations of migratory birds, anadromous fish, marine mammals, and coastal brown bears. Secretary of Interior Bruce Babbitt referred to the Kodiak refuge as "the most intact ecosystem in North America." The Kodiak Refuge supports the highest density and largest size brown bears in the world (KNWR Comprehensive Conservation Plan 1987). Over 50 million salmon spawning in Kodiak's rivers and streams contribute \$100 million to the local economy and sustain the traditional Native communities. The refuge has at least 200 nesting pairs of bald eagles, 150,000 wintering seaducks, and annual waterfowl production of 10,000 ducks. Common nesting species include mallard, northern pintail, common loon, harlequin duck, marbled murrelet, tundra swan, Peale's peregrine falcon, surfbird, rock sandpiper, and American dipper. Six species of whales exist in the bays and Steller's sea lions, harbor seals, sea otters breed and feed on the KNWR.

All proposal lands are located on the coastlines of the KNWR. Ranging in size from 5 acres to 318 acres, these properties are situated at the heads of bays and at the mouths of river where they control access to and management of entire watersheds. These strategic locations are important for spawning salmon, feeding bears, nesting

eagles, and breeding ducks. The construction of commercial lodges and private homes has disrupted wildlife activities and complicated refuge management.

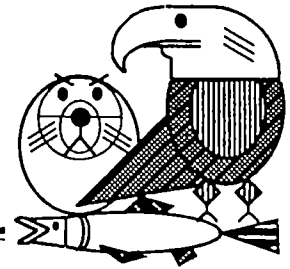
The proposed acquisitions complement the protection of 211,000 acres of KNWR inholdings in 1995. These "large parcel" fee acquisitions and easements were financed by the Exxon Valdez Oil Spill Trustee Council (EVOS). TCF continues to negotiate the fee acquisition of an additional 58,000 acres in KNWR and an easement on 70,000 acres of Native corporation land. TCF also has a Memorandum of Understanding and two Letters of Intent with the USFWS to acquire "small parcels" in KNWR, which number over 300 tracts and total 16,000 acres. In 1994 TCF launched its "Kodiak Small Parcel Initiative" in partnership with the USFWS, ADF&G, EVOS, KBBHT, RKMF, WF, NRA, A-B, the Weeden Foundation, the Orvis Company.

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



TO: Deborah Boyd
Alaska Department of Fish and Game

FROM: Eric F. Myers,  Director of Operations

DATE: July 17, 1996

SUBJ: Professional Services Contract (IHP - 97-005)

As we discussed on the phone, Dr. Robert Spies/Applied Marine Sciences (AMS) has indicated his willingness to develop the needed briefing materials within the time frame required and within our \$5,000 budget. As Chief Scientist for the Trustee Council for more than five years, Dr. Spies/AMS possesses a unique working knowledge and understanding of the *Exxon Valdez* Oil Spill Trustee Council's restoration science program. His knowledge of the Trustee Council's research efforts, results from the research program, and his understanding of potential applications of the results to meet restoration objectives, makes it most practical to contract with him for this project.

Non-Resident Award Determination (AS 36.30.362). Dr. Robert Spies resides in Livermore, California. There is no one in the State of Alaska that has the necessary comprehensive expertise regarding the restoration program for the preparation of the required briefing materials within the time frame required and for the limited funding available.

Please let me know if you need further information.

Trustee Agencies

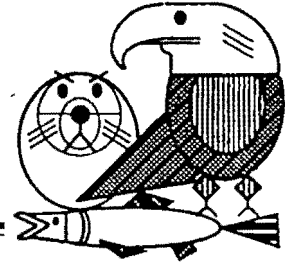
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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



July 17, 1996

Dr. Robert Spies
Applied Marine Science
2155 Las Positas Court - Suite S

Attention: Andy Gunther

Dear Bob,

You will find enclosed three original copies of the Standard Agreement Form with appendices regarding development of the restoration program briefing material project. I have signed each of these copies.

Please also sign the three copies as indicated. They should then be forwarded directly to:

Deborah Boyd
Alaska Department of Fish and Game
P.O. Box 25526
Juneau, Alaska 99802-5526

Once they are finally processed by ADFG with final authorization (signature), you will receive a copy of the fully executed contract.

Any questions concerning this contract should be directed to me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric F. Myers'.

Eric F. Myers
Director of Operations

enclosures

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

rdg. file

CHUGACH REGIONAL RESOURCES COMMISSION
COMMUNITY INVOLVEMENT PROJECT

645 G
ANCHORAGE AK 99501
278-8012
FAX: 276-7178

July 16, 1996

Lisa Parker
144 N. Binkley
Soldotna, AK 99669

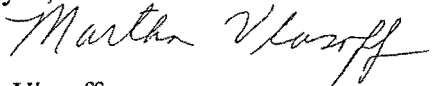
Dear Ms. Parker:

As I mentioned in our phone conversation, Molly McCammon, Executive Director of the EVOS Trustee Council, asked me to contact you in regard to a possible project for a number of communities within the Kenai Peninsula Borough. The Trustee Council has already funded a region-wide waste management system for the Prince William Sound area communities, and a similar proposal is being considered for the Kodiak Island villages.

Port Graham submitted a project proposal this year for solid waste disposal (enclosed). Molly would like to make sure any efforts funded by the Council would be done as a part of a comprehensive, regional effort.

I would appreciate it if you could review the proposals that I have enclosed, and contact myself or Veronica Christman to discuss these possibilities further.

Thank you,



Martha Vlasoff
Community Involvement Coordinator

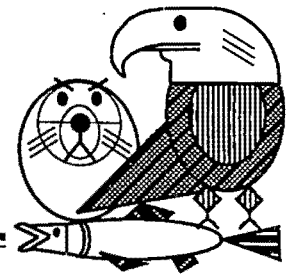
cc Molly McCammon
Rita Miraglia
Patty Brown-Schwalenberg
Veronica Christman

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



July 12, 1996

Lew Williams, Jr.
Ketchikan Daily News
755 Grant Street
Ketchikan, Alaska 99901-6512

Dear Lew:

Thanks for your very kind note. I just wanted to get back to you on a few things. Yes, the Council is still contributing to the reserve. In addition, we're working with the Governor's office and Senator Stevens to find some other sources of funding for long term marine research to add to our fund. My goal is still \$150 million by the year 2002. Our biggest problem is that since the federal side considers these funds "federal," they have to be invested in U.S. Treasury bonds. We're getting killed on interest rates, and somehow need to figure out a way to get a better return on our money. I've actually been a little surprised that the public hasn't taken a more aggressive interest in this issue.

I know our habitat program is controversial with folks like yourself and the delegation, Lew. From my perspective, it's always been important to emphasize how the land deals can provide unique economic development opportunities for the landowners. In addition, you know we're doing a lot of other good things besides the habitat program. Any good things you could say about that either in the press or to the delegation would be most appreciated.

About the World Wide Web page, we are connected, although the information is still somewhat limited. We've got two major projects underway that when completed, will add almost all of the information generated by our research projects to the Internet. Our address is: <http://www.alaska.net/~ospic>

Please let me know if I can provide any additional information for you.

Sincerely,

Molly McCammon
Executive Director

mm/raw

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

RECEIVED
JUL 1 1996

KETCHIKAN DAILY NEWS * PIONEER PRINTING * MEMO

..... from the desk of Lew Williams, Jr.

June 27 '96

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

Dear Molly:

Thanks for the '97 Draft
Work Plans

I am happy to note
the council is decreasing
it's annual plans to
meet the last payment
in 2001. Also, that the
council is still
contributing to a

.....from the desk of Lew Williams, Jr.

restoration reserve is
excellent.

Is money going to be
spent some day to put
everything on the
Worldwide Web, if it
isn't already?

Regards

Lew

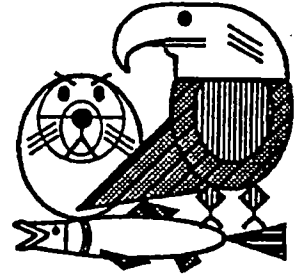
P.S. You personally, are doing
a great job!

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

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



MEMORANDUM

TO: Kim Garnero, Alaska Department of Fish and Game
David Bruce, Alaska Department of Environmental Conservation
Carol Fries, Alaska Department of Natural Resources
Dave Gibbons, U.S. Department of Agriculture, Forest Service
Bob Baldauf, U.S. Department of the Interior
Byron Morris, National Oceanic & Atmospheric Administration

FROM: *Traci Cramer*
Traci Cramer
Administrative Officer

DATE: July 12, 1996

RE: FFY 1996 Third Quarter Financial Report

Pursuant to the Financial Operating Procedures, it is requested that expenditure and obligation activity for the quarter ending **June 30, 1996** be submitted to this office by **August 1, 1996**.

Attached is the FFY 1996 worksheet for your agency. With the exception of the Chenega Shoreline project, the worksheet has been updated as of the June 28th Trustee Council meeting.

Also attached is the prior year adjustment form. This form should be used to update expenditure and obligation information relating to the prior years.

It is requested that agencies adhere to the August 1st deadline, as the goal is to update and produce a new quarterly report for the PAG meeting which is scheduled for August 7th. If you have any questions, give me a call at (907) 586-7238.

attachments

cc: Molly McCammon

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

PRIOR YEAR ADJUSTMENT FORM

Purpose: To document adjustments associated with expenditure and obligation information included on FINAL REPORTS.

Instructions: This is a WordPerfect document, agencies have the option of using this form or creating a form which contains the required elements. While the form is self-explanatory, if you have any questions contact Traci Cramer at (907) 586-7238.

Work Plan Year: ☐ 1992 ☐ 1993 ☐ 1994 ☐ 1995
(Indicate the Work Plan affected)

Project Number: _____ **Contact:** _____
(Enter the project number) (Enter the name of the person best able to respond to questions)

Agency: ☐ ADEC ☐ ADF&G ☐ ADNR ☐ USFS ☐ NOAA
 ☐ DOI-FWS ☐ DOI-NBS ☐ DOI-NPS ☐ DOI
(Indicate the agency affected)

Impact: Expenditures _____ Obligations _____
(Reflect increases as positive numbers and decreases as negative numbers)

Why the adjustment is required?

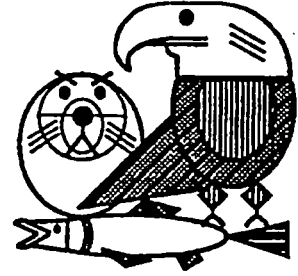
- ☐ Liquidate obligation and return funds.
 - ☐ Liquidate obligation and reflect them as expenditures
 - ☐ Recovery of over-paid expenses
 - ☐ Other (specify): _____
- _____
- _____
- _____
- _____

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

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



MEMORANDUM

TO: Trustee Council

THROUGH: Molly McCammon
Executive Director

FROM: *Traci Cramer*
Traci Cramer
Administrative Officer

DATE: July 11, 1996

RE: Financial Report as of June 30, 1996

Attached is the Statement of Revenue, Disbursements and Fees, and accompanying notes for the *Exxon Valdez* Joint Trust Fund for the period ending June 30, 1996.

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

Joint Trust Fund Account Balance	\$52,830,224	
Less: Current Year Commitments (Note 5)	\$26,379,000	
Plus: Adjustments (Note 6)	<u>\$4,411,185</u>	
Uncommitted Fund Balance		\$30,862,409
Plus: Future Exxon Payments (Note 1)	\$420,000,000	
Less: Remaining Reimbursements (Note 3)	23,300,000	
Less: Remaining Commitments (Note 7)	<u>\$70,091,667</u>	
Total Estimated Funds Available		\$357,470,742
Restoration Reserve		\$35,996,170

If you have any questions regarding the information provided please give me a call at 586-7238.

attachments

cc: Agency Liaisons
Bob Baldauf

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

NOTES TO THE STATEMENT OF REVENUE, DISBURSEMENTS AND FEES
FOR THE *EXXON VALDEZ* JOINT TRUST FUND

As of June 30, 1996

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

Received to Date	\$480,000,000
Future Payments	\$420,000,000

2. Interest Income - In accordance with the MOA, the funds are deposited in the United States District Court, Court Registry Investment System (CRIS). All deposits with CRIS are maintained in United States government treasury securities with maturities of 100 days or less. Total earned since the last report is \$186,270.
3. Reimbursement of Past Costs - Under the terms of the agreement, the United States and the State are reimbursed for expenses associated with the spill. The remaining reimbursements represents that amount due the State of Alaska.
4. Fees - CRIS charges a fee of 10% for cash management services. Total paid since the last report is \$18,627.
5. Current Year Commitments - Includes \$12,456,000 for the Alaska SeaLife Center, an increase of \$23,000 for the 1996 Work Plan, \$1,900,000 for the Chenega Clean-up Project, and the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Koniag, Incorporated	\$4,500,000	September 1996
Akhiok-Kaguyak	\$7,500,000	September 1996

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

	<u>Interest</u>	<u>Lapse</u>
United States	\$62,999	\$772,775
State of Alaska	\$1,095,637	\$2,479,774

7. Remaining Commitments - Includes the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Shuyak	\$2,194,266	October 1996
Shuyak	\$20,000,000	October 1997 through 2001
Shuyak	\$11,805,734	October 2002
Seal Bay	\$3,091,667	November 1996
Akhiok-Kaguyak	\$7,500,000	September 1997
Koniag, Incorporated	\$9,000,000	September 1997 and 1998
Koniag, Incorporated	\$16,500,000	September 2002

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Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

STATEMENT OF REVENUE, DISBURSEMENT, AND FEES
EXXON VALDEZ OIL SPILL JOINT TRUST FUND
As of June 30, 1996

	1993	1994	1995	To Date 1996	Cumulative Total
REVENUE:					
Contributions: (Note 1)					
Contributions from Exxon Corporation	250,000,000	70,000,000	70,000,000	0	480,000,000
Less: Credit to Exxon Corporation for clean-up costs incurred	(39,913,688)				(39,913,688)
Total Contributions	210,086,312	70,000,000	70,000,000	0	440,086,312
Interest Income: (Note 2)					
Exxon Corporation escrow account					831,233
Joint Trust Fund Account	1,378,000	3,736,000	5,706,666	3,080,245	14,496,910
Total Interest	1,378,000	3,736,000	5,706,666	3,080,245	15,328,143
Total Revenue	211,464,312	73,736,000	75,706,666	3,080,245	455,414,455
DISBURSEMENTS:					
Reimbursement of Past Costs: (Note 3)					
State of Alaska	29,000,000	25,000,000			83,267,842
United States	36,117,165	6,271,600	2,697,000	0	69,812,045
Total Reimbursements	65,117,165	31,271,600	2,697,000	0	153,079,887
Disbursements from Joint Trust Account:					
State of Alaska	18,529,113	44,546,266	41,969,669	18,784,065	130,388,313
United States	9,105,881	6,008,387	48,019,928	12,229,224	81,683,920
Transfer to the Restoration Reserve				35,996,231	35,996,231
Total Disbursements	27,634,994	50,554,653	89,989,597	67,009,519	248,068,463
FEES:					
U.S. Court Fees (Note 4)	154,000	364,000	586,857	308,025	1,435,881
Total Disbursements and Fees	92,906,159	82,190,253	93,273,454	67,317,544	402,584,232
Increase (decrease) in Joint Trust	118,558,153	(8,454,253)	(17,566,788)	(64,237,299)	52,830,224
Joint Trust Account Balance, beginning balance	24,530,411	143,088,564	134,634,311	117,067,523	
Joint Trust Account Balance, end of period	143,088,564	134,634,311	117,067,523	52,830,224	
Current Year Commitments: (Note 5)					(26,379,000)
Adjustments: (Note 6)					4,411,185
Uncommitted Fund Balance					30,862,409
Remaining Reimbursements (Note 3)					(23,300,000)
Remaining Commitments: (Note 7)					(70,091,667)
Total Estimated Funds Available					357,470,742
Restoration Reserve					35,996,170

Statement 1

Statement of Exxon Settlement Funds
As of June 30, 1996

Beginning Balance of Settlement 900,000,000

Receipts:

Interest Earned on Exxon Escrow Account 831,233
Net Interest Earned on Joint Trust Fund (See Note 1) 13,061,029
Interest Earned on United States and State of Alaska Accounts 3,168,649

Total Interest 17,060,911

Disbursements:

Reimbursements to United States and State of Alaska 153,079,887
Exxon clean up cost deduction 39,913,688
Joint Trust Fund deposits 287,837,658

Total Disbursements 480,831,233

Funds Available

Exxon future payments 420,000,000
Balance in Joint Trust Fund (See Statement 2) 52,830,224
Future acquisition payments (82,091,667)
Alaska Sealife Center (12,456,000)
Remaining Reimbursements (23,300,000)
Other (See Note 2) 4,070,300
Total Estimated Funds Available 359,052,857

Note 1: Gross interest earned less District Court registry fees.

Note 2: Adjustment for unreported interest earned and lapse

Footnotes:

1 - The funding approved by the Council 6/96 for \$1,923,000 to increase the 1996 Work Plan (\$23,000) and provide funding for the Chenega Oiling Project (\$1,900,000) is included in the Total Estimated Funds Available.

2 - The adjustment for Future acquisition payments includes both current year and remaining commitments relating to approved land payments for large and small parcel acquisitions.

Statement 2

Cash Flow Statement

Exxon Valdez Oil Spill Settlement United States and State of Alaska Joint Trust Fund
As of June 30, 1996

Receipts:

Exxon payments

Deposit December 1991	36,837,111	
Deposit December 1992	56,586,312	
Deposit September 1993	68,382,835	
Deposit September 1994	58,728,400	
Deposit September 1995	67,303,000	
Total Deposits	287,837,658	287,837,658

Interest Earned 14,496,910

Total Interest	14,496,910	14,496,910
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Total Receipts		302,334,568
-----------------------	--	--------------------

Disbursements:

Court requests

Withdrawal June 1992	12,879,700	
Withdrawal December 1992	6,567,254	
Withdrawal June 1993	21,067,740	
Withdrawal November 1993	29,950,000	
Withdrawal November 1993	4,743,925	
Withdrawal June 1994	15,860,728	
Withdrawal October 1994	10,664,256	
Withdrawal November 1994	3,111,204	
Withdrawal January 1995	13,911,091	
Withdrawal April 1995	17,200,000	
Withdrawal September 1995	1,652,014	
Withdrawal May 1996	30,951,032	
Withdrawal October 1995	12,500,000	
Withdrawal November 1995	11,294,667	
Withdrawal January 1996	5,191,122	
Withdrawal March 1996	8,000,000	
Withdrawal May 1996	6,527,500	
Total Requests	212,072,233	212,072,233

District Court Fees	1,435,881	1,435,881
---------------------	-----------	-----------

Transfer to the Restoration Reserve (2/15/96)		35,996,231
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Total Disbursements		249,504,345
----------------------------	--	--------------------

Balance in Joint Trust Fund		52,830,224
------------------------------------	--	-------------------

*Schedule of Payments for Exxon Valdez Oil Spill Settlement Monies from Exxon
As of June 30, 1996*

	<i>FFY 1991 December 31 1991</i>	<i>FFY 1992 December 1 1992</i>	<i>FFY 1992 September 1 1993</i>	<i>FFY 1994 September 1 1994</i>	<i>FFY 1995 September 1 1995</i>	<i>Total</i>
Disbursements:						
Reimbursements:						
United States						
FFY92	24,726,280	0	0			24,726,280
FFY93	0	24,500,000	11,617,165			36,117,165
FFY94	0	0	0	6,271,600		6,271,600
FFY95	0	0	0		2,697,000	2,697,000
Total United States	24,726,280	24,500,000	11,617,165	6,271,600	2,697,000	69,812,045
State of Alaska						
General Fund:						
FFY92	25,313,756	0	0			25,313,756
FFY93	0	16,685,133	0			16,685,133
FFY94	0	0	14,762,703			14,762,703
FFY95	0	0	0	0		0
Mitigation Account:						
FFY92	3,954,086	0	0			3,954,086
FFY93	0	12,314,867	0			12,314,867
FFY94	0	0	5,237,297	5,000,000		10,237,297
FFY95 (Prevention Account)	0	0	0		0	0
Total State of Alaska	29,267,842	29,000,000	20,000,000	5,000,000	0	83,267,842
Total Reimbursements	53,994,122	53,500,000	31,617,165	11,271,600	2,697,000	153,079,887
Deposits to Joint Trust Fund						
FFY92	36,837,111	0	0			36,837,111
FFY93	0	56,586,312	68,382,835			124,969,147
FFY94	0	0	0			0
FFY95	0	0	0	58,728,400	67,303,000	126,031,400
Total Deposits to Joint Trust Fund	36,837,111	56,586,312	68,382,835	58,728,400	67,303,000	287,837,658
Exxon clean up cost deduction	0	39,913,688	0	0	0	39,913,688
Total Disbursements	90,831,233	150,000,000	100,000,000	70,000,000	70,000,000	480,831,233
Remaining Exxon payments to be made:						
September 1994	0					
September 1995	0					
September 1996	70,000,000					
September 1997	70,000,000					
September 1998	70,000,000					
September 1999	70,000,000					
September 2000	70,000,000					
September 2001	70,000,000					
	<u>420,000,000</u>					

*Schedule of Disbursements for Exxon Valdez Oil Spill United States and State of Alaska Joint Trust Fund
As of June 30, 1996*

	June 1992	December 1992	June 1993	November 1993	December 1993	June 1994	October 1994	November 1994	January 1995	April 1995	May 1995	September 1995	October 1995	November 1995	January 1996	March 1996	May 1996	Total
Disbursements:																		
Court Requests																		
United States																		
FFY92	6,320,500	0	0	0	0	0												6,320,500
FFY93	0	3,074,029	6,031,852	0	0	0												9,105,881
FFY94	0	0	0	0	2,516,069	3,492,318	0											6,008,387
FFY95	0	0	0	0	0	0	3,576,179	0	4,676,182	17,200,000	1,480,251	21,087,316						48,019,928
FFY96														8,000,000	3,222,224		1,007,000	12,229,224
Total United States	6,320,500	3,074,029	6,031,852	0	2,516,069	3,492,318	3,576,179	0	4,676,182	17,200,000	1,480,251	21,087,316	0	8,000,000	3,222,224	0	1,007,000	81,683,920
State of Alaska																		
FFY92	6,559,200	0	0	0	0	0												6,559,200
FFY93	0	3,493,225	15,035,888	0	0	0												18,529,113
FFY94	0	0	0	29,950,000	2,227,856	12,368,410												44,546,266
FFY95	0	0	0	0	0	0	7,088,077	3,111,204	9,234,909		171,763	9,863,716	12,500,000					41,969,669
FFY96														3,294,667	1,968,898	8,000,000	5,520,500	18,784,065
Total State of Alaska	6,559,200	3,493,225	15,035,888	29,950,000	2,227,856	12,368,410	7,088,077	3,111,204	9,234,909	0	171,763	9,863,716	12,500,000	3,294,667	1,968,898	8,000,000	5,520,500	130,388,313
Total Court Requests	12,879,700	6,567,254	21,067,740	29,950,000	4,743,925	15,860,728	10,664,256	3,111,204	13,911,091	17,200,000	1,652,014	30,951,032	12,500,000	11,294,667	5,191,122	8,000,000	6,527,500	212,072,233
District Court Fees																		1,435,881
Transfer to the Restoration Reserve [2/15/96]																		35,996,231
Total Disbursements																		249,504,345

Total Disbursements represent the amount of funds which were either transferred to the State or Federal Governments and the Payment of District Court Fees.

Exxon Valdez Oil Spill Joint Trust Fund Account						
Interest Earned/District Court Registry Fees						
As of June 30, 1996						
	FFY 1992	FFY 1993	FFY 1994	FFY 1995	FFY 1996	Total
Earnings Deposits	17,683	31,124	33,476	55,809		138,092
Earnings Allocated:						
1991	28,704					28,704
1992	526,613	553,696				1,080,309
1993		639,180	1,461,735			2,100,915
1994			1,876,789	1,402,937		3,279,726
1995				3,661,063	2,772,220	6,433,283
Total	555,317	1,192,876	3,338,524	5,064,000	2,772,220	12,922,937
Total Earnings	573,000	1,224,000	3,372,000	5,119,809	2,772,220	13,061,029
Registry Fees:						
1991	3,189					3,189
1992	19,811	100,223				120,034
1993		53,777	179,658			233,435
1994			184,342	180,072		364,414
1995				406,785	308,025	714,809
Total	23,000	154,000	364,000	586,857	308,025	1,435,881
Gross Earnings	596,000	1,378,000	3,736,000	5,706,666	3,080,245	14,496,910

*Schedule of Interest Adjustments to the Court Requests
As of June 30, 1996*

	<i>June 1992</i>	<i>December 1992</i>	<i>June 1993</i>	<i>December 1993</i>	<i>June 1994</i>	<i>October 1994</i>	<i>November 1994</i>	<i>December 1994</i>	<i>March 1995</i>	<i>August 1995</i>	<i>January 1996</i>	<i>May 1996</i>	<i>Total</i>	<i>Unallocated Interest</i>
Disbursements:														
Court Requests														
United States														
FFY92	0												0	
FFY93		39,871	3,648										43,519	
FFY94				51,231	22,427								73,658	
FFY95						34,621		37,618	3,849	63,226			139,314	
FFY96											48,676	37,100	85,776	
Total United States	0	39,871	3,648	51,231	22,427	34,621	0	37,618	3,849	63,226	48,676	37,100	342,267	62,999
State of Alaska														
FFY92	0												0	
FFY93		80,775	35,012										115,787	
FFY94				64,944	239,090								304,034	
FFY95						52,823	117,838	44,291	320,837	449,634			985,423	
FFY96											262,202	300	262,502	
Total State of Alaska	0	80,775	35,012	64,944	239,090	52,823	117,838	44,291	320,837	449,634	262,202	300	1,667,746	1,095,637
Total Adjustment	0	120,646	38,660	116,175	261,517	87,444	117,838	81,909	324,686	512,860	310,878	37,400	2,010,013	1,158,636

Footnotes:

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

Schedule of Interest Earned on United States and State of Alaska Accounts				
As of June 30, 1996				
		State of Alaska	United States	
		EVOSS Account	NRDA& R	Total
June 1992		22,675		22,675
July 1992		23,952		23,952
August 1992		21,300		21,300
September 1992		12,847		12,847
October 1992		13,774		13,774
November 1992		11,775		11,775
December 1992		9,463		9,463
January 1993		7,670		7,670
February 1993		16,263		16,263
March 1993		13,862		13,862
April 1993		11,568		11,568
May 1993		10,309		10,309
June 1993		7,713		7,713
July 1993		38,502		38,502
August 1993		31,719		31,719
September 1993		21,069		21,069
October 1993		19,030		19,030
November 1993		28,561		28,561
December 1993		16,817		16,817
January 1994		22,398		22,398
February 1994		19,086	117,178	136,264
March 1994		20,754		20,754
April 1994		18,714		18,714
May 1994		15,878		15,878
June 1994		17,707	24,823	42,530
July 1994		52,823		52,823
August 1994		43,845		43,845
September 1994		40,408	43,567	83,975
October 1994		44,291		44,291
November 1994		63,286		63,286
December 1994		67,496	3,849	71,346
January 1995		89,341		89,341
February 1995		100,714		100,714
March 1995		104,570	17,033	121,603
April 1995		95,432		95,432
May 1995		92,595		92,595
June 1995		80,613	50,042	130,655
July 1995		76,424		76,424
August 1995		68,771		68,771
September 1995		59,945	44,826	104,771
October 1995		133,486		133,486
November 1995		154,119		154,119
December 1995		143,917	39,567	183,484
January 1996		134,300		134,300
February 1996		122,348		122,348
March 1996		132,469	64,381	196,850
April 1996		126,550		126,550
May 1996		136,732		136,732
June 1996		145,501		145,501
Total		2,763,383	405,266	3,168,649
NOTES: The \$117,178 NRDA&R interest figure is a cumulative amount. Monthly and quarterly figures are not available for prior periods. Bob Baldauf at the Office of Budget will start tracking/recording on a quarterly basis.				

**Schedule of Lapse Adjustments to the Court Requests
As of June 30, 1996**

	December 1993	June 1994	August 1995	Total
<hr/>				
Disbursements:				
Court Requests				
United States				
FFY92				0
FFY93				0
FFY94		3,106,555		3,106,555
FFY95				0
FFY96			301,558	301,558
Total United States	<hr/> 0	<hr/> 3,106,555	<hr/> 301,558	<hr/> 3,408,113
State of Alaska				
FFY92				0
FFY93				0
FFY94	3,661,600			3,661,600
FFY95				0
FFY96			2,376,950	2,376,950
Total State of Alaska	<hr/> 3,661,600	<hr/> 0	<hr/> 2,376,950	<hr/> 6,038,550
Total Adjustment	<hr/> 3,661,600	<hr/> 3,106,555	<hr/> 2,678,508	<hr/> 9,446,663

Footnote

The August 1995 adjustment for the Federal Government included an \$80,700 reimbursement associated with excessive payment for final costs relating to damage assessment activities.

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	Total
Work Plan authorizations						
United States:						
June 15, 1992	6,320,500	0	0			
January 25, 1993	0	3,113,900	0			
January 25, 1993	0	6,035,500	0			
November 10, 1993	0	0	0			
November 30, 1993	0	0	2,567,800			
June 1994			4,536,800			
June 1994			84,500			
July 1994			1,500,000			
August 1994				2,110,800		
November 1994				2,514,200		
December 1994				749,600		
March 1995				1,484,100		
August 1995				(36,700)	6,238,800	
December 1995					3,270,900	
January 1996					150,000	
April 1996					478,000	
May 1996					37,100	
June 1996					23,000	
Total United States	6,320,500	9,149,400	8,689,100	6,822,000	10,197,800	41,178,800
State of Alaska						
June 15, 1992	6,559,200	0	0			
January 25, 1993	0	3,574,000	0			
January 25, 1993	0	7,570,900	0			
November 30, 1993	0	1,500,000	4,454,300			
June 1994			12,391,700			
June 1994			215,800			
July 1994			0			
August 1994				7,140,900		
November 1994				9,098,700		
December 1994				180,500		
March 1995				492,600		
August 1995				36,700	12,653,600	
December 1995					2,231,100	
April 1996					500,000	
May 1996					300	
June 1996					1,900,000	
Total State of Alaska	6,559,200	12,644,900	17,061,800	16,949,400	17,285,000	70,500,300
Total Work Plan authorizations	12,879,700	21,794,300	25,750,900	23,771,400	27,482,800	111,679,100

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	Total
Other Authorizations						
United States:						
Orca Narrows (6/94, Eyak)			2,000,000	1,650,000		3,650,000
Kodiak National Wildlife Refuge (3/95, 9/95 AKI)				21,000,000		21,000,000
Kodiak National Wildlife Refuge (3/95, 9/95 Old Harbor)				11,250,000		11,250,000
Koniag					8,000,000	8,000,000
Small Parcels					379,000	379,000
Total United States			2,000,000	33,900,000	8,379,000	44,279,000
State of Alaska:						
Kachemak Bay State Park (1/95)		7,500,000				7,500,000
Seal Bay (11/93,11/94)			29,950,000	3,229,042	3,294,667	36,473,709
Shuyak (3/96, 10/96 - 10/02					8,000,000	8,000,000
Small Parcels					5,020,500	5,020,500
Alaska SeaLife Center				12,500,000		12,500,000
Total State of Alaska		7,500,000	29,950,000	15,729,042	16,315,167	69,494,209
Total Land and Capital Acquisitio	0	7,500,000	31,950,000	49,629,042	24,694,167	113,773,209
Restoration Reserve			12,000,000	12,000,000	12,000,000	36,000,000
Total	12,879,700	29,294,300	69,700,900	85,400,442	64,176,967	261,452,309

Footnotes:

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

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

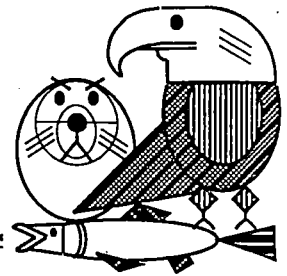
The Trustee Council conditionally approved \$181,900 for Fleming Spit on 6/1/95. However, the project has not approved by the Department of Justice and as such has not been included on this statement.

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



July 11, 1996

Rebecca S. Parker
Executive Director
Commonwealth North
1049 West Fifth Avenue
Anchorage, Alaska 99501

Dear Ms. Parker:

I apologize for my delay in responding to your invitation to join Commonwealth North. I appreciate the contributions that your organization has made to the public debate on Alaska's public policy questions. As Executive Director of the Trustee Council, I work directly for the commissioners of three state agencies and the top Alaska officials for three federal agencies. Since Commonwealth North takes formal positions on policies in which these agencies are actively involved, I believe it would be inappropriate for me to participate in your organization. I appreciate your consideration. Please keep me in mind in the future for a speaker. I would be pleased to share the highlights of our program, which I think would greatly interest your membership. I'm enclosing a copy of our most recent Annual Report for your perusal.

Sincerely,

A handwritten signature in cursive script that reads "Molly McCammon".

Molly McCammon
Executive Director

mm/raw

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

RECEIVED

MAR 01 1996

EXXON VALDEZ OIL SPILL
TRUSTEE COUNCIL

COMMONWEALTH NORTH

1049 West Fifth Avenue
Anchorage, Alaska 99501
907-276-1414
Fax 907-276-6350

Founding Co-Chairmen:
The Former Governor
Walter J. Hickel
The Former Governor
William A. Egan

Officers

Marc Langland,
President

Robert S. Hatfield, Jr.,
Vice President

Karen L. Hunt,
Vice President

Jeff B. Lowenfels,
Vice President

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D. Max Hodel

James D. Linxwiler

Loren H. Lounsbury

Carl H. Marrs

John C. Morgan

Susan L. Ruddy

Former Governor
William Sheffield

Ken Thompson

William J. Tobin

Executive Director
Rebecca Parker



February 28, 1996

Ms. Molly McCammon
Executive Director
Exxon Valdez Trustee Council
645 G St., Ste 401
Anchorage, AK 99501

Dear Ms. McCammon:

On behalf of the Board of Directors, I am pleased to invite you to join Commonwealth North, Alaska's premier public policy forum. You have been sponsored by Eleanor Andrews.

Commonwealth North has a long history of bringing together Alaskan leaders and concerned citizens to hear, study and make recommendations on public policy issues facing Alaska. As a member of Commonwealth North, you will be part of a group of prominent Alaskans vitally concerned with those key state and national public policy issues that shape our future. We increase our understanding of these issues through monthly breakfast forums at which speakers of national and state eminence exchange views with our members.

Commonwealth North has also made a valuable contribution to Alaska over the years through its studies and action papers addressing public policy issues. Topics have ranged from ANWR to the Alaska Railroad to a Constitutional Convention. Current areas of focus and study include the state's "budget gap", private-public partnering and maintaining a competitive business climate in Alaska.

We look forward to welcoming you as a member.

With warm regards,

Rebecca S. Parker
Executive Director

cc: Eleanor Andrews



WHY SHOULD YOU JOIN COMMONWEALTH NORTH?

Commonwealth North is Alaska's premier public policy forum. It addresses state and national long-term issues and involves approximately 400 of Alaska's leaders and concerned citizens representing business, labor, education, public service, and the Alaska Native community. It was founded in 1979 on a bipartisan basis by former Governor Bill Egan and Governor Hickel.

The goals of the organization include: Strengthening the private sector of our economy; Understanding Alaska's role in the larger world; Educating members on major issues affecting our state and nation; Influencing state and national public policy decisions through the following activities:

- **Monthly forums** featuring nationally recognized speakers or persons accomplished in a particular field. Invited speakers are generally not available to the public. Over the course of a year a wide variety of topics are covered from politics to business to social commentary. Cabinet Secretaries, astronauts, Fortune 500 CEOs, foreign Ambassadors and futurists have been among past speakers. Forums are usually held over breakfast to preclude interference with our members' busy schedules.
- Additional monthly "Extra Events" or "Briefing Breakfasts" usually feature a noted Alaskan or out-of-state visitor on a topic of Alaskan focus.
- **Studies.** Commonwealth North usually has one or two study committees underway looking into topics of current statewide significance. A committee of 10-25 members meets regularly for several months or more examining information, listening to invited speakers and discussing possible courses of action. A report presenting conclusions and recommendations is usually written and published for distribution. Past reports have addressed ANWR, the state budget, use of the Permanent Fund, sale of the Alaska Railroad and a constitutional convention.

Membership brings with it being a part of a large group of Alaska's opinion leaders. Attending meetings and serving on committees affords a great opportunity to meet and discuss issues with a wide cross-section of other Alaskans vitally interested in public policy and the future of our state. The composition of the membership has given Commonwealth North a strong, credible voice in helping lead public opinion on issues facing Alaska.

Commonwealth North is a tax-exempt 501(c)(3) organization and qualifies as either a business expense or a charitable contribution.



MEMBERSHIP APPLICATION

NAME _____ SPONSOR _____

COMPANY _____

MAILING ADDRESS _____

CITY _____ ZIP _____

BUSINESS _____ HOME _____

PHONE _____ PHONE _____ FAX _____

TYPE OF BUSINESS _____ POSITION _____

Commonwealth North is a non-profit corporation existing under the laws of the State of Alaska. It qualifies for tax-exempt status under Section 501(c)(3) of the IRS code as a charitable and educational organization. Dues and contributions are spent for the expenses of visiting speakers, maintenance of an office, and research support and publication of action papers on issues of vital concern to Alaska.

DUES

INITIATION FEE: (\$100) **ONE TIME** \$ _____

(Initiation fee required for all new members.

Not required for former members.)

***ACTIVE DUES:** (\$120) **QUARTERLY** \$ _____

(\$480) **ANNUAL** \$ _____

****30-300" DUES:** (\$75) **QUARTERLY** \$ _____

(30 years or under) (\$300) **ANNUAL** \$ _____

***PIONEER DUES:** (\$60) **QUARTERLY** \$ _____

(65 years and over) (\$240) **ANNUAL** \$ _____

ASSOCIATE DUES: (\$50) **ANNUAL** \$ _____

(For those regularly living and working outside the Municipality of Anchorage.

Associate members are billed a meal charge for all forums attended.)

*Dues include monthly forum meals.

FOR 30 YR. OLDS & UNDER/PIONEERS ONLY: BIRTHDATE: _____

SIGNATURE _____ DATE _____

Commonwealth North Speakers 1994 to Present

Forums:

John Washburn	New Role of United Nations
Steve Cisler	Apple Scientist on "Information Super Highway"
Betty Woods	Health Care Reform Roundtable
Jay Hammond	Commonwealth North Annual Meeting
Peter Huber	Liability and Technology
Jim Fallows	Pacific Rim Economics and Politics
Bill White	National Energy Policy and Alaska's role
Lady Somes	Winston Churchill's Daughter
Gubernatorial Forum	Jim Campbell, Jack Coghill, Tony Knowles, and Jim Sykes
Senator Ted Stevens	103rd Congress Wrap-up
Governor Walter J. Hickel	The Hickel Years '90-'94
Denis Hayes	The American Environmental Movement
Ambassador Einar Benediktsson	Icelandic Ambassador to the US --
Don Kettl	NATO Relations, Economic Opportunities with Iceland
Annual Meeting	Re-inventing Government
William K. Slate II	The Founders: A Vision for AK's Future
	Alternative Dispute Resolution Methods

Extra Events:

Paul Fuhs	Sustainable Development
Bob Armstrong	BLM & MMS Policies
David Helms	National Health Care
Paul Jacobs	First Secretary of South Africa
Roger Kennedy	Alaska's Place in Park Service
Gubernatorial Debates	Republican and Democratic Candidate Debates
Walter Hoadley	Economic Forecasting for the Pacific Rim
Jodie Levin-Epstein	Welfare Reform
Fritz Pettyjohn & Mike Doogan	Election Post-mortem
Philip Lader	Small Business Administration Policies/Changes
Joe Saito	Alyeska Prince Hotel Tour
Governor Tony Knowles	Alaska's Future
Senator Ted Stevens	Question and Answer Session
Ronald Bailey	Disputing the American Environmental Movement
General Ronald Fogelman	USAF, Chief of Staff, Defense Issues
Dr. Heidi Hartmann	Economics of Women in the Workplace
Gilbert Carmichael	Alaska's Transportation System for the 21st Century
William Wade	Alaska's Competitiveness as an Oil and Gas State
Sean O'Keefe	Post-cold War US Military Affairs
Robert Parry	National and Regional Economic Outlooks
Delano Lewis	Preserving Public Radio
Governor Tony Knowles	House Bill 100 Signing

Commonwealth North
Board of Directors
1995 -1996

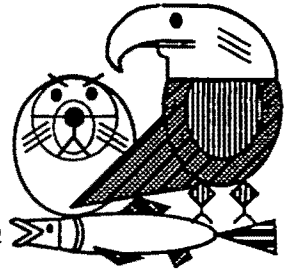
Bill J. Allen	President and CEO, VECO Corporation
Eleanor Andrews	President, The Andrews Group, Co.
Robert B. Atwood	Publisher Emeritus, The Anchorage Times
John R. Ayers	Past Vice President & General Manager, Alascom, Inc.
Richard F. Barnes	President, ENSTAR Natural Gas
James F. Branch	Production Manager, Exxon USA
Fuller A. Cowell	Publisher, Anchorage Daily News
Steve Cowper	Former Governor of Alaska, Executive Director, The Northern Forum
Perry R. Eaton	President, Alaska Village Initiatives
Thomas C. Edrington	General Manager, ATU Telecommunications
Mano Frey	Executive President, Alaska State AFL-CIO
Edward Lee Gorsuch	Chancellor, University of Alaska Anchorage
Joe Griffith	Executive Manager Finance & Planning, Chugach Electric Cooperative
Robert S. Hatfield	President, Alaska Railroad Corporation
Walter J. Hickel	Former Governor, Co-founder Commonwealth North
D. Max Hodel	Founding Board member Commonwealth North
Karen L. Hunt	Superior Court Judge
Marc Langland	President, Northrim Bank
James D. Linxwiler	Partner, Guess & Rudd law firm
Loren H. Lounsbury	Founding Board Member of Commonwealth North
Jeff B. Lowenfels	President, Yukon Pacific Corp.
Jim McElroy	President, Locher Interests, Inc.
Carl H. Marrs	President, Cook Inlet Region, Inc.
John C. Morgan	President, BP Exploration (Alaska), Inc.
Cynthia A. Parker	Executive Director, Anchorage Neighborhood Housing, Inc.
Susan L. Ruddy	Executive Director, The Nature Conservancy
William Sheffield	Former Governor; founding Board member; CEO, Martech
Ken Thompson	President, ARCO Alaska, Inc.
John Tobin	Editor, The Voice of the Times; founding Board member
Rebecca S. Parker	Executive Director, Commonwealth North

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



11 July 1996

Mr. Joe Dorava
Water Resources Division
U.S. Geological Survey
4230 University Drive, Suite 201
Anchorage, Alaska 99508-4664

Dear Mr. Dorava:

Molly McCammon, the Executive Director, received a letter dated July 2, 1996 from Gordon Nelson in regard to your Detailed Project Descriptions (DPD) for projects 97242 and 97243.

In regard to the DPD for 97242, "Characteristics of Cutthroat Trout Resources of Prince William Sound," we look forward to discussing this potential work down the road. After completion of the on-going Project 145, "Cutthroat Trout and Dolly Varden: Relation Among and Within Populations of Anadromous and Residents," and development of a clearer restoration strategy for these sport-fish species, we would be pleased to take another look at this proposal to apply the protocols of the National Water Quality Assessment program.

In regard to the DPD for 97243, "Water Resources of Prince William Sound," I have attached a summary of the scientific review comments on this proposal. If you have questions about the review or want to discuss your proposal further, please give me a call. Thank you.

Sincerely,

Stanley E. Senner
Science Coordinator

enclosure (1)

cc: Gordon Nelson
USGS District Chief

Trustee Agencies

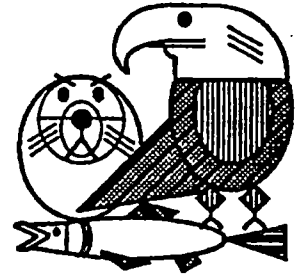
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

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



MEMORANDUM

TO: Agency Liaisons
FROM: *Traci Cramer*
Traci Cramer
Administrative Officer

DATE: July 9, 1996

RE: Revised Operating and Financial Procedures

I want to thank each of you for taking the time to review the DRAFT procedures. The comments were very instructive and most were incorporated. As promised, attached you will find two new versions. The first version has been developed in legislative format. What this means is that new text has been underlined and text to be deleted has been [bracketed]. Since this document is difficult to follow, I have also attached a version without the deleted text. The plan is to review this version of the procedures at the Work Force meeting scheduled for Thursday, July 11th. To assist in your review, the following is a listing of the significant changes incorporated in this version and areas which may require further discussion.

General -

1. Recognition that the Trustee Council does not fund the projects, but approves funding for restoration projects.
2. For clarity, what has been previously described as the administrative record is being called the official record of the Council's action.

Introduction -

1. A new subsection has been added to identify the Memoranda of Agreement and Consent Decrees.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

Operational -

1. Recognition that the Trustee Council consists of the State Trustees and designees by the Federal Trustees.
2. Provision for the identification of alternates to participate in the event a Council member is pulled away from a meeting.
3. Clarification that two-thirds is required for a quorum, but unanimous consent of all of the Council members or their designated alternates is required for any action item.
4. Both the Structure and the Work Plan has been moved from the financial section to the operational section.
5. NEPA compliance has been included under Structure/Agencies.
6. Implementing, evaluating and monitoring approved projects has also been included under Structure/Agencies.
7. The requirement that the Work Plan and project proposals are available 30 days prior to Trustee Council action is now silent.

Public Participation -

1. The public participation section was expanded to reference the creation and charter of the PAG.

Financial -

1. Both the Structure and the Work Plan has been moved from the financial section to the operational section.
2. The subsection dealing with Project Costs is now located between Authorization and Lapse.
3. Clarified that agencies have the ability to transfer between line-items as long as the transfer does not alter the underlying scope or objectives of the project.
4. No longer requiring agencies to report line-item transfers to the Executive Director on a quarterly basis. However, agencies will be required to report line-item transfers on an annual basis.
5. The discussion regarding indirect rates for contractors has been revised and

moved to Professional Services Contracts/Indirect Costs.

6. Under Accounting, I have included a definition of expended and obligated. In addition, language has been included to accommodate contracts where the length of time for completion extends into the following fiscal year.
7. The procedures have been revised to require individuals working on projects to keep time-sheets.
8. Under Lapse, clarified that agencies may establish and/or pay missed obligations only and provided a mechanism for expenses discovered after the Close-Out Period.
9. Clarified that the Annual Financial Report reflects activity by project and line-item which is different from the Quarterly Financial Report which reflects activity by project only.
10. Included a definition of sensitive equipment items.
11. The report date and format of the quarterly and annual status reports are at the discretion of the Executive Director.

Appendix A -

1. Recognition that each agency has it's own allocation process.
2. A new sub-section was developed for Fund Transfers.

The following items may require further discussion.

Operational -

1. Should the procedures specify how far in advance the proposed agenda and briefing materials are to be provided to the Council members and the public?
2. While revised, the section regarding Emergency Action has raised some valid questions and should be discussed further. These questions include public notice and the ability of the public to participate.
3. Who has the fiduciary responsibility? The Trustee Council member or the agency?
4. Should a new sub-section be added to address land purchases?

Public Participation -

1. Should the procedures define what is intended as reasonable public notice?

Financial -

1. The suggestion has been made to eliminate the existing GA by line-item and replace it with one formula which would not vary.
2. What form of public notice is required for revisions which change the scope or objective of a project, would establish a new project, or terminate an existing project during the fiscal year?
3. This version states very clearly that no obligations shall be incurred until such time as a Court Order is entered. Is this requirement too stringent?
4. Is the terminology included in this version consistent? Have the terms been clearly defined?
5. Short of segregating direct costs from indirect costs, is there another way to ensure that GA is assessed in proportion to direct costs?
6. Can Trustee Council authorization be given for multiple years?

If you have any question regarding the revised DRAFT or the items identified above, give me a call at (907) 586-7238.

attachments

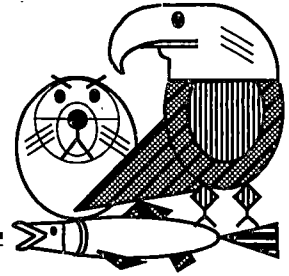
cc: Molly McCammon
Eric Myers
Bob Baldauf
Kim Garner
Craig Tillery
Regina Belt
Barry Roth
Maria Lisowski

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



Restoration Office Tentative Meeting Schedule

July 1996

11 Restoration Work Force Meeting

August 1996

6 7 p.m. Public Hearing on FY97 Draft Work Plan

7 PAG meeting: FY97 Final Work Plan

15* RWF, Chief Scientist: FY97 Final Work Plan

29* TRUSTEE COUNCIL meeting: FY97 Final Work Plan

September 1996

18-19 PAG Field Trip

For more information on any of the above meetings, please contact the Anchorage Restoration Office.

* Tentative Dates

Update: 7/10/96 rwf

raw

Trustee Agencies

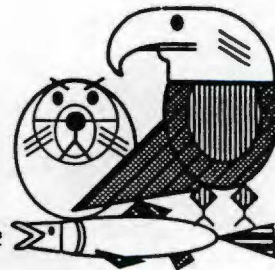
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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

FAXED

To: Restoration Work Force

From: Rebecca Williams Date: July 10, 1996

Comments:

Total Pages: 2

Please distribute to
Restoration Work Force ASAP.
Thanks, Keri

RESTORATION WORK FORCE MEMBERS INCLUDE:

Belt, Gina
Berg, Catherine
Fries, Carol
Gibbons, Dave
Joe Sullivan/Bill Hauser
Bartels, Leslie/Lisa Thomas
Miraglia, Rita

Morris, Byron
Piper, Ernie
Rice, Bud
Spies, Bob
Thompson, Ray
Wright, Bruce

HARD COPY TO FOLLOW no

FAX SENT BY: K. Williams

3/27/96

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

*** MULTI TRANSACTION REPORT ***

TX/RX NO.

7862

INCOMPLETE TX/RX	[20]	7863350	C.BERG
TRANSACTION OK	[09]	19075867589	JUNEAU OFFICE
	[10]	19075867555	D.GIBBONS
	[13]	19077896608	MORRIS-WRIGHT
	[15]	2698918	CAROL FRIES
	[16]	2672450	RITA MIRAGLIA
	[17]	2713992	R.THOMPSON
	[18]	2672474	J.SULLIVAN
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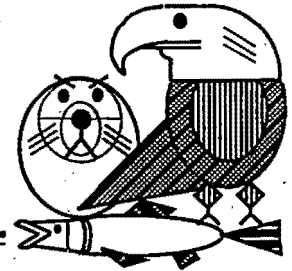
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Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451

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



The *Exxon Valdez* Oil Spill Trustee Council

June 6, 1996

Molly McCammon, Executive Director

Seven years have passed since the supertanker *Exxon Valdez* spilled almost eleven million gallons of oil into the waters of Prince William Sound in Alaska. In the weeks after the March 24, 1989 tanker grounding, oil followed the prevailing ocean currents and fouled more than 1,500 miles of Alaska shoreline.

During the first three years after the spill, state and federal resource agencies assessed the injuries to the natural resources of the affected area. They also quickly filed suit against Exxon for violation of the Clean Water Act and other federal and state laws. Because they couldn't agree who owned what resource or what tideland, the two governments decided to join their complaints against Exxon. The settlement of these civil claims between the state and federal governments and Exxon Corporation in October 1991 resulted in an unprecedented award of \$900 million and formation of the *Exxon Valdez* Oil Spill Trustee Council. This award is the largest settlement ever received for a natural resource claim under federal or state laws.

The *Exxon Valdez* Oil Spill Trustee Council consists of three state and three federal trustees who represent public resource agencies. The Memorandum of Agreement which governs Council actions states that they are responsible for overseeing expenditures from the settlement funds "...for the purposes of restoring, replacing, enhancing, 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..." All Trustee Council decisions must be unanimous.

During the nearly five years since the settlement, the Trustee Council has focused on better understanding the nature of injuries resulting from the spill and, where possible, restoring the injured resources and the human services which depend on them.

The word "restoration" can mean many things to different people. But in the typical case of "restoring" an injured habitat or ecosystem, two primary tools that have been identified and frequently used are research and monitoring and habitat protection. I'll talk today primarily about the habitat program. The goals of habitat protection as part of restoring the injury from the 1989 oil spill are to prevent additional injury to resources and services while recovery is taking place and to provide a long-term safety net for these resources well into the future. During the initial public involvement and

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

planning phases of restoration planning, the use of habitat protection as a restoration tool generated by far the most public support. This was true both inside and outside the state, and both inside and outside the spill affected area itself.

Even before the *Exxon Valdez* settlement was reached in 1991, agency staff and the public started to identify and protect strategic wildlife and fisheries habitats and prime recreation sites in order to prevent further potential environmental impacts to the abundant fish and wildlife resources. The Nature Conservancy in Alaska assisted with that early planning effort, and strongly recommended developing conservation objectives to guide the protection process and allowing for protection strategies other than fee simple acquisition.

The Council took action soon after its inception to protect three large parcels of land imminently threatened by clear-cut logging. These included lands that had been private inholding within a state park on Kachemak Bay, more than 40,000 acres on northern Afognak Island, and commercial timber rights on 2,000 acres along Orca Narrows in Prince William Sound. The Council's early actions protected in perpetuity a highly productive estuary, several miles of anadromous fish streams, and intertidal shoreline and upland habitat supporting such species as bald eagles, marbled murrelets, river otters, and harlequin ducks.

Once the imminently threatened parcels were identified, the Council embarked on a more comprehensive habitat analysis. Council staff contacted 90 owners of large parcels in the spill area about participating in some form of habitat protection program. Thirty-two of those expressed interest in having their lands considered. Nearly a million acres of land were subsequently evaluated, using an elaborate evaluation and ranking system that links key upland habitats to injured resources or services and allows the Trustees to see the relative benefits of parcels available for protection. This evaluation system has been useful in guiding acquisition decisions and setting priorities. Following the evaluation and ranking process, the Council began to appraise the lands under consideration and begin negotiations with the sellers.

Since the October 1991 settlement, nearly \$200 million has been committed to protect 422,000 acres of land, with parcels ranging in size from 2,000 to 120,000 acres. Another \$15 million has been committed to purchase key small parcels - those under 1,000 acres - in areas that are as a rule, closer to communities within the spill area, have unique habitat qualities and are strategically located. About a third of this acreage is protected under conservation easements, with the remainder acquired in fee. Negotiations continue with six landowners to protect an additional 320,000 acres of land. The individual acquisitions are often a mixture of fee and conservation easements. They are almost all in perpetuity, although one easement is for seven years, providing time to negotiate longer term protection.

The Trustee Council's habitat protection program is guided by several major policies:

- the acquisition must be in the spill affected area and linked to the injured resources and services;
- a standardized appraisal process is used - and going above appraisal must be justified;
- the Council only negotiates with willing sellers and does not use condemnation authority as part of the process; and finally
- the public plays an important role in determining habitat protection priorities.

The Trustee Council's habitat program is to my knowledge, the only one of its kind in the nation. It has received widespread public support, spanning both Republican and Democrat state and federal administrations. It is unique in many respects and has not been without controversy. I'd like to highlight for you several aspects of this program that have come to the forefront during this process.

* First of all, it should be noted that Alaska has the highest percentage of land in public ownership than any other state. Out of the 365 million acres of land that make up the total of the state, all but 45 million are in some form of public ownership. Of that 45 million acres, approximately 44 million belongs to the Alaska Native village and regional corporations created with the passage of the Alaska Native Claims Settlement Act - or ANCSA - in 1971. Only one million acres of land are in other private hands. There is a strong feeling in the state among a variety of constituencies that Alaska has enough publicly owned land. That basic belief has resulted in our habitat acquisition program being naturally controversial.

* When the Alaska Native corporations selected the lands they were entitled to, they wisely chose some of the premium areas in Alaska, rich with natural resources and often having mineral and timber value and development potential if at all possible. Under ANCSA, the native corporations are profit-making corporations established under existing state and federal laws. They are driven by the need to make money for their shareholders. Although these lands represent in essence the cultural heritage of Alaska Natives, they are owned under a structure that virtually mandates their development, even if to the possible detriment of that heritage. Many of the Native Corporations are not interested in selling their lands - or interests in their lands, period. They are not willing sellers. Those that are willing sellers, want to be fairly compensated.

* From the perspective of the public land owner agencies, fee simple acquisitions are preferable to other forms of protection, such as easements or cooperative agreements. They're easier to manage. The public understands them more easily. What activities are allowed or not is more clearly defined. But sellers are often not willing to sell fee

title. While willing to sell certain interests in the land, they want to retain actual ownership of the land. This desire is complicated by issues that arise with the government appraisal process that helps the governments determine what price they are willing to pay for the land. The federal government is required to offer no less than fair market value as determined by a government approved appraisal. Fair market value appraisals are opinions of economic value, primarily based on the presence of commodities such as timber, minerals, development potential, using comparable sales as guides. Because there are essentially no comparable sales for large tracts of remote wilderness land in Alaska -- other than other Trustee Council sales and those aren't considered "hands off" -- it is difficult to determine real value from an appraisal perspective. In fact, several of the government contracted appraisers have even questioned in the appraisals themselves, giving monetary value to any additions to the public land base. Government appraisers do not recognize public interest values in establishing value.

For large blocks of land without timber, the appraisers are coming up with values of \$100 an acre for fee, \$50-\$75 an acre for a conservation easement. Timbered lands are usually somewhere in the \$1,000 - \$2,000 an acre range. Most Natives are insulted at the idea their land is only worth \$100 an acre, and are not willing to sell at that price. For that reason, in almost all cases where timber is not driving the value of land, the Trustee Council has had to go well above appraised value in order to get to a deal, often three to four times. The Council has been criticized in some circles for this, and of course the federal agencies are very cautious that the Trustee Council experience not be used as a precedent-setter in other federal acquisition programs. But the reality is that there is no willing seller at an appraised value of \$100 an acre.

* It was originally hoped that the evaluation and ranking process would allow the Trustee Council to focus its efforts on those lands considered of "high" habitat value. It immediately became clear however, that sellers were not willing to be "high graded", and would only sell a mix of lands with high, moderate and low habitat values. In addition, even the "low" value lands are ranked "high" for specific species or services.

* Public access is of major concern to some sellers. For many villages these lands have significant cultural value and often contain original village and cultural sites that are thousands of years old. They are also literally the village's breadbasket - harboring the resources depended upon by communities that still rely heavily on subsistence as a way of life. In most conservation easements, public access right is allowed, but usually under a permit system similar in nature to those used by federal or state agencies. In some of the acquisitions underway, public access has been excluded in sensitive cultural and subsistence areas. And of course for the fee acquisitions, public access is allowed under regular federal and state rules.

* In most cases conservation easements prohibit development. However, the Trustee Council has been eager to work with the Native landowners to provide for long term economic development by identifying potential developable sites, and then allowing development for specific purposes compatible with restoration of the area and intended for the landowner's benefit. If you exclude logging and mining, the most obvious economic opportunities lie with recreation and tourism. These tend to be some form of lodge or cabin operation for taking advantage of tourism potential.

* Subsistence is of major concern to Alaska Natives and was dramatically impacted by the oil spill. In fact, the subsistence way of life was so severely disrupted by the spill, that combined with the massive acculturation currently underway, many people believe it may never recover. Subsistence use by rural residents has a priority on federal lands. Subsistence use also has a priority on state lands, but all Alaskans are considered subsistence users. Language has been written into the federal agreements which guarantee subsistence protection, even if federal laws are repealed. For state acquisition, subsistence is a clearly allowable use - subject to state law.

* The Trustee Council is a joint federal-state entity. However, the acquiring public agencies are either federal or state. During this process, concerns were raised that the acquiring government may in the future do something at odds with the purposes for acquiring the land - such as disposing of it, or developing it. These fears have some basis in reality, since we currently have both a Congress and a State Legislature that are basically opposed to public land ownership. For that reason, in almost all acquisitions, the non-acquiring agency has been granted a conservation easement on the other government's lands. This means the federal government can enforce against the state if they believe the state is managing those lands inappropriately, and similarly, the state has the right to enforce against the federal government. I believe this is a totally unique situation in this country.

In conclusion, I would like to emphasize once again that since the *Exxon Valdez* Oil Spill settlement was unprecedented in size and scope, there were no models to guide the Trustee Council in going forward with restoration. The Council has had to create its own model, and that has been an evolutionary effort. The habitat protection program accounts for about 45% of the Council's spending. We are also embarked on a major scientific research program, funding more cutting edge ecosystem research than anywhere else in the country.

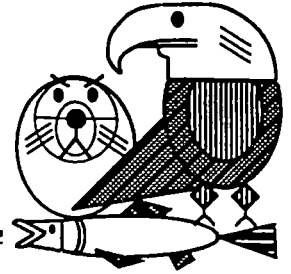
With its habitat and research programs, we hope that out of the death and devastation caused by the 1989 oil spill, the Trustee Council will leave a positive legacy for generations to come.

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



July 5, 1996

Ms. Claudia Ehreth
National Oceanic and Atmospheric Administration
Western Administrative Support Center
7600 Sand Point Way, NE
Seattle, Washington 98115

Dear Claudia,

Following our most recent phone conversation, Traci Cramer (in the Juneau office) has spoken with Tim Essenbagger in the Juneau federal building and visited the "National Park Service space" on the second floor and determined that it is ready for occupancy. No structural modifications are needed. For your reference, the room number is 225. Traci has roughly calculated the space as being 34' x 15' (~ 510 sq.ft.). Traci is planning to make the move during the week of July 22 - 26.

I have also been in contact with John Gorman/NOAA who will process the Request for Space form that you provided to reflect the smaller lease space.

If you have any questions, please do not hesitate to call. Your assistance is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric F. Myers". The signature is stylized with a large, sweeping "E" and "M".

Eric F. Myers
Director of Operations

cc: Traci Cramer
John Gorman/NOAA
Jack Duncan/NOAA

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Exxon Valdez Oil Spill Trustee Council

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To: Heide Sickles, NOAA Procurement
From: Veronica Christman *vc*
Date: July 1, 1996
Subj: FY 97 Broad Agency Announcement (50ABNF600073)
Record of Analysis and Recommendations

*Actually went
out July 5, 1996*

The *FY 97 Draft Work Plan* will be distributed by June 24. Of the 26 BAAs submitted, the Executive Director recommends funding 5 projects whose contracts have an option to extend, funding 6 additional projects (some contingent on satisfying certain conditions), deferring the decision to fund 2 projects, and not funding 13 projects.

We have sent letters to all proposers to inform them of the recommendation on their project. I am transmitting to you a package of information that contains the following documentation of analysis and recommendations:

1. **Summary of BAAs.** A list of project numbers and preliminary recommendations.
2. **Staff Reviews.** The paragraph titled "BAA" addresses the threshold criteria.
3. **Peer Reviewers' Evaluation Forms.** A summary of the technical evaluation.
4. **Preliminary Executive Director's Recommendations.** An excerpt from the *FY 97 Draft Work Plan* containing an abstract of the project, the Chief Scientist's recommendations, and the Executive Director's recommendations.
5. **Letters to Proposers.** Copies of letters from the Executive Director informing proposers of the Chief Scientist's assessment of the project's technical merits and the Executive Director's preliminary recommendations.

Sue Chase, Applied Marine Sciences, will send you copies of the critiques by individual reviewers and other paperwork on behalf of the reviewers. Applied Marine Sciences is the Chief Scientist's firm.

The technical reviews of projects 97215 and 97321 are not yet complete. I will send you the peer reviewers' evaluation forms on these projects once they have been completed. I understand that projects 97163G and 97320I, J, M and N do not require technical reviews because the contracts that were issued under the BAA last year have options to extend.

Attachments (5 sets of documents)

cc (w/attachments): Byron Morris, NOAA Juneau
cc(w/summary table): Bruce Wright, NOAA Juneau
Sandra Schubert, EVRO
Stan Senner, EVRO

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Summary of BAAs - FY 97

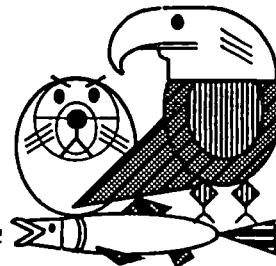
Project No.	Preliminary Executive Director's Recommendation
97012-BAA	Defer decision on funding until review of killer whales is completed (Fall 1996).
97048-BAA	Do not fund.
97054-BAA	Do not fund.
97151-BAA	Defer decision on funding until after legal review.
97157-BAA	Do not fund.
97163G-BAA	Fund (contract has option to extend).
97163H-BAA	Fund.
97163I-BAA	Fund.
97163O-BAA	Fund.
97167-BAA	Fund contingent on approval of a reduced budget (\$32,100).
97168-BAA	Do not fund.
97169-BAA	Do not fund.
97181-BAA	Do not fund.
97182-BAA	Do not fund.
97215-BAA	Do not fund (technical evaluation not yet completed).
97221-BAA	Do not fund.
97223-BAA	Fund contingent on approval of revised DPD and reduced budget (\$40,000).
97245-BAA	Do not fund.
97253-BAA	Fund contingent on incorporation into the APEX project (97163).
97303-BAA	Do not fund.
97320I-BAA	Fund (contract has option to extend).
97320J-BAA	Fund (contract has option to extend).
97320M-BAA	Fund (contract has option to extend).
97320N-BAA	Fund (contract has option to extend).
97321-BAA	Do not fund (technical evaluation not yet completed).
97322-BAA	Do not fund.

Exxon Valdez Oil Spill Trustee Council

Restoration Office

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July 3, 1996

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

Dear Bob:

Enclosed for your review is the final draft of the Workshop Report: Residual Shoreline Oiling Final Report for project no. 95266. The report incorporates the revisions you suggested in your letter of April 17, 1996 to Ernie Piper of the Alaska Department of Environmental Conservation.

Mr. Piper is creating the Study History, Abstract and Key Words for inclusion in the report.

Sincerely,

A handwritten signature in cursive script that reads "Cherri Womac". The signature is written in dark ink and is positioned below the word "Sincerely,".

Cherri Womac
Administrative Assistant

cc: Ernie Piper w/o enclosure

Trustee Agencies

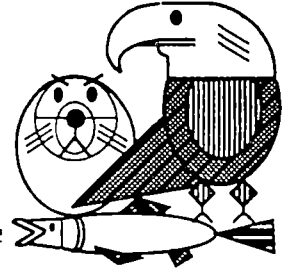
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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MEMORANDUM

To: Brenda Baxter, Mike Castellini, Bill Hauser, Joe Hunt, Ernie Piper, Jeep Rice, Bob Spies, Joe Sullivan, Lisa Thomas, Ray Thompson, and Bruce Wright

From: Stan Senner *Stan*
Science Coordinator

Date: July 3, 1996

Subject: Summary of June 27 Anniversary Planning Meeting

Thank you for a very successful 10th-anniversary planning meeting. I have enclosed a summary of the meeting, which was reviewed by Brenda and Bruce. If I have misrepresented our discussion in any significant way, please let me know.

There was a Restoration Work Force meeting on Tuesday, and I briefly described the results of the anniversary planning meeting. I am circulating this meeting summary to the Work Force and to the Liaisons for their review. My plan is to discuss the symposium at the next Work Force meeting. Once we have feedback from the Executive Director and the Work Force, and they are comfortable with the basic plan, we should be able to build a timeline and milestones and otherwise proceed as discussed.

Among the questions yet to be resolved are whether there will be a Restoration Workshop in January 1999 and whether and what is required in the way of reports and DPDs that spring. These do not require immediate resolution, but we need to keep on them our list for more discussion. If you have other issues that we have not identified, please let me know.

enclosure (1)

cc: Restoration Liaisons and Work Force
Jim King and John French, PAG
Patty Ginsburg and Lisa Ka'aihue, PWS RC

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

**10th Anniversary Science Symposium
Planning Meeting
June 27 1996**

***Meeting Summary*¹**

Location, length, dates, and times

For reasons of logistics and access, the symposium will be held in Anchorage, starting with a one-day summary session on Tuesday, March 23, 1999. This would be followed by a four-day meeting, starting Wednesday, March 24 and running to noon on Saturday, March 27. Easter is not until April 4, so there is no conflict with the events of that week.

Brenda Baxter (Alaska Sea Grant Program Office) is exploring different venues now, but it would appear that the Egan Center is both most cost effective and best able to handle the 1,000+ participants that we anticipate. The Egan Center will need a commitment quite soon.

Target audience

Audiences include general public, scientific community, and news media. The one-day summary session on the 23rd would be especially geared to general audiences and the news media. The balance of the symposium would be more technical, but all speakers would be encouraged to make their presentations understandable to general audiences.

Themes, topics, and title

The symposium needs to look back at the spill and forward to the long-term benefits of the restoration program. In an attempt to capture this sense of past and present, for better or for worse, we propose the following as a working title: "Legacy of an Oil Spill--10th Years After the *Exxon Valdez*."

Three overarching themes would be addressed: (1) injury, recovery, and long-term effects; (2) what we have learned about the ecosystem; and (3) long-term benefits of the restoration program. The one-day general session would include such topics as how restoration funds have been allocated, overviews of injury and recovery, status of habitat protection efforts, socio-economic impacts of the spill, and lessons learned that may help respond to and prevent future oil spills. The balance of the symposium will be more technical in character, and might be organized in several ways: e.g., in taxonomic or functional/ecological groups (like the 1996 Restoration Workshop). Scholarly papers on socio-economic impacts will be appropriate.

¹Persons present were: Brenda Baxter, Mike Castellini, Patty Ginsburg (RCAC), Bill Hauser, Joe Hunt, Lisa Ka'aihue (RCAC), Ernie Piper, Jeep Rice (by telephone), Stan Senner, Bob Spies (by telephone), Lisa Thomas, Ray Thompson, and Bruce Wright.

Summary of June 27 Planning Meeting

Basic organization

As much of the entire agenda as possible should be held in plenary sessions. If necessary, however, we can resort to limited (e.g., one afternoon) concurrent sessions. A cookies-and-juice reception should follow the one-day summary symposium. Another reception and poster session should follow the first day of the technical symposium, which is the anniversary day (March 24, 1999). Lunches would be provided during the technical symposium.

Participants

All of the speakers at the one-day symposium would be invited. Most of the technical symposium would be open to all researchers (i.e., Trustee-sponsored, Exxon contractors, and others) who have original results to present. Abstracts will be screened by a committee, who will decide which presentations to accept. Researchers also will be invited to organize special panels or mini-symposia. There may be need to invite some speakers to ensure that key topics are covered. In addition, there may be special guests invited to give summary talks on such topics as international perspectives on oil spills in northern marine waters. These summary talks and perhaps panel discussions could be sprinkled through the symposium to vary the agenda.

Invitations would be extended to the Governor, Vice President, and the congressional delegation (?). Participation by the Governor and Vice President would be accommodated as needed to suit their schedules.

Publications

Standard 300-word abstracts would be due in April or May 1998 as the means of screening prospective participants. Abstracts would be published in a booklet available at the symposium.

The Trustee Council should sponsor publication of a technical proceedings in cooperation with the Alaska Sea Grant Program and, possibly, a professional society, such as the American Fisheries Society or The Wildlife Society. Whether a professional society would get involved in such a three-way partnership, with the Sea Grant program managing the editorial process, must be explored.

All things considered, it is not realistic to have the proceedings ready for distribution at the time of the anniversary, but a goal of one year later, March 2000, is possible. In order to achieve this goal, it is strongly recommended that a person (probably the Sea Grant scientific editor) be paid starting in October 1998 to identify reviewers and manage the review/editorial process. Manuscripts would be due in the fall of 1998 and would be circulated immediately to independent scientists for peer review. The initial reviews would be completed in advance of the symposium so that following the meeting the revision of the manuscripts and production of the proceedings would be the sole agenda item.

Summary of June 27 Planning Meeting

Field Trips

We are not eager nor set up to get extensively into the field trip business. However, there undoubtedly will be requests from the news media and others for access to oiled (or formerly oiled) beaches and perhaps to restoration project sites. These requests may be accommodated by providing private operators (e.g., charter services) the chance to put together special outings to such areas. For those persons who want such outings, the Restoration Office can forward information from the operators without getting involved in the arrangements per se. There is the problem, however, of where to steer folks and how to provide interpretation of what is there. This still needs thought.

Beyond providing information about charter services and where to go to see what, we do envision offering a field trip, via train, to the Alaska SeaLife Center in Seward. This excursion could depart on Saturday, after the close of the symposium, and either come back Saturday night or Sunday morning.

Cosponsors and support

The Alaska Sea Grant Program will cosponsor the symposium with the Trustee Council. The Regional Citizens' Advisory Groups for Prince William Sound and Cook Inlet might also be appropriate. A professional society might be sought as a cosponsor of the proceedings (see above under Publications). Otherwise, we do not envision the need for cosponsors.

Registration Fees

The one-day summary symposium should be entirely free, although all guests would be asked to either preregister or to register at the entrance (for security and planning purposes). Abstract booklets could be provided free to all registrants, but anyone desiring a copy of the proceedings should be able to order an advance copy at a prepublication cost at the time of the symposium. For the technical symposium, preregistration would be encouraged. There was a strong sense that there should be a small charge (e.g., \$35/person). This fee would partially recover costs, but, more importantly, participants will take the event and their registration more seriously (again, this will help with security and planning). This needs more discussion.

Advertising

Our discussion focused on advertising with respect to possible presenters as opposed to the general public. A call for papers will be circulated twice in FY 1997. Announcements will go to professional societies for inclusion in newsletters and calendars. Some paid display advertisements might be appropriate in key scientific journals. There is need for a symposium logo and standard design before any materials go out.

Summary of June 27 Planning Meeting

News media coordination

For the general news media, there will be need for information packets to be circulated a few weeks prior to the symposium. Science writers should get the call for papers, so that the symposium gets on their calendars early. It may be possible to arrange for key PIs and others to be available for interviews in advance of the technical meeting (e.g., on March 21 or 22). This should facilitate quality, in-depth interviews, though there will be plenty of hurried "sound bites" in the hallways too.

Working groups

These persons will lead or at least organize working groups as follow:

- Steering (Senner, Baxter, and Wright)
- Field trips (Thompson)
- News media (Hunt)
- Editorial/proceedings (Wright)
- Scientific program (Castellini and Rice)
- Day one summary symposium (Thomas)

Planning schedule and next meeting

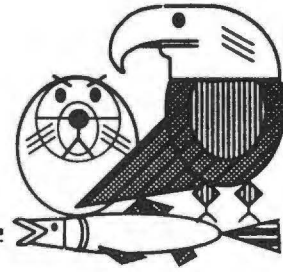
An overall schedule with milestones will be developed. A second planning meeting will be held in the fall.

Exxon Valdez Oil Spill Trustee Council

Restoration Office

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



MEMORANDUM

TO: Restoration Work Force

FROM: Molly McCammon, Executive Director

DATE: July 3, 1996

SUBJ: RWF Meeting — July 11, 1996



A reminder...

Restoration Work Force Meeting Thursday — July 11, 1996 — 9:00 am

In Anchorage: Restoration Office (4th floor meeting room)
In Juneau: Executive Director's Office

The purpose of the meeting will be to review the most recent working draft of the updated "Policies and Procedures" that will be distributed under separate cover by Traci Cramer.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation

United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

*** MULTI TRANSACTION REPORT ***

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D. GIBBONS

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MORRIS-WRIGHT

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CAROL FRIES

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RITA MIRAGLIA

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R. THOMPSON

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J. SULLIVAN

[19] 7863636

L. BARTELS

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C. BERG

[21] 2572517

B. RICE

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E. PIPER

[35] 15103737834

B. SPIES

[38] 2715827

G. BELT

ERROR

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



July 3, 1996

Ken Lancaster
Mayor, City of Soldotna
177 North Birch
Soldotna, Alaska 99669

Read file

*mailed original
7/3/96 ty*

Dear Mr. Lancaster:

I am the Executive Director of the *Exxon Valdez* Oil Spill Trustee Council. Jim Ayers asked me to respond to your letter to him of June 28, 1996, regarding the status of the Schilling parcel. In that letter you state your understanding that Louis Schilling accepted "an unsolicited Earnest Money Offer to Purchase" his Kenai River property and that the "offer that was submitted and accepted was based on an appraisal for \$1,304,000." This understanding is not correct.

I was present on June 25, along with Craig Tillery of the Alaska Department of Law and Joe Hunt of this office, when Alex Swiderski provided an unsigned draft purchase agreement to Sandi Hayes. At that time Mr. Tillery stated very clearly, and in a manner not subject to misinterpretation, that the purchase agreement was not an offer to purchase the property, that an offer could only be made after the six member Trustee Council had voted unanimously to make such an offer and that the next Council meeting was scheduled for June 28. Mr. Tillery went on to explain that the reason for providing the document at this time was to allow Ms. Hayes' client to review its terms, which are likely to be similar to terms that would be required by the Trustee Council if an offer is authorized. This was done both as a courtesy and in an effort to allow the process to go forward more quickly if the Council decided to authorize an offer. I have checked with each of the persons present at that meeting, other than Ms. Hayes, and their recollection of these events is the same as mine.

After returning to Anchorage I spoke informally with a few Council members to see whether the parcel was likely to be approved for acquisition at the appraised price. Because of the considerable concern that I heard expressed, I communicated with you on June 26, to let you know that the appraised price of the parcel may be too high

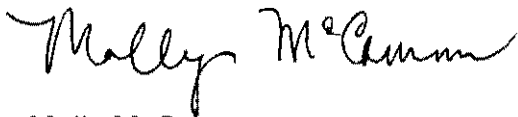
Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

for Council approval and to see if a lower price might be acceptable to Mr. Schilling. I did not hear further from you or any representatives of Mr. Schilling and, at the June 28 Trustee Council meeting, the Council considered the property at the appraised price and decided not to make an offer.

I hope this clarifies the status of the Schilling property as it relates to the Trustee Council's interest in acquisition. If I can be of further assistance please feel free to contact me at your convenience.

Sincerely,

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

Molly McCammon
Executive Director

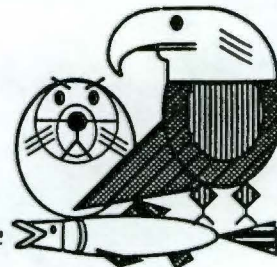
mm/aw

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

To: Mayor Lancaster Number: 1-907-262-1245

From: Molly McCammon Date: July 3, 1996

Comments: Total Pages: 3

FAXED

HARD COPY TO FOLLOW yes

Document Sent By: Jami

3/27/96

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

*** ACTIVITY REPORT ***

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CONNECTION ID

START TIME 07/03 13:27

USAGE TIME 01'51

PAGES 3

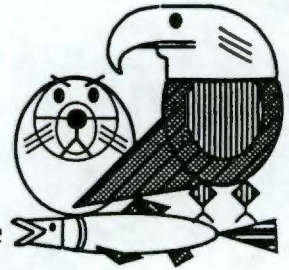
RESULT OK

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

To: Jim Ayers Number: 1-907-465-3532

From: Nelly McCammon Date: July 3, 1996

Comments: Total Pages: 3

FYI

FAXED

HARD COPY TO FOLLOW no

Document Sent By: Jami

3/27/96

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

*** ACTIVITY REPORT ***

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CONNECTION ID

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USAGE TIME 01'31

PAGES 3

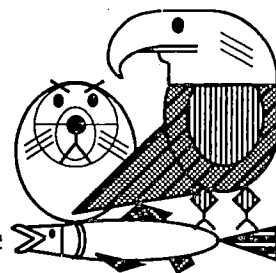
RESULT OK

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



July 2, 1996

Kim Murphy
Northwest Bureau Chief
Los Angeles Times
Market Place Tower, Suite 1090
2025 First Avenue
Seattle, Washington 98121

Dear Ms. Murphy:

Congratulations on a well-done story. I received a copy of your article via the Internet, and thought it captured a number of the issues very nicely.

I enjoyed meeting you and hope you had a good trip to Alaska. Let me know if I can be of any further assistance in the future.

Sincerely,

Molly McCammon
Executive Director

mm/raw

Trustee Agencies

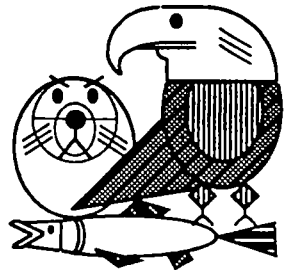
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United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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



July 1, 1996

Loretta C. Breeden
1602 Barabara Drive
Kenai, Alaska 99611

Dear Ms. Breeden:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcels you have nominated, KEN-1042/College Estates and KEN-1044/Kenai River Flats, have not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

Molly McCammon
Executive Director

EMty

Trustee Agencies

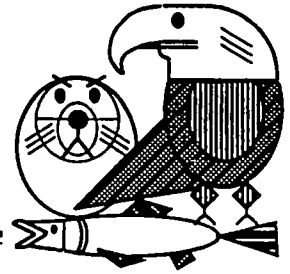
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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



July 1, 1996

Ron Weilbacher
PO Box 3824
Soldotna, Alaska 99669

Dear Mr. Weilbacher:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1036/Big Eddy Campground, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

Molly McCammon
Executive Director

EM/ty

Trustee Agencies

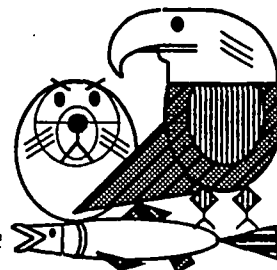
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Exxon Valdez Oil Spill Trustee Council

Restoration Office

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



July 1, 1996

Waldo E. Coyle Trust
Sharalyn Sue Wright
1412 Barabara Drive
Kenai, Alaska 99611

Dear Ms. Wright:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1037, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

Molly McCammon
Executive Director

EM/ty

Trustee Agencies

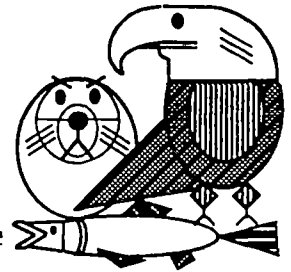
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Exxon Valdez Oil Spill Trustee Council

Restoration Office

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



July 1, 1996

Henry H. Knackstedt
108 Deepwood Court
Kenai, Alaska 99611

Dear Mr. Knackstedt:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1043/College Estates, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

Molly McCammon
Executive Director

EM/ty

Trustee Agencies

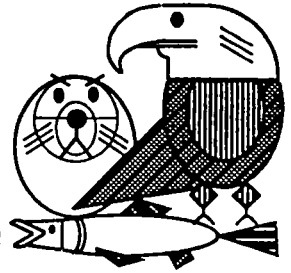
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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



July 1, 1996

George R. Pollard
PO Box 40
Kasilof, Alaska 99610

Dear Mr. Pollard:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1046/Pollard Lake, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

Molly McCammon
Executive Director

EM/ty

Trustee Agencies

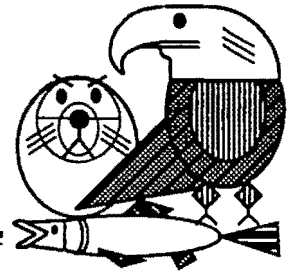
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
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Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451

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



July 1, 1996

George H. and Lois A. Calvin
PO Box 26
Kasilof, Alaska 99610-0026

Dear Mr. and Mrs. Calvin:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1047, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

A handwritten signature in cursive script that reads "Molly McCammon".

Molly McCammon
Executive Director

EM/ty

Trustee Agencies

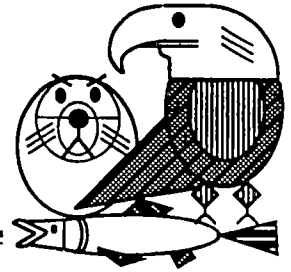
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

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



July 1, 1996

Joan Lahndt
PO Box 145
Kasilof, Alaska 99610

Dear Ms. Lahndt:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1048, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

A handwritten signature in cursive script that reads "Molly McCammon".

Molly McCammon
Executive Director

EM/ty

Trustee Agencies

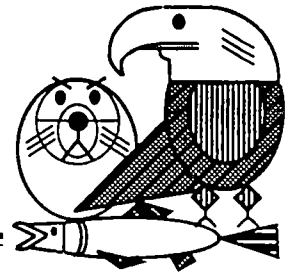
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
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Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 G Street, Suite 401, Anchorage, Alaska 99501-3451

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



July 1, 1996

Ralph Christiansen
PO Box 78
Old Harbor, Alaska 99643

Dear Mr. Christiansen:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1050, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

Molly McCammon
Executive Director

EM/ty

Trustee Agencies

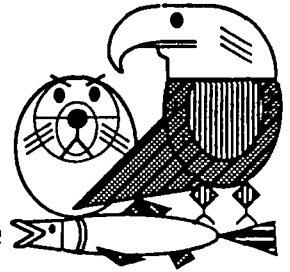
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Exxon Valdez Oil Spill Trustee Council

Restoration Office

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



July 1, 1996

Juanita M. Mansholt
2120 NW 14th Street
Gresham, Oregon 97030-4812

Dear Ms. Mansholt:

The purpose of this letter is to provide you with confirmation that the Trustee Council has received and reviewed your nomination under the Small Parcel Habitat Protection Program and to advise you of the status of your parcel.

As you are perhaps aware, nearly 300 hundred small parcel nominations have been submitted to the Trustee Council for consideration through the Small Parcel Program. Upon receipt of a parcel nomination and a determination that the nomination meets all threshold criteria, the nominated parcel is evaluated for its specific restoration value. As a result of the review and evaluation of nominated parcels to date, the Trustee Council has identified 47 parcels of especially significant value to the protection and restoration of the biological resources and human services injured by the *Exxon Valdez* oil spill together with a package of lands owned by the Kenai Natives Association that is also of interest. Current acquisition efforts are focused on these 47 priority parcels.

Although the parcel you have nominated, KEN-1049, has not been identified as a priority parcel at this time, the Trustee Council is maintaining files on all parcels nominated and may give further consideration to these parcels in the future.

If you have questions about the Small Parcel Program, please contact Eric Myers in the Restoration Office.

Sincerely,

Molly McCammon
Executive Director

cc: Judy Eichler, Soldotna Realty
EM/ty

Trustee Agencies

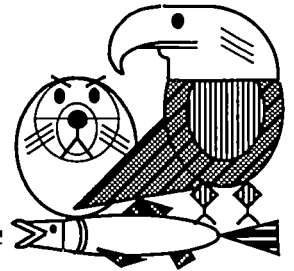
State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

Exxon Valdez Oil Spill Trustee Council

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



July 1, 1996

Jim Sinnett
Chugach Heritage Foundation
4201 Tudor Centre Drive, Suite 220
Anchorage, Alaska 99508

Dear Jim:

This letter is to inform you that the preliminary draft report for Project 96154 is still under review. Dave Gibbons has reviewed the preliminary draft report in light of the contract between the Forest Service and Chugach Development Corporation. Dave will contact you soon about a number of contract compliance issues and may arrange a meeting with you and Chugach Development Corporation.

I have also asked the Trustee Council's legal advisors to review the financing method in Part II of the draft. As I mentioned to you in March, I believe key features of the financing proposal may not be legally permissible. I hope to hear from the legal team soon and will convey their assessment to you.

I am aware of your interest in finalizing the report by July 15. However, we have significant concerns about the preliminary report and recommend that discussions about contract compliance and legal review of the financing method take place before any further work occur on the project.

Sincerely,

A handwritten signature in cursive script, reading "Molly McCammon".

Molly McCammon
Executive Director

cc: Maria Lisowski, U.S. Department of Agriculture
Barry Roth, U.S. Department of the Interior
Gina Belt, U.S. Department of Justice
Alex Swiderski, Alaska Department of Law
Dave Gibbons, USFS
Linda Yarborough, USFS
Veronica Christman, Exxon Valdez Restoration Office

Trustee Agencies

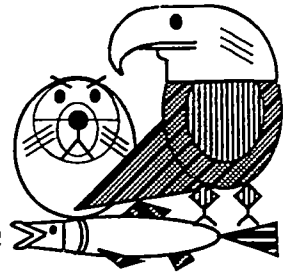
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July 1, 1996

Charles Coutant
Oak Ridge National Laboratory
POB 2008, MS 6036
Oak Ridge, TN 37831-6036

Webster Van Winkle
Oak Ridge National Laboratory
POB 2008, MS 6038
Oak Ridge, TN 37831-6036

RE: Project 97321-BAA/Model Integration of Pink Salmon Restoration

Dear Drs. Coutant and Van Winkle:

I am writing to inform you of my preliminary recommendation that the *Exxon Valdez* Oil Spill Trustee Council not fund Project 97321-BAA at this time. You already have received a copy of the *Fiscal Year 1997 Draft Work Plan*, and I have enclosed another copy of my preliminary recommendation on this project, along with a summary of the Chief Scientist's recommendation on the project's technical merits.

Your proposal was one of several quality proposals submitted in response to the invitation to submit modeling proposals in the *Invitation to Submit Restoration Proposals for Federal Fiscal Year 1997*. I am pleased to have these proposals, but I also want the modeling efforts supported by the Trustee Council to be developed slowly and with the full cooperation of the many capable EVOS investigators, some of whom have been with the program since its inception. This is especially true in the case of pink salmon, for which the Sound Ecosystem Assessment Project (Project /320) already has a major modeling component with a focus on pink salmon and Pacific herring. I have asked the Chief Scientist to manage and coordinate a modest start on a modeling project in FY 97, and he now is developing the details of that effort. However, his initial focus is on a trophic-based ecosystem model, and he is not inclined to pursue the pink salmon dimension, as you have proposed, in FY 1997. No final decisions have been made in this regard, and you will hear again from this office later in the summer.

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic and Atmospheric Administration, Departments of Agriculture and Interior

For your information, the Trustee Council received over \$37 million in requests for FY 97 restoration projects. The Council has tentatively decided that only \$16 million will be available this year for annual work plan projects. These budget limitations forced me to recommend against funding at this time many worthwhile projects.

My preliminary recommendations on all proposals for funding in FY 97 have been incorporated into the Draft Work Plan, which was distributed for public comment June 24. The Restoration Office will accept public comments through August 9. Following a review of the public comments, as well as comments from the Trustee Council's Public Advisory Group and further consideration by the Chief Scientist, I will make a final recommendation to the Trustee Council. Trustee Council action on the Work Plan is tentatively scheduled for August 28.

Thank you for your interest in the *Exxon Valdez* restoration program. I appreciate your proposal and encourage you to continue your involvement in the restoration process. If you have questions about this preliminary recommendation, please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Molly McCammon".

Molly McCammon
Executive Director

Enclosure

cc: Dr. Byron Morris, NOAA Liaison
Dr. Robert Spies, Chief Scientist

mm/raw

PRELIMINARY EXECUTIVE DIRECTOR'S RECOMMENDATION/FY 97 WORK PLAN

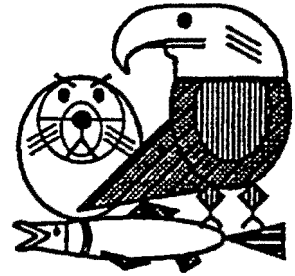
Proj.No.	ProjectTitle	Proposer	Lead Agency	New or Cont'd	FY97 Request	FY97 Recommended	FY98 Rec.	FY99 Rec.	Total FY97-02 Rec.
97321-BAA	Model Integration of Pink Salmon Restoration	C. Coutant and W. VanWinkle/Oak Ridge National Laboratory	NOAA	New 1st yr. 2 yr. project	\$221.8	\$0.0	\$0.0	\$0.0	\$0.0
<p><u>Abstract</u></p> <p>This project would develop a population model of pink salmon to integrate field-based knowledge of oil-spill effects. The first year would develop a model to predict the recovery rate of pink salmon populations in response to oil spills and similar disturbances by integrating impacts on incubation success, straying, adult mortality, and changes in food web dynamics. The second year would use the model to evaluate restoration and management strategies including variation in the size of hatchery smolt releases, supplementation of spawning habitat, and regulation of fishing.</p>			<p><u>Chief Scientist's Draft Recommendation</u></p> <p>This is a technically sound proposal to integrate much of the available information from ADF&G studies into a pink salmon production model for Prince William Sound. This model should provide some of the synthesis effort needed to bring the results of past studies to bear on future management of this important resource. This project will make its greatest contribution if it can be coordinated with other synthesis efforts planned for 1997 and beyond.</p>			<p><u>Executive Director's Draft Recommendation</u></p> <p>Do not fund as a separate project. Proposers have a solid idea and are well qualified to carry it out. However, efforts to develop ecological models that integrate information gathered in EVOS studies will be initiated under Project 97300.</p>			

Exxon Valdez Oil Spill Trustee Council

Restoration Office

645 "G" Street, Anchorage, AK 99501

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



MEMORANDUM

TO: Trustee Council

THROUGH: Molly McCammon
Executive Director

FROM: *Traci Cramer*
Traci Cramer
Administrative Officer

DATE: July 1, 1996

RE: Financial Report as of May 31, 1996

Attached is the Statement of Revenue, Disbursements and Fees, and accompanying notes for the *Exxon Valdez* Joint Trust Fund for the period ending May 31, 1996.

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

Joint Trust Fund Account Balance	\$52,662,581	
Less: Current Year Commitments (Note 5)	\$26,379,000	
Plus: Adjustments (Note 6)	<u>\$4,265,684</u>	
Uncommitted Fund Balance		\$30,549,265
Plus: Future Exxon Payments (Note 1)	\$420,000,000	
Less: Remaining Reimbursements (Note 3)	23,300,000	
Less: Remaining Commitments (Note 7)	<u>\$70,091,667</u>	
Total Estimated Funds Available		\$357,157,598
Restoration Reserve		\$35,996,170

If you have any questions regarding the information provided please give me a call at 586-7238.

attachments

cc: Agency Liaisons
Bob Baldauf

Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

NOTES TO THE STATEMENT OF REVENUE, DISBURSEMENTS AND FEES
FOR THE *EXXON VALDEZ* JOINT TRUST FUND
As of May 31, 1996

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

Received to Date	\$480,000,000
Future Payments	\$420,000,000

2. Interest Income - In accordance with the MOA, the funds are deposited in the United States District Court, Court Registry Investment System (CRIS). All deposits with CRIS are maintained in United States government treasury securities with maturities of 100 days or less. Total earned since the last report is \$173,350.
3. Reimbursement of Past Costs - Under the terms of the agreement, the United States and the State are reimbursed for expenses associated with the spill. The remaining reimbursements represents that amount due the State of Alaska.
4. Fees - CRIS charges a fee of 10% for cash management services. Total paid since the last report is \$17,335.
5. Current Year Commitments - Includes \$12,456,000 for the Alaska SeaLife Center, an increase of \$23,000 for the 1996 Work Plan, \$1,900,000 for the Chenega Clean-up Project, and the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Koniag, Incorporated	\$4,500,000	September 1996
Akhiok-Kaguyak	\$7,500,000	September 1996

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

	<u>Interest</u>	<u>Lapse</u>
United States	\$62,999	\$772,775
State of Alaska	\$950,136	\$2,479,774

7. Remaining Commitments - Includes the following land payments.

<u>Seller</u>	<u>Amount</u>	<u>Due</u>
Shuyak	\$2,194,266	October 1996
Shuyak	\$20,000,000	October 1997 through 2001
Shuyak	\$11,805,734	October 2002
Seal Bay	\$3,091,667	November 1996
Akhiok-Kaguyak	\$7,500,000	September 1997
Koniag, Incorporated	\$9,000,000	September 1997 and 1998
Koniag, Incorporated	\$16,500,000	September 2002

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Trustee Agencies

State of Alaska: Departments of Fish & Game, Law, and Environmental Conservation
United States: National Oceanic & Atmospheric Administration, Departments of Agriculture and Interior

STATEMENT OF REVENUE, DISBURSEMENT, AND FEES
EXXON VALDEZ OIL SPILL JOINT TRUST FUND
As of May 31, 1996

	1993	1994	1995	To Date 1996	Cumulative Total
REVENUE:					
Contributions: (Note 1)					
Contributions from Exxon Corporation	250,000,000	70,000,000	70,000,000	0	480,000,000
Less: Credit to Exxon Corporation for clean-up costs incurred	(39,913,688)				(39,913,688)
Total Contributions	210,086,312	70,000,000	70,000,000	0	440,086,312
Interest Income: (Note 2)					
Exxon Corporation escrow account					831,233
Joint Trust Fund Account	1,378,000	3,736,000	5,706,666	2,893,974	14,310,640
Total Interest	1,378,000	3,736,000	5,706,666	2,893,974	15,141,873
Total Revenue	211,464,312	73,736,000	75,706,666	2,893,974	455,228,185
DISBURSEMENTS:					
Reimbursement of Past Costs: (Note 3)					
State of Alaska	29,000,000	25,000,000			83,267,842
United States	36,117,165	6,271,600	2,697,000	0	69,812,045
Total Reimbursements	65,117,165	31,271,600	2,697,000	0	153,079,887
Disbursements from Joint Trust Account:					
State of Alaska	18,529,113	44,546,266	41,969,669	18,784,065	130,388,313
United States	9,105,881	6,008,387	48,019,928	12,229,224	81,683,920
Transfer to the Restoration Reserve				35,996,231	35,996,231
Total Disbursements	27,634,994	50,554,653	89,989,597	67,009,519	248,068,463
FEES:					
U.S. Court Fees (Note 4)	154,000	364,000	586,857	289,398	1,417,254
Total Disbursements and Fees	92,906,159	82,190,253	93,273,454	67,298,917	402,565,605
Increase (decrease) in Joint Trust	118,558,153	(8,454,253)	(17,566,788)	(64,404,942)	52,662,581
Joint Trust Account Balance, beginning balance	24,530,411	143,088,564	134,634,311	117,067,523	
Joint Trust Account Balance, end of period	143,088,564	134,634,311	117,067,523	52,662,581	
Current Year Commitments: (Note 5)					(26,379,000)
Adjustments: (Note 6)					4,265,684
Uncommitted Fund Balance					30,549,265
Remaining Reimbursements (Note 3)					(23,300,000)
Remaining Commitments: (Note 7)					(70,091,667)
Total Estimated Funds Available					357,157,598
Restoration Reserve					35,996,170

Statement 1

Statement of Exxon Settlement Funds
As of May 31, 1996

Beginning Balance of Settlement 900,000,000

Receipts:

Interest Earned on Exxon Escrow Account	831,233
Net Interest Earned on Joint Trust Fund (See Note 1)	12,893,386
Interest Earned on United States and State of Alaska Accounts	2,886,416
Total Interest	16,611,035

Disbursements:

Reimbursements to United States and State of Alaska	153,079,887
Exxon clean up cost deduction	39,913,688
Joint Trust Fund deposits	287,837,658
Total Disbursements	480,831,233

Funds Available

Exxon future payments	420,000,000
Balance in Joint Trust Fund (See Statement 2)	52,662,581
Future acquisition payments	(82,091,667)
Alaska Sealife Center	(12,456,000)
Remaining Reimbursements	(23,300,000)
Other (See Note 2)	4,265,684
Total Estimated Funds Available	359,080,598

Note 1: Gross interest earned less District Court registry fees.

Note 2: Adjustment for unreported interest earned and lapse

Footnotes:

1 - The funding approved by the Council 6/96 for \$1,923,000 to increase the 1996 Work Plan (\$23,000) and provide funding for the Chenega Oiling Project (\$1,900,000) is included in the Total Estimated Funds Available.

2 - The adjustment for Future acquisition payments includes both current year and remaining commitments relating to approved land payments for large and small parcel acquisitions.

Statement 2

Cash Flow Statement

**Exxon Valdez Oil Spill Settlement United States and State of Alaska Joint Trust Fund
As of May 31, 1996**

Receipts:

Exxon payments

Deposit December 1991	36,837,111	
Deposit December 1992	56,586,312	
Deposit September 1993	68,382,835	
Deposit September 1994	58,728,400	
Deposit September 1995	67,303,000	
Total Deposits	<u>287,837,658</u>	<u>287,837,658</u>

Interest Earned	14,310,640	
Total Interest	<u>14,310,640</u>	<u>14,310,640</u>

Total Receipts		<u><u>302,148,298</u></u>
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Disbursements:

Court requests

Withdrawal June 1992	12,879,700	
Withdrawal December 1992	6,567,254	
Withdrawal June 1993	21,067,740	
Withdrawal November 1993	29,950,000	
Withdrawal November 1993	4,743,925	
Withdrawal June 1994	15,860,728	
Withdrawal October 1994	10,664,256	
Withdrawal November 1994	3,111,204	
Withdrawal January 1995	13,911,091	
Withdrawal April 1995	17,200,000	
Withdrawal September 1995	1,652,014	
Withdrawal May 1996	30,951,032	
Withdrawal October 1995	12,500,000	
Withdrawal November 1995	11,294,667	
Withdrawal January 1996	5,191,122	
Withdrawal March 1996	8,000,000	
Withdrawal May 1996	6,527,500	
Total Requests	<u>212,072,233</u>	<u>212,072,233</u>

District Court Fees	<u>1,417,254</u>	<u>1,417,254</u>
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Transfer to the Restoration Reserve (2/15/96)		35,996,231
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Total Disbursements		<u><u>249,485,718</u></u>
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Balance in Joint Trust Fund		<u><u>52,662,581</u></u>
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Schedule of Payments for Exxon Valdez Oil Spill Settlement Monies from Exxon
As of May 31, 1996

	FFY 1991 December 31 1991	FFY 1992 December 1 1992	FFY 1992 September 1 1993	FFY 1994 September 1 1994	FFY 1995 September 1 1995	Total
Disbursements:						
Reimbursements:						
United States						
FFY92	24,726,280	0	0			24,726,280
FFY93	0	24,500,000	11,617,165			36,117,165
FFY94	0	0	0	6,271,600		6,271,600
FFY95	0	0	0		2,697,000	2,697,000
Total United States	24,726,280	24,500,000	11,617,165	6,271,600	2,697,000	69,812,045
State of Alaska						
General Fund:						
FFY92	25,313,756	0	0			25,313,756
FFY93	0	16,685,133	0			16,685,133
FFY94	0	0	14,762,703			14,762,703
FFY95	0	0	0	0		0
Mitigation Account:						
FFY92	3,954,086	0	0			3,954,086
FFY93	0	12,314,867	0			12,314,867
FFY94	0	0	5,237,297	5,000,000		10,237,297
FFY95 (Prevention Account)	0	0	0		0	0
Total State of Alaska	29,267,842	29,000,000	20,000,000	5,000,000	0	83,267,842
Total Reimbursements	53,994,122	53,500,000	31,617,165	11,271,600	2,697,000	153,079,887
Deposits to Joint Trust Fund						
FFY92	36,837,111	0	0			36,837,111
FFY93	0	56,586,312	68,382,835			124,969,147
FFY94	0	0	0			0
FFY95	0	0	0	58,728,400	67,303,000	126,031,400
Total Deposits to Joint Trust Fund	36,837,111	56,586,312	68,382,835	58,728,400	67,303,000	287,837,658
Exxon clean up cost deduction	0	39,913,688	0	0	0	39,913,688
Total Disbursements	90,831,233	150,000,000	100,000,000	70,000,000	70,000,000	480,831,233
Remaining Exxon payments to be made:						
September 1994	0					
September 1995	0					
September 1996	70,000,000					
September 1997	70,000,000					
September 1998	70,000,000					
September 1999	70,000,000					
September 2000	70,000,000					
September 2001	70,000,000					
	420,000,000					

*Schedule of Disbursements for Exxon Valdez Oil Spill United States and State of Alaska Joint Trust Fund
As of May 31, 1996*

	June 1992	December 1992	June 1993	November 1993	December 1993	June 1994	October 1994	November 1994	January 1995	April 1995	May 1995	September 1995	October 1995	November 1995	January 1996	March 1996	May 1996	Total
Disbursements:																		
Court Requests																		
United States																		
FFY92	6,320,500	0	0	0	0	0												6,320,500
FFY93	0	3,074,029	6,031,852	0	0	0												9,105,881
FFY94	0	0	0	0	2,516,069	3,492,318	0											6,008,387
FFY95	0	0	0	0	0	0	3,576,179	0	4,676,182	17,200,000	1,480,251	21,087,316						48,019,928
FFY96														8,000,000	3,222,224		1,007,000	12,229,224
Total United States	6,320,500	3,074,029	6,031,852	0	2,516,069	3,492,318	3,576,179	0	4,676,182	17,200,000	1,480,251	21,087,316	0	8,000,000	3,222,224	0	1,007,000	81,683,920
State of Alaska																		
FFY92	6,559,200	0	0	0	0	0												6,559,200
FFY93	0	3,493,225	15,035,888	0	0	0												18,529,113
FFY94	0	0	0	29,950,000	2,227,856	12,368,410												44,546,266
FFY95	0	0	0	0	0	0	7,088,077	3,111,204	9,234,909		171,763	9,863,716	12,500,000					41,969,669
FFY96														3,294,667	1,968,898	8,000,000	5,520,500	18,784,065
Total State of Alaska	6,559,200	3,493,225	15,035,888	29,950,000	2,227,856	12,368,410	7,088,077	3,111,204	9,234,909	0	171,763	9,863,716	12,500,000	3,294,667	1,968,898	8,000,000	5,520,500	130,388,313
Total Court Requests	12,879,700	6,567,254	21,067,740	29,950,000	4,743,925	15,860,728	10,664,256	3,111,204	13,911,091	17,200,000	1,652,014	30,951,032	12,500,000	11,294,667	6,191,122	8,000,000	6,527,500	212,072,233
District Court Fees																		<u>1,417,254</u>
Transfer to the Restoration Reserve (2/15/96)																		<u>35,996,231</u>
Total Disbursements																		<u>249,485,718</u>

Total Disbursements represent the amount of funds which were either transferred to the State or Federal Governments and the Payment of District Court Fees.

Exxon Valdez Oil Spill Joint Trust Fund Account						
Interest Earned/District Court Registry Fees						
As of May 31, 1996						
	FFY 1992	FFY 1993	FFY 1994	FFY 1995	FFY 1996	Total
Earnings Deposits	17,683	31,124	33,476	55,809		138,092
Earnings Allocated:						
1991	28,704					28,704
1992	526,613	553,696				1,080,309
1993		639,180	1,461,735			2,100,915
1994			1,876,789	1,402,937		3,279,726
1995				3,661,063	2,604,577	6,265,640
Total	555,317	1,192,876	3,338,524	5,064,000	2,604,577	12,755,294
Total Earnings	573,000	1,224,000	3,372,000	5,119,809	2,604,577	12,893,386
Registry Fees:						
1991	3,189					3,189
1992	19,811	100,223				120,034
1993		53,777	179,658			233,435
1994			184,342	180,072		364,414
1995				406,785	289,398	696,182
Total	23,000	154,000	364,000	586,857	289,398	1,417,254
Gross Earnings	596,000	1,378,000	3,736,000	5,706,666	2,893,974	14,310,640

Schedule of Interest Earned on United States and State of Alaska Accounts					
As of May 31, 1996					
		State of Alaska	United States		
		EVOSS Account	NRDA& R		Total
June 1992		22,675			22,675
July 1992		23,952			23,952
August 1992		21,300			21,300
September 1992		12,847			12,847
October 1992		13,774			13,774
November 1992		11,775			11,775
December 1992		9,463			9,463
January 1993		7,670			7,670
February 1993		16,263			16,263
March 1993		13,862			13,862
April 1993		11,568			11,568
May 1993		10,309			10,309
June 1993		7,713			7,713
July 1993		38,502			38,502
August 1993		31,719			31,719
September 1993		21,069			21,069
October 1993		19,030			19,030
November 1993		28,561			28,561
December 1993		16,817			16,817
January 1994		22,398			22,398
February 1994		19,086	117,178		136,264
March 1994		20,754			20,754
April 1994		18,714			18,714
May 1994		15,878			15,878
June 1994		17,707	24,823		42,530
July 1994		52,823			52,823
August 1994		43,845			43,845
September 1994		40,408	43,567		83,975
October 1994		44,291			44,291
November 1994		63,286			63,286
December 1994		67,496	3,849		71,346
January 1995		89,341			89,341
February 1995		100,714			100,714
March 1995		104,570	17,033		121,603
April 1995		95,432			95,432
May 1995		92,595			92,595
June 1995		80,613	50,042		130,655
July 1995		76,424			76,424
August 1995		68,771			68,771
September 1995		59,945	44,826		104,771
October 1995		133,486			133,486
November 1995		154,119			154,119
December 1995		143,917	39,567		183,484
January 1996		134,300			134,300
February 1996		122,348			122,348
March 1996		132,469	64,381		196,850
April 1996		126,550			126,550
May 1996		136,732			
Total		2,617,882	405,266		2,886,416
NOTES: The \$117,178 NRDA&R interest figure is a cumulative amount. Monthly and quarterly figures are not available for prior periods. Bob Baldauf at the Office of Budget will start tracking/recording on a quarterly basis.					

*Schedule of Interest Adjustments to the Court Requests
As of May 31, 1996*

	<i>June 1992</i>	<i>December 1992</i>	<i>June 1993</i>	<i>December 1993</i>	<i>June 1994</i>	<i>October 1994</i>	<i>November 1994</i>	<i>December 1994</i>	<i>March 1995</i>	<i>August 1995</i>	<i>January 1996</i>	<i>May 1996</i>	<i>Total</i>	<i>Unallocated Interest</i>
<i>Disbursements:</i>														
<i>Court Requests</i>														
United States														
FFY92	0												0	
FFY93		39,871	3,648										43,519	
FFY94				51,231	22,427								73,658	
FFY95						34,621		37,618	3,849	63,226			139,314	
FFY96											48,676	37,100	85,776	
Total United States	0	39,871	3,648	51,231	22,427	34,621	0	37,618	3,849	63,226	48,676	37,100	342,267	62,999
State of Alaska														
FFY92	0												0	
FFY93		80,775	35,012										115,787	
FFY94				64,944	239,090								304,034	
FFY95						52,823	117,838	44,291	320,837	449,634			985,423	
FFY96											262,202	300	262,502	
Total State of Alaska	0	80,775	35,012	64,944	239,090	52,823	117,838	44,291	320,837	449,634	262,202	300	1,667,746	950,136
Total Adjustment	0	120,646	38,660	116,175	261,517	87,444	117,838	81,909	324,686	512,860	310,878	37,400	2,010,013	1,013,135

Footnotes:

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

**Schedule of Lapse Adjustments to the Court Requests
As of May 31, 1996**

	<i>December 1993</i>	<i>June 1994</i>	<i>August 1995</i>	<i>Total</i>
<hr/>				
Disbursements:				
Court Requests				
United States				
FFY92				0
FFY93				0
FFY94		3,106,555		3,106,555
FFY95				0
FFY96			301,558	301,558
Total United States	<hr/> 0	3,106,555	301,558	<hr/> 3,408,113 <hr/>
State of Alaska				
FFY92				0
FFY93				0
FFY94	3,661,600			3,661,600
FFY95				0
FFY96			2,376,950	2,376,950
Total State of Alaska	<hr/> 3,661,600	0	2,376,950	<hr/> 6,038,550 <hr/>
Total Adjustment	<hr/> 3,661,600	3,106,555	2,678,508	<hr/> 9,446,663 <hr/>

Footnote

The August 1995 adjustment for the Federal Government included an \$80,700 reimbursement associated with excessive payment for final costs relating to damage assessment activities.

Schedule of Work Plan Authorizations and Other Authorizations

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	Total
Work Plan authorizations						
United States:						
June 15, 1992	6,320,500	0	0			
January 25, 1993	0	3,113,900	0			
January 25, 1993	0	6,035,500	0			
November 10, 1993	0	0	0			
November 30, 1993	0	0	2,567,800			
June 1994			4,536,800			
June 1994			84,500			
July 1994			1,500,000			
August 1994				2,110,800		
November 1994				2,514,200		
December 1994				749,600		
March 1995				1,484,100		
August 1995				(36,700)	6,238,800	
December 1995					3,270,900	
January 1996					150,000	
April 1996					478,000	
May 1996					37,100	
June 1996					23,000	
Total United States	6,320,500	9,149,400	8,689,100	6,822,000	10,197,800	41,178,800
State of Alaska						
June 15, 1992	6,559,200	0	0			
January 25, 1993	0	3,574,000	0			
January 25, 1993	0	7,570,900	0			
November 30, 1993	0	1,500,000	4,454,300			
June 1994			12,391,700			
June 1994			215,800			
July 1994			0			
August 1994				7,140,900		
November 1994				9,098,700		
December 1994				180,500		
March 1995				492,600		
August 1995				36,700	12,653,600	
December 1995					2,231,100	
April 1996					500,000	
May 1996					300	
June 1996					1,900,000	
Total State of Alaska	6,559,200	12,644,900	17,061,800	16,949,400	17,285,000	70,500,300
Total Work Plan authorizations	12,879,700	21,794,300	25,750,900	23,771,400	27,482,800	111,679,100

	FFY 92	FFY 93	FFY 94	FFY 95	FFY 96	Total
Other Authorizations						
United States:						
Orca Narrows (6/94, Eyak)			2,000,000	1,650,000		3,650,000
Kodiak National Wildlife Refuge (3/95, 9/95 AKI)				21,000,000		21,000,000
Kodiak National Wildlife Refuge (3/95, 9/95 Old Harbor)				11,250,000		11,250,000
Koniag					8,000,000	8,000,000
Small Parcels					379,000	379,000
Total United States			2,000,000	33,900,000	8,379,000	44,279,000
State of Alaska:						
Kachemak Bay State Park (1/95)		7,500,000				7,500,000
Seal Bay (11/93, 11/94)			29,950,000	3,229,042	3,294,667	36,473,709
Shuyak (3/96, 10/96 - 10/02)					8,000,000	8,000,000
Small Parcels					5,020,500	5,020,500
Alaska SeaLife Center				12,500,000		12,500,000
Total State of Alaska		7,500,000	29,950,000	15,729,042	16,315,167	69,494,209
Total Land and Capital Acquisition	0	7,500,000	31,950,000	49,629,042	24,694,167	113,773,209
Restoration Reserve			12,000,000	12,000,000	12,000,000	36,000,000
Total	12,879,700	29,294,300	69,700,900	85,400,442	64,176,967	261,452,309

Footnotes:

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

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

The Trustee Council conditionally approved \$181,900 for Fleming Spit on 6/1/95. However, the project has not approved by the Department of Justice and as such has not been included on this statement.