13.08.01 – Reading File

February 2002

Exxon Valdez Oil Spill Trustee Council

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

February 28, 2002

Chris Elfring
National Research Council
Polar Research Board (HA 454)
2101 Constitution Ave, NW
Washington, DC 20418

Dear Ms. Elfring:

On behalf of the *Exxon Valdez* Oil Spill Trustee Council, I am writing to request a review by the appropriate entity of the National Academy of Sciences of a study of the long-term persistence of crude oil in the environment – a study I believe is of national significance. The study in question is a definitive investigation into the amount of oil remaining on the shorelines inside Prince William Sound known to have been oiled in 1989 by the *Exxon Valdez* oil spill. Designed by a team of professional statisticians, peer reviewed by national toxicology experts, and executed by the staff of the National Marine Fisheries Services' Auke Bay Laboratory, the study appears to have documented the presence on these beaches of toxicologically active, virtually intact crude oil from the T/V *Exxon Valdez*, more than twelve years after the spill occurred.

The study is potentially of national significance because, if valid, its results support the concept that the *Exxon Valdez* oil spill is a long lasting, chronic insult to the environment, in contrast to the alternative "transient shock" hypothesis that has been advanced in the literature. Further, the validation of this study has important implications for cumulative impact analyses nationwide.

Validation of the study will be provided to a large extent by publication of its results in peer-reviewed journals over time. Unfortunately, full validation cannot be achieved through the normal processes of peer review and publication due to an unfortunate set of circumstances that has developed around this particular study. Shortly after the first public presentation of initial study results in January 2002, a public allegation of research misconduct and scientific fraud was leveled at the study by a long-time consultant for Exxon-Mobil Corporation (see attachments A-E).

I believe the timing of the allegations and the manner in which they were delivered are a serious and irreparable violation of the scientific peer review process that cannot be undone without the review of the Auke Bay Laboratory study by the National Academy of Sciences. I am asking the Academy to empanel a small committee (3-4) to produce a report on the validity of the procedures, records and methods of the study, and any evidence provided by the complainant that would indicate scientific misconduct. Without

such a review, the findings of this important and costly study may forever be tainted by the allegations, regardless of the best efforts of the authors and the peer review process.

I ask the Academy to uphold the integrity of the scientific peer review process by undertaking the review of the conduct of this important study. A process such as that adopted by the California Institute of Technology (attachment F) might be appropriate. I would appreciate hearing from you as soon as possible about the Academy's availability and willingness to undertake this task, as well as the associated costs.

Sincerely,

Molly McCammon
Executive Director

Attachments

cc: Dr. Jim Balsiger, Director, NMFS
Dr. Robert Spies, Chief Scientist, EVOS TC

ANCHORAGE DAILY NEWS
JANUARY 23, 2002

ERIK HILL Daily News file photo

Last July, researchers Mandy Lindeberg of Juneau, left, Maciej Maselko of Anchorage and Wayne McDonald of Tatitlek collected samples of subsurface sediments in Bay of Isles on Knight Island in Prince William Sound. The result of their research was presented Tuesday at the Exxon Valdez Oil Spill Trustee Council's annual workshop.

Experts amazed at oil left in Sound

■ **DAMAGE:** Intertidal marine life show 1989 spill's effects.

By DOUG O'HARRA
Anchorage Daily News

Sea otters have evidence of liver damage. Harlequin ducks have metabolized fresh hydrocarbons.

And certain beaches in Prince William Sound have far more oil than anyone thought possible a dozen years after the Exxon Valdez tanker struck Bligh Reef, according to a rigorous survey conducted last summer.

Much of that oiled sediment underlies the flat productive shore of the western Sound, homeland to mussels and clams and other intertidal life, said federal chemist Jeff Short of Auke Bay Laboratory in Juneau.

"It's more than it looks," he said.

Other studies done as part of a continuing scientific review of the oil spill have documented problems among certain species that forage on the nearby sea floor.

The findings were presented Tuesday by scientists during the opening session of the state-federal Exxon Valdez Oil Spill Trustee Council's annual workshop. They suggest that lingering oil is leaching into the food chain, where it hurts local populations of sea otters and harlequin ducks.

"We did indeed find quite a lot more oil than we expected to see," Short said. "Most of the subsurface oil was in the fresh oil category, and by fresh oil I mean chemically, compositionally; it hasn't really changed very much since late in the summer of 1989."

Exposure to this oil may no longer threaten overall animal populations. But sea otters and harlequin ducks in the Knight-Green island areas have been ingesting hydrocarbons and apparently suffering damage, according to reports by biologists Brenda Ballachey of the U.S. Geological Survey and Dan Esler of Simon Fraser

See Back Page, **SPILL**

Attachment A

SPILL: *Exxon, chemist dismiss Juneau lab's findings*

Continued from A-1

University in British Columbia. This damage includes liver problems in otters, including abnormal tissues found last summer during endoscopies and biopsies conducted in the field, Ballachey said. Otter and duck numbers in oiled areas have continued to decline, while populations in nonoiled bays fare much better.

The tanker hit the charted reef in March 1989, dumping 11 million gallons that spread throughout much of the Sound and beyond. That this oil still has the power to harm wildlife, even if on a limited scale, is one of the most disturbing and startling findings to come from a decade of research and monitoring, several scientists said.

"The oil was quite a bit more persistent and quite a bit more toxic than we thought in 1989," Short told the audience during a question-and-answer period.

An Exxon Mobil official and a Maine chemist dismissed the idea that the spill still causes significant damage to life in the Sound.

"What science has learned in Alaska and elsewhere is that while oil spills can have acute short-term effects, the environment has remarkable powers of recovery," said company vice president Frank Sprow in a statement e-mailed from company headquarters in Irving, Texas.

Bowdoin College biochemist David Page, who has conducted studies for Exxon, said he was skeptical of Short's findings.

"For at least the last seven years, natural factors in PWS have been the major factor in governing ecological changes," he added in an e-mail.

The meeting continues today at the Egan Convention Center in Anchorage with discussions of how a long-term research program to monitor the Gulf of Alaska can tie in with other research from Southeast Alaska and the Bering Sea.

As about 100 scientists and others gathered in a basement hall on Tuesday, seven biologists gave reports on lingering oil and the status of fisheries, birds and marine mammals in the spill zone. Included was a presentation on the beach survey, conducted by Auke Bay Lab with $572,000 from the Trustee Council and help from the Bureau of Economic Geography at the University of Texas.

Over 90 days last summer, a field crew visited 91 sites along about five miles of beaches, covering about 20 percent of the area classified as heavily or moderately oiled between 1989 and 1993, Short said. They dug 6,775 pits at random locations, then dug dozens of additional pits every time they found oil to calculate how far it spread.

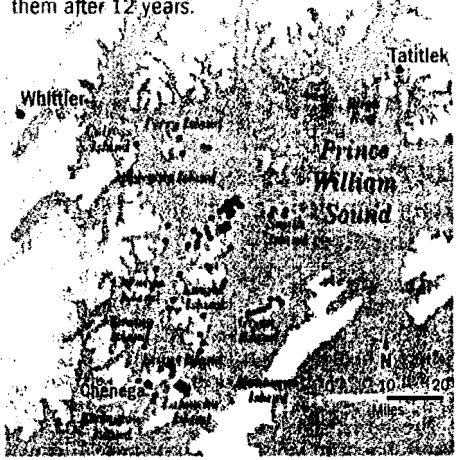
To gather enough data to make a meaningful estimate of how much oil remained and how fast it was weathering and leaching away, Short and the other investigators hoped to find oil at least 1 percent of the time.

Instead they discovered oil at 53 of 91 sites, in 568 different pits — about eight times more often than they expected. Although most of the pits were "lightly oiled," about 20 contained oil that looked as fresh as that just a few weeks after the 1989 spill — "highly odiferous, lightly weathered, and very fluid," they wrote in a preliminary report.

In the end, Short and his team estimated that about 10,000 gallons of Exxon Valdez crude remains buried under 26 to 28 acres spread along about 4.3 miles of shoreline scattered throughout the area, according to preliminary figures released on Monday. It appeared to be declining at 26 percent per year.

Prince William Sound communities participating in survey

Survey during summer of 2001 showed that 58 out of 91 sites still had oil in them after 12 years.



CHARLES ATKINS / Anchorage Daily News

■ Doug O'Harra can be reached at do'harra@adn.com and 257-4334.

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January 31, 2002
Page B-6

ce William Sound recovered?

Oil remains, appears to be affecting wildlife recovery

JEFFREY W. SHORT, *research chemist, Juneau*

Today, 12 years after the 1989 Exxon Valdez oil spill in Prince William Sound, you would have to look hard to find evidence of lingering effects. No species are threatened or endangered because of the oil spill, and the Sound supports large populations of fish, birds and marine mammals, which indicate a generally healthy ecosystem. Yet, if you did look hard, you would still find evidence of long-term effects from the spill.

Last summer, nearly 9,000 holes were dug to assess the amount of oil remaining in Prince William Sound, and much more oil was found than anticipated — around 200 times more than claimed by Exxon's contractor. The oil was most prevalent on beaches that were hit hardest by the spill, either on the surface or a foot or so beneath. The chances that one of these beaches contains some oil are around 2 to 1. At the most polluted of these beaches your chance of finding oil in a single pit is better than 1 in 3. When you find it, it will look and smell like crude oil, and it forms a sheen on water in the bottom of a pit.

Sea otters have not recovered in the Northern Knight Island area, the area of spill hit the hardest, although they have elsewhere in the Sound. They feed in the lower intertidal zone where oil was still found. Sea otters and some bird species that also forage in the same zone have biochemical markers that indicate they are still exposed to oil. It appears that oil may still be a factor impeding their recovery, possibly through ingestion of oiled prey. These results strongly suggest that those parts of the Sound that were most heavily impacted by the spill are not yet fully recovered.

These results strongly suggest that those parts of the Sound that were most heavily impacted by the spill are not yet fully recovered.

Although the Sound is much cleaner now than it was in the early '90s, it remains substantially more polluted than it was in 1988 because of the lingering oil from the Exxon Valdez. Exxon continues to portray the Sound as more polluted from other sources apart from the Exxon Valdez oil spill, but their claims are riddled with inconsistencies. Much of what little we know about how oil actually affects ecosystems stems from research on the Exxon Valdez, and it is now clear that the long-term persistence and toxicity of the spilled oil is substantially greater than previously recognized.

■ Jeffrey W. Short, a research chemist at the National Marine Fisheries Service in Juneau, has studied the Exxon Valdez spill since it happened. The views here are his own, not those of his employer.

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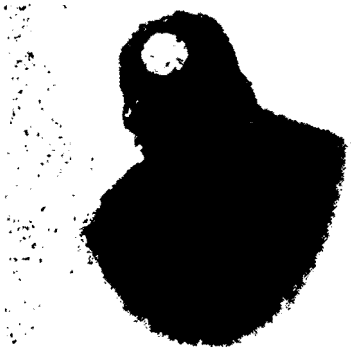
intCounterPoint: Has Prince William Sound recovered?



POINTCOUNTERPOINT *Has Pri*

Recent study exaggerates; Sound is as healthy as ever

DAVID S. PAGE, *professor, Bowdoin College*

There is no credible scientific evidence of ongoing injury to the Prince William Sound ecosystem from the 1989 Valdez spill. While residues of the spill exist as isolated deposits in the Sound, they aren't environmentally relevant compared with petroleum coming from past and ongoing human activities. The environment of the Sound recovered from the spill long ago, in keeping with studies of much larger oil spills.

Regarding the recent reports of oil in Prince William Sound, my colleagues and I worked extensively there last summer, spending most of our time visiting beaches surveyed by researcher Jeff Short. Based on our observations, it is difficult to understand Short's claims.

We saw no evidence that Short dug 7,000 pits on 91 locations. We were able to locate and survey 78 of the 96 sites indicated in Short's study plan. We found clear evidence of activity at 33 sites and were able to map the locations of 875 pits. Had thousands been dug, we would have located many more.

We found visible evidence of oil in 196 pits at only 19 sites. The sites at which we found evidence of activity were generally those "worst case" locations in the Sound that have been known and studied for years. Seven known worst-case sites accounted for 133 of the 196 oiled pits. Even at these seven locations, remaining deposits of oil are localized and are not readily available to wildlife. Any release of oil from these sites is negligible compared with other sources of petroleum in the Sound.

The locations of the pits at the sites demonstrate that they were chosen subjectively, with the greatest concentration of pits in areas showing oil residue. We found six times as many pits dug at sites found to have oil than sites that were found to have no oil. This approach exaggerates the extent of remaining residues of the spill based on pit tallies alone. It indicates a strong bias in the Short study and raises questions about the scientific validity of its conclusions.

I think that the Trustee Council's "nonrecovered" species list has no sound scientific basis. Claims of ongoing "spill effects" are either the results of natural or human factors not related to the spill, or the results of flawed scientific study designs based on invalid comparisons, or the use of a "return to pre-spill conditions" as a benchmark for recovery. The scientifically appropriate definition of recovery takes nonspill factors and natural environmental changes into account.

Prince William Sound today is as healthy as it would have been if the spill hadn't happened.

■ David S. Page is professor of chemistry and biochemistry at Bowdoin College in Brunswick, Maine. He has studied the Exxon Valdez spill since 1989 with the support of Exxon Mobil.

Anchorage Daily News

Daily News Letters

Sunday, February 3, 2002 F-3

Attachment D

Critic of oil spill study attempts to discredit government science

The Point/Counterpoint by Bowdoin College's Dr. David Page (Jan. 31) questions my integrity performing a study last summer to estimate the amount of oil remaining in Prince William Sound from the Exxon Valdez oil spill. He disputes the extent of the work actually done and charges bias during sampling, based on his shadowing of our study. In rebuttal, I note:

(1) Page did not begin shadowing our study until August, after the study was 75 percent complete.

(2) Page misrepresented our more extensive sampling of oil patches as evidence of bias, when in fact we were simply following the peer-reviewed sampling design which called for additional holes to delineate the size of oil patches detected.

(3) Page's sponsor, ExxonMobil, filed a Freedom of Information Act request for all the study records on Jan. 8, 2002, which will prove we completed the study as advertised, but he has made his allegations before he received this evidence.

(4) Page could have asked to accompany us during the survey, as did several news organizations, all of which we accommodated. Instead, Page engaged in a secretive and incompetent attempt to audit our progress. His public attack without bothering to look at the evidence of our field records appears to indicate that Page's fieldwork last summer was a premeditated attempt to discredit government science.

— Jeffrey W. Short
Auke Bay

Prince William Sound oil study critic's fraud charge is unfounded

In a recent Point/Counterpoint article, Exxon consultant Dr. David Page questioned the integrity of a study led by National Oceanic and Atmospheric Administration scientist Jeffrey Short. The study led to scientific estimates of the amount of oil remaining in Prince William Sound from the 1989 Exxon Valdez oil spill.

While scientists often disagree with interpretations of research efforts, it is rare to charge fraud. We can assure the public that the work was done as reported. News reporters, support-vessel crew, a government archaeologist, residents of Tatitlek and Chenega, and other participating scientists could bear witness to the work. Notebooks with the raw data, including daily entries of holes dug and oil found, provide corroborating evidence.

National experts reviewed the project's sampling design to make sure it was not biased. The study was conducted openly in the field, with several on-site visits by news media and intense public scrutiny. The results will soon be published in the open scientific literature, where unbiased scientists can view the results and the interpretations.

We are requesting the National Academy of Sciences to evaluate Dr. Page's allegation, along with the data collected by the National Oceanic and Atmospheric Administration. If Dr. Page is unwilling to cooperate, he should print a retraction of his allegation.

— Dr. Robert Spies, chief scientist, EVOS Trustee Council
Molly McCammon, executive director, EVOS Trustee Council
Dr. Jim Balsiger, Alaska administrator, National Marine Fisheries Service

Anchorage Daily News 02-9-02

Author's rebuttal doesn't make oil study any less flawed, biased

I stand by my observations and experiences that formed the basis of my opinion published Jan. 31 in the Daily News.

Mr. Short's recent rebuttal ignores the details of my observations that indicated a strong bias in his Prince William Sound oil study. Many of Short's pits were dug at the top of the beach, well above the surf zone. While wave action may have eliminated evidence of some pits lower in the tide zone, I doubt we missed thousands of pits because of this.

We found many locations with far fewer than the required minimum of 100-plus pits, indicating a departure from Short's published study plan. Sites with no oil had far fewer pits than those with oil, indicating bias and inconsistent effort. Short's study plan required that each pit be 50 centimeters deep. We found pit depths to be highly variable and generally less than 50 centimeters, rendering oil amount estimates meaningless.

If Short is so confident of his findings, why not release all his data now, including field notes, for the public and scientific community to see? Why must we file a Freedom of Information Act submission to try to get the data? I am confident that Short's conclusions about the extent of remaining oil in Prince William Sound will not stand the test of rigorous and unbiased scientific scrutiny.

— David S. Page
Professor, Bowdoin College
Brunswick, Maine

Mr. Page — aka Exxon — should educate himself before criticizing

With regard to David Page's Point Counterpoint (Jan. 31) and his so-called extensive observations, I think most Alaskans realize that any "study" funded by Exxon is suspect, but let's assume that Page was unbiased in his statement that "we saw no evidence that Short dug 7,000 pits." A little effort would have uncovered the fact that many pits were refilled to avoid further contamination of Prince William Sound. Also, 9,000 pits were dug and a simple request of Auke Bay Labs would confirm their locations. However, when your task is to distort, misinform and cover up, good science takes a back seat.

Page (Exxon) further states that "location of the pits ... were chosen subjectively." Actually, the sites and pit locations were chosen at random. A disconcerting number of the pits missed visible surface oil. Heavily oiled Naked Island sites were not even selected by this random process. When oil was found, more pits were dug to ascertain extent and magnitude, a standard technique in peer-reviewed science. There are many more distortions in Page's column.

The conclusions of the Short study are, if anything, conservative and well documented and should be taken seriously to really understand what is happening in the Sound. To undermine the results of the Short study with personal opinion does a disservice to credible scientific process.

— Michael Yourkowski
Homer

Attachment E

Caltech Policy on Research Misconduct
(Approved by the Faculty Board January 22, 2001)

Preamble

Research misconduct is historically a rare occurrence, especially at Caltech, where all members of the community are bound by a very effective code of honor. However, should an instance arise of either real or apparent misconduct, the Institute must act swiftly and decisively, while affording maximum possible protection both to the "whistle blower" (complainant) and to the accused (respondent). That is the intent of this policy.

The term research misconduct has been chosen instead of the narrower scientific misconduct to describe this policy. It refers to all research conducted at the Institute. The Chair of each Division is responsible for informing the Division's Faculty, staff, and students of the Institute's policy with regard to research misconduct, and for interpreting this policy. This policy is not intended to deal with other problems, such as disputes over order of authorship, or violation of Institute or federal regulations, that do not amount to research misconduct.

Definitions

Research misconduct is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results.

- Fabrication is making up data or results and recording or reporting them.
- Falsification is manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.
- Plagiarism is the appropriation of another person's ideas, processes, results, or words without giving appropriate credit.
- Research misconduct does not include honest error or differences of opinion.

Findings

A finding of research misconduct requires that:

- There be significant departure from accepted practices of the scientific community for maintaining the integrity of the research record;
- The misconduct be committed intentionally, or knowingly, or in reckless disregard of accepted practices; and
- The allegation be proven by a preponderance of evidence.

Procedure

The procedures to be followed have three stages: Inquiry, Investigation, and Adjudication, or Resolution. These are the stages required by regulations issued by the Federal government applicable to sponsored research. Those responsible for conducting each phase should bear in mind the following important responsibilities:

1. The Institute must vigorously pursue and resolve all charges of research misconduct.
2. All parties must be treated with justice and fairness, bearing in mind the vulnerabilities of their positions and the sensitive nature of academic reputations.
3. Confidentiality should be maintained to the maximum practical extent particularly in the inquiry phase.
4. All semblance of conflict of interest must rigorously be avoided at all stages.
5. All stages of the procedure should be fully documented.
6. All parties are responsible for acting in such a way as to avoid unnecessary damage to the

general enterprise of academic research. Nevertheless, the Institute must inform appropriate government agencies of its actions, and if it is found that misleading data or information have been published, the Institute is responsible for setting the public record straight, for example, by informing the editors of scholarly or scientific journals.

A. INQUIRY

The purpose of this stage is to determine, with minimum publicity and maximum confidentiality, whether there exists a sufficiently serious problem to warrant a formal investigation. It is crucial at this stage to separate substantive issues from conflicts between colleagues that may be resolved without a formal investigation.

1. Initiating the Inquiry

All allegations of research misconduct arising from inside or outside the Institute, should be referred directly to the Division Chair (DC) concerned. If more than one Division is involved, more than one DC may be informed. If either the complainant or the DC perceives a possible conflict of interest the case may be taken directly to the Provost who will act as prescribed below for DCs, but the DC must be informed immediately and confidentially. A DC may initiate an inquiry without a specific complaint if it is felt that evidence of suspicious academic conduct exists.

When a complaint comes forth, the DC's first job is to provide confidential counsel. If the issue involved does not amount to research misconduct, satisfactory resolution through means other than this policy should be sought. However, if there is an indication that research misconduct has occurred, the DC must pursue the case even in the absence of a formal allegation. Moreover, the case must be pursued to its conclusion even if complainant(s) and/or respondent(s) resign from their positions at the Institute.

The DC should also counsel those involved that, should it be found at either the inquiry or the investigation stage that the allegations were both false and malicious, confidentiality may not be further maintained and, in fact, sanctions may be brought to bear against the complainant.

2. Inquiry Procedure

The DC is responsible for conducting the inquiry (except, as noted above, where a conflict of interest might be perceived). The DC may call upon one or more senior colleagues for help where specific technical expertise is required, but this need should be carefully weighed against the importance of confidentiality at this stage. Confidentiality is likely to be a rapidly decreasing function of the number of persons involved in the inquiry.

The DC may wish to notify the President and Provost, and call upon Institute legal counsel at this stage. Every effort should be made to make personal legal counsel unnecessary for either complainant or respondent at this and all other stages, but all parties should recognize the Institute counsel always acts on behalf of the Institute, not one or the other party.

An inquiry is formally begun when the DC notifies the respondent in writing of the charges and process to follow. This and all other documents are to be preserved in a secure file in the Division offices for at least three years.

The nature of the inquiry will depend on the details of the case, and should be worked out by the DC in consultation with the complainant and respondent, with any colleague the DC calls on for assistance, and with Institute legal counsel. At this stage, every effort should be made to keep open the possibility of resolving the issue without damage to the position or reputation of either the complainant or the respondent. However, the DCs primary allegiance is not to the individuals but to the integrity of academic research, and to the Institute. If research misconduct has been committed, it must not be covered up.

The inquiry should be completed and a written record of findings should be prepared, within 30 days of its initiation. If the 30-day deadline cannot be met, a report should be filed citing progress to date and the reasons for the delay, and the respondent and other involved individuals should be informed.

3. Findings of the Inquiry

The inquiry is completed when a judgment is made of whether a formal investigation is warranted. An investigation is warranted if a reasonable possibility of research misconduct exists. A written report shall be prepared that states what evidence was reviewed, summarizes relevant interviews,

and includes the conclusions of the inquiry. The individual(s) against whom the allegation was made shall be given a copy of the report of the inquiry. If they comment on that report, their comments may be made part of the record. The DC must inform the complainant whether the allegations will be subject to a formal investigation.

If the allegation is found to be unsupported but has been made in good faith, no further action is required, aside from informing all parties, and attempting to heal whatever wounds have been inflicted. If confidentiality has been breached, the DC may wish to take reasonable steps to minimize the damage done by inaccurate reports. If the allegation is found not to have been made in good faith, the DC should inform the Provost and the President who will consider possible disciplinary action.

If a complainant is not satisfied with a DC's finding that the allegations are unsupported, the result may be appealed to the Provost, or if the Provost has made the finding, to the President.

4. Notifications

The relevant responsible agency (or agencies in some cases) should be informed of the allegation upon completion of an inquiry, if (1) the allegation involves Federally funded research (or an application for Federal funding) and meets the Federal definition of research misconduct which is the same as the one given above, and (2) there is sufficient evidence to proceed to an investigation.

The relevant responsible agency should continue to be informed of the progress of the investigation, its outcome, and any actions taken.

- Other Reasons to Notify the Agency.

  At any time during an inquiry or investigation, the institution will notify the relevant Federal agency if public health or safety is at risk; if agency resources or interests are threatened; if research activities should be suspended; if there is reasonable indication of possible violations of civil or criminal law; if Federal action is required to protect the interests of those involved in the investigation; if the Provost and DC believe the inquiry or investigation may be made public prematurely so that appropriate steps can be taken to safeguard evidence and protect the rights of those involved; or if the scientific community or public should be informed.

B. INVESTIGATION

An investigation is initiated within 30 calendar days when an inquiry results in a finding that an investigation is warranted. The purpose of the investigation is to determine whether research misconduct has been committed. If an investigation is initiated, the Provost and DC should decide whether interim administrative action is required to protect the interests of the subjects, students, colleagues, the funding agency, or the Institute while the investigation proceeds. Possible actions might include temporary suspension of the research in question, for example. If there is reasonable indication of possible criminal violations, cognizant authorities must be informed by the Provost within 24 hours. Note the provisions of Section A.4 above requiring the Institute to notify the agency if it ascertains at any stage of the inquiry or investigation that specified conditions exist.

1. The Investigation Committee

The Provost in consultation with the DC, shall appoint an Investigation Committee. The principal criteria for membership shall be fairness and wisdom, technical competence in the field in question, and avoidance of conflict of interest. Membership of the committee need not be restricted to the Faculty of the Institute.

The respondent and complainant should be given an opportunity to comment, in writing, on the suitability of proposed members before the membership is decided. The committee should be provided with a budget that will enable it to perform its task. The Provost and DC should write a formal charge to the committee, informing it of the details of its task.

2. The Investigation Process

Once the Investigation Committee is formed, it should undertake to inform the respondent of all allegations so that a response may be prepared. It is assumed that all parties, including the respondent will cooperate fully with the Investigation Committee. The committee should call upon the help of Institute legal counsel in working out the procedure to be followed in conducting the investigation. The complainant and respondent should be fully informed of the procedure chosen.

At this stage, the demands of confidentiality become secondary to the necessity that a vigorous investigation make a conclusive determination of the facts. Nevertheless, every attempt should be made to protect the reputations of all parties involved.

The investigation should be completed, and a full report filed with those parties requiring notice within 120 days of its initiation. If this deadline cannot be met, an interim report of the reasons for delay and progress to date should be filed, with appropriate persons and agencies.

A draft of the committee report should be submitted to both complainant and respondent for comment before the final report is written. The respondent should be given the opportunity for a formal hearing before the Investigation Committee. Institute legal counsel should be called upon to assist in working out the procedure to be followed in conducting such a hearing.

If an investigation results in a finding, based on a preponderance of the evidence, that research misconduct occurred, an adjudication, or resolution phase follows whereby the recommendations are reviewed and appropriate action determined.

C. RESOLUTION

Adjudication or resolution decisions are separated organizationally from the agency's or research institution's inquiry and investigation processes. Any appeals process should likewise be separated organizationally from the inquiry and investigation.

The committee finding may be grouped into two broad categories:

1. No Finding of Research Misconduct

All federal agencies or other entities initially informed of the investigation should be notified promptly. A full record of the investigation should be retained by the Institute in a secure and confidential file for at least three years. The Provost and DC should decide what steps need to be taken to clear the record and protect the reputations of all parties involved.

If the allegations are found to have been maliciously motivated, the Provost and DC may wish to recommend to the President appropriate disciplinary action. If the allegations are found to have been made in good faith, steps should be taken to prevent retaliatory actions.

2. Finding of Research Misconduct

The Provost and DC should decide on an appropriate course of action to deal with misconduct, to notify appropriate agencies, and to correct the scholarly or scientific record. The Provost and DC should forward the committee report to the President with a recommendation of sanctions and other actions to be taken. Possible sanctions include:

- Removal from the project
- Letter of reprimand
- Special monitoring of future work
- Probation or suspension
- Salary or rank reduction
- Termination of employment

The President should review the full record of the inquiry and investigation. The respondent may at this stage appeal to the President on grounds of improper procedure or a capricious or arbitrary decision based on the evidence in the record. New evidence may lead the President to call for a new investigation or further investigation, but not to an immediate reversal of the finding. After hearing any appeal and reviewing the case, the President should make a decision, or, in appropriate cases, recommend a final disposition to the Board of Trustees. The decision of the Board is final. In deciding what administrative actions are appropriate, the President should consider the seriousness of the misconduct, including whether the misconduct was intentional or reckless; was an isolated event or part of a pattern; had significant impact on the research record; and had significant impact on other researchers or institutions.

For research sponsored by a relevant responsible agency (or agencies) a final report should be submitted to describe the policies and procedures under which the investigation was conducted, how and

from whom information was obtained relevant to the investigation, the findings, and the basis for the findings, and include the actual text or an accurate summary of the views of any individual(s) found to have engaged in misconduct, as well as a description of any sanctions or other administrative action taken by the Institution.

In addition to regulatory authorities and sponsors, all interested parties should be notified of the final disposition of the case and provided with any legally required documentation. The list may include:

- The complainant
- Coauthors, coinvestigators, collaborators
- Editors of journals that have published compromised results
- Professional licensing boards and professional societies
- Other institutions that might consider employing the respondent
- Criminal authorities

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*** ACTIVITY REPORT ***
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TRANSMISSION OK

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CONNECTION TEL	12023341477
CONNECTION ID	POLAR RESEARCH B
START TIME	02/28 17:14
USAGE TIME	10'14
PAGES	14
RESULT	OK

Cherie - fax to Chris — & send hard original pls send/give copies to Jeff S. Jeep R. Molly done

Exxon Valdez Oil Spill Trustee Council

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

February 28, 2002

Commissioner
Administration for Native Americans
ACF - DHHS
370 L'Enfant Promenade, SW
Mail Stop: HHH Room 348 F
Washington, D.C. 20447

Dear Commissioner:

I have recently become aware of a project being proposed by the Tatitlek Village IRA Council, entitled Tatitlek Natural Resource Management Planning, Training, and Monitoring. Funding for this project will assist the Tribe in completing its Tribal Natural Resource Management Action Plans, collecting and compiling natural resource information and integrating this information into their Geographic Information System. Further, this project will provide a training program for local Tribal members, as well as Tribal members from other Chugach Region villages in natural resource management techniques.

The training component of the project fits well within the Trustee Council's goal of increasing community involvement in the Gulf Ecosystem Monitoring and Research Program. It is our desire to involve communities affected by the 1989 *Exxon Valdez* oil spill in the research and monitoring projects that will occur in their traditional use areas. Building local monitoring capacity through the training program proposed under this project would greatly facilitate community involvement.

To that end, I am providing this letter of commitment to work with the Tatitlek Village IRA Council on developing the curriculum for such a training program. Our participation will ensure that those areas we are interested in will be addressed in the training. The value of the staff time required for this initiative over the course of three years is difficult to estimate, but could be significant. This in-kind contribution could be used as match in the grant proposal.

I look forward to working with the Tatitlek Village IRA Council on this project. If you have any questions, please feel free to contact me at 907/278-8012

Sincerely,

Molly McCammon
Executive Director

Patty Brown Schwarzenburg will include the original signature letter with the application she sends in.

Sandra has copy for project file

Project Abstract

PROGRAM ANNOUNCEMENT:	CLOSING DATE: February, 28, 2002
APPLICANT NAME: Tatitlek IRA Council	
LENGTH OF PROPOSED PROJECT: 36 months	ANA CONTROL NO.:
FEDERAL SHARE REQUESTED (for each year) 1ST YR: 2ND YR: 3RD YR:	NON-FEDERAL SHARE: 1ST YR: 2ND YR: 3RD YR:
PROJECT TITLE: Tatitlek Natural Resource Management Planning, Training and Monitoring	

PROJECT SUMMARY: The Tatitlek IRA Council needs to continue to develop its natural resource management capabilities in order to protect and preserve the village way of life. Toward this end the Council is proposing to a) complete the village natural resource management action plan, b)establish a formal program for training village residents in fish and wildlife data collection planning, collection techniques and preparation for analysis, c) put several villagers through this program, and d) design and implement the process of collecting and compiling information such as population size, habitat conditions and accessibility, and harvest demand that will be needed to properly manage the local fish and wildlife species that are of economic, social and/or spiritual interest to the village.

Tatitlek villagers are an Alutiiq peoples that continue to rely primarily on the sea for food, clothing and sheltering materials, and spiritual sustenance. Although the reliance on the sea for clothing and shelter has diminished somewhat over the past century, a healthy, productive near-shore marine habitat, including the littoral zone and associated streams and wetlands, is still essential to the village's existence. Over the past 60 years the use and exploitation of the near-shore area by non Native groups has increased steadily. The Exxon Valdez oil spill in 1989 demonstrated, as nothing else could, how vulnerable the village was to the use and misuse of this vital resource by others.

In response to this threat the village has, over the past several years, been making a concerted effort to involve itself as much as possible in the management of the natural resources of the local near-shore area as well as upland areas that contain resources of importance. Toward this end village leaders have begun to educate themselves on the politics of natural resource management. In addition the village has embarked on an ambitious effort to develop a tribal natural resource management plan. The goal of this plan is to lay the foundation upon which a natural resource management program can be built. The objective is to produce a reference document that describes the village and its past and present uses of the natural resources, identifies traditional use areas for harvest, processing, etc., a prioritized list of natural resources used by the village, and a description of the organizational structure that the village will use for natural resource management.

Development of Tatitlek's natural resource management plan is at a critical stage and needs help in getting it finished. The decisions regarding the organizational structure have been made. Information on village history, traditional use areas and resources of interest is available in rough form. What needs to be done now is to collect and collate all the pertinent information and us it to produce a complete and concise document that can be used by the village as the base document for resource management, as well as other agencies, organizations and individuals.

In addition to producing the final draft of the Tatitlek Natural Resource Management Plan, this grant will also be used to begin collecting and compiling information on the condition of important local fish and wildlife species. This will be accomplished using a two-pronged approach. First, in cooperation with state and federal natural resources management agencies and the University of Alaska Sea Grant Program, a formal training program for fish and wildlife management data collection and compilation will be developed. Between four and six village will then be enrolled in program. In the meantime, the prioritized list of fish and wildlife developed for the management plan will be used to design a sampling plan to determine the relative condition of these species. When the plan is completed the newly trained villagers will then begin the process of conducting surveys in a manner prescribed by the plan. As the data is collected it will be compiled and analyzed. This information will become the basis for making management decisions and establishing a monitoring program.

Most of what Tatitlek has accomplished in recent years such as infrastructure improvement, economic development, or improving governance, education and working relationships has had one overarching goal: controlling its own destiny. The local natural resources underpin the village's very existence. It is essential that Tatitlek quickly develop a process for managing these resources, or, at the very least, develop strategies for sheltering itself against their ever increasing use, and misuse, by others.

Exxon Valdez Oil Spill Trustee Council

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

MEMORANDUM

TO: Judith E. Bittner
State Historic Preservation Officer
Alaska Department of Natural Resources

FROM: Molly McCammon
Executive Director

RE: Project 99154: Authorization to Proceed with the Local Display Facility (LDF) Proposal for Seldovia

Project 99154: Authorization to Approve the Proposed Contract between Chugachmiut and the Seldovia Village Tribe for the Seldovia Local Display Facility

Project 99154: Authorization to Proceed with Design of the Seldovia Local Display Facility

DATE: February 26, 2002

On August 7, 2000, I authorized you to proceed with the proposal for a local display facility in Seldovia contingent on the following condition:

> A revised proposal from the Seldovia Village Tribe...will be subject to my written authorization to proceed under Appendix B, Section 3.1.4, of the grant agreement.

On December 27, 2001, the Seldovia Village Tribe submitted a revised proposal to Chugachmiut. The LDF Proposal Evaluation Team reviewed the revised proposal. Chugachmiut recommends approval of the revised proposal. I authorize you to proceed with the revised proposal for a local display facility in Seldovia.

Chugachmiut also submitted a draft contract with the Seldovia Village Tribe. I find that the draft contract is acceptable. Therefore, in accordance with Appendix B, Section 3.1.5, of the grant agreement, I authorize you to approve the draft contract between Chugachmiut and the Seldovia Village Tribe for a local display facility. Finally, in accordance with Appendix B, Section 3.2.1, of the grant agreement, I authorize you to proceed with design of the local display facility.

Exxon Valdez Oil Spill Trustee Council

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

MEMORANDUM

TO: Peter Hagen
NOAA Liaison

FROM: Molly McCammon
Executive Director

RE: Authorization -- Project 02636-BAA / Management Applications: Commercial Fishing

DATE: February 25, 2002

The purpose of this memorandum is to formally authorize work to proceed on Project 02636-BAA/Management Applications: Commercial Fishing. The work must be performed consistent with the Detailed Project Description submitted February 22, 2002 and the revised budget dated February 25, 2002.

cc: Sharon Kent, NOAA BAA

Exxon Valdez Oil Spill Trustee Council

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

February 20, 2002

Ken Adams
PO Box 1855
Cordova, AK 99574

Ross Mullins
PO Box 436
Cordova, AK 99574

RE: Project 02636-BAA / Management Applications: Commercial Fishing

Dear Ken and Ross:

I am approving the Detailed Project Description and budget (versions submitted February 6, 2002) for Project 02636-BAA contingent on:

1. Addition of the following language at the end of the Methods section:

"This proposal is considered a pilot project, with additional funding anticipated from the Trustee Council in FY 03. If successful, we anticipate this project could become an ongoing component of the GEM Program with funding from the Council in subsequent years."

2. Addition of language in the Methods section that provides for Phil Mundy, the EVOS Science Director, to participate in the planning and scheduling of meetings of the Fisheries Management Application Group and to be copied on correspondence and related materials.

3. Reduction of the budget to the amount approved by the Trustee Council. The budget you submitted exceeds the $50,000 approved by the Council once the NOAA administrative costs are added. A suggested revised budget that does not exceed $50,000 is attached for your review. The reductions are our suggestions in order to meet the budget limit.

There are two other issues we will need to discuss as the project gets underway. First, it is not yet clear how the Fisheries Management Application Group will

interact with the Trustee Council's proposed Scientific and Technical Advisory Committee and subcommittees, or with the Public Advisory Group. Second, we need to discuss what criteria to use in measuring the success of this pilot project so that any proposal to continue the project can be properly evaluated.

Please submit a revised Detailed Project Description (DPD) to my office at your earliest convenience, and let me know if the attached budget revision meets with your approval. In addition to finalizing the DPD and budget, before you are authorized to proceed with spending project funds, the lead agency for the project (NOAA) must provide documentation to me showing that the requirements of the National Environmental Policy Act (NEPA) have been met. NOAA must also execute a contract with you. For more information on NEPA or the contract, please contact the NOAA EVOS representative:

Pete Hagen
National Marine Fisheries Service, Juneau
peter.hagen@noaa.gov
Phone: 907-789-6096

Sincerely,

Molly McCammon
Executive Director

Attachment (revised budget)

cc: Pete Hagen, NOAA EVOS Liaison
Sharon Kent, NOAA BAA Administrator

FY 03 *EXXON VALDEZ* TRUSTEE COUNCIL PROJECT BUDGET

October 1, 2002 - September 30, 2003

Budget Category:	Authorized FY 02	Proposed FY 03
Personnel		$32.2
Travel		$5.5
Contractual		$1.9
Commodities		$1.6
Equipment		$1.9
Subtotal	$0.0	$43.1
Indirect		$3.6
Project Total	$0.0	$46.7
Full-time Equivalents (FTE)		0.7
Other Resources		

LONG RANGE FUNDING REQUIREMENTS

Estimated FY 04					

Dollar amounts are shown in thousands of dollars.

Comments:

Indirect rate (8.5%) will cover office lease ($360/mo. X 8 mo. = $2.8) and utilities ($100/mo. X 8 mo. = $.8).

NOAA GA of $3.3 will need to be added to this budget, bringing total project cost for FY 03 to $50.0.

NOTE: The Trustee Council approved $50.0 for this project contingent on submittal and approval of a revised Detailed Project Description and budget. The proposers submitted a budget of $50.6 for their costs alone; with NOAA GA of 7% (the Trustee Council-allowed rate) the project total funding request would be $54.1. To get the budget down to the authorized amount of $50.0, Trustee Council staff reduced the travel request (reduce Workshop #3 from $5.0 to $2.5), the contractual request (reduce photocopying from $.7 to $.5) and the commodities request (reduce Office Supplies from $0.6 to $0.4 and Disks from $.8 to $.5).

FY03

Prepared: 2/13/02

Project Number: 02636-BAA
Project Title: Management Applications: Commercial Fishing
Name: Ken Adams & Ross Mullins

FORM 4A
Non-Trustee
SUMMARY

FY 03 *EXXON VALDEZ* TRUSTEE COUNCIL PROJECT BUDGET

October 1, 2002 - September 30, 2003

Personnel Costs:			Months	Monthly		Proposed
	Name	Position Description	Budgeted	Costs	Overtime	FY 03
	Ken Adams	Co-PI	2.3	4.8		11.0
	Ross Mullins	Co-PI	2.3	4.8		11.0
	Vacant	Tech/Admin	3.4	3.0		10.2
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
		Subtotal	8.0	12.6	0.0	
					Personnel Total	$32.2

Travel Costs:		Ticket	Round	Total	Daily	Proposed
	Description	Price	Trips	Days	Per Diem	FY 03
						0.0
	Workshop #1					1.0
	Workshop #2					2.0
	Workshop #3					2.5
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
						0.0
					Travel Total	$5.5

FY03

Prepared: 2/13/02

Project Number: 02636-BAA
Project Title: Management Applications: Commercial Fishing
Name: K. Adams & R. Mullins

FORM 4B
Personnel
& Travel
DETAIL

FY 03 *EXXON VALDEZ* TRU COUNCIL PROJECT BUDGET

October 1, 2002 - September 30, 2003

Contractual Costs:	Proposed
Description	FY 03
Phones	0.8
Internet	0.6
Photocopying	0.5
Contractual Total	$1.9

Commodities Costs:	Proposed
Description	FY 03
Computer disks	0.5
Software	0.7
Office supplies	0.4
Commodities Total	$1.6

FY03

Prepared: 2/13/02

Project Number: 02636
Project Title: Management Applications: Commercial Fishing
Name: K. Adams & R. Mullins

FORM 4B
Contractual & Commodities DETAIL

FY 03 *EXXON VALDEZ* TRUSTEE COUNCIL PROJECT BUDGET
October 1, 2002 - September 30, 2003

New Equipment Purchases:	Number of Units	Unit Price	Proposed FY 03
Description			
			0.0
Computer			1.4
Printer			0.5
			0.0
			0.0
			0.0
			0.0
			0.0
			0.0
			0.0
			0.0
			0.0
Those purchases associated with replacement equipment should be indicated by placement of an R.		**New Equipment Total**	$1.9

Existing Equipment Usage:	Number of Units	
Description		

FY03

Prepared:2/13/02

Project Number: 02636
Project Title: Management Applications: Commercial Fishing
Name: K. Adams & R. Mullins

FORM 4B
Equipment
DETAIL

Exxon Valdez Oil Spill Trustee Council

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

MEMORANDUM

TO: Agency Liaisons

FROM: Debbie Hennigh
Special Assistant

DATE: February 19, 2002

SUBJ: FY 2001 Draft Audit Management Letter Review

Attached to this memorandum is the Internal Control and Operating Comments, dated February 8, 2002.

This document summarizes the auditor's comments and suggestions regarding opportunities for strengthening internal controls and operating efficiency. Consistent will the prior year's audit, all responses will be incorporated into the final report. Each agency is requested to respond to those comments specific to their agency.

Please submit your responses on your agency's letterhead, addressed to Molly McCammon, Executive Director, but mail the original to Elgee, Rehfeld, and Funk, 9309 Glacier Highway, Suite B-200, Juneau, AK 99801, Attention: Julie Olson. Also send a copy of your response to the Restoration Office, Attention: Debbie Hennigh. Please submit your responses no later than **March 15, 2002**.

Attachment

Cc: Bruce Nesslage, DOI, Washington, DC
Kevin Buckland, ADFG, Juneau
Laura Beason, ADEC, Juneau

Exxon Valdez Oil Spill Trustee Council

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

MEMORANDUM

TO: Agency Liaisons

FROM: Debbie Hennigh
Special Assistant

DATE: February 19, 2002

SUBJ: FY 2001 Draft Audit Financial Statements

Please review your agency's Financial Statements for the year ending September 30, 2001 to ensure that the amounts are reflected accurately. If you discover an error, please email or fax that information to me. Please respond with your comment that you agree or disagree (and why) to me no later than March 15, 2002.

Thank you for your attention to this matter.

Attachment

Cc: Bruce Nesslage, DOI, Washington, DC
Kevin Buckland, ADFG, Juneau
Laura Beason, ADEC, Juneau

Exxon Valdez Oil Spill Trustee Council

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

February 15, 2002

Mr. Tylan Schrock
Alaska SeaLife Center
P.O. Box 1329
Seward, Alaska 99664-1329

Dear Tylan:

As follow-up to our recent conversation about the University of Alaska's relationship to the Alaska SeaLife Center (ASLC), and about endowed chairs in particular, I am enclosing the following:

- The Trustee Council's November 2, 1994 resolution providing, among other things, that the ASLC's governing and management structure identify the role of the University of Alaska in providing scientific leadership at the ASLC.
- A September 11, 1995 memo from me to the Trustee Council documenting that the conditions of the November 2, 1994 resolution had been met (see page 7 RE governing and management structure).
- Excerpts from the Trustee Council's October 5, 1994 meeting transcript at which Vera Alexander testified in regard to endowed chairs.

Let me know if you'd like to discuss any of these further.

Sincerely,

Molly McCammon
Executive Director

Enclosures (3)

RESOLUTION
of the
Exxon Valdez Oil Spill Trustee Council

Research Infrastructure Improvements
affiliated with the
School of Fisheries and Ocean Sciences
Institute of Marine Science
in Seward, Alaska

WHEREAS, on January 31, 1994 the Trustee Council directed the Executive Director to prepare a formal recommendation concerning the proposed research infrastructure improvements affiliated with the Institute of Marine Science in Seward (hereafter, "the facility") and specifically indicated that the Executive Director should:

- take needed steps to secure compliance under the National Environmental Policy Act (NEPA);
- consult with appropriate entities, including the University of Alaska, the City of Seward, the Seward Association for the Advancement of Marine Science and Trustee Agencies to review the assumptions relating to the proposed improvements and capital and operating budgets;
- develop an integrated funding approach which assures that the use of trust funds is appropriate and legally permissible under the terms of the Memorandum of Agreement and Consent Decree; and
- prepare a recommendation of the appropriate level of funding for consideration by the Trustee Council that would be legally permissible under terms of the Memorandum of Agreement and Consent Decree; and

WHEREAS, since that time, the Trustee Council has been provided with detailed briefings and informational updates that address the issues identified in its January 31, 1994 directive to the Executive Director; and

WHEREAS, a detailed *Project Description and Supplemental Materials* document dated September 26, 1994 has been prepared (hereafter *Project Description*), the proposed project has been subjected to a full Environmental

Impact Statement (EIS) review under NEPA, and on behalf of the Trustee Council, the Department of the Interior has adopted a Record of Decision (ROD) for the EIS which has been concurred in by the federal trustee department and each of the State Trustees; and

WHEREAS, the *Executive Director's Recommendation and Findings Regarding Infrastructure Improvements Affiliated with the Institute of Marine Science in Seward, Alaska* has been prepared; and

WHEREAS, the Executive Director has reviewed the *Project Description* and, together with the Chief Scientist, finds that:

- the proposed facility improvements would provide needed research infrastructure for conducting long-term marine mammal, seabird, and fishery genetics research pertaining to species identified as injured by the oil spill in order to effectively restore those injured resources and that the facility has been designed to allow for adaptation to future restoration research needs;

- the capabilities of other coastal research facilities in Alaska have been assessed and that there are no existing facilities in Alaska to adequately address the identified and anticipated restoration research needs;

- the proposed research facility will make an important contribution to implementation of the ecosystem approach to restoration and that the facility would play a vital role in making it possible to understand the ecosystem relationships that may influence or control the recovery of injured resources;

- investment of settlement funds in the proposed research infrastructure would provide a needed facility for the Trustee Council restoration mission in a cost-efficient manner reflecting a reasonable balance between costs and benefits; and

WHEREAS, the Trustee Council's Public Advisory Group (PAG) has reviewed the *Project Description* and formally expressed its support for the facility at its October 13, 1994 meeting; and

WHEREAS, the Executive Director finds that a realistic construction plan for the proposed facility has been developed that will provide for the successful completion of the needed research facility within the budget identified (a copy of the capital budget from the *Project Description* is provided as an attachment);

THEREFORE BE IT RESOLVED, that the Trustee Council hereby concurs with and adopts the findings of the Executive Director and authorizes funding for

the project in an amount up to $24,956,000 to support development of the research components of the facility subject to the following provisions:

1. approval by the Executive Director of a detailed construction budget and a detailed operating plan that reflects a realistic cash flow for the successful construction and operation of the research facility;

2. approval by the Executive Director of an agreement to be entered into by the State of Alaska (Alaska Department of Fish and Game) and the City of Seward providing that the facility will be owned by the City and that the City will provide for the operation and maintenance of the facility for the practical life of the facility;

3. approval by the Executive Director of a showing by the City of Seward that future mitigation measures identified for the construction and operation of the facility will be given due consideration and implemented to the extent practicable;

4. approval by the Executive Director of a detailed governing and management structure for the facility that clearly identifies the role of the University of Alaska in providing the scientific leadership at the facility and ensures the facility is managed so that research activities appropriately serve the Trustee Council's restoration mission; and

5. annual financial reports and project status reports will be submitted to the Trustee Council by the City of Seward and the Executive Director will carefully monitor the construction of the facility and provide regular updates to the Trustee Council regarding the project's progress.

AND BE IT FURTHER RESOLVED, that it is the intent of the Trustee Council that funds for the project be transferred from the civil settlement to the Alaska Department of Fish and Game which shall, in turn, transfer capital funds to the City of Seward in a manner that is appropriate and timely to supplement the project funding previously appropriated by the Alaska State Legislature. Subject to the provisions identified above, the Alaska Department of Law and the Assistant Attorney General for the Environment and Natural Resources Division of the U.S. Department of Justice are hereby requested to petition the United States District Court for the District of Alaska for withdrawals in an amount of $12,500,000 on September 15, 1995 and an additional withdrawal of $12,456,000 on September 15, 1996 in accordance with the funding approvals contained herein.

AND BE IT FURTHER RESOLVED, that in authorizing funding for this project, the Trustee Council adopts the following policy: Consistent with this facility's unique capabilities for marine mammal, seabird and fishery genetics research, it is the policy of the Trustee Council to concentrate its EVOS-

funded laboratory research projects and resources at the IMS facility to the maximum extent practicable. Approval of individual laboratory research projects, including the facilities at which they will be located, will be based on the resources required for that project and its cost-effectiveness, including the cost-savings available to the Trustee Council at the IMS facility as a result of this capital investment.

Phil Janik, Regional Forester
Alaska Region
USDA - Forest Service

for Bruce Botelho, Attorney General
State of Alaska

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

John A. Sandor, Commissioner
Alaska Department of
Environmental Conservation

Steve Pennoyer, Director
Alaska Region
National Marine Fisheries Service

Carl L. Rosier, Commissioner
Alaska Department of Fish & Game

adopted November 2, 1994

Capital Budget

	CONSTR. COST	DESIGN 15%	PM/PM 10%	CONT. 10%	EIS/PLAN 2%	TOTAL
RESEARCH COMPONENT						
1. MAIN BUILDING	$9,815,000	$1,472,000	$981,000	$981,000	$196,000	$13,445,000
2. HABITAT	$8,204,000	$1,230,000	$820,000	$820,000	$164,000	$11,238,000
3. LIFE SUPPORT	$4,108,000	$616,000	$411,000	$411,000	$82,000	$5,628,000
4. SITE DEVELOPMENT	$2,319,000	$348,000	$232,000	$232,000	$47,000	$3,178,000
5. FF & EQUIPMENT	$2,560,000	$384,000	$256,000	$256,000	$51,000	$3,507,000
Subtotal	$27,006,000	$4,050,000	$2,700,000	$2,700,000	$540,000	$36,996,000
EDUCATION COMPONENT						
1. MAIN BUILDING	$5,713,000	$857,000	$571,000	$571,000	$114,000	$7,826,000
2. HABITAT	$1,017,000	$153,000	$102,000	$102,000	$20,000	$1,394,000
3. LIFE SUPPORT	$175,000	$26,000	$18,000	$18,000	$4,000	$241,000
4. SITE DEVELOPMENT	$420,000	$63,000	$42,000	$42,000	$8,000	$575,000
5. FF & EQUIPMENT	$309,000	$47,000	$31,000	$31,000	$6,000	$424,000
Subtotal	$7,634,000	$1,146,000	$764,000	$764,000	$152,000	$10,460,000
TOTAL PROJECT						
1. MAIN BUILDING	$15,528,000	$2,329,000	$1,553,000	$1,553,000	$310,000	$21,273,000
2. HABITAT	$9,221,000	$1,383,000	$922,000	$922,000	$184,000	$12,632,000
3. LIFE SUPPORT	$4,283,000	$643,000	$428,000	$428,000	$86,000	$5,868,000
4. SITE DEVELOPMENT	$2,739,000	$411,000	$274,000	$274,000	$55,000	$3,753,000
5. FF & EQUIPMENT	$2,869,000	$430,000	$287,000	$287,000	$57,000	$3,930,000
Total	$34,640,000	$5,196,000	$3,464,000	$3,464,000	$692,000	$47,456,000

Exxon Valdez Oil Spill Trustee Council
Restoration Office
645 G Street, Suite 401, Anchorage, AK 99501-3451
Phone: (907) 278-8012 Fax: (907) 276-7178

MEMORANDUM

TO: Trustee Council

FROM: Molly McCammon, Executive Director

DATE: September 11, 1995

SUBJ: Alaska SeaLife Center — Executive Director Approval

The purpose of this memorandum is to provide you with the attached Alaska SeaLife Center *Project Status Report and Response to* Exxon Valdez *Oil Spill Trustee Council Resolution dated November 2, 1994.* **This memorandum, together with the attached materials, document that the conditions of the November 2, 1994 resolution have been appropriately addressed and constitutes my formal approval for release of funding.**

As provided by the resolution, the Alaska Department of Law and the Assistant Attorney General for the Environment and Natural Resources Division of the U.S. Department of Justice are requested to petition the U.S. District Court for the District of Alaska for withdrawals in an amount of $12,500,000 on September 15, 1995 and an additional withdrawal of $12,456,000 on September 15, 1996. It is requested that the initial withdrawal be made as expeditiously as possible to maintain the project schedule, which includes preparation of construction drawings needed as part of the bid documents.

The attached materials have been assembled by the Seward Association for the Advancement of Marine Science (SAAMS), working with the City of Seward, the Alaska Department of Fish and Game, the University of Alaska and the Trustee Council's Restoration Office. The attached documentation reflects a collaborative effort on the part of all these parties. A summary discussion of the specific provisions in the Trustee Council November 2, 1994 resolution is provided below.

1. Construction Budget , Operating Plan and Cash Flow

The November 2, 1994 resolution required that the Executive Director approve a detailed construction budget and a detailed operating plan that reflects a realistic cash flow for the successful construction and operation of the research facility.

On the basis of my review, I believe that SAAMS has presented a realistic construction budget, operating budget and cash flow that will support the successful development and operation of the facility consistent with the terms of the Trustee Council's resolution of November 2, 1994 and hereby approve the construction budget, operating budget and cash flow as presented in the attached materials.

Construction Budget — Initial site work for the facility and the sea water intake system, funded by the Alaska State Legislature, was initiated in June. The next construction bid solicitation is scheduled for mid-December 1995. At that time, SAAMS will seek proposals for work on both the research component of the facility, using Trustee Council civil settlement funding, as well as the visitor/education (habitat) component of the facility. The visitor/education component will be constructed with private funding, financed initially through a bridge loan obtained by SAAMS/City of Seward.

The project team initially prepared two independent construction budget estimates for the project as an in-house check mechanism. At my direction, the research facility construction budget has been subjected to further review by an independent engineering and cost estimating consultant under the direction of the Alaska Industrial Development and Export Authority (AIDEA). This independent AIDEA review confirmed that the SAAMS construction budget for the research facility "... can be considered 'realistic' within the meaning of the resolution."[1] At the same time, AIDEA advised that project reserve margins (contingency) be further considered and that a source and process be identified to obtain contingency funds in the future in the event that they are needed to complete the project.

As noted by AIDEA, the actual need and appropriate level of contingency reserves will only become apparent as the project moves forward to bid award and subsequently to construction. If bids are lower than estimated — as was the case with the initial site work/marine package which came in more than 15 percent below estimate[2] — funds currently budgeted for construction costs can be moved into contingency reserves. The most important information concerning the appropriate level of reserves will only become known at the time of bid opening. As noted by AIDEA, after bid opening "... the project team will have time to weigh the actual construction bids and determine at what project level adequate funding exists."[3] The ADFG-City of Seward Cooperative Agreement allows for this review prior to payment of construction funds. (See below, State of Alaska/ADFG - City of Seward Agreement.)

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1 J. Olsen to M. McCammon, "Alaska SeaLife Center Third Party Review, Construction Budget," memorandum dated August 7, 1995.

2 The site work/sea water intake package was estimated by SAAMS to cost approximately $2.2 million, while the construction contract was awarded at approximately $1.8 million.

3 J. Olsen to M. McCammon, "Alaska SeaLife Center Third Party Review, Construction Budget," memorandum dated August 7, 1995.

AIDEA suggested consideration of two types of reserve margins: 1) change order reserves (that could be used to address unanticipated construction costs) and 2) program reserves (to support unanticipated services such as design for a change order or other program management costs during construction). The project team worked closely with AIDEA during its review and has reexamined the project budget with the independent review findings in mind. With respect to change order reserves, the project budget includes a construction (change order) contingency of 8.5 percent[4] consistent with AIDEA's guidance calling for a change order reserve of 5 - 10 percent. In addition, the project budget includes a 4 percent bid contingency, also consistent with the AIDEA review findings. AIDEA's review noted that the need for contingency reserves could be addressed through identification of specific add-alternates as part of the bid process (i.e., discrete project elements that could, if needed, be deferred from construction). The project team has responded with the identification of a number of add-alternates for inclusion in the bid documents in response to this recommendation.[5]

The project team has prepared a Start-Up and Administration budget totaling $3.85 million that covers the period from the initiation of construction through the opening of the facility (January 1, 1996 - May 1, 1998).[6] Although no funds have been explicitly allocated as program reserves, there is some inherent flexibility in this budget due to assumptions regarding the timing of staffing and expenditure for other types of fees and supplies. It should also be noted that the City of Seward Administration Charge of $374,000 (a one percent surcharge applied to construction costs) is the largest single budget category other than personnel costs and accounts for nearly 10% of the total Start-Up and Administration budget. As the facility owner and sponsor, the City of Seward can be expected to manage this portion of the budget conservatively to respond to unanticipated needs should they arise. Another option to address contingency needs should they arise would be to increase the amount of bridge financing being used to fund the visitor/education project.

It is important to again emphasize that while the project budget has been developed carefully, it is only at the time the bids are opened that we can be assured that the facility can be constructed as budgeted. As discussed in greater detail below, prior to expenditure of Trustee Council funds for construction, the adequacy of reserves will be assured. (See below, State of

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4 See attached, *Project Status Report*, Figure 1: Total Capital Budget, p. 2.

5 Several specific add-alternates have been identified and grouped for preparation of the bid documents. Project elements that could possibly be deferred include escalators; certain research support components (20 ft. diameter pool, carcass freezer); second floor interior work (twenty five percent of the research offices, library); certain site work (parking and landscaping); canopies; and deferral of portions of the research work areas (surgery, dry lab, wet lab). Collectively, these add-alternates total more than $1 million in budgeted project construction costs.

6 See attached, *Project Status Report*, Figure 9: Project Administration and Start-Up Costs, p. 12.

Alaska/ADFG - City of Seward Agreement.) It should also be noted that the City of Seward has indicated its intent to request that the Trustee Council authorize ADFG to convey the accumulated interest on the authorized project funding. While I believe that the project is premised on realistic budgets and has been appropriately responsive to the terms of the November 2, 1994 resolution, it is important to acknowledge that development of a facility of this complexity inherently entails risk with regard to the final cost of the project. As you know, identification of the interest earnings from the authorized $24,456,000 has been informally discussed as a means to provide an extra measure of contingency above that which can be identified within the project. Any use of these interest earnings would require full Trustee Council approval. For future reference, the Director of Administration will track the interest associated with the authorized funding and keep the Trustee Council informed of the interest balance in future financial reports.

Finally, it should be noted that program management costs have to a substantial degree been "front loaded" during project development. The project has been subjected to an extraordinary degree of technical as well as public scrutiny to this point including preparation of an EIS; use of specialized technical review groups; and thorough identification of federal, state and local regulatory requirements/environmental permitting. These extensive efforts at the outset of the project, as required by the Trustee Council, should help minimize any additional downstream program costs.

Operating Plan — The operating plan for the facility has undergone extensive refinement by the project team over the past nine months in response to the Trustee Council's November 2, 1994 resolution. Operational expenses for the facility have been developed on the basis of costs and expenses of similar research and/or aquarium facilities elsewhere with appropriate adjustments made for Seward. Consistent with the resolution, the City of Seward will own the facility. Under an agreement with the City of Seward, SAAMS will provide for the financing, lease construction, operation, and maintenance of the facility. The University of Alaska will provide the scientific leadership for the facility. (See below: Governing and Management Structure - Role of the University of Alaska.)

Annual operational expenses for the Alaska SeaLife Center are projected at approximately $4.6 million in 1999 (the first full year of operation). Project revenues, largely from the education/visitation component of the facility, are projected at approximately $5.2 million in 1999. At full operation, the Center is projected to sustain net operating revenues of approximately $600,000 per year. These funds will be used by SAAMS (a non-profit organization) for such purposes as debt repayment, facility maintenance and enhancement, further support for Center programs, and the endowment of research chairs.

Completion of the $12 million education/visitation component of the facility, to be funded from private fundraising, is essential for revenue generation to support overall Center operations. Construction of the education/visitation component will require bridge financing in order to allow for simultaneous construction of the research and visitor/education components of the facility and ensure opening of the education/visitation portions of the facility in May 1998 at the outset of the peak visitation season. The bridge loan will be repaid with the proceeds from the ongoing SAAMS capital fund raising drive. SAAMS/City of Seward is in the process of securing that bridge loan prior to issuance of construction contracts, scheduled for mid-December.

Cash Flow — A detailed cash flow for project construction and operation is included in the attached materials.

2. State of Alaska/ADFG - City of Seward Agreement

The November 2, 1994 resolution required that the Executive Director approve an agreement between the Alaska Department of Fish and Game and the City of Seward providing that the facility will be owned by the City and that the City will provide for the operation and maintenance of the facility for the practical life of the facility.

This has been accomplished. With my approval as Executive Director, the Alaska Department of Fish and Game (ADFG) and the City of Seward entered into a Cooperative Agreement on April 28, 1995 to provide for the construction, operation and maintenance of the Alaska SeaLife Center. In addition to ADFG, this Cooperative Agreement was prepared with extensive involvement on the part of the City of Seward, SAAMS, the Alaska Department of Law, the Alaska Division of Risk Management, and the Restoration Office.

The Cooperative Agreement provides that the City of Seward is the owner of the facility (defined to include both the research and visitation/education components) and is responsible for maintenance of the facility for its practical life. Monthly payments to the City of Seward must be approved by ADFG as in conformance with the approved detailed budget, operating plan, cash flow, and Master Construction Schedule. The Cooperative Agreement enables ADFG to examine the project budget, including contingency margins, at the time bids are received (scheduled for mid-December 1995), and prior to commitment to actual construction. If the facility cannot be constructed in accordance with the budget, ADFG may terminate the Cooperative Agreement and terminate funding.

The Cooperative Agreement also enables ADFG to determine that construction of the entire facility (i.e., the research components as well as the visitation/education components) will move forward with necessary

financing in place prior to the disbursement of construction funds. As with the assessment of contingency reserves at the time of bid opening, the ADFG-City of Seward Cooperative Agreement enables ADFG to ensure that financing and construction for the entire facility, both the research and visitation/education components, move forward together, prior to payment of construction funds. Any change in the Master Construction Schedule will require ADFG approval.

Other key provisions of the Cooperative Agreement include a priority for research in support of the Trustee Council's restoration mission and a requirement that changes in the research space, capabilities or function of the facility must be approved by ADFG. The Cooperative Agreement establishes specific monthly progress, financial and cash flow reporting requirements.

3. Mitigation Measures

The November 2, 1994 resolution required approval by the Executive Director of a showing by the City of Seward that future mitigation measures identified for the construction and operation of the facility will be given due consideration and implemented to the extent practicable.

As a result of the NEPA EIS process, the project team evaluated a wide range of impact issues and identified mitigation measures and procedures to address these concerns. Measures identified to mitigate project impacts include a variety of actions to ensure appropriate erosion control, water quality protection, wildlife resource protection, traffic, transportation planning in collaboration with the City, and archeological resource protection. SAAMS/City of Seward has and will continue to implement mitigation measures through various mechanisms including permit stipulations, architectural design refinement, construction plan and specification changes, contract document conditions, environmental oversight, on-site monitoring during construction, continuing agency/public project review, and construction management. I accept and approve these measures as a showing by the City of Seward that future mitigation measures for the construction and operation of the facility will be given due consideration and implemented to the extent practicable.

This includes an on-going commitment by SAAMS/City of Seward to on-site archeological resource monitoring under agreements with the ADNR State Historic Preservation Office (SHPO) and the U.S. Department of the Interior. The significance of any archeological resources that have, or might possibly yet be recovered from the facility site, has not been fully determined. It is also not yet possible to determine what implications may exist for the project schedule and/or costs. These issues will need to be addressed actively and in an on-going manner by the project team throughout the project life. At this point, it is evident that the project sponsors are making good faith efforts to

respond to all requirements. The mitigation measures, agreements and protections currently in place allow for the project to proceed forward with assurance that archeological resources will be protected as appropriate, with continuing public involvement as has been provided for by SAAMS/City of Seward, under the guidance of SHPO and the U.S. Department of the Interior.

A detailed accounting of mitigation measures, as well as the means of implementation, has been documented by SAAMS/City of Seward in the attached materials.

4. Governing and Management Structure - Role of the University of Alaska

The November 2, 1994 resolution required approval by the Executive Director of a detailed governing and management structure for the facility that clearly identifies the role of the University of Alaska in providing the scientific leadership at the facility and ensures the facility is managed so that research activities appropriately serve the Trustee Council's restoration mission.

With my approval, a Memorandum of Agreement (MOA) between SAAMS and the University of Alaska specifically addressing scientific leadership at the facility was approved by both parties on August 23, 1995. This MOA provides that the University will appoint a Science Director, subject to the concurrence of SAAMS, by January 1, 1996. The Science Director will hold a tenured or tenured track position with the University of Alaska, School of Fisheries and Ocean Science. The University has agreed to fund the Science Director position at 25 percent time commitment level until June 30, 1998. After that, the Alaska SeaLife Center will assume funding responsibility for the position.

Some of the key provisions of the SAAMS-University of Alaska MOA provide that the Science Director will develop scientific protocols, direct the Center's research in a manner that supports the Trustee Council restoration mission, participate in the annual Trustee Council work plan process, and confer with the Trustee Council's Executive Director and Chief Scientist to identify priority restoration projects appropriate for execution at the facility. The MOA also provides for establishment of a Scientific Oversight Committee, comprised of at least three members of the scientific community that are independent of both the Center and the University, to conduct formal reviews of the Center's science program. The Scientific Oversight Committee will coordinate with the Trustee Council's science review process to ensure complementary efforts.

5. Project Financial and Status Reporting Requirements

The November 2, 1994 resolution required annual financial reports and project status reports to be submitted to the Trustee Council by the City of Seward and that the Executive Director will carefully monitor the

construction of the facility and provide regular updates to the Trustee Council regarding the project's progress.

The ADFG-City of Seward Cooperative Agreement (see above) provides for reporting requirements consistent with the November 2, 1994 resolution. In addition to annual reports, SAAMS/City of Seward is required to submit detailed monthly progress and financial reports to ADFG. These reports must include details of the progress made during the reporting period, including potential problems, milestones, and other significant progress in relation to the Master Construction Schedule. Monthly payment requests are subject to ADFG approval as consistent with the approved detailed budget, operating plan, cash flow, and Master Construction Schedule.

As Executive Director, I will continue to carefully monitor the construction of the facility and provide regular status reports to the Trustee Council concerning the project's progress.

* * * * *

This memorandum, together with the attached material, provides the basis for my approval that the Alaska SeaLife Center sponsors have successfully addressed the conditions contained in the Trustee Council's resolution of November 2, 1994. The Alaska Department of Law and the U.S. Department of Justice are requested to proceed immediately with the initial $12,500,000 withdrawal of funds for the project.

In conclusion, the Alaska SeaLife Center proposal has been subjected to an exceptional degree of professional and public scrutiny throughout its formulation and the project sponsors have been responsive to the many concerns and demands that have resulted from this detailed examination. The attached materials document a successful effort to address the conditions identified in the Trustee Council's resolution of November 2, 1994.

attachment

— *Project Status Report and response to Exxon Valdez Oil Spill Trustee Council Resolution dated November 2, 1994,* prepared by Seward Association for the Advancement of Marine Science (August 25, 1995)

cc: Alex Swiderski
Gina Belt
Kim Sundberg
Darryl Schaefermeyer
Leif Selkregg
Ron Garzini

9.7.94

EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL

RESTORATION OFFICE
Simpson Building
645 G Street
Anchorage, Alaska

VOLUME II
(Continuation of August 23, 1994, Trustee Council Meeting)
(Pages 128 through 236, inclusive)

October 5, 1994
9:00 a.m.
U.S. Forest Service Conference Room
Federal Building
Juneau, Alaska

TRUSTEE COUNCIL MEMBERS in attendance:

State of Alaska	**MR. CRAIG TILLERY** Trustee Representative for **BRUCE BOTELHO**, Attorney General, Alaska Department of Law
State of Alaska Department of Environmental Conservation	**MR. JOHN SANDOR**, Commissioner,
United States Department of the Interior	**MS. DEBORAH WILLIAMS**, Trustee Representative for **GEORGE FRAMPTON**, Assistant Secretary
State Department of Fish and Game	**MR. CARL ROSIER** Commissioner
United States Department of Agriculture - Forest Service	**MR. PHIL JANIK,** Regional Forester
United States Department of Commerce - NOAA	**MR. STEVE PENNOYER** Director, Alaska Region, National Marine Fisheries Service

TRUSTEE COUNCIL STAFF

MR. JIM AYERS	Executive Director, Trustees Council
MS. MOLLY MCCAMMON	Director of Operations

OTHERS IN ATTENDANCE in person or via teleconference

DR. DAVID GIBBONS
MR. MARK BRODERSON
MR. JAMES WOLFE
MR. KIM SUNDBERG (via teleconference from Finland)
MR. LEIF SELKREGG
DR. MIKE CASTELLINI, University of Alaska Fairbanks
DR. JIM SEEB
DR. VERA ALEXANDER, Dean School of Fisheries & Ocean Sciences, University of Alaska Fairbanks
DR. ROBERT SPIES, Chief Scientist to EVOS Trustee Council
MS. NANCY SWANTON
MR. TOM LIVINGSTON, Livingston Slone Architects
MR. TYLER JONES, City Manager, City of Seward
MR. DARRELL SCHAEFERMEYER, Seward Association for the Advancement of Marine Science (SAAMS)
MR. ROY TEMPER, J. Donovan Associates
MR. DALE FOX
MR. BARRY ROTH, U.S. Dept. of Justice
MR. RALPH ELUSKA, Akhiok-Kaguyak Corporation (AKI)
MR. LARRY LANDRY, Attorney for AKI

accessible by plane, and the fish that are reared there are reared in net pens, and they're subjected to environmental challenge, predator challenge, disease challenge, many challenges that erode the -- the efficacy of the experiments that we do there. We feel that the proposed IMS improvements will provide essential support for research and monitoring studies that need to be conducted in the EVOS area. No facility like this currently exists in the Gulf of Alaska. In running fresh water and large volumes of sea water will enable us to do long-term rearing studies for anadromous (indiscernible) species. The rearing facilities will be uniquely designed with the flexibility for the use of sea water and fresh water that could be recycled and depravated allowing us to maximize the efficiency and isolate treatments from one another in a fashion that can't be done at any facility in Alaska today. The system of indoor wet labs, coupled with a land-based tanks and raceways, provide isolation from disease and the other environmental challenges that plague our work at other facilities. The Alaska Department of Fish & Game is one of the many agency and institution partners in the restoration studies, supports these IMS improvements as a long-lasting, emphasis long-lasting, contribution to the research and monitoring the effected area. Thank you.

MR. SELKREGG: Jim, we're going to ask Vera to say a few words.

DR. VERA ALEXANDER: I'd like to the sitting approach also. I'm really delighted to be here. I'll try to be brief. I think you have all seen the letter that I wrote, that Dr. Komisar

wrote, which shows a strong support of the University of Alaska for this project. I'd like to confirm something and support something that Mike Castellini just said, and that is the fact that there's -- that the facilities are urgently needed for research that is already ongoing and would be used immediately were they available in connection particularly with the marine mammal work. An example is that Dr. Sven Ebberson (ph), who is our -- a physiologist on our faculty, moved his entire lab operation from Fairbanks down to Seward already to our existing facility for salmon neurophysiology work because there were no such facilities in Fairbanks or any where else. This is just on example, and he's apparently maxed out what we have there now, in this particular work. Given the availability to facilities, the amount of work that could be done, which is already urgently needed, would be vastly expanded. There's nothing like this, not only in Alaska or on the Gulf of Alaska, but I guess north of California. There's no facility in which you could hold mammals and birds, and conduct the kind of work needed, and it's desperately needed in connection with restoration and the oil spill effects. It's rather ironic that there -- although there are few places in the world in which the green environment is as important to the people as it is in Alaska, that we have such a lack of infrastructure for supporting research, and the Exxon Valdez oil spill really illustrates this dearth. There has been insufficient work on the Sound previously to have any idea in terms of time service as what the system really looks like. It's going to be hard to make that up, but we can do a lot

better with restoration now, given the right approach, and that is the combination of laboratory and field studies. The ecosystem approach is critical, but without understanding the actual physiological responses of some of the organisms, the ecosystem approach by itself cannot give you all the answers. So, the University of Alaska is very much behind this. We would definitely commit to being involved with it. As Mike said, I can't send somebody down there, but they will go, and that's true. It will happen, I can guaranty it. We have long had plans to expand the research capabilities in Seward. It hasn't worked out with the capital -- ability to add capital facilities at the University, as you know, is very limited. The planned facility does not overlap with anything that we have now, either in the state or in the school, and certainly nothing -- it does not conflict to any of our plans. We have plans for enhanced facilities, or at least adequate facilities at -- at some of our sites, but Seward is our primary gateway to the ocean for the reasons already mentioned. Its accessibility, the good sea water, and so and so forth. Now, as -- I might also point out that we have a pretty good record in ecosystem research. We pioneered with the approached project in the Bering Sea, we followed up by the Ishta (ph) project. We carried out another ecological project here in Auke Bay called "Apprise", all of these were quite successful. We look forward to working with agencies and with other universities in planning the intended work that needs to be done on Prince William Sound. As far as the ability to guaranty that we will put people at the new

facility, there is a way that we can do this. That is, we'll have several retirees coming up soon within the university, we can aim our hiring in such a way that the people we hire would be the people who would wish to use the facility. We have two endowed chairs already on the books for the School of Fisheries and Ocean Science. That nothing -- that does not include a new plans for endowed chairs, these already will be existing, will be filled in a few years. We can direct the hiring of those in such a way that they would fulfill -- fit into this program. So -- so we have certain opportunities to -- to make sure that we're very well involved and that we help provide the scientific participation and leadership for this project. Finally, I just want to say one more thing, the School of Fisheries and Sciences advisory council is indeed very supportive of this project. Their interest are of such that they're recommended that the Board of Regents take a serious look at, which I gather they did, a letter was drafted, it went through the Chancellor's office to the Board of Regents dealt with it in executive session last week. I have not seen the outcome of that, but I think what you will find that will come out of this is again a strong support, and the importance of the broad ecological approach to the restoration project and -- and the importance of the university playing a major role in this. We are indeed very committed to seeing this happen.

MR. SELKREGG: We want to invite Bob Spies from Cordova to say a few words. Cordova are you on line?

DR. SPIES: Yes, we are. Thank you, very much. I --

of Fish & Game, funding for Kim Sundberg, the biologist for project leadership on this project. The Council also authorized funding for pieces of the management of the EIS. For example, Nancy is funded through the Department of Interior, Fish & Wildlife Service for the EIS project. The cost of the actual EIS, and I think this is what Dave was pointing out, the cost of the EIS is being absorbed by the project from the funds that have been received from the state appropriation. But, we are funding the management, so to speak, of the project to ensure that it was done consistent with National Environmental Protection.

MR. SANDOR: Any other questions? Perhaps only one.

MR. PENNOYER: I have one more. Well, if someone else wants to do it, go ahead. I was a little confused by your and Dr. Castellini's comments on, you couldn't put people in the facility, and then we talked about endowed chairs, and this has UAF personnel in the facility, in (indiscernible). Could you elaborate a little bit?

MS. ALEXANDER: I could certainly, I'd love to do that. Yes, we can hire people with the expectation that they will go there and it would be part of the job description as we hire. What is difficult to do is to take a faculty member who already is on contract and reassign them to -- to move. I suppose it could be done. There's nothing legally that says the President or the Chancellor or I could not say, okay, you will move some of the faculty positions to Seward. Yes, of course, it could be done. It would be very unlikely that we would want to take that, sort of

heavy-handed faculty, are unique in that they have inherent autonomy, in a function -- academic position as you probably realize. (Laughter) And, administrators go against this grain with certain trepidation. And, it's not in its best interest. (Laughter) But, I think the reason I mention that we do have the potential of hiring as people retired in the future and with endowed chairs, we can specify that they will be in Seward.

MR. PENNOYER: I guess I wasn't suggesting you move Dr. Castellini to Seward, so relax. (Laughing) It wasn't what I was pushing. I was interested in how many people end up in Seward, as either people who are invited in or people who are part of the staff. This is separate from you current IMS facility, that's all that I (indiscernible).

MS. ALEXANDER: Right.

MR. PENNOYER: So, anybody at the university quits is going to have to be a new hire or a transfer, one or the other.

MS. ALEXANDER: Or, on the other hand, as I pointed out with Dr. Ebberson's work, he is a resident of Fairbanks, but he spends more than fifty percent of his time in Seward (indiscernible). So there will be people who will come to their research or have graduate students there, who may not be full time residents (indiscernible).

MR. PENNOYER: Of this facility, of the sixteen offices we have, eleven I guess, I'm not sure what the total numbers that genetics lab will have Fish & Game to move (indiscernible). Other than that it's basically sort of an open -- we haven't decided yet

who is really going to go there, or whether it's going to be rotational, part of the offices will be rotational, for projects as needed, visiting folks, there's no actual permanent assignment of staff in Seward.

MS. ALEXANDER: Well, we're expecting to have three people permanently assigned.

MR. PENNOYER: New hires -- as you would hire.

MS. ALEXANDER: We knew that they would be new hires.

MR. PENNOYER: But, you'd actually intend to do that.

MR. SELKREGG: On page 9-4, the personnel assumptions, we've made an effort to try to identify potential University of Alaska staff positions, both from the endowed chair perspective as well as the technical staff and university students, which in fact would be employed to support those chair activities, and that's on the far right-hand column. We are endeavoring to try to formalize the understanding ...

MR. PENNOYER: I'm sorry, what page was that?

MR. SELKREGG: 9-4, Section 9. The far right-hand corner intends to identify the University of Alaska staff positions.

MR. PENNOYER: Thank you.

MR. SANDOR: Any other questions? Yes, Craig.

MR. TILLERY: Mr. Chairman, I have a couple. Do I understand that the two endowed chairs you speak of, you are essentially agreeing or committing those to the Seward, or not?

MS. ALEXANDER: Not exactly as such, but rather I'm pointing out we already have two, perhaps we'll have some retirees,

plus there's the three endowed chairs proposed by the fund raising, and so -- a number of options of recruiting people who will be involved in the facility.

MR. TILLERY: But, those two endowed chairs may end up in Fairbanks, there's no other place.

MS. ALEXANDER: They could.

MR. TILLERY: Once subsidized -- it sounds like somewhere you're subsidizing the research by not charging people additional overhead costs. I guess, I kind of understand that with respect to EVOS related studies because we're putting in most of the overhead for a lot of infrastructure. Is that true for some outside person comes in, some outside university applies to come in, some government grant comes in, are we not going to -- and they come with overhead, are we not going to ...

MR. SELKREGG: I'll take that. That policy position, that level of detail has not been established by the project at this time. We have taken, what I would say, is a fairly simple approach by making the strategy towards the charge for research unilateral across the board. Once the official board structure is established, I think the policy for the cost of research at the facility will be -- one of the number one priorities of that board. Whether or not you have multiple charge standards for use, depending on source of funds, is something that the board will need to take up. We had to -- rather than develop a fairly complex analysis of that, we've taken a very simple strategy that says, all research will be subsidized, for planning purpose. I believe it

University, if they have an endowed chair that's going to do some research, that it consist of the Trustee Council, the university -- someone's going to have to pay for some of these operating costs, if the turn-style doesn't work too well, to their average prediction. Everyone hopes -- I guess what I am saying, everyone is hopeful that this will work exactly right, but I think that if the Trustee Council is going to say, it must work absolutely right because we're not paying anything for research in this facility, then that's something that we need to discuss. That is not a final decision.

MR. SANDOR: A second question?

MR. PENNOYER: That's it.

MR. SANDOR: Any other questions, Deborah?

MS. WILLIAMS: Talking about the relationship between the university and endowed chairs of Exxon -- Exxon Valdez research, and the possible priority there obvious quite a bit of -- pieces that need to fit together here. I think while we all felt the Exxon -- I mean the university does succeed in getting endowed chairs, the question though is what if those endowed chairs wanted to do biological research on salmon, one of the hot issues now, as opposed to some Exxon-related research. What is going to be the relationship between endowed chairs' desires to do research given academic freedom concerns and the Council's desire to have this facility used primarily for Exxon Valdez related research.

MS. ALEXANDER: I'd love to address this. (Laughter) If -- if -- as I've tried to address that, if the hiring is done, then

that's part of the job description, then there is no choice, the academic freedom issue doesn't enter into it, because that will their -- their responsibility. We'll be using to develop the (indiscernible - coughing). They will also have to satisfy the requirements for a promotion of tenure if they are tenure track faculty. But, actually they don't even have to be tenured track faculty, they could be (indiscernible), in which case they could spend all their time actually on (indiscernible), but (indiscernible) type of work. If they -- we might want them to be tenured track faculty, because of the additional prestige and whatever else you might go along with that status. And then they will also have to satisfy the university class, and only in the -- if the type of research being done doesn't allow (indiscernible) publication and graduate students involved (indiscernible). But, they certainly have the responsibility of caring out research out of this facility and it causes the Council priority.

MR. SANDOR: Any further questions? Phil Janik.

MR. JANIK: Question for clarification, please. In terms of the costs of operating the facility, and I see a section there called facility operations and it lists eight items. My compliments on the presentation, I thought it was really excellent. One of the things that really came home to me during the presentation of design was the sophistication here of this -- this facility. What comes to mind then is maintenance costs, especially in the years to come after the facility puts on some age. Are maintenance costs included in that section?

Exxon Valdez Oil Spill Trustee Council

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

TO: Community Facilitators

FROM: Molly McCammon
Executive Director

RE: Funding Proposals for Federal Fiscal Year 2003

DATE: February 15, 2002

The enclosed invitation explains how to submit a funding proposal to the *Exxon Valdez* Oil Spill Trustee Council. I would like to call your attention to a few things:

- This year the invitation will be in two phases. This phase, Phase I, is for projects funded in FY 02 that will continue in FY 03, and for new proposals for innovative work on lingering oil effects and GEM-related synthesis. Phase II, to be issued in late summer 2002, will be for proposals to begin to implement GEM. This is explained in more detail on page 1 of the invitation.

- Another change this year is that the "clusters" in which the proposals are organized have changed. Rather than being based on species, cluster assignments are now based on the underlying objective of each project or the type of activity the project would perform. The clusters are simply an organizational device, and do not bear on project funding decisions. Most projects that were in the "subsistence" cluster in prior years are now in the "oil spill" clusters and the "community involvement/public outreach" cluster.

- Pages 27-49 of the invitation list everything that needs to be included in a proposal. However, if you prefer, you may instead write a letter to the Trustee Council describing your proposal. In your letter, describe (1) which injured resource the proposal would benefit, (2) what work the proposal would involve, (3) who would perform that work, and (4) how much you estimate the proposal would cost. If necessary, Council staff will work with you to further develop the proposal so that its technical merit and cost can be fully evaluated.

All proposals and letters must be received at the Trustees' Anchorage office by Monday, April 15, 2002. Please call me if you have any questions about the proposal process or want help in putting together a proposal (our toll free number is 1-800-478-7745).

Exxon Valdez Oil Spill Trustee Council

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

February 8, 2002

Jeanne Mungle
Procurement Officer, ADEC
410 Willoughby Avenue, Suite 303
Juneau, AK 99801

Dear Ms. Mungle:

The purpose of this letter is to clarify the Trustee Council's intent in approving projects 02667 and 02668. As provided in the Detailed Project Descriptions approved by the Council, it is the Council's intent that implementation of these two projects include contracts with the following proposer:

Project No.	Project Title	Proposer
02667	Effectiveness of Citizens' Environmental Monitoring Program	Cook Inlet Keeper
02668	Developing an Interactive Water Quality and Habitat Database and Making it Accessible on the Web	Cook Inlet Keeper

Thank you for your attention to this matter.

Sincerely,

Molly McCammon
Executive Director

cc: Tom Chapple, ADEC EVOS Liaison

Exxon Valdez Oil Spill Trustee Council

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

February 4, 2002

Joe Kolasinski
Computer Matrix
3522 West 27th Avenue
Anchorage, Alaska 99517

Dear Joe:

Thank you for the wonderful brownies you sent during the holidays. The staff and I appreciate your thoughtfulness.

I look forward to working with you in the coming year.

Sincerely,

Molly McCammon
Executive Director

Exxon Valdez Oil Spill Trustee Council

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

February 4, 2002

Ellen Kubiak
Office Products Services
100 West Fireweed Lane
Anchorage, Alaska 99503

Dear Ms. Kubiak:

Thank you for the Montreaux coffees. The staff and I have enjoyed the different flavors during the holiday season and into January when the temperatures dipped below zero. They were a tasty warm up to rejuvenate with.

The staff and I appreciate your thoughtfulness.

Sincerely,

Molly McCammon
Executive Director

Exxon Valdez Oil Spill Trustee Council

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February 4, 2002

Max Mertz
Elgee, Rehfeld and Funk, CPAs
9309 Glacier Highway, Suite B-200
Juneau, Alaska 99801

Dear ~~Mr. Mertz:~~ Max:

Thank you for the box of fresh fruit, cheese and crackers, tea, and preserves you sent during the holidays.

The staff and I appreciate your thoughtfulness. We look forward to working with you and Julie this coming year.

Sincerely,

Molly McCammon
Executive Director

Exxon Valdez Oil Spill Trustee Council

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February 4, 2002

Roy Jones
Birch, Horton, Bittner and Cherot
1155 Connecticut Avenue NW, Suite 1200
Washington, D.C. 20036

Dear Roy:

Thank you once again for the Brent and Sam's homemade cookies. They are my favorite cookies!

The staff and I appreciate your thoughtfulness. We look forward to working with you this year.

Sincerely,

Molly

Molly McCammon
Executive Director

Exxon Valdez Oil Spill Trustee Council

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

February 4, 2002

Marcia Olive
P.O. Box 150496
Lakewood, Colorado 80215

Dear ~~Ms. Olive~~ Marcia:

Thank you for the cookies and basket of candies, cheese and crackers. The staff and I appreciate your thoughtfulness.

Sincerely,

Molly McCammon
Executive Director

Exxon Valdez Oil Spill Trustee Council

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Restoration Office Tentative Meeting Schedule

February 2002
4-8 AK Forum on the Environment - Anchorage, AK
18-20 Texas A&M 125th Anniversary Marine Symposium
21 PAG Meeting
25 TC Meeting

March 2002
10-15 Coastal Monitoring, Oceans US - Warrenton, VA
18-19 Tech Net Conference - Anchorage, AK

April 2002
4-5 PICES Monitor Committee
4-7 Kodiak ComFish
7-10? Statewide Meeting on Tribal Environmental Concerns - Anchorage, AK
12-14 Kachemack Bay NERRS workshop

May 2002
11-12 Core reviewers - Homer, AK

June 2002
7-8 Healthy Ecosystems Conference - Washington, D.C.
10 World Oceans Day - Washington, D.C.
12-13 PEW Oceans Commission - Washington, D.C.
18-19 Alaska Oceans & Watershed Symposium

July 2002

August 2002
TBD Coastal States Organization - Girdwood, AK
TBD U.S. Commission on Ocean Policy

September 2002

* tentative meeting dates

For more information on any of the above meetings, please contact the Restoration Office.

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Exxon Valdez Oil Spill Trustee Council

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

February 4, 2002

Jim Schultz
General Services Administration
222 W. 7th Avenue, Room 151
Anchorage, AK 99501

Dear Mr. Schultz:

Thank you for the lovely flower arrangement you sent for our open house in December. The arrangement was bright and cheery and added to the festive spirit of the holiday. The staff and I appreciate your thoughtfulness, as well as all your help with our lease.

Sincerely,

Molly McCammon
Executive Director