14.02.40

Exxon Valdez Oil Spill Trustee Council

645 G Street, Suite 401, Anchorage, AK 99501-3451 907/278-8012 fax:907/276-7178

AGENDA

Exxon Valdez Oil Spill Trustee Council
Public Advisory Group
Fourth floor conference room
645 G Street, Anchorage, Alaska

Tuesday, April 3, 2001 - 1:00 PM – Trustee Council meeting
Wednesday, April 4, 2001 - 9:00 AM – Public Advisory Group meeting

DRAFT **DRAFT**

PURPOSE:

Tuesday, April 3, 2001

1. Attend Trustee Council/National Research Council (NRC) discussion on Gulf Ecosystem Monitoring (GEM)

Wednesday, April 4, 2001

1. PAG Orientation
2. Discussion of GEM

Tuesday, April 3 – Trustee Council meeting

1:00 PM	Attend Trustee Council briefing/discussion on GEM with NRC review committee members Mike Roman and Don Bowen	
5:30	Dinner with Trustees and NRC members	

Wednesday, April 4 – Public Advisory Group meeting

9:00 AM	Welcome/roll call Approval of Meeting Summary	Chuck Meacham, Chairman Doug Mutter, Federal Designated Officer
9:15	Orientation to EVOS program	Molly McCammon
NOON	**LUNCH ON YOUR OWN**	
1:00 PM	Public Comment	

1:15	GEM discussion and follow-up	Molly McCammon Phil Mundy Sandra Schubert
2:30	- Discussion of PAG goals for 2001-2002 - Two PAG volunteers to review FY 2002 Proposals with Restoration Work Force (June 6) - Summary comments	
4:00	Adjourn	

Meeting Summary

A. GROUP: *Exxon Valdez* Oil Spill Public Advisory Group (PAG)

B. DATE/TIME: April 4, 2001

C. LOCATION: Anchorage, Alaska

D. MEMBERS IN ATTENDANCE:

Name	Principal Interest
Torie Baker	Commercial Fishing
Chris Beck	Public-at-Large
Chris Blackburn	Public-at-Large
Dave Cobb	Public-at-Large
Gary Fandrei	Public-at-Large
Brett Huber	Sport Hunting & Fishing
Dan Hull	Public-at-Large
Chuck Meacham, Chair	Science/Academic
Pat Norman	Native Landowner
Gerry Sanger	Commercial Tourism
Stan Senner	Environmental
Stacy Studebaker	Recreation Users
Martha Vlasoff	Subsistence
Ed Zeine	Local Government
Loren Leman (via telecon AM only)	Alaska State Senate (*ex officio*)

E. NOT REPRESENTED:

Name	Principal Interest
James King	Conservation
Bud Perrine	Aquaculture
Chuck Totemoff	Forest Products
John Harris	Alaska State House of Representatives (*ex officio*)

F. OTHER PARTICIPANTS:

Name	Organization
Ken Adams	
Jerry Rusher	
Dick Kasper	
Christiane Derby	Patton Boggs
Molly McCammon	Trustee Council Staff
Phil Mundy	Trustee Council Staff
Doug Mutter	Designated Federal Official, Dept. of the Interior
Sandra Schubert	Trustee Council Staff
Bob Spies	Chief Scientist for Trustee Council

Sara Ward	Trustee Council Staff
Cherri Womac	Trustee Council Staff

G. SUMMARY:

The meeting was convened April 4 at 9:05 a.m. by Chuck Meacham. Roll call was taken, a quorum was present. Public Advisory Group (PAG) members and staff each introduced themselves with some background information. The January 12, 2001 meeting summary was approved.

Molly McCammon provided an orientation for PAG members by reviewing the history of the program and the sections of the PAG Notebook sent to members: the Exxon Valdez oil spill (EVOS), the settlement with Exxon and the governments, Trustee Council makeup and staffing, the Alaska Resources Library and Information Services, the restoration reserve, the overall and PAG budget, the Restoration Plan and updates of injured/recovering resources.

Cherri Womac reviewed PAG member travel rules and responsibilities.

Jeff Short and Pat Harris (of the National Oceanic and Atmospheric Administration) gave a summary, via teleconference, of the upcoming Prince William Sound shoreline survey to estimate the amount of residual oil. They will survey sites at 120 beaches to determine the extent and weathering condition of any oil found. They also discussed the results of recent pink salmon research, which indicate that very small levels of oil-related contaminants has adverse effects on exposed eggs and subsequent life stages. It also appears to hold true with herring. Also, weathered oil appears to remain toxic.

Sandra Schubert outlined the annual Work Plan process. The general schedule is that an annual EVOS workshop is held in January, solicitation of proposals goes out mid-February, proposals are due mid-April, a draft Work Plan is available mid-June, a final Work Plan is approved by the Trustee Council in August. The year follows the federal fiscal year of October 1-September 30. The Trustee Council sets spending caps for projects: in 1996 it was $18 million, in 2001 it was $5 million. Last year 113 proposals were received–about ½ were funded. Proposals go through a technical/scientific review, legal review, staff review, a public review (with recommendations included from the Executive Director and the Chief Scientist), and an agency and PAG review.

The session was opened for public comment. Jerry Rusher asked if oil still remains in the Sound, would there be a cleanup project launched? He is concerned about the possible amount of oil at Horseshoe Bay State Marine Park. McCammon said that the Trustee Council indicated that there would be no more cleanup projects; there may be additional restoration projects, however. She will pass the site of concern along to the researchers. Ken Adams voiced support of the National Research Council (NRC) comments on the Gulf Ecosystem Monitoring (GEM) plan. He said public involvement was important and that PAG members serve as the eyes and ears of the public. He also supports involving local fishing fleets in information gathering efforts, as exemplified by the Canadian Sentinel project.

McCammon reviewed the habitat protection component of restoration. The large-parcel portion is essentially completed. The small-parcel (under 1,000 acres) portion will continue past 2002. The habitat protection program has been somewhat controversial in the past. Most purchases have been from Native corporations. The plan for the post-2002 program has $55 million in a fund for habitat protection, $30 million of which is for conclusion of the Koniag/Karluk easement in 10 years, and $25 million for continuing small parcel acquisition. A demonstration grant with The Conservation Fund and The Nature Conservancy is underway for administering habitat protection.

Torie Baker raised a question about the status of herring projects, noting that there remains concern over the current situation with the resource. Bob Spies stated that herring populations crashed in 1993-94 and have been studied as part of the Sound Ecosystem Assessment project, among other projects. A fall workshop looked at the state of knowledge about herring and identified gaps for research: determining stock size, determining how many stocks there are, and examining health of young age classes. Two projects are being wrapped up and a new project with the Alaska Department of Fish and Game was funded.

McCammon, Phil Mundy, and Spies discussed the status and direction of the long-term GEM program. The $115-plus million restoration reserve supporting GEM will be managed as though it were an endowment. The program covers the northern Gulf of Alaska. Currently GEM is a work in progress. The NRC has been contracted to assist with an independent review. Mundy noted that lots of offshore work was going on in other programs, so nearshore would be the focus of GEM. Chris Blackburn said that synthesis of information was needed for both. McCammon said they were going to hire a data manger this summer to assist. Chris Beck asked that the data manager also look at managing broader "information."

Stan Senner said that it was important not to underspend on administrative items when getting a new program set up. He suggested the PAG focus its attention on recommendations for GEM science advice, public involvement, and administrative support. Brett Huber supported incorporating NRC recommendations and said that some high-tech business supported these kinds of efforts with grants. Dave Cobb suggested looking at the University of Alaska Consortium Library as a possible data manager. McCammon said that they would need a more extensive "web-based" program.

Mundy discussed the archiving of samples. Many EVOS samples are at a storage lab in South Carolina; others are at the University of Alaska, Fairbanks. McCammon noted that this was still a legal proceeding under court scrutiny, so most samples must be retained.

Meacham stated that Jim King asked that he present some ideas about how to present information and findings to the public. His suggestion was to use something like NOAA's environmental sensitivity index maps as a synthesis tool. McCammon noted that the EVOS program has recently helped fund the updated maps in PWS.

Dan Hull expressed concern that the GEM concept and foundation be understood by the public, and how the program would then relate to specific projects and key species. Mundy and McCammon both voiced that they want to make sure the conceptual foundation of GEM is clearly understood. Hull suggested that a field trip might be to visit resource managers to

discuss application of GEM. Baker suggested boards and groups that help define policy might be visited, as well.

Blackburn said that it was important to integrate with all the new sea lion information being collected. Senner agreed and said that scrambling to collect data and do synthesis when their was a crises, like with sea lions, was what GEM could help avoid. Pat Norman asked if current management practices were part of the gap analysis. Mundy said they were not. Huber said GEM should look for the biggest "pothole" to fill and not try to do everything for everyone. He wonders if the PAG should be changed. McCammon said it would help to have the PAG's thoughts on public involvement. The PAG can respond to Trustee Council requests and proposals, but it could also be proactive with suggestions.

Cobb said he likes the NRC suggestions and wonders if PAG subcommittees should be formed to get more involved and address specific components of GEM.

There was general agreement that the PAG focus for commenting on GEM should be the following program elements:

-science advice, public involvement, and administration
-data and information management
-community-based involvement

The meeting adjourned at 4:05 p.m.

H. FOLLOW-UP:

1. Meacham will get with McCammon to determine which PAG members will participate in the annual Work Plan work group. Volunteers include: Blackburn, Norman, Meacham, Huber, and Fandrei.
2. McCammon asks that PAG members provide feedback on the draft GEM program.
3. PAG members are to consider possible suggestions for a PAG field trip.
4. Womac will query the PAG for a July meeting date.

I. NEXT MEETINGS:

-Work Plan review session June 6 in Anchorage
-PAG meeting sometime around July 19 in Anchorage

J. ATTACHMENTS: (Handouts, for those not present)

1. Draft Model for Chugach Regional Resources Commission Outreach prepared by Martha Vlasoff
2. Resolution of the EVOS Trustee Council concerning the Restoration Reserve and Long-Term Restoration needs

3. PowerPoint slides: Gulf Ecosystem Monitoring briefing

K. CERTIFICATION:

PAG Chairperson	**Date**

Draft Model for Chugach Regional Communication Outreach

Need for the communication system

State and federal along with private and for profits corporations have funding programs for Tribal natural resource development. Often the availability of these funds is not made known to the villages, village corporations, and foundations in a timely basis for optimum use. There is a need to establish a model of outreach to provide two way communication between the Tribes in the Chugach Region and the associated Native organizations that work in conjunction with those Tribes and the sources of funding and other outreach programs that the agencies, state and federal governments and others provide.

Therefore we propose that a direct link communications model be established, whereby all of the Tribes in the Chugach Region could establish timely two way dialogue with program sources via web page or email news letter or some other form of communications technology that the Tribes deem as most reliable. In this manner the villages cannot only receive information about

funding sources but also other sources of information that would benefit the Tribes. Additionally the Tribes will be able to communicate their own intentions and views or decisions back to a central communications facility to decrease the time it takes to make important decisions for the Chugach Region. Of course, fail safe measures must be in place to insure proper compliance of established protocols with the Tribes and legitimate lines of communication with elected Tribal leaders. We need to establish communications capability surveys for each Tribe and organization that works with or for that Tribe. (which villages have internet capability or other technologies they prefer to utilize as well as local people that could be trained/ paid to act as Tribal communications personnel for this effort).

Some agencies have said that direct communication with the Tribes is impossible because of climatic conditions, distance to visit the village in person and the expense of face-to-face meetings. It is easier for these organizations to deal with the "gate-keeper" type organizations to better understand what the needs of the Tribes. This ends up bypassing tribal input and often excludes tribes from adequate benefits realized. The other problem with this type of process is that the bulk of the potential funding opportunities end up being used up at that level and therefore not available for the Tribes.

Proposed Approach

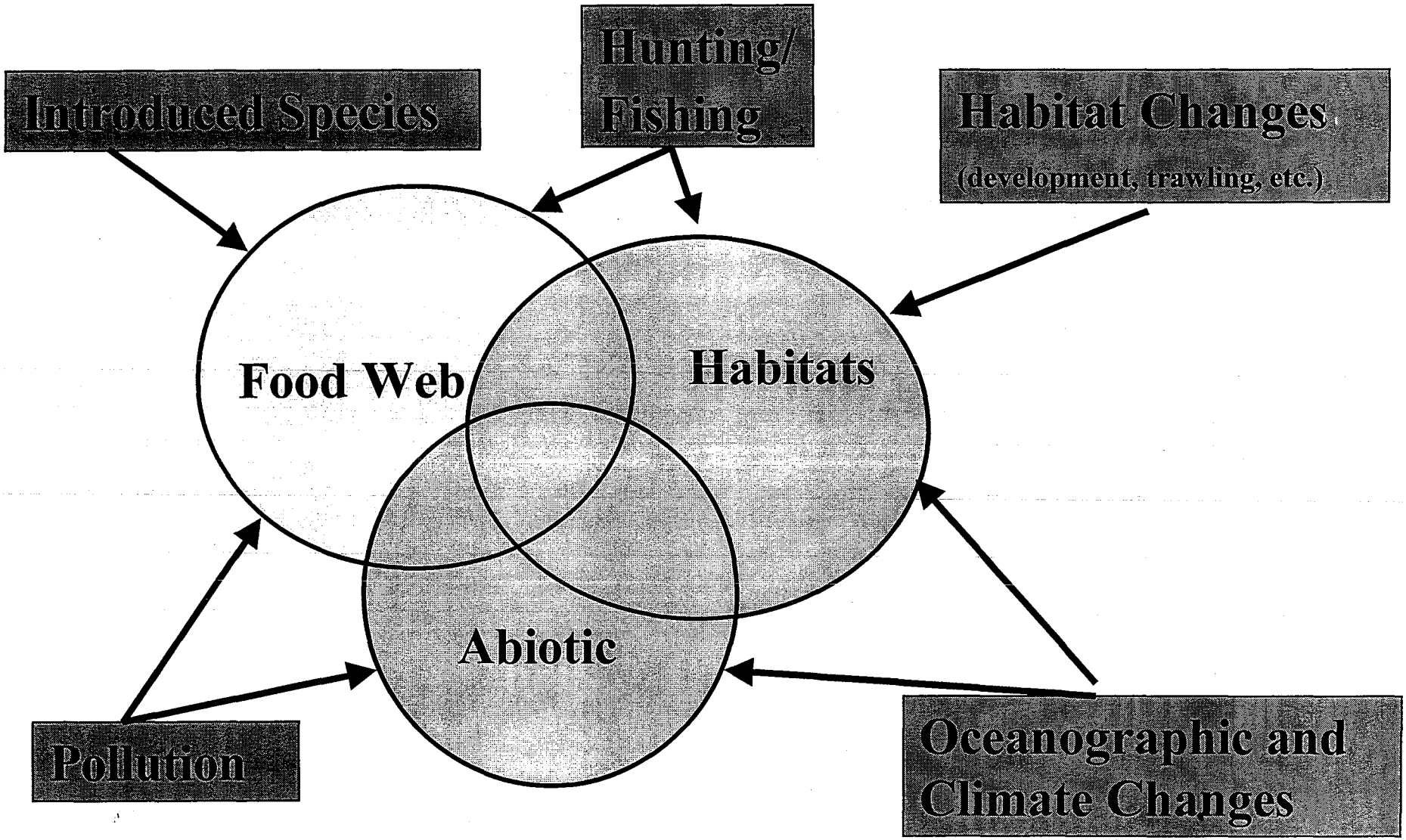
- **Do a survey of each Tribal government of communications capabilities.**
- **Present successful outreach models from other Tribal organizations that we could use as ideas of what works best for them.**
- **Create a region wide tribal communications working group to address the issues.**
- **Establish a web page or internet newsletter to establish that two-way communication throughout the Chugach Region.**

Exxon Valdez Oil Spill Trustee Council

Gulf Ecosystem Monitoring

Program Development Briefing

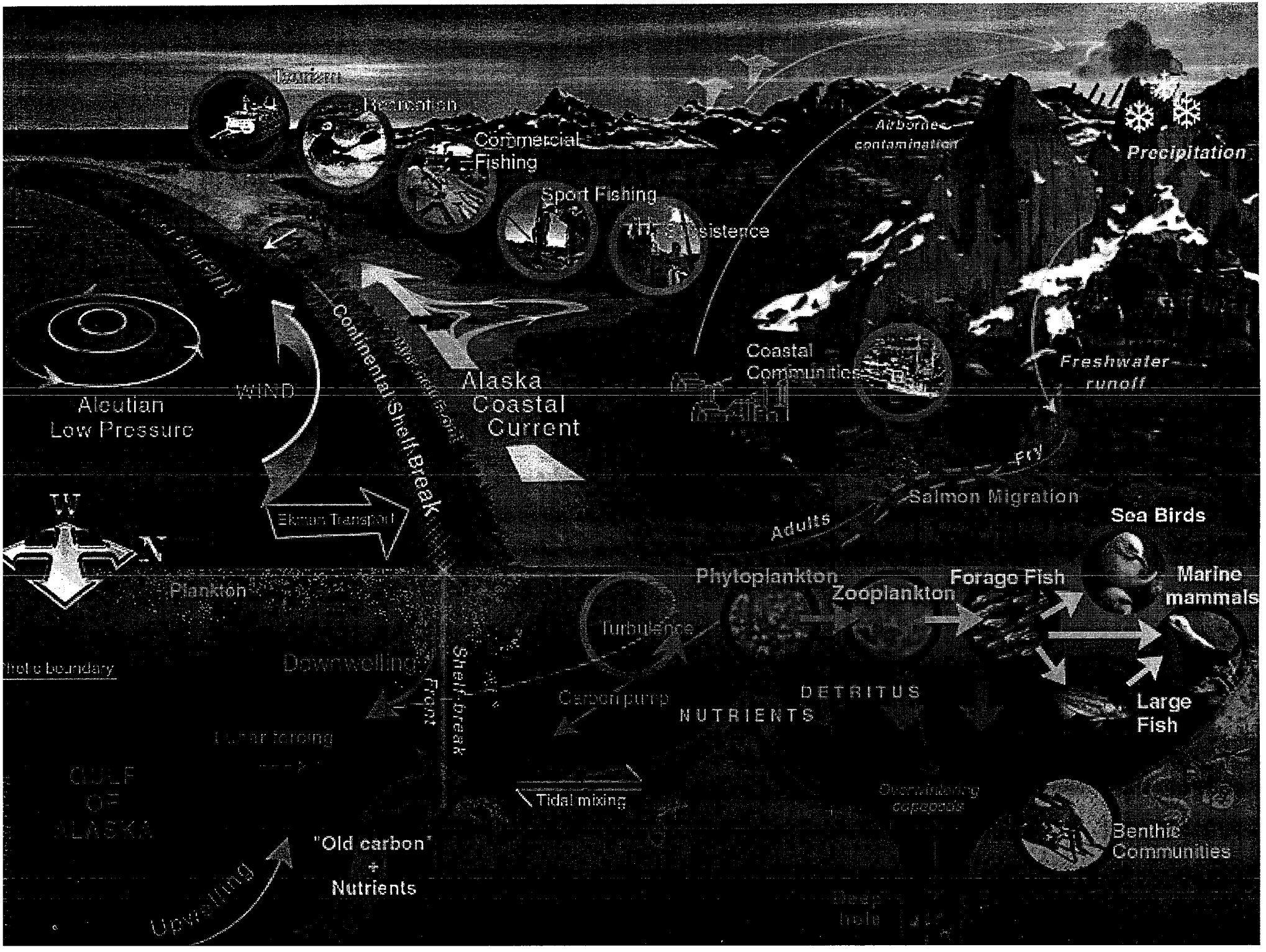
April 3, 2001

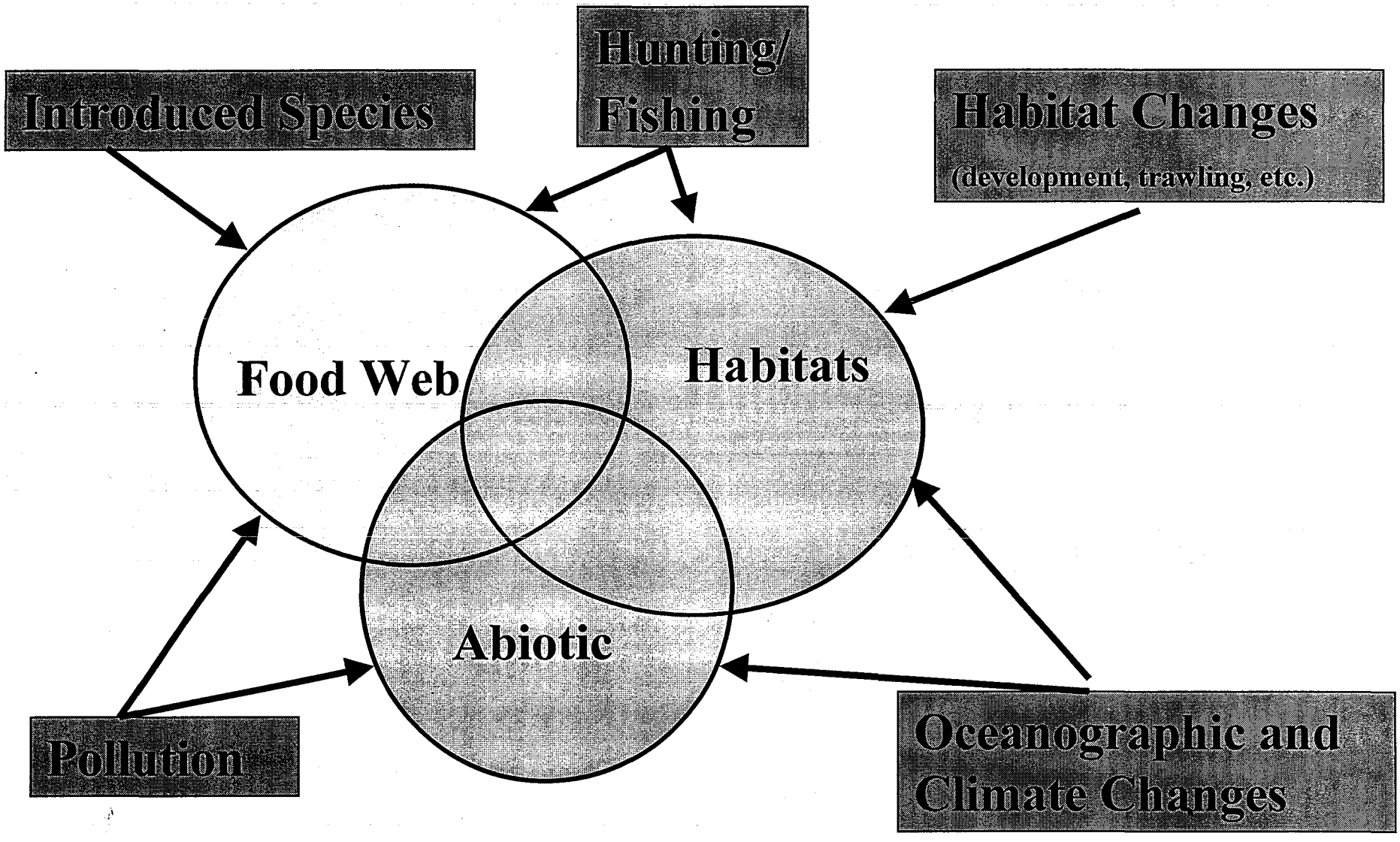


Drawn from NRC Figure 2-1 "The conceptual foundation of the GEM program must reflect the understanding that ecosystems change in response to physical and biological changes and human influences. Modified from Salomon et al., in press." (NRC 2001, p. 11)

Central Hypothesis

Nearshore productivity and community structure are determined by the combined effects of natural forces originating offshore, natural forces in the nearshore, and human actions throughout the region.


Tourism
Recreation
Commercial Fishing
Sport Fishing
Subsistence
Airborne contamination
Precipitation
Alaska Coastal Current
Coastal Communities
Freshwater runoff
Alcutian Low Pressure
WIND
Ekman Transport
Fry
Salmon Migration
Adults
Sea Birds
Phytoplankton
Zooplankton
Forage Fish
Marine mammals
Plankton
Turbulence
Downwelling
Carbon pump
DETRITUS
NUTRIENTS
Large Fish
Tidal mixing
Benthic Communities
"Old carbon"
+
Nutrients
Upwelling



Drawn from NRC Figure 2-1 "The conceptual foundation of the GEM program must reflect the understanding that ecosystems change in response to physical and biological changes and human influences. Modified from Salomon et al., in press." (NRC 2001, p. 11)

Key Questions from the Central Hypothesis

(Geographically structured NRC Figure 2-1)

- How do offshore forces vary over time and interact to influence nearshore productivity and community structure?
- How do human actions influence nearshore productivity and community structure?
- How do natural forces in the nearshore influence nearshore productivity?
- What are the relative roles of offshore factors, human actions, and natural forces in the nearshore in altering nearshore productivity and community structure?

Getting to Specifics: Organizing Principles

- Synthesis + gap analysis = monitoring design
- Synthesis results will update monitoring
- Core set of measurements consistent with key questions
- Coordinate, cooperate w/ agency programs
- Monitor elements common to questions

Getting to Specifics: Program Outline

- Core & Augmented Monitoring
- Synthesis
- Data management
- Science Advice, Public Involvement, Administration

Getting to Specifics: **Core Monitoring**

- Long-term observations that are used to address key questions
- A core set of long-term measurements that complements and is nested within existing observational programs

Augmented Monitoring

- Projects in cooperation w/ others
- Piggy-back – no cost to add-on
- Financial supplement to ongoing work
- Low risk of termination – high benefit from information

Getting to Specifics: Core + [Augmented] Monitoring

Examples

- Watersheds (Human factors)

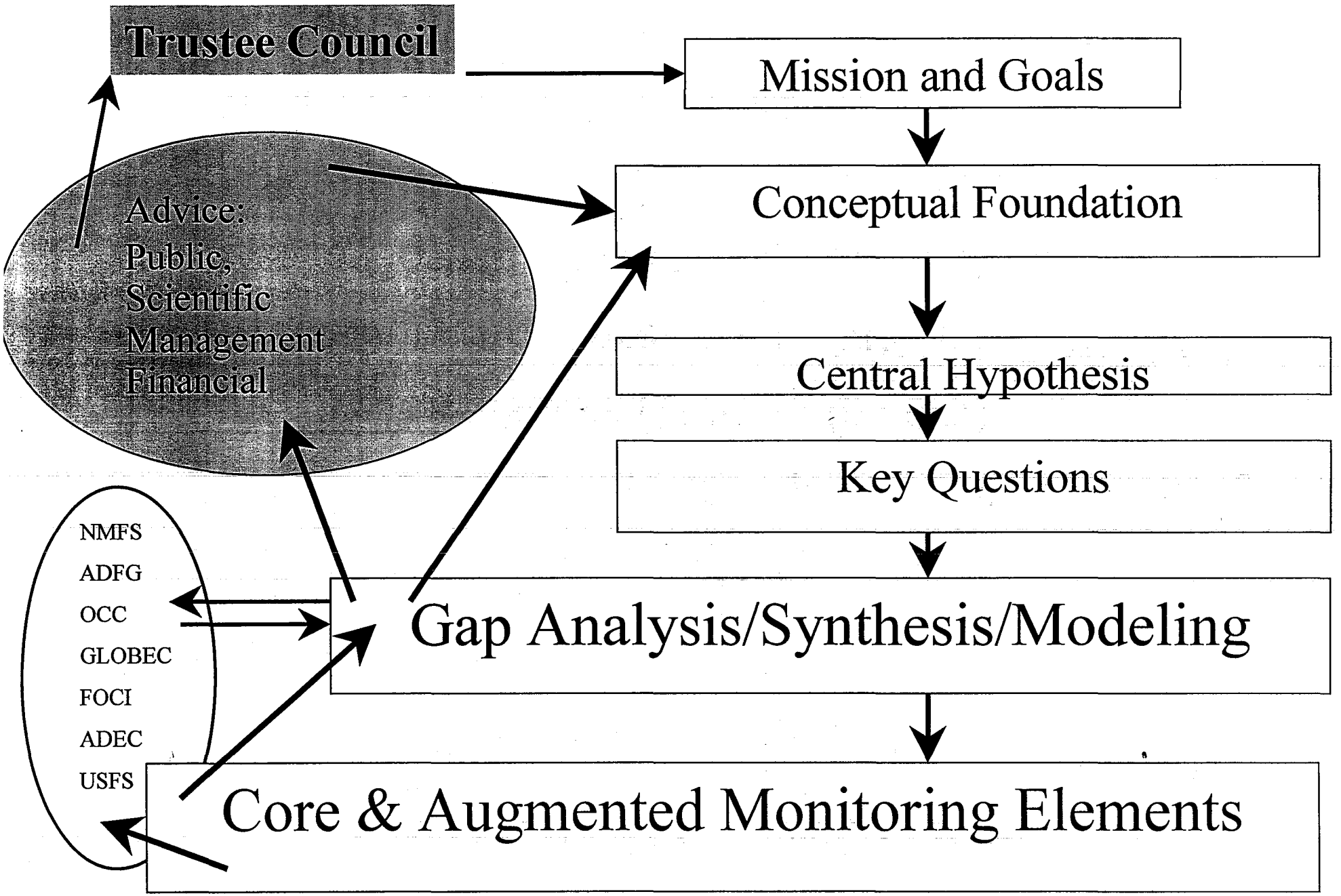
  Marine nutrients + [water quality, contaminants]
- Intertidal-nearshore (Human factors)

  Community structure + [LTEMP, NST, PISCO]
- Alaska Coastal Current (Natural factors)

  Indices of productivity + [GAK1, GLOBEC ...]
- Alaska Current (Natural factors)

  Indices of productivity + [NMFS trawl, IPHC …]

Selecting Core Monitoring Elements



Synthesis

- Modeling & Retrospective Analysis
- Building on existing information
- Selecting, locating, updating core monitoring (adaptive mgmt.)
- Meeting resource management needs
- Answering process oriented questions

Data & Information Management

–Providing public access

–Supporting synthesis

–QA/QC

–Supporting modeling

Science Advice, Public Involvement & Administration

Coordination, Cooperation, Integration

Public Advice

Scientific Advice

Public Information

Grants Administration

Public Information and Involvement

RESOLUTION
of the
Exxon Valdez Oil Spill Trustee Council
concerning the
Restoration Reserve and Long-term Restoration Needs

WHEREAS, in November 1994, following an extensive public process, the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") adopted the *Restoration Plan* to guide a comprehensive and balanced program to restore resources and services injured by the oil spill;

WHEREAS, since that time the Trustee Council has used the *Restoration Plan* to guide development of the annual work plans as well as the acquisition and protection of large and small habitat parcels important to the long-term recovery of injured resources and services;

WHEREAS, the *Restoration Plan* identified a series of large parcel purchases and the Trustee Council has been successful in obtaining habitat protection agreements with willing-seller landowners to provide protection for approximately 635,000 acres;

WHEREAS, the *Restoration Plan* recognized that complete recovery from the oil spill would not occur for decades and that through long-term observation and, as needed, restoration actions, injured resources and services could be fully restored;

WHEREAS, the *Restoration Plan* specifically recognized establishment of the Restoration Reserve to provide a secure source of funding for restoration into the future beyond the last annual payment from the Exxon Corporation;

WHEREAS, the Trustee Council has sponsored an extensive public involvement process to provide opportunity for comment on possible future uses of the Restoration Reserve including public meetings in communities throughout the spill impact region and also in Anchorage, Fairbanks and Juneau;

WHEREAS, a large volume of public comment regarding the Restoration Reserve has been solicited and received urging a wide range of uses for remaining settlement funds including a strong showing of support for additional habitat protection efforts as well as research and other restoration efforts;

WHEREAS, numerous Native tribal members and other community residents from the spill area have indicated a strong interest in continued support for community-based efforts consistent with those that have been previously funded by the Trustee Council such as subsistence restoration, Traditional Ecological Knowledge, youth area watch, cooperative management, and local stewardship efforts;

WHEREAS, the Public Advisory Group (PAG) has reviewed and discussed long-term restoration needs and use of the Restoration Reserve at considerable length and the views of the PAG members have been communicated to the Trustee Council;

WHEREAS, upon consideration of the restoration mission as provided by the settlement and the *Restoration Plan*, past restoration program efforts and accomplishments, public comments received by the Trustee Council, the views of the Public Advisory Group members, and the most current information regarding the status of recovery of the resources and services injured by the oil spill, the Trustee Council has identified substantial and continuing long-term restoration needs;

WHEREAS, full recovery of many injured resources and services is not yet complete and long-term restoration, conservation and improved management of these resources and services will require a substantial on-going investment to improve our understanding of the biology and marine and coastal ecosystems that support the resources as well as the people of the spill region;

WHEREAS, prudent use of the natural resources of the spill area without unduly impacting their recovery requires increased knowledge of critical ecological information about the northern Gulf of Alaska that can only be provided through a long-term research and monitoring program;

WHEREAS, together with scientific research and monitoring, a continuing commitment to habitat protection and general restoration actions, where appropriate, will help ensure the full recovery of injured resources and services;

WHEREAS, consistent with the *Restoration Plan*, restoration needs identified by the Trustee Council require a long-term comprehensive and balanced approach that includes a complementary commitment to scientific research and monitoring; applied science to inform and improve the management of injured resources and services; continued general restoration activities where appropriate; support for community-based efforts to restore and enhance injured resources and services; and protection for additional key habitats;

WHEREAS, by October 2002, as a result of the past and anticipated future deposits into the Restoration Reserve, it is estimated that the principal and interest in the reserve, together with remaining unobligated settlement funds, will be approximately $170 million unless, prior to that time, on-going negotiations concerning the Karluk and Sturgeon rivers and adjacent lands or other potential habitat transactions result in habitat acquisition agreements that obligates some of these funds;

WHEREAS, absent such additional acquisition agreements, $170 million is the total of the funds estimated to be available to support long-term restoration based on projected investment returns allowable through the Court Registry under its existing authority and thus reasonably anticipated as available for restoration purposes by the Trustee Council starting with FY 2003 ("estimated funds remaining on October 1, 2002"); and

WHEREAS, the limits of the existing investment authority of the Trustee Council have resulted in the loss of millions of dollars in potential earnings that would have been available to effectively address restoration needs in the future and support a comprehensive program that maintains its value over time, and it is necessary that the limits on the investment authority for the joint settlement funds be amended by Congress if we are to optimize our potential restoration program;

THEREFORE BE IT RESOLVED, that the Trustee Council has determined that recovery from the *Exxon Valdez* oil spill remains incomplete and there is need for establishing at this time a continuing long-term, comprehensive and balanced restoration program consistent with the *Restoration Plan*;

BE IT FURTHER RESOLVED, that funds in the Restoration Reserve and other remaining unobligated settlement funds available on October 1, 2002 (for expenditure starting in FY 2003) be allocated in the following manner consistent with the "Outline of Action Under Existing Authority" dated 3/1/99 attached to this resolution:

- $55 million of the estimated funds remaining on October 1, 2002 and the associated earnings thereafter will be managed as a long-term funding source with a significant proportion of these funds to be used for small parcel habitat protection and it is recognized that any funding that may be authorized for purchase of lands along or adjacent to the Karluk or Sturgeon rivers or other potential habitat acquisitions would be made from within this allocation; and

- the remaining balance of funds on October 1, 2002 will be managed so that the annual earnings, estimated at approximately 5% per year, will be used to fund annual work plans that include a combination of research, monitoring, and general restoration including those kinds of community-based restoration efforts consistent with efforts that have been previously funded by the Trustee Council, such as subsistence restoration, Traditional Ecological Knowledge, Youth Area Watch, cooperative management, and local stewardship efforts, as well as local community participation in ongoing research efforts;

BE IT FURTHER RESOLVED, that the Restoration Office and the Chief Scientist, under the direction of the Executive Director, shall begin to develop a long-term research and monitoring program for the spill region that will inform and promote the full recovery and restoration, conservation and improved management of spill-area resources; and

BE IT FURTHER RESOLVED, that it is the intent of the Trustee Council that this long-term reserve for research, monitoring and general restoration be designed to ensure the conservation and protection of marine and coastal resources, ecosystems, and habitats in order to aid in the overall recovery of those resources injured by the *Exxon Valdez* oil spill and the long-term health and viability of the spill area marine environment;

BE IT FURTHER RESOLVED, that in developing a long-term restoration research, monitoring and general restoration program for the spill region, the Executive Director shall solicit the views of the Public Advisory Group, community facilitators, resource management agencies, researchers and other public interests as well as coordinate restoration program efforts with other marine research initiatives including the North Pacific Research Board;

BE IT FURTHER RESOLVED, that the Executive Director shall work with the Alaska Congressional delegation and appropriate State and federal agencies to obtain the necessary investment authority to increase the earnings on remaining settlement funds, so that the Trustee Council will be able to conduct an effective restoration program that maintains its value over time; and

BE IT FURTHER RESOLVED, that in developing long-term implementation options for consideration by the Trustee Council, the Executive Director shall:

- investigate possible establishment of new or modified governance structures to implement long-term restoration efforts,
- explore alternative methods to ensure meaningful public participation in restoration decisions, and
- report back to the Trustee Council by September 1, 1999 regarding these efforts.

Adopted this 1st day of March, 1999, in Anchorage, Alaska.

3/15/99
DAVE GIBBONS Date
Trustee Representative
Alaska Region
USDA Forest Service

3/9/99
for BRUCE M. BOTELHO Date
Attorney General
State of Alaska

3/11/99
MARILYN HEIMAN Date
Special Assistant to the
Secretary for Alaska
U.S. Department of the Interior

3/15/99
STEVEN PENNOYER Date
Director, Alaska Region
National Marine Fisheries Service

3.6.99
FRANK RUE Date
Commissioner
Alaska Department of
Fish and Game

3/17/99
MICHELE BROWN Date
Commissioner
Alaska Department of
Environmental Conservation

3/9/99 final

3/1/99

OUTLINE OF ACTION UNDER EXISTING AUTHORITY

Assumptions:

- Use of the Restoration Reserve funds will commence with FY 2003 (October 2002)
- The Trustee Council will allocate an additional $36M to the Restoration Reserve (annual $12M payments in FY 2000, 2001 and 2002)
- Additional restoration program authorizations from March 1999 to October 2002, exclusive of contractual land payments and other habitat commitments, will amount to not more than $35M
- Remaining unobligated balance of restoration funds in October 2002 will be $170M including funds that may be needed for a possible Koniag Karluk-Sturgeon acquisition
- Trustee Council receives no new investment authority and continues to invest settlement funds in treasury instruments that yield approximately 5%

Elements of a Long-Term Restoration Program:

- Consistent with the *Restoration Plan*, the core elements of a long-term restoration effort would focus on research, monitoring, and general restoration including community-based restoration, and habitat protection
- Starting in FY 2003, and except as otherwise approved by the Council for habitat protection, restoration efforts would be funded from the earnings of remaining funds
- Earnings estimated at approximately 5% per year from treasury investments (nominal yield)
- The approximately $170M in restoration funds remaining on October 1, 2002 will be allocated into two parts:
  - ✓ $55M for habitat protection, including a possible Koniag Karluk-Sturgeon acquisition and any other additional acquisitions approved by the Council prior to that date
  - ✓ remainder (estimated at $115M plus, under the current assumptions) for research-monitoring, general restoration and community-based projects (e.g., subsistence, TEK, stewardship)
- Absent changes in the investment authority and consequent increased yield on investments, there would be no inflation-proofing with the consequent loss of purchase power over time in proportion to prevailing inflation rates (in order to support an annual restoration program of effective size)
- Cost of program management apportioned according to relative expense (public involvement, agency participation, peer review, habitat acquisition support, administration, etc.) to either the habitat or research, monitoring and general restoration funds as appropriate

Habitat Protection:

- $55M of remaining funds on October 1, 2002 (FY 2003) for Habitat Protection would include any amounts needed to complete the Koniag Karluk-Sturgeon acquisition or other potential habitat protection purchases

- $55M of the estimated funds remaining on October 1, 2002 and the associated earnings thereafter will be managed as a long-term funding source with a significant proportion of these funds to be used for small parcel habitat protection and it is recognized that any funding that may be authorized for purchase of lands along or adjacent to the Karluk or Sturgeon rivers or other potential habitat acquisitions would be made from within this allocation
- After December 2001 (the end of the current easement), the $16.5M previously allocated for the Koniag Karluk-Sturgeon acquisition, if not obligated at that point, would be available for other habitat protection efforts
- Issues that require further consideration:
  - ✓ priority, criteria and decision-making process for specific parcel selection
  - ✓ possible role of non-governmental organization to implement program after October 2002
  - ✓ extent of public involvement in future program

Research, Monitoring and General Restoration:

- Remaining balance of funds (estimated at $115M plus under the current assumptions) for Restoration Research, Monitoring, and General Restoration would be managed so that earnings-only would be used to support annual work plans starting with FY 2003
- Annual earnings currently estimated at 5% per year if within the U.S. Treasury (nominal yield, no inflation proofing)
- Annual work plan would support continuing restoration and enhancement of oil spill injured resources including long-term research-monitoring, development of improved management tools, synthesis of results, general restoration activities, and community-based restoration projects such as subsistence restoration, Traditional Ecological Knowledge, Youth Area Watch, cooperative management, and local stewardship efforts as well as local community participation in on-going research efforts
- Issues that require further consideration:
  - ✓ whether changes in the annual work plan process are appropriate in light of reduced scale
  - ✓ means and extent of scientific peer review
  - ✓ means and extent of public involvement in process
  - ✓ how and to what extent communities and tribes of the spill area would be involved in long-term research, monitoring, stewardship and cooperative management efforts
  - ✓ whether a new organization or governance structure is needed

3/1/99

Executive Director WORKING DRAFT Recommendation

SUMMARY OF PAST AND ESTIMATED FUTURE USES OF SETTLEMENT

(in $millions)

REIMBURSEMENTS FOR SPILL RESPONSE	213.1					
RESTORATION MANAGEMENT	FFY 92-99	FFY 00-02	FFY 03+			
Science Management, Public Involvement & Administration	24.7	5.1	TBD	(a)		
RESTORATION IMPLEMENTATION	FFY 92-99	FFY 00-02	Remaining Funds	(b)	TOTAL	
Research, Monitoring, General Restoration	145.0	25.4	115.0		285.4	39.8%
Habitat Protection	372.1	4.5	55.0		431.6	60.2%
	517.1	29.9	170.0		717.0	100.0%

(a) To date, Restoration Office science management, public involvement and administration has cost approximately 5% of restoration program expenditures overall. Beyond FFY 02, science management, public involvement and administration costs will be allocated in proportion to program area costs.

(b) Estimate of remaining funds includes Restoration Reserve (with $12 million per year to be placed into the reserve FFY 00 - FFY 02), interest accrued, the $16.5 million committed to a Koniag purchase through 2001 plus additional funds currently unallocated.

Habitat Protection FFY 92-99

	Alaska	DOI	USFS	NOAA	Federal	Total
Large Parcel Acquisitions	**164,938,339**	**138,294,839**	**40,097,515**	**0**	**178,392,354**	**343,330,692**
Kachemak Bay	7,500,000				0	7,500,000
Afognak (80/20)	59,307,058	14,826,765			14,826,765	74,133,823
Seal Bay	39,549,334				0	39,549,334
Shuyak	42,000,000				0	42,000,000
Old Harbor		11,250,000			11,250,000	11,250,000
Eyak (10/90)	4,510,000	40,590,000			40,590,000	45,100,000
Tatitlek (10/90)	2,471,946		22,247,515		22,247,515	24,719,461
Orca Narrows			3,450,000		3,450,000	3,450,000
Chenega (40/60)	9,600,000		14,400,000		14,400,000	24,000,000
Akhiok-Kaguyak		36,000,000			36,000,000	36,000,000
Koniag		21,500,000			21,500,000	21,500,000
English Bay		14,128,074			14,128,074	14,128,074
Small Parcel Acquisitions	**10,524,600**	**9,355,200**	**416,600**	**0**	**9,771,800**	**20,296,400**
Acquisitions Completed	10,204,600	8,057,700	211,000		8,268,700	18,473,300
Acquisitions Pending	320,000	1,297,500	205,600	0	1,503,100	1,823,100
KAP 220 Mouth of Ayakulik River	80,000					
KAP 226 Karluk River Lagoon	240,000					
Tatitlek Homesites			205,600			
KEN 1052 Salamatof		33,500				
KAP 1089 R. Christensen (Larsen Bay)		13,000				
KAP 1090 D. Naumoff (Larsen Bay)		16,000				
KAP 1091 D. Easter (Larsen Bay)		18,000				
KAP 2012 Kodiak Island Borough (Larsen Bay)		12,000				
KAP 2026 M. Christensen (Larsen Bay)		13,000				
Larsen Bay Ten Acre Parcels		573,000				
KAP 95 Inga (Three Saints Bay)		84,000				
KAP 126 Christiansen (Three Saints Bay)		72,000				
KAP 134 Ignatin (Three Saints Bay)		72,300				
Sitkalidak Strait/Three Saints Bay Parcels		35,700				
Seven Tax Parcels		102,000				
Kodiak Island Tax Parcels		253,000				
Parcel Evaluation and Support Costs	**2,888,893**	**1,218,796**	**4,410,070**	**0**	**5,628,866**	**8,517,759**
TOTAL	**178,351,832**	**148,868,835**	**44,924,185**	**0**	**193,793,020**	**372,144,851**