

EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL

January 10, 1992

6:30 p.m.

Alaska Public Utilities Commission
1016 West Sixth Avenue
Suite 305
Anchorage, Alaska

TRUSTEE COUNCIL MEMBERS:

Charles Cole
Attorney General
State of Alaska

Michael A. Barton
Regional Forester
USDA Forest Service

John Sandor
Commissioner
Department of Environmental
Conservation
State of Alaska

Steven Pennoyer
Regional Director
National Oceanic & Atmospheric
Administration

Carl Rosier
Commissioner
Department of Fish and Game
State of Alaska

Curtis McVee
Special Assistant to the
Secretary for Alaska
Department of the Interior

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P R O C E E D I N G S

MR. PENNOYER: Thank you all for coming.

Welcome to the third published settlement meeting of the Trustee Council to Exxon Valdez Oil Spill. I don't know who's whistling. We're trying to straighten out the sound system here for second. We'll go ahead and try to get started here.

I trust everybody has the agenda, and I will read through it after we get the preliminary announcements done with. I'd like to introduce the Trustee Council members: Charles Cole is the Attorney General for the State of Alaska, Curt McVee who is the representative or the special assistant for the Secretary of the Department of Interior. And on my far right is Carl Rosier who's the commissioner of the Alaska Department of Fish and Game. Next to him is Michael Barton who's the Regional Forester for the U.S. Department of Agriculture, Forest Service, in Juneau. And next to him is John Sandor, commissioner of the Department of Environmental Conservation. And I'm Steve Pennoyer, National Marine Fisheries Service, Juneau, representing NOAA, National Oceanic and Atmospheric Administration.

At our front table we have our Resource Restoration Coordination Group, RRCG, Dave Gibbons is the acting executive director in care of that group. Dave, would you care to introduce the members of the group?

MR. GIBBONS: Yes. Thank you, Steve. On my

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1 far left, far left off to the side of the table is Mark
2 Broderson representative from the Department of Environmental
3 Conservation. On the end of the table is Ernie Piper, also
4 from the Department of Environmental Conservation as an
5 alternative to the coordination group. Moving down the table
6 is Ken Rice representing the U.S. Department of Agriculture,
7 the Forest Service. Next is Marty Rutherford from the Alaska
8 Department of Natural Resources. Next to Marty is Jerome
9 Montague from the Alaska Department of Fish and Game.
10 Immediately to my left is Cordell Roy representing the
11 Department of the Interior from the National Park Service.
12 And to my right is Byron Morris representing the National
13 Marine Fisheries Service.

14 MR. PENNOYER: Thank you. For those out on
15 the line or in the audience who don't have the agenda, I'll
16 briefly read through the agenda and ask if there are any
17 corrections or additions from the Council members. We have
18 opening statements. As usual we have the NRDA damage
19 assessment studies, restoration projects for 1992, fiscal
20 issues, summaries of the status of the joint fund,
21 organization, public participation, the Simpson Building with
22 support staff, a permanent executive director, formal adoption
23 of the operating procedures we discussed at the last meeting,
24 and public. And we will take comment both from those on line
25 and in the audience.

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1 I'd like to make one more introduction before we go
2 further. I -- Bob, you're out in the audience there
3 somewhere. Bob Burke for EPA.

4 So I think -- do Trustee Council members have any
5 additions to the agenda they wish to make at this time? Okay.
6 We've tried in the past to finish our deliberations by about
7 9:00 o'clock, and I presume that probably would be your desire
8 this time as well, and then allow for allow for public comment
9 at that time. Earlier if you could, obviously.

10 First we have opening statements, and I'm not sure at
11 this stage, does anybody wish to make an opening statement
12 before we start business? Okay. Thank you.

13 I think we've asked the Restoration -- Resource
14 Restoration Coordination Group, the RRCG, to do a lot of
15 interim work. We had assignments from the meeting in
16 December, and I know they followed up on these, and I think,
17 Dave, probably you're prepared to lead us through the agenda?

18 MR. GIBBONS: That's correct, Steve.

19 MR. PENNOYER: Fine. Why don't you proceed
20 then?

21 MR. GIBBONS: Before I start on the -- the
22 agenda items, I'll make -- make one opening statement here.
23 The minutes and transcripts of the last meeting are available
24 at 645 G Street, the first floor of the Simpson Building, so
25 if people would like to review those, and -- they'll be

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1 available at that -- that location.

2 MR. PENNOYER: Thank you.

3 MR. GIBBONS: We're going to combine the items
4 number one and two into a discussion. We -- we heard the
5 Trustee Council at the last meeting about the amount of money
6 that was involved in -- in the proposals to date, and we have
7 revisited those, and we'd like -- I'd like to have Jerome
8 Montague walk us through that -- the revisit we've -- we've
9 done since the last meeting.

10 MR. PENNOYER: Mr. Montague?

11 MR. MONTAGUE: I would like to summarize and
12 brief the Trustee Council on the proposed revisions to oil
13 year four work plan. And the group met for two weeks in
14 December to decide on an oil year four plan, and a list of
15 proposed projects totalling about \$30 million was reviewed.
16 Some projects were eliminated or reduced and it resulted in a
17 total program of about 25 million.

18 This was the -- the memorandum that was presented to
19 you all on December 19th, and based on your guidance, we met
20 again on January 2nd and 3rd to re-evaluate the proposed
21 program and consider reductions, and after considerable debate
22 and review of these proposals, we've come up with a revised
23 program for oil year four that totals about 17 million.

24 And we've broken that down into two components, the
25 injury assessment activities and restoration activities. And

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1 under injury assessment, we further broke it out into projects
2 that were continuing and projects that we intend to close out
3 this oil year and develop final reports for.

4 And in the continuation category, we feel that a full
5 evaluation of the injuries to resources necessitates
6 additional field efforts this year and will require probably
7 close out activities in 1993. Nine injury assessment projects
8 are proposed to be conducted with field and laboratory work
9 costing about \$2.8 million. These include projects on sockeye
10 and pink salmon, mussels, shrimp, river otters, general
11 hydrocarbon contamination and associated technical support for
12 data base management and geographic information systems. And
13 new damage assessment projects may be advisable in the future.

14 The second category, on the close-outs, injury
15 assessment studies need to be brought to a logical conclusion
16 in order to present the results of multi-year studies to the
17 public, the scientific community and to provide the basis upon
18 which to plan and implement a restoration program. Thirty-one
19 damage assessment projects are proposed to be completed this
20 year at a cost of about \$4.9 million with final reports due at
21 -- at the end of the calendar year and some at the end of the
22 oil year. Now, these require analyzing existing data and
23 writing reports. A few need additional field work. These
24 projects include nine bird, eight subtidal, eight fish and
25 shellfish, three marine mammal, two coastal habitat and one

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1 archaeological project.

2 Under the restoration activities, we've broken them
3 into two major components, that of recovery monitoring, and
4 that of implementation. And under implementation, we've
5 further subdivided that into information that will improve
6 management of injured resources, manipulation of populations
7 and/or habitats to enhance recovery or productivity, and
8 intent -- identifying habitats that require protection either
9 through acquisition or changes in agency management.

10 In the recovery monitoring category, monitoring
11 includes those projects that monitor species or environments
12 for which injury has been established, and recovery or lack
13 thereof can be measured. Ten projects have been proposed at a
14 cost of about \$4.5 million and cover subtidal and coastal
15 environments, anadromous fish, sea and river otters, sea birds
16 and bald eagles.

17 Under the broad category of restoration implementation
18 and the subheading of management actions, the management
19 action projects will provide information to enable changes in
20 management to help restore injured resources. There are seven
21 projects in this category at a cost of \$2.1 million that
22 include anadromous fish, rock fish, herring, archaeology and
23 harbor seal.

24 In the manipulation enhancement subheading,
25 subcategory, under implementation, these projects are intended

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1 to enhance production above the rate of natural recovery
2 and/or to raise population sizes above that which would be
3 possible in the natural environment. Two projects are
4 proposed for pink and chum salmon at a cost of \$426,000.00.

5 In the habitat acquisition and protection category,
6 these projects provide information on high value habitats and
7 habitat needs of injured resources. They will provide
8 information needed to plan and implement habitat protection
9 measures. Four projects at a cost of about \$1.8 million are
10 proposed to provide information on marbled yurolet (ph),
11 harlequin duck, anadromous fish, and general upland habitats
12 to support restoration decisions.

13 And in summary there's \$7.5 million of the program
14 roughly is in damage assessment and continuation of close-outs
15 and approximately \$9.5 million in all categories of
16 restoration.

17 And next week we're going to be looking at additional
18 implementation proposals and have a second look at some of the
19 projects that were removed during the January 2nd and 3rd
20 meeting.

21 And that pretty much summarizes it.

22 MR. PENNOYER: A question of clarification to
23 either you or -- or Dave. What -- in terms of this
24 presentation, what action do you need to go forward to the
25 plan that we're going to put together to send out to public

1 review? What -- I know -- noticed that you said that you were
2 going to review some more projects next week, and I guess I'm
3 a little unsure as to where we are in approving this for
4 initial -- to initially go forward or to request further
5 detail.

6 MR. GIBBONS: We would like the Trustee
7 Council to -- to approve the -- the development of detailed
8 study plans for further review, further analysis on these --
9 on the project that we have -- have identified as that would
10 be moving forward.

11 MR. PENNOYER: Then I guess the -- the way we
12 would proceed is you would then go and do that. Those --
13 those are to be subjected to further RRCG and peer review, to
14 bring it back to us in -- so we could go through again the
15 details before they went back out as a package to public
16 review, is that correct?

17 MR. GIBBONS: Yeah. We're -- we're trying to
18 gain more information and insight on -- on the proposals so
19 when we finally come out to public review, the -- the public
20 can understand what's being proposed also as well as the
21 Trustee Council in full.

22 MR. PENNOYER: Trustee Council members?
23 Mr. Barton?

24 MR. BARTON: Well, I think we should authorize
25 the RRCG to go ahead and get the detailed study plans

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1 developed and -- so that we can consider them at our next
2 meeting.

3 MR. McVEE: I just had a question. Yeah. I
4 guess maybe the -- the new kid on the block, but I guess a
5 question was some of this -- some of these damage assessment
6 studies were -- were completed, there wasn't any work on them
7 since '89 as I understand it. I guess, you know, -- and yet
8 there's funds for close-out. What -- what -- I guess what --
9 what is that for? Is that basically to -- to do the write-
10 ups, but to -- to prepare a document that as going through
11 them, I think there was a number that -- that the work had
12 been done in '8- -- '89.

13 MR. MONTAGUE: Well, there -- there are a
14 number of projects that are already -- final reports exist for
15 them. I can't think of any -- there may be a few of the ones
16 here that weren't active in 1991, but most of these presented
17 here are ones that were active in 1991.

18 MR. PENNOYER: Further comment? Mr. Sandor?

19 MR. SANDOR: A point of clarification first.
20 First what is the time table by which you expect to get this
21 out to -- for public review? The time table of getting
22 comments from the interested publics and the actions plan- --
23 action plans you expect from the Trustee Council?

24 MR. GIBBONS: Okay. The -- the first
25 question, we're -- we're shooting for the middle of March for

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1 our restoration framework type plan. That would include these
2 to go out for public review. That -- that's the plan.

3 The detail study plans, if you approve that, we will
4 request those immediately. We'll have those by your next
5 meeting, and we'll have a detail of -- of those studies.

6 And I'm -- I'm sorry, I lost the other part of that
7 question, John?

8 MR. SANDOR: Well, and then the time frame for
9 actions, the -- the -- how you expect to review the -- the --
10 and integrate the public comments, and how you would expect
11 the Trustee Council to act on these -- these proposals.

12 I guess I should make it clear, Mr. Chairman, that --
13 that I certainly don't see the development of these detailed
14 study plans as an endorsement of the projects, and -- and that
15 we're simply trying to get the projects out for public review.
16 I'm very keenly interested in the comments from the public, so
17 before we reach a conclusion on what projects to approve, and
18 I'm just trying to figure a time table for that.

19 So you're saying by March this will be out?

20 MR. GIBBONS: We're shooting for the middle of
21 March for the -- for the print work out, for public comment.
22 We plan -- I think Ernie was going to talk about this, and he
23 will be giving the board what -- what the -- the schedule of
24 that, but we would go out and -- and do scoping sessions again
25 with this document in hand for the public, and -- and go out

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1 and -- and get full public involvement on it through both
2 written comment and public comment.

3 And as far as how long it's going to take, I -- I
4 don't have a real good feel on that. Ernie, do you have some
5 kind of feel on that?

6 MR. PIPER: Well, the -- the public meetings
7 that we have first scheduled are the one on -- on public
8 participation and we should have those complete by the end of
9 the first week in February, and our plan is to have most of
10 that public participation work done by the 15th, which is when
11 the restoration framework -- 15th of March, which is on or
12 about the date the restoration framework document is supposed
13 to be coming out. The goal is to have a public review body
14 and a public review system in place when that document is out
15 so that we're doing it concurrently, and the public isn't
16 behind the curve.

17 MR. SANDOR: If -- if I can just follow up,
18 Mr. Chairman. I think it's -- it would be helpful if there
19 was kind of a timeline or a frame or -- or a plan of action
20 for -- for the next two quarters at least that would give us
21 and the public an opportunity to -- to know what actions might
22 be expected.

23 Specifically I'm concerned when the -- at what time we
24 might be expected to take action on restoration proposals, and
25 I think the public would be interested in that, too, so

1 MR. PENNOYER: I think, Dave, in actual fact
2 the Trustee Council will see these at least twice more: once
3 after you do the detailed study plans when we presumably go
4 through them in some detail before even approving them for the
5 first public review, and then after that we'll see them again,
6 so the timing on that's dependant on how fast you guys work
7 them I guess.

8 Mr. Cole?

9 MR. COLE: Mr. Chairman, I'd like a little
10 more information about these close-out studies. It says that
11 there are 31 damage assessment projects which are proposed to
12 be completed at the cost of \$5 million. How long have those
13 studies been going on? That's question one. And then to
14 follow up on that, what work has been done on these projects,
15 for example, in the last six months or the last five months?
16 And -- I mean, has work been continuing on them, or has effort
17 been made in the past five months to wrap them up? I mean,
18 what's been going on on these 31 projects the last five
19 months? Anything?

20 MR. GIBBONS: Yes, I can probably answer that.
21 Most of the projects were started in 1989 immediately after
22 the spill. Some a year later. Activities have been going on
23 constantly on these studies. We've been -- we've been
24 reducing studies every year. I -- I don't have exact numbers
25 in front of me, but we've reduced the number of studies every

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1 year to -- to the number that we have in what we call oil year
2 three, which was March 1990 to February 29th, 1991.

3 Activities are -- are continually occurring on those
4 projects, and there's -- there was people out in the field in
5 September, before the settlement, and following the -- the
6 approved oil year three plan.

7 A lot of the activities that are proposed for our
8 close-out are -- close-out includes no additional field work.
9 Primarily there's a couple studies that have a little bit of
10 field work and you have close out, and then data analysis and
11 final report. We're -- we're shooting for final reports that
12 are -- that are usable to the -- to the public and for
13 restoration work in the future.

14 MR. COLE: Well, tell me a little bit. How
15 about today or this past week, have people been working on
16 these studies this past week?

17 MR. GIBBONS: Yes.

18 MR. COLE: Okay. You know, the -- \$5 million,
19 you know, sounds like a lot of money to wrap up 31 studies. I
20 can't do the -- I suppose I could do the arithmetic. What,
21 it's about 1.5 some place in there. Some ratio. But I would
22 like to see why it costs -- each one of these studies, why it
23 costs as much as it does to complete it when we get to this
24 next, you know, looking at these. What's been going on, and
25 why it takes \$5 million to conclude these studies. And -- and

1 it just seems to me that this -- the reason I say this is
2 because we had a lot of discussion last September when we were
3 coming down to the final settlement of this litigation, which
4 underlies these things, and I'd -- I'd just like to see hard
5 numbers there.

6 And I -- I would also like to say, to get my vote on
7 these other studies, I mean, I for one, I don't know about my
8 fellow council members, but some pretty hard numbers, you
9 know, broken down in considerable detail as to what the costs
10 of these various projects is. Not just some lump figure of
11 \$5 million, I mean detail. I mean, how much for
12 transportation, how much for secretarial, how much for
13 everything, so we can take a good, hard look and not just be
14 faced with approving some study for three million or two
15 million or whatever, 500,000, that doesn't have considerable
16 detail.

17 And also why each of these particular studies need to
18 be done, you know, and at this time. You know, just some
19 really pretty detailed information, not just something that,
20 you know, we just sort of say, well, it sounds pretty good,
21 and so we approve it. Hard data.

22 MR. GIBBONS: Yeah. That's -- that's what we
23 expect to see in the detailed study plans.

24 MR. PENNOYER: Dave, I -- I think it's

25 MR. GIBBONS: I just got a note passed to me,

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1 excuse me, Steve, but

2 MR. PENNOYER: Sure.

3 MR. GIBBONS: the remotes can't -- sites
4 can't -- can't hear us and they think it's the equipment
5 problem, and they'd like to take a short recess to try to fix
6 that.

7 MR. PENNOYER: Why don't we take a five-minute
8 break and see if we can get that fixed and then we'll come
9 back.

10 MR. BARTON: Maybe we can fix this sound
11 system at the same time.

12 MR. PENNOYER: Yes. Okay. We'll take a five-
13 minute break, or a ten-minute, or whatever it takes.

14 (Off record)

15 (On record)

16 MR. PENNOYER: We'll like to begin here, if
17 you would? Could I -- could I get everybody's attention?
18 Could we go ahead and get started again at least? It sounds
19 like our sound people have done yeoman work and we're back on
20 line, and I don't have to shout all the way to Cordova. Could
21 -- could we have quiet in the room, please, so everybody can
22 hear? Thank you very much.

23 Curt, did you have a question?

24 MR. McVEE: Yeah. Jerome, you probably
25 shouldn't have given us this recess so I -- we could think up

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1 questions, but I guess, you know, on some of the -- the close-
2 out costs, you know, are fairly substantial. I think the one
3 with -- there's one that's 2.9 million, maybe a university
4 project, another one that's 266. I assume that, you know,
5 includes something more than just writing a report. Maybe,
6 you know, without going into a lot of depth, you could --
7 could tell me what kind of -- what some of the work that's
8 associated with that? Whether it's some lab analysis work or
9 whatever.

10 MR. MONTAGUE: I'll just address those two
11 since those are the -- the major ones. The \$266,000.00 one
12 with herring is actually a reasonably major field effort.
13 It's just that it's our estimation they will complete all work
14 this year, so they'll -- they'll have vessels out and aircraft
15 collecting information.

16 I'll comment briefly on the -- the other one's a large
17 comprehensive assessment of coastal habitat that I think has
18 -- over the years has totalled about \$18 million or something,
19 and the close-out on that one involved analysis of a lot of
20 samples, but -- but not field work per se. It would probably
21 be best for Dave to comment in a little bit more detail.

22 MR. GIBBONS: Yeah, that's -- that's a
23 contract with the University of Alaska, Fairbanks, and that
24 project was probably the largest intertidal project ever --
25 ever attempted. And they stopped collecting samples in the

1 spring of '91. They're analyzing -- they've got sorters up
2 there analyzing that data. They -- they need to sort it and
3 then put it into a computer and analyze it. They gave us an
4 interim report in October or November that was about 900 pages
5 long with results, and that's -- that was just part of it,
6 so

7 There's no field work. They're -- they're trying to
8 wrap that up into a usable package. And that's

9 MR. COLE: Mr. Chairman?

10 MR. PENNOYER: Mr. Cole.

11 MR. COLE: You see, one of the things that I
12 personally would like to know is, you know, is it really
13 necessary to do more work or more study or more analysis to
14 wrap up these studies and to complete them? I -- I
15 acknowledge that when we have maybe \$18 million into a study
16 that, you know, I suppose it ought to be run to completion if
17 we're pretty far along.

18 But I would like to see, you know, a section, maybe
19 five sentences or something like that, which furnishes us with
20 justification for saying why this study must be, you know,
21 quote, "completed," close quote, if you know what I'm saying.
22 I -- I don't mean to say just drop it, but how much further
23 does the study have to go in order for us to be able to
24 affectively utilize it? That sort of

25 MR. GIBBONS: And -- and that's what we hope

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1 to -- to

2 MR. PENNOYER: Dave, I -- I think what you
3 really are hearing is that not just do we need a review of the
4 individual studies in some detail, but you really are going to
5 have to take the time to present to the Council the framework,
6 to use a word, of how this thing flows together. What happens
7 from damage assessment to restoration planning to restoration
8 implementation? And that's going to require I think an
9 explanation of actually what some of those studies have shown
10 and haven't shown. And I think if you do that, it may answer
11 some of the questions that I think Mr. Cole and others on the
12 Council will have.

13 MR. GIBBONS: Sure. We have the criteria
14 we're reviewing those by, and we'd be -- yeah, we'll provide
15 that, summaries of injuries, links to restoration, why -- why
16 we need to continue.

17 MR. PENNOYER: Thank you. Curt?

18 MR. McVEE: There's another component of this,
19 and I guess it's -- it's not a question, but a comment, and
20 that is that we need to -- we need to think at where in this
21 process, and I assume it would be after we have some -- some
22 guidelines out, some criteria out, but that we would -- we
23 would, you know, make a general notice to -- to the public to
24 ask if, you know, there are any interest in -- in studies, to
25 see if there's anything else out there that we should be doing

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1 that we haven't been doing. And it seems like that, you know,
2 if we could -- if we could move this along so the public will
3 have this, plus the -- the criteria out of the framework plan,
4 that would be an appropriate time to do that, and that may not
5 be timely in terms of '92 field season, restoration year one,
6 Jerome, but it -- it seems like something we should think
7 about.

8 MR. PENNOYER: Are there other comments from
9 any council members? Can I assume then we've asked the RRCG
10 to go head and develop the detailed study plans and by the end
11 of this meeting we'll give some type of a date and time table
12 where we're going to review the detail before we come to any
13 final decisions of what is really going to be approved to go
14 out to public review?

15 Dave, anything further?

16 MR. GIBBONS: Nothing further from me on -- on
17 this topic.

18 MR. PENNOYER: Okay. I guess the next topic,
19 and we can come back to these if anybody at the next break
20 thinks up some more questions, but the next topic was fiscal
21 issues, summary of the status of the joint fund, and I think
22 Mr. McVee was -- ha a presentation on that?

23 MR. McVEE: If I find it.

24 MR. COLE: Well, let me ask this, Mr.
25 Chairman, if I may

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1 MR. PENNOYER: Certainly.

2 MR. COLE: while Mr. McVee is looking
3 for that? Will this information be available for the public
4 that Dave is working up so they can have an opportunity to
5 perhaps furnish us with their comments on these proposed
6 completions and things like that? I'm just

7 MR. GIBBONS: Yes. That's -- that's a kind of
8 -- of difficult sequence of events, and -- and maybe I'll try
9 to walk through that, but we -- we would try to get detailed
10 study plans now from -- from the proposers, review those,
11 present those to you, come back, have another analysis of
12 those, put them in a framework plan, and -- and go to the
13 public.

14 A concern, or an issue is the detail in -- in the
15 detailed study plan. Some of that is -- could -- could be
16 involved with litigation possibly. So we -- we may have to
17 really tailor some of that -- that presentation.

18 MR. COLE: Okay. I was just trying to say we
19 should think about, you know, the process so that when you get
20 your work product put together as it were that that will be
21 made available to the public so we can get comments from them
22 in reaching our final decisions. I think that would be
23 appropriate.

24 MR. PENNOYER: Thank you. Mr. McVee?

25 MR. McVEE: I guess that when you suggest that

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1 an item should be on the agenda, this is what happens to you,
2 but I felt like that it would be worthwhile to -- to present
3 some information both for council benefit and public benefit
4 on -- on -- at least from the federal perspective, and I can't
5 talk or speak from the State perspective, and that probably is
6 -- is another -- another paper, but where we are relative to
7 the -- the joint account and its operation.

8 And maybe just a little bit of background there, that
9 on October 3rd Exxon deposited -- in '91 Exxon deposited
10 \$90 million into an escrow account as required by the
11 settlement consent decree, which was approved by the court on
12 October 7th. In mid December the money left escrow and
13 36.5 million plus interest in that -- on that amount was
14 transferred to the account, the clerk of court for the credit
15 of the U.S. District Court for the District of Alaska. And at
16 the same time 29 million went as partial cost reimbursement to
17 the general investment fund, the State of Alaska, and
18 24.5 million was transferred to the Department of Justice for
19 partial federal cost reimbursement. And so both those
20 payments were partial cost reimbursement.

21 On December 6th Judge Holland issued an order directed
22 that the funds in the registry of the court, pursuant to the
23 settlement be placed in the court registry investment system.
24 And this is administered through the U.S. District Court for
25 the Southern District of Texas, and the funds are used to

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1 purchase U.S. Treasury securities, which are held in safe
2 keeping account at the Federal Reserve Bank of Dallas, Houston
3 Branch. Settlement monies are in a separately identified
4 account entitled "Exxon Valdez oil spill settlement account,"
5 and are invested according to the court registry investment
6 system liquidity fund guidelines for weekly liquidity at no
7 more than 100 day terms secured -- treasury security, and
8 there are weekly reports that -- that are -- that are made on
9 that. There is a cost for that -- for that service.

10 In order for Judge -- an order from Judge Holland is
11 necessary to remove funds from the -- the CRIS account and
12 transferred to the court registry. Technically a second order
13 is necessary to remove funds from the registry of the court.
14 However, it is possible for the judge to combine these orders.

15 Funds will be removed from the registry of court upon
16 joint application of counsel for the United States and the
17 State of Alaska, consistent with the consent decree, and a
18 minimum of five days notice is required for the transfer of
19 funds. Judge Holland can either treat the request for
20 withdrawal of funds as a ministerial matter or sign whatever
21 the Trust- -- and sign whatever the Trustee Council presents,
22 or he can examine the request and determine that the
23 conditions of the MOA and the settlement documents have --
24 have been complied with. And I would expect the possibility
25 at least that on the initial request he might very well do

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1 that. I guess he could even set a public hearing.

2 The request to the court should at a minimum provide a
3 break down of -- of which government, the state or the federal
4 -- or the U.S. Government, is -- is to receive which funds,
5 and it might be better practice to provide a project by
6 project break down so that the judge knows generally for what
7 the money is to be used.

8 It may be noted that for the federal portion, the
9 federal Office of Management and Budget will review budget
10 requests before the United States is permitted to request
11 release of the funds. We have had conversation with OMB and
12 I'm pretty sure that is going to be the case, that they will
13 make some review. The level or degree of review, I don't
14 know. They have an active interest in reviewing the
15 administrative budget and some interest in the project
16 budgets. One thing that they have said is that they would
17 look at the -- the personnel, the FTE levels. It would seem
18 that this review would occur most appropriately before the
19 Trustee Council finally approves the budget and projects, so
20 it might be the best to have that in that sequence.

21 Compliance with NEPA and other appropriate laws should
22 occur before final -- final approval.

23 Money for federal administered projects will be
24 transferred to the Department of Interior, Natural Resource
25 Damage Assessment and Recovery Fund, an interest-bearing

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1 account. That -- it was established and signed by the
2 President on December 12th of '91. And Congress in that law
3 that established that account, Congress has required that a
4 letter be sent giving -- giving the appropriations committees
5 in the Congress a 30-day advance notice of any withdrawals to
6 be made. At the expertise -- expiration of that time,
7 assuming that Congress has not intervened, the money will be
8 disbursed to the federal departments responsible for
9 administering the project upon the agreed upon schedule.

10 It -- I guess that I guess is basically a summary of
11 kind of what we know about the way the process will operate at
12 the present time. There's some continuing discussion with OMB
13 of how -- how their -- how their involvement might be. I hope
14 that may be useful.

15 MR. PENNOYER: Thank you. Questions or
16 comment from other Trustee Council members?

17 MR. COLE: Mr. Chairman?

18 MR. PENNOYER: Mr. Cole.

19 MR. COLE: I have just a couple of quick
20 comments. One is I think it should be made clear that when
21 reference is made to the federal funds and the Congressional
22 veto as it were, if that's whatever you want to call it, deals
23 only with monies from the fund which goes to the United States
24 or any federal agency. Is that your understanding?

25 MR. McVEE: That's correct. That's my

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1 understanding.

2 MR. COLE: Yeah. That's number one. And
3 number two, are we getting possibly two or 3% interest on this
4 money? I mean, do -- do we have any records of how much
5 interest we are getting or?

6 MR. McVEE: We -- we tried to find that out
7 today, and the person that could tell us that had the flu I
8 think and so

9 MR. PENNOYER: Thank you. Other comments on
10 the status of the joint fund?

11 Dave, did you have anything on that topic, or were you
12 ready to go on to the next subject?

13 MR. GIBBONS: I don't have anything on that
14 topic.

15 MR. PENNOYER: The next topic on the agenda is
16 organization, administrative structure, financial management/
17 process. And I would note that we did pass a broad brush at
18 least organizational structure at our first meeting on
19 December 5th, and I don't have the diagram in front of me, but
20 I presume your comments will be within that structure and
21 you'll relate somehow to the structure that we discussed?

22 MR. GIBBONS: That's correct.

23 MR. PENNOYER: Thank you. Why don't you
24 proceed.

25 MR. GIBBONS: What I'm requesting is the

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1 authority for the administrative director to establish a small
2 staff to respond to the growing needs of -- of the job:
3 public requests, development of administrative records. The
4 restoration process is moving quickly, and that was not
5 identified in -- in the organizational structure. And I would
6 like to have the -- the authority to the -- establish the
7 administrative director in a central location so to provide a
8 focal point for the development of a restoration plan, the
9 support for this plan, and also the -- the framework and --
10 and the plan for the spring.

11 We found that earlier in the process a disbursed
12 method of -- of trying to get things done didn't -- was --
13 was not as efficient as it could be. I'm referring to the
14 restoration planning work group that was scattered about, and
15 there was so much efficiencies there and some duplication of
16 -- of efforts.

17 We would have -- like to have a location for the
18 administrative director and support staff so the public can
19 find this individual. Find me in the interim. And ask
20 questions about the process that they have and -- and where
21 we're going with it. We'd like to -- to get a centralized
22 working record. This -- what we mean by this is a place where
23 the -- that NRDA reports that are released can be found, the
24 restoration material can be found, and try to house the
25 response information in one location so somebody can go to a

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1 location and find this information without having it scattered
2 all over. We'd like to -- we feel through this process we
3 would gain greater public access to the process. They would
4 know where to find it and -- and how to -- we would help them
5 use it. And then we'd provide some financial control, just
6 the support control: teleconferencing -- with it scattered
7 out, that -- it's more difficult to do.

8 So those are the points, and we'd like to -- to get
9 the approval to -- to create a small stall in the interim
10 until we have a broad organization approved by -- by yourself
11 so we can start responding to this. An example is -- is the
12 letters from the public. We're getting quite a few letters
13 from the public. We -- we need to -- to be moving in -- in
14 that arena.

15 MR. PENNOYER: Dave, I notice later in the
16 agenda we've got the Simpson Building with support staff. How
17 do these issues relate?

18 MR. GIBBONS: Well, you know, the -- the issue
19 of the -- of the Simpson Building, the Symptom Building --
20 Simpson Building is one option for this centralized location.
21 It is presently under contract with a company called CACI who
22 is under contract to the Department of Justice. Justice wants
23 to step away from -- from the process and plans to in -- in
24 March, and during this time, the transition into restoration,
25 and the expedient development of the plan, we suggest that we

1 remain on -- on the fourth floor of the -- the Simpson
2 Building to -- to move this process right along. We feel if
3 we -- if we're -- break the process up and move the locations
4 out, that -- that the plan would be delayed, and we'd like to
5 -- to have the authority to do that in the interim and revisit
6 this after -- perhaps after the plan is out and we have more
7 time to -- to think about it.

8 MR. PENNOYER: If I may, that then -- does
9 that in essence sort of dictate the response you were looking
10 for if in the interim, whatever that is, three,

11 MR. GIBBONS: Well,

12 MR. PENNOYER: four, five, six months,
13 we need to sort of stay where we are and does that give us at
14 least step one in the -- in the

15 MR. GIBBONS: Yeah, it gives us step

16 MR. PENNOYER: sequence you're looking
17 for?

18 MR. GIBBONS: one in the -- in the
19 development of -- of a draft plan, yes. That's -- that's what
20 we need to move forward with quickly is development of this
21 draft plan, and get it out to the public for public review.

22 MR. PENNOYER: Mr. McVee?

23 MR. McVEE: I guess, you know, a couple of
24 questions. I guess we're looking at -- at hiring or -- or
25 establishing this staff through -- you know, through some type

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1 of details?

2 MR. GIBBONS: A mixture of both. One -- one
3 person on that staff would be a public information officer
4 that handles the public meetings and -- and, you know, dealing
5 with the public outreach and that -- and that -- we propose
6 that -- that person would come from one -- one of your staffs.

7 MR. McVEE: And I guess if

8 MR. GIBBONS: We have a person in mind, John
9 -- that's John -- L.J. Evans, but

10 MR. McVEE: I guess if, you know, if we were
11 looking at new hires, I -- I have several problems on how
12 that's done, you know, at the present time. There's, you
13 know, some processes there, both state and -- and federal
14 processes that we would have to work through.

15 I guess the other thing is that without, you know,
16 resolving it, and maybe we have, I don't know, resolving where
17 the staff will you might say more or less be based, whether
18 Anchorage or Juneau. We've been through that conversation,
19 you know, if we -- we hire people for Anchorage and then have
20 to move them or vice versa, that we're looking at -- at
21 expense there.

22 MR. GIBBONS: We're -- we're not proposing
23 that -- that this house the RRCG group. We're not -- we're
24 not proposing that, the -- the coordination group.

25 MR. COLE: Mr. Chairman?

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1 MR. PENNOYER: Mr. Cole?

2 MR. COLE: Who -- I think the public would
3 like to know, as well as I, who is paying these people? Who
4 is paying the rent? Whose salaries are being paid? Who's
5 paying for the telephone bills now? I mean, where does the
6 money to run this operation currently come from?

7 MR. GIBBONS: Currently it's coming -- it's
8 coming from a mixture of the agencies involved with the
9 process, and we're being housed right now in -- in the Simpson
10 Building, and -- and that's still under the Department of
11 Justice funding. That came from the federal government.

12 MR. PENNOYER: The Department of Justice
13 provided funds by the various agencies,

14 MR. GIBBONS: That's correct.

15 MR. PENNOYER: and they're -- they're
16 still operating on a pool of funds that were provided by the
17 various agencies which will still exist for a while at least
18 as of now?

19 MR. GIBBONS: That's correct.

20 MR. PENNOYER: Can you -- I guess -- I'm not
21 trying to

22 MR. GIBBONS: What -- what we'd like

23 MR. PENNOYER: much, but -- but

24 MR. GIBBONS: Yeah.

25 MR. PENNOYER: elaborating a little

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1 further. You -- you said you need support staff, wanted
2 authority to do some hiring. I don't know the size of that
3 staff, how it relates to the -- and then you'd also said you
4 need -- the best thing to do would be to stay where you are
5 with the support staff and the facility with CACI was still
6 available. How do those two things interact? I'm not -- I
7 don't understand

8 MR. GIBBONS: Okay. Some of the

9 MR. PENNOYER: what you're requesting?

10 MR. GIBBONS: support staff is at CACI.
11 What we -- what we'd like to do, we'd -- to develop the whole
12 picture for you, the whole organization picture, including
13 yourself and -- and the -- the plan, the picture that we see,
14 we'd like -- we'd like to present that to you in -- in its
15 entirety at the next meeting. But in the interim, we'd like
16 to -- to get some staff -- something established, because the
17 Department of Justice would like to -- it's going to move away
18 from this process and -- and we're -- we're going to be faced
19 with a -- with a dilemma here pretty soon.

20 MR. PENNOYER: Mr. Barton?

21 MR. BARTON: Well, as I understand it, the
22 Department of Justice contract runs out in the end of
23 February?

24 MR. GIBBONS: That -- I believe that's
25 correct.

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1 MR. BARTON: Yeah. So

2 UNIDENTIFIED: Excuse me, that's not true.

3 There's a lease that runs through the end of the year. The
4 contract in question is a contract that ends in its base year,
5 and has a series of option years. I think the issue has more
6 to do with Justice involvement and -- and funding, federal
7 funding needed to pay for it.

8 MR. BARTON: So Justice doesn't want to be the
9 contractor any -- after the end of February, is that it, Lisa?

10 UNIDENTIFIED: Justice feels that it doesn't
11 have a direct role, but is willing to allow the contract to be
12 used as a vehicle for a period of time into the future while
13 something else is put in place that would be more -- more
14 developed and more -- more acceptable to the Trustee Council.

15 MR. PENNOYER: Dave, do you need a series of
16 decisions here? The first one is getting some additional
17 immediate help?

18 MR. GIBBONS: That's correct.

19 MR. PENNOYER: And if we allowed the current
20 arrangement to run at the Simpson Building until you got a
21 report back to us on what we really ought to try and
22 accomplish in the long run, how many additional positions do
23 you need now?

24 MR. GIBBONS: The -- the support is there.
25 We'd -- we'd like to move perhaps the public information

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1 officer over from DEC.

2 MR. PENNOYER: So you're asking basically for
3 authority now to go for one additional position, which
4 is

5 MR. GIBBONS: Well, yeah, that -- we're --
6 we're using that person now. I don't -- L.J. has been
7 operating in that arena now. We just -- we'd like to -- to I
8 guess, you know, make sure that we have that access to her.

9 MR. PENNOYER: Commissioner?

10 MR. SANDOR: I think we're going through a
11 transition period with what's happening, and the concern I
12 have, Mr. Chairman, is that we're not sure what our total
13 budget is going to be with respect to the different categories
14 that are now covered. We know we've got a public information
15 plan that's going to be implemented. We need someone to do
16 that.

17 I'm very much opposed to the hiring of any new people,
18 and I think that the people that are utilized in this project
19 should be individuals who have had experience in -- in the
20 clean up of the oil spill or in some aspect of it for some
21 time. And I think we should utilize that experience on the
22 basis of -- of either details or short-term assignments while
23 there's some question of what -- of what the permanent
24 organization might be.

25 With respect to the individual that you mentioned in

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1 -- in public information from DEC, that person would be
2 available and doesn't really necessarily at this point need to
3 be, quote, hired by this group. Can be reimbursed.

4 I guess my suggestion, Mr. Chairman, is that we give
5 the executive director and the staff the authority to utilize
6 individuals who -- in that way and keep track of the time, be
7 it reimbursed. But I'm not comfortable in -- in taking action
8 on approval of an organization, particularly new hires at --
9 at this point.

10 MR. PENNOYER: Mr. McVee?

11 MR. McVEE: One comment. As I appreciate,
12 trying to mobilize a new organization, a new effort that --
13 that you're in dire needs of, you know, some support,
14 particularly administrative support, and I guess, you know, I
15 guess we should try to find you, you know, through some
16 mechanism and the RRCG, you know, that -- that support that's
17 necessary to get your job done. It seems to me like that --
18 that an area of need maybe early on is -- you know, is the
19 expertise of a couple personnel officers and of some general
20 administrative types besides the public affairs types to -- to
21 help you, you know, work through some processes so that --
22 that we could look at the permanent organization, you know,
23 before too many months down the road.

24 MR. BARTON: Steve?

25 MR. PENNOYER: Mr. Barton?

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1 MR. BARTON: Yeah, I think we need to get on
2 with getting the permanent organization cast up and -- and
3 dealt with and established. I'm not sure what the MOA says
4 about that, but I thought that there was some 90-day charge in
5 the MOA, so I would think we ought to take up Dave's offer to
6 lay out for us at the next meeting some options for a
7 permanent organization.

8 That doesn't relieve the short-term problem though.
9 You know, this group we've got sitting in front of us here has
10 been working day and night to try to put this together in some
11 fashion that we've more or less asked them to do. And -- and
12 I think they need some help. And it's not because the product
13 isn't good, it's just because we're working them to -- to
14 death. And -- and, you know, as Dave pointed, the letters
15 from the public are piling up and they deserve response. So I
16 think I would suggest that we offer to Dave the opportunity to
17 identify individuals within our existing organization that can
18 be detailed to help solve the short-term dilemma and then at
19 the time of the next meeting deal with the long-term permanent
20 organization question.

21 MR. PENNOYER: Dave, yeah, not to pester you,
22 but if it seems I am, I apologize, but you've indicated some
23 longer-term needs and a need to deal with the Simpson Building
24 support question.

25 (Off record)

1 (On record)

2 MR. PENNOYER: I think we've got a bad mike
3 somewhere. We'll try this one more time, and then maybe I'll
4 give this mike up entirely. Is it this one?

5 (Off record)

6 (On record)

7 MR. PENNOYER: If that's a commentary on the
8 quality of my remarks, why

9 (Laughter)

10 MR. PENNOYER: somebody else can

11 MR. McVEE: Try that one.

12 MR. PENNOYER: Thank you. Anyway, Dave, to --
13 to follow up, I'm not trying to get you -- pin you to so much
14 right now on something you can't answer, but you have
15 indicated a short-term need for some support. As Mr. Barton
16 indicates, we are under constraints to within 90 days after
17 the receipt of any Natural Resources Damage Recovery, we would
18 agree to an organizational structure for decision-making,
19 including procedures for providing meaningful public
20 participation, so we have probably -- that would take us to
21 mid March I assume, but obviously your needs aren't going to
22 wait till then. So you've indicated a public information
23 officer is one. You've talked about the Simpson Building.
24 What action do we have to take tonight to get you that type of
25 assistance?

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1 MR. COLE: Can I have a question first?

2 MR. PENNOYER: Certainly, Mr. Cole.

3 MR. COLE: Why do you need a public
4 information officer? I mean, you know, what is the reason for
5 a public information officer?

6 MR. GIBBONS: We need that indi-

7 MR. COLE: I think maybe

8 MR. GIBBONS: Yeah.

9 MR. COLE: that somebody who can answer
10 these letters to the public would be more important than a
11 public information officer. That's what I'm thinking about.

12 MR. GIBBONS: That's -- that's part of their
13 duties. But the other part of the duties is the development
14 of a public participation plan, development of public advisory
15 group charters. There's a realm of things that are coming up
16 that need to -- need to be developed, and that's what this
17 public information would -- would assist in.

18 MR. PENNOYER: Dave, I guess

19 MR. GIBBONS: Conduct- -- conducting scoping
20 sessions that are coming up in -- in January and February and
21 March.

22 MR. PENNOYER: In essence you're looking for
23 another body with special -- with some skills? I mean, you
24 need another body, and it would be better if that person had
25 those skills to do it?

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1 MR. GIBBONS: That's correct.

2 MR. SANDOR: Mr. Chairman, if I may, DEC has
3 this expertise in place from -- with experience sometime in
4 the clean-up of the spill and is really ideally qualified.
5 That's why I said the mechanisms already in place to have this
6 person be detailed or on -- on assignment. I -- I think it's
7 premature, however, to suggest that we make a permanent
8 placement of that.

9 MR. GIBBONS: Yeah, I agree also, John. I'm
10 just asking for some short-term help so we can develop a plan
11 for you at the next meeting and some options and so we can
12 start moving forward with -- towards that permanent
13 organization.

14 We have another problem facing us is the funding runs
15 out in -- in the end of February, the authorization for
16 funding. That's the end of the oil year three, and so we need
17 to be -- be considering that type of a, you know,

18 MR. PENNOYER: Dave, is the volunteering of
19 this individual from DEC adequate to cover your short-term
20 needs then in terms of getting an organizational plan to us by
21 a meeting early in February that probably needs to include
22 fiscal matters as well, because we're obviously not going to
23 have any actual restoration year one spending plan done before
24 that deadline of March 1st, so there has to be some mechanism
25 by which we can have interim reimbursable approval for initial

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1 speculative funding or whatever. Administration. So we need
2 to get all of that done. Is this one position adequate to get
3 you to that early February type of review with us on what your
4 really longer term needs are?

5 MR. GIBBONS: Yes, if we can stay in the
6 Simpson Building, that -- that would be sufficient, yes.

7 MR. PENNOYER: What is needed to get you to
8 stay in the Simpson Building?

9 MR. GIBBONS: I think -- I think there's some
10 carry-over funding that -- I'd have to ask the Department of
11 Justice that, but I think there's funding that -- to fund us
12 through the first of March already. Is that correct?

13 UNIDENTIFIED: I think funding is going to run
14 out sometime during February, and so what we've -- what we've
15 asked is that there could be some additional funding,
16 understanding that to get around -- the infusion of money for
17 a longer two months would perhaps allow more time for the
18 development of this planning that you want to present. But
19 I'm not sure that there's adequate carry-over funding from
20 this year, '91, to run through the end of February.

21 MR. COLE: Mr. -- Mr. Chairman?

22 MR. PENNOYER: Mr. Cole?

23 MR. COLE: Perhaps we should consider a draw-
24 down on some of this money in the court registry if we need
25 money to pay rent, things like that. We should -- we should

1 make application I might think to draw down some money. I
2 mean, you know, that's what the whole thing is about.

3 MR. PENNOYER: Mr. Barton?

4 MR. BARTON: Yeah. And I agree with Mr. Cole.
5 I think that's a perfectly legitimate use of that money. I
6 suspect that we could find some money to tide us over on a
7 reimbursable basis if we had to, but I guess I'm puzzled why
8 we don't go to the court registry.

9 MR. PENNOYER: Mr. Piper, you had a comment?

10 MR. PIPER: Well, just in terms of a short-
11 term solution, I -- I'm in the position where I'm laying
12 people off as work finishes, and I still have authorization to
13 keep these people on my staff. They're a legitimate expense
14 out of my funding source and I can get reimbursed, and I'm
15 tracking whatever restoration work we're going separately so
16 that we can get reimbursed. I can reassign people from my
17 staff to provide Dave, not just with the public information,
18 there are a lot of other jobs over there that he really needs
19 help with, and if it's acceptable to the Commissioner, I can
20 do that.

21 MR. SANDOR: Yeah, it is acceptable to the
22 Commissioner, and -- and as a matter of fact, I would move
23 that the Trustee Council approve that kind of a short-term
24 temporary arrangement.

25 MR. PENNOYER: Mr. McVee?

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1 MR. McVEE: I guess that, you know, we
2 basically -- basically we need to know what your needs are,
3 and that I think that with -- within Interior, you know, we
4 could -- we can canvass and we can find, you know, help in --
5 in many areas that -- and maybe we're in the same position to
6 some extent that Mr. Piper's organization is across the State,
7 but it -- that there would be availability there of a -- you
8 know, of a public information officer that has, you know,
9 maybe some expertise in the area of -- of the EIS process and
10 of -- some of the FACA -- FACA (ph) operations and so on that
11 would be very useful, so, you know, there's -- there's
12 probably other volunteers we can -- we can get for you, too.

13 MR. GIBBONS: Okay. Thank you.

14 MR. BARTON: Steve?

15 MR. PENNOYER: Mr. Barton?

16 MR. BARTON: Why don't we just authorize
17 Mr. Gibbons to use his own good judgment in identifying skills
18 that he needs and seeking them out from our respective
19 agencies for this interim period, and agree that they will
20 remain in the Simpson Building as long as we're in a interim
21 situation, and -- and either -- and go to the court registry
22 to get the necessary money to remain in the Simpson Building.

23 MR. SANDOR: I'll second that.

24 MR. PENNOYER: Is there any

25 MR. COLE: I have a question.

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1 MR. PENNOYER: Mr. Cole?

2 MR. COLE: Well, how -- how long a --

3 Mr. Chairman, how long are we talking about remaining in the
4 Simpson Building? I think we need to -- I don't have any
5 objection to it, but I think we need some definition there as
6 to what we're talking about.

7 MR. BARTON: And I -- and I think we can best
8 make that -- best make that determination at the time we deal
9 with the permanent organization. Then we'll have some
10 assessment of space needs and -- and

11 MR. COLE: Okay.

12 MR. BARTON: perhaps be able to deal
13 with location and -- also at that time, Charlie.

14 MR. COLE: Well, if we could get sort of a
15 proposed budget then and then some recommendations as to how
16 much money to draw down from the account either quarterly or
17 semi-annually or annually so that we can have funding.
18 Because, you know, to be talking about furnishing people and
19 getting reimbursed and all those things, I think we should
20 just approach the -- the economic problems directly and get
21 the minimum amount of money that we need, but get what we need
22 and get this thing on a sound keel. Thank you.

23 MR. PENNOYER: We're sharing a microphone.
24 Dave, do you -- in terms of going to the court registry, do
25 you have a feeling for how we would get such a document in

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1 front of us to sign and send out and -- and what would be on
2 it? Do we want one month, two months, three months? What's
3 an interim period that would get us through the restoration
4 plan to start with? Through April?

5 MR. GIBBONS: Through the restoration --
6 develop -- plan of -- develop a draft plan, I would say into
7 April, yes.

8 MR. PENNOYER: Well, it's possible we

9 MR. GIBBONS: But -- but I would -- would like
10 to lay that out for you in a package next -- at the next
11 meeting, and -- and cover the whole organization with
12 timelines that -- that you would like to see for the -- for
13 the development of a framework plan and -- and public
14 involvement and that.

15 MR. PENNOYER: Can the Simpson Building in
16 question wait until early the next meeting in terms of getting
17 more funding?

18 MR. GIBBONS: It -- it sounds like the
19 Department of Justice said there was funding to -- into the
20 middle of February. That -- that would cover the -- well,
21 hopefully there would be a meeting of the Trustee Council
22 before that. I

23 MR. PENNOYER: I have no idea how long it
24 takes to get money out of the -- out of the registry in

25 MR. GIBBONS: Yeah, I don't

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1 MR. PENNOYER: terms of your cutting it
2 close by ten days or something. It's -- wouldn't it be better
3 at this point to make a determination preliminarily that
4 that's what we want to do, and for that part of it have you go
5 ahead and scope out what it would cost to stay in there for a
6 three-month, four-month period of time, and circulate that to
7 us? We can sign it or whatever is necessary to do and deal
8 with that part and then proceed as the motion was made to let
9 you go ahead and use your good judgment between now and let's
10 say February 5th, 6th, whenever we meet next to get help from
11 the agencies. And follow it up with also a recommendation
12 that at that time you will bring a more -- more detailed
13 organizational structure before us?

14 MR. GIBBONS: Good.

15 MR. McVEE: Mr. Chair?

16 MR. PENNOYER: Mr. McVee?

17 MR. McVEE: I guess just for clarification
18 purposes, we're basically talking about the -- the fourth
19 floor of the Simpson Building. We're talking about that part
20 of it that is utilized by the RRCG and the -- and the staff?

21 MR. GIBBONS: That's what we're talking about
22 at this point. We -- we have a proposal for you to consider a
23 public resource center, too, and that may have some bearing on
24 that, some -- will have some bearing.

25 MR. PENNOYER: Does that part need to be done

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1 tonight as well? Or is that something to

2 MR. GIBBONS: That's -- that's coming up

3 MR. PENNOYER: come back to us at the
4 next meeting?

5 MR. GIBBONS: It's coming up next.

6 MR. PENNOYER: Okay. Fine. We had a motion.
7 Is there any disagreement with the motion or indeed -- or --
8 or the -- well, we'll following Robert's Rules of Order.
9 Amend -- do I have to amend the motion to add that request to
10 look at the Simpson Building, or will you accept as a friendly
11 further motion -- amendment to your motion?

12 MR. BARTON: I thought I included it, but if I
13 didn't, I accept the amendment or

14 MR. PENNOYER: Okay. Is there any

15 MR. BARTON: whatever's appropriate.

16 MR. PENNOYER: any objection to the
17 three-part motion we have in front of us?

18 MR. McVEE: Until April -- through April or to
19 April 1st?

20 MR. PENNOYER: Through -- I think I heard
21 through April. Okay. Good. So -- so done. Do you have
22 enough instruction on that then, Mr. Gibbons?

23 MR. GIBBONS: Yes. Yes, I do.

24 MR. PENNOYER: Fine. Do you wish to go ahead
25 with the next -- next item then?

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1 MR. GIBBONS: Yeah. You made the next item
2 very easy. I developed an interim subgroup on what we call
3 the financial management and processes, and the proposal there
4 we had would -- would be to go to the agencies, select perhaps
5 or two budget knowledgeable people from the state of federal
6 -- state and federal governments, bring them into that group,
7 bring them up to speed on the processes of the oil spill, the
8 things we're dealing with, and then disband that interim
9 budgetary group and -- and have that -- those members provide
10 that input both to the Trustee Council and to the -- to the
11 coordination group and the administrative director.

12 MR. PENNOYER: Any comment on -- ? It seems
13 to be right in line with our motion. Thank you. Why don't
14 you proceed?

15 MR. GIBBONS: The next item on the -- on the
16 agenda is a public participation plan. Following the Trustee
17 Council direction of December 19th, we have revised our draft
18 plan and Ernie Piper will present this revised edition for us.

19 MR. PIPER: I -- I realize I'm breaking the
20 tradition a little here standing up. It's -- since this is
21 the public participation plan, I thought I would rather have
22 them see me than my back while discussing it.

23 At the -- at the last Trustee Council meeting, there
24 were five items that were specifically brought to us that we
25 were told to work on. Number one was schedule and conduct a

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1 series of public meetings, and with options of public -- for
2 public participation as one of the principal topics, if not
3 the principal topic. We've scheduled 90% of those meetings.
4 We tried to get some done next week, but we had several
5 requests to slow it down, that we were moving too quickly. We
6 needed more public notice on that, and, of course, we -- we
7 did that.

8 So the meetings will begin on the 20th in Cordova. I
9 have a press release that's available here tonight that lists
10 all the meetings. Just for the record and for the remote
11 sites who don't have these, I should mention that Cordova is
12 the 20th at 7:00 o'clock at the public library. Juneau is the
13 22nd at Centennial Hall in the Egan Room. Chenega Bay is
14 Monday, January 27th, at 11:00 o'clock at the Chenega
15 Community Center. Kodiak is Thursday, January 30, at 7:30
16 p.m. in the Borough Assembly Chambers. Homer is Monday,
17 February 3, at 7:00 p.m. in the City Council Chambers. Valdez
18 is Tuesday, February 4th, in the Civic Center Conference Room
19 at 7:00 p.m. And Seward is Thursday, February 6th, at 7:00
20 p.m. also, in the City Council Chambers.

21 We have several other meetings that we will be
22 scheduling, Whittier, Anchorage and Fairbanks among them, and
23 as appropriate dates come available, we'll do those as quickly
24 as we can.

25 The goal is to get these done before the middle of

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1 February and the reason is it's a fairly tight timeline. If
2 we want to -- if we really indeed want to have -- make sure
3 that there's a good public participation program in place by
4 the time the draft restoration framework is out, we want to
5 make sure that we have everybody ready to review it by the
6 middle of March, so we're looking at that, and I'll get into
7 that in -- in the three-month plan.

8 So the meetings are going on, they begin the 20th.

9 The second one was determine whether the Federal
10 Advisory Committee Act applies for the purposes of setting up
11 a public advisory group to the Trustees. We went around quite
12 a bit on this one. I can tell you after reading the Act
13 several times, and consulting with several lawyers, that there
14 doesn't appear to be anything onerous or difficult about
15 complying with this act. In a perfect world, I would not deal
16 -- deal with the paperwork and bureaucratic processes
17 involved, but they don't appear to slow things down or -- or
18 significantly hamper our ability to get something in place
19 quickly.

20 Essentially what that act does is it -- first there's
21 a series of paperwork shuffles. You have to make sure that
22 the various Secretaries of the agencies understand that there
23 is a need for the advisory act -- the advisory group in
24 question. Two, there has to be a charter filed. Three, you
25 have to make sure you -- that in that charter your members are

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1 balanced, a perfect balance from among the interests that are
2 supposed to be represented. Three, you've got to have open
3 meetings, which is perfectly fine. And then there's another
4 round of paperwork shuffling regarding some Federal Register
5 notices and soon.

6 As I said, in a perfect world from -- from my public
7 policy standpoint, I prefer not to deal with it and just get
8 the group set up more quickly, but I don't think this is going
9 to slow things down, nor do I think that it's an issue that's
10 worth getting into a big brouhaha about. If -- if it appears
11 that this is -- is going to apply, then we should go ahead and
12 do it.

13 The -- the important thing here though to mention is
14 that if you read through the Act, the regulations and the case
15 law, what you see is this: Most of the time it probably
16 applies. Sometimes it doesn't. There are some exceptions.
17 But rather than have us sit here and build a program around
18 some law about federal advisory acts, we ought to decide what
19 the public thinks will serve the public best, what the
20 Trustees thinks will serve the Trustees and the public best
21 and then when we come up with those points at the end of the
22 public meeting, go ahead and draft the charter, and if the
23 attorneys care to look at it and decide whether it applies or
24 it not applies, it's -- it's almost immaterial. They can go
25 ahead and do that.

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1 We're operating on the assumption that we have to do
2 the maximum here to get it going, and that assumes that the --
3 that the Act applies, so I don't see that as a problem.
4

5 The -- the third item was presented to you folks.
6 This came in the form of a memo rather than at the December
7 19th meeting. Was present a three-month plan for public
8 participation, for review and for approval. And we've heard
9 some of the things here this evening on how you'd like those
10 staffed, so I'll skip those.

11 But the summary version of it would be that in late
12 this month and early in February we solicit public comment
13 both through the meetings and also through written comment
14 about what a public participation program -- program should
15 include, how it will serve your needs best and what you think
16 will -- will serve the Trustees best in terms of getting
17 advice from you, the public.

18 The other thing to do during January and February is
19 go ahead and make those plans and start acting on some of the
20 things that you were just discussing. Make sure that you have
21 the capability within the restoration group to answer letters,
22 answer replies when people call on the telephone, when they
23 have questions. Make sure that meetings are arranged. Make
24 sure that the sound system works. Make sure that -- that the
25 record is being kept properly, that the referral service and
other library cataloging functions that are currently

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1 undertaking in the Oil Spill Public Information Center, that
2 those are available, and we want to, as the Department of
3 Justice no longer necessarily wants to run that, to start
4 moving it out. And the first thing we'll do is reassign
5 individuals from the agencies and some from -- from my oil
6 spill group to do that.

7
8 For February and March we would, beginning as soon as
9 the public meetings are over, synthesize the public comment
10 that has come in about public participation, including the
11 details of public advisory group, form and function, and how
12 that would work, and have that to you as quickly as we could,
13 hopefully by mid to late February. I wouldn't want to go too
14 much later than that.

15 And concurrent with that, in February and March,
16 mostly in February, I would request your authorization to go
17 ahead and seek nominations for the public advisory group. We
18 haven't determined how -- necessarily how many members it
19 might be. We're working right now on the -- on the theory
20 that it would be ten to 15, somewhere in that range. I don't
21 think we'll have any shortage of nominees, and I would suggest
22 that we adopt a list of criteria which I will pass on to you
23 and see if you approve of them, and then go ahead and start
24 soliciting nominations beginning on or about the -- the 10th
25 of February, or the early part of February.

The other thing to do as we get towards the end of

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1 March would be to appoint or reassign personnel to do those
2 jobs that we've mentioned, and I covered that.

3 We -- we've done a lot of staff work in -- in terms of
4 what the goals ought to be of a public participation program,
5 and some of the ways that a public advisory group might work.
6 I would suggest, however, that we don't want to presuppose
7 what the public would say. We don't want to necessarily make
8 them work off our agenda, or what we happen to think is best,
9 so we'll continue to do our staff work as we -- as we need to,
10 but mostly what we need to do now is go out and hear from the
11 public and see what sort of models they think work for them.

12 There was some discussion that we had about providing
13 more of a framework for the public to shoot at or look at.
14 It's been my experience particularly in this -- in this event
15 since March of '89, that the public has no shortage of ideas
16 and views about how they would like to be meaningfully
17 involved in things, and we've already gotten several letters,
18 a number of letters, and -- and I'm sure we'll get more, so I
19 don't see that as being a problem in terms of a framework for
20 the discussion.

21 One of the things that -- that is clear and we talked
22 about a public participation program in general is that a
23 public advisory group is not necessarily going to serve all
24 the purposes that the public needs. A member of the public
25 may not prefer to deal with the public advisory group. After

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1 all, you have access here to the Trustees at -- at your public
2 meetings, and you can talk to them directly. If that happens
3 to be your choice, rather than dealing with the public
4 advisory group, there needs to be a way that you can make sure
5 your comment gets to them, that somebody receives it, codes
6 it, tracks it, summarizes it if necessary, and make sure that
7 the Trustees get it. And that involves a need for public
8 information specialists or officers, whatever you want to call
9 it, and once again we can reassign those, and we plan to do
10 that from -- primarily from my group or if Mr. McVee has some
11 ideas about how best to do that as well, naturally go right
12 ahead.

13 The -- I skipped my first and now I've lost it. Ah.

14
15 Number four was develop a charter -- the fourth task
16 was develop a charter for a public advisory group and a
17 process by which members would be selected. I've discussed
18 the charter a little bit. There are some ideas that are out
19 there. There are some drafts or some ideas or dreams (ph)
20 that exist currently. As I said, we don't want to presuppose
21 too much from the public self. If -- if you'd like to hear
22 more of those, I would be happy to do it, but I think that it
23 would -- it may take up more time than you want to take up on
24 this topic right now.

25 I think in general that the -- that the criteria for
selection to -- to this public advisory group would be

1 something on the order of these criteria and we would want the
2 public to comment on this as -- as well.

3 Number one would be knowledge of the region, its
4 people, its communities and their primary activities.

5 Number two would be knowledge of the areas affected by
6 the oil spill and the clean up.

7 Number three would be affiliation, either formally or
8 informally with one or more of the principal interests in the
9 area.

10 The next would be expertise and recognized authority
11 in at least one of the areas of interest.

12 Along with that would be -- a next one would be
13 credibility with the segments of the public whose view that
14 member says to represent.

15 Another would be the ability to analyze restoration
16 information and provide meaningful comment as it relates to
17 the individual's -- member's area of expertise.

18 And the last that I would mention would be ability to
19 communicate information and facts clearly and fairly both
20 ways.

21 Obviously if you're going to set up a group that --
22 that is going to provide meaningful comment or informed
23 comment on what the restoration group is doing, you have to
24 give them at the same time some sort of access similar to the
25 access that agency has -- agency heads like the Trustees have

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1 to the RRCG. We would anticipate having a designated member
2 of the RRCG be the liaison or staff if you will to -- to
3 provide the interpretive services to the -- the public
4 advisory group members as they need it. Much of the -- a lot
5 of the information that we're -- that we're going to be
6 digesting here about restoration is not necessarily simple
7 public policy questions. They often involve scientific
8 questions as well, and for people who -- for whom that is not
9 their area of expertise, they might want some help.

10 The fifth item that you asked us to talk (ph) was a
11 fiscal note, is the way Commissioner Sandor talked about it.
12 How much would all this cost and I would tell you that the
13 public meetings that we're holding now currently we're
14 covering the amount of existing agency operations budget in
15 part through mine, because I have some, and the way we look at
16 it now with travel and depending upon some other site, rental
17 and those kinds of things when we get the other meetings set
18 up, I'm looking at somewhere about \$12,000.00. That's
19 relatively cheap to go around to eight or ten communities in
20 the wintertime and get them -- get them -- get people involved
21 and make sure that you have good meetings.

22 As far as an over-all budget, depending upon what kind
23 of components and how much of a resource center the Trustee's
24 want -- mine's unplugged. Depending upon what components you
25 wanted and how extensive the resource center would be, how

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1 many staff people you'd want in terms of public information
2 and that kind of thing, you're probably look at in each of the
3 first two years somewhere on the order of a low of \$300,000.00
4 to a high of perhaps \$750,000.00 spent on -- probably about a
5 third of that, 20 to 30% of that would be for travel and
6 meetings and activities, so on, of the public advisory group.
7 I would anticipate that once you've got a restoration plan in
8 place and things are being implemented, that those costs would
9 probably come down. The time that you need most of your
10 meetings and travel and -- and extra staff work and things
11 like that is during the development of the plan, so I would
12 not look at this as an annual expense for the life of whatever
13 the restoration plan is. It would be relatively high expense
14 on one end and probably decrease over time.

15 MR. PENNOYER: Questions or comments by the
16 Trustee Council members?

17 MR. McVEE: Okay. I'll start it. Yeah, just
18 I guess a couple comments on the -- the Federal Advisory
19 Committee Act charter. You know the compliance with the act,
20 I think that I've had some experience with that, is basically
21 as Ernie had described it. It's -- it's not an involved
22 process. The -- the selection -- appointment and selection
23 process would be the -- the part of it that would -- would
24 really -- may absorb the time, and that just depends on how it
25 goes. And you have that whether you're operate it under a

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1 factor or not.

2 I guess it would be my recommendation to -- to keep
3 the charter very simple. The charter goes in to GSA for
4 approval, and -- and these can be a very -- very short type of
5 document, and I guess I'd recommend that -- that when we go
6 into the public meetings we not talk about the charter, you
7 know, because that's very simple. It's -- it's a paper
8 requirement, basically a thing to do, but we talked about the
9 roles and responsibilities of the advisory board. We get the
10 public perception of what that should be to help guide us,
11 their involvement, and selection criteria and membership. So
12 I think those characteristics are the thing where, you know,
13 we can -- we can get from the public that will be most useful
14 -- useful to us, and -- and not focus on the charter, because
15 that can be very simple.

16 The other thing is, and I think -- I think, Ernie, you
17 kind of moved by this resource center thing a little quickly,
18 and I think we're going to talk about the -- the resource
19 library, and I don't know whether that's kind of rolled into
20 that -- that whole issue or not, but I don't want -- I don't
21 want to miss out on that when we get to it. And -- and these
22 things may relate as I understand it.

23 MR. PENNOYER: Thank you. Ernie, did you have
24 some follow-up comments?

25 MR. PIPER: Well, I -- I -- again I have more

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1 detail about what the resource center would do. Largely this
2 type of an operation, the -- the cost involved is mostly
3 people, and -- and what I've heard here is for the time being
4 don't do anything grandiose.

5 Dave's talking about coming in at the next meeting
6 with more a detailed plan. I think it would probably be more
7 appropriate for us to go in more detail about a resource
8 center when Dave does that. And that might be more useful to
9 you.

10 In the meantime we will do as we've been instructed
11 with the agency personnel as -- as you've mentioned.

12 MR. PENNOYER: Mr. Barton?

13 MR. BARTON: The -- what -- what did you call
14 that, Ernie? The restoration resource information center?
15 How does that relate to the now existing oil spill information
16 -- public information center?

17 MR. PIPER: A lot of the functions that -- I
18 think some of the -- well, I can tell you that here are some
19 of the things that it does now that would be included in a
20 resource center: One would be receive and direct to the
21 appropriate person or agency the questions and comments and
22 suggestions that come in. There needs to be somebody that
23 answers the phones and says, "Yes, I can get you that."

24 MR. BARTON: Maybe I could in the interest of
25 time be more specific in my question. Is -- are we -- is your

1 proposal essentially just renaming the oil spill public
2 information center?

3 MR. PIPER: I wouldn't anticipate that. I
4 think that any time you -- you consolidate an operation or
5 change what it's doing, you should look at each function and
6 see whether you still need to do it, and that would be the
7 kind of thing that would be part of Dave's plan the next time
8 around. We shouldn't just pick up everything that exists
9 and -- and drop it down. A lot of the institutions that we've
10 developed during the oil spill have been very useful doing
11 what they're doing for a given time period, but as they
12 change, they need to do different things.

13 MR. GIBBONS: You know, we would -- we would
14 analyze the duties of -- the needs of the group and then
15 tailor our request to those needs.

16 MR. PENNOYER: Mr. O'Conner, do you have some
17 legal observations?

18 MR. O'CONNER: Yes. I'm concerned that the
19 mechanism that's been put in place to this point to establish
20 the public information process and public advisory committee
21 is disenfranchising a very large component of the interested
22 public, and that's the public that resides in the Lower 48.
23 And the Trustees who are representative of the federal
24 government is here on behalf of that constituency. Excuse me.
25 I think it would be appropriate to expand the scope of your

1 meetings and expand the scope of the process for establishing
2 this public advisory group to incorporate the interest of
3 those people who reside outside of Alaska but nonetheless have
4 every much -- every great -- as great an interest in the
5 resources and the outcome of our restoration planning as do
6 those that reside here.

7 MR. COLE: May I respond to that?

8 MR. PENNOYER: Mr. Cole?

9 MR. COLE: Well, it's been my observation that
10 those outsiders always find a way to get up here and tell us
11 what to -- how to manage our own affairs up here, so I'm
12 not

13 UNIDENTIFIED: Absolutely ridiculous.

14 MR. COLE: overly -- thank you, sir --
15 overly concerned about giving them notice. So

16 I'm also a little apprehensive about this \$50,000.00 a
17 month figure, you know. I mean, half a million dollars,
18 \$600,000.00 a year is five -- \$50,000.00 a month. There again
19 it sounds like an awful lot of money to me. You know, that's
20 how much, 1700 bucks a day, something like that? That's a lot
21 of money. I think, you know, you should get a sharp pencil at
22 these big numbers and -- and see if you can might scale them
23 down a little bit, you know. We have to continue, and I harp
24 on this, but we have to say we want to put the money, you
25 know, that's here, back into the, you know, the restoration of

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1 the damaged resources, and, you know, if this group has 50,000
2 a month, I mean, you know, then this group here and this
3 organization is going to have \$50,000.00 a month I'd think at
4 least. I mean, this group ought to have, you know, expenses
5 equal to that. That's 100,000 a month, that's a million two a
6 year. I mean, you know, and we just have to get this scaled
7 back in my view to a leaner operation so we can be more
8 productive with these monies.

9 MR. McVEE: Steve?

10 MR. PENNOYER: Mr. McVee?

11 MR. McVEE: Yes. While the mike's coming by,
12 I -- I guess I might be a little confused here in that, you
13 know, Dave, you know, we -- we were talking about information
14 officer or information -- a public information specialist and
15 so on, is -- is that just the short-term and this is the
16 longer-term response to the -- to the need, or, you know, is
17 there some duplication there?

18 MR. GIBBONS: Those people -- the people I
19 referred to are the -- the people that Ernie's referring to
20 also, so there's -- there's a duplication there.

21 MR. PENNOYER: Other Trustee Council members?

22 One observation in line of what Mr. O'Conner said and
23 with deference to Mr. Cole's remarks, most organizations
24 around the country do have representatives in Alaska in things
25 they're interested in. But we know from the time of the

1 spill, we know from the surveys we did that there was
2 tremendous and still remains tremendous interest outside
3 Alaska, too, on what's happening here, certainly in the way
4 the injuries are finalized and the way the programs are
5 developed. And I would assume that -- I don't know that
6 you're going to run all over the United States holding
7 meetings in every -- two towns in every state or something,
8 but I would presume that our -- our mailouts should be --
9 encompass a larger mailing distribution than -- than simply
10 within the State. I presume that's

11 MR. PIPER: Yes.

12 MR. PENNOYER: I presume you're looking
13 toward that at -- at any rate. Mr. Barton?

14 MR. BARTON: Well, I presume that we could
15 look at this in some detail and perhaps another means to
16 address the concerns that have been raised is through the
17 Federal Register and some public notice and comment through
18 the Register.

19 MR. GIBBONS: Yeah, we also have the mailing
20 list from the -- the oil year restoration and damage
21 assessment plans that numbers about 1600 that's -- from across
22 -- across the country that we're going to integrate into this
23 mailing list.

24 MR. PENNOYER: Mr. Cole?

25 MR. COLE: Mr. Chairman, I -- here's my view

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1 on that a little bit. I had a call from the attorney general
2 of Louisiana the other day. Had an oil spill down there.
3 Spoke with the attorney general of Washington about that oil
4 spill off the Washington coast. I don't see any of those
5 people, you know, giving us public notice of what's going on
6 in the restoration process down there in their oil spills, and
7 it just seems to me that -- that, you know, this thing ought
8 to be rooted in equity some place, so, you know

9 MR. PENNOYER: I think your explanation,
10 Mr. Gibbons, for now is probably sufficient in your mailing
11 list and how we're going to get the word out. At some later
12 time we may wish to discuss and debate it further, but are
13 there any -- any further comments on this particular item?

14 MR. SANDOR: Mr. Chairman, I'd like to
15 appreciate appreciation for the detail in which this -- the
16 paper was prepared and specifically the different components
17 of the activities that are involved, and we may want to scale
18 back or modify certain items, and we certainly want to save
19 bucks, and we're going to do that. But we appreciate this --
20 this -- I appreciate this presentation.

21 MR. PENNOYER: I think you speak for all of
22 us, Mr. Sandor.

23 Dave, do you have further on this topic?

24 MR. GIBBONS: No, Mr. Chairman.

25 MR. PENNOYER: Thank you. The next item,

1 we've talked about the Simpson Building, so is the next item
2 the permanent executive director?

3 MR. GIBBONS: Yes.

4 MR. McVEE: Aren't we going to talk
5 about

6 MR. PENNOYER: Mr. McVee?

7 MR. McVEE: talk about the library,
8 OSPIC, that part of the Simpson Building discussion?

9 MR. PENNOYER: I don't know. Mr. Gibbons, did
10 you want to -- did you have an item on OSPIC, on the library?

11 MR. GIBBONS: No, I think Ernie

12 MR. PENNOYER: Or was that part of Mr. Piper's
13 presentation, that

14 MR. GIBBONS: That -- that was part of
15 Ernie's

16 MR. PENNOYER: you're going to give us
17 the detail in early February?

18 MR. GIBBONS: Right. And what we're going to
19 do is we're going to -- we're going to identify the needs that
20 the Trustee Council and -- and the coordination group need and
21 build that resource -- restoration information center around
22 those needs, and have that into that plan for you at the next
23 meeting.

24 MR. PENNOYER: Mr. McVee?

25 MR. McVEE: Yes. I guess, you know, I -- I

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1 guess I'm concerned about, you know, the -- the cost also, and
2 it seemed to me like here is one place that we could -- we
3 could work towards reducing some of our -- our expenses. And
4 -- and this has been discussed by the Trustees Council on
5 several previous occasions I think, but it seems to me like
6 it's worthwhile to proceed, you know, and -- and it's not
7 necessary to wait until the next meeting, but to proceed to
8 explore where there -- there -- other alternatives for the
9 location of -- of the OSPIC collection. And there -- there
10 are several possibilities that have been explored, and I think
11 we should, you know, pursue those a little bit more in some
12 more detail so that maybe by the next -- our -- our next
13 meeting that we will have a definite proposal with costs and
14 some commitment of where we could locate that collection.

15 MR. PENNOYER: Mr. Barton?

16 MR. BARTON: Yeah, I -- I guess I'm still
17 somewhat confused about the relation of OSPIC to this new
18 center, but we have talked about alternative locations for
19 OSPIC at three or four prior presettlement Trustee Council
20 meetings, and -- and if my memory serves me, we I thought had
21 done a couple different analyses of that, and I think one was
22 done by Mr. Steel and I -- I don't know who did the others.
23 And I -- and I thought we had concluded from that that --
24 well, first of all, I -- I thought we gave the direction to
25 explore placing the OSPIC in other libraries around the State

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1 and had several options identified, the University being one,
2 the Interior Library located in the Anchorage Federal Building
3 as another. I think we talked about the Anchorage City
4 Library. And I thought we had concluded twice before to move
5 OSPIC into the Interior Library in the Anchorage Federal
6 Building. Am I losing my mind?

7 MR. PENNOYER: Mr. Piper, are you going to
8 answer Mr. Barton about losing his mind?

9 (Laughter)

10 MR. PIPER: That's right. I don't think I
11 have the mental competence to talk about that myself.

12 MR. PENNOYER: Good answer.

13 MR. McVEE: I, you know,

14 MR. PENNOYER: Mr. McVee?

15 MR. McVEE: You know, that was my
16 understanding, and I think that maybe it was during, you might
17 say, the transition from -- from damage assessment into the
18 restoration program that -- that we kind of dropped -- we've
19 -- we've dropped this, and it seems like that, you know, that
20 we should pursue it in some detail and see if there isn't a
21 viable option or to look at costs.

22 MR. BARTON: Mr. Chairman?

23 MR. PENNOYER: Mr. Barton?

24 MR. BARTON: As I recall, we did look at
25 costs, and we did solicit expressions of interest on the part

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1 of other libraries, and that's what led us to the conclusion
2 to put it in the Interior. Now, I'm not hung up on that, but
3 I -- I had to keep recycling this thing.

4 MR. GIBBONS: Yeah, if I maybe could comment
5 on here, I -- I think our proposal will not be for a library
6 as such, and I think that's part of the -- part of the
7 confusion here.

8 MR. BARTON: The -- you're talking though
9 about the restoration resource public information center or
10 are you talking about the current OSPIC?

11 MR. GIBBONS: No, we're talking about -- we
12 will be talking about a resource restoration information
13 center.

14 MR. BARTON: But that begs the question of
15 what to do with the current materials that we've accumulated
16 in OSPIC. That -- that represents quite a body of knowledge,
17 and I'd kind of hate to see it go in the trash.

18 MR. PENNOYER: Yeah, Dave, just for
19 clarification, the current OSPIC contains a lot of things
20 besides just documents. It contains video tapes and slides, a
21 lot of information items that the public has used to educate
22 itself on Exxon Valdez and oil spills in general. So none of
23 this is then built into what you would consider to be a public
24 information center?

25 MR. PIPER: As a matter of fact, I -- you

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1 know, the -- the point here is that we're not just -- we're --
2 we're proposing that we just pick up OSPIC, slap a new name on
3 it and -- and leave it there in place, but clearly the -- the
4 public gets a lot of benefit, considerable benefit from the
5 research capability of being able to go in there and see the
6 documents, of the ability of OSPIC's library specialists to
7 direct them to other materials that they know on the inter-
8 library loan or in other catalogues, and that it provides a
9 significant opportunity for people to get at information about
10 the oil spill and -- and hence the restoration. So we're not
11 proposing that we expand this into a brand new state library,
12 but recognizing that the materials there are important, that
13 they're useful to the public, that we ought to keep them in
14 some form, and if there are some functions that the OSPIC does
15 now that the Trustees see as superfluous, we should get rid of
16 them. But there are some functions of that OSPIC that -- that
17 are -- are useful and ought to be continued.

18 MR. PENNOYER: Mr. Barton.

19 MR. BARTON: Can we just focus on the
20 materials in OSPIC for a minute? What -- what are we talking
21 about -- or what are we considering for the materials that
22 have been accumulated in OSPIC? I don't care about the
23 services, but just the sheer physical books and papers and
24 fixtures?

25 MR. PIPER: I would expect we would keep them,

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1 unless there was another collection that -- that wanted them.

2 MR. BARTON: Okay. And that's what I'm
3 getting to, is that what you envision in the restoration
4 public information center is

5 MR. PIPER: Yes.

6 MR. BARTON: picking up that body
7 of

8 MR. PIPER: Taking those documents --
9 documents and the functions that still make sense, putting
10 them under direct control of an executive director, and then
11 you have more direct management over taking it out of the
12 Department of Justice and then we can make -- so that we can
13 make intelligent management and public information decisions
14 based on what the Trustees want.

15 MR. BARTON: So the -- that that body of
16 knowledge that's been built up will not be lost?

17 MR. PIPER: Yes, sir.

18 MR. BARTON: Okay.

19 MR. GIBBONS: Yeah, and back to Ernie, we're
20 -- we're talking, like I mentioned, a centralized
21 information -- a place for response data, too. It's been
22 housed in DEC and it's -- it's all over the place, and
23 bringing that together so there -- there is one -- one
24 location where the information can be used.

25 MR. BARTON: So that then the OSPIC center,

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1 the existing -- I'm sorry, I -- Mr. Chairman?

2 MR. PENNOYER: Go ahead, Mr. Barton?

3 MR. BARTON: The existing OSPIC center is not
4 a question we need to deal with? It's being dealt with in the
5 course of this other activity?

6 MR. GIBBONS: That's correct.

7 MR. BARTON: Okay.

8 MR. PENNOYER: Mr. McVee, does that answer
9 your questions for the moment?

10 MR. McVEE: I guess -- I guess for the moment
11 it probably does. We will see the next chapter of this --
12 this discussion at our next meeting?

13 MR. PIPER: Yes, sir, and my -- and my
14 understanding is you want us to tell us where it's going to go
15 physically. You don't want to just know that we want to --
16 we're going to keep it, you want to know where the building
17 is, correct?

18 MR. McVEE: We want to know where it could go.

19 MR. PENNOYER: Where it -- where it could go.

20 MR. McVEE: What would be the options.

21 MR. PENNOYER: Yeah. Dave, I think it's clear
22 the Council doesn't want to reiterate this several more times,
23 and as part of your recommendation, we'd like to deal with the
24 OSPIC question or son of OSPIC or daughter of OSPIC, whatever,
25 at the next session, okay?

1 MR. GIBBONS: Clear.

2 MR. PENNOYER: Thank you. Mr. Montague?

3 MR. MONTAGUE: Do we have any guidance from
4 the Council if moving it to an existing library would be
5 preferred over keeping or establishing an oil spill specific
6 library?

7 MR. PENNOYER: I think you're going to get a
8 mixed view on that with -- absent any information on which to
9 judge the relative merits, but you can -- Mr. McVee?

10 MR. McVEE: Yes. I guess, you know, this is -
11 - this is just part of -- of the, you might say, the natural
12 resource data information that we have, you know, within the -
13 - within the area. The AEID, the Consortium Library, the
14 Municipal Library, the -- the Interior Natural, you know,
15 library, but they'd all -- all have additional information and
16 data that isn't available in OSPIC it would seem like that --
17 that, you know, that actually may be performing a public -- a
18 greater public service to have this collection consolidated
19 with -- with other data and other information, that it's still
20 available. Those are well-known places that you go to look
21 for -- for information, so I guess I have a fairly strong
22 feeling that -- you know, that there's real merit in -- in
23 consolidating it and an intuitive feeling that -- that it will
24 -- that it will probably be at lesser cost to operate it.

25 MR. PENNOYER: Mr. Sandor?

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1 MR. SANDOR: Yeah, I concur with -- with Curt
2 McVee on that. There may be some exceptions, but I think
3 these papers are important enough that they need professional
4 attention and there are institutions in place that I think
5 could provide that.

6 MR. PENNOYER: Mr. Cole?

7 MR. COLE: Well, I was just going to say, try
8 to find I think a place that's convenient to the public and
9 where -- that we don't have to spend ten or \$15,000.00 a month
10 to house it. I know there are these institutions which would
11 welcome having those materials there. The University of
12 Alaska in Fairbanks, although I realize that's not as
13 convenient to the -- a lot of the interested people, so that
14 has that disadvantage. So just in -- in my view, where it's
15 convenient to the public and where we can have the public
16 institutions house it without rent costs to this Council.
17 That's my view.

18 MR. BARTON: Mr. Chairman?

19 MR. PENNOYER: Go ahead, Mr. Barton?

20 MR. BARTON: Well, and -- and I think that's
21 exactly what we had gone through the prior iterations. If I
22 might be so bold, I would suggest that we follow through on
23 the earlier decisions we made and that is place the oil spill
24 information center materials in the public library at the --
25 that the Department of Interior maintains in the Anchorage

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1 Federal Building. We looked at the Universities, talked to
2 the Universities as I understand it, as well as the city
3 libraries, and we came to that conclusion. I would suggest
4 that we write a letter to whoever is the keeper of that
5 library and formally put forth this proposal and -- and get a
6 reaction.

7 MR. PENNOYER: Mr. McVee?

8 MR. McVEE: I would agree with that. I think
9 that we draft a letter to the State Director of BLM and ask
10 him formally, you know, how he feels about this, and -- and if
11 there are any costs associated, if it will fit within the
12 space and offer a contact within our organization that can
13 help his technical people take a look at it, but I think we
14 should do that formally, and -- and make that contact to see
15 if that is, you know, a fully viable option.

16 MR. GIBBONS: I'll take care of that.

17 MR. PENNOYER: Mr. Gibbons?

18 MR. GIBBONS: If that's the -- the wishes of
19 the Trustee Council, I will proceed in that direction.

20 MR. PENNOYER: I think that would give us the
21 information at the next council meeting to finalize any
22 decision, because we'd know what was going to happen. I think
23 there are also things, however, that are in that library that
24 may be part -- more of an information service than strictly a
25 library, so there may be some picking and choosing.

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1 MR. TILLERY: Mr. Chairman?

2 MR. PENNOYER: Yes?

3 MR. TILLERY: Just -- in order to liberate
4 that money from the court registry, it's probably going to
5 have to -- we need to be sure that there has been a unanimous
6 agreement to spend it, and I'm -- I think I understood that
7 there was a unanimous agreement to get the money out for the
8 fourth floor, but is there unanimous agreement for the first
9 floor? Has that been approved?

10 MR. BARTON: I think that's what we're talking
11 about right now, Craig. Yeah.

12 MR. TILLERY: Well, okay, but in order --
13 well, what's the answer?

14 MR. PENNOYER: I guess I'd -- I guess I
15 haven't heard yet back. I have heard some discussion earlier
16 from the management team just in other discussions that in
17 fact we might need more than just fourth floor space. There
18 might be additional space required, and I guess I haven't seen
19 any -- any final comment on that or -- or proposal.

20 Mr. Barton?

21 MR. BARTON: Well, I thought that's what
22 Mr. Gibbons and Mr. Piper said they were going to lay on us at
23 the next meeting, and that -- are the options for the location
24 of that infor- -- the other information center, one of which
25 might be on the first floor of the Simpson Building

1 MR. PENNOYER: I guess other problems
2 (ph)

3 MR. BARTON: but that doesn't -- that
4 doesn't really answer what Craig is telling us.

5 MR. PENNOYER: And I guess one of the problems
6 is one of our instructions of last time were an interim basis
7 management, RRCG would -- would get back to us and tell us
8 what the costs were going to be, and perhaps circulate
9 something to us for signature and unanimous approval to get
10 something moving before the next meeting was what I understood
11 we're going to do. And since the point you raise is we're not
12 -- they hadn't been given very clear instructions as to how
13 much that is, whether it's just the fourth floor or part of
14 the first floor or -- or what.

15 MR. COLE: Mr. Chairman?

16 MR. PENNOYER: Mr. Cole?

17 MR. COLE: What -- I -- I think that we should
18 draw down from -- from the money in the bank, or the court,
19 extra money and establish a bank account so we have a little
20 money here to be able to use it for -- for necessities as they
21 arrive. If we get too thin, I mean, we'll just be running
22 over there to Judge Holland every week and say, "How about
23 another -- we need, you know, 50 bucks to pay the phone bill."
24 So, you know, we should make application for enough money to
25 be able to run this Council's business efficiently and -- and

1 expeditiously. And that will include a little more than bare
2 bones rent. Thank you.

3 MR. TILLERY: Would you give me a unanimous
4 vote on?

5 MR. PENNOYER: Was -- was that in the form of
6 a motion?

7 MR. COLE: Yes.

8 MR. BARTON: I second the motion, and call for
9 the question.

10 MR. PENNOYER: Any problem? Any objections to
11 the motion?

12 UNIDENTIFIED: No objection.

13 MR. PENNOYER: Okay. Is that adequate, Dave?

14 MR. GIBBONS: Yeah.

15 MR. PENNOYER: Do you want to go on then to
16 the next item, permanent executive director?

17 MR. GIBBONS: Sure. At the last meeting I
18 mentioned to initiate a process for recruitment and selection
19 of this permanent director, and it was suggested I put this on
20 the agenda for this meeting also, so that's -- that's my
21 recommendation here to the Trustee Council. Do they -- do
22 they want us to initiate a recruitment and selection process
23 for a permanent executive director?

24 MR. SANDOR: Well,

25 MR. PENNOYER: Commissioner Sandor?

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1 MR. SANDOR: I believe we -- we should begin
2 that process. And -- and so I would formally suggest that --
3 move that we do so.

4 MR. GIBBONS: Yeah, it would -- it would be
5 part of this 90-day period meeting that schedule.

6 MR. PENNOYER: Second?

7 MR. BARTON: Second it.

8 MR. PENNOYER: Any further discussion? Any
9 objection to that motion?

10 MR. COLE: No objection.

11 MR. PENNOYER: Thank you. Dave?

12 MR. GIBBONS: Item number eight, the formal
13 adoption of operating procedures. At the last Trustee Council
14 meeting you reviewed a draft operating procedures document.
15 You made comment, suggested changes to it. We have
16 incorporated those changes into the document, and we move that
17 the -- the operating procedures be adopted.

18 MR. PENNOYER: Discussion? Mr. Barton?

19 MR. BARTON: I'll make the motion.

20 MR. PENNOYER: Do we have

21 MR. McVEE: Second.

22 MR. PENNOYER: a second? Is there any
23 objection to the motion to adopt the operating procedures?
24 Being none, I guess they are adopted.

25 MR. McVEE: Mr. -- Mr. Chairman?

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1 MR. PENNOYER: Mr. McVee?

2 MR. McVEE: You guys did -- did such a good
3 job on this, that I would suggest another set of operating
4 procedures that might be useful, and that would be for the --
5 the RRCG. And, you know, I guess I would visualize those as a
6 -- as an operating procedures that would talk about when, you
7 know, when the GENS will be developed and when the hand-out
8 information will be developed. Give yourselves some type of
9 deadlines to -- to meet, and some structure to operate against
10 that will help the Trustees Council as well as the public
11 know, you know, what to expect. So I guess I would suggest
12 that we proceed with that as one of the -- the next set of
13 procedures.

14 MR. PENNOYER: Would that then be an
15 instruction for -- in time for the next meeting?

16 MR. GIBBONS: We're going to be busy.

17 MR. PENNOYER: I don't know if there's a need
18 for a motion. Any other further comment on that?

19 MR. BARTON: Try to get it done.

20 MR. COLE: I have a

21 MR. PENNOYER: Mr. Cole.

22 MR. COLE: I -- I would like to suggest that
23 this group consider changing the name of this RRCG. I must
24 say it seems unduly complex. We could just call it the
25 restoration group and get the job done or some other name

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1 that's less cumbersome and flows a little better, but I leave
2 that to others. That's my recommendation.

3 MR. GIBBONS: Yeah. We came up with R2C2.

4 (Laughter)

5 MR. PENNOYER: Mr. Gibbons, you -- you take
6 that instruction in mind, too, and perhaps suggest a simpler,
7 more concise name, meaningful name at the next Trustee Council
8 meeting?

9 MR. GIBBONS: Yeah, we'll -- we'll come up
10 with a -- with a new one.

11 MR. PENNOYER: Thank you. Any further comment
12 or further business before -- before

13 MR. GIBBONS: I

14 MR. PENNOYER: we go to public?

15 MR. GIBBONS: I have several things here. I
16 -- I need to backtrack to -- to one item that I missed, and
17 that's the -- the position of the chief scientist. It was
18 mentioned at the last meeting that we -- we do some work on
19 this. As part of the damage assessment process initiated in
20 1989 we hired scientific peer reviewers, and to lead that --
21 that group we hired a chief scientist. He's been very
22 valuable to the group, providing unbiased review of the
23 proposals and what -- what the results will be and also in the
24 synthesis process of the reports.

25 The chief scientist's contract as was -- as mentioned

1 in the last meeting expires on February 8th of this year,
2 and -- but it has an extension clause for eight months. We
3 feel that we -- we need the chief scientist past February 8th.
4 We're not sure of how long we need this individual. The
5 coordination group or -- or the restoration group or the R2C2
6 or -- we need to do an analysis of the needs of this
7 individual and provide to the Trustee Council at a later date
8 this -- this analysis.

9 We propose to move to -- that the Trustee Council
10 extend the contract for an eight -- eight-month period with
11 the caveat that this individual in the contract works for the
12 pleasure of the Trustee Council. And if the Trustee Council
13 deems that this individual is no longer needed in the process,
14 that they -- a termination of the contract can be negotiated.
15 So that's the proposal.

16 MR. COLE: A comment on that.

17 MR. PENNOYER: Mr. Cole?

18 MR. COLE: Mr. Chairman, it gives me a little
19 of the willies when you talk about negotiation of termination.
20 That implies to me paying money to buy him off, to conclude
21 the -- the contract.

22 I think what we should do is endeavor to negotiate
23 with him a series of options, three-month options or four
24 months or two months, whatever you think, a series of options.
25 And then we can follow along and exercise the options as the

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1 case may be, and it's just much cleaner to do it that way, and
2 that would be my suggestion.

3 MR. PENNOYER: Mr. Barton?

4 MR. BARTON: Is there a termination clause in
5 the contract now? Thirty days termination or some standard
6 clause like that?

7 MR. PENNOYER: Mr. O'Conner?

8 MR. O'CONNER: The contract is currently held
9 by NOAA. It has no interim termination clause. It has the
10 provision of a normal federal contract that it can be
11 terminated at the convenience of the government, and whatever
12 appropriate termination expenses might be associated with that
13 if we chose to terminate at any time during the course of its
14 balance. We do not have the option under the current terms of
15 the contract to extend it for option periods. It has one
16 period of time. Were we to choose to do it on an incremental
17 basis, we would have to go through the negotiation process, an
18 open bidding process, what have you, and justify the retention
19 and the establishment of a new contract with Dr. Spees.

20 MR. PENNOYER: Mr. O'Conner, are you -- are
21 you saying though that if we do extend it through the normal
22 end of this contract period, which I understood was eight
23 months, that is the normal end of this contract period, that
24 in fact the -- we could terminate it upon the wishes of the
25 Trustee Council during that period of time without as Mr. Cole

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1 said additional negotiation?

2 MR. O'CONNER: There would potentially be
3 termination costs associated with the Trustee Council choosing
4 to terminate the contract prior to its expiration. Those
5 costs may be such things as paying severance pay to employees
6 that have been retained by Dr. Spees pursuant to the
7 provisions of the contract. Just -- just the normal process
8 if you're going to -- the federal government is going to
9 terminate a contract for its convenience, there are certain
10 obligations it has to fulfill.

11 MR. BARTON: It's been my experience that the
12 government's convenience is damned expensive.

13 MR. COLE: Could I ask a question?

14 MR. PENNOYER: Mr. Cole.

15 MR. COLE: Mr. Chairman, I'm not sure that I
16 have an understanding. Is this contract expiring in February
17 and that's it?

18 MR. O'CONNER: If there's not -- if there's
19 not funding provided by I believe it's the 28th of this month
20 to fund the balance of the contract, it will expire by its
21 terms.

22 MR. COLE: And -- and -- but if the funding is
23 provided, when do the con- -- when does the contract expire?

24 MR. O'CONNER: The option period is eight
25 months. It can be exercised for that period of time, and then

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1 if the Trustee Council chose to terminate it sooner than that,
2 we would then go through the termination process at the
3 convenience of the government.

4 MR. COLE: Well, why don't we just go to
5 Dr. Spees and say, "Look, here's what we'd like to do"? I
6 mean, it's simple. Call him up. Say, "Look, we'd like to
7 have double options. Cut it in two. One four months option
8 followed by another four months option." That just cuts it
9 back a little bit and we're not stuck for eight months, but
10 only four months, and I think we could, you know, absorb four
11 months. It seems simple.

12 MR. O'CONNER: It's unfortunately too simple
13 for the federal government. That's the problem with it.

14 MR. COLE: Well, then it's not -- then the
15 State perhaps can do it.

16 MR. O'CONNER: Perhaps.

17 MR. COLE: Yeah.

18 MR. O'CONNER: At this point, however, if it
19 is the -- in the interest of the Trustee Council to be sure
20 that that contract does not lapse, a decision would have to be
21 made to fund it at this point, or we're going to have to come
22 up with another vehicle to retain Dr. Spees in the employ of
23 the Trustees.

24 MR. McVEE: Mr. Chairman, I guess, you know, I
25 -- I can see, you know, a definite need through -- for

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1 Dr. Spees' services through the period of time we'll be
2 putting together the -- the remainder of the -- of the '92
3 program, which is, you know, is mid March or maybe into April
4 when -- when that would be -- be finalized. So it seems like
5 that's really -- really essential. I guess beyond that point,
6 I -- I don't -- I don't know, you know, what -- what kind of
7 services will be needed from Dr. Spees. So to me -- to me it
8 seems like maybe a trade off, you know, and I don't know how
9 the terms of payment of the contract are structured or -- or
10 whatever, but, you know, it's -- if it's a trade off of the
11 time and effort and cost of putting together and negotiating a
12 new contract, let the -- let the existing contract expire in
13 February and renegotiate a new contract for an interim period
14 versus paying for a period of time that we don't -- we don't
15 see a future -- we don't see a need. It's fairly, you know,
16 fairly costly kind of services that we're buying there.

17 MR. PENNOYER: Mr. Rosier?

18 MR. ROSIER: Thank you, Mr. Chairman. A
19 question on the contract extension. Is that a fixed cost for
20 that eight-month extension, and can you give me some idea of
21 what we're talking about for that period of time?

22 MR. O'CONNER: The -- I think it's -- it's a
23 payment for services contract. The -- some months he works a
24 lot, other months he works less, and he is paid -- he bills
25 I -- I anticipate on a monthly basis for services rendered

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1 under the terms of the contract.

2 What is necessary at this point is to provide
3 sufficient resources to put into the fund at the Department of
4 Commerce that amount of money that's reflected by the maximum
5 that would -- could be utilized under the terms of the
6 contract for the balance of its term. So eight months worth
7 at whatever that price is. There -- at this stage we don't
8 know if he has utilized all of the money that was made
9 available in the -- for the earlier term of the contract.
10 It's my anticipation that that -- that has not been fully
11 utilized and probably could be carried over to apply to the
12 subsequent funding that's required. But if we went with the
13 whole chunk, right now it's \$191,000.00 to cover him, his
14 expenses, his staff, his travel, so on and so forth, to
15 support the maximum amount of money that would be available
16 under that contract for his support services for the balance
17 of the term. That's what I've been advised.

18 MR. PENNOYER: Mr. Cole?

19 MR. COLE: Mr. Chairman, I'd propose that we
20 have Mr. Tillery of the Department of Law call Dr. Spees.
21 We've worked with him a lot in the last year or two and see
22 what we can negotiate with him within the ambit of his
23 existing contract with respect to termination.

24 MR. PENNOYER: I think what we've heard from
25 the RRCG or whatever is that they're going to present us with

1 an organizational diagram at the next meeting or a concept
2 that I assume is going to include science review. And I think
3 it's -- it's clearly a very important element of any -- any
4 structure that we adopt is science audit, science review. We
5 have peer reviewers and a question of whether we're going to
6 have peer reviewers, at what level compared to the levels that
7 existed prior to that. We have coordination of that peer
8 review and whether it's going to be a permanent on-going
9 function or a part-time function. And additionally then in
10 the short term we have finishing up the work that we're doing
11 on this restoration planning, close out of -- of damage
12 assessment studies and so forth that Dr. Spees has been
13 directly participating in.

14 It seems to me we strongly want to preclude those
15 options by losing his services. Your best guess was a four-
16 month period would cover -- at least initially cover the
17 things that you've been doing and get those tasks
18 accomplished, or at least get us to a stage where we can
19 consider further work. So we don't want to lose the contract
20 per se. We don't want to cut off our options before we decide
21 what we want to do, and I guess if in fact it is an option for
22 the State to look at a shorter term, four-month or whatever
23 with the possibility of extension, I believe Dr. Spees is
24 amenable to that. It's just a question of trying to figure
25 out how to do it.

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1 So if in -- if you have those instructions to proceed
2 on an interim basis, and you understand that's what we wish to
3 do, and we back that -- that expenditure, then it seems to me
4 we could proceed. If somebody comes back to us and says you
5 can't do it that way, period, then maybe we need a
6 teleconference or something to figure out what we're going to
7 do next.

8 MR. SANDOR: Do you need a second to the
9 motion?

10 MR. PENNOYER: I guess we made one. Okay.
11 Yes.

12 MR. SANDOR: I'll -- I'll second it.

13 MR. PENNOYER: Any objections to proceeding as
14 proposed by Mr. Cole? And I guess elaborated on by me.

15 MR. GIBBONS: I -- Mr. Chairman, I have an
16 item of process. I just realized that this was not identified
17 on the agenda, and it is an action item. So I -- I move to
18 modify the agenda to include the chief scientist discussion as
19 an agenda item.

20 MR. BARTON: I think we just did.

21 MR. PENNOYER: After the fact.

22 MR. BARTON: Okay. Thank you.

23 MR. PENNOYER: Does anybody have any objection
24 to including it on the agenda? Thank you.

25 Mr. Gibbons, do you have anything further

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1 MR. GIBBONS: I'd just like to ask

2 MR. PENNOYER: that you need to bring up
3 at this time?

4 MR. GIBBONS: the coordination --
5 coordination group members here if they have anything to -- to
6 add to the discussion tonight? And -- and other than that,
7 I'm

8 MR. PENNOYER: Trustee Council, we're going to
9 -- we've agreed to just (ph) for the public comment period.
10 Does anybody want to break? Or do you want me to go ahead and
11 just start the public comment period?

12 Commissioner -- Commissioner Sandor?

13 MR. SANDOR: Yeah. Perhaps there may be some
14 use to simply summarize once more, if -- if it's already been
15 done, the process by which we're dealing with letters,
16 suggestions for restoration projects that have come in? Some
17 of those -- those have some sense of urgency involved, others
18 do not. Could you outline for the public and for us the --
19 how these proposals are -- are being handled?

20 MR. GIBBONS: Sure. Yeah, if -- if it's a
21 letter, we propose if it's a letter to all the Trust- -- to
22 the Trustee Council, that that council -- that letter be
23 addressed to 645 G Street, Anchorage, Alaska, and we will --
24 to the attention of myself, and we will deal with that -- the
25 response to the letters. If they have specific questions of

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1 one of the Trustee Council members, that they address that
2 specific question to the Trustee Council member for -- for
3 answering. But if it's a general question about the process
4 of the oil -- the restoration process or a question to the
5 Trustee Council in general, please address that to attention
6 of myself, and -- and we'll get a response to that.

7 MR. SANDOR: I -- I guess I was -- excuse me.
8 I guess I was thinking of specific projects that may be
9 proposed by various entities, and -- and I guess,
10 Mr. Chairman, I would believe it's appropriate that, for
11 example, if restoration project is proposed that -- that the
12 restoration group itself evaluate this proposal for
13 recommendation to the Trustee Council, and I believe a process
14 ought to be set up to do that, but I think it would be
15 important that the public be informed of -- of the process
16 that will be followed, and that would be my suggestion.

17 MR. PENNOYER: Dave, do you wish to
18 incorporate that in your instructions for the next meeting?
19 Your list is growing.

20 MR. GIBBONS: Yeah. Right now we have -- I'm
21 aware of two, but I'm sure there's some more out there. We
22 can -- we can incorporate those.

23 MR. PENNOYER: It might be important to raise
24 them at the next Trustee Council meeting so that people do
25 know in general what's been written into us, since these

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1 aren't circulated back out in any other fashion at this time.

2 MR. BARTON: I have a question. The
3 restoration group that you were referring to, John, is this
4 group sitting

5 MR. SANDOR: That's right.

6 MR. BARTON: in front of us?

7 MR. SANDOR: That's right.

8 MR. PENNOYER: The renamed restoration group.

9 MR. SANDOR: The renamed restoration group.

10 MR. PENNOYER: Mr. McVee?

11 MR. McVEE: Yes, thank you. I guess in -- in
12 reference to -- to that for -- for taking, you know, proposals
13 from the public, I think that we do need a process that we
14 identify to the public that we are doing that, you know, that
15 we get the -- the word to -- to the population that -- that we
16 are considering -- considering that.

17 I guess one other thing, a final comment from me at
18 least, that -- is that I'm learning a lot about the State's
19 Open -- Open Meeting Law, and I think it's -- it's critical
20 that -- that, you know, that the federal members, that we're
21 sensitive to that, not having operated under that, and the
22 fact that -- that it -- it has to guide our operation. I
23 guess what I'd like to do is, you know, is ask the State
24 members to -- and maybe specifically the Attorney General,
25 if -- if he would be amenable to -- to giving us some -- some

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1 additional guidance in that as to how it applies to the
2 various components of -- of our organization so that we might
3 -- you know, we might be sure that we are -- we are not making
4 any -- any major errors in that arena (ph).

5 MR. PENNOYER: Mr. Cole?

6 MR. COLE: Mr. Chairman, the Department of Law
7 will furnish the entire Council with a memorandum on the
8 State's Open Meeting Law and how it applies to this group.

9 And I want to thank the federal members of this
10 Council for agreeing to abide by the State law in that regard.
11 It saves -- saves us a lot of problems.

12 And secondly, with respect to the -- the telephone
13 call to Dr. Spees about his contract, obviously Mr. O'Conner
14 is to participate fully with that to make sure that all the
15 federal requirements. So if you'd be good enough to make a
16 joint call with him, I think we would all appreciate it.
17 Thank you.

18 MR. PENNOYER: Other comments from the Trustee
19 Council members? One last chance, do you want to break for
20 five minutes, or should we just go ahead?

21 MR. BARTON: I'm going to break for five
22 minutes regardless

23 MR. PENNOYER: We're now taking a

24 MR. BARTON: of what the rest of you do.

25 MR. PENNOYER: We're going to take a five-

1 minute break before we start the public testimony. Thank you.

2 (Off record)

3 (On record)

4 MR. PENNOYER: Would you all take your seats,
5 please? We'd like to get started. It's getting late and
6 people are waiting to testify out in the various stations.
7 Okay. I think we're -- I think we're all back to the table
8 now and I'd like to get started on the public comment period
9 that we've allotted at the agenda here. I've had a request
10 that since the last time we started in Anchorage, that this
11 time we start out in the field. And do we have any order for
12 the stations that are on -- on line and find out what people
13 want to testify.

14 MS. EVANS: You can use that list on the

15 MR. PENNOYER: Okay. I think we have Chenega
16 Bay Volunteer Teleconference Center. Chenega Bay? Are there
17 any -- is there anybody in Chenega Bay who would like to
18 testify?

19 MS. EVANS: They're not on line tonight.

20 MR. PENNOYER: Not on line yet?

21 MS. EVANS: They are not on line tonight.

22 MR. PENNOYER: Is the line empty entirely?

23 MS. EVANS: As far as I know, they did not
24 call in.

25 MR. BARTON: Chenega isn't.

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1 MR. PENNOYER: Oh, Chenega. Okay. How

2 MS. EVANS: Chenega and

3 MR. PENNOYER: Cordova Volunteer
4 Teleconference Center, Cordova City Hall? Cordova? Is
5 anybody on line there that wishes to testify?

6 CORDOVA: Yes, there is. Jack Lamb would like
7 to testify.

8 MR. PENNOYER: That's fine. Mr. Lamb, please
9 go ahead?

10 MR. LAMB: Yes, thank you. Can you hear me
11 okay with the microphone? Back to you.

12 MR. PENNOYER: Yes, you're fine.

13 MR. LAMB: Yes. My name is Jack Lamb. I am
14 vice president of and am speaking on behalf of the Cordova
15 District Fishermen United. I'd like to -- there are three
16 areas we're going to comment in.

17 The first one pertains to -- can't find the right
18 piece of paper here -- to the purchase of three-year options
19 on timber assets, and I'm going to -- it's worded in reference
20 to an owner in our area here, which is Shearstone, and it
21 reads like this: The Cordova District Fishermen United Board
22 of Directors have conditionally endorsed the concept of the
23 government purchase of a three-year option on timber assets
24 held by Shearstone, Incorporated. (Silence on the line)

25 MR. PENNOYER: Hello?

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1 MR. LAMB: Incorporated.

2 MR. PENNOYER: Cordova, you're fading in and
3 out.

4 MR. LAMB: buy-back program, and develop
5 an agreement to acquire Shearstone timber rights, particularly
6 use of -- supports the general concept of purchasing the
7 Shearstone timber rights, however, requests that the following
8 issues also be considered by the Trustees in negotiating a
9 timber buy-back agreement: Evaluate and compare the benefits
10 of purchasing all of Shearstone's timber rights with
11 purchasing particularly sensitive habitat and scenic areas
12 such as around anadromous streams and watersheds; and
13 secondly, make sure that existing commercial fisheries are not
14 jeopardized by new land use designations resulting from a
15 timber buy-back.

16 That's the first comment I have. If there ar any
17 questions, I'll be glad to answer them before going on to the
18 second one.

19 MR. PENNOYER: Any questions from the Trustee
20 Council members? Would you please proceed, Mr. Lamb?

21 MR. LAMB: Thank you. The second comment has
22 to do with what I have before me, and we have before us as a
23 -- as a board of directors is an ABUS (ph) crucial flow chart,
24 and it's stamped in the upper corner, draft form. And we
25 would like to comment on a portion of that if we may, and the

1 next comment is very brief as well.

2 The Board of Directors of Cordova District Fishermen
3 United recognizes that the acquisition and enhancement of
4 resources should be a high priority for use -- a high priority
5 use for funds received from the Exxon Valdez oil spill
6 settlement, therefore the Board respectfully requests the
7 Trustee Council to elevate resource acquisition and
8 enhancement considerations to a separate subgroup under the
9 resource restoration coordination group.

10 It is also the Board's opinion that interaction and
11 communication between the designated restoration subgroups and
12 the public advisory group needs to be main- -- maintained on a
13 regular and on-going basis. Do you understand what we're
14 referring to there?

15 MR. PENNOYER: Any questions from the Trustee
16 Council? No, I believe we understand, Mr. Lamb. Please go
17 ahead.

18 MR. LAMB: Yes. This third comment does go
19 along with the last one. It's simply that we've also been
20 made aware that the Natures Conservatory (ph) has submitted a
21 -- much similar to what we are and feel that the two
22 statements are so very closely tied, and would work very well
23 together. Their statement is much more in detail.

24 And we'd like to thank you right now for this
25 opportunity to testify.

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1 MR. PENNOYER: Thank you very much. Any
2 questions from Trustee Council members of Mr. Lamb? Okay.

3 Cordova, do you have anybody else there who wishes to
4 testify?

5 CORDOVA: No, thank you very much.

6 MR. PENNOYER: Okay. Thank you. Fairbanks?
7 Anybody on line who wishes to testify?

8 FAIRBANKS: Yes. No one here who wishes to
9 testify. Thank you.

10 MR. PENNOYER: Thank you. Homer. Is there
11 anybody in Homer who wishes to testify?

12 MR. HILL: Yeah, this is Doug Hill down in
13 Homer. I just have a quick comment to add. All I'd like to
14 say is that I'd like to encourage -- encourage any efforts
15 that lead towards the use of Exxon Valdez settlement money
16 that would lead toward the acquisition of habitat and a buy-
17 back of timber rights.

18 I'm also getting kind of confused about the purpose of
19 these -- these meetings. It just seems like there's a lot of
20 hidden agendas out there within the various agencies and they
21 -- things like that sort of business is going on during the
22 normal work week and I don't hear a lot of those issues being
23 addressed during this meeting. So I hope that there -- I hope
24 that these issues can be brought out during these meetings.
25 And it seems like there's a lot of confusion, and I know you

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1 have a task in front of you and I thank you all for doing it
2 and for this opportunity to speak.

3 MR. PENNOYER: Thank you. I'm not sure about
4 what is meant by hidden agendas, if you'd care to elaborate?
5 I know that all of the decisions reached here and any of the -
6 - certainly the project plans, restoration frameworks and so
7 forth are going to be sent out for public review both in
8 meetings that have been around particularly the oil spill
9 areas in writing, so I -- I hope that we satisfy your concerns
10 as we go along here.

11 Any questions from Trustee Council members?

12 MR. HILL: Well, there's just a lot of things
13 that I heard at the last public meeting, a lot of the issues
14 that I thought would be addressed in the interlude between
15 that meeting and this meeting, I don't -- that they weren't --
16 they hadn't been addressed, and I guess those -- in particular
17 that was -- I would be addressing General Cole's references
18 towards what the breakdown of where all this money is going
19 towards and also with regards to a public information center,
20 who, where, why, you know. Who was going to be in charge of
21 that public information center. What -- I'll be looking
22 forward to a public information period. Thank you.

23 MR. PENNOYER: All right. Thank you. Anybody
24 else from Homer who wishes to testify?

25 MR. NOSTRAND: Hello. Yes, my name is Carl

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1 Nostrand (ph) and I'm representing Balance of the Sea. I'm
2 also in favor of land acquisition.

3 I'm also in favor of implementing some kind of
4 oceanographic research program that would utilize two of your
5 world (ph) mini sub technology, Deep Flight and Ocean Everest,
6 as to information acquisition about our undersea ecosystem. I
7 feel that this is an incredibly valuable period in time for
8 monies to be funnelled towards general ocean studies with
9 these new underwater investigative tools. This mini sub- --
10 submersible Deep Flight is capable of travelling at 12 knots
11 and is designed to go twice as deep as the deepest ocean.
12 It's a tool that's going to revolutionize undersea
13 exploration. And I'm hoping that NOAA or other agencies are
14 aware of this breakthrough in technology and that information
15 will get to the public so that we can further understand our
16 undersea ecosystems.

17 Thank you.

18 MR. PENNOYER: Comments or questions from the
19 Trustee Council? Thank you very much. Anybody else from
20 Homer?

21 HOMER: No one else from Homer, thank you.

22 MR. PENNOYER: Okay. Thank you. Juneau?
23 Anybody who wants to testify from Juneau?

24 JUNEAU: We have no one in Juneau to testify
25 at this time, thank you.

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1 MR. PENNOYER: Thank you. Kenai? I'm sorry?
2 Kenai Peninsula Legislative Information Office in Soldotna?
3 If there's somebody on the line, you're breaking up. Would
4 you repeat that, please? Nobody from Soldotna then? Thank
5 you. How about Kodiak? Anybody from Kodiak who wishes to
6 testify?

7 MAYOR SELBY: Yes, Mr. Chairman. There's
8 several folks here in Kodiak.

9 This is Jerome Selby, Mayor of the Kodiak Island
10 Borough. I want to thank you folks for the opportunity to
11 testify, and we really do appreciate the fact that you're
12 going to come to Kodiak here at the end of the month, where we
13 hope we can engage in some meaningful discussions and maybe
14 give you some first-hand review of some of the damages and
15 whatnot from the agencies here in Kodiak.

16 Just some suggestions. Again I think you folks are
17 off to a good start. We appreciate that. And we know you
18 have your work cut out for you. We'd hope that as a people in
19 Alaska that we can move ahead and do some meaningful results
20 from these fundings, and we won't end up ten years from now
21 looking back and -- and trying -- and try to remember how we
22 spent a billion dollars and not see much to show for it, which
23 certainly is a possibility. I am sure you folks will be
24 striving very hard to make sure we get some good distance out
25 of the money that's here.

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1 What I would suggest to you for your consideration is
2 the possibility -- I know during the spill in effect we had
3 three areas in the spill impact area, and that was the Prince
4 William Sound and the Kenai Peninsula and then the Kodiak
5 Island Borough area, where we kind of subdivided the effort up
6 just because of the logistics and the time involved and the
7 fact that the resource managing agencies kind of also break up
8 the same way. And I know here in Kodiak, that's really the
9 one I could speak to the best, we had a real good working
10 group of those resource managers, and I'd suggest for your
11 consideration that you put together those working groups, and
12 I don't care if you call them working groups or committees or
13 whatever, but I think the important thing would be is that we
14 could get those agencies sitting down here at the -- at the
15 local levels in those three fill subareas to do some reviewing
16 and some subcommittee work for you folks, I think we'll get a
17 whole lot better distance and I think we can get a lot more
18 input from the public and -- and make sure that what we're
19 doing really does address and help mitigate the spill, the
20 effects of the spill and hopefully make some permanent things
21 for the future and -- and some enhancements for the future
22 that we see the opportunity for here, you know.

23 And then -- and the thing I'm thinking of is I see
24 that Katmai Park folks at the federal level, I think Shugiak
25 (ph) Park, we got a lot of impact in all of those parks.

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1 Those folks that are closest and have the best idea of that
2 impact are here on Kodiak Island, and no disrespect to the
3 federal parks folks in Anchorage, or the state parks folks up
4 there, against those folks, it's just that I'm of the opinion
5 that the people that really give you the most input and that
6 would -- could sit and work through what's really going to
7 give us the most distance for our bucks are the folks that are
8 in the field in those parks down here and Katmai and Shuliak
9 and the Kenai Fjords area. They do have the first-hand
10 working knowledge and can really work with us on getting the
11 best distance for the dollars.

12
13 Again, just for what it's worth, I'd sure suggest to
14 the -- to you Trustees that working groups made up of -- of
15 the agency people, certainly the Kodiak Island Borough would
16 be -- would like to be a part of that working group. We have
17 some lands ourselves that were impacted, but we also are very
18 interested in all of those agencies that are here in -- within
19 the Kodiak Island Borough, and I'm sure that Don Gillem, the
20 mayor of the Kenai Peninsula Borough, would feel a lot the
21 same way. In Prince William Sound you don't really have a
22 Borough to work with, but you do have several municipalities
23 that would be very interested I think in participating. So
24 just a suggestion for what it's worth.

25 The other comment I'd make is that I'd like to see you
folks get some guidelines and some criteria out for

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1 suggestions for things that are going to be funded and that
2 then folks could get information into you in a somewhat
3 similar format so that those of use who are going to be
4 watching and would like to be somehow involved in that review
5 process could be comparing apples to apples and have somewhat
6 similar information on various proposals instead of trying to
7 determine how one proposal was written up real differently
8 from another one compares with each other in the process of
9 trying to determine what -- which one really is the best, so I
10 won't elaborate here on that.

11 I'd be glad to answer any questions. We have some
12 other folks here that would like to testify, but just some
13 suggestions for you and I sure wish you the best and we
14 certainly want to work with you from Kodiak down here and hope
15 to see a good, equitable use of the funds across the entire
16 spill area. Thanks.

17 MR. PENNOYER: Thank you, Mayor Selby. We
18 appreciate your advice. There are members of all the agencies
19 I think that you talked -- referenced here on the Trustee
20 Council and on the management team renamed, and I'm sure
21 they're taking -- will take that into account. We wish to
22 draw on local expertise certainly of the agencies and from the
23 public.

24 Are there any public comments -- any Trustee Council
25 comments?

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1 MR. SANDOR: One.

2 MR. PENNOYER: Commissioner Sandor?

3 MR. SANDOR: Yes. Mayor, if -- if you would
4 have some suggestions on criteria for restoration proposals
5 that I think that would be of interest to the restoration
6 group and -- and to the Council. That's an excellent
7 suggestion and those criteria would be helpful.

8 MR. PENNOYER: Thank you. Is there anybody
9 else from Kodiak who wishes to testify?

10 MS. SHUCKLER: Yes, I do. My name is Kelly
11 Shuckler, and I'm the director for Area K Seiners Association
12 which represents many permit holders in Kodiak.

13 We're in support of fish habitat restoration through
14 land acquisition of potentially logged land including of
15 purchase of weir sites currently leased to the Department of
16 Fish and Game by private owners with -- using Exxon Valdez
17 settlement money. One still affected area of concern is
18 Afognak Island where there are many salmon streams and weir
19 sites on privately owned land. We urge you to support coastal
20 timber and land acquisitions in other areas impacted by the
21 spill.

22 We're also in support of Mr. Lamb with CDFU's
23 suggestion of establishing a restoration subgroup to help do
24 this.

25 As mentioned before, we can all see how many people

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1 and organizations, public and private, governmental, who are
2 asking for large pieces of this settlement. Many of these
3 requests have absolutely nothing to do with restoration as it
4 relates to a three-year old spill even using the broadest of
5 definitions. We realize that defining the word restoration
6 might be difficult in this case, but too many of these
7 requests for settlement monies are blatantly self-serving.

8 Development and use of all kinds of -- of all kinds
9 continue to take over wildlife and fisheries habitat. When a
10 disaster such as a major oil spill occurs, habitat is again
11 reduced. Acquiring habitat through those settlement, it is no
12 longer subject to loss by logging and development of other
13 kinds. I think that this is as -- as close to restoration
14 that we can get.

15 Increasing wildlife and fisheries habitat and -- and
16 community oil spill response equipment we think are the most
17 important steps toward realizing restoration from this money
18 as it directly relates to damage from the spill.

19 And we thank you for the opportunity to comment and
20 there are others here that will comment. If you have any
21 questions, I'd be happy to answer.

22 MR. PENNOYER: Mr. Cole?

23 MR. COLE: This is Charles Cole. In
24 connection with your suggestion that habitat be purchased,
25 would you favor purchasing simply the standing timber on the

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1 land or would you favor purchasing the -- the land itself like
2 in fee simple title to the land?

3 MS. SHUCKLER: The land itself will be best,
4 because otherwise the -- the timber -- well, the land itself.

5 MR. COLE: Thank you.

6 MR. PENNOYER: Thank you. Any other questions
7 from Trustee Council members? No? Well, thank you. Anybody
8 else from Kodiak who wishes to testify?

9 MRS. THOMAS: Yes. I would like to make some
10 comments on -- and I'm here representing myself and my
11 husband, John Thomas.

12 I would like to make some comments on appropriations
13 to be made for restoration projects relating to Exxon Valdez
14 oil spill.

15 My husband and I own a commercial fishing boat and
16 salmon permit. In the summer of '89 Area K seiners had no
17 salmon season whatsoever. It was three-month fishing season
18 that was cancelled because of oil floating in the water and
19 awash on beaches in major salmon fishing areas.

20 My point is is that we don't have just one affected
21 area, and I'd like to remind the Council that there's a number
22 of affected areas, and we would like appropriations to be made
23 and to all.

24 We'd like to voice -- voice support the following
25 appropriation: Restoration of coastal estuaries affected by

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1 the spill which at present are at continuous risk from timber
2 harvesting and industrial activities related to harvesting
3 timber like buy-back of Exxon (ph), Afognak Island, Kachemak
4 Bay State Park and on Prince William Sound, or out right
5 purchase of timber land suitable for addition to the state
6 park system or the state wildlife refuge system.

7 And in regards to what Kelly Shuckly previously said,
8 we believe that it's better to look at acquisition of the land
9 itself, because if you had -- if we just bought timber rights,
10 if you had companies come in after that mining or whatever,
11 you're looking at possible pollution in -- in salmon streams,
12 estuaries and wildlife habitat. So if you purchase the land
13 instead, mineral rights and timber rights, et cetera, then you
14 wouldn't have to worry about that being a future problem.

15 We support purchase of lands around the state salmon
16 hatcheries, salmon rivers and fish streams in the spill-
17 affected areas.

18 We -- we support reasonable long-term environmental
19 monitoring of spill affected areas, and for the appropriation
20 of affected communities for oil spill prevention and response
21 equipment.

22 We would like to see the decisions made by the six
23 Trustee members to reflect fairness in their appropriations
24 and we'd like to see a lot of thought, care and reflection
25 given to the decisions that are being -- to be made.

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1 And we'd also like to express some -- there was some
2 dismay on our part when we discovered the, quote, unanimous
3 decision clause. Six members of the Council had to be
4 unanimous in the -- their decision to appropriate to areas.
5 We were worried particularly that our -- you know, it's hard
6 enough to get two people to agree on something, much less six
7 together, and we were afraid that that might, how do you say,
8 cause back room politicking that possibly has no place in the
9 oil spill restoration.

10 And we'll see you all on January 30th here in Kodiak.
11 Are there any questions that you have?

12 MR. PENNOYER: Are there questions from --
13 unanimously from our Trustee Council? I guess not. Thank
14 you. I -- I hope you will find that our -- our program will
15 be so logical unanimous consent among this body will be fairly
16 easy to achieve.

17 Mr. Cole?

18 MR. COLE: Let me comment -- comment on that
19 unanimous requirement. It was designed to protect the State
20 from, you know, the Great White Father in Washington, D.C.,
21 and we felt if we had unanimous consent, there wouldn't be any
22 encroachment upon the State's vital interests in connection
23 with this restoration process. Frankly I think it's one of
24 the finest provisions in that settlement agreement and the
25 memorandum of understanding.

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1 MR. PENNOYER: Thank you, Mr. Cole. Are there
2 further comments from the Trustee Council? If not, thank you,
3 Mrs. Thomas. Is there somebody else

4 MR. GIBBONS: Excuse me -- excuse me,
5 Mr. Chair. Maybe I can make a clarification. This is Dave
6 Gibbons. The public meetings going -- starting on January
7 20th will be performed by the members of the restoration group
8 and some public involvement. I -- I think the impression may
9 be that the Trustee Council is going to -- to visit all these
10 sites, and I just wanted to make that point clear.

11 MR. PENNOYER: Thank you, Mr. Gibbons. But I
12 think the Trustee Council probably will as time allows hold
13 its meetings at various locations. Right now, of course,
14 we're knee deep in trying to get the process organized,
15 so

16 Are there further testimony from people who want to
17 testify from Kodiak? Kodiak, anybody further?

18 MS. GROTLAND: Yes. Good evening. My name is
19 Trisha Grotland, and I appreciate the opportunity to speak on
20 the Exxon Valdez settlement fund and express my thoughts on
21 where some of the settlement monies should be directed.

22 I'm a vessel owner and resident of Kodiak who's deeply
23 disturbed by the lack of adequate planning on the part of the
24 oil industry, state and federal governments in dealing with
25 the Exxon Valdez oil spill. What I witnessed in Kodiak was

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1 the chaos that is (indiscernible) with a stable (ph) plan.
2 The communities of South Central Alaska are abundant with able
3 resources, abundant with fishing vessels that are capable of
4 executing a near-shore response to an oil spill. Yet the
5 fishing industries potential to work the near-shore oil was
6 ignored. The lack of fuel spill on-water training and the
7 lack of equipment contributed to the disaster we all witnessed
8 as the oil smeared miles and miles of coastline.

9 To me the greatest tragedy from the Exxon Valdez oil
10 spill would be to not come out of this with a program in place
11 that ensures that the resources of South Central Alaska are
12 properly trained, equipped and coordinated to protect the
13 coastline they know better than anyone in the world. I think
14 Alaska has a tremendous opportunity here. That is, to
15 recognize that oil's being transported all over our state, but
16 our ability to rapidly respond to an oil spill in the near-
17 shore environment is minimal at best, and that we are now
18 sitting on a substantial amount of money that could change our
19 ability to respond to a spill in the near-shore environment
20 through using local resources.

21 The oil industry in Prince William Sound has made
22 substantial changes. I recognize that and appreciate all that
23 has been -- been done.

24 I also recognize that the nearest response department
25 are pretty much left up to Prince William Sound. That is, all

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1 equipment acquisitions and response training are taking place
2 in Prince William Sound. The spill happened in Prince William
3 Sound and all attention is focused there. What about Kodiak,
4 Seldovia, Homer and Seward? We know that any spill in Prince
5 William Sound is going to head towards Kodiak. We also know
6 that any oil spilled in Cook Inlet is going to head to Homer,
7 Seldovia and down past Kodiak. A major catastrophic spill in
8 Cook Inlet would drench the Shelikof Straits all the way down
9 to Dutch Harbor.

10 It is now almost three years after the spill, and the
11 only on-water training that has taken place in Kodiak was
12 considered a joke by those who make their living off the
13 water.

14 Another area of concern is the small local spills that
15 take place. Once again, who is properly trained, equipped and
16 coordinated to rapidly respond to any spill? Of course, we
17 can grab vessel owners off the street, throw a boom on the
18 back of their boat and let them go. Maybe that last statement
19 explains why mechanical recovery yields low recovery rates.
20 Maintaining preparedness will ensure that the resources within
21 the coastal communities are ready to respond to any spill and
22 will respond to their maximum, not minimum ability.

23 I'm staying informed on oil spill matters because I'm
24 committed to working towards a solution to our problem. I
25 believe the oil spill prevention and response committee

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1 working committee to the regional citizens advisory council
2 has developed a concept which deserves attention and in my
3 mind it is a solution to our problem. The concept is the
4 development of the Alaska coastal communities cooperative.
5 The central thrust to the coastal communities cooperative is
6 to create an organization which will build on the existing
7 people and industrial base in Alaska and extend its capacity
8 by properly training, equipping and coordinating this resource
9 to deal with the everyday Alaska spill and also contribute to
10 the maximum extent possible to another spill like the Exxon
11 Valdez.

12 The oil industry and central governments are presently
13 being informed on the cooperative concept. Financing the
14 cooperative could be achieved by the participation of the oil
15 industry and the state government. I would hope that this
16 concept of a coastal community cooperative is given attention.
17 I would like some of the settlement -- settlement money
18 allocated towards the cooperative.

19 After spending close to three years of my life in
20 working towards a logical solution to the ability to rapidly
21 respond to an oil spill in Alaska waters, the solution lies in
22 the development of the Alaska coastal communities cooperative.

23 Thank you.

24 MR. PENNOYER: Thank you, Ms. Grotland. Any
25 comments from the Trustee Council, or questions?

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1 Commissioner Sandor?

2 MR. SANDOR: This is a comment to -- to add to
3 the excellent suggestion of the need for local preparedness.
4 In addition to the mechanism that you point out, there is
5 underway a series of local emergency planning committees
6 formed in the -- in -- in districts. And in fact we had
7 earlier this week ten of the local emergency planning
8 committee meeting in Anchorage and by teleconference to
9 develop a process to -- to assure that not only oil spills but
10 hazardous substance spills are -- are properly handled. And
11 these are being formed locally with local communities taking
12 the lead, and in cooperation with the State Emergency Response
13 Commission. So that's yet another mechanism to the one you've
14 outlined.

15 MR. PENNOYER: Fine. Thank you. Any further
16 comments? Thank you very much. Anybody further from Kodiak?

17 KODIAK: Yes, there is. Can you still hear us
18 up there?

19 MR. PENNOYER: Yes, we can. You're loud and
20 clear. Go ahead.

21 MR. MILLIGEN: My name is Mike Milligen and
22 I'm here representing myself. I'm a resident of Kodiak and a
23 parent of five children, all Alaskan born.

24 As -- and as you listen to all these various proposals
25 for money, I'd like to throw something a little different at

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1 you. Due to the activities of Exxon or spill response, there
2 is -- the risk of destruction to archeological sites in the
3 Kodiak area was greatly increased. I've heard estimates of
4 pre-contact populations of natives here on the Island at
5 upwards of 40,000 people. As Exxon combed the beaches and
6 crews went out to dig up the incredible amounts of oil that
7 seemed to wash up everywhere down here, there was a great
8 amount of exposure to these sites. You as you formulate to
9 restore some of the impacted areas that you don't forget the
10 archaeology value of these sites, and I would remind you that
11 once these sites are lost they are totally irreplaceable.
12 They're not restorable. There's no way to ever replace them,
13 and the -- the cultural resources of this Island which are of
14 a world class would never be able to be replaced. And I would
15 encourage this body to -- to continue to consider that as it
16 appears that you are continuing to concern (ph) as I look
17 through your document here, the importance that you place on
18 archeological sites, I would commend you on the effort that
19 you've put in so far, and I would encourage you to continue
20 with that effort.

21 Thank you.

22 MR. PENNOYER: Thank you, Mr. Milligen. Any
23 comments from the Trustee Council, or questions? Thank you
24 very much. Anybody further from Kodiak?

25 MS. ACRES: Yes, this is Tracy Acres. I

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1 already said my pieces, but you told me that the Trustee
2 Council members themselves are not coming here in January, but
3 you're sending staff. So my question is are the Trustee
4 Council members planning at any point to come to Kodiak before
5 making any final decisions on -- for this money?

6 MR. PENNOYER: We have not made a decision on
7 our future meeting locations yet. We've had a hard enough
8 time planning times and meetings when we could all get
9 together for even a few hours, so we will certainly take into
10 consideration the need to visit various sites as we conduct
11 our business. No, we have not done that at this time.

12 MS. ACRES: Well, I -- I would like to make
13 one comment, and that is, representing myself and my husband,
14 and I -- I think I can represent a number of my friends in
15 saying that considering the seriousness of this appropri- --
16 of these appropriations, and the number of suggestions that
17 are going to be put forth, I would really like to see you -
18 have you here at some point in Kodiak. And I appreciate that
19 your staff is coming, but I would also like some face to fact
20 meetings, because -- simply because I believe that
21 communication is really important here. You need to talk to
22 the people that were involved in the -- in the spill and that
23 are affected by the spill and we'd really appreciate you
24 showing up here in Kodiak. Thank you.

25 MR. PENNOYER: Thank you for your comments.

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1 Trustee Council member comment? Ar there further people from
2 Kodiak who wish to testify?

3 MAYOR SELBY: Let me com- -- this is Jerome
4 Selby, the mayor, again. Let me officially invite you down
5 here on behalf of the Kodiak Island Borough for your -- either
6 your very next meeting or one in the very near future. Put it
7 on the record. We would certainly make you welcome and we
8 would be delighted to have you down here.

9 MR. PENNOYER: Thank you, Mr. Selby. We've
10 held -- Mayor Selby. We've held three meetings in Anchorage
11 so far and I know we're going to have to do other locations
12 that we've not covered yet. But thank you very much for the
13 invitation.

14 Any comment from Trustee Council members?

15 Are there further people from Kodiak that wish to
16 testify?

17 KODIAK: No, there is no further comment.

18 MR. PENNOYER: Okay. Thank you very much.
19 Seward? Anybody from Seward that wishes -- wishes to testify?

20 SEWARD: here in Seward. We have some
21 people (indiscernible) council. There was a third person,
22 Sharon Anderson, representing Alaska Sealife Center who had to
23 leave. She'd like the Council to know that she will be
24 mailing information to the members.

25 MR. PENNOYER: Thank you very much. We'll

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1 look forward to receiving that. Is there anybody else from
2 Seward who wishes to testify?

3 MR. GATES: Mr. Chairman and members of the
4 Trustees Council, my name is Christopher Gates. I spoke at
5 your last meeting, and appreciate the opportunity to speak by
6 teleconference briefly. Some brief comments.

7 We in Seward also would like to invite the -- the
8 Council itself to come visit us before major decisions are
9 made regarding expenditure of the money.

10 Other comments we have -- I would like to say I like
11 what we've heard tonight about your development of a public
12 involvement process. I think Mr. Piper has had some excellent
13 input to you. We support what we -- what we're hearing so
14 far, and we -- we like that you're taking some public comment
15 before you finalize your decisions on the public process. We
16 appreciate that very much.

17 Second, I'd like to just note that you -- that we
18 heard that you have received two requests for project fundings
19 so far, we've heard a number of requests this evening from the
20 teleconference locations. I would just encourage that you get
21 a process in place as soon as possible, that you let the
22 public know if you are soliciting projects or not, and if you
23 are, what the process might be for determining the
24 expenditures from those funds. I really think it would be
25 fair if -- if everybody knew the process and was acting with

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1 the same set of ground rules. I certainly hope that you can
2 develop that criteria for projects as soon as possible.

3 Other comments that we have, we have a very valuable
4 piece of land in this area called the Kenai Fjords National
5 Park. We greatly support this national park in this area. It
6 has a great deal to do with -- with our quality of life.
7 There's some -- some major archaeological sites in that area,
8 some -- some in-holdings that -- that need to be addressed
9 with restoration funds in our opinion, and we just want to
10 sensitize you to your concern with regard to Kenai Fjords
11 National Park.

12 I'd like to also support what Trish Grotland mentioned
13 regarding the near-shore cooperative, the near-shore spill
14 school. We think local Alaskans can do an excellent job when
15 -- particularly when trained and when -- when supplied with
16 adequate resources to handle near-shore response after the --
17 the immediate mechanical pick-up phase is over. And I -- I
18 really do encourage you to -- to think hard about supporting
19 the near-shore response additions to resources, to training,
20 to staff that Trish mentioned in her testimony from Kodiak.

21 Lastly, I'd like to just mention that here in Seward
22 we're hearing some -- the rumors or comments or -- or even
23 factual things that -- that the Trustees will be focusing on
24 Prince William Sound as opposed to the Exxon Valdez impact
25 area. I know the folks in Kodiak and -- and the folks in

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1 Katmai and down in Homer and Seldovia all have a great deal of
2 interest with regard to hearing you articulate your thoughts
3 and your feelings regarding -- regarding the care (ph) and
4 concerns of the impact area in addition to Prince William
5 Sound, and -- and if you could I would just encourage you to
6 maybe take a couple of minutes and let us know that you feel
7 as strongly about the impact area as you do about the Sound
8 itself.

9 With that, Mr. Chairmen and members of the Council,
10 again we -- we want to be supportive. We welcome you to
11 Seward and -- and invite you here and -- to see -- see where
12 oil actually hit, and -- and what this all means to a local
13 community. And we thank you for your hard work on all of the
14 State's behalf to date. Thank you very much.

15 MR. PENNOYER: Thank you, Mr. Gates. Some
16 excellent suggestions, and I -- I assure you that we have
17 all -- if we -- if we say Prince William Sound occasionally,
18 we don't mean just Prince William Sound. We're talking about
19 the whole impact area and I hope that when you see the slate
20 of things we're considering and based also on the input we're
21 going to get from the public, that will become apparent.

22 Are there further comments from the Trustee Council?

23 Thank you very much. Anybody further from Seward?

24 MR. KRANGLE: Yes. My name is Charlie Krangle
25 and I'm representing myself and a number of friends and

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1 acquaintances. And I have several comments that I would like
2 to make. First of all, I'd like to thank you for this
3 opportunity to make such comments.

4 It's my biggest concern I guess is about this public
5 meeting process thus far. I feel very concerned about the
6 fact that there was not adequate lead time or notice of this
7 meeting in particular and hope that that will be addressed in
8 the future. To sum up, the problem here in Seward, this
9 particular meeting was advertised in the local paper one day
10 before the meeting, i.e., yesterday. The press release was
11 received here in Seward on January 3rd, the day after our
12 weekly paper came out, and as a result we had four people in
13 attendance.

14 Furthermore, Friday night is not exactly a great night
15 for meetings. The normal public process would be -- I suggest
16 Monday through Thursday as being good nights for meetings.

17 Furthermore, I'd like to encourage and -- and echo the
18 sentiments in Kodiak that regional Trustee meetings would be
19 very helpful. Public meetings, direct face to face access not
20 just through letters as I heard mentioned tonight, and not
21 through the public advisory group exclusively or -- or through
22 staffers. We need that face to face contact.

23 Furthermore on the science data, I have a couple of
24 comments to make. I was a bit disturbed by some of Mr. Cole's
25 comments about his concern about money being spent on these

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1 studies. I -- I understand he's trying to keep things down,
2 and I appreciate that. But I think I'd like to make a strong
3 statement in favor of raw science data being interpreted
4 before any more decisions are made regarding restoration
5 monies being earmarked for various projects. I think this is
6 critical to informed decision making. Raw data certainly
7 isn't very useful unless it's synthesized into -- into
8 meaningful trends and issues. Hard analysis of data is money
9 well spent in my opinion, however, to make some well informed
10 decision making regarding the best projects that will give the
11 best long-term benefits for our money.

12 Furthermore, I'd just like to reiterate briefly what
13 Mr. Gates said in regard to Kenai Fjords National Park. Our
14 park got slammed pretty well by the oil spill. I think that
15 you need to be sensitive to the fact that Kenai National Park
16 is a -- in the -- in the process of trying to restore some
17 cultural resources and also trying to deal with some in-
18 holdings that possibly some of this oil money, oil settlement
19 money might be useful for. I think it would be a win-win
20 situation. The native groups that have some in-holdings I
21 think would be interested in a fair, equitable settlement, as
22 would the park.

23 Finally, I'd just like to say that it's my opinion
24 that move fast on preparing for and responding to a spill of
25 this magnitude. I think that we settled too quickly. I

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1 believe that that's water over the bridge. And I along with
2 many Alaskans are willing and look forward to a process of
3 healing, and I fear we're moving too quickly though in -- in
4 expending these monies from the settlement. I urge the
5 Trustees to fully involve the public through tangible methods
6 such as ample time, fair, intelligent and carefully crafted
7 proposals which I feel will best serve the goals of
8 restoration of the affected areas. I just urge you to slow
9 down a little bit so we can ensure that some of the quality
10 suggestions that we've heard tonight, challenge (ph) a
11 thorough proposals for your review and for you to consider for
12 their various merits so we can get the best use of these
13 dollars.

14 Thank you very much for your time.

15 MR. PENNOYER: Thank you, Mr. Krangle.

16 Certainly on the notice question, we thought this meeting was
17 better noticed, and I think we're getting better each time we
18 do it. I guess weekly newspapers are something we have to pay
19 a little more attention to timing on, but we're certainly
20 trying to do better on that.

21 I think different nights are better or worse for
22 different people. Since I'm not home, Friday night's not
23 great for me either, but that's the way it worked out best on
24 our schedules, because everybody was doing other things on
25 other days.

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1 Other Trustee Council member comments that you wish to
2 make? Or questions? Thank you.

3 Is there anybody further from Seward?

4 SEWARD: There's no further testimony from
5 Seward. Thank you.

6 MR. PENNOYER: Thank you very much, Seward.

7 Tatitlek? Are -- are there anybody -- anybody in
8 Tatitlek who wishes to testify?

9 MS. EVANS: They're not on line.

10 MR. PENNOYER: Okay. Thank you. Valdez?
11 Anybody from Valdez who wishes to testify?

12 MR. JACOB: Yes, there are a couple of us here
13 in Valdez. I'm going to go first. My name is David Jacob,
14 president (ph) Prince William Sound Conservation Alliance, a
15 private, nonprofit environmental group that's been around
16 since '88 and very much involved during the spill, and we ran
17 the local response program here.

18 Thank you all again for your time and energy you're
19 putting into this. It seems to be moving along pretty well.
20 And I'm looking forward to input into the public participation
21 project process in the meetings coming up.

22 In the past I have commented to the council on our
23 support for the habitat acquisition being a substantial amount
24 of where the funds are spent (ph). The acquisition question
25 is very complicated, whether it's trees, whether it's land,

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1 what kind of habitat and such. It's going to be a very
2 difficult time with that.

3 Because of that, I would like to suggest that along
4 with these subgroups that you have for science and finance I
5 believe are the two that you have, I'd suggest that a land
6 subgroup be formed. This could deal with land and timber,
7 habitat, wetlands and the like. And I think that it will help
8 in the future to decide some of these acquisition problems.

9 I also wish to stress the fact that some quick action
10 to protect some of the spill affected areas is going to go a
11 long way in healing the environment from the damage that was
12 done and the -- and the damage that's being done now. It
13 would also help heal wounds that the public still has and the
14 concerns the public has about how the restoration projects
15 would work.

16 The three-year option with the Shearstone, the timber
17 owner, and Eyak, the land owner, for the logging that's taking
18 place right now in the Cordova area we support very much.
19 There's logging at Port Fidalgo, Tulin (ph) Bay with the
20 timber owner of Citiforg (ph) and the land owner of Tatitlek
21 that need to be contacted. Patent Bay logging on Montegue
22 that's up -- where there's a timber owner of Concord and --
23 and the land owner is Chenega. There are other logging
24 operations at Port Fidalgo that the Chugach owners as well as
25 the Afognak Island, Kachemak Bay State -- and the Kachemak Bay

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1 State Park.

2 The -- the goal of what we're trying to do here, and
3 I'll probably end up repeating this a lot to you, you know,
4 what we're doing, how does it help heal the damage that was
5 done and -- and how can we heal that damage while other damage
6 is being -- is -- is happening to these lands. And that's
7 where that acquisition comes in very strong. I know (ph)
8 monitoring and research, education, spill response groups so
9 that further pollution doesn't go out there as well as waste
10 oil, better waste oil facilities in the communities, solid
11 waste disposal, sewage, problems with boats. Many of these
12 will help heal that damage -- help heal that environment by
13 not having further damage take place.

14 I'm -- I'm sure in the next ten years as this money is
15 spent we'll all get to see each other face to face, and I look
16 forward to that time and working with the public process.

17 If there are no questions, there's someone else here
18 who wishes to testify.

19 MR. PENNOYER: Are there any questions of the
20 Trustee Council? No? Thank you, Mr. Jenkins. Go ahead,
21 somebody else in Valdez? Hello, Valdez?

22 VALDEZ: Yes. Did you just hear that
23 testimony?

24 MR. PENNOYER: Yes, we did. We're waiting for
25 further testimony from Valdez.

1 MS. LESCO: Hello. My name is Nancy Lesco.
2 I'm representing the Alaska Wilderness Recreation and Tourism
3 Association. As some of you may know, my husband and I have
4 operated a tourism business in Prince William Sound since
5 1974, and have written a number of books on the Prince William
6 Sound area. The Alaska Wilderness Recreation and Tourism
7 Association is the new name for the former Alaska Wilderness
8 Guides Association that was established in 1975. Their
9 purpose is to promote the recognition and protection of
10 Alaska's recreation and tourism resources, including scenic
11 qualities, wildlife, fisheries, wilderness, wild lands and
12 rivers.

13 We would like to comment first on the public advisory
14 group. We notice that the recreation industry is not included
15 at all on this list. As many of you know, the courts have
16 ruled that recreation users do not have any -- any legal
17 standing for compensation as a result of the spill, but they
18 should certainly we believe have representation in how the
19 restoration funds are going to be spent.

20 Underneath tourism we notice that you have
21 (indiscernible) tourism. The tourism industry we believe
22 should be split between developed tourism, such as cruise
23 ships, and disbursed tourism such as kyakers. The needs and
24 interests of those two tourism groups are quite different and
25 both were affected in different ways by the spill. So we

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1 would suggest that this be divided into two groups even as
2 you've divided we noticed fisheries into commercial and
3 recreational fishery.

4 Our next comment is that we would certainly like to
5 lend our support to the acquisition of habitat as one of the
6 major restoration goals and use of the restoration funds.

7 A fourth comment is that the restoration projects, we
8 would hope that the long-term studies to determine the natural
9 variability and how that differs from the impacts of oil would
10 be continued, and also the questions on the pathways of oil in
11 the marine environment.

12 In listening to your discussion this evening, you ran
13 through the criteria for selecting the advisory group. We'd
14 hope that that is going to be mailed out to participants on
15 your mailing list, communities, so that somehow before you
16 come down, we can have -- review this in more detail and have
17 an opportunity to comment on it.

18 The fifth one is that we're concerned about what
19 topics you would like to hear comments on when your groups do
20 visit, and a little bit more clarification from you of what
21 the restoration groups are going to want, what the range of
22 topics is. It -- the purpose of these meetings is at the
23 moment to us a bit unclear, and we would like to be able to do
24 a mailer on this and to encourage people to begin thinking
25 about what they would like to hear or say to you.

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1 The next item is one that just came up from listening
2 to the discussion, comments from Kodiak on local advisory
3 committees. We agree those worked very well during the
4 response to the oil spill. I was the representative for the
5 environmental community and inadvertently also for the
6 recreation/tourism community because they were not represented
7 otherwise on the interagency shoreline clean up committee for
8 Prince William Sound. And when the spill moved to the upland
9 Prince William Sound, we -- we certainly felt that it would be
10 inappropriate for those of us in Prince William to commenting
11 on what should be done in the Kenai Peninsula and Kodiak area.
12 We also I felt benefitted very much from the opportunity to
13 discuss with the representatives from each agency (ph) with
14 statutory authority for particular resources, their concerns
15 and the pros and cons of various types of approaches. It's
16 helped us to formulate more clearly what we would like to see
17 accomplished without making recommendation that might have
18 been detrimental to what we were trying to obtain. I thought
19 that was a very good suggestion that was made earlier.

20 I'm a little concerned, however, that we can get so
21 many people on various committees and groups that the
22 communication between them may be a bit difficult. And we
23 seem (ph) to be spending an awful lot of money on people
24 studying and -- and making proposals and not on acquisition of
25 habitats.

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1 That concludes my remarks. If you have any questions,
2 I'm hear to listen.

3 MR. PENNOYER: Thank you, Ms. Lesco. I
4 believe that -- I'm not sure which list you were looking at.
5 I know that we haven't made final decisions on any composition
6 of a public advisory group, but I think the initial draft list
7 I looked at had both recreational and commercial tourism on --
8 on the list, so I -- it -- I think your initial concern there
9 may have been taken care of even though we did not -- we have
10 not finalized that participation yet.

11 Mr. McVee, did you wish to comment?

12 MR. McVEE: Yes. Just a brief comment. I
13 think ideas on -- on mailing out plans is a good idea and I
14 certainly think that that is something that we will do. And
15 also, you know, publication of those plans. We can put them
16 in the Federal Register or maybe other documents so that they
17 will get broad public access.

18 MR. PENNOYER: Thank you. Mr. Cole?

19 MR. COLE: Nobody reads the Federal Register.
20 I mean that's just wasting of effort.

21 MR. PENNOYER: Well, Mr. Cole, I agree with
22 you. Unfortunately some of us have to, so

23 Is there further -- thank you very much. Is there
24 further testimony from Valdez?

25 VALDEZ: No, there's nobody else from Valdez.

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1 MR. PENNOYER: Okay. Thank you, Valdez.

2 Whittier? Is there anybody in Whittier? Anybody in
3 Whittier that wishes to testify?

4 MAYOR CARLYLE: Yes, Mr. Chairman.

5 MR. PENNOYER: Please go ahead.

6 MAYOR CARLYLE: Thank you, Mr. Chairman, and
7 members of the Trustee Council. My name is Kelly Carlyle.
8 I'm mayor of Whittier, and a commercial fisherman in Prince
9 William Sound.

10 Just a couple of comments. I -- I believe the
11 scientific study results need to be released in order for the
12 public to be informed on restoration needed.

13 Secondly, concerning the review of these close-out
14 studies. We were wondering who determines these studies
15 should be closed?

16 And in winding up and at the risk of taking flak for
17 seeming to be disloyal to my region, the Council takes to
18 heart that this oil spill sent not just waves of oil, but
19 strong waves of both economically and socially along the
20 entire Gulf coast, and that restoration projects to be
21 considered on the basis of merit and not necessarily locale.

22 MR. PENNOYER: Is that the sum of your
23 testimony, Mr. Carlyle?

24 MAYOR CARLYLE: We have another comment.

25 MR. PENNOYER: Well, does anybody wish to

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1 comment on Mr. Carlyle's testimony or -- or ask a question?
2 Okay. Thank you very much. Could we have the other -- rest
3 of the comment as well?

4 MS. HYATT: Mr. Chairman, this is Lydia Hyatt
5 (ph) of Whittier. A couple of comments. I really appreciate
6 being hooked in by teleconference for these meetings. It's
7 not always easy for us to get to town.

8 If we could perhaps get or mailed the handouts that
9 you're discussing at the meeting, it would help us here follow
10 along with what's happening. In addition to that, from time to
11 time if those speaking could identify themselves, we may be
12 able to follow along a little better. We had a little
13 confusion here tonight. But we appreciate being hooked up.
14 We appreciate the hard work that -- that you have before you
15 and the difficult decisions.

16 I will have to agree with our mayor that in order for
17 you to make decisions about what (ph) different studies,
18 whether to apply that money to restoration of the damaged
19 resources, whether to apply the money towards protecting those
20 resources from further stress or acquisition of habitats, or
21 providing for local response capabilities and prevention of
22 future oil spills, strictly based on good sound judgment and
23 the scientific studies of the data and -- and reports that
24 have been released. We would hope that that will happen in
25 the near -- near future. Plans are reviewed by the public,

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1 then have access to them and can make knowledgeable decisions.

2 Again, we appreciate being hooked up. We look forward
3 to your next meeting, and, of course, you're always invited --
4 invited to have one here in Whittier.

5 MR. PENNOYER: Thank you. I believe we have
6 tried to fax out the handouts that we've had at these meetings
7 to the various locations, maybe not always successfully.

8 And I apologize if the chairman didn't identify each
9 individual before they talked, but this is Mr. Cole.

10 MR. COLE: Well, I thought that the Mayor had
11 a legitimate inquiry there which we could easily answer
12 relating to who's going to make the decision regarding the
13 close-out of these studies. We sort of left him hanging
14 there, and should we not respond to that? Dr. Montague, would
15 you like to respond to that?

16 MR. MONTAGUE: The six members representing
17 the Trustee agencies on the restoration (loud speaker
18 interference). The members of the restoration group that are
19 based one member each from the six trustee agencies meet to
20 vote on which studies to continue and which studies to -- are
21 recommended for closing out, and that is simply a
22 recommendation. And it's the Council that makes the final
23 decision whether they accept our recommendations or not. And
24 that's just for this -- the ones that I

25 MR. GIBBONS: After public comment.

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1 MR. MONTAGUE: After public comment.

2 MR. PENNOYER: Yes, I think the procedure is
3 that the restoration group will recommend to the Council, the
4 Council will preliminarily accept a certain slate of
5 proposals. They'll go out to public review and then come back
6 to the Council for final decision.

7 Any further comment or testimony from Whittier?

8 WHITTIER: No, there's no further testimony
9 from Whittier.

10 MR. PENNOYER: Well, thank you very much.
11 Okay. We'll now go to Anchorage, and those who wish to
12 testify, please hold your hand up? And I think we have a
13 microphone on the table here, we'll put it right over in the
14 box. We'll take the closest one first, maybe you, sir? If we
15 can find one that works.

16 DR. PIATT: I'm Dr. John Piatt with the
17 U.S. Fish and Wildlife Service here in Anchorage. Just a few
18 comments. I'll try to be brief.

19 First of all, I am not working on any oil spill
20 projects, so what I have to say has nothing really so much to
21 bear with me.

22 I was a little upset initially with Mr. Cole and --
23 and his first statements about cutting back and questioning
24 the need for continuation of these studies. Later I was quite
25 happy with some of what you were saying.

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1 I just want to point out that many studies of oil
2 spill effects have gone on for ten, 15 to 20 years, and what
3 we have seen in response to the Exxon Valdez really could go a
4 lot further. I don't blame you for wanting to assess the
5 quality or the -- the necessity of continued research
6 projects, and certainly as you come into your role now in --
7 in this job, it's important that you do so. But I would
8 encourage you and -- all of you and certainly some of you
9 already have gone through this many times, this process of
10 examining, reviewing and re-reviewing and re-reviewing project
11 proposals from Fish and Game, from Department of Environmental
12 Conservation, from Fish and Wildlife Service, and from private
13 interests has gone on continuously for three years, and a lot
14 of these projects have been pretty well hashed out I would
15 think. It's my opinion. And I'm wondering whether you can
16 save yourselves some money by relying on the advice of people
17 who have already gone through these things in considerable
18 detail and try to speed these things along as -- as much as
19 possible.

20 My main concern is that every summer -- and again some
21 of you are already aware of the problem, is every summer
22 when we get into this, there's always delays, and people who
23 are trying to organize projects that have been going on
24 already for several years are faced with the same problems
25 every year of not knowing whether in fact they're even going

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1 to be able to field a project until days before they actually
2 go out there, and that doesn't lead to quality work.

3 The second comment I would make is that I would like
4 to see some accounting of the administrative costs of this
5 whole effort. I think it would be very appropriate to -- for
6 you to consider a ceiling on the administrative costs, much as
7 many organizations try to maintain a cap or ceiling on
8 administrative costs and see that the majority of the funds go
9 to actually the purpose of that organization. I don't know
10 what an appropriate ceiling would be. Certainly 50% is very
11 high and certainly 10% is very low. I don't know. There
12 seems to be some -- there should be some range of costs that
13 are associated with administration that perhaps you could look
14 ahead and say "This is it. That's what we're going to shoot
15 for." It might make it a little easier to make decisions
16 about whether or not you're going to add more monies towards
17 administration as opposed to restoration.

18 Finally, I just very briefly would comment that I
19 think it's very important that the data that's already been
20 collected and analyzed should be released to the public. And
21 that's something that you have a role and it's something that
22 many of you have an interest in, and I would certainly
23 encourage that since Exxon is coming out with information even
24 now on how well the Sound has recovered from oil pollution,
25 it's appropriate for the various agencies to get their oil

1 (ph) information out to the public so that they can assess
2 restoration projects and also assess potential damages.

3 Thanks.

4 MR. PENNOYER: Thank you. Are there questions
5 or comments from the Trustee Council members? If not, thank
6 you very much.

7 Bob Anderson, did you wish to go next?

8 MR. ANDERSON: Good evening. It's a pleasure
9 being here. Let me introduce myself. I'm Bob Anderson, I'm a
10 life-long Cordovan. And I'd like to explain a little bit
11 about myself. Maybe it will help people further understand
12 what I have to say here.

13 I'm a life-long Cordovan and I wear many hats down
14 there. One of those hats I wear is I'm president of the
15 Shearstone Corporation that's mentioned in some circles
16 recently. And we are a substantial timber owner in Prince
17 William Sound. We're one of two active logging operations
18 down there. We're presently harvesting and selling and
19 exporting timber for both -- both the export and the domestic
20 market.

21 I'm a commercial fisherman. That's how I make my
22 living.

23 I'm also a Cordova fish- -- City Councilman. I was
24 many years ago, and I'm presently serving another term. And I
25 thought I'd mention that, because I was going to offer some

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1 advice a little while ago on the Open Meetings Act if the
2 Attorney General slipped. It's a subject that we know a
3 little bit about.

4 MR. COLE: Maybe you can just send us your
5 briefs.

6 MR. ANDERSON: How about the bill? We'd
7 rather send that.

8 (Laughter)

9 MR. ANDERSON: I'm a stockholder in the Eyak
10 Village Corporation and the Chugach Region. And I'm a past --
11 past president of both. And also I participated in those land
12 selections and also in some way assisted some of the other
13 village corporations throughout the region in theirs back in
14 the early days in the 70s.

15 I'm a founding member and a board member of the Prince
16 William Sound Aquaculture Corporation. I've been there since
17 its inception. I'm proud quite proud of that association that
18 I have there.

19 I helped start one of the major seafood processing
20 companies in Prince William Sound, one of those companies that
21 had to close down last year unfortunately, and that has not
22 found a means today -- or to date to open its doors again.
23 But I was its president, I ran it for a number of years, up
24 until about 1986. I do know a little bit about that industry
25 besides catching the -- catching the little guys.

1 I have been a member of the Alaska Federation of
2 Natives and I'm a past director and the vice -- past vice
3 chairman of that organization.

4 I mention all of this because they demonstrate my
5 experience and my commitment, not only to the State but to
6 Cordova and to Prince William Sound.

7 Now, a conceptual proposal was submitted to the
8 Council here which provides for Shearstone to delay logging
9 activities for three years in return for fair compensation
10 with the understanding that the compensation can be applied
11 against the purchase price of any final acquisitions of
12 Shearstone timber rights by the Trustees.

13 After the proposal was sent, it has come to our
14 attention that the Trustees do not have an existing framework
15 for considering the proposal. It has also come to our
16 attention that the Trustees have been presented with a
17 proposal to immediately develop the framework to consider the
18 Shearstone proposal and others like it.

19 While Shearstone understands the logic of the
20 framework to address such concerns, and endorse the proposal
21 to do so, we cannot stress enough the urgency of coming to
22 closure on this issue. Specifically Shearstone's 1992 logging
23 activities are set to begin by the end of January. Unless we
24 feel confident that the Trustees are making certain progress
25 toward making a good faith offer to Shearstone -- or to

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1 Shearstone.

2 I don't make this in the context of a threat, and I
3 don't want you to take it that way. We appreciate the
4 benefits of the moratorium concept. We up until recently
5 had -- we hadn't considered that. Us, like other timber
6 owners, had in passing considered other -- other concepts, but
7 just recently this concept came to us. We thought it over, we
8 agreed. We know the broad public support for the concept.
9 I've been there a long time. Our other owners and people that
10 participate in our company have been in that area for a long
11 time, so we appreciate the concept. We understand it. We
12 agreed to work with it.

13 But due -- but we do want to stress that due -- due to
14 prior obligations, we cannot delay our operations much longer
15 based upon a mere speculation that the Trustees can and will
16 enter into good faith negotiations with us. Accordingly we
17 respectfully request that you direct staff to address this
18 issue immediately and to return to you within two weeks with
19 specific recommendations on to proceed.

20 In general those are my remarks, gentlemen. I thank
21 you for allowing me to stop by and address you. I do have
22 here with me tonight our logging partner, our -- our forester,
23 our financial people, if you have any questions of me.

24 And one last thing. I would like all of you and the
25 audience here to -- to -- and invite you to drive to Cordova

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1 in the next -- near future on the Copper River Highway. Thank
2 you.

3 (Laughter)

4 MR. PENNOYER: Are there questions of the
5 Trustee Council members of Mr. Anderson? Thank you very much.

6 MR. ANDERSON: Thank you.

7 MR. PENNOYER: Somebody next? Who -- who
8 wishes to go next and testify? I believe the lady is -- thank
9 you.

10 MS. KING: My name is Sandy King, I'm from
11 Cordova.

12 First of all, in reference to the Kodiak woman who
13 spoke about wanting to secure some monies for contingency
14 plans, I might for your information, if you don't have it, let
15 you know that Alyeska has already set into motion the
16 financing of early response teams in Prince William Sound, so
17 if these other communities have not already known that, I
18 would say that they might petition Alyeska for these funds
19 rather than this organization here. Okay.

20 Also, I -- I would like to just state publicly that I
21 am also for the habitat acquisition, and I'm hearing as a
22 Cordovan for the first time from Bob Anderson, too, so this is
23 -- this is good news. It's good news that the -- that the
24 corporation, the Eyak Corporation and Shearstone is willing to
25 listen to the public and to recognize that there's a cry out

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1 there for the -- the well-being of Prince William Sound for
2 all of Alaskans. It isn't just for the small little
3 communities that are around there, because there are many
4 people from Anchorage who find Prince William Sound is a
5 refuge, or, you know, again we're looking at Kodiak and Homer.
6 That's a refuge for -- for many, many people here in the State
7 of Alaska.

8 And as the fishing industry is shifting, we are going
9 to have to recognize that there might be another industry out
10 there that we have to welcome in these smaller communities,
11 and that is tourism. And tourists do not like to come into a
12 place and see clear cuts. I know this for a fact, because I'm
13 from areas where that has happened. And tourists want to --
14 want to -- they come from around the world to see the beauty
15 that's here.

16 And while logging, you know -- I mean, I use paper
17 just like everybody else. The logging practices that are
18 going on right now, just because of the lack of forest
19 practices act in the State of Alaska, which makes what's going
20 on very legal in Cordova, it's detrimental to the tourists --
21 to the tourist trade.

22 So I would encourage you as a body of men to seriously
23 consider the habitat acquisitions as a -- as a viable plan for
24 the use of the monies. Thank you.

25 MR. PENNOYER: Any questions? Thank you very

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1 much. Who's next? Yes, ma'am.

2 MS. BRODY: Okay. Thank you, Mr. Chairman,
3 and members of the committee, I'm Pamela Brody with the Sierra
4 Club, and I'd like to talk about several things.

5 First of all, thank you very much for listening to us,
6 and I appreciate the concern voiced by Attorney General Cole
7 and others for the importance of keeping down administrative
8 costs and that the money should be spent on restoration.

9 I am concerned about cutting the science. I think
10 that -- that it's important that the decision about what
11 should be cut, if anything should be cut, that -- that there
12 be peer review on this, and that independent scientists,
13 perhaps the National Academy of Scientists, should be
14 involved, should give the Council input on what is the -- the
15 most important sorts of science that needs to be done. We --
16 we're not saying that -- that every data -- all the data
17 that's collected that it necessarily all needs to be
18 interpreted, but it certainly would be a worry if some it is
19 never interpreted.

20 The second thing I'd like to speak about is some
21 people who have testified have talked about using oil spill
22 restoration money for local oil spill response. And while the
23 local oil spill response may be an excellent idea, I agree
24 with the last speaker that the restoration money is not an
25 appropriate use for these funds, that I think they -- a better

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1 source of funding for that would be the 470 fund that oil
2 spill response is part of oil company doing business, and that
3 all the oil companies should be contributing to that.

4 And lastly, and most importantly, I would like to
5 agree with and expand upon what many people have said, that
6 the acquisition of land and fish and wildlife habitat should
7 be a major use of the funds for restoration, that we can't
8 restore the damaged species and damaged ecosystems if we are
9 continuing to damage them further.

10 Attorney General Cole asked a question of one of the
11 witnesses about should -- is it enough to just buy timber
12 rights.

13 MR. COLE: I was just going to ask you that
14 also.

15 MS. BRODY: As you know, very often the timber
16 is owned by a separate corporation from the land at this
17 point, but those are short-term contracts, and the companies
18 that own the timber have the right to cut the trees for a
19 certain number of years, maybe ten years or so. So if we just
20 buy timber rights, from those companies, then we only have the
21 rights for a very small number of years, and we would
22 certainly like to see more permanent protection than that.

23 It does not -- from our point of view, it does not
24 have to be land acquisition. We would like to see total fee
25 simple acquisition, but that I think would depend very much on

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1 the --the owners, and if the owners of the land do not want to
2 do that and want to maintain ownership of the land, there
3 still are other options such as conservation easements in
4 which the owners of the land could be managers of their land
5 and owners of their land, but that they would agree to certain
6 long-term protections.

7 Also, some people have talked about -- about spending
8 some money up front for options including the gentleman from
9 Shearstone, and we agree that -- that this would be a good use
10 of the early money that comes in would be for options and not
11 just the Shearstone timber rights, but in other areas
12 including Montegue Island and -- and other areas outside of
13 Prince William Sound.

14 In fact I -- I would like to also say regarding other
15 areas that -- that the species that were damaged and the
16 recreation values that were damaged are existing in Alaska
17 beyond the actual places where the oil hit the beaches, and so
18 we should think of that when we're looking at -- at what areas
19 to protect.

20 And also I would like to agree with some other people
21 who have spoken that -- that the RRCG should have a special
22 subcommittee about land acquisition.

23 Thank you.

24 MR. COLE: I have a question or two.

25 MR. PENNOYER: Mr. Cole?

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1 MR. COLE: Ms. Brody, let's -- if you don't
2 mind, I'd like to ask you a few questions about the land or
3 timber acquisition.

4 Down the road, you know, as I recall those
5 installments being paid by Exxon will be about \$90 million a
6 year. How much of that \$90 million each year would you think
7 should be spent on the land acquisition?

8 MS. BRODY: The Sierra Club doesn't have a
9 policy on -- on a percentage at this point, but we would
10 certainly like to see a very large percentage of that

11 MR. COLE: Do you mean

12 MS. BRODY: money going towards
13 the

14 MR. COLE: 75 million each year to be on
15 land acquisition? Is that what I hear you saying?

16 MS. BRODY: That -- that would sound like a
17 good sum, yes.

18 MR. COLE: Okay. And -- and how -- how much
19 per acre is this land being offered for sale for out there in
20 the Sound or where we're talking about?

21 MS. BRODY: The only place where -- where we
22 have a price is in Kachemak Bay and there -- that, as you
23 know, those negotiations have been going on for a long time,
24 and -- anywhere else prices would -- would need to be
25 negotiated and it

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1 MR. COLE: Have you got

2 MS. BRODY: it would vary tremendously.

3 MR. COLE: Well, but have you got some amount?
4 is it 5,000 an acre, 1,000 an acre? What -- what are we
5 talking about when you say "buy land"? Or "We urge you to buy
6 timber out there or buy land"? I mean, how -- how much per
7 acre are we looking at or?

8 MS. BRODY: Again, it would be such a wide
9 range if you're talking about land on Montague Island that
10 has timber, it -- the timber itself is very valuable, although
11 it's -- it's hard -- the access is difficult. Other lands
12 that don't have timber at all, but are facing subdivision
13 threats, then the price per acre might -- would be much lower.
14 I don't know, and I would love to know. I would love to be
15 able to answer that question.

16 MR. COLE: Maybe by next time or so you could
17 get some numbers for us and?

18 MS. BRODY: Well, it's -- it's

19 MR. COLE: It would sort of give us

20 MS. BRODY: really more the
21 owner's

22 MR. COLE: a sense of -- well, but just
23 give us a sense about how much money we're talking about,
24 because it's hard to really even evaluate your suggestions,
25 and -- and the suggestions of many other people for timber and

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1 habitat

2 MS. BRODY: Uh-huh.

3 MR. COLE: acquisition until we get a
4 sense of -- I mean, how much are we talking about, if nothing
5 else, per acre, you see?

6 MS. BRODY: I -- I think Mr. Rick Steiner who
7 is here from Cordova could answer that

8 MR. COLE: Okay.

9 MS. BRODY: better than I have, 'cause
10 he's done some research. But I would say again it's the
11 owners of the land that are going to have to give their
12 prices.

13 MR. COLE: Thank you.

14 MR. PENNOYER: Further questions or comments?
15 If not, thank you very much. Who -- who is next, please?
16 Yes, sir?

17 MR. RUSHER: Yes, I'm Jerry Rusher with
18 Rusher's Services. And I have a project that I'm working on,
19 but I'm not going to take the time right now, because this
20 time is very valuable.

21 I'd like to possibly introduce this pamphlet that's
22 been out for two years on restoration, and possibly save you
23 people a lot of money on the project that you're going to work
24 on right now. And some of the headings in this pamphlet is
25 "The Law and Restoration," "What is Restoration," "What is

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1 the Restoration Planning Process," and "How You can
2 Participate". And this pamphlet has been out for two years.

3 And I have one question for Ernie Piper. What has
4 been the percentage of public participation from this two-year
5 pamphlet?

6 MR. PIPER: Mr. Chairman, I don't

7 MR. PENNOYER: Mr. Piper?

8 MR. PIPER: know, because I haven't been
9 involved in restoration until recently. I could find out for
10 you, Jerry, but I've just been working on the spill itself up
11 till now.

12 MR. RUSHER: Okay. I -- I just feel that this
13 might save this group about a million dollars.

14 MR. GIBBONS: I might try to answer that.
15 That was prepared by the restoration planning work group for
16 the 1990 public meetings as an informa- -- an information
17 leaflet, and we visited many communities with that leaflet and
18 got feedback. That was incorporated in a -- in a document
19 that was published later that year.

20 MR. RUSHER: Yes, but you're talking about
21 doing a duplication right now of a lot of dollars.

22 UNIDENTIFIED: Hear. Hear.

23 MR. RUSHER: That's all I have to say.

24 MR. PENNOYER: Any questions from the Trustee
25 Council of Mr. Rusher? Thank you very much. Who's next,

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1 please? Yes, sir? Jeff?

2 MR. PARKER: Thank you. Seated before six
3 gentlemen behind a bench reminds me I guess of either being in
4 front of the Ninth Circuit or a committee of the U.S. Senate,
5 both famous men's clubs.

6 My name is Jeff Parker, and I'm speaking in behalf of
7 the Alaska Sport Fishing Association, Trout Unlimited and the
8 Wildlife Federation of Alaska.

9 The first point I'd -- I'd like to make is that we
10 would support and -- using Trustee -- trust -- the Trustee's
11 recovery here, or the money from the settlement, in principle
12 we hope you would consider using it to endow a trust fund.
13 You may reach a position where you can do a lot more good with
14 expenditures of interest rather than of principle.

15 I have three points briefly I would like to make, and
16 basically this -- what I wish to say is organized a mnemonic,
17 the number three.

18 The first point is that I think the fundamental
19 question that you're facing is what sort of lands or interest
20 in lands to acquire in terms of equivalent resources.

21 Equivalent resources I believe can be viewed in three
22 contexts. One is resources that are equivalent in resource or
23 ecosystem type.

24 Equivalent can also be viewed in a second context. It
25 can be viewed resources that are equivalent in non-use value.

1 That's the intrinsic value that created a lot of -- of the
2 power to settle this case. In technical terms, existence,
3 option and bequest value, and I believe you're familiar with
4 those terms.

5 Thirdly, equivalent resources could be viewed in terms
6 of what is equivalent in use value? That is in the context of
7 recreational use value under the NARDAP (ph) circle of
8 regulations.

9 The second major point, and I guess at this -- the
10 second major point that I'd like to address is what ways I
11 think should you avoid in wasting money, or what should you do
12 to avoid wasting money. I think there are three ways in which
13 you can waste money. One is, and I echo some of Attorney
14 General Cole's concerns I believe here, that excessive studies
15 that are narrowly focused where the information is not
16 transferrable either to other spills or identifying what we
17 would do with restoration monies are probably basically
18 studies that will sit on the shelf and keep government
19 employees employed and do nothing towards helping us to spend
20 these monies wisely.

21 Thirdly -- secondly, excessive attempts to restore
22 what can't be restored is another very good way to waste
23 money. We've seen proposals for rye grass restoration. I
24 think we have two rye grass sites in Prince William Sound
25 where that's even technically con- -- worthy of consideration.

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1 I -- obviously much of the intertidal zone is not a habitat
2 that is conducive probably to restoration, although I'm
3 certainly not a biologist competent to answer that. But that
4 type of expenditure is probably -- is perhaps an arena where
5 you can waste money.

6 Where does it make sense to -- to spend money, I think
7 that you can -- you ought to establish a standard, this is a
8 third point, a fundamental point of what I am trying to say
9 here is that a standard ought to be acquiring lands or
10 interests in lands that are valuable for habitat or -- or
11 resource -- or resource use purposes where those lands face a
12 clearly identifiable near or long-term risk to those resource
13 values or use values and where those lands or their habitats
14 or uses bears some relationship to the injuries occasioned by
15 the spill.

16 Three elements again. One, valuable for habitat or
17 resource use value. Two, face a clearly identifiable near or
18 long-term risk to those habitats or use values. And, three,
19 those lands bear some relationship to the injuries occasioned
20 by the spill.

21 Now, nowhere in that did I say that those lands --
22 that that criteria or that three-part standard has a proximity
23 test. And you'll find no proximity test. We hear a lot of
24 discussion about buying right where the oil -- or flowed in
25 approximate to where floating oil went. Nowhere in -- in the

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1 natural resource damage assessment regulations is there a
2 proximity test. And I think a standard along the lines I've
3 suggested is one that is more compatible with what the law
4 requires here.

5 Those are the three points, each organized the
6 mnemonic three. If nobody has any question, I'll suggest
7 some. Steve?

8 MR. PENNOYER: Does the Trustee Council want
9 to hear Mr. Parker's suggestion or ask our own questions?

10 MR. COLE: Well, I'd like to hear his
11 suggestions.

12 MR. PARKER: Okay.

13 MR. PENNOYER: Go ahead and ask yourself your
14 questions.

15 MR. PARKER: Great. Thank you. They're also
16 organized around the number three. Three times three. There
17 are nine of them. Quickly.

18 One is what areas are reasonable for consideration of
19 expending -- of spending money for purposes of acquiring lands
20 or interests in lands? I've suggested a criteria, and I've
21 also suggested that proximity is not the test. Obviously all
22 of us I suspect favor spending money all or mostly in -- in
23 Alaska. What I think, if -- if you look at the risk criteria,
24 that element of -- of a standard, that is, that we shouldn't
25 -- if we lost a diamond, we shouldn't buy spaghetti with it.

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1 And the -- the risk criteria means that we ought to be
2 thinking about lands that are basically in the southern
3 drainages of Alaska. Those are timber from Southeast to
4 Afognak and where the risk arises from timber harvest. And we
5 ought to think about habitats where the Forest Practices Act
6 is -- instances where the Forest Practices Act is demonstrably
7 insufficient for protecting the resources that we're concerned
8 about. And I said demonstrably insufficient, because there
9 will be times when it will be sufficient. And I think there
10 are value -- there's value for coastal strips and scenic
11 quality similarly arising out of timber issues.

12 There's also from Kodiak west to the Kuskokwim and up
13 the Kuskokwim to the Aniak a lot of land that is -- that --
14 that is private and -- and owned by land rich, cash poor
15 village corporations where the only source of income is
16 incremental recreational disposal. And already three
17 corporations have embarked on that tract -- that track, and
18 that is something that creates a threat not only for conflict
19 between subsistence and nonsubsistence and commercial use
20 values, et cetera, related to various resources, but changes
21 the nature of the recreation industry, changes -- and
22 threatens particularly sensitive stocks such as brown bear or
23 trout species.

24 My second question that someone might ask is what is
25 the -- we often talk about the area affected, and I think

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1 that's often an ambiguous thing, so -- so I'd like to address
2 what is the area affected by the spill. And I'll basically
3 leave it as I think it's an unanswered and not a sensible
4 question to ask. It's an unanswerable and not a sensible
5 question to ask. And that arises from the fact that many of
6 the critters that utilize the areas where oil had an impact
7 on habitats or biology, those critters are migratory in
8 nature. One of the best examples in this instance is the
9 yellow billed loon where they suffered, as some of you
10 probably know, a fair degree of mortality in terms of their
11 Alaskan population, and that's an Arctic -- I mean a North --
12 a North Slope nester. Is the North Slope in the area affected
13 by the spill? I think that -- the unanswerability of that
14 question demonstrates the point.

15 The third thing, Mr. Cole's question, what does
16 restoration mean? Or maybe it wasn't yours, but I think one
17 of the things is we -- always keep in mind it means restoring
18 both resources and services. And services are defined in
19 terms of -- of a number of things, but including use values
20 and biological relationships. But that is -- I want to
21 emphasize that we should be focusing on restoring both
22 resources and services as the law provides.

23 Fourth point, or fourth question, if you should spend
24 money early, should -- what should you spend it on? The
25 options idea I think is a real good one. We would support

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1 that.

2 Fifth. I can't read my writing here. Oh, yes. A
3 major problem -- well, I'll come back to that. I'm going to
4 substitute a fifth.

5 Timber rights. Timber rights, Mr. Cole asked about
6 timber rights. The appraised values, the two appraised values
7 on 23,000 in Seldovia -- 23,000 acres of timber land --
8 timbered land in Seldovia -- Seldovia, at about 20 million and
9 the State at about 12. Those divide up at about 1,000 and 500
10 respectively per acre. About 7,000 of the acres were treed
11 with commercial trees. So that's roughly ballparking the
12 nature of large block acquisitions where -- perhaps
13 ballparking the nature of large block acquisitions where some
14 of the land, where it is mountainous, as it is throughout
15 Prince William Sound, Seldovia, where it is mountainous, and
16 only a percentage -- only a small percentage of the land is
17 treed with commercial trees.

18 MR. COLE: Excuse me, you're saying 1,000 to
19 2,000 an acre?

20 MR. PARKER: I think -- well, if you -- yes,
21 if you the -- some of those acres are in fact much more
22 valuable than others and others are close to valueless.
23 That's the nature of the game when you have trees being a low
24 land, I won't say animal, a low land presence.

25 With respect to your question, Attorney General Cole,

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1 to Pamela Brody on how much would you support spending on
2 resource acquisition or acquisition of lands or interest in
3 lands, I think \$75 million, her answer, was reasonable. We
4 would support higher. We want to see permanent benefits, not
5 temporary benefits in terms of employees' paychecks.

6 And I guess I'm running out of my nine questions here,
7 but the last one I think is the conundrum that you're all
8 faced with, and -- and the public is faced with, and that is
9 how do you make decisions when science and economics are not
10 public. That's probably going to be the greatest issue you
11 all face and I think until such information is public, we'll
12 have a difficult time. But I'll comment on that later.

13 Thanks. Round two. Any more questions?

14 MR. PENNOYER: Do you want to ask any more
15 questions, or -- Commissioner Sandor?

16 MR. SANDOR: Well, I guess the -- yeah. I
17 very much appreciate the specificity of your -- and the
18 obvious scientific thought that went into this presentation,
19 and I trust that the restoration group is going to be
20 utilizing those and other kinds of thoughts.

21 With respect to your support of an endowment or trust
22 fund, can you elaborate on that, and would you offer some
23 suggestion of a level of a trust fund or endowment that might
24 be established?

25 MR. PARKER: I prefer to think before I stick

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1 my -- stick my foot in my mouth. I think that a level -- I
2 think that a level of endowment is -- I assume you mean a
3 final number. I think that anything we don't need urgently to
4 spend, we ought to put in a trust fund as a basic principle.
5 I hope that's

6 MR. SANDOR: And what would be your definition
7 of urgent?

8 MR. PARKER: (Loud speaker problem) Probably
9 not that.

10 MR. SANDOR: What's your definition?

11 MR. PARKER: Probably -- that was a good --
12 did you get that?

13 MR. SANDOR: Well, seriously?

14 MR. PARKER: I -- seriously, yeah, I think
15 that the -- the thing that is continually help up to the
16 public is timber harvest. We're faced with the primary mill
17 in bankruptcy right now. We have I think one on-going
18 operation, or two. Either Two Moon Bay or -- and the one
19 that's been discussed. And Afognak has some timber operations
20 going on now at about 1,000 acres or 750 acres a year I
21 believe, but my numbers are probably poor. I think that where
22 you have a very important resource conservation issue being
23 threatened by those timber harvests, I think you ought to go
24 out and buy options and do it fast. But I think -- I think a
25 number of you who have worked in land exchanges and I know --

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1 I see three of you have at least, know that the process of
2 negotiation -- the process of negotiation is one of
3 intimidating governments, and I think that you're capable of
4 dealing with that.

5 MR. COLE: Help me with my math a little bit.
6 In -- in two -- we're talking about two -- \$2,000.00 an acre
7 at 90 million, how many acres would you get for 90 million?

8 MR. PARKER: 45,000.

9 MR. COLE: 45,000. So we're dealing with
10 900 million, but we have how much, 100 million, 150 million in
11 expenses. So -- even if at 900 million, you get 450,000 acres
12 over a

13 MR. PARKER: At -- at 2,000 an acre, say
14 you're talking trees only, we aren't talking mountain tops,
15 and we're buying carefully, I don't know if 2,000 an acre for
16 number two saw

17 MR. COLE: (Indiscernible, simultaneous
18 speech)

19 MR. PARKER: logs is appropriate.

20 MR. COLE: how much land we would get?

21 MR. PARKER: On trees? On buying trees?

22 MR. COLE: Buying fee simple land?

23 MR. PARKER: I -- I'm not competent to answer
24 that.

25 MR. COLE: (Indiscernible) I'm just doing the

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1 simple math.

2 MR. PARKER: Right. I -- I think you're
3 probably -- you know, it's simple math, somewhere in the rough
4 ballpark -- I really can't say. I really hesitate, and I just
5 -- anything I say is going to be useless, so I'd rather not do
6 that. However,

7 MR. COLE: No, it hasn't been.

8 MR. PARKER: Okay. Well, anything I say on
9 how many acres would be useless. I could spend some time and
10 certainly Ms. Brody could.

11 One thing though I guess in this context is that
12 buying -- buying trees that are going -- that provide
13 important habitat or use values, is more expensive than buying
14 other lands that are untreed and don't have a per acre
15 commercial use value, and that is the instance when you go
16 from Afog- -- from Kodiak west. The land in gross from Kodiak
17 west, which has no commercial tree -- commercial timber
18 harvest value, has a much lower per acre value, because only
19 small, tiny increments to wilderness recreation cabin folks,
20 would buy.

21 MR. COLE: But -- but much less utility?

22 MR. PARKER: Yeah, it has much -- well, that
23 isn't to say it has much less utility from a conservation
24 purpose or necessarily from a resource -- from a restoration
25 purpose if we're talking about certain type of use values.

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1 MR. COLE: Agreed.

2 MR. PARKER: Or perhaps also intrinsic values.

3 MR. PENNOYER: Further comment or question?

4 Thank you, Jeff, very much.

5 MR. PARKER: Sure. Thank you.

6 MR. PENNOYER: Susan, did you want to go next?

7 Yes, thank you.

8 MS. RUDDY: Thank you, Mr. Chairman and
9 members of the Council. I am Susan Ruddy. I'm with the
10 Nature Conservancy of Alaska, and I will be very brief. I
11 think the groundwork for what I have to say has been laid very
12 thoroughly tonight.

13 I do have a mnemonic of my own, however. The Nature
14 Conservancy also has a triad that we operate within. We
15 believe very much in establishing the process and develop the
16 information and taking action within that context. What I
17 would like to propose tonight to you is also within that
18 context.

19 I would like to suggest that you establish a subgroup,
20 which has been suggested already several times tonight. I
21 think that subgroup should address the fact that there are
22 some private lands which will be critical to restoration, and
23 that some of those private lands are also probably subject to
24 imminent develop- -- development, excuse me, probably in the
25 form of logging. From what you've heard tonight and from what

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1 you already know, some of these threats are very imminent, and
2 I don't mean to use threat in a perjorative way. The -- the
3 need on the part of the logging companies to move on their
4 contracts is imminent. So the action that has to be taken is
5 also imminent.

6 Therefore, what I'd to see is the immediate
7 establishment of a subgroup of the -- the RRCG to deal with
8 this. And I think that a charge to the subgroup might include
9 the immediate development of a framework for various methods
10 to buy time, which is has also been suggested already tonight,
11 and that special attention should be given in this context to
12 the development of criteria and to the valuation issues.

13 I also think that a charge to the subgroup should
14 include the establishment of procedures for determining
15 appropriate approaches to the -- to restoration on private
16 lands in the oil spill area. What I mean by that is whether
17 short or long term or in fact perpetual protection is
18 required, whether you need to acquire fee or less than fee in
19 some instances in order to accomplish your goals, and issues
20 like that.

21 I also think the charge should include the
22 determination of types of information which are necessary for
23 the trustees to make these -- these kinds of decisions.

24 I think that in the short term, over the next few
25 weeks if possible, this subgroup should take in effect the

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1 form of a hit team, that you should bring the best of the best
2 to this effort, and bring the people you have in your agencies
3 who can address these issues very immediately and set up the
4 context which can then operate in the long term. I think
5 among these, the kinds of expertise that need to be brought to
6 this issue would -- you would need an appraiser, probably an
7 attorney, a biologist, a realty specialist, and I would say
8 probably a resource economist.

9 I think that -- I think I'm the last person to testify
10 tonight. I didn't see another hand go up. And I think the
11 Trustees have a wonderful opportunity. I'm not quite sure how
12 -- how you accomplish something like this procedurally, but I
13 think you could wind up this meeting tonight by responding to
14 the kinds of things you've heard certainly tonight and I'm
15 sure prior to this, by taking the action of establishing this
16 subgroup and send a message to the people who have been
17 approaching the Trustees and who are concerned about this
18 issue by taking such an action immediately.

19 Thank you very much.

20 MR. PENNOYER: Thank you very much.

21 Mr. Barton?

22 MR. BARTON: I don't have a question, Susan, I
23 have a comment. I -- I think the -- the Council ought to
24 establish such a subgroup, I don't know whether it needs to be
25 a subgroup or a project within the restoration activities, to

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1 look at this question and -- and help the Council evaluate
2 some of the proposals that have been made. I do think we need
3 to establish a very deliberative process.

4 This is not something that the Council -- the
5 presettlement council did some work on this question, I think
6 in the last program of work established some criteria, some
7 guidelines. Those were published in that document that nobody
8 reads, Charlie, the Federal Register I believe in March of
9 '91. I think that the group that we establish needs to
10 recognize and build on that prior work.

11 I -- you know, I find myself confused to some extent.
12 Much of this private land that we're talking about became
13 private only in the last 20 years. It was public land prior
14 to that, most -- a lot of it. And here we are, we're talking
15 now about making it public land again. And -- and here we are
16 in a state that's largely publicly owned. You know, it seems
17 to me we need to reconcile all that in our mind as -- as we go
18 forward.

19 I don't doubt that there may be some very specific
20 areas that are very important to -- in -- in terms of habitat
21 protection, and Susan has suggested some other measures than
22 acquisition. I think we need to look at the -- the spectrum
23 of measures that are available to us to once we have
24 identified those critical spots as to how best to protect
25 them, and that range may be all the way from conservation

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1 easements to acquisition of partial interest to fee title. I
2 don't know, but I -- I do think we need to go through a very
3 deliberative process and I need some help in reconciling the
4 public policy issues of making private -- or taking private
5 land and making it public land in a state that's largely
6 publicly owned.

7 And I do think, too, some -- Jeff I believe mentioned
8 the Seward mill. I haven't heard anything from Seward as to
9 how Seward may view what we're talking about, too, and I think
10 we need to hear that. So with that long-winded speech,
11 I

12 MR. PENNOYER: Mike, was that in the form of a
13 motion?

14 MR. BARTON: That's what I was going to say.
15 I'd move all I just said.

16 MR. PENNOYER: Do we have a -- do we have a
17 second?

18 MR. McVEE: I'll second.

19 MR. PENNOYER: For purposes of discussion,
20 Mr. McVee?

21 MR. McVEE: Yes. I guess I seconded the
22 motion because I'm supportive of the idea of -- of mobilizing,
23 you know, some type of a habitat acquisition subgroup or as a
24 -- as a sub-subgroup to the restoration planning, wherever,
25 because I guess it -- that what -- what we're hearing, and

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1 what we've heard in a -- in a couple of the -- you know, the
2 public meetings that we've had -- meetings we have, is a lot
3 of interest in this, and I guess like Mr. Barton, I think we
4 need, you know, to develop some criteria that we can utilize
5 in the acquisition program so that we -- that we can be
6 assured as decision makers that we're getting the -- the
7 most -- the most for the dollars that we will be spending in
8 that area. So I guess I would really support that idea.

9 I think that Dave has given this some thought and
10 maybe he would make a comment?

11 MR. GIBBONS: Yeah, I've informally discussed
12 this, and some -- some members have -- have discussed this
13 with me about the formation of a -- we're not quite sure what
14 to -- what to title it, the restoration habitat subgroup, land
15 use subgroup, or -- or whatever it is. But we've had some
16 informal discussions. And I -- I'm asking the -- I've heard a
17 motion on the -- by the Trustee Council to -- for me to -- to
18 direct me to -- to form -- form this group and get it moving.

19 MR. PENNOYER: My interpretation of the motion
20 that it includes is in your previous motion you were asked to
21 use your good offices -- offices to go to the various agencies
22 and get the expertise necessary to do that, and I guess it
23 also encompasses as well.

24 Commissioner Sandor?

25 MR. SANDOR: Yeah, I would speak in favor of

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1 the -- the motion.

2 I do have a question of Susan. You suggested this hit
3 team or hit group would examine areas. What geographic area
4 of Alaska would you cover? The whole State or -- or part of
5 the State or?

6 MS. RUDDY: In this context I would assume
7 that you'd be looking at the oil spill -- oil spill affected
8 area.

9 MR. SANDOR: Okay.

10 MR. PENNOYER: There's a gentleman in the
11 audience who held his hand up. Is it to testify on this
12 specific item we're addressing now?

13 MR. HULL: No, I'd just like to make a comment
14 before we -- we finish up.

15 MR. PENNOYER: Okay. We won't adjourn until
16 we've got everybody's comments.

17 But is there further discussion on this matter at this
18 time? Is there any objection to the motion and proceeding
19 rapidly in this direction with hopefully that as part of your
20 report for our next summary.

21 MR. GIBBONS: Okay. Can I -- can I make one
22 comment? It might be appropriate to start with the oil spill
23 area first. I -- I know some people would like us to look at
24 the State of Alaska, but I mean, the oil spill area is -- is
25 large in itself, and I think as a starting point that might be

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1 a logical

2 MR. SANDOR: Well,

3 MR. PENNOYER: Commissioner Sandor?

4 MR. SANDOR: One -- one other -- excuse me.

5 One other thought. I -- Mike's motion was large enough really
6 to accommodate things that perhaps weren't even said. But I
7 -- I that the -- the thought that I have is -- is to look at
8 this matter of -- of the amount of funds proportionately to
9 the total settlement. That seems to me is a valid kind of a
10 question and it -- and in relationship to other kinds of -- of
11 funds that restoration or other purposes, and including the
12 endowment, but I very much appreciate the -- the suggestion
13 that was given.

14 MR. PENNOYER: Mr. Cole, did you have a
15 comment?

16 MR. COLE: No, I think Commissioner Rosier had
17 a comment?

18 MR. ROSTER: Well, I was -- I was just
19 thinking, and I think that this is a good -- a good direction
20 that we're headed in here. I -- the concepts that have been
21 put forth here tonight kind of stagger the imagination a
22 little bit. I mean, there's a lot of ideas that have been put
23 on the table as far as land acquisition is concerned during
24 the course of this meeting tonight, and I for one certainly
25 would desire the help of a -- of a subcommittee. It kind of

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1 begins to give us a little direction on this and -- and help
2 on it. It's an excellent idea and it -- and we've heard
3 suggestions that range all the way from the Lower 48 to all of
4 Alaska to the oil spill areas. So my personal leaning
5 certainly at the present time I think as an initial step,
6 because of some of the public testimony we heard from some of
7 the communities tonight is that it -- that it really be a
8 focused effort on pretty much the spill area itself. And
9 that's not to rule out that, you know, further looking into
10 areas outside of the spill area, but certainly initially the
11 spill area would be my choice.

12 MR. PENNOYER: Mr. Cole?

13 MR. COLE: Well, I -- I just look at these
14 thoughts of spending, you know, the great bulk of this money
15 on acquisition of habitat as we've somewhat euphemistically
16 expressed it, but then on the other hand they say we must
17 continue all these studies to see what the effect on the
18 animals and the fish and so forth has been, like \$20 million
19 here. You know, if we're going to really look towards
20 spending most of this money on habitat acquisition, or land,
21 timber or whatever we say, then, you know, we should be --
22 give ourselves pause to spend all this money on these studies
23 that we're talking about. See, it's a little bit incongruous
24 to look at both at the same time. So I just throw that out as
25 a food for thought if it's edible.

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1 MR. CARLYLE: Should I -- could I comment on
2 that very briefly? When I -- when I was talking before about
3 ending studies, I was specifically more talking about the
4 restoration studies that are on-going, to actually combine the
5 two things just as you're talking about, which is to look at
6 which kind of habitats, for example, required by harlequin
7 ducks or mottled marmots, species of concern. What are the
8 critical habitats, so that we don't just go out and buy
9 everything that's out there, but in fact we focus attention on
10 the -- the few or small areas that are really truly critical
11 habitats for them.

12 MR. COLE: But, see, what I'm saying is if you
13 look at the -- you know, the amount of oil in codfish, say,
14 that has very little relationship as I see it. I'm not
15 objecting to any of these. I'm in favor of continuing these
16 studies, but taking a hard look at the ones we really want to
17 go forward with, you know. But as I say, we'll want to make
18 sure that we're not spending a lot of monies, too, on -- on
19 how much oil is in codfish, if we're really thinking about
20 spending, you know, the major bulk of the money to buy
21 habitat. It's just an observation. It's probably not worth
22 more than that.

23 MR. PENNOYER: I believe we had one -- any
24 more questions of Susan or observations?

25 MR. ROSIER: Just -- just another observation

1 I think in regard to the testimony that I heard here tonight
2 anyway. I think that what I heard was the continuation of
3 studies that supports a good decision process within the group
4 as we proceed down this restoration path. And it just seems
5 to me that that makes -- that makes good sense to me anyway,
6 that that's -- that's the path that we in fact follow. I
7 think that to -- to do otherwise, we'll end up as we've
8 frequently said that we didn't want to -- in a manner in which
9 we've frequently said we didn't want to end up, without much
10 -- much to show at the far end of the program here in -- in
11 ten years. So I -- I think that we've got to have that.

12 I think ultimately we're going to end up with a --
13 with a cross section of restoration projects. I think we
14 heard the ideas tonight of an endowment. Obviously some of
15 the money is going to have to go there. At least in my mind
16 it does, certainly with the concurrence of my fellow Council
17 members. Certainly some of it's going to have to be research.
18 it seems to me some of it's going to have to be land
19 acquisition, and who knows what other areas we may be looking
20 at, but I think people have to take that into consideration
21 now that there were some resources that were severely impacted
22 out there and we've got to spend some money on direct
23 restoration of those resources that were directly impacted as
24 well, not just looking down the road in terms of habitat
25 issues, that type of -- and those types of activities. So I

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1 see a blend of projects coming out of this process quite
2 frankly.

3 Thank you.

4 MR. PENNOYER: Thank you. Are there any
5 further comments from the Trustee Council on this issue?
6 Thank you very much, Susan.

7 MS. RUDDY: Thank you.

8 MR. PENNOYER: Yes, sir, you wanted to testify
9 before we adjourn tonight?

10 MR. HULL: Thank you very much. My name is
11 Conrad Hull and I'm from Wasilla.

12 One of the questions I have here as I've been
13 watching, that everybody's wanting to buy up all this land. I
14 guess the concern is are we trying to restore Prince William
15 Sound, and that means all areas affected by the spill, back to
16 what it was before the spill, or are we trying to turn it into
17 another state park, trying to, you know, have all the private
18 lands that's been -- it's taken years to get into the private
19 hands, all back into the state again? And that's one of the
20 questions we have to ask, are we -- is what we're trying to do
21 is turn it into another park?

22 And that's all I have. Thank you.

23 MR. PENNOYER: Any comments by the Trustee
24 Council? Your question at this stage without developing
25 criteria and going through the process we've set up is

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1 probably not answerable. Mr. Barton did answer -- ask that
2 question in a way as well, and we're going to have to deal
3 with it. But

4 Yes, sir, one more?

5 MR. STARR: Gentlemen, my name is Tom Starr.

6 It's amazing that oil was spilled in Prince William
7 Sound to begin with. We've all been through the pain. I
8 worked the spill. I worked afterward with the people in
9 Whittier on their winter oil spill project.

10 Restoration is a very, very important thing to look
11 at, to oversee. The importance here is not so much how we
12 accomplish it, but that we do accomplish it in the manners
13 prescribed.

14 The other point that I'd like to make before I let you
15 gentlemen go is this is not just an impact area spill. This
16 affects every Alaskan. I saw thousands of people crawling
17 around in black grease -- black oil. I'm affected by it even
18 thinking about it. It excites me and angers me. This can't
19 happen again, and we've got to protect the areas that have
20 already been damaged.

21 In order to -- to accomplish this, we need the voice
22 of Alaskans, and I mean people from Barrow. Yes, sir, people
23 in Barrow are affected by this oil spill. It's -- it's a
24 given. People in Fairbanks. The people in Galena. These are
25 Alaskans. Maybe they're only ten-year Alaskans, maybe they're

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1 30-year Alaskans, or their families came across the ice
2 bridge. These are Alaskans and we've got to listen to them.

3 You have a data base. You have an agency who can draw
4 that base up. Ask the opinion of the people who picked this
5 oil up off those beaches. Ask it and they will sincerely
6 answer you what they think should be done about the
7 restoration process. It's important. And I leave it in your
8 hands.

9 Thank you.

10 MR. PENNOYER: Questions? Thank you very
11 much. Is there anybody else that wishes to testify here
12 tonight?

13 I have one more piece of business, gentlemen. Should
14 we discuss -- was one more?

15 UNIDENTIFIED: Jeff back there.

16 MR. PENNOYER: Oh, fine. Jeff?

17 MR. PARKER: I just have one other comment
18 since Attorney General Cole has focused a lot on land values,
19 with respect to nontimbered land there have been a number that
20 will give you some idea of -- of land values tied to the
21 current conditions (ph) of the Cook Inlet land exchange in
22 1975. (Indiscernible) The State was a party to that land
23 exchange as was (indiscernible) for the federal government and
24 Cook Inlet. That puts about a \$250.00 per acre value on
25 certain nontimbered lands in the Talkeetnas, for example. And

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1 those may be comparable to other types of nontimbered lands.
2 There is (ph) once proposed ANWR (indiscernible) similar value
3 (indiscernible) value of putting (indiscernible). And I guess
4 in that context I would suggest that is another way -- one way
5 of placing money to buying very important -- land that is very
6 important for habitat or use values but places no
7 (indiscernible). That's one of (indiscernible).

8 MR. COLE: Thank you.

9 MR. PENNOYER: I had one additional piece of
10 business I think we ought to discuss before we quit and that's
11 the time and location of the next meeting. We've made --
12 several times during the discussion tonight it was apparent
13 that we need to spend a significant amount of time with the
14 management team, RRCG, and go over the projects, the
15 background for how we got there and how damage assessment
16 injury results may have led us into certain directions on
17 restoration studies or monitoring. And I think we're going to
18 have to set up a full day or a day and a half to do that.

19 It has been suggested to me that perhaps February 5th
20 and 6th, and this time perhaps in Juneau, would be appropriate
21 with adequate teleconferencing, of course, to accomplish this.
22 And I don't know how long it's going to take. I really can't
23 predict that. I know the last time we got into one of the
24 detail study type processes that Mr. Cole has suggested it did
25 take nearly two days, so if

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1 MR. COLE: Well, I would think if we have 31
2 let's say close out ones, I was just thinking. If we spend
3 ten minutes on each, which is really hardly I would think
4 enough to any more than touch the surface, that gives us six
5 an hour. You know, we'd take five to six hours to just go
6 through these 31 that we're talking about. I think we need at
7 least a day and maybe more.

8 MR. PENNOYER: I agree with you. In addition
9 to that we also have the restoration projects and presumably
10 we'll want to see how this blends into restoration monitoring
11 projects and -- and we also have all the other assignments we
12 gave the RRCG that are going to obviously take more than half
13 an hour to cover. So is there any preference for a date? Do
14 we have -- are the 5th and 6th acceptable to the group at
15 least for now?

16 MR. COLE: Well, I would object to Juneau. I
17 mean, I think -- look at all these people here who have sat
18 through these boring, dull meetings, and yet when we get into
19 the teleconference, there's not one person from Juneau. Now,
20 I think -- yeah, sure, we've got Mr. Thomas (ph), but I think
21 out of deference to the people who have shown an interest to
22 attend these meetings that we should have them here. I
23 mean, -- does anybody out there agree with me? I got up early
24 and I -- it's been

25 MR. PENNOYER: I hear what you're saying. I

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1 guess I had assumed that we were going to hold them in
2 different places at different times. We've had

3 MR. COLE: But nobody in -- in Juneau has
4 shown any interest. They don't even come to the
5 teleconference, so why should we try to accommodate them
6 there? It's just -- you know, I mean, I live there in Juneau,
7 I -- I'd like to stay there, too, but I mean, you know, duty
8 calls, too, you know.

9 MR. PENNOYER: Okay. I hear you.

10 MR. SANDOR: I think there's some merit in --
11 in considering Kodiak some- -- sometime. I -- I do not
12 believe we should hold all our meetings here. And

13 MR. COLE: I was in Cordova last night.
14 That's enough for a while.

15 MR. SANDOR: So was I.

16 UNIDENTIFIED: We want to invite you back.

17 MR. SANDOR: And it seems perhaps logical that
18 with the magnitude of work to be done on studies involved, and
19 -- and one, perhaps two days, that maybe this ought to be in
20 Anchorage, but I -- I do think it's important to get -- get
21 out to Kodiak.

22 MR. COLE: Well, I think Kodiak is fine, too.
23 I'd go to Kodiak. I just can't see Juneau getting very --
24 being very high on the priority list.

25 MR. PENNOYER: I guess in terms of a long-term

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1 period of time, I was sort of looking at five of the six
2 trustees being there in terms of the project reviews we're
3 doing, not as a consistent or on-going thing. If it's going
4 to be elsewhere than there on the 5th, it's going to be a
5 little later for some of us to get there coming from elsewhere
6 even further away. I bow to the wishes of the group. What do
7 -- what do we want to do? Pick the 5th and 6th and?

8 MR. BARTON: I think -- I think we ought to
9 pick the 5th and 6th. I have some obvious reasons for
10 desiring Juneau, but -- but Charlie is a good conscience in
11 terms of duty calling. I could -- I could go either Juneau or
12 Anchorage. It would be more difficult to get to some other
13 location at this particular time because of some other
14 commitments.

15 MR. SANDOR: I move the meeting be held in
16 Anchorage February 5 and 6.

17 MR. ROSIER: Second.

18 MR. PENNOYER: I'm disinclined to comment.

19 MR. SANDOR: I withdraw my motion.

20 MR. ROSIER: I will withdraw my second then.

21 Yes, I do.

22 MR. SANDOR: I'll reinstate the motion.

23 MR. ROSTER: Reinstate the second.

24 MR. COLE: So where are we besides sitting in
25 Anchorage?

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1 MR. BARTON: What's the motion?

2 MR. ROSIER: That's the motion.

3 MR. SANDOR: That's the motion.

4 MR. COLE: No objection.

5 MR. ROSIER: February 5th and 6th in

6 Anchorage.

7 MR. McVEE: No objection.

8 MR. PENNOYER: I'm not going to cancel the
9 meeting

10 MR. GIBBONS: The time?

11 MR. BARTON: The time?

12 MR. PENNOYER: by objecting.

13 MR. BARTON: The time?

14 MR. PENNOYER: Well, it's -- it's going to be
15 a little difficult to get the time right now. Some of us have
16 travel schedules that go through the night of the 4th as far
17 away as the East Coast, so we're going to have to figure out
18 how -- when we could get here by.

19 MR. GIBBONS: Okay. You -- Would -- can I try
20 to set that up for maybe an a.m. though start?

21 MR. PENNOYER: It would be late morning.

22 MR. BARTON: Late morning.

23 MR. GIBBONS: Yeah. Late morning?

24 MR. COLE: We can come from Juneau -- the jet
25 comes from Juneau, be here by ten. Start at ten?

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1 MR. PENNOYER: Some of us are going to be
2 coming from further away than that, so I'm not sure I can
3 start by ten.

4 MR. COLE: Well, whatever

5 MR. BARTON: I'm not sure we can make it by
6 ten. Let -- we'll get that figured out.

7 MR. COLE: Wherever you set -- whatever time,
8 that's fine.

9 MR. PENNOYER: We're adjourned.

10 (END OF PROCEEDINGS)

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C E R T I F I C A T E

1 UNITED STATES OF AMERICA)
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 3 STATE OF ALASKA)

4 I, Meredith L. Downing, Notary Public in and for the
 5 State of Alaska, residing at Anchorage, Alaska, and Electronic
 Reporter for R & R Court Reporters, Inc., do hereby certify:

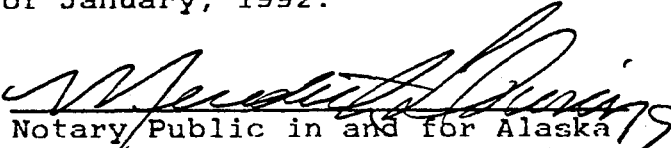
6 THAT the annexed and foregoing meeting of the **EXXON**
 7 **VALDEZ OIL SPILL SETTLEMENT TRUSTEE COUNCIL** was taken before
 me on the 10th day of January, 1992, commencing at the hour of
 8 6:30 o'clock p.m., at the offices of Alaska Public Utilities
 Commission, 1016 West Sixth Avenue, Suite 305, Anchorage,
 Alaska, pursuant to Notice;

9 THAT this Transcript, as heretofore annexed, is a true
 10 and correct transcription of said public meeting, taken by me
 and thereafter transcribed by me;

11 THAT the original of the transcript has been lodged
 12 with the Exxon Valdez Oil Spill Settlement Trustee Council in
 care of the Alaska State Department of Environmental
 13 Conservation, 4241 B Street, Anchorage, Alaska;

14 THAT I am not a relative, employee or attorney of any
 15 of the parties, nor am I financially interested in this
 action.

16 IN WITNESS WHEREOF, I have hereunto set my hand and
 affixed my seal this 13th day of January, 1992.

17
 18 
 Notary Public in and for Alaska
 19 My Commission Expires: 7/3/94

20 S E A L
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AGENDA
EXXON VALDEZ OIL SPILL SETTLEMENT
TRUSTEE COUNCIL

Alaska Public Utilities Commission
1016 West 6th Avenue
Suite 305
Anchorage, Alaska
January 10, 1992
6:30 p.m.

TRUSTEE COUNCIL MEMBERS:

Charles Cole, Attorney General
State of Alaska

Michael A. Barton, Regional Forester
USDA Forest Service

John Sandor, Commissioner
Department of Environmental
Conservation, State of Alaska

Steven Pennoyer, Regional Director
National Oceanic & Atmospheric
Administration

Carl Rosier, Commissioner
Department of Fish and Game
State of Alaska

Curtis McVee, Special Assistant
to the Secretary for Alaska
Department of the Interior

Opening Statements

1. NRDA Studies
2. Restoration Projects for 1992
3. Fiscal Issues
Summary of the status of the Joint Fund
4. Organization
Administrative Structure
Financial Management/Process
5. Public Participation
3 Month Plan
Advisory Group - Charter & Membership Process
Public Information Center Future Status
6. Simpson Bldg. with support staff (CACI)
7. Permanent Executive Director
8. Formal Adoption of the Operating Procedures



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