

## Executive Director's Report

### New Council Member

First and foremost, I want to welcome Joe Kyle back to the Council. He's been in the Council family for a long time; now he's just a little closer to the flame. Welcome back, Joe, we on the staff look forward to working with you.

### Evening Events This Week

There will be an industry reception on Wednesday evening at 6 p.m. The flyer is in your notebooks as item B-1(a). It will be at Salty's and a bus has been hired to take Council members, staff and others to the restaurant.

A second big event is scheduled for Thursday night, here at the hotel in the Cascade Rooms 3-4. The Women's Fisheries Network will host a panel discussion on far, far range forecasts of the future of the commercial fisheries. Then there will be responses from a trio of mystery reactors. Should be an interesting event.

### Future Meetings

Item B-1(b) is a calendar of Council meetings through 1999 that you have already approved. Below that is a suggested schedule for 2000-2002. I have been wondering if there is a downside to moving the September meeting to early October. Such a move would allow fishing seasons to wrap up a little more, and give the stock assessment scientists longer to do some of their preliminary analyses for SSC review. Do you see any problems with moving the meeting back in the fall?

### AP/SSC Nominations

Just a reminder that we will be calling for nominations to the AP and SSC following this meeting. The Council will review nominations in December for one-year terms for each committee. The Pacific Northwest Crab Industry Advisory Committee two-year terms are up also. We will send a notice out with our post-meeting newsletter.

### Plan Team Nomination

Tom Pearson has been nominated by NMFS for the Gulf of Alaska groundfish plan team. The SSC reviewed his nomination in June and have recommended approval.

### Council Budget

We are not yet sure what the final budget is going to be for the councils for 1998. Amounts range from \$11.7 to 13 million dollars for all eight councils. That compares with \$10.2 million in 1997. I will meet with the Finance Committee later this week and then we will report back to you for approval. The budget will need to be submitted in the next three to four weeks.

### December Meeting

Our December meeting will be in Anchorage during the week of December 8. As normal, the SSC and AP will start on Monday, and then the Council begins meeting on Tuesday, December 9. I have received an inquiry from the Alaska Sealife Center inviting the Council members to visit the Center in Seward in December. Their intent would be for the Center's Board of Governors to host the site tour, including transportation from Anchorage by bus. I need feedback on this before we leave this week.

### Future Uses of the Restoration Reserve of the Exxon Valdez Oil Spill Trustee Council

Item B-1(c) is a letter from Arliss Sturgulewski requesting support from the Council to set up an endowment for interdisciplinary research based on the \$150 million reserve that is expected to be available in 2002. Apparently the Trustee Council needs to make a decision on this matter and Ms. Sturgulewski would like it to be earmarked for long term research on Prince William Sound and the entire Gulf of Alaska. I need your thoughts on supporting this effort.

**INDUSTRY RECEPTION HOSTING THE NORTH PACIFIC  
FISHERIES MANAGEMENT COUNCIL**

**DATE: SEPTEMBER 24TH, 1997 (WEDNESDAY)**

**TIME: 6:00PM -- 9:00 PM**

**PLACE: SALTY'S RESTAURANT ON ALKI (SKYLINE BALLROOM)  
1936 Harbor Avenue S.W. (West Seattle)  
Seattle, WA 98126  
206 937 1600**

**DIRECTIONS: From the Doubletree Hotel (SeaTac), exit from the south side of the parking lot, turn left onto 188th St. and travel east in the left lane to I-5, follow sign to go north on I-5. Take exit 163 to West Seattle/Freeway Bridge, then exit for Harbor Ave., follow Harbor Ave. to SALTY'S.**

**If travelling southbound on I-5, take exit 163A for the West Seattle Freeway/Bridge and Harbor Ave. to SALTY'S.**

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**RECEPTION SPONSORS**

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|---------------------------------------|---|
| <b>ALASKA BOAT COMPANY</b>            | <b>ALASKA CRAB COALITION</b>            |
| <b>ALEUTIAN SPRAY FISHERIES</b>       | <b>ALASKA FISHERMENS UNION</b>          |
| <b>ALYESKA SEAFOODS</b>               | <b>AT-SEA PROCESSORS ASSN. (AFTA)</b>   |
| <b>AMERICAN SEAFOODS</b>              | <b>DEEP SEA FISHERMEN'S UNION</b>       |
| <b>ARCTIC STORM INC.</b>              | <b>FISHING VESSEL OWNERS' ASSN.</b>     |
| <b>FISHING COMPANY OF ALASKA</b>      | <b>GROUND FISH FORUM</b>                |
| <b>GLACIER FISH COMPANY</b>           | <b>HALIBUT ASSN. OF NORTH AMERICA</b>   |
| <b>GOLDEN ALASKA SEAFOODS</b>         | <b>NORTH PACIFIC LONGLINE ASSN.</b>     |
| <b>HIGHLAND LIGHT</b>                 | <b>NORTH PACIFIC SEAFOOD COALITION</b>  |
| <b>ICICLE SEAFOODS</b>                | <b>PACIFIC SEAFOOD PROCESSORS ASSN.</b> |
| <b>KUECKELHAN, CRUTCHER &amp; CO.</b> | <b>UNITED CATCHER BOATS</b>             |
| <b>PETER PAN SEAFOODS</b>             |   |
| <b>PREMIER PACIFIC SEAFOODS</b>       |   |
| <b>SUPREME ALASKA SEAFOODS</b>        |   |
| <b>TRIDENT SEAFOODS</b>               |   |
| <b>TYSON SEAFOODS</b>                 |   |
| <b>UNISEA</b>                         |   |
| <b>WESTWARD SEAFOODS</b>              |   |

North Pacific Fishery Management Council

Tentative Meeting Schedules - 1996-99\*

	<b>February Week of/ Location</b>	<b>April Week of/ Location</b>	<b>June Week of/ Location</b>	<b>September Week of/ Location</b>	<b>December Week of/ Location</b>
<b>1997</b>	3/Anchorage	14/Anchorage	16/Kodiak	22/Seattle	8/Anchorage
<b>1998</b>	2/Anchorage	20/Anchorage	8/Dutch Harbor	21/Seattle	7/Anchorage
<b>1999</b>	1/Anchorage	19/Anchorage	7/Kodiak	20/Seattle	6/Anchorage

\*Meeting dates are subject to change depending on availability of meeting space. Any changes will be published in the Council's newsletter.

Suggested Meeting Dates for 2000-2002

	<b>February Week of/ Location</b>	<b>April Week of/ Location</b>	<b>June Week of/ Location</b>	<b>September Week of/ Location</b>	<b>December Week of/ Location</b>
<b>2000</b>	7/Anchorage	10/Anchorage	5/Portland	18/Sitka	4/Anchorage
<b>2001</b>	6/Anchorage	10/Anchorage	5/Kodiak	18/Seattle	4/Anchorage
<b>2002</b>	5/Anchorage	9/Anchorage	4/Dutch Harbor	17/Seattle	3/Anchorage

# Arliss Sturgulewski

3301 C Street, Suite 520 • Anchorage, Alaska 99503  
Phone (907) 561-5286 • FAX (907) 561-7683

August 29, 1997

Mr. Clarence Pautske, Executive Director  
North Pacific Fisheries Management Council  
605 West 4th Avenue  
Anchorage, AK 99501

Dear Clarence,

I am delighted to see in the August-September 1997 issue of the Exxon Valdez Oil Spill Trustee Council publication Restoration Update, that a request is being made for public input to assist the Council in determining the long-term use of the Restoration Reserve. Knowing of your interest in Alaska's marine environment, I am writing to urge you and your colleagues to respond to the invitation for comment.

As the attachment from the Restoration Update notes, the final payment to the Restoration Reserve is anticipated to be in 2001. The future of the estimated \$150 million reserve is, in my opinion, one of the major issues before the EVOS Trustee Council.

I have long shared a dream, together with many others, of an endowment to fund a long-term interdisciplinary research and monitoring program to provide the data for long-term management and conservation of the marine environment off the shores of Alaska. I am aware that the current uses of the Exxon Valdez oil spill funds are confined to the area of the Gulf of Alaska and Prince William Sound from Yakutat to the Shumigan Islands. Though not covering the entire coastline of Alaska, what a magnificent beginning to carry and expand on the excellent work that has been done to date by the EVOS Trustee Council.

Although much work remains to be done on the specific details of how an endowment for marine research and monitoring should be established, a broad outline can be set forth. I see great value in a successor non-profit organization to the EVOS Trustee Council which would have representation from pertinent state and federal agencies and major public and native interests. I, personally, support a permanent endowment, inflation proofed, with annual dividends to finance an interdisciplinary research and monitoring program on a gulf-wide basis, along with coordination of all research taking place in the area. Ability to receive and expend federal, state and private dollars should be provided for and, indeed, encouraged. A small staff with access to a qualified peer science review team should be established.

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Without question there will be many demands made on the future of the Restoration Reserve, particularly for additional land purchases. Of the \$918 million total settlement, funds have been designated as follows: land purchase - 42%, restoration work - 23.2%, science - 19.6%, Restoration Reserve - 11.8%, and public information and administration - 3.4%.

I submit that a long-term integrated and targeted research and monitoring program, using the Restoration Reserve, is the very highest priority to protect and enhance our gulf ecosystem. We will have to use extraordinary skills to manage and conserve the marine environment so that we can continue to maintain a healthy and productive environment for multiple uses and users.

I urge you to take advantage of this opportunity to apprise the Restoration Office of the EVOS Trustee Council of your views by their deadline of October 1st. Your input and that of others you may wish to contact will be important in setting a direction for the Restoration Reserve. Naturally I would hope you share my interest in seeing the Restoration Reserve used for a marine research endowment.

Sincerely yours,



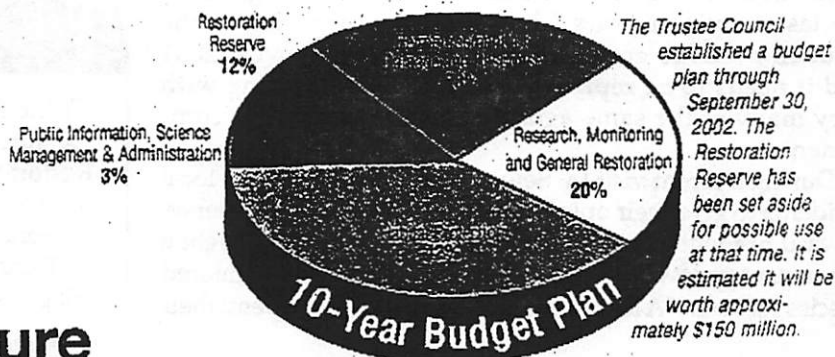
Arliss Sturgulewski

# RESTORATION

From: Exxon Valdez Oil Spill Trustee Council - Restoration Update - Vol 4/No. 3 - Aug/Sept 1997

# The Restoration Reserve

## It's time to start planning for the future



Four years ago, the Trustee Council was faced with a historic choice: Which path should it take to best help the ecosystem recover from the Exxon Valdez oil spill?

After an inclusive public process, the Council adopted a course combining habitat protection, restoration projects, and research and monitoring. But it added a fourth element to provide flexibility for long term planning — the restoration reserve.

The restoration reserve is the Trustee Council's savings account. It was established to give the Council the option of continuing some sort of restoration program after the final payment is received from Exxon in the year 2001.

The long-term budget plan calls for the Trustee Council to set aside \$12 million each year to create a \$108 million reserve. With interest, it's projected that fund will grow to approximately \$150 million by the year 2002.

Again, the Council is facing a historic choice: How should it use the reserve account? During the next year, the Council will be seeking public input on this important issue. The Council will be facing many tough questions.

- Should a permanent endowment be set up with annual dividends used to finance restoration projects? Or should the fund be budgeted for expenditure over a 10- or 20-year period?
- Should funds be used to acquire and protect more habitat? Should it be used for research and monitoring? Should it be used for community-based restoration projects? Or should it be some combination of the three?
- How should the fund be governed? Should a new trustee structure be developed?
- Should spending be limited to the designated spill region?

### The Budget -- Making the Transition

During the next several years, the Council plans to gradually scale down the size of the annual work plan. The current work plan is budgeted at \$16 million. Next year's target is \$14 million and by fiscal year 2002, the

Council plans to provide approximately \$6 million for the work plan budget. At that point, funding for research, monitoring and restoration projects will either end or it will be supported by the restoration reserve. But at what level?

With an inflation-adjusted endowment, the fund could generate approximately \$3 million to \$6 million a year. But if the fund was set up to expire over a 20-year period, \$12 million to \$14 million could be available annually. A 10-year fund could produce \$20 million to \$22 million annually.

### The Council -- Considering a New Structure

One of the biggest administrative and legal considerations concerns the structure of the governing body. Should the Trustee Council continue to oversee and allocate the funds? Should the 17-member Public Advisory Group continue to exist? To what extent should scientific peer review be continued?

Answers to those questions will also determine the funding needed for administrative costs. Each of those groups comes with a pricetag for meetings, transportation, per diem, and such. To bring administration costs down, some sort of restructuring will be needed.

### Public Discussion -- What Do You Think?

The Trustees have expressed an interest in maintaining a federal/state process as a vital component of any future restoration program. At a forum held in Seward May 29, the Council opened the debate about its own future and the possible uses of the reserve.

"I think the idea of a multi-agency group with a process to involve the public has worked," said Trustee Frank Rue, commissioner of the Alaska Department of Fish and Game. "There has been some criticism of it, but I still think you don't get parochial agency views as much as you would if one agency or one entity were managing it. You get much broader perspective."



## RESTORATION

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U P O A T E

Assistant Attorney General Craig Tillery, representing Attorney General Bruce Botelho on the Trustee Council, agreed with Rue but added that a new structure might be needed. "I've given this a fair amount of thought over the last couple of years," he said. "My own view is the Council needs to go out of business about the year 2001 and it needs to be replaced, perhaps by something with very many of the same agencies, but with a public component."

During a recent visit to Seward, the Council invited local residents to give their opinions about the restoration reserve. Seward resident Chuck Adams told the Council he thought a permanent endowment would be the best way to help injured species recover. "A lot of these sea creatures, they spend their

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*My own view is the Council needs to go out of business about the year 2001 and it needs to be replaced, perhaps by something with very many of the same agencies, but with a public component.*

Trustee Designate Craig Tillery  
Assistant Attorney General

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entire lives at sea and there's no way to protect them other than through research," he said. "I really think research needs to be the future of this (fund)."

Reserve funds could also be used for habitat protection, either through acquisition of strategically located smaller parcels or by protecting larger tracts of 1,000 acres or more. Though most of the habitat protection goals have been met, it's clear that there is not enough money available to protect all of the parcels currently under consideration, according to Executive Director Molly McCammon.

"The Trustee Council will be facing some very tough choices with the restoration reserve because it's likely some very important parcels — each with its own public support and community support — will not be funded under the current budget," she said.

The Trustee Council plans to seek public comment from throughout the spill region in the same way it did four years ago in establishing the current restoration program. Public meetings will be held in spill area communities during the first half of 1998 and a final decision is expected by the end of the year.

For planning purposes, the decision must be made well in advance of the last payment from Exxon in 2001, McCammon said. Any changes to the structure of the Trustee Council and its funding would likely require changes in law that could take years to complete, she said.

## What are your ideas for the future of restoration?

The Trustee Council is seeking your input about the future of the Council and the possible uses of the Restoration Reserve. Your opinions and ideas will be used to assist staff in developing a spectrum of options for consideration by the Trustee Council.

To submit initial ideas and comments to the Council, please consider the following questions:

- Should a permanent endowment be set up with annual dividends used to finance restoration projects? Or should the fund be budgeted for expenditure over a 10- or 20-year period?
- Should funds be used to protect more habitat? Should it be used for research and/or community restoration projects? What other options should be considered?
- How should the fund be governed? Should a new trustee structure be developed? Should the 17-member Public Advisory Group continue to exist? To what extent should scientific peer review be continued?
- Should spending be limited to the spill region?

The Public Advisory Group will use your comments in considering the issue at its November meeting. The Council is then scheduled in December to decide on the list of options to take to the public for formal comment.

A final list of options will be published by January 1, 1998 and distributed throughout the spill region. The public will have until May to submit comments on the various options. Public

workshops will be held in spill-area communities in February and March to ensure residents are informed about the options and have a chance to state their opinions.

Please submit any written comments by October 1 or let us know if you want to be part of the reserve planning process. Send comments to the Restoration Office at 645 G Street, Anchorage, AK 99508 or fax to 907-276-7178 or sent via e-mail to: [kerih@oilspill.state.ak.us](mailto:kerih@oilspill.state.ak.us).



Members of the Public Advisory Group discussed ideas for the Restoration Reserve during their July meeting. From left to right are Nancy Yeaton of Nanwalek, Howard Valley of Kodiak, Chuck Totemoff of Chenega Bay, Stacy Studebaker of Kodiak, Charles Meacham of Juneau and Mary McBurney of Anchorage.