

CS FOR HOUSE JOINT RESOLUTION NO. 13(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/10/99

Referred: Rules

Sponsor(s): REPRESENTATIVES THERRIAULT, Davies, Whitaker, Mulder, Harris, Croft, Bunde, Rokeberg, Kemplen, Murkowski

SENATORS Wilken, Leman, Taylor, Tim Kelly, Pete Kelly

A RESOLUTION

1 Relating to using oil spill settlement funds to create a long-term research and
2 monitoring endowment.

3 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 WHEREAS the biological resources of the northern Gulf of Alaska were affected by
5 the Exxon Valdez oil spill; and

6 WHEREAS the Exxon Valdez oil spill disrupted the economic and social lives of
7 many of the local residents in the Prince William Sound area; and

8 WHEREAS a spill of the magnitude of the Exxon Valdez oil spill not only affects the
9 wildlife and fish habitat, but also has economic, social, and psychological effects in rural
10 Alaska where traditional life styles of local populations, including the Native population, may
11 be severely disrupted; and

12 WHEREAS baseline scientific data is inadequate to assess positively the damage of
13 the Exxon Valdez oil spill, to manage major spills, and to realistically restore the environment;
14 and

15 WHEREAS Alaska has more coastline than any other state in the union, making it
16 imperative that Alaska take the lead in using the accumulation of scientific knowledge and

1 promoting the advancement of scientific technology now as well as in the future; and

2 **WHEREAS**, with scientific advancements in the decades ahead, eventual enhancement

3 of many biological resources will be possible; and

4 **WHEREAS** the mission of the Exxon Valdez Oil Spill Trustee Council is to efficiently

5 restore the environment injured by the spill to a healthy, productive ecosystem, while taking

6 into account the importance of quality of life and the need for viable opportunities to establish

7 and sustain a reasonable standard of living; and

8 **WHEREAS**, because the Exxon Valdez Oil Spill Trustee Council is in charge of

9 restoring, rehabilitating, replacing, enhancing, or acquiring equivalent resources and services

10 in the oil spill region, the accumulation of scientific knowledge to manage a future oil spill

11 must be a high priority in the council's program; and

12 **WHEREAS**, although significant research projects have been supported by the council,

13 many important areas of inquiry remain that can be effectively addressed only over an

14 extended period of time; additionally, there are significant research projects relating to spill

15 technology, restoration methods, and ecosystem preservation that need to be pursued and

16 extended for maximum public benefit; and

17 **WHEREAS** the Exxon Valdez Oil Spill Trustee Council restoration plan includes

18 adequate provisions for establishing a sound future-oriented program of research and top-level

19 study that would accumulate and spread knowledge of the North to the world; and

20 **WHEREAS** the University of Alaska has taken a leadership role in many of these

21 areas of study and is strongly committed to working in rural Alaska as well as to attracting

22 students from rural Alaska; and

23 **WHEREAS** the University of Alaska is a statewide system with locations in Valdez,

24 Cordova, Petersburg, Homer, Seward, Kodiak, Juneau, Anchorage, Fairbanks, Bethel,

25 Dillingham, and many other locations in rural Alaska; and

26 **WHEREAS** the University of Alaska is currently conducting research in fisheries and

27 oceanography; and

28 **WHEREAS** endowed academic chairs would provide the continuing quality scientific

29 investigation, scientific publications, and excellence in training that will be needed by the

30 agencies and the industry responsible for resource management and development into

31 perpetuity; and

1 **WHEREAS** the establishment of selected endowed chairs in relevant instructional,
2 research or public service programs would further ensure that the lessons learned from the
3 Exxon Valdez tragedy will continue to be explored and discussed in classrooms, laboratories,
4 public seminars, and community outreach programs; and

5 **WHEREAS** a high caliber of endowed professors attract the highest quality graduate
6 students and most often have a competitive edge in securing grants and contracts; and

7 **WHEREAS** endowed university research is normally broad in scope, produces peer-
8 reviewed publications, has long-term continuity, and produces an outflow of trained
9 professionals; and

10 **WHEREAS** the University of Alaska already has an appropriate foundation for
11 managing endowed chairs, thus eliminating the cost of a new bureaucracy, and has the
12 resources to enhance an endowment in time with additional funds acquired from other
13 agencies and from industry; and

14 **WHEREAS** the Exxon Valdez Oil Spill Trustee Council expends money obtained from
15 settlement of oil spill litigation; and

16 **WHEREAS**, by October 2002, as a result of the past and anticipated future deposits
17 into the restoration reserve, it is estimated that the principal and interest in the reserve,
18 together with remaining unobligated settlement funds, will be approximately \$170,000,000
19 unless, before that time, ongoing negotiations concerning the Karluk and Sturgeon rivers and
20 adjacent lands result in a habitat acquisition agreement that obligates some of these funds; and

21 **WHEREAS**, absent a purchase agreement on the Karluk and Sturgeon rivers,
22 \$170,000,000 is the total of the funds estimated to be available to support long-term
23 restoration based on projected investment returns allowable through the federal court registry
24 under the court's existing authority and thus reasonably anticipated as available for restoration
25 purposes by the Exxon Valdez Oil Spill Trustee Council starting with fiscal year 2003; and

26 **WHEREAS** the limits of the existing investment authority of the Exxon Valdez Oil
27 Spill Trustee Council have resulted in the loss of millions of dollars in potential earnings, and,
28 to effectively address restoration needs in the future and support a comprehensive program that
29 maintains its value over time, the council's investment authority must be amended by the
30 Congress;

31 **BE IT RESOLVED** that the Alaska State Legislature supports the recent action of the

1 Exxon Valdez Oil Spill Trustees to create a long-term research and monitoring endowment
2 using \$115,000,000 of the expected reserve; and be it

3 **FURTHER RESOLVED** that the Alaska State Legislature encourages the Exxon
4 Valdez Oil Spill Trustee Council to consider using a portion of the research funds to establish
5 endowed chairs at the University of Alaska in relevant areas of research, instruction, and
6 public service; and be it

7 **FURTHER RESOLVED** that the Alaska State Legislature supports the Exxon Valdez
8 Oil Spill Trustee Council's efforts to remove the trust funds from the United States Treasury
9 in order to achieve efficiencies and maximize earnings as supported by recommendations from
10 its internal auditors and the General Accounting Office auditors, and urges the Alaska
11 Congressional delegation to work with the Exxon Valdez Oil Spill Trustee Council to achieve
12 these goals.

13 **COPIES** of this resolution shall be sent to the Honorable Tony Knowles, Governor
14 of Alaska; the Exxon Valdez Oil Spill Trustee Council; Mark Hamilton, President of the
15 University of Alaska; Michael J. Burns, President of the Board of Regents of the University
16 of Alaska; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S.
17 Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska
18 delegation in Congress.