

STATE OF ALASKA
THE LEGISLATURE

1999

Source
CSHJR 13(FIN)

Legislative
Resolve No.
14



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

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

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

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

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

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

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

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

WHEREAS, with scientific advancements in the decades ahead, eventual enhancement of many biological resources will be possible; and

WHEREAS the mission of the Exxon Valdez Oil Spill Trustee Council is to efficiently restore the environment injured by the spill to a healthy, productive ecosystem, while taking into account the importance of quality of life and the need for viable opportunities to establish and sustain a reasonable standard of living; and

WHEREAS, because the Exxon Valdez Oil Spill Trustee Council is in charge of restoring, rehabilitating, replacing, enhancing, or acquiring equivalent resources and services in the oil spill region, the accumulation of scientific knowledge to manage a future oil spill must be a high priority in the council's program; and

WHEREAS, although significant research projects have been supported by the council, many important areas of inquiry remain that can be effectively addressed only over an extended period of time; additionally, there are significant research projects relating to spill technology, restoration methods, and ecosystem preservation that need to be pursued and extended for maximum public benefit; and

WHEREAS the Exxon Valdez Oil Spill Trustee Council restoration plan includes adequate provisions for establishing a sound future-oriented program of research and top-level study that would accumulate and spread knowledge of the North to the world; and

WHEREAS the University of Alaska has taken a leadership role in many of these areas of study and is strongly committed to working in rural Alaska as well as to attracting students from rural Alaska; and

WHEREAS the University of Alaska is a statewide system with locations in Valdez, Cordova, Petersburg, Homer, Seward, Kodiak, Juneau, Anchorage, Fairbanks, Bethel, Dillingham, and many other locations in rural Alaska; and

WHEREAS the University of Alaska is currently conducting research in fisheries and oceanography; and

WHEREAS endowed academic chairs would provide the continuing quality scientific investigation, scientific publications, and excellence in training that will be needed by the agencies and the industry responsible for resource management and development into perpetuity; and

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

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

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

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

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

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

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

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

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

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

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

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

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