

HJR

13

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 8, 1999

FURTHER REFERRALS:

Date of Committee Action: 3/9/99

The FINANCE Committee considered:

HJR 13

HOUSE JOINT RESOLUTION NO. 13

UNIVERSITY ENDOWMENT FOR RESEARCH

Relating to using oil spill settlement funds to create an endowment for the sciences at the University of Alaska.

recommends it be replaced with the following committee substitute CS HJR 13 (FIN) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: _____

(Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) House HESS 3/8/99

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Care Theriault</i>	Theriault	X			
<i>John Mulder</i>	Mulder	X			
<i>Tom Bunde</i>	Bunde			X	
<i>Jim Kohring</i>	Kohring		X		u.l.c.
<i>Al Austman</i>	Austman		X		
<i>J. Davies</i>	J. Davies	X			
<i>Ben Grussendorf</i>	Grussendorf	X			
<i>Carl Moses</i>	Moses			X	
<i>Bill Williams</i>	Williams			X	
<i>Bob Foster</i>	Foster	X			

CO-CHAIR'S SIGNATURE

Care Theriault *John Mulder*
Theriault Mulder

FISCAL NOTE

No: 1

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Version: CSHJR 13 (HES)
(H) Publish Date: 3/8/99

Revision Date: 3/2/99
Title: UNIVERSITY ENDOWMENT FOR RESEARCH

Dept. Affected: None
BRU: _____
Component: _____

Sponsor: Rep. THERRIAULT
Requester: _____

Component Serial No. _____

Expenditures/Revenues		(Thousands of Dollars)				
OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE		(Thousands of Dollars)				
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: _____

POSITIONS						
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Prepared by
Rep. Fred Dyson 
Co-Chair
House HESS

Phone _____
Phone _____
Date _____

COMMITTEE COPY

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Version: CSHJR 13 (HES)

(H) Publish Date: 3/8/99

Revision Date: 3/2/99

Title: UNIVERSITY ENDOWMENT FOR RESEARCH

Dept. Affected: None

BRU

Component

Sponsor: Rep. THERRIAULT

Requester:

Component Serial No.

Expenditures/Revenues

(Thousands of Dollars)

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Supplies						
Equipment						
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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES []	-					
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Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by

Rep. Fred Dyson
Co-Chair
House HESS

Phone _____

Phone _____

Date _____

COMMITTEE COPY

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

Mailing Address:
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Fairbanks, Alaska 99701
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Fax: (907) 488-4271



House Of Representatives

While in session
State Capitol
Juneau, Alaska
99801-1182
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Fax: (907) 465-3884

House District 33

CS HJR 13 (HES)

Sponsor: Representative Gene Therriault

Sponsor Statement

House Joint Resolution 13, "Relating to using oil spill settlement funds to create a long-term research and monitoring endowment," 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.

The EVOS Trustee Council allocates money obtained from settlement of the Exxon Valdez spill litigation. Over the years, EVOS funds have largely been used to purchase land for habitat preservation, and have been lacking in the area of research. I believe this has left a critical gap in our understanding of this spill and how to respond in the future. Endowing scientific chairs at the University will help increase available baseline data, enhance the biological resources of the northern Gulf of Alaska, and significantly improve spill-related technology, restoration methods and ecosystem preservation. For example, it is widely understood that many aspects of the Exxon Valdez oil spill response, such as high-pressure washing of beaches and rock washing, may have caused more long-term harm than benefit. We also need to know if types of marine ecosystems are extra sensitive to certain cleanup activities, and if so, how we should respond to a spill in those areas.

An endowment of this nature will fulfill the intent of the Exxon Valdez oil settlement and the mission of the Trustee Council, which is to restore, rehabilitate, replace, enhance, or acquire equivalent resources and services in the oil spill region.

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

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House District 33

MEMORANDUM

DATE: March 3, 1999
TO: Members of the House Health, Education and Social Services Committee
FROM: Representative Gene Therriault
SUBJECT: House Joint Resolution 13

I would like to submit for consideration a possible Committee Substitute for House Joint Resolution 13. The substitute is in response to a resolution passed earlier this week by the Exxon Valdez Oil Spill Trustee Council.

The original HJR 13 urged the Trustee Council, which allocates money obtained through settlement of the Exxon Valdez oil spill litigation, to establish a \$100,000,000 endowment for the sciences at the University of Alaska. However, in a meeting March 1, 1999, the Trustee Council passed a resolution to set aside approximately \$115,000,000, and use the annual earnings to fund a combination of research, monitoring and general restoration. Because the Council's resolution encompasses the intent of HJR 13, the CS for HJR 13 has been amended to support the Trustee Council resolution and to encourage the Council to use a portion of the earnings to endow chairs at the University of Alaska in relevant areas of research, instruction and public service.

The Substitute incorporates an additional resolve regarding the manner in which EVOS funds can be invested. To provide a little background, the United States and the State of Alaska settled civil claims against Exxon in October 1991 for damages caused by the oil spill. Exxon agreed to pay \$900 million over ten years to the governments jointly. The United States required the trust funds, despite the fact that they were joint funds with Alaska, to be kept in accounts in the US Treasury. By order of the US District Court for the District of Alaska, all settlement funds have been paid into the Registry of the Court and deposited in the Court Registry Investment System (CRIS). CRIS is a cash management tool for handling court registry funds. It provides courts an easy and safe way to manage case-related funds that are periodically deposited with the court. CRIS was not designed to actively manage funds.

The federal law requiring EVOS funds to be deposited in CRIS causes two problems. First, all funds deposited in CRIS are assessed a fee of ten percent of interest earnings. Since 1991, the fund has been assessed more than \$2 million in fees. These fees are in addition to investment management fees. According to an independent auditor hired by the Trustee Council, the fees basically cover the services of one individual who determines what portion of funds are available for investment and directs a commercial bank to purchase government securities. The bank performs all record-keeping and bookkeeping services. The auditors found that the "fees charged for this service are clearly disproportionate to the costs incurred by the Court Clerk for this service."

The second problem is the fund's low rate of return. By law, funds deposited in Court Registry accounts can only be invested in U.S. government Treasury securities. The twelve month average rate of return for the period ending June 30, 1997 for the CRIS Fund was 5.12%, before fees. In contrast, the twelve month average rate of return ending June 30, 1997 for the State of Alaska Employees Retirement Fund, which consists of multiple asset classes, was 18%.

In its March 1 resolution the Trustee Council is seeking flexibility to move the joint funds out of the Registry of the Court and invest funds in appropriate accounts to maximize the revenues while maintaining the safety of the investments. The CS for HJR 13 supports this effort and urges the Alaska Congressional delegation to work with the Trustee Council to achieve this.

January 13, 1999

Voice of The Times
Anchorage Daily News

"Public support needed for spill endowment"

by Grant C. Baker

[Up]

The 10th anniversary of the 1989 Exxon Valdez Oil Spill (EVOS) is approaching soon. A spill symposium will be held from March 23-26 at the Egan Civic and Convention Center to commemorate the event.

Status of restoration programs will be presented. The programs are funded by the \$900 million settlement Alaska made with Exxon in 1991. Each year, a payment is made. The last settlement payment will be received from Exxon in 2001.

A portion of the settlement payments have been set aside each year to create a restoration reserve fund. The reserve is expected to be worth about \$140 million in 2002.

As the final payment grows near, the EVOS Trustee Council has the problem of deciding how to spend the reserve. Oil-damaged areas still need to be restored. Work is needed to fix sporadic and depressed fishery stocks, oiled seabed contamination and the lack of effective oil cleanup methods.

During the same time period since the spill, the financial woes of the University of Alaska have also been heard. The recent low price of oil worsens the problem for the University.

There seems to be a mutual solution to their problems. The needs of the EVOS Trustee Council mesh very well with the mission of the university. Thus, the reserve represents a rare opportunity for both to solve their problems by creating a university research endowment.

Universities across the country have recognized the importance of endowments for their future survival. An Internet search turns up hundreds of Web sites about university endowments.

In 1997, the top 300 university endowments ranged from about \$11 billion to a low of \$67 million. In comparison, the University of Alaska has an endowment worth about \$30 million.

How do university endowments work? First, an initial amount of money is placed into an account. The account earns interest or a rate of return from investments each year. Over the past four years, the average rate of return for 500 university endowments has been about 15 percent.

Part of the earnings is used each year to support things such as research and technology development. This is commonly about 5 percent of the endowment fund. Earnings that remain are left in the account. Each year the account grows and so does the annual amount that can be used. In many ways, an endowment for the University of Alaska would be like the Alaska Permanent Fund.

For example, suppose a \$100 million EVOS endowment is established today for the university. Assume for the sake of discussion that a 15 percent rate of return is used. Over the next 20 years, the endowment will increase nearly six-fold and be worth about \$600 million. An additional \$300 million would have been generated to conduct research.

However, the greatest benefit of an endowment may be the snowballing of opportunities it creates.

Earnings from a \$100 million endowment could fund about 25 permanent endowed research chairs. World-class experts are selected to do the work funded by the endowed chairs. Twenty-five experts in fields such as fisheries, biology, chemistry, and environmental engineering would create a very special university.

World-class experts attract funding from many sources including private industry, and state and federal agencies. Relationships with existing funding sources are enhanced and new funding sources are established. Additional income can be generated from patents and other intellectual properties. For example, Stanford University received about \$120 million from patents and special programs in 1997.

Thus, a broad funding base is generated with long lasting stability for the university and the community. An outstanding environment of teaching and learning is established. That is a natural attraction for students.

An endowment may be structured to do whatever the Trustee Council needs done. As a cooperative effort between the university and the Trustee Council, a customized endowment can be constructed to superbly fulfill the purpose of the EVOS settlement funds.

Public support for an endowment is growing. Resolutions of support have come from the Anchorage Assembly and the Greater Fairbanks Chamber of Commerce. Anchorage Mayor Rick Mystrom, Republican and Democratic legislators, students, and many others have submitted letters of support.

But, the Trustee Council is not yet convinced. It has not committed to the endowment idea.

An endowment can be the key to getting the University on track to become self-supporting. University officials and the Trustee Council need to be shown how well an endowment matches their needs. They need to be urged to get together and make an endowment happen.

Public comments of support are needed soon. The Trustee Council is scheduled to meet on January 21-22 to discuss how the Restoration Reserve will be spent.

The mailing address for the Trustee Council is 645 G St. Suite 401, Anchorage, AK 99501. Addresses and phone numbers for individual Trustee Council members, legislators, and university officials may be obtained from the Internet WEB site at:

<http://www.alaska.net/~baker/evos.htm>

As the 10th anniversary of the spill approaches, the Trustee Council would serve itself and Alaskans well by making sure a university endowment happens as part of the spill legacy.

Dr. Grant C. Baker is a faculty member of the University of Alaska Anchorage, an alumnus of the University of Alaska Fairbanks, and a Prince William Sound commercial fisherman.

Wildlife still hurt by spill

2/10/99

Recovery slow for many species

By MAUREEN CLARK
The Associated Press

Ten years after the tanker Exxon Valdez spilled 11 million gallons of crude oil into Prince William Sound, only two of the nearly two dozen species hurt by the disastrous spill are fully recovered, according to the state-federal panel overseeing restoration of the spill area.

The Exxon Valdez Oil Spill Trustee Council on Tuesday updated the official status of the birds, fish and marine mammals hurt by the spill.

The council added river otters to its list of species considered recovered. They join bald eagles, which were declared recovered 2½ years ago.

The March 24, 1989, spill fouled 1,300 miles of shoreline and killed hundreds of thousands of seabirds and thousands of otters, seals and other animals. It also disrupted salmon and herring fisheries for several years.

Environmentalists used the trustees' update as an opportunity to call for Washington lawmakers to oppose Exxon Corp.'s \$77.2 billion takeover of Mobil Corp.

"We're having trouble holding Exxon accountable," said Rikki Ott, a biologist and activist from Cordova.

Exxon should be required to pay a \$5.2 billion jury verdict resulting from the spill before the company gets any bigger, Ott said. Exxon's appeal of the 1994 award is before the 9th U.S. Circuit Court of Appeals.

Exxon officials in Irving, Texas, had no comment Tuesday on the trustees' findings or on calls to halt the takeover, spokesman Ed Burwell said.

The trustee council had been considering adding pink salmon to the list of recovered species, but decided against that, said Stan Senner, science coordinator for the council.

"There is a great deal of concern about lingering effects of oil in subtidal areas," Senner said. Scientists study-

SPILL: Species still recovering

Continued from Page B-1

ing the effects of the spill have found that even small quantities of oil can damage salmon eggs.

Along with pink salmon in the "recovering" category are mussels, red salmon, and the common murre, a small seabird. About 20,000 oiled murrets were found dead in the months after the spill — three-fourths of all the dead birds recovered in the period.

The trustees voted Tuesday to boost the status of several species from "not recovering" to "recovering." They include clams, Pacific herring, sea otters, black oyster catchers, and marbled murrelets. The marbled murrelet is listed as a threatened species in Washington, Oregon, California, and British Columbia.

Several species continue to show little or no clear improvement since the spill, the council said. They include the common loon, cormorants, harbor seals, harlequin ducks, killer whales and pigeon guillemots.

Very little is known about some species hurt by the spill, so the status of their recovery is unknown. Senner said. Those include cutthroat trout, Dolly Varden, Kittitz's murrelet and rockfish.

University of Alaska President
Mark R. Hamilton
Support for Creating Endowed Chairs and Research Endowment
with the EVOS Restoration Reserve
[Up]

September 28, 1998

Exxon Valdez Oil Spill Trustee Council
645 "G" Street
Anchorage, AK 99501

Dear Trustees:

Beginning in 1993, the University of Alaska, along with a significant portion of the Alaska public, has been requesting the Trustee Council maximize the long-term impact of the Exxon settlement through the establishment of a research endowment and the creation of University endowed chairs in appropriate disciplines. Now, in 1998, with over 85% of the EVOS Restoration Reserve expended, no research endowment in place, and no endowed chairs established, I urge you to seriously reconsider these proposals.

Although significant research projects have been supported by the Council, many important areas of inquiry remain that can only effectively be addressed over an extended period of time. Additionally, there are significant areas of applied endeavor relating to spill technology, restoration methods, and ecosystem preservation that have been learned from work thus far that now needs to be pursued and extended for maximum public benefit.

The establishment of an endowment with a major portion of the remaining Reserve will provide a modest annual flow of funds that will allow, through direct grants and leveraging of additional state, federal and private funds, the continuation of important basic and applied research on the coastal ecosystem of the EVOS impacted area. Additionally, the establishment of selected endowed chairs in relevant instructional, research and/or public service programs would further assure that the lessons learned from the Exxon tragedy will continue to be explored and discussed in classrooms, laboratories, public seminars, and community outreach programs.

Although, it seems most appropriate for the EVOS endowment to be established through the University of Alaska, it would be my recommendation that proposals for annual funding be accepted from all sources, including federal and state government. To secure the maximum benefit for the state and particularly the EVOS impacted area, the earnings of the endowment should support priorities established by the advisory group representing regional interests, including those of major industries, state and federal government, scientific representatives, and regional fisheries and aquaculture associations.

I have tremendous respect for the difficult and controversial task that you have performed on behalf of Alaska and the magnificent region that was impacted by the Exxon oil spill. I urge you now to give your support to the proposal for establishment of a permanent endowment to assure that the spill response technology, environmental restoration and monitoring programs, and public education projects that you have initiated and supported will continue long into the future.

Sincerely,
Mark R. Hamilton
President

POSITION STATEMENT

**Representative Eric Croft
Letter of Support for University Endowment
from EVOS Restoration Reserve Fund**

October 15, 1998

Ms. Molly McCammon, E.D.
Exxon Valdez Oil Spill Trustee Council
645 G. Street, Suite 401
Anchorage, AK 99501

Dear Molly,

It was a pleasure speaking with you following the Legislative Budget and Audit Committee meeting earlier this month. I'm glad you viewed the committee's rejection of the Afognak purchase as a victory, and plan to proceed with executive approval despite the committee's disapproval.

I'm also interested in another proposal proffered to the Trustee Council: establishing endowed research centers and chairs at the University of Alaska with EVOS Restoration Reserve Funds.

Such endowment would greatly assist the council in accomplishing its mission to "effectively restore the environment injured by the spill to a healthy, productive ecosystem, while taking into account the importance of quality of life and need for viable opportunities to establish and sustain a reasonable standard of living." Every dollar would provide a return investment for our students, researchers, business and industry, impacted communities and our environment.

Please tell me what consideration the council has given to this proposal, and how inclined they are to support it. Thanks for all your efforts.

Sincerely,

Representative Eric Croft

William R. Wood

President Emeritus
University of Alaska

Support for creating a University Endowment
with EVOS funds

[Up]

Festival Fairbanks

A non-profit Community Service Organization

September 16, 1998

EVOS Trustee Council
Restoration Office
645 G. Street, Suite 401
Anchorage, AK 99501

Having spent a good many years working with, listening to, and learning from scientists and long-time residents of Alaska and other polar regions, I share their concern about the future of the North. Now past ninety-one, my own interest in the work of the Exxon Valdez Oil Spill Commission is more than casual.

Your assignment is of critical importance to the future of the North, its people, and the proper direction of the region's potential special contribution to the rest of the world. You represent the major opportunity to assure that something genuinely meaningful and long-lasting is undertaken.

What to try and why? There is no simplistic, one-shot solution that will make much difference, if any. Many "nice to have" proposals will be advanced; few are apt to be fundamental and long term. Obviously, however, there is a continuing need to know, to learn all that is possible about the many facets of the macro- and micro-environments of the North and their relationships.

Such an educational undertaking to succeed must reach out to future generations. The process should be one to stimulate the intellect rather than centered only on emotion. It should provide endless occasions to observe, to analyze, to weigh and consider, to cope with problems practically, to make reason-based decisions to do or not to do. The exercise is long-term and vital.

I strongly endorse, therefore, suggestions that the EVOS Restoration Plan include adequate provision for establishing a sound future-oriented program of research and top-level instruction of a few who would be in key positions to accumulate and spread knowledge of the North to the many.

This might best be done through "endowed chairs" at a major university located in the region to be understood, protected, and utilized wisely.

The endowed chairs could be in various disciplines. Mostly scientific, but not all. The creative arts that focus on natural forms add an essential dimension to full understanding and appreciation.

Of course, botany, chemistry, zoology, geology, physics, mathematics, and all of the geophysical, marine and oceanography disciplines, so important in Alaska.

But more. Work in anthropology, art, architecture, music, drama, dance, creative writing all have a contribution to make. The opportunity should provide for a multi-dimensional thrust. A cluster of six or seven such endowed chairs for associated programs would build a concentration of talent, an essential critical mass, each unit strong enough to compliment the others and together make a major difference in perception and understanding toward accomplishing the basic goals of the Commission.

For this assemblage of the "top of the best for the top of the world," I suggest the University of Alaska, a land-grant, space-grant institution, with some very special tools in place: a world scale library, a state-of-the-art supercomputer, a rocket launching range, a synthetic aperture radar facility, a research vessel, coastal laboratories, and research stations with considerable remote monitoring capability.

There is no other institution quite like the University of Alaska. It is becoming a well-recognized international research center and a source of information specializing in knowledge of the arctic and sub-arctic. It is the right place at the right time for the endowed chairs suggested to carry on the mission of the Commission.

Respectfully,

Wm. R. Wood
President (Emeritus)
University of Alaska

Anchorage Mayor Rick Mystrom
Letter of Support for establishing a University Endowment
from EVOS funds.
[Up]

September 11, 1998

EVOS Trustee Council
645 G Street, Suite 401
Anchorage, Alaska 99501

Dear Trustees:

I concur with UAA Chancellor Lee Gorsuch and the Anchorage Assembly and wish to add my support for establishing a research endowment from the EVOS funds within the University of Alaska.

There are numerous benefits to be gained for both the Trustee Council and the City of Anchorage from such an endowment. Our mutual interests and needs mesh very well with the purpose and capability of UAA.

Anchorage is centrally located near two main areas damaged by the spill. Cook Inlet and Prince William Sound are known spill damaged areas continuing to recover. The road to Whittier will soon be completed and will make Prince William Sound much more accessible. Anchorage is a logical choice for spill-based operations since logistics and other costs associated with research and other spill related work could be minimized. Also, several Native Corporations have offices located in Anchorage that over-see spill damaged areas.

I am pleased to endorse the concept of the establishment of a University endowment. It promises numerous benefits for the people of Anchorage and all Alaskans and also serve the mission of the Trustee Council.

Sincerely,

Rick Mystrom
Mayor

**Letter of Support from
Alaska Senator Frank H. Murkowski
for creating a University of Alaska endowment
from the EVOS Restoration Reserve fund
[Up]**

United States Senate
Committee on Energy and Natural Resources
Washington, DC

Senator Frank H. Murkowski
Chairman

September 22, 1998

Ms. Molly McCammon
Executive Director
EVOS Trustee Council
645 G. Street, Suite 401
Anchorage, Alaska 99501

Dear Molly:

I strongly believe it is time to focus attention of the remaining Exxon Valdez Oil Spill (EVOS) funds toward a long term understanding of the Prince William Sound ecosystem and not on a short term goal of habitat acquisition. Therefore, I want to voice my strong support for creating an endowment for the University of Alaska from EVOS Restoration Reserve funds. The creation is an excellent way to combine the goals of the Trustee Council with the capabilities of the University.

In this regard, I am very proud of the efforts by Alaskans to create an endowment. Recent resolutions passed by the cities of Anchorage and Fairbanks show that Alaskans understand the value of their University in meeting the needs of Alaskan communities. Letters of support from UAA Chancellor Lee Gorsuch, UAF Chancellor Joan Wadlow, UAF Alumni, and University faculty and students show that the University wants to serve the public and has the capability to do so. The many of other letters of support from Mayor Mystrom, and the Voice of the Times provide further confirmation that creating a University endowment is the right thing to do.

I hope you will consider the growing numbers of Alaskans who are expressing their opinion in support of endowed chairs and centers within the University of Alaska at your earliest convenience.

Thank you for consideration of this request.

Sincerely,

Frank H. Murkowski
Chairman

**UAF Alumni Letter of Support for Establishing an Endowment
at the University of Alaska with EVOS Funds**

July 20, 1998

[Up]

July 20, 1998

EVOS Trustee Council
Restoration Office
645 G Street, Suite 401
Anchorage, AK 99501

On behalf of the University of Alaska Alumni Association, I want to express our support for using the funds from the Exxon Valdez Oil Spill (EVOS) civil claims settlement between the state and federal government and the Exxon Corporation to endow academic and research chairs at the University of Alaska.

The University of Alaska is the premier research institution in Alaska with facilities and researchers necessary for the future research on the effects, prevention and further clean up of oil spills and other environmental disasters such as the Exxon Valdez spill. The smart thing to do with these funds is to use them in Alaska, at the State's research university. This endowment would greatly assist the Council in accomplishing its mission to "effectively restore the environment injured by the spill to a healthy, productive ecosystem, while taking into account the importance of quality of life and need for viable opportunities to establish and sustain a reasonable standard of living."

- "Jake" Poole, UAF Alumni Association President, July 20, 1998

Board Passes Resolution to Endow Chairs from EVOS

-by Chip Wagoner

--UAF Alumnus newsletter, January 1996.

What does the UAF Alumni Association Board, the American Ornithologists' Union, the Wildlife Society, the Pacific Seabird Group, the Alaska District of the American Institute of Fishery Research Biologists and the American Bald Eagle Foundation all have in common? All have endorsed using funds from the Exxon Valdez Oil Spill (EVOS) civil claims settlement between the state and federal governments and the Exxon Corporation to endow academic and research chairs at the University of Alaska.

The settlement funds are managed by the EVOS Trustee Council composed of six state and federal governmental officials. The Council's mission 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 need for viable opportunities to establish and sustain a reasonable standard of living."

The Alumni Board joined University of Alaska President Jerome Komisar and James King '49, a member of the EVOS Trustee Council Public Advisory Group, in urging the Council to provide for the long term needs to monitor and study the impacted resources, communities and populations by endowing academic chairs at the University of Alaska. As a public at large member of the advisory group, Jim King is proposing that the Trustee Council ask the EVOS Restoration Office and the University of Alaska to prepare a detailed plan to use a portion of the restoration reserve to endow chairs designed to fulfill the

EVOS settlement obligation.

The UAF Alumni Board asks you to help both the university and the resources of Prince William Sound by writing to the EVOS Trustee Council at 645 G St., Suite 401, Anchorage AK 99501 and supporting this endowment."

**UAA Chancellor Lee Gorsuch's Letter of Support
for a University endowment with EVOS funds
[Up]**

April 9, 1998

EVOS Trustee Council
645 G Street, Suite 401
Anchorage, Alaska 99501

Dear Trustees:

I would like to lend support for establishing a research endowment as well as endowed chairs within the University of Alaska system. This is an excellent opportunity for the university and the council to continue work together to accomplish our mutual objectives and goals.

For example, an endowed research chair at UAA provide a means to continue spill-related research in perpetuity. Additional income could be obtained from the patenting of processes for spill restoration and cleanup techniques. Development of educational courses for spill prevention, restoration, and preservation techniques would also serve the needs of our communities, including spill damaged areas, as well as generate additional income from other oil-damaged areas throughout the world also needing similar expertise.

There are numerous faculty on UA campuses prepared to continue to work with the council in advancing its long-term objectives. A research endowment as well as endowed chairs would generate significant long-term value, not only for Prince William Sound, but to our overall understanding of marine ecosystems and their potential response to oil spills. Numerous benefits exist for everyone and I will do all that I can to support this endeavor.

Sincerely,

Edward Lee Gorsuch
Chancellor

1998 Resolution

for creating a University endowment with EVOS funds

--Submitted by the Greater Fairbanks Chamber of Commerce Board of Directors to the EVOS Trustee Council, Passed September 14, 1998

[Up]

RESOLUTION 98-0914

A RESOLUTION BY THE GREATER FAIRBANKS CHAMBER OF COMMERCE URGING THE EXXON VALDEZ OIL SPILL COUNCIL TO WORK WITH THE UNIVERSITY OF ALASKA ON A PLAN TO CREATE A GENERAL ENDOWMENT TO THE UNIVERSITY AND TO ENDOW A SUBSTANTIAL NUMBER OF ACADEMIC CHAIRS IN THE SCIENCES TO FULFILL THE LONG TERM GOALS OF THE SETTLEMENT.

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

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

WHEREAS, baseline scientific data was inadequate to positively assess the damage, manage major spills and are inadequate to realistically restore the environment; and

WHEREAS, future accidents and oil spills in this area and other areas of Alaska waters are a probability; and

WHEREAS, Alaska has more coast line than any other state in the union, making it imperative that the State of Alaska take the lead in utilizing 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 of the biological resources will be possible; and

WHEREAS, 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 any future oil spills must be placed in high priority within the Council's program; and

WHEREAS, any spill of this magnitude not only effects the wildlife and fish habitat, it has economic, social and psychological effects in rural Alaska where local populations, including the native population, traditional life styles may be severely disrupted; 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 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, in addition to many other locations in Rural Alaska; and

WHEREAS, the University of Alaska currently is doing research in fisheries and oceanography and has

a research vessel; and

WHEREAS, a general endowment will permit the University to fund specific projects and studies that may only require a limited time to answer, and to be flexible to fund new studies as new questions or problems arise; and

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

WHEREAS, endowed chairs attract the highest quality applicants because they are not affected by the annual fluctuations of the University budget process; and

WHEREAS, 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, concentrating a major center for the advancement of sciences at the University of Alaska is in the best interests of all Alaskans, since agency and industry research is normally directed to the public and may suffer from short term funding; and

WHEREAS, endowed university research is normally broader 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

WHEREAS, the combination of a general endowment and endowed chairs allows the University of Alaska both flexibility and long term funding with an irrevocable commitment to continue the study of all of the effects of this spill and any future spills that may happen in Alaskan waters or any other waters on this earth.

NOW THEREFORE BE IT RESOLVED THAT the Greater Fairbanks Chamber of Commerce urges the Exxon Valdez Oil Spill Trustee Council to instruct their Restoration Team to establish a general endowment to the University of Alaska and to endow a substantial number of chairs in the sciences that will fulfill the intent of the settlement; and

BE IT FURTHER RESOLVED THAT the Greater Fairbanks Chamber of Commerce urges that funding be included in the Restoration Plan and Environmental Impact Statement prepared this year by the Restoration Team.

BE IT FURTHER RESOLVED THAT, this resolution be distributed to:

- Alaska U.S. Congressional Delegation
- The Honorable Tony Knowles
- Alaska State Interior Delegation
- University of Alaska President
- University of Alaska Board of Regents
- Exxon Valdez Oil Spill Council

PASSED on September 14, 1998 by the Greater Fairbanks Chamber of Commerce Board of Directors.