

HJR

13

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HJR 13

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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

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 _____

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

House District 33

House Of Representatives

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.

1-LS0314H/
Ford
3/4/99

CS FOR HOUSE JOINT RESOLUTION NO. 13()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THERRIAULT, Davies, Whitaker, Mulder, Harris

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 use a portion of the research funds to establish endowed
5 chairs at the University of Alaska in relevant areas of research, instruction, and public service;
6 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.

DRAFT

DRAFT 3/1/99 (amended)

RESOLUTION
of the
Exxon Valdez Oil Spill Trustee Council
concerning the
Restoration Reserve and Long-term Restoration

WHEREAS, in November 1994, following an extensive public process, the *Exxon Valdez* Oil Spill Trustee Council ("Trustee Council") adopted the *Restoration Plan* to guide a comprehensive and balanced program to restore resources and services injured by the oil spill;

WHEREAS, since that time the Trustee Council has used the *Restoration Plan* to guide development of the annual work plans as well as the acquisition and protection of large and small habitat parcels important to the long-term recovery of injured resources and services;

WHEREAS, the *Restoration Plan* identified a series of large parcel purchases and the Trustee Council has been successful in obtaining habitat protection agreements with willing-seller landowners to provide permanent protection for approximately 635,000 acres;

WHEREAS, the *Restoration Plan* recognized that complete recovery from the oil spill would not occur for decades and that through long-term observation and, as needed, restoration actions, injured resources and services could be fully restored;

WHEREAS, the *Restoration Plan* specifically recognized establishment of the Restoration Reserve to provide a secure source of funding for restoration into the future beyond the last annual payment from the Exxon Corporation;

WHEREAS, the Trustee Council has sponsored an extensive public involvement process to provide opportunity for comment on possible future uses of the Restoration Reserve including public meetings in communities throughout the spill impact region and also in Anchorage, Fairbanks and Juneau;

WHEREAS, a large volume of public comment regarding the Restoration Reserve has been solicited and received urging a wide range of uses for remaining settlement funds including a strong showing of support for additional habitat protection efforts as well as other restoration efforts;

WHEREAS, numerous Native tribal members and other community residents from the spill area have indicated a strong interest in continued support for community-based efforts consistent with those that have been previously funded by the Trustee Council such as subsistence restoration, Traditional Ecological Knowledge, youth area watch, cooperative management, and local stewardship efforts;

WHEREAS, the Public Advisory Group (PAG) has reviewed and discussed long-term restoration needs and use of the Restoration Reserve at considerable length and the views of the PAG members have been communicated to the Trustee Council;

WHEREAS, upon consideration of the restoration mission as provided by the settlement and the *Restoration Plan*, past restoration program efforts and accomplishments, public comments received by the Trustee Council, the views of the Public Advisory Group members, and the most current information regarding the status of recovery of the resources and services injured by the oil spill, the Trustee Council has identified substantial and continuing long-term restoration needs;

WHEREAS, full recovery of many injured resources and services is not yet complete and long-term restoration, conservation and prudent management of these resources and services will require a substantial on-going investment to improve our understanding of the biology and marine and coastal ecosystems that support the resources as well as the people of the spill region;

WHEREAS, in order to prudently use the natural resources of the spill area requires increased knowledge of critical ecological information about the northern Gulf of Alaska that can only be provided through a long-term research and monitoring program;

WHEREAS, together with scientific research and monitoring, a continuing commitment to habitat protection and general restoration actions, where appropriate, will help ensure the full recovery of injured resources and services;

WHEREAS, consistent with the *Restoration Plan*, restoration needs identified by the Trustee Council require a long-term comprehensive and balanced approach that includes a complementary commitment to scientific research and monitoring; applied science to inform and improve the management of injured resources and services; continued general restoration activities where appropriate; support for community-based efforts to restore and enhance injured resources and services; and protection for additional key habitats;

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 million unless, prior to that time, on-going negotiations concerning the Karluk and Sturgeon rivers and adjacent lands or other habitat protection efforts result in a habitat acquisition agreement that obligates some of these funds;

WHEREAS, absent a purchase agreement on the Karluk and Sturgeon rivers, \$170 million is the total of the funds estimated to be available to support long-term restoration based on projected investment returns allowable through the Court Registry under its existing authority and thus reasonably anticipated as available for restoration purposes by the Trustee Council starting with FY 2003 ("estimated funds remaining on October 1, 2002"); and

WHEREAS, the limits of the existing investment authority of the 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 Trustee Council's investment authority must be amended by Congress,

THEREFORE BE IT RESOLVED, that the Trustee Council has determined that recovery from the *Exxon Valdez* oil spill remains incomplete and there is need for a continuing long-term, comprehensive and balanced restoration program consistent with the *Restoration Plan*;

BE IT FURTHER RESOLVED, that funds in the Restoration Reserve and other remaining unobligated settlement funds available on October 1, 2002 (for expenditure starting in FY 2003) be allocated in the following manner consistent with the draft "Outline of Action Under Existing Authority" dated 3/1/99 and attached to this resolution:

- \$55 million of the estimated funds remaining on October 1, 2002 and the associated earnings thereafter will be managed as a long-term funding source with a significant proportion of these funds to be used for small parcel habitat protection and it is recognized that any funding that may be authorized for purchase of lands along or adjacent to the Karluk or Sturgeon Rivers or other habitat acquisitions would be made from within this allocation; and
- the remaining balance of funds on October 1, 2002 will be managed so that the annual earnings, estimated at approximately 5% per year, will be used to fund annual work plans that include a combination of research, monitoring, and general restoration including those kinds of community-based restoration efforts consistent with efforts that have been previously funded by the Trustee Council, such as subsistence restoration, Traditional Ecological Knowledge, Youth Area Watch, cooperative management, and local stewardship efforts, as well as local community participation in on-going research efforts;

BE IT FURTHER RESOLVED, that the Restoration Office and the Chief Scientist, under the direction of the Executive Director, shall begin to develop a long-term research and monitoring program for the spill region that will inform and promote the full recovery and restoration, conservation and prudent management of spill-area resources; and

BE IT FURTHER RESOLVED, that it is the intent of the Trustee Council that this long-term reserve for research and monitoring be designed to ensure the conservation and protection of marine and coastal resources, ecosystems, and habitats in order to aid in the overall recovery of those resources injured by the *Exxon Valdez* oil spill and the long-term health and viability of the spill area marine environment;

BE IT FURTHER RESOLVED, that in developing a long-term restoration research and monitoring program for the spill region, the Executive Director shall solicit the views of the Public Advisory Group, community facilitators, resource management agencies, researchers and other public interests as well as coordinate restoration program efforts with other marine research initiatives including the North Pacific Research Board;

BE IT FURTHER RESOLVED, that the Executive Director shall work with the Alaska Congressional delegation and appropriate state and federal agencies to obtain the necessary investment authority to increase the earnings on remaining settlement funds, so that the Trustee Council will be able to conduct an effective restoration program that maintains its value over time; and

BE IT FURTHER RESOLVED, that in developing long-term implementation options for consideration by the Trustee Council, the Executive Director shall:

- investigate possible establishment of new or modified governance structures to implement long-term restoration efforts,
- explore alternative methods to ensure meaningful public participation in restoration decisions, and
- report back to the Trustee Council by September 1, 1999 regarding these efforts.

Dated this 1st day of March, 1999, in Anchorage, Alaska.

DAVE GIBBONS
Trustee Representative
Alaska Region
USDA Forest Service

BRUCE M. BOTELHO
Attorney General
State of Alaska

MARILYN HEIMAN
Special Assistant to the
Secretary for Alaska
U.S. Department of the Interior

STEVEN PENNOYER
Director, Alaska Region
National Marine Fisheries Service

FRANK RUE
Commissioner
Alaska Department of
Fish and Game

MICHELE BROWN
Commissioner
Alaska Department of
Environmental Conservation

DRAFT

Executive Director
WORKING DRAFT 3/1/99

DRAFT OUTLINE OF ACTION UNDER EXISTING AUTHORITY

Assumptions:

- Use of the Restoration Reserve funds will commence with FY 2003 (October 2002)
- The Trustee Council will allocate an additional \$36 M to the Restoration Reserve (annual \$12 M payments in FY 2000, 2001 and 2002)
- Additional restoration program expenditures between March 1999 to October 2002, exclusive of contractual land payments and other habitat commitments, will amount to not more than \$35 M
- Remaining unobligated balance of restoration funds in October 2002 will be \$170 M including funds that may be needed for a possible Koniag Karluk-Sturgeon acquisition
- Trustee Council receives no new investment authority and continues to invest settlement funds in treasury instruments that yield approximately 5%

Elements of a Long-Term Restoration Program:

- Consistent with the *Restoration Plan*, the core elements of a long-term restoration effort would focus on research/monitoring, including community-based restoration, and habitat protection
- Starting in FY 2003, restoration efforts would be funded from the earnings of remaining funds
- Earnings estimated at approximately 5% per year from treasury investments (nominal yield)
- The approximately \$170M in restoration funds remaining on October 1, 2002 will be allocated into two parts:
 - ✓ \$55M for habitat protection, including a possible Koniag Karluk-Sturgeon acquisition
 - ✓ remainder (estimated at \$115M plus, under the current assumptions) for research-monitoring, general restoration and community-based projects (e.g., subsistence, TEK, stewardship)
- Absent changes in the investment authority and consequent increased yield on investments, there would be no inflation-proofing with the consequent loss of purchase power over time in proportion to prevailing inflation rates (in order to support an annual restoration program of effective size)
- Cost of program management apportioned according to relative expense (public involvement, agency participation, peer review, habitat acquisition support, administration, etc.)

Habitat Protection:

- \$55M of remaining funds on October 1, 2002 (FY 2003) for Habitat Protection would include any amounts needed to complete the Koniag Karluk-Sturgeon acquisition
- After December 2001 (the end of the current easement), the \$16.5 M previously allocated for the Koniag Karluk-Sturgeon acquisition, if not obligated at that point, would be available for other habitat protection

- Habitat Protection funds would be managed as a long-term funding source generating annual earnings estimated at 5% per year for habitat protection (nominal yield, no inflation proofing)
- The intent of the Trustee Council is that half of the Habitat Protection funds would be used over a long period for small parcels; the remainder, if opportunities arise and with the agreement of the six trustees, would be used for large parcel purchases
- Issues that require further consideration:
 - ✓ priority, criteria and decision-making process for specific parcel selection
 - ✓ possible role of non-governmental organization to implement program after October 2002
 - ✓ extent of public involvement in future program

Research, Monitoring and General Restoration:

- Remaining balance of funds (estimated at \$115M plus under the current assumptions) for Restoration Research, Monitoring, and General Restoration would be managed so that earnings-only would be used to support annual work plans starting with FY 2003
- Annual earnings estimated at 5% per year (nominal yield, no inflation proofing)
- Annual work plan would support continuing restoration and enhancement of oil spill injured resources including long-term research-monitoring, development of improved management tools, synthesis of results, general restoration activities, and community-based restoration projects such as subsistence restoration, Traditional Ecological Knowledge, Youth Area Watch, cooperative management, and local stewardship efforts as well as local community participation in on-going research efforts
- Issues that require further consideration:
 - ✓ whether changes in the annual work plan process are appropriate in light of reduced scale
 - ✓ means and extent of scientific peer review
 - ✓ means and extent of public involvement in process
 - ✓ whether a new organization or governance structure is needed

Executive Director WORKING DRAFT Recommendation

SUMMARY OF PAST AND ESTIMATED FUTURE USES OF SETTLEMENT

(In \$millions)

<u>REIMBURSEMENTS FOR SPILL RESPONSE</u>		213.1			
<u>RESTORATION MANAGEMENT</u>		FFY 92-99	FFY 00-02	FFY 03+	
Science Management, Public Involvement & Administration		24.7	5.1	TBD	(a)
<u>RESTORATION IMPLEMENTATION</u>		FFY 92-99	FFY 00-02	Remaining Funds	(b)
Research, Monitoring, General Restoration		145.0	25.4	115.0	285.4 39.8%
Habitat Protection		372.1	4.5	55.0	431.6 60.2%
		517.1	29.9	170.0	717.0 100.0%

(a) To date, Restoration Office science management, public involvement and administration has cost approximately 5% of restoration program expenditures overall. Beyond FFY 02, science management, public involvement and administration costs will be allocated in proportion to program area costs.

(b) Estimate of remaining funds includes Restoration Reserve (with \$12 million per year to be placed into the reserve FFY 00 - FFY 02), interest accrued, the \$16.5 million committed to a Konlag purchase through 2001 plus additional funds currently unallocated.

Alaska State Legislature

REPRESENTATIVE
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax: (907) 465-3884

House District 33

House Of Representatives

House Joint Resolution 13

Sponsor: Representative Gene Therriault 

Sponsor Statement

House Joint Resolution 13, "Relating to using oil spill settlement funds to create an endowment for the sciences at the University of Alaska," urges the Exxon Valdez Oil Spill (EVOS) Trustee Council to establish a \$100,000,000 endowment for the sciences at the University.

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. I believe a self-perpetuating fund that allows the university maximum flexibility, such as that proposed in House Joint Resolution 13, is the ideal mechanism for such an effort.

SPONSOR STATEMENT

Email: Representative_Gene_Therriault@legis.state.ak.us

**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

2/18/99 3:20 PM

**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 top 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.

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 can 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 muskels, 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.