

NEW VISION FOR EVOS

**A roadmap to reshape the
*Exxon Valdez Oil Spill Trust***

By the EVOS Think Tank of Citizens

June 2020

newvisionforevos.org



EXECUTIVE SUMMARY

The Exxon Valdez Oil Spill Trust has approximately \$188 million in assets remaining. A “sunset” plan launched in 2011 proposed to spend down funds in 20 years. Eight years later, the fund balance has increased due to strong investment returns. The current structure for administering EVOS is expensive, inconsistent, bureaucratic, and lacks transparency. A Think Tank of prominent Alaska citizens representing a diverse range of backgrounds and expertise convened to explore whether there is a better way to spend the remaining funds while staying true to the intent articulated in the settlement documents establishing the Trust in 1991.¹ The Think Tank recommends the EVOS Trustee Council allocate the remaining dollars (excluding wind-down costs and current obligations) to the Alaska Community Foundation (ACF) for continued focus on research and habitat acquisition and/or restoration in accordance with the settlement documents.

Key Elements to the ‘New Vision for EVOS’:

- As opposed to continuing the current plan of spending the Trust down to zero, put remaining assets into permanent endowments for the benefit of the region, its communities and people in perpetuity. Specifically, pending Trustee and USDOJ approval, transfer funds to the Alaska Community Foundation (ACF) which manages in excess of \$128 million, and provides grants across Alaska, including the spill-impacted communities of Seward, Kodiak and Cordova which have community-focused funds established at ACF.
- Establish permanent endowments to critical entities providing scientific research, cultural preservation, and human services within the spill impacted region.
- Allocate the remaining funds to a competitive and transparent grant program for all spill-impacted communities, with grant decisions recommended by a panel of experts.

Please find attached to this proposal a letter of support signed by Alaska’s Congressional Delegation dated October 16, 2018 as well as a letter of support submitted by the Alaska SeaLife Center and other critical entities within the region.²

BACKGROUND

The 1989 *Exxon Valdez* Oil Spill (Oil Spill) discharged approximately 11 million gallons of crude oil into Prince William Sound. The Oil Spill affected the land, water, and wildlife and had a devastating effect on the people who rely on and value those natural resources for economic, aesthetic and subsistence use. The *Exxon Valdez* Oil Spill Trust (EVOS Trust) was a \$900 million fund created through the settlement of state and federal lawsuits resulting from the Oil Spill.

¹ Collectively, the Memorandum of Understanding between the United States and Alaska, the Memorandum of Agreement between the United States and Alaska, and the Agreement and Consent Decree.

² Letters of support from the other three organizations are included in Appendix B.

The *Exxon Valdez* Trustee Council (Trustee Council) is comprised of three federal trustees and three state trustees who must act by unanimous agreement.³ Prior to making expenditure decisions, the Trustee Council must consider input from the Public Advisory Committee, and the Federal trustees must obtain consent from the Environmental Protection Agency and the U.S. Department of Justice. All Trustee Council decisions must be for a purpose or activity specified in the settlement documents, including:

“for purposes of restoring, replacing, enhancing, rehabilitating or acquiring the equivalent of natural resources injured as a result of the Oil Spill and the reduced or lost services provided by such resources...”⁴ and,

“to assess injury resulting from the Oil Spill and to plan, implement, and monitor the restoration, rehabilitation, or replacement of Natural Resources, natural resource services, or archaeological sites and artifacts, injured, lost, or destroyed as a result of the Oil Spill, or the acquisition of equivalent resources or services...”⁵

Currently, the dollars are held in the *Exxon Valdez* Oil Spill Investment Fund at the Alaska Department of Revenue. They are split into two subaccounts: Habitat and Research.⁶ As of December 12, 2019, the balances totaled approximately \$188 million. Following Trustee Council approval, the Alaska Department of Law and the United States Department of Justice jointly request funding from the federal district court in Alaska.⁷ If approved, funds directed to state agencies are deposited into a state trust fund and then distributed to state agencies following an appropriation from the state Legislature.⁸ All funds directed to a federal agency are deposited into a Department of Interior account and then into specific agency accounts.⁹ All funds approved to go to a non-governmental agency are first directed to a state or federal agency who then distributes the funds to the private entity.

³ MOU, Article V.

⁴ MOA, Article VI. C.

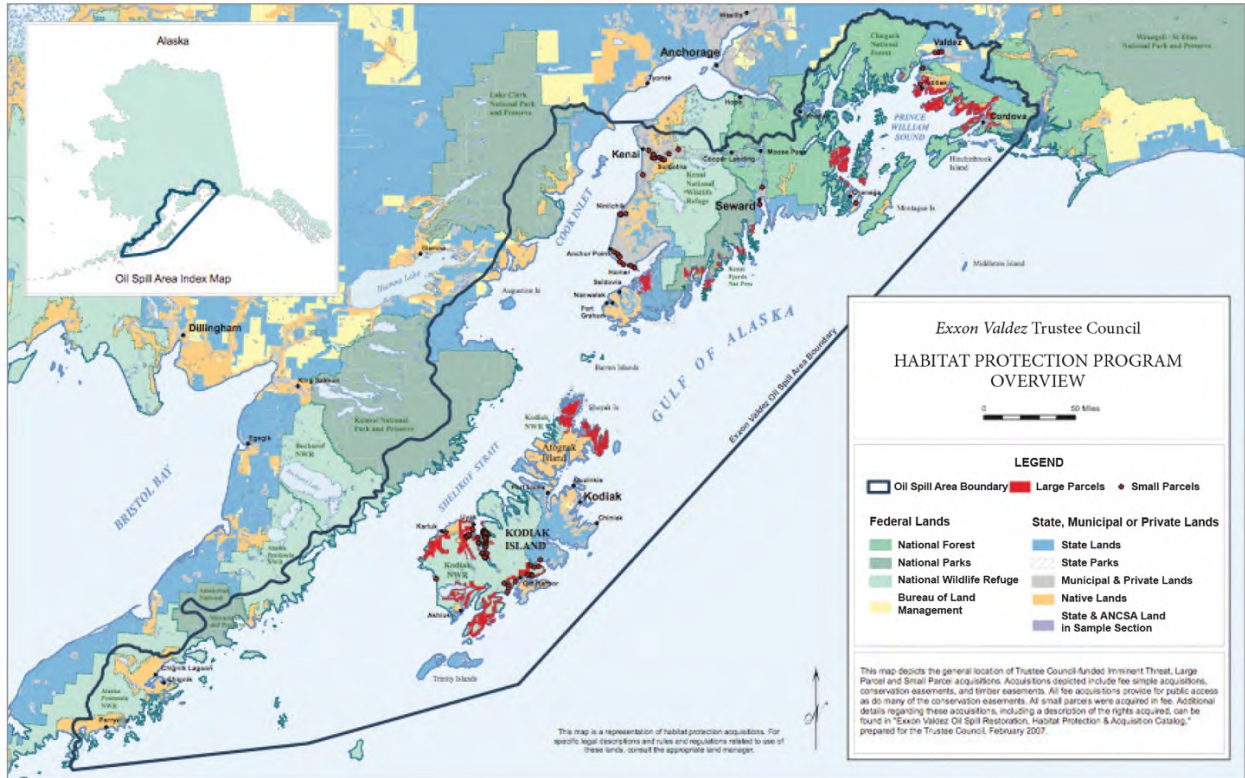
⁵ Consent Decree 10.

⁶ Trustee Council Resolution dated March 1, 1999; See also Sixty-Eighth Notice of Expenditures from the Investment Fund and from monies previously disbursed, Case 3:91-CV-0083 at 2-3, dated January 10, 2018.

⁷ MOU, Article VI.

⁸ GAO, p. 5.

⁹ GAO, p. 5.



Source: Pbworks.com

CURRENT COST STRUCTURE

Determining the current cost to administer EVOS has proven challenging. Working off public documents posted on the EVOS website, the Think Tank concluded that approximately 46 cents of every dollar spent goes toward administration or indirect costs. In determining this, the Think Tank factored in the dedicated administrative line-item in the EVOSTC budget, as well as the additional administrative and indirect costs that are incurred as the funds pass through agencies like Alaska Department of Fish and Game and National Oceanic and Atmospheric Administration before ultimately reaching the approved purpose.

Figure 1

ADMINISTRATION COSTS vs. PROJECT ALLOCATIONS

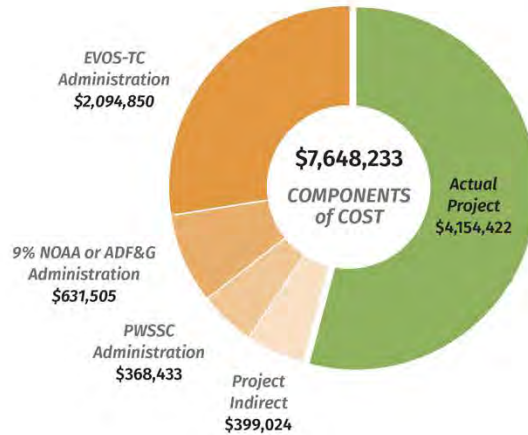
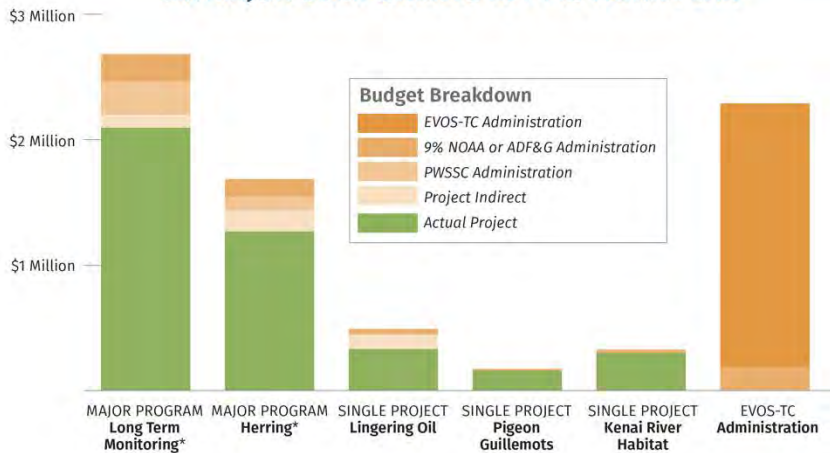


Figure 2

SIX MAJOR COMPONENTS IN FY18 WORK PLAN



Source: EVOS-TC Fiscal Year 2018 Work Plan, Revised January 2018
 *Data management costs divided between two major programs

The EVOSTC administration pushed back on the Think Tank figure, asserting our conclusions were inaccurate. At the October 2018 Trustee meeting, Trustee Wackowski requested funding for EVOS auditor Max Mertz to review and bring “complete transparency” to the cost of administering EVOSTC. Mr. Mertz released his findings in a December 10, 2018 letter to Trustees.¹⁰ The Think Tank found significant flaws in the Mertz document and published a rebuttal which is included at the end of this proposal as Appendix A. But the Mertz document

¹⁰ In his December 10, 2018 letter to Trustees, Mr. Mertz qualified his involvement in the review process by stating: “This documentation and related support were developed by staff based on budget information for EVOSTC fiscal years 2016, 2017 and 2018. My involvement was to understand their approach to developing the cost information contained in the workbook, check the mathematical accuracy and logic of its calculations, and offer suggestions or corrections. I believe they have incorporated all of my suggestions and corrections. I have not performed an audit or review of the information presented in accordance with professional standards issued by the American Institute of Certified Public Accountants so provide no formal assurance on the information presented.”

was helpful in that it provided “all-in” administrative costs.¹¹ In 2016, EVOSTC spent \$2,550,514 on administration, in 2017, EVOSTC spent \$2,927,597 and in 2018, \$3,384,789.

There are many organizations with experience successfully implementing endowments with far less administrative costs. For example, under the Think Tank Proposal, the administrative budget would be \$1,350,000 annually based upon \$180 million in endowments, saving EVOS more than \$2 million annually.¹²

FORMATION OF THE THINK TANK

In March 2017, Rasmuson Foundation was approached by two nonprofits located in the spill-impacted area who felt there had to be a more efficient and effective way to use the EVOS funds. Tara Riemer, president and CEO of the Alaska SeaLife Center (ASLC) in Seward and Katrina Hoffman, president and CEO of the Prince William Sound Science Center (PWSSC) in Cordova, requested Foundation support in exploring the possibilities, and funding was allocated to begin researching the legalities of such a request. Based on these initial findings, Rasmuson Foundation reached out to partners in the spill-impacted region and convened a group of citizens representing a broad array of experiences and backgrounds to ask: how could the remaining EVOSTC funds be spent in a way that would be most beneficial to the region.

The Think Tank members are:

- **Sheri Buretta**, chair of Chugach Alaska Corporation, the regional Alaska Native corporation in the spill area. She previously served on the Prince William Sound Regional Citizens’ Advisory Council and the *Exxon Valdez* Oil Spill Public Advisory Group.
- **Shauna Hegna**, president of Koniag, the Alaska Native regional corporation based in Kodiak.
- **Mead Treadwell**, former Alaska lieutenant governor and deputy commissioner of the State Department of Environmental Conservation. He co-chaired the State Committee on Research, and was a member of the U.S. Arctic Research Commission. He served as Cordova’s Spill Response Office director and co-founded the Prince William Sound Science Center and its congressionally-endowed Oil Spill Recovery Institute. He was a co-founder and officer of the Prince William Sound Regional Citizens’ Advisory Council. He was an alternate EVOS Trustee Council member and later served on the public advisory group.
- **Diane Kaplan**, president and CEO of Rasmuson Foundation.

¹¹ See page 3 of the document produced by EVOSTC staff called the Annual Budget Analysis and Review of the “Think Tank” Proposal.

¹² See Appendix A, “Think Tank Plan – Financial/Budgetary” for details on ACF’s cost structure.

- **Marilyn Leland**, retired. She previously served as executive director of Cordova District Fishermen United and was a founding member and ultimately deputy director of the Prince William Sound Regional Citizens' Advisory Council. She was on the board of directors for the Oil Spill Recovery Institute and worked on loan to the U.S. Coast Guard in writing and implementing regulations in accordance with the Oil Pollution Act of 1990.
- **Molly McCammon**, former executive director of the *Exxon Valdez* Oil Spill Trustee Council, former chief of staff to three Alaska legislators, and deputy press secretary to Gov. Bill Sheffield. She has decades of experience in natural resource policy and management.
- **Phil Mundy**, retired. Most recently he served as laboratory director for National Oceanic and Atmospheric Administration Fisheries in Juneau. EVOS experience includes service on the staff of the Trustee Council as science coordinator and science director. Before joining the staff of the TC, he served as a science advisor to the U.S. Department of Justice from the time of the spill until the formation of the Trustee Council when he became a member of the Council's team of primary scientific peer reviewers.
- **Ann Rothe**, nonprofit consultant. Previously she engaged in environmental management, policy and advocacy in Alaska for nearly 40 years through her work with the U.S. Department of Interior, Alaska Department of Natural Resources, National Audubon Society, National Wildlife Federation (whose Alaska office she established) and the Prince William Sound Regional Citizens' Advisory Council, (which she helped create after the *Exxon Valdez* Oil Spill). She was executive director of Trustees for Alaska for 10 years, and she recently retired from the Alaska Conservation Foundation after nine years.
- **Fran Ulmer**, Previously served as mayor of Juneau, state legislator, lieutenant governor and chancellor of the University of Alaska Anchorage. She was appointed to the Alaska Special Committee on the *Exxon Valdez* Oil Spill and to the BP *Deepwater Horizon* Oil Spill Commission.

GUIDING PRINCIPLES

In considering the future of the EVOS Trust, the Think Tank applied the following principles:

1. Adhere to the original intent of the settlement documents as closely as possible to support research, monitoring and general restoration. The goal of the trust funds is to restore, rehabilitate, replace or acquire the equivalent of the resources injured by the spill and the affected human services (commercial fishing, tourist/recreation, subsistence, passive use) they support. Targeted help for the people impacted by the spill has lagged behind recovery efforts for the wildlife, land and sea.
2. Benefit the communities, resources and institutions in the spill-impacted region (which is highlighted on the map on page 3).
3. Honor existing commitments so long as they fall within the spill-affected region.
4. Focus habitat acquisition on long-term protection, local control and use of lands. Protect

lands with a priority that acquired land stays in local ownership and for the purpose of benefiting the local community. Consider new options for co-management, conservation easements, and other options, rather than fee acquisitions.

5. Provide opportunity for meaningful public participation in the ongoing awarding of funds with significant representation from spill-impacted communities.
6. Reduce administrative costs to maximize funding available to restore, replace, enhance and rehabilitate natural resources; enhance and rehabilitate the resources injured as a result of the Oil Spill and the reduced or lost human services provided by such resources.
7. Maintain scientific and financial integrity and develop administrative efficiency.

ALTERNATIVE TO EVOS TRUST

Alaska Community Foundation (ACF) was established in 1995 and manages more than \$120 million in assets. ACF oversees more than 450 funds, many that require specific expertise. ACF has a variable administrative fee structure — .75% for accounts larger than \$100,000 — and the cost includes all grantmaking overhead, program personnel, program convening, financial management and oversight, and investment asset management. ACF has the capacity and wherewithal to administer complex grant processes and can do so at significantly lower cost than the current structure.

It does this by working with community and field leaders to identify and convene qualified committee members who inform grant guidelines, review applications, and recommend awards. There is precedent for privatizing a previously state-administered fund. In 2010, the state legislature passed HB 190 which transferred management of the Alaska Children’s Trust fund from the Alaska Department of Revenue to the Alaska Community Foundation. At the time the transfer was completed in 2012, the corpus totaled approximately \$10 million. Today, the Trust has grown to just over \$12 million, through careful investment, grants and private donations.

NEXT STEPS

The Think Tank recommends the remaining EVOS funds (minus wind-down costs and existing commitments) be transferred to ACF for two purposes: research and habitat protection (described in detail in Chart 1, pg. 10). The group further recommends that ACF be required to manage the EVOS funds in accordance with the Memorandum of Agreement (MOA) and Settlement Agreement. ACF will be responsible for adopting clear decision-making guidelines that conform to the allowed purposes and activities set forth in the MOA and Settlement Agreement, provide a transparent decision-making structure with public accountability, and require annual reporting of its actions regarding the EVOS Trust.

The Think Tank recommends the ACF Board appoint an Advisory Board to make recommendations on the use of funds that includes representatives appointed by the governor and the Department of Interior, as well as Alaska Native, environmental, and fishing interests in the oil spill-impacted region. The North Pacific Research Board can serve as an example of board makeup, function and process, with decisions being made by simple majority following Robert’s Rules of Order. Annually, for at least five years, ACF shall invite public comment on

funding priorities as well as report on how funds were distributed.

The amounts for research and habitat cited in the following graphic (page 9) are estimates. The exact figures will be determined by the size of the EVOS Trust at the point the plan is implemented.

A Proposal to Reengineer
EXXON VALDEZ OIL SPILL TRUST

1

Six EVOS Trustees agree to expend the funds as proposed.



2

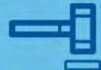
Alaska Department of Law, U.S. Department of Justice and Environmental Protection Agency approve the recommendation.

AKDOL + DOJ + EPA



3

Federal judge approves the expenditure.



4

The remainder gets transferred to the Alaska Community Foundation and split into two pots.



Research
 \$103 million



Habitat
 \$93 million

EXISTING OBLIGATIONS

Multiyear projects previously awarded by EVOS Trustees



OPERATING ENDOWMENTS / CAPITAL PROJECTS

Alaska SeaLife Center
 (\$20 million)

OPERATING ENDOWMENTS / CAPITAL PROJECTS

Alutiiq Museum
 (\$20 million)

COMPETITIVE GRANTS

Ocean Research Fund
 (remainder of research pot)

Chugach Heritage Foundation
 (\$20 million)

COMPETITIVE GRANTS

Habitat Fund
 (remainder of habitat pot)

RECOMMENDED USES FOR THE RESEARCH SUBACCOUNT

Due to the scarcity of environmental monitoring data within the region at the time of the spill, federal and state agencies were challenged to assess damage caused by the spill versus other phenomenon like natural variability, multi-decadal regime shifts and climate change. EVOS investment in research programs like Gulf Watch Alaska, and in local nonprofits like Prince William Sound Science Center and Alaska SeaLife Center, greatly enhanced the understanding of the region's marine ecosystem. Millions have been invested in research and long-term monitoring of salmon and herring, the forage fish they depend on, sea birds, whales, seals, otters and other resources. Yet, government managers still acknowledge that full recovery has not been achieved, and with some oil still lingering on beaches, it is likely still decades away.

The remaining EVOS research funds should be managed and allocated in ways that leverage additional support to maximize long-term understanding of the affected ecosystems. If as much as possible of the remaining funds are kept intact as a corpus generating interest, the region could draw upon the resource in perpetuity.

The EVOS research subaccount has approximately \$81,407,340 remaining.¹³ The Think Tank recommends the transfer of all funds in the research account to ACF and a continued commitment to their use for research and long-term monitoring in a manner consistent with the scope articulated in the settlement documents. The group further recommends that:

- The current 5-year research commitments, through January 2022, be continued and completed.
- **\$14 million be committed** for the construction of a new PWSSC facility that will dramatically increase the center's ability to continue leading the region in field research.
- **Establish \$20 million operating endowments** for the ASLC to ensure the organization can continue scientific and community-focused work.
- **Establish an Ocean Research Fund (Fund)** at ACF focusing on the health of Alaska's oceans and marine environment and the people who rely on them. The Fund shall be administered as an endowment for 20 years at which time the Advisory Committee shall recommend whether to continue as an endowment or initiate a spend-down. EVOS research dollars would seed the Ocean Research Fund and be tracked separately. ACF would be charged with growing the corpus and leveraging the EVOS dollars to attract additional investment, as opposed to the current strategy of spending the remaining dollars down by 2032. ACF would allow for investment flexibility and for the receipt of bequests, foundation grants and other environmental fines and settlements. The Fund could be used for long-term research and monitoring programs in the spill-affected region with priorities on the entire ecosystem, continuation of long-term data sets, open access to the data, inclusion of community-based monitoring, and local and indigenous knowledge. ACF should enlist the support of the North Pacific Research Board to review competitive proposals, something they currently do. North Pacific Research Board would develop its review process approved by the Advisory Board.

¹³ Research subaccount amount listed at the EVOS website as of April 30, 2020.

RECOMMENDED USES FOR THE HABITAT SUBACCOUNT

The MOA specifies that settlement funds are to be used for restoring, replacing, enhancing or acquiring the equivalent of natural resources injured by the spill and the reduced or lost services they support. The Consent Decree specifies that funds also are to be used to restore, rehabilitate or replace archeological sites and artifacts injured, lost, or destroyed by the spill. The EVOS Restoration Plan indicates that reduced or lost services include subsistence, commercial fishing, tourism, recreation and passive use. These all are linked to human activities in the region, and therefore we have referred to them as “human services” in our recommendations.

Since the establishment of the EVOS Restoration Fund, more than \$400 million of the original \$900 million settlement has been spent on habitat restoration (for habitat that supports injured resources as well as human services) in the spill-impacted region, with nearly all of the funds used for land acquisitions — both fee title and conservation easements. More than 500,000 acres of Alaska Native/private lands and borough lands have been acquired and added to existing federal conservation system units (national parks, national wildlife refuges and national forests) that were established to protect nationally significant resources in the national interest, as well as state conservation system units (state parks, critical habitat areas and game refuges).

LAND ACQUISITIONS

SELLERS	ACRES
Chugach Region (ANCSA Village Corporations)	242,738
Koniag Region (ANCSA Regional and Village Corporations)	287,596
Kodiak Borough	26,958
Other	23,701
Total	580,993

TYPE OF ACQUISITION	ACRES
40% are Conservation Easements	232,397
60% are fee title acquisitions	348,596

The most recent assessment of restoration progress done by the EVOS Trustee Council (2014) indicates that human services (commercial fishing, passive use, recreation & tourism, and subsistence) have not yet recovered.

Approximately \$44,389,790 remains of the funds set aside for restoration of habitat that support fish and wildlife resources and human services.¹⁴ The MOA specifies that, beyond land acquisitions, settlement funds can be used for all phases of restoration, replacement and

¹⁴ Habitat subaccount amount listed at the EVOS website as of April 30, 2020.

enhancement of resources and services. Habitat acquisition is just one tool of replacing resources, including archaeological resources, which support human services. And in recent years, a variety of additional habitat protection tools have gained traction, including land trusts, conservation easements, tribal management, and co-management agreements. Moving forward, we think a much broader approach should be used to determine how the balance of the funds should be spent — one that focuses on restoration and enhancement of archeological resources and human services but is consistent with the Trust MOU.

We recommend that the balance of the funds be allocated for the following purposes:

- **\$20 million for the ongoing operation** of the Alutiiq Museum and facility expansion to care for more than 250,000 artifacts stored in the archeological repository. (\$1.2 million of EVOS funds were used for construction of the museum. Additional artifact storage is needed.) The Consent Decree specifically allows for funding to be used for the “restoration, rehabilitation, or replacement of ... archaeological sites and artifacts injured, lost or destroyed as a result of the Oil Spill. ...” An operating endowment for the museum will ensure that it remains a vibrant cultural and research space.
- **\$20 million endowment to Chugach Heritage Foundation** that can be used for:
 - Archaeological investigations at the 50 to 80 Chugach historic, cultural and archaeological sites located throughout the Oil Spill area that were directly impacted by the Oil Spill, spill cleanup and monitoring activities.
 - Improved long-term monitoring and management of the Native American Graves and Repatriation Act (NAGPRA) sites to benefit not only the Chugach region and its communities within the oil spill area, but also partnering agencies and academic researchers.
 - Support for each of the seven villages still operating facilities that display cultural and archeological items impacted during the Oil Spill, including upgrades, ongoing operations and maintenance.

We recommend that the remaining funds be used to support the following types of activities within the spill-affected region:

- **Water Habitat:** Support projects relating to marine water quality monitoring, marine debris and pollution abatement, community access to clean marine waters, and other programs that are critical to maintaining healthy water habitat and communities.
- **Land Trusts:** Creation of land trusts for the spill-impacted region governed by boards of directors comprised of residents of the region. The trusts would be directly involved in identifying additional lands (and coastal waters) for protection through acquisition, conservation easements and/or co-management agreements, and be actively engaged in management decisions for those lands that have already been acquired, including development of special use regulations and co-management agreements that serve to restore resources that sustain human services

in the spill-impacted region. Existing land trusts, such as the Great Land Trust, could be used as interim trusts for regions without existing trusts. The Great Land Trust has been working under contract with the EVOS Trustee Council for the past five years and has a history of developing conservation easements with Alaska Native corporations, including Eklutna and Leisnoi corporations.

- **Land and Natural Resource Education and Engagement:** Create opportunities for residents to engage in managing land and natural resources by using funds to support scholarships and programs/curriculums for ecological research and resources management. (The Alaska Native Science and Engineering Program has created an educational model that could serve as a guide for establishing a natural resources and land management program.) This will help ensure that outcomes of scientific research and resource management efforts in the spill-impacted region connect back to the local communities.
- **Local Community Fisheries Vitality:** Support funding mechanisms that aid commercial and subsistence fisheries access, training and technical support in the spill-impacted region.
- **Human Service Infrastructure Restoration Management:** Restore, replace and enhance infrastructure that allows humans to access resources including boat harbors, hardened shorelines and banks, and other infrastructure that supports subsistence, commercial fishing, tourism, recreation and passive use.
- **Archeological and Cultural Resources:** Support projects that care for cultural and archeological resources that were injured, lost or destroyed as a result of the Oil Spill, including culture camps and other infrastructure that protect and promote access to archeological and cultural resources.
- **Habitat Protection on Small Land Parcels:** Support continued protection of small parcels (largely under 1,000 acres) through a variety of new and emerging tools and programs, including the use of existing and creation of new local land trusts governed by boards of directors comprised of residents of the region, conservation easements, co-management agreements, and corporation, tribal and local borough and municipal management.

SPILL-IMPACTED COMMUNITY INVESTMENTS

As described above, three nonprofits¹⁵ would receive operating endowments from the settlement funds: the Alaska SeaLife Center, Alutiiq Museum and Chugach Heritage Foundation. The first two were formed as a direct result of the spill and have grown over the years to become not only important regional facilities, but valuable statewide resources with reputations of excellence.

¹⁵ See explanation of three nonprofits, including an update on the status of Prince William Sound Science Center on page 14.

And while Chugach Heritage Foundation was not formed from EVOS funding, it received EVOS Trustee Council grants to help ensure cultural artifacts damaged by the spill were preserved. It also has played a critical role in making sure people in the region have access to education resources following the crash of fisheries. More specifically:

ALASKA SEALIFE CENTER

The **Alaska SeaLife Center** in Seward opened its doors May 2, 1998. The facility provides public education about the marine environment, unique research facilities, and rehabilitation of injured marine mammals and seabirds. Of the \$55 million total cost of construction, EVOS-TC provided \$26.2 million for the research portions of the facility. More than 3 million people have visited the facility since it opened its doors.

PRINCE WILLIAM SOUND SCIENCE CENTER

The Think Tank has previously supported an endowment for the PWSSC. At this time, the PWSSC has not taken action on this proposal. Though we think they are an important regional organization and contributor to scientific research, their board has not had an opportunity to review the proposal. An endowment recommendation could be added later, pending their board's review.

CHUGACH HERITAGE FOUNDATION

The **Chugach Heritage Foundation** is a non-profit foundation focused on preserving, studying, and promoting the culture, history and traditions of the people in the Chugach Region, which encompasses Prince William Sound and parts of the Kenai Peninsula. CHF serves as the cultural arm of Chugach Alaska Corporation to help protect and preserve the historic, cultural and archeological sites in the Chugach Region that were directly impacted by the Oil Spill, Oil Spill clean-up, and monitoring activities.

ALUTIIQ MUSEUM

The **Alutiiq Museum** opened in Kodiak, Alaska, in 1995. The initial funding for its construction came from the EVOS Trustee Council for the purpose of constructing a repository for artifacts from the Oil Spill area. The Museum currently houses over 250,000 items reflecting the culture and history of the Alutiiq people. The museum has developed into a cultural center for the Alutiiq people who reside throughout the Oil Spill area and whose traditional lands and archeological sites were directly impacted by the Oil Spill.

PUBLIC SUPPORT FOR THE NEW VISION FOR EVOS

The following declarations of interest and support have been submitted to the record since the October 2018 EVOS Trustee meeting:

- Letter of Support – Congressional Delegation; Murkowski, Sullivan and Young
- Letter of Support – Afognak Native Corporation
- Letter of Support – Native Village of Afognak
- Resolution of Support – Chugach Alaska Corporation Board of Directors
- Resolution of Support – Chugach Heritage Foundation
- Resolution of Support – Old Harbor Native Corporation
- Resolution of Support – Koniag Board of Directors
- Resolution of Support – Alutiiq Museum

CONCLUSION

EVOS settlement funds were set aside for the benefit of the spill-impacted region. Now, more than 30 years after the spill, there is an opportunity to change the structure in a way that will maximize the benefit to the spill-affected region. This is a once-in-a-lifetime opportunity to change course once again and create something that will benefit the region in perpetuity.

Sheri Buretta

Shauna Hegna

Marilyn Leland

Molly McCammon

Phil Mundy

Ann Rothe

Mead Treadwell

Fran Ulmer

Diane Kaplan

APPENDIX A

April 12, 2019

Think Tank Plan – Financial/Budgetary

Background

In October 2018, a group of citizens (the EVOS Think Tank of Citizens) put together a proposal containing a New Vision for EVOS – A roadmap to reshape the Exxon Valdez Oil Spill Trust. This proposal was discussed at the November 2018 meeting of the EVOS Trustee Council (EVOSTC). Since that meeting, the EVOSTC staff prepared, and their outside CPA Max Mertz reviewed, a number of budgetary documents, a three-page letter from Max Mertz to the EVOSTC, and explanations of the ongoing operations of the EVOSTC.

This document explains the Think Tank’s proposal in further detail, and compares some of the budgetary information, and criticisms provided by the EVOSTC staff to the proposed structure contained in the Think Tank’s proposal of October 2018 and as outlined below. The Think Tank’s proposal recognizes that the transition to the model proposed would take some time, as well as necessary judiciary and administrative approvals.

Think Tank Proposal Summary

The Think Tank’s proposal outlined a transfer of EVOSTC funds to the Alaska Community Foundation and split into two funds: Research and Habitat/Human Services. Under Research, operating endowments would be created for the Alaska SeaLife Center (\$20 Million), while the remaining funds would be available for competitive grants in the Ocean Research Fund. Similarly, under Habitat, operating endowments would be created for the Alutiiq Museum and Archaeological Repository (\$20 Million) and the Chugach Heritage Foundation (\$20 million), while the remaining funds would be available for competitive grants in the Habitat Fund.

Several key differences exist between the Think Tank’s proposal and the current mode of operations under the EVOSTC. Specifically, the Think Tank’s proposal envisions an entirely new way of managing the process of decision-making with respect to the use of the funds remaining in the Ocean Research Fund and the Habitat fund (after the endowments have been created). As a result, the Think Tank’s proposal utilizes different management structures that will also result in a different budgetary process than is currently utilized and will ultimately result in a less-expensive administrative burden to the overall funds. In addition, by creating the respective endowments, the Think Tank’s proposal can ensure that a portion of the EVOS funds can be spent in the spill-affected areas in perpetuity rather than in the current “spend-down” methodology.

Summary Letter – Dated December 10, 2018 to EVOSTC

The letter from Max Mertz dated December 10, 2018 contains a summary of the information developed by the EVOSTC staff, and in particular, an analysis of whether the administrative costs incurred by EVOSTC are excessive. Mr. Mertz utilizes a percentage analysis (using administrative costs as a percentage of program costs) to compare various operations against the EVOSTC administrative burden. A percentage analysis using the administrative costs as the numerator, and the program costs as the denominator, can be influenced by carefully defining what a “program cost” is, and thereby changing the denominator amount. In the example contained in the Mertz letter, the EVOSTC staff have included the one-time Habitat Purchases of \$9.6 Million for 2018, \$18.4 Million for 2017, and \$11.7 Million for 2016 as “program costs” which greatly influence the percentage calculated.

In addition, the Mertz letter questions whether the Think Tank’s proposal will be cheaper than the existing EVOST structure. “However, it would seem reasonable to carefully consider whether the ACF’s current structure could support the broad oversight that the habitat and research missions of EVOSTC requires within its proposed rate of .75%.”

In light of the above analysis from the Mertz letter, the Think Tank presents the following comparative information (on a dollar-for-dollar basis, rather than a percentage analysis).

Budget Analysis – Current Operations EVOSTC

The EVOSTC Staff carefully provided an extensive excel workbook that calculates the various cost components in EVOSTC’s programs and the related supporting costs, and a guide for understanding the excel workbook.

The Think Tank has utilized this information to produce an all-in administrative budget for the EVOSTC’s current operations. Specifically, we have utilized the data contained in the excel workbook and the pie chart on page 3 of the document produced by EVOSTC staff called the Annual Budget Analysis and Review of the “Think Tank” Proposal in the following table:

EVOSTC Administrative Costs ¹⁶					
Actual Expenses					
Year	Program Costs	Admin Direct	9% GA Costs	Total	Total Admin Costs
2018	\$21,789,787	\$2,098,864	\$,285,925	\$25,174,576	\$3,384,789
2017	\$28,376,150	\$1,868,233	\$1,059,364	\$31,303,747	\$2,927,597
2016	\$15,416,383	\$2,031,448	\$519,066	\$17,966,897	\$2,550,514

Think Tank Proposal – Endowment Model – Admin Costs

Utilizing the endowment model proposed by the Think Tank group, the endowments/funds would be allocated as shown below. In the endowment model, it is important to understand the terms utilized in the calculation of fund balances, including spending policy (granting from the funds), administrative expenses, and investment returns.

The spending policy for endowment funds at the Alaska Community Foundation is set annually by ACF’s board of directors and is the percentage allowed for grants from the endowed funds.

¹⁶ This amount differs from the EVOSTC staff pie chart presentation since the underlying spreadsheet missed \$511,574 administrative expense that was allocated, but not included in the pie chart, and an additional \$82,001 expense that was duplicated in the Habitat program costs.

This percentage is applied to a 16-quarter moving average to smooth out market fluctuations in fund balances over time.

Administrative expenses are charged against the fund based upon the type of fund, endowment period, and activities required to support the fund. In the instant case, the administrative expense rate would be .75%. Administrative expenses are applied monthly based upon the average daily balance for the month, multiplied by the .75% rate (divided by 12) to get the monthly dollar figure assessed.

Investment returns are typically reported on ACF’s public reports net of fees. ACF’s funds are invested in order to preserve the real value of charitable assets over time, and to provide grant making in perpetuity. As a result, ACF’s investment returns are relatively conservative, but are expected to produce positive returns for our fund holders over time. Since funds are pooled at ACF, the fund earnings/loss less any fund management fees are allocated to each of the funds based upon a unit or “share” ownership of the fund in comparison to all other funds at ACF in the pool.

An example of how these terms are applied to the funds proposed by the Think Tank is shown below:

	Research Fund	Habitat/Human Services Fund	Endowments¹⁷	Totals
Initial Endowment	60,000,000 ¹⁸	40,000,000	80,000,000	180,000,000
Investment Earnings (Est. 6%)	3,600,000	2,400,000	4,800,000	10,800,000
Program Spending (Est. 4%)	(2,400,000)	(1,600,000)	(3,200,000)	(7,200,000)
Administrative Fee (.75%)	(450,000)	(300,000)	(600,000)	(1,350,000)
Total at end of Year 1	60,750,000	40,500,000	81,000,000	182,250,000

¹⁷ \$20 million endowments to each of the following: Alaska SeaLife Center, Prince William Sound Science Center, Alutiiq Museum and Chugach Heritage Foundation.

¹⁸ The initial endowments for the Research and Habitat/Human Services are arbitrarily split 60/40 for the purposes of this example.

Under the Think Tank Proposal, the administrative budget would be \$1,350,000 annually based upon \$180,000,000 in endowments.

Think Tank Proposal – Administrative Cost Components

The Think Tank proposal administers the funds currently in care of the EVOSTC by creating separate endowments for the benefit of Research and Habitat/Human Services. The Alaska Community Foundation utilizes subject matter experts routinely in advisory panels assisting its staff in assessing competitive grant applications, the quality of response, and funding priorities within the purview of various funds at ACF. The additional operations/advisory panels costs associated with managing the separate endowments would be absorbed as part of the estimated \$1,350,000 annual fee paid by the funds.

Science

As previously described, the Think Tank proposal utilizes \$20 Million to create regular operating endowments for the Alaska SeaLife Center.¹⁹ The remaining amount would fund the Ocean Research Fund. The Ocean Research Fund would require extensive peer review of the competitive grant proposals for funding decisions. The Think Tank envisions utilizing the North Pacific Research Board (NPRB) as the science panel charged with the review of competitive grant proposals for technical merit and responsiveness to the RFP. The NPRB conducts this type of review currently for scientific research in the Arctic, Bering Sea, and Gulf of Alaska. This science includes the natural variability in the physical environment and how it influences trophic structure and overall productivity, the impacts of human interactions with habitat, and natural and/or human-induced changes affect how people live and work in the regions. The Think Tank envisions utilizing the current NPRB systems (including the application/review process, science panel, and Board) to rate the competitive grant proposals and forward that rating to an advisory panel at the Alaska Community Foundation. This advisory panel at ACF would consist of the existing six trustees of the EVOSTC (assuming they wish to continue to play a role in these decisions), and additional community members and representatives that represent a diverse spectrum of experience as well as spill-affected localities. This advisory panel would utilize the NPRB's technical review ratings as a basis for making the funding decisions for grants from the Ocean Research Fund including relevance, funds available, and the suitability to the applicable law, priorities and mission. ACF would then make the grants directly to the grantees rather than contracting through the Trustee agencies as is currently done, which creates a savings in the 9% G&A assessed currently. The NPRB would also serve as the repository (as they currently do for their existing programs) for the scientific data for public dissemination. Finally, habitat restoration projects would also be reviewed using the scientific model and advisory panel discussed above since many of these decisions also require good scientific peer review.

The Think Tank recognizes that there will be some budgetary requirements from the additional review required by the EVOS proposals at the NPRB level. These additional costs would be

¹⁹ See explanation of three nonprofits, including an update on the status of Prince William Sound Science Center on page 14.

absorbed by ACF as a part of the .75% administrative fee assessed at \$1,350,000 annually. We have worked through the following estimates as identified additional costs:

1) NPRB Executive Direction additional costs	\$28,800
2) NPRB Program Management additional costs	\$112,500
3) NPRB Communications/Outreach/Website revisions	\$68,000
4) Travel for review panel/staff	\$20,000
5) Online website portal updates/administration ongoing	\$5,000
6) Additional allocation of NPRB General & Admin costs	\$25,000

Total Estimated additional costs **\$259,300**

Habitat/Human Services

The Think Tank proposal likewise creates two endowments for the Alutiiq Museum and the Chugach Heritage Foundation with the remaining funds being placed in an endowment called the Habitat fund at ACF. ACF would utilize a volunteer advisory panel consisting of the six EVOS trustees as well as additional subject matter experts from the community to assess the competitive grant applications for grants from the Habitat fund. The Think Tank assumes that habitat acquisitions currently under consideration by the EVOSTC would sunset within a three-year transition period, and that the Habitat fund would gradually evolve into a more human services focus over time. The advisory panel would be charged with considering the geographic distribution of grants within the spill area, fund availability, and suitability to the applicable law, priorities, and mission, as well as the responsiveness to the RFP or grant cycle. Given that the Habitat fund is managed similarly to other programmatic funds of ACF with volunteer advisory panels and standard grant cycles, ACF is uniquely situated to work within this structure without significant additional cost.

Operating Endowments – Think Tank Proposed Entities

ACF routinely manages endowments such as these being proposed by the Think Tank for the Alaska SeaLife Center, the Alutiiq Museum, and the Chugach Heritage Foundation. As previously described, these agency endowments would have an annual “spendable” portion determined through the current ACF practice of the Board determining the annual spending policy percentage which is then applied to the 16-quarter average balance.

APPENDIX B

Congress of the United States
Washington, DC 20515

October 16, 2018

Elise Hsieh
Executive Director
Exxon Valdez Oil Spill Trustee Council
Grace Hall Building
4230 University Drive, Ste. 220
Anchorage, AK 99508-4650

Dear Ms. Hsieh and members of the Trustee Council:

As you know, we are approaching the 30th anniversary of the *Exxon Valdez* oil spill. The process that was put in place to distribute settlement funds has unquestionably resulted in significant investments in projects that have positively impacted the Prince William Sound region and Alaska as a whole. With approximately \$200 million remaining in the fund, we understand that stakeholders in the spill-affected area have given much thought to opportunities to rethink the EVOS administrative structure in order to make sure that important investments in research and habitat protection can continue well into the future.

We have reviewed the proposal drafted by the EVOS Think Tank of Citizens and believe that the proposed plan to transfer the remaining assets to the Alaska Community Foundation, and establish specific endowments to further carry out programs in accordance with the original settlement, as articulated in the document, deserves consideration by the Trustee Council. The proposal seeks to reduce administrative costs and provide a long-term source of funding for research and other impacts in the spill-affected area.

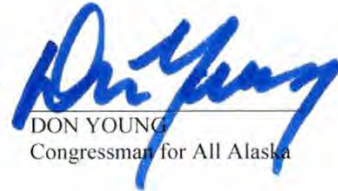
It is our joint recommendation that you take this proposal up for consideration at the October 17 Trustee meeting.

Sincerely,



LISA MURKOWSKI
United States Senator

DAN SULLIVAN
United States Senator



DON YOUNG
Congressman for All Alaska

PRINTED ON RECYCLED PAPER



The Alaska SeaLife Center generates and shares scientific knowledge to promote understanding and stewardship of Alaska's marine ecosystems.

www.alaskasealife.org

June 4, 2020

EVOS Think Tank of Citizens

Dear Think Tank Members:

Thank you for the opportunity for the Alaska SeaLife Center to comment on your February 2020 document, "New Vision for EVOS: A roadmap to reshape the *Exxon Valdez* Oil Spill Trust."

The Alaska SeaLife Center is fully supportive of a plan to use a portion of remaining EVOS Trust assets to support endowments for Alaskan nonprofit organizations in spill-impacted communities with missions tied closely to the original settlement agreements.

Marine science research relating to the ecosystems and species impacted by the spill conducted by scientists at the Alaska SeaLife Center is a good fit with the purposes of these funds. Long-term science support is essential to retain excellent scientists who perform high quality, peer-reviewed research. Without long-term sustainable funding for the conduct of science, the past EVOS-TC investment of research infrastructure at the Center will not fulfill its purpose.

While there are several avenues by which EVOS-TC assets could support the Alaska SeaLife Center, the best avenue leading to a sustainable future for the organization and our science mission is through an endowment.

On behalf of the Board of Directors,

Sincerely,

Tara L. Riemer, Ph.D.
President and CEO

Koniag, Inc.
Resolution # 19-17

Supporting New Vision for Exxon Valdez Oil Spill Trust


- WHEREAS,** The 1989 Exxon Valdez Oil Spill (“Oil Spill”) had a devastating impact on the people, lands, local economies, and the subsistence way of life for the Alaska Native people of the Kodiak region; and
- WHEREAS,** The ancestral lands of the Alutiiq people were dramatically affected by the Oil Spill and oil still can be found in the region; and
- WHEREAS,** The subsistence resources in the Oil Spill area have never fully recovered; and
- WHEREAS,** The Oil Spill disrupted the ability of the Alutiiq people to pass on our subsistence knowledge to the next generation of children who grew up during the time of the oil spill, the oil spill cleanup, and the recovery period; and
- WHEREAS,** The commercial fishing industry is the economic backbone of the Koniag region communities and it has never fully recovered from the Oil Spill; and
- WHEREAS,** The funds currently managed by the Trustee Council could be disbursed in a manner that would more directly and meaningfully benefit the people and communities in the Oil Spill impacted region and more effectively achieve the purposes set forth in the EVOS settlement documents; and
- WHEREAS,** The Board of Directors has reviewed the proposal entitled “New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust,” dated October 2018, prepared by the EVOS Think Tank of Citizens, and attached hereto as Exhibit A; and

NOW THEREFORE BE IT RESOLVED that the Board of Directors pledges its support for the New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust and authorizes and empowers the officers of the Corporation to advocate for the adoption and implementation of the plan and to work within the framework of the New Vision of EVOS on projects and programs that benefit the Koniag Region.

APPROVED AND ADOPTED this 5th day of October, 2018 at Kodiak, Alaska


Chair

ATTEST:


Secretary

October 10, 2018

EVOS Trustee Council
Grace Hall Building
4230 University Drive, Ste. 220
Anchorage, AK 99508-4650

Sent via email: elise.hsieh@alaska.gov

RE: New Vision for EVOS Proposal

Dear Trustees,

Cama'i-Hello. The 1989 Exxon Valdez Oil Spill ("Oil Spill") had a devastating impact on Kodiak Alutiiq lands, economies, subsistence traditions, and cultural resources. The Oil Spill disrupted our ability to pass subsistence knowledge to the generation of people who grew up during the spill, cleanup, and recovery. It devastated our commercial fishing industry, an industry that has never fully recovered from the spill. And it damaged our very history. Archaeological sites that are the only record of our ancestors' traditions were found and looted by clean-up workers. Please recognize that these impacts have yet to be fully mitigated. The most recent EVOS restoration plan states that human services impacted by the Oil Spill have not yet recovered.

As a cultural organization that operates within a facility built with EVOS funding, the Alutiiq Museum is grateful for the Trustee Council's investment in heritage preservation. We have worked very hard to care for archaeological collections, study and preserve sites and the information they hold, and educate the public about historic preservation. However, there is more work to be done. It is time to more fully address the human impacts of the spill.

I am writing to support the current proposal to transform fund management. This step would dramatically reduce administrative costs and permit a more robust funding plan. The \$196 million in remaining funds could be meaningfully distributed to benefit the people, communities, cultural resources, and wildlife in the Oil Spill impacted region, helping to achieve the full purpose set forth in the EVOS settlement documents.

The Alutiiq Museum's management team has reviewed "New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust," prepared by the EVOS Think Tank of Citizens in 2018. This plan continues to honor existing EVOS commitments, allocates funding for purchasing small parcels of land, and provides a robust funding strategy that targets the recovery of the human services in the spill impacted region.

We support the New Vision of EVOS roadmap and encourage the Trustees to adopt and implement the plan.

Quyanaa—Thank you for your consideration,



April Laktonen Counciller, PhD
Executive Director
april@alutiiqmuseum.org



ARCHAEOLOGICAL
REPOSITORY

215 Mission Road, First Floor
Kodiak, AK 99615
(844) 425-8844
alutiiqmuseum.org



CHUGACH ALASKA CORPORATION
BOARD OF DIRECTORS

RESOLUTION 18-21

WHEREAS, the 1989 Exxon Valdez Oil Spill ("Oil Spill") had a devastating impact on the people, lands, local economies, and the subsistence way of life for the Alaska Native people in the Chugach region (including the following communities: Port Graham, Nanwalek, Cordova, Seward, Valdez, Tatitlek, Chenega, and Eyak); and

WHEREAS, the ancestral lands of the Chugach people were the most dramatically affected by the Oil Spill, and oil still remains on much of these lands today; and

WHEREAS, the subsistence resources in the Oil Spill area have never fully recovered; and

WHEREAS, the Oil Spill disrupted the ability of the Chugach people to pass on their subsistence knowledge to the next generation of children who grew up during the time of the Oil Spill, the Oil Spill clean-up, and the recovery period; and

WHEREAS, the Exxon Valdez Oil Spill Trustee Council ("Trustee Council") has largely ignored the research and funding requests by communities and tribes within the Oil Spill Area; and

WHEREAS, the funds currently managed by the Trustee Council could be disbursed in a manner that would more directly and meaningfully benefit the people and communities in the Chugach Region and more effectively achieve the purposes set forth in the EVOS settlement documents; and

WHEREAS, the Board has reviewed the proposal entitled "New Vision of EVOS, a roadmap to reshape the Exxon Valdez Oil Spill Trust," dated August 2018, prepared by the EVOS Think Tank of Citizens, and attached hereto as Exhibit A; and

NOW THEREFORE BE IT RESOLVED, the Board of Directors pledges its support for the New Vision of EVOS, a roadmap to reshape the Exxon Valdez Oil Spill Trust.

DATED this 20th day of September, 2018.



Sheri Buretta, Chairman of the Board

ATTEST:



David Totemoff, Sr., Corporate Secretary

YEA: 8 NAY: 0 ABSTAIN: 0 ABSENT: 1





CHUGACH HERITAGE FOUNDATION
BOARD OF TRUSTEES

RESOLUTION 18-01

WHEREAS, the 1989 Exxon Valdez Oil Spill ("Oil Spill") had a devastating impact on the people, lands, local economies, and the subsistence way of life for the Alaska Native people in the Chugach region (including the following communities: Port Graham, Nanwalek, Cordova, Seward, Valdez, Tatitlek, Chenega, and Eyak); and

WHEREAS, the ancestral lands of the Chugach people were the most dramatically affected by the Oil Spill, and oil still remains on much of these lands today; and

WHEREAS, the subsistence resources in the Oil Spill area have never fully recovered; and

WHEREAS, the Oil Spill disrupted the ability of the Chugach people to pass on their subsistence knowledge to the next generation of children who grew up during the time of the Oil Spill, the Oil Spill clean-up, and the recovery period; and

WHEREAS, the Exxon Valdez Oil Spill Trustee Council ("Trustee Council") has largely ignored the research and funding requests by communities and tribes within the Oil Spill Area; and

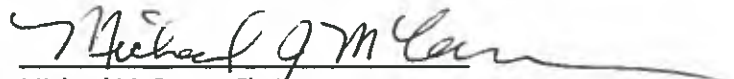
WHEREAS, most communities in the Chugach region have not benefited from the habitat protection program because they have rightfully refused to sell their ancestral lands (retained in the passage of ANCSA) back to the federal government or to the State of Alaska; and

WHEREAS, the funds currently managed by the Trustee Council could be disbursed in a manner that would more directly and meaningfully benefit the people and communities in the Chugach Region and more effectively achieve the purposes set forth in the EVOS settlement documents; and


WHEREAS, the Chugach Heritage Foundation Board of Trustees has reviewed the proposal entitled "New Vision of EVOS, a roadmap to reshape the Exxon Valdez Oil Spill Trust," dated August 2018, prepared by the EVOS Think Tank of Citizens, and attached hereto as Exhibit A; and

NOW THEREFORE BE IT RESOLVED, the Board pledges its support for the New Vision of EVOS, a roadmap to reshape the Exxon Valdez Oil Spill Trust.

DATED this ____ day of September, 2018.


Michael McCanna, Chair

ATTEST:


Violet Yeaton, Secretary

YEA: _____ NAY: _____ ABSTAIN: _____ ABSENT: _____

October 9, 2018

EVOS Trustee Council
Grace Hall Building
4230 University Drive, Ste. 220
Anchorage, AK 99508-4650

Sent via email: dfg.evos.restoration@alaska.gov

RE: New Vision for EVOS Proposal

Dear Trustees,

Koniag is a regional Alaska Native Corporation formed under the terms of the Alaska Native Claims Settlement Act of 1971. Koniag has approximately 4,000 Alutiiq Shareholders. Our region encompasses the Kodiak Archipelago in the Gulf of Alaska and a portion of the Alaska Peninsula. The communities in our region have lived off of the land and the sea in our region for 7,500 years. Today, the marine resources around Kodiak Island are the food served as our family dinners, the resources used to sustain our rural communities' economies, and the cultural backbone of our Alutiiq way of life. The 1989 Exxon Valdez Oil Spill ("Oil Spill") had a devastating impact on the people, lands, local economies, and the subsistence way of life for the Alaska Native people of the Kodiak region.

The Oil Spill disrupted the ability of the Alutiiq people to pass on our subsistence knowledge to the next generation of children who grew up during the time of the oil spill, the oil spill cleanup, and the recovery period. Furthermore, the commercial fishing industry is the economic backbone of the Koniag region communities and it has never fully recovered from the Oil Spill. In fact, the most recent EVOS restoration plan states that Human Services (subsistence, commercial fishing, tourism, recreation and passive use) that were impacted by the Oil Spill have not yet recovered.

As an Alaska Native Corporation, we have long valued our partnership with the EVOS Trustee Council and recognize that the land purchases and conservation easements it has established have provided much-needed funding to the Corporations in the Kodiak region. These funds have enabled us to provide benefits to our Shareholders. We are thankful for this support and the work of the Trustees.

We also believe that privatizing the fund management would dramatically reduce administrative costs and by implementing a more robust funding plan, the \$196 million in remaining funds could meaningfully benefit the people, communities, marine life, and wildlife in the Oil Spill impacted region, helping to achieve the purposes set forth in the EVOS settlement documents.

Our Corporation has reviewed the document entitled "New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust," dated October 2018, prepared by the EVOS Think Tank of Citizens. This plan continues to honor existing EVOS commitments, allocates funding for purchasing small parcels of land, and also outlines a robust funding strategy that targets the spill impacted region and

koniag.com

P (907) 561-2668

F (907) 562-5258

assists in the recovery of the human services and species impacted by the Oil Spill. Attached is Koniag resolution #19-17 which was approved by the Koniag Board of Directors on October 5th. This resolution demonstrates Koniag's support of the concepts within the New Vision of EVOS roadmap and advises the Trustees to adopt and implement the plan.

Please contact me (shegna@koniag.com; 907-261-4009) if you have questions regarding Koniag's support of the New Vision of EVOS roadmap or the attached resolution.

Sincerely,
KONIAG

A handwritten signature in blue ink, appearing to read "Shauna Hegna", is written over the typed name.

Shauna Hegna
President



3909 Arctic Boulevard, Suite 500
Anchorage, Alaska 99503
Office: (907) 222-9500
Fax: (907) 222-9501

October 9, 2018

EVOS Trustee Council
Grace Hall Building
4230 University Drive, Ste. 220
Anchorage, AK 99508-4650

Sent via email: dfg.evos.restoration@alaska.gov

RE: New Vision for EVOS Proposal

Dear Trustees,

The 1989 Exxon Valdez Oil Spill (“Oil Spill”) had a devastating impact on the people, lands, local economies, and the subsistence way of life for the Alaska Native people of the Kodiak region. The Oil Spill disrupted the ability of the Alutiiq people to pass on our subsistence knowledge to the next generation of children who grew up during the time of the oil spill, the oil spill cleanup, and the recovery period. Furthermore, the commercial fishing industry is the economic backbone of the Kodiak region communities and it has never fully recovered from the Oil Spill.

As an Alaska Native Corporation, we have long valued our partnership with the EVOS Trustee Council and recognize that the land purchases and conservation easements it has made have provided much-needed funding to the Corporations in the Kodiak region. These funds greatly benefit our Shareholders. We are thankful for this support and the work of the Trustees.

We also believe that privatizing the fund management would dramatically reduce administrative costs and by implementing a more robust funding plan, the \$196 million in remaining funds could meaningfully benefit the people, communities, marine life, and wildlife in the Oil Spill impacted region, helping to achieve the purposes set forth in the EVOS settlement documents.

Our Corporation has reviewed the document entitled “New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust,” dated October 2018, prepared by the EVOS Think Tank of Citizens. This plan continues to honor existing EVOS commitments, allocates funding for purchasing small parcels of land, and also outlines a robust funding strategy that targets the spill impacted region and assists in the recovery of the human services and species impacted by the Oil Spill.

We support the concepts within the New Vision of EVOS roadmap and encourage the Trustees to adopt and implement the plan. Thank you for your commitment to our land, water, wildlife, and the Alaska Native people of the Kodiak region.

Sincerely,

A handwritten signature in blue ink that reads "Kristy".

Kristy Clement
Board Chair

Koniag, Inc.
Resolution # 19-17

Supporting New Vision for Exxon Valdez Oil Spill Trust


- WHEREAS,** The 1989 Exxon Valdez Oil Spill (“Oil Spill”) had a devastating impact on the people, lands, local economies, and the subsistence way of life for the Alaska Native people of the Kodiak region; and
- WHEREAS,** The ancestral lands of the Alutiiq people were dramatically affected by the Oil Spill and oil still can be found in the region; and
- WHEREAS,** The subsistence resources in the Oil Spill area have never fully recovered; and
- WHEREAS,** The Oil Spill disrupted the ability of the Alutiiq people to pass on our subsistence knowledge to the next generation of children who grew up during the time of the oil spill, the oil spill cleanup, and the recovery period; and
- WHEREAS,** The commercial fishing industry is the economic backbone of the Koniag region communities and it has never fully recovered from the Oil Spill; and
- WHEREAS,** The funds currently managed by the Trustee Council could be disbursed in a manner that would more directly and meaningfully benefit the people and communities in the Oil Spill impacted region and more effectively achieve the purposes set forth in the EVOS settlement documents; and
- WHEREAS,** The Board of Directors has reviewed the proposal entitled “New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust,” dated October 2018, prepared by the EVOS Think Tank of Citizens, and attached hereto as Exhibit A; and

NOW THEREFORE BE IT RESOLVED that the Board of Directors pledges its support for the New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust and authorizes and empowers the officers of the Corporation to advocate for the adoption and implementation of the plan and to work within the framework of the New Vision of EVOS on projects and programs that benefit the Koniag Region.

APPROVED AND ADOPTED this 5th day of October, 2018 at Kodiak, Alaska


Chair

ATTEST:


Secretary

**NATIVE VILLAGE OF PORT LIONS
PORT LIONS TRADITIONAL TRIBAL COUNCIL**

RESOLUTION NO.: 2018-16R

**A RESOLUTION FROM THE PORT LIONS TRADITIONAL TRIBAL COUNCIL
SUPPORTING THE NEW VISION OF THE EXXON VALDEZ OIL SPILL TRUST.**

WHEREAS, The 1989 Exxon Valdez Oil Spill (“Oil Spill”) had a devastating impact on the people, lands, local economies, and the subsistence way of life for the Alaska Native people of the Kodiak region; and

WHEREAS, The ancestral lands of the Alutiiq people were dramatically affected by the Oil Spill and oil still can be found in the region; and

WHEREAS, The subsistence resources in the Oil Spill area have never fully recovered; and

WHEREAS, The Oil Spill disrupted the ability of the Alutiiq people to pass on our subsistence knowledge to the next generation of children who grew up during the time of the oil spill, the oil spill cleanup, and the recovery period; and

WHEREAS, The commercial fishing industry is the economic backbone of the Kodiak region communities and it has never fully recovered from the Oil Spill; and

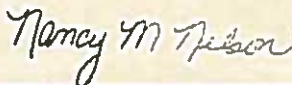
WHEREAS, The funds currently managed by the Trustee Council could be disbursed in a manner that would more directly and meaningfully benefit the people and communities in the Oil Spill impacted region and more effectively achieve the purposes set forth in the EVOS settlement documents; and

WHEREAS, The Port Lions Traditional Tribal Council has reviewed the proposal entitled “New Vision for EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust,” dated October 2018, prepared by the EVOS Think Tank of Citizens; and

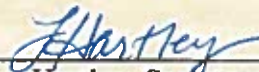
NOW THEREFORE BE IT RESOLVED, that the Port Lions Traditional Tribal Council supports the New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust and authorizes.

CERTIFICATION:

We the undersigned members of the Port Lions Traditional Tribal Council, do hereby certify that the foregoing resolution was duly adopted by the Port Lions Traditional Tribal Council, on the 10th day of October, 2018 with a quorum present and 5 for, 0 votes against, and 0 abstaining.



Nancy Nelson, President



LaToya Hartley, Secretary/Treasurer



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Email: info@oldharbor.org

2702 Denali St., Suite 100, Anchorage, AK 99503
Phone: (907) 278.6100 Fax: (907) 276.3441
www.oldharbornativecorp.com

October 5, 2018

EVOS Trustee Council
Grace Hall Building
4230 University Drive, Ste. 220
Anchorage, AK 99508-4650

Sent via email: dfg.evos.restoration@alaska.gov

RE: New Vision for EVOS Proposal

Dear Trustees,

Old Harbor is an Alutiiq village on the southeast side of Kodiak Island, Alaska. Old Harbor holds a rich culture with spiritual ties to the land, bonds of kinship and belief, respect for Elders and community, and the shared practices of a subsistence lifestyle.

Old Harbor Native Corporation (OHNC) was established in 1971 under the terms of the Alaska Native Claims Settlement Act (ANCSA). OHNC's mission is to preserve and protect the culture, values and traditions of its community, shareholders and descendants; and to work together to create economic and educational opportunities while promoting self-determination and pride. OHNC originally enrolled 329 shareholders under the Act. Today, there are approximately 431 shareholders residing primarily in Anchorage, Kodiak and Old Harbor.

The 1989 Exxon Valdez Oil Spill had a devastating impact on the people, lands, local economies, and subsistence way of life for our community. The commercial fishing industry is the economic backbone of our village and it has never fully recovered from the Oil Spill. As you are aware, there was no commercial salmon fishing season on Kodiak Island following the spill in 1989. Many Old Harbor crewmen were without work and the claims process did not reach them. Also, several vessel owners did not recover from the lost season. In subsequent years, several long-time fishing families left the community and many fishing jobs were lost forever. In addition, subsequent Old Harbor area salmon runs, because of the oil spill's impact on the 1989 spawning salmon, were reduced for several life cycles. Recognizing that long range impacts are not limited to Old Harbor, the EVOS restoration plan acknowledges that Human Services (subsistence, commercial fishing, tourism, recreation and passive use) impacted by the Oil Spill have not yet recovered.

As an Alaska Native Corporation, we have long valued our partnership with the EVOS Trustee Council and recognize that the land purchases and conservation easements it has funded have provided much-needed support to our corporation. These funds have enabled us to provide benefits to our Shareholders. We are thankful for this support and the work of the Trustees.

We also believe that privatizing EVOS fund management would dramatically reduce administrative costs and, by implementing a more robust funding plan, the \$196 million in remaining funds could meaningfully benefit the people, communities, marine life, and wildlife in the Oil Spill impacted region, helping to achieve the purposes set forth in the EVOS settlement documents.

Our Corporation has reviewed the document entitled “New Vision of EVOS: a roadmap to reshape the Exxon Valdez Oil Spill Trust,” dated October 2018, prepared by the EVOS Think Tank of Citizens. This plan continues to honor existing EVOS commitments, allocates funding for purchasing small parcels of land, and also outlines a robust funding strategy that targets the spill impacted region and assists in the recovery of the Human Services and species impacted by the Oil Spill.

While we understand the research is a necessary aspect of the EVOS’s mission, we believe that more funds should be allocated to ‘Local Community Fisheries Vitality’ and ‘Human Service Infrastructure Restoration Management.’ These activities can have a huge positive impact for coastal communities within the spill affected region and help to improve the local economies.

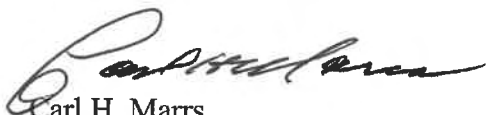
Our community has struggled since the Exxon Valdez Oil Spill. Old Harbor’s population has declined by about 50%. Although our leadership has worked hard to build our infrastructure so that we can improve and expand our economy, we still have much work to do with very limited resources. Old Harbor needs access to halibut, bottom fish and salmon resources in proximity to our community. Additionally, reduced power costs through a hydroelectric project will enhance all aspects of Old Harbor life. Community residents have significant workforce development needs – that is fisheries and related job training.

Fisheries are the economic foundation for Old Harbor but our community needs help progressing toward processing, marketing and fisheries enhancement goals. It is imperative for us to provide opportunities that allow our community members to live in our hometown close to their cultural roots and subsistence way of life. Our goals for Old Harbor are also the EVOS goals of ‘local community fisheries vitality’ and the ‘human service infrastructure restoration management’.

We support the concepts within the New Vision of EVOS roadmap and encourage the Trustees to adopt and implement the plan with additional funding allocated to ‘Local Community Fisheries Vitality’ and ‘Human Service Infrastructure Restoration Management.’ Thank you for your time and consideration of this proposal and our comments.

Sincerely,

OLD HARBOR NATIVE CORPORATION



Carl H. Marrs
Chief Executive Officer