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REGIONAL RESOURCE STEWARDSHIP COUNCIL

OCTOBER 23, 2002

DOWNTOWN RADISSON
401 WEST SUMMIT HILL DRIVE
KNOXVILLE, TENNESSEE 37902

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MEMBERS OF THE COUNCIL:

MR. LEE BAKER

MR. JIMMY BARNETT

SENATOR ROGER BEDFORD, JR.

MR. AUSTIN CARROLL

MR. PHIL COMER

MR. KARL DUDLEY

MR. BILL FORSYTH

MAYOR THOMAS GRIFFITH

MRS. JULIE HARDIN

DR. KATE JACKSON, DFO

MS. MILES MENNELL

MS. MICHELE MYERS

MR. W. C. NELSON

MS. ELAINE PATTERSON

MS. JACKIE SHELTON

MR. BRUCE SHUPP, CHAIRMAN

DR. STEPHEN SMITH

DR. PAUL TEAGUE

MR. GREER TIDWELL, JR.

MR. TOM VORHOLT

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MR. BRUCE SHUPP: Let's get moving toward your seats, please. Okay. All right. I want to welcome all of the returning members to the second term of the TVA Regional Stewardship Council and certainly want to welcome our four new members. We're going to get a chance to go around and introduce ourselves in a moment. I also want to welcome the TVA staff, good to see you-all again.

And if there's any members of the public here that are going to speak tomorrow at the public comment section, I want to remind you that you need to sign up at the desk in the lobby to speak tomorrow in the comment section.

A little housekeeping, the restrooms, when you go looking for them, you might find them hard to find. You go out through the vestibule and there's a little door to the right, a little hallway to the right, they are on the right-hand side going in.

I think what we will do next is start the introduction phase. I would like everybody to -- no more than two minutes to tell us who you are and what you do and what you're looking forward to as --

25 in your role on the second term Council. We will

1 start with Austin Carroll.

2 MR. AUSTIN CARROLL: Thank you. My
3 name is Austin Carroll. I'm the general manager of
4 Hopkinsville Electric System in Hopkinsville,
5 Kentucky. I think I am one of the four
6 distributors -- TVA distributors represented on the
7 Council.

8 I've spent all my life in the Valley.
9 I have a very keen interest in seeing the vitality of
10 the Valley continue in terms of not only economic
11 development but in terms of natural resources. And
12 then I'm interested on behalf of the constituents
13 that I represent in Hopkinsville and in Kentucky on
14 this Council.

15 MR. LEE BAKER: My name is Lee Baker.
16 I'm general manager of Newport Utilities. I'm one of
17 the distributors that Austin referred to. And I will
18 save some of my time for Phil, I know he will need
19 more time, but everything Austin said is the same as
20 what I would say.

21 I represent my constituents and the
22 people that pay the rates in the Valley and have
23 enjoyed serving up to this point and look forward to
24 your chairmanship and your guidance.

MS. JULIE HARDIN: My name is Julie

1 Hardin. I have lived in Knoxville approximately 30
2 years. I think I am here on this Council because of
3 my role on the Foot Hills Land Conservancy. And my
4 issues of true concern are public lands and quality
5 of air in our area. Thank you.

6 MR. JIMMY BARNETT: I'm Jimmy Barnett.
7 I won't deviate from my expression from the first
8 time when I introduced myself, I'm a river rat, and
9 proud of that particular thing. I also represent a
10 TVA distributor and have a multi-utility, electric,
11 gas, water, and waste water. So I take water out of
12 the river and put it back cleaner than I take it out,
13 Kate. The things I have to say would be the same
14 things that Austin and Lee have already said, so I
15 will leave it at that.

16 MR. PHIL COMER: Well, I see they have
17 left me plenty of time. My name is --

18 MR. THOMAS GRIFFITH: You don't have
19 to take it all.

20 MR. PHIL COMER: Huh?

21 MR. THOMAS GRIFFITH: You don't have
22 to take it all.

23 MR. PHIL COMER: Okay. I won't. My
24 name is Phil Comer. I'm retired. I'm a native of

25 East Tennessee. I live in Dandridge, Tennessee on

1 Douglas Lake two months of the year and am interested
2 in all aspects of TVA and particularly this new set
3 of agendas that we have for today. I need to learn a
4 great deal about TVA's land management policies and
5 practices and I look forward to that. Thank you.

6 MR. KARL DUDLEY: My name is Karl
7 Dudley. I'm general manager of Pickwick Electric
8 Co-op in Selma, Tennessee. We serve parts of four
9 counties in Southwest Tennessee and a few folks in
10 Northern Mississippi.

11 In our area is Pickwick Lake, one of
12 the most beautiful lakes on the system, we think.
13 And our partnership is a little bit different from
14 the municipals in that we are a corporation owned by
15 our members distributing TVA power. This partnership
16 has continued for almost 67 years.

17 We look forward to improving this
18 partnership and definitely to continue it. We think
19 TVA is doing a good job and we would like to be a
20 part of any improvements we can make to it. It's a
21 privilege also to be with such a distinguished group.
22 I'd like to say thank you for the opportunity to be
23 here.

24 MS. MICHELLE MYERS: Good morning. My

25 name is Michelle Myers. I live on Lake Barkley,

1 which is Western Kentucky. I represent over 300
2 marinas from Tennessee through the Tennessee Marina
3 Association and approximately 150 marinas in Kentucky
4 through the Kentucky Marina Association. Thank you
5 for having me. I look forward to my time on this
6 committee.

7 MR. GREER TIDWELL: Good morning. I
8 am Greer Tidwell. I serve as the director for
9 environmental management for Bridgestone/Firestone.
10 So I actually make something for a living, the tires
11 that run us up and down the road.

12 I'm also a father of two and another
13 one on the way December 12th, and that's why I'm
14 committed to serving on this Council and honored to
15 do to among this group of people.

16 MR. ED WILLIAMS: I'm Ed Williams.
17 I'm a retired Circuit Judge, still do some mediation,
18 but mostly I do conservation volunteer work, which I
19 have been doing for the past 30 years, mostly
20 middle-of-the-road conservation organizations for you
21 economic development people. And my father was also
22 an economic person representing Johnson City for 20
23 years. But I have been on the -- I guess various
24 statewide boards since the early 1970's. Most

25 recently I chaired the Forestry Commission of

1 Tennessee. I've been on the National Park Foundation
2 Board, the Nature Conservancy Board, and some others.

3 And I'm sorry, that was a two-fold
4 question, tell what you're interested in. I'm
5 interested in sustainable development and the natural
6 resource issues.

7 MR. BILL FORSYTH: I'm Bill Forsyth.
8 I'm the North Carolina representative as a governor's
9 appointment, but I also happen to be a power
10 distributor. I'm chairman of Murphy Electric Power
11 board. My day job is economic developer for Cherokee
12 County, North Carolina.

13 MS. MILES MENNELL: I'm Miles Mennell.
14 I'm director of the Association of Tennessee Valley
15 Governments, and we represent all of the counties and
16 municipalities in the seven state TVA region. And
17 our interest in serving on this Council is to protect
18 the interest of local governments and especially the
19 benefits that accrue to us from TVA.

20 MR. THOMAS GRIFFITH: I'm Thomas
21 Griffith. I'm the mayor in Amory. As Bill, I'm a
22 governor's appointee on this board. I have served
23 the people in Amory as their mayor for the past 25
24 years. My concern is the economic development of our

25 area, as well as the quality of life development

1 there.

2 I am proud to be a part of this board.
3 I'm genuinely supportive of TVA. I think that it's
4 very, very important to have reliable electricity at
5 a reasonable cost, and I'm proud to be a part of this
6 board and to this distinguished group. Thank you.

7 MS. JACKIE SHELTON: I'm Jackie
8 Shelton, a governor appointee for the State of
9 Virginia. I'm a native from Virginia, however, have
10 lived in New York, California, and moved back to
11 Virginia from California to retire. And I'm new a
12 member. I'm pleased to be here.

13 And how best I can answer you why I'm
14 here personally, I am a great advocate for the person
15 who feels like perhaps they are not being heard, and
16 I hope that I can channel your voice to them. Also,
17 our interest in the Tennessee Valley Authority, we
18 moved back here because of the beauty of the area and
19 it's imperative to us that we see that we are
20 steward -- good stewards of the beauty that we have
21 surrounding us, particularly in the Virginia,
22 Tennessee, Kentucky areas. Thank you.

23 DR. PAUL TEAGUE: I'm Paul Teague.
24 I'm a has been and really a nobody. What I do is

25 nothing.

1 MS. JULIE HARDIN: Play golf.

2 DR. PAUL TEAGUE: No. The game I
3 play, I'm not good enough to call it golf. I hit
4 that little white ball.

5 But I had the pleasure of being on the
6 board for the last two years, and I want to thank TVA
7 and their staff for educating me. Like Barnett, I'm
8 a river rat, raised on the river, presently live in
9 the middle of Kentucky Lake, middle being halfway
10 between Paducah and Pickwick. I was recommended by
11 Congressmen Ed Bryant to be on this board.

12 What am I interested in? I am
13 interested in seeing that TVA survives, and that's
14 not really a small task, as most of you know. My
15 recommendations to TVA has been things that I think
16 it will take for TVA to survive; and that is, be more
17 representative to the people up and down this lake.

18 And I guess I represent the unheard or
19 people that feel like their voice has been left out,
20 the regular, as I call them, Joe six-pack. So it's
21 been a pleasure. I appreciate my education, and I
22 hope I can contribute in the future.

23 DR. KATE JACKSON: I'm Kate Jackson.
24 I'm the executive vice president of river system

25 operations and environment with TVA and the

1 environmental executive. I manage all of the water
2 related activities for TVA, including flood control,
3 navigation, hydropower, water quality, also all
4 public lands.

5 I'm also responsible for the
6 establishment of environmental policy and strategy
7 for the Agency and all of the R&D, all the research
8 and development for TVA.

9 I am the designated federal officer
10 for the Council, and I will be the one who is
11 responsible for being the liaison between you and
12 your advice and the Board of Directors. And so I
13 will take what you give to us and take it to the
14 Board and represent that and then, you know, bring
15 their issues back here. And I will talk in a minute
16 about how glad we are you're all here. We're glad
17 you're all here.

18 MR. BRUCE SHUPP: I'm Bruce Shupp.
19 I'm very proud to be chair again for a second term of
20 the Council. I'm very impressed with the people and
21 the performance of the people on the first term of
22 the Council, and I'm very proud to be with you again.

23 I think we have a very, very high
24 learning curve among this group because I think when

25 we did this the first time it took us about an hour

1 and a half to get around the table, and this is
2 outstanding. I mean, we're done before we started on
3 our agenda.

4 I'm a fisheries biologist by training.
5 I work for ESPN B.A.S.S. ESPN bought B.A.S.S. a few
6 years -- last year, a year and a half ago, and my job
7 with them is to work with agencies on research
8 management issues. And I guess you could call me a
9 sport fishing advocate, that's what I do for a
10 living.

11 With that, it completes -- do you want
12 to introduce yourself, Dave?

13 FACILITATOR DAVE WAHUS: My name is
14 Dave Wahus. I will be facilitating your meeting. My
15 purpose is to help you manage your time and be
16 successful. So anything that I can do to assist you
17 either during the meeting or during a break or
18 whatever, please let me know. If you succeed, then I
19 have succeeded. If you don't, then I have not. So
20 I'm here to help you complete your tasks over the
21 next two days.

22 MR. BRUCE SHUPP: At the end of the
23 table is Kim, our loyal transcriber who has been with
24 us through the first Council, we're glad to have you

25 back. And Paul, who runs our audio/visual equipment,

1 thank you very much, good to have you back, too.

2 With that, Dave, would you like to go
3 over the agenda for the day?

4 If you would open your notebooks to
5 the first page, you will see the agenda. I am just
6 going to run down it very quickly. If any of you
7 have questions on any part of it as we go through it,
8 please let me know.

9 In a few minutes we're going to hear
10 from Kate Jackson and Barry Walton on the -- on what
11 we're about for the second term of the Council.
12 Following the break, I will introduce the public
13 reservoir lands management questions and we will talk
14 about that for a little bit.

15 Following that we will have a regional
16 or a panel that will present the regional points of
17 view on public lands. We are fortunate that we're
18 going to have the Forest Service, the National Park
19 Service, the State of Tennessee, the State of
20 Alabama, and U.S. Army Corps of Engineers will be
21 making presentations and telling us a little bit
22 about how -- what their authorities are for land
23 management and how they go about managing lands.

24 Following their presentations, we will

25 have about a 30-minute time period that you can ask

1 them questions and enter into dialogue with the
2 presenters. We will take no questions following each
3 presentation, but you can talk with them and enter
4 into dialogue following their presentation.

5 At lunch, we will have lunch in Salon
6 C, and following that Bridgette Ellis will do a
7 presentation on TVA's public land reservoir -- or
8 public reservoir lands.

9 At 2:00 we will talk about the meeting
10 format, particularly the discussion guidelines for
11 obtaining your views and advice on TVA's questions.
12 Following a break, we will get into and start
13 discussing the first of the three questions.

14 And as I allude to the questions, the
15 questions are directly behind the agenda in your
16 notebook. So if you're looking for the questions, it
17 should be the third page as you open up the -- those
18 are the questions that we're going to be talking
19 about.

20 We will spend about two hours and 15
21 minutes on the discussion. And we will be stopping
22 this afternoon about 5:00. Dinner will be, again, in
23 Salon C at 6:30. Tomorrow morning I would remind you
24 that breakfast is on your own. If you're checking

25 out of the hotel tomorrow, if you're not staying

1 tomorrow night, then you might want to check out of
2 your room before you come to the meeting.

3 We will adjourn -- rather we will
4 convene at 8:30. At 8:45 we will continue the
5 discussion on the questions. And following the
6 break, we will work on the last question. Hopefully,
7 we will be at the point where we can be able to
8 finish up the questions by 11:00.

9 Public comments are scheduled for
10 11:00 tomorrow morning for a one-hour period, and
11 this is the time where the public is invited to come
12 in and give their opinions on the issues at hand.

13 Following lunch and following the
14 public opinions, we will confirm the response to your
15 questions. Prior to the public comment period we
16 will develop tentative responses to each of the
17 questions. Then you will have an opportunity to
18 listen to the public. Then we will come back and
19 visit those tentative responses so that you can make
20 any modifications or you can reaffirm what your
21 comment or your position might be on -- in response
22 to the questions that TVA has posed.

23 At 1:20 we will hear a closeout from
24 the first-term Council recommendations. If you

25 recall, those of you that have been on the Council

1 during the first term, you gave some recommendations
2 the last time you met and now TVA is going to respond
3 to those recommendations, much as they have done in
4 the past when you gave them recommendations. So
5 that's what that last item on the agenda is.

6 There will be a few closeout issues,
7 and then we will adjourn at approximately 3:00
8 tomorrow afternoon.

9 Are there any questions or comments on
10 the agenda? Thank you.

11 MR. BRUCE SHUPP: W. C., welcome.
12 Would you introduce yourself to the Council and new
13 members, please?

14 MR. W. C. NELSON: I'm W. C. Nelson.
15 I'm from Blairsville, Georgia. I represent Georgia.
16 I live in the mountains, and we have two or three
17 lakes there in North Georgia we're very interested
18 in.

19 MR. BRUCE SHUPP: And another one.
20 Stephen, introduce yourself. We just went
21 roundtable.

22 DR. STEPHEN SMITH: Good morning. My
23 name is Stephen Smith, Executive Director of the
24 Southern Alliance for Clean Energy.

MR. BRUCE SHUPP: Thank you. Okay.

1 Remember at the exit meeting of the first-term
2 Council we talked about how much we enjoyed serving
3 on the Council but everybody said, well, the time we
4 put into it was a little excessive. We would love to
5 serve again, but if we could cut down on the amount
6 of time and input we have to devote to the Council,
7 it would be very helpful.

8 Well, TVA responded to those concerns,
9 and Kate Jackson, and Barry Walton, TVA's general
10 counsel, are here to explain how they perceive the
11 new Council addressing the issues they would like us
12 to tackle.

13 Kate.

14 DR. KATE JACKSON: Thank you. First
15 of all, I want to welcome everyone. We are delighted
16 that you are all back. We love the continuity that
17 there are so many of you who felt that it was a
18 worthwhile investment of your time, and I realize it
19 was a lot of time last time around, to come back
20 again. And we're delighted with those of you who are
21 new members to bring us some, you know, fresh
22 perspectives and new ideas in a slightly different
23 dynamic potentially.

24 I would also really like to thank

25 Bruce for agreeing to be the chair. Bruce has a long

1 career in public involvement and a wonderful
2 knowledge of the natural resources and wildlife
3 issues and is very well respected in the professional
4 community. And we talked with many of you and many
5 other folks to check on whether or not you-all felt
6 that Bruce would be a wonderful chair to continue,
7 and we're delighted that he's agreed to do that. He
8 does a wonderful job, as you all know.

9 However, he has agreed on one
10 condition, which is that we appoint a vice chair just
11 as we did with an alternate Designated Federal
12 Officer, in case he's not here at some point or has
13 to come late or leave early. And so we will -- in
14 short order, the Board will appoint a vice chair. We
15 haven't determined who that will be, but we will get
16 working on that quickly, I promise.

17 It's the Board's preference that
18 during this next round of the Council that we focus
19 on issues of regional management of our resources.
20 And so what we're doing is this first meeting on
21 public lands is sort of the first step in that. We
22 have also heard your concerns, pardon me, that many
23 of us have alluded to with respect to let's not have
24 subcommittee meetings, let's not have a slew of

25 meetings in between.

1 In addition, if you will -- many of
2 you will recall the water quality discussion we had
3 wherein you voiced a desire to discuss issues that
4 TVA has a very large regional stake and role in but
5 not the only role and that we look for a vehicle to
6 be more inclusive with others who contribute to that
7 role, and you will see that reflected on the agenda
8 today with the other folks who are going to come and
9 talk about public lands management, their roles,
10 their missions, and how they accomplish their work.

11 In addition, you-all requested that we
12 think of ways to expand the scope of inclusion of
13 your constituents and use your ability to both enrich
14 the debate with a -- more interactive with
15 constituents' views but also provide a vehicle for
16 more inclusion of those issues around this table.
17 And that's why we have started the format of sending
18 out specific questions which will focus the areas in
19 which we want advice and views but also provide you
20 fairly clear guidance with respect to the kinds of
21 things we're interested in hearing from you and your
22 constituents ahead of the meeting so that you have a
23 week or two to begin to wrestle with some of those
24 issues with the folks that you-all are involved with

25 and represent here. And so we're hoping that that

1 works, and, you know, clearly we can talk about that
2 as we move on.

3 We're planning to do fewer meetings,
4 no more than four or five over the next 18 months.
5 And what we wanted to do was have longer meetings
6 where we get more of your attention, that by the end
7 of that meeting you provide us the advice and views
8 on those specific areas of concerns with TVA and then
9 we won't have in-between work and then we will have
10 the next meeting.

11 We're not exactly sure what all those
12 topics will be. The ones we have talked about
13 internally are water supply and recreation and
14 reservoir public lands. Depending upon whether or
15 not we think we have chewed on this issue today
16 enough will determine whether or not we will add
17 other topics as we go forward.

18 Another very interesting topic to us
19 is issues of transportation, recognizing that
20 navigation is important, although not particularly
21 volubly valued by the public and the region, and so
22 that's kind of an issue that we would maybe want to
23 talk about.

24 The other thing that we are looking

25 for is a vehicle to contain costs. The last two

1 years of the Council were obviously expensive. We
2 want to get your views but do it in a way that gets
3 the very most value for every dollar that -- of TVA's
4 ratepayer money that we spend.

5 This first meeting is going to focus
6 on the topic of TVA's public reservoir lands. It's
7 certainly, as I mentioned a moment ago, an issue that
8 TVA plays a very important role in, but we don't own
9 all the land in the Valley.

10 As you will hear later today, much of
11 the land that we do hold is a tiny little thin strip
12 that goes around the reservoir. So the issues of how
13 we can use that land in ways that benefit and value
14 the public are very important to us, recognizing that
15 as more people move to the valley, as development
16 happens, excuse me, we are going to have growth. And
17 so the issue is how we manage that growth and how we
18 wield those land assets as assets in that growth
19 process and your views on that are very important to
20 us.

21 In order to create a really accurate
22 picture of how our responsibilities contribute to
23 that regional network of all the lands, we have
24 invited representatives, and some of them are sitting

25 back there, to speak with you. You see on the agenda

1 who those folks are. We work in combination with
2 other -- both state and federal and local entities to
3 be able to leverage the land that we have, the
4 policies that we have, and the way we operate those
5 land-based assets, and so that connection is very
6 important.

7 We have been working with Bruce and
8 Dave to develop a meeting process to accommodate a
9 more directed focus on big issues, and Dave will talk
10 to you a little bit more about how we're going to
11 shift from the required consensus. In the last
12 Council meeting, series of meetings, we worked very
13 hard and we encouraged you strongly to reach
14 consensus and we all struggled with that, as you
15 know. We're going to step back from that. We would
16 very much like to have consensus-based views and
17 advice from you-all.

18 However, we don't want you to get
19 bogged down and agonize over trying to get every word
20 that every single person agrees to. We will allow,
21 in some cases encourage if we are getting -- slogging
22 through issues too slowly, to have dissenting views.
23 So you can have advice with dissenting positions,
24 that's acceptable to us.

We really don't want the

1 recommendations -- and many of you used this term
2 last Council series, the lowest common denominator
3 advice. What we really want is what you think,
4 specific.

5 My role will be to interpret the
6 questions that we provide to you and provide
7 clarification where I can and then communicate your
8 views and advice back to the Board of Directors.

9 The other important shift in this
10 format is the public comment section. It's important
11 that the Council meeting continue to serve as that
12 forum of communication and obtaining views from
13 stakeholders in the communities. And I think that
14 it's very important that you-all continue your
15 responsibility that you have determined for
16 yourselves, to incorporate those public opinions and
17 the concerns that get raised or the issues into the
18 advice that you provide TVA.

19 However, it is our expectation this
20 series that those public comments will influence and
21 evolve your perspectives on these questions
22 specifically, as opposed to having the Council be
23 very reactive to specific issues that are maybe
24 tangential to the questions that TVA has asked.

And so rather than being reactive to

1 specific issues that are not exactly aligned with the
2 Council meeting topic or the questions, what we would
3 prefer is to have the public make comments about the
4 meeting topic concerning the questions and have that
5 input evolve your view. And there may be issues with
6 that as we move forward.

7 DR. STEPHEN SMITH: Kate, can I ask a
8 clarifying question?

9 DR. KATE JACKSON: Sure.

10 DR. STEPHEN SMITH: So if somebody
11 from the public brings up an issue that is, in your
12 words, tangential, what is your -- I mean, are you
13 going to just basically listen to them, thank you
14 very much, and see you?

15 DR. KATE JACKSON: No. What our
16 intention is, is to have any comment that is brought
17 forward to be recorded, be counted, and be filtered
18 to the appropriate organization or appropriate policy
19 process.

20 For example, if people come today to
21 speak about combustion turbines, we will provide --
22 record those comments, and then we will provide those
23 to the appropriate operating organization. I don't
24 expect that particular one to happen, but there might

25 be other examples.

1 So, no, we will record them. We will
2 use them as we are making decisions in processes, but
3 we don't anticipate, nor do we look for the Council
4 to take up an issue that is not an issue that we have
5 asked you to take up in this Council meeting to
6 address that and we provide us advice on that.

7 DR. STEPHEN SMITH: If there are
8 issues that are coming up that members of the public
9 are approaching members of the Council about, both
10 through e-mail and also through public sessions, is
11 it -- are you saying that it is or is not appropriate
12 for the Council members to request TVA to engage
13 those issues at the Council?

14 DR. KATE JACKSON: It is certainly
15 appropriate for you to request us to engage those
16 issues. We will not engage those issues.

17 DR. STEPHEN SMITH: Okay. So you're
18 saying it is possible to request --

19 DR. KATE JACKSON: To establish
20 another meeting that maybe isn't a topic that we had
21 first considered, we certainly can discuss that. We,
22 however, have some specific ideas for things that we
23 want to get out of this next 18 months with the
24 Council. If we want to add to that, we will have to

25 think about how we do that, how that fits.

1 Yes?

2 MR. BRUCE SHUPP: Let me interrupt you
3 a second, Kate.

4 DR. KATE JACKSON: Sure.

5 MR. BRUCE SHUPP: I notice that on
6 your agenda, at 2:00 we left about 20 minutes, and it
7 will probably be more than that, we will probably
8 have more time than that to discuss the operational
9 strategies that Stephen was getting at.

10 And the reason we put it down there is
11 we thought that after you hear Kate and Barry talk
12 about their hopes for the Council in this second
13 term, and then you hear the presentations on the land
14 use management policies from the other agencies, that
15 we have that discussion about, is this the right way
16 for us to go, prior to us getting involved in the
17 discussion period.

18 So that's what we -- if you're having
19 questions about, is this the way we want to operate
20 or are we sure we're going to do this, hold that for
21 that 2:00 session, and we will have plenty of time --
22 we will take plenty of time to air out all of your
23 thoughts on that.

24 DR. KATE JACKSON: Okay. So now what

25 I would like to have Barry Walton do is talk a little

1 bit about kind of the FACA machine, Federal Advisory
2 Committee Act machine, the bounds that we have on the
3 charter and sort of some more technical issues with
4 respect to how the Council works.

5 MR. BARRY WALTON: Good morning.

6 DR. PAUL TEAGUE: Kate, I haven't
7 noticed, and I may have missed it, but I see nowhere
8 in here that says anything about this from last time,
9 this 10 or \$12 million thing that they're reviewing,
10 that you bring us an update on that or tell us where
11 it stands or what's going on.

12 DR. KATE JACKSON: That's the
13 reservoir operations study, which is ongoing, and has
14 been since about October of last year. The advice
15 that the Council gave was for us to establish a
16 public review group to sort of provide guidance and
17 public overview of that reservoir operations study
18 and have that be separate from the Council.

19 We do not intend to bring those issues
20 into this Council. There is a set of public folks
21 that we have put on a public review group, and those
22 folks are participating with TVA in that. I
23 encourage you to -- you know, if you want specific
24 information about that, you can call Dave Nye, who's

25 the program manager, he was in here in the last

1 Council you will remember, to talk specifics with him
2 or talk with the public review group members and get
3 information that way. We intend for this Council to
4 be separate from the reservoir operations study
5 public review group.

6 DR. PAUL TEAGUE: You know, I thought
7 we were part of the cause that propagated --

8 DR. KATE JACKSON: You were part of
9 the cause that propagated that, that's right.

10 DR. PAUL TEAGUE: Therefore, if we
11 were the part that propagated it or started it or got
12 it started, why should not we be filled in as a part
13 of this Council?

14 DR. KATE JACKSON: My feeling was the
15 public review group was providing that vehicle for
16 public input, and if you will, kind of council like
17 oversight on that process. I would prefer us to
18 focus on the things looking forward to get views and
19 advice on -- that we care very much about. We're
20 working on that process. We're investing an enormous
21 amount of time and energy on that. We can talk about
22 that though.

23 DR. PAUL TEAGUE: Thank you.

24 MR. BRUCE SHUPP: Barry.

MR. BARRY WALTON: Okay. Good

1 morning. On a web site what I'm about to say is
2 usually in a little box called legal stuff. Those of
3 you first termers have heard this before. I went
4 back over my notes from March 2000, and the law has
5 not changed, so my message is not changed.

6 One of the ways that federal agencies
7 interact with the public is through advisory
8 committees. The Regional Resource Stewardship
9 Council is an advisory committee established and
10 chartered under the Federal Advisory Committee Act of
11 1972.

12 This Act is often thought of as
13 encouraging public participation, which it does, but
14 what motivated Congress to pass that statute was a
15 desire to control the myriad of councils and
16 committees and commissions that federal agencies were
17 establishing and which Congress felt were more or
18 less out of control.

19 The concerns that were expressed at
20 the time and are reflected in the legal requirements
21 that this Council is subject to were -- had to do
22 with secrecy, wastefulness, unbalanced
23 representation, and a perception that in some cases
24 council committees were actually supplanting federal

25 officials in decision-making.

1 The secrecy aspect of it is -- was
2 addressed with a number of requirements. All of your
3 meetings have to be open, open to the public. All of
4 the meetings have to be noticed in advance in the
5 Federal Register. Your minutes and records of the
6 Council are open and available to the public. And
7 we, of course, go beyond that, as we did in the first
8 term, we actually keep a verbatim transcript of the
9 proceedings and make that available on our website.

10 Wastefulness was -- well, it's not of
11 your concern, it was of TVA's concern in establishing
12 the committee. An advisory committee can only be set
13 up if the agency certifies that it's essential. It
14 can only be set up if an agency certifies that it
15 does not duplicate the work of other advisory
16 committees or other bodies that aren't advisory
17 committees.

18 And the charter is limited to two
19 years and cannot be extended unless you make those
20 findings again. And the agency can't do it itself.
21 The agency under the Advisory Committee -- Federal
22 Advisory Committee Act, you must get the approval of
23 the General Services Administration. We must notify
24 our jurisdictional committees in Congress. And under

25 executive order of the original establishment of the

1 Council, although not for its extension, we had to
2 get the approval of the Office of Management and
3 Budget.

4 Balance is another issue that is
5 addressed FACA, as it's called, Federal Advisory
6 Committee Act, and the provision is that the
7 membership must be fairly balanced in terms of the
8 points of view -- of the points of view represented
9 and the functions to be performed.

10 And our Charter, and then the way we
11 implemented our Charter in making recommendations to
12 the Board on your appointments, involve going to, as
13 you know, of course, to the seven governors of the
14 states and asking each of them to nominate an
15 appointee, that was actually in the charter.

16 And then we also went to various other
17 organizations of our distributors and the -- well,
18 maybe I do better just on reminding you of what's in
19 the Charter, a broad range of diverse views and
20 interests, including recreational, environmental,
21 industrial, business, consumer, educational, and
22 community leadership.

23 The other concern of Congress had to
24 do with supplanting the proper role of federal

25 officials, and they addressed that by two things.

1 One is just by law they provided that the
2 recommendations of an advisory committee are purely
3 advisory and that federal agencies are forbidden from
4 allowing an advisory committee to actually make
5 decisions that the federal agency by law should be
6 making itself.

7 The other thing -- the other way
8 Congress addressed that is by placing extraordinary
9 powers in the person of the designated federal
10 official. An advisory committee can only meet, can
11 only function with the designated federal official
12 present, or she can then have her own designee, of
13 course. The meetings can only be called by the DFO.
14 The DFO can adjourn a meeting at any time. Under our
15 Charter the chair can -- with the consent of the
16 Council can adjourn a meeting, but the DFO can just
17 adjourn a meeting just on her own.

18 DR. KATE JACKSON: It's the first time
19 I have ever had extraordinary power there.

20 MR. BARRY WALTON: Extraordinary
21 power. Let's see. The agenda has to be approved by
22 the DFO. Our Charter added that the -- it also --
23 the agenda requires the approval of the chair, so
24 it's a joint effort.

Okay. The Charter itself, and I'm not

1 going to talk much longer, the Charter itself is
2 something I encourage you-all to read and read again,
3 read every once in a while.

4 As you wrestle with what it is TVA
5 wants from you, the end of the first paragraph is
6 where to me it gets down to the nugget, that we're
7 asking for advice on TVA's stewardship activities and
8 the priorities among competing objectives and values.
9 And these stewardship activities include the
10 operations of dams and reservoirs, responsibilities
11 for navigation and flood control, and the management
12 of the lands in its custody, water quality, wildlife,
13 and recreation.

14 Just one other thing. You will see as
15 you look at the end of the Charter a paragraph on
16 conflicts of interest. Let me say that there's
17 basically two types of advisory committees. One type
18 is where expert opinion and expert advice is needed,
19 such as when the Federal Drug Administration -- Food
20 and Drug Administration convenes a committee to
21 evaluate a proposed drug.

22 It's very important in that case, of
23 course, that the advice of those scientists be
24 independent and that they not be on the payroll of

25 the drug companies who are supporting -- sponsoring

1 the drug.

2 What we have here is a representative
3 advisory committee. As we say in our -- in the
4 Charter, the members shall be considered
5 representatives of the group, organization, or other
6 entity that was identified when the appointment was
7 made. This is good for you. This simplifies your
8 life because it means you're not subject to the
9 Ethics and Government Act.

10 If you were the other type of advisory
11 committee, you would be basically special government
12 employees, but you are not, you're just
13 representative members. So you don't need to worry
14 about conflict of interest.

15 In fact, it's not a conflict. You are
16 encouraged, we want you to be in touch with your
17 constituencies, the groups that you represent, and to
18 be able, as you bring your own views, to form your
19 own views in light of your group's interest.

20 And I think that's all I've got. Oh,
21 if that just -- if any of that got you interested in
22 hearing more instead of interested in hearing less, a
23 good place to start is on the TVA web site the
24 stewardship council page, I think near the bottom of

25 that opening page there's a link to the Federal

1 Advisory Committee Act, and that takes you to the
2 general services administration web site on FACA.
3 It's got legal opinions, guidance documents, sample
4 charters, all kinds of things that if you would just
5 like to read about that sort of stuff for fun, it's a
6 great place to go.

7 And another thing you can do if you
8 have questions on any of this, I would say -- I
9 assume you have set up Sandy Hill as the normal
10 contact with any kind of questions about your travel
11 or anything else, just get your questions to her, and
12 then Sandy will talk to Kate and decide which of us
13 is the best person to answer your question. And if
14 it's me, I will be happy to get back with you and
15 work with you.

16 Are there any questions right now on
17 this sort of thing?

18 Well, it's good seeing you guys again
19 and it's good seeing you new folks.

20 DR. KATE JACKSON: Thank you, Barry.
21 I want to introduce Skila Harris, one of TVA's
22 Directors, and I'd like to give her an opportunity to
23 say something if she would like to.

24 DIRECTOR SKILA HARRIS: I just came

25 over for a bit this morning. I'm going to stick

1 around and hear a little bit of the first part of
2 your inaugural meeting of this second Council.

3 For those of you-all who are repeat
4 offenders, I want to thank you very much for, number
5 one, the contribution of your time and effort during
6 the first council. You have kept us busy. I think
7 you have really made a difference in terms of the way
8 the Board is thinking about different questions that
9 you-all wrestled with the first Council.

10 You sent us back to the drawing board
11 on a couple of things. You have launched a huge
12 effort through your recommendations of our reservoir
13 operations study. I think that was an excellent
14 recommendation. I know that that process, I believe,
15 is going well.

16 The new Council, in its reconfigured
17 form, has some equal challenges to the first Council.
18 The issues that you are going to be dealing with are
19 issues that are very important to the people of the
20 Tennessee River Valley, and we welcome whatever
21 guidance and suggestions that you-all have for us.

22 This is not easy work, as most of
23 you-all who have already served one term will tell
24 people. We have tried to listen to your suggestions

25 about how to make this second Council a bit easier to

1 take maybe, and we're hoping that you believe that
2 it's time -- your time well spent. We certainly
3 believe it's time well spent from our end, and we
4 hope that for each of you-all it's time well spent.

5 So, again, thank you for your service.

6 I look forward to working with you throughout this
7 two-year period, and I think there are going to be
8 good things to come out of it. And if you have any
9 questions, I know, and Phil can attest to this, I
10 think -- no, you, Phil. Phil can probably attest to
11 this. I think you were highly skeptical that the
12 Board would ever really listen to this Council, and I
13 think that we have proven that this is a very
14 important component of our decision-making process in
15 these areas.

16 So we listen to you, we want to hear
17 from you, and it's valuable to us in guiding us
18 through some very complicated issues with a lot of
19 conflicting points of view, and that's what this
20 forum is for.

21 I want to thank everybody here, and I
22 will just sit for once quietly back here for a little
23 while and listen to your proceedings.

24 Thank you.

DR. KATE JACKSON: Thank you, Skila.

1 MR. BRUCE SHUPP: Any other questions
2 for Kate?

3 DR. PAUL TEAGUE: I would like to say
4 to Skila that I personally, and I think the Board as
5 a whole, compliments you and McCullough, because
6 that's who it was the other time, for being open
7 minded, and I think that's all we asked of our
8 recommendations, that you people be open minded and
9 we -- I think all of us feel that you people truly
10 had an open mind and did listen. Therefore, I think
11 that our two years were worth the effort that we put
12 into it.

13 DIRECTOR SKILA HARRIS: Well, let me
14 respond to that. It's easier to be open minded when
15 you're getting good advice. And I think that the
16 advice and suggestions that you gave to us were very
17 high quality, so that has a lot to do with it.

18 Thank you for that compliment. I will
19 pass it along.

20 MR. BRUCE SHUPP: Thanks, Skila.
21 Thanks for coming too, appreciate it. I just want to
22 talk about symbols. We have symbols among us today.
23 I thought I ought to point that out to you. Some of
24 you may think that the fact that we all got one candy

25 instead of a dishful in front of us is an austerity

1 symbol. Well, it's not that at all. Kate assures me
2 that one candy each is a concern for our health and
3 it's not symbol of austerity.

4 Isn't that right, Kate?

5 DR. KATE JACKSON: And you will notice
6 it is mint.

7 MR. BRUCE SHUPP: It's mint, right, no
8 more fruit candies.

9 DR. PAUL TEAGUE: Hey, you can't
10 legislate morality.

11 MR. BRUCE SHUPP: We're going to move
12 ahead with the agenda and move up the bottom issues
13 ahead of the break. And Dave Wahus, our facilitator,
14 is going to introduce us to the challenging questions
15 on public lands management that we're going to look
16 at today.

17 Dave.

18 FACILITATOR DAVE WAHUS: Well, TVA has
19 asked the Council to respond to three questions. And
20 again, if you do not have the questions in front of
21 you, they are the -- it's the page immediately
22 following the second page of your agenda.

23 TVA has asked that they receive a
24 written response to each of these three questions.

25 We're going to -- as you see on the agenda, we have

1 some time and we will talk a little bit later about
2 how much time we will spend on each question. We
3 will talk about that at 2:00.

4 But Kate alluded to -- talked about
5 consensus. They would -- TVA would like the Council
6 to respond to the debate that you're going to have
7 this afternoon and that the results -- that there be
8 a consensus of the results. If every one of you
9 agreed with the response that you come up with and
10 you're fully behind it, that would be wonderful.

11 However, to avoid letting the goal of
12 consensus result in the Council getting bogged down
13 or adopting a least-common-denominator approach, if
14 the consensus is not obtainable in the time allotted,
15 then the majority and dissenting views will be
16 recorded and serve as the record of advice.

17 So we have a finite amount of time to
18 discuss these issues. And you, the Council, needs to
19 decide later as to how much time you want to allot to
20 each of the questions as we go through. Of course,
21 if you use less than the time that you allot we will
22 roll over to the next question and questions, but
23 rather than spending all of the four hours and 15
24 minutes on the first question and not getting to the

25 other two, we'll be asking you to -- later this

1 afternoon to identify as a group how much time you
2 actually want to spend.

3 I'm going to just briefly go through
4 the questions, each of the questions, if you have --
5 if you have any questions -- we're not going to try
6 to answer the questions at this point, but if you
7 have any questions as to what -- any issue as to what
8 they mean, this would be the time to raise that
9 issue.

10 The first question is the TVA Act
11 directs the TVA Board to make proper use,
12 conservation, and development of the natural
13 resources of the Tennessee River drainage basin for
14 all the general purpose of fostering an orderly and
15 proper physical, economic, and social development of
16 said areas.

17 And the question is: Does the way in
18 which TVA manages public lands remain responsive to
19 this directive?

20 It would be very easy for you to say
21 yes or no, but I have -- it's been very clearly
22 explained to me, and I will be happy to explain it to
23 you, they don't want a yes or no answer. So a yes or
24 no answer is a good introduction to whatever follows

25 and TVA would like some elaboration.

1 Jimmy?

2 MR. JIMMY BARNETT: Social
3 development, explain that one a little more.

4 DR. KATE JACKSON: That's a direct
5 quotation from the TVA Act. So if you think back to
6 1933 social development was, you know, worrying about
7 all of those interfaces with economic development and
8 getting people to work and increasing people's
9 incomes and educating folks and clothing folks. So
10 that's just a direct quotation from the Act.

11 And the issue with the TVA Act, the
12 beauty and the pain, is that it is interpretable and
13 it allows TVA to evolve, and that's one of the issues
14 that we talked a lot about at the last Council series
15 was the public's values and views and needs with the
16 resources in the Tennessee Valley have changed over
17 the last 70 almost years and so we need to evolve
18 with those. And what does that mean for the way we
19 manage the water resources or the way we manage and
20 use the public lands assets. So that's actually what
21 we want you to tell me.

22 MR. JIMMY BARNETT: I didn't know if
23 we were having a social club meeting or what.

24 MS. JACKIE SHELTON: Excuse me. Could

25 I ask you --

1 MR. DAVE WAHUS: Yes, Jackie.

2 MS. JACKIE SHELTON: Are you saying
3 the Council should define social activities --

4 DR. KATE JACKSON: No, not
5 necessarily.

6 MS. JACKIE SHELTON: -- or has TVA
7 defined them? Excuse me.

8 DR. KATE JACKSON: We will tell you
9 exactly during Bridgette's presentation the way we
10 manage and the guidelines and policies that we use to
11 manage those public lands assets and what we would
12 like for you to tell us, is that management
13 responsive to the Act or are there things that we
14 should be considering that we're not, are there
15 different priorities or weights that we should put on
16 some uses of land versus others, that's what we want
17 back.

18 FACILITATOR DAVE WAHUS: Any other
19 questions or comments?

20 Greer?

21 MR. GREER TIDWELL: Kate, I may
22 just -- I get the gist of it, but there's a reference
23 in here of, for all the general purpose of fostering,
24 and I couldn't make syntax out of that.

MR. BARRY WALTON: That's because it

1 should be all for.

2 MR. GREER TIDWELL: Okay. I was
3 worried that maybe something had been left out that
4 we --

5 MR. BARRY WALTON: I said, well, Greer
6 Tidwell is going to ask about that. Yeah, it's to
7 aide further the proper use, conservation,
8 development of the natural resources of the Tennessee
9 River Basin, and then some other things listed, all
10 for the general purpose of fostering an orderly and
11 proper physical economic of social development of
12 said areas.

13 And just let me -- can I talk a
14 little?

15 DR. KATE JACKSON: Would you?

16 MR. BARRY WALTON: Another way of
17 getting to the same issue is in the message that
18 Franklin Roosevelt sent to Congress recommending the
19 establishment of TVA. And his message said that TVA
20 should be charged with the broadest duty of planning
21 for the proper use conservation and development of
22 the natural resources of the Tennessee River Drainage
23 Basin and its adjoining territory for the general,
24 social, and economic welfare of the nation, that the

25 Authority should also be clothed with the necessary

1 power to carry these plans into effect.

2 I think the question is set up in a
3 way that it shows you that our mission is maybe not
4 as extraordinarily broad as the powers of the DFO but
5 still fairly extraordinary. It sets up a goal that
6 can never be fully achieved, that we can only aspire
7 for.

8 So in those -- as we set about trying
9 to reach the goal, we need to be informed always of
10 the current manifestation of the public interest, and
11 you can't do everything, where should the priorities
12 be? And so it's asking you -- the question is asking
13 you, what outcomes do you want -- you know, of this
14 broad goal what is your vision of what it looks like
15 for that goal to be achieved?

16 DR. KATE JACKSON: That's great.
17 Thank you.

18 MR. ED WILLIAMS: Can I ask what your
19 understanding of the interpretation of physical
20 development is?

21 MR. BARRY WALTON: I don't think we
22 have ever tried to parch those words and try to draw
23 it down from a -- that this word empowers this type
24 of activity and that word empowers that activity.

1 that were being talked about in 1933 were the
2 reforestation, the terrible erosion that was going
3 on, the flood control or the flood damage issues, and
4 the lack of navigation that led to -- that
5 contributed to the poor economic conditions.

6 FACILITATOR DAVE WAHUS: Any other
7 questions or comments?

8 Okay. We'll go on then to the --
9 during the last Council one of the procedures or
10 processes was that if someone wanted to speak and
11 identify that when someone else was speaking, if you
12 would just put your tent card up on end, I will keep
13 an eye on all of you and try to call on you in the
14 order that you wish to speak so you don't have to
15 wait until someone is done speaking to try to jump
16 in. Let us know whenever you want to speak and we
17 will be happy to -- so as we go through the
18 discussions or the process during the next day and a
19 half, if you could follow that procedure, we would
20 appreciate it.

21 Question No. 2: The TVA Act
22 authorizes the TVA Board to hold public lands and
23 trusts for multiple purposes, including generating
24 and transmitting electricity, economic development,

25 recreation, and natural resources management or

1 natural resource management. How should TVA quantify
2 the contributions of its management of multipurpose
3 land in the watershed?

4 Any questions or comments?

5 This is not a yes or not. This is
6 going to be --

7 MR. JIMMY BARNETT: How should TVA
8 quantify, I guess I'm asking, do you want an A, B, C,
9 or a 1, 2, 3, or a definition of, okay, what's good
10 and what's bad. I guess a I'm little confused on
11 what you mean by quantify.

12 DR. KATE JACKSON: And that's one of
13 the issues that we wrestle with continually. How do
14 you value the contributions that these land assets
15 make to the local communities, to the region, and to
16 the nation, and that's a very difficult question.

17 And so what we would like is your
18 views on how we should think about that. Is it
19 important to get things to a dollar value? Is an
20 acre of wetland priceless? How do we contemplate
21 that and what is the value of one kind of economic
22 development from those public lands over another and
23 how should we be thinking about that?

24 FACILITATOR DAVE WAHUS: Other

25 questions or comments?

1 The third question then, TVA actively
2 manages public lands, primarily using the reservoir
3 planning process, 26(a) permits in the shoreline
4 management policy. And here we have a two-part
5 question.

6 1 or A: Are the lands planning
7 processes that TVA uses understandable and effective?
8 And again, they want more than just a yes or a no.
9 And then second: Are there other land management
10 models that would be more effective for TVA?

11 So they're looking for any advice or
12 thoughts that you might have there.

13 Any questions?

14 Jimmy?

15 MR. JIMMY BARNETT: Another question.
16 Are there other land management models that would be
17 more effective for TVA, I have no earthly idea. Are
18 you going to give us any information about other
19 models that might be out there?

20 DR. KATE JACKSON: Well, I will
21 address two things. One is there are folks back
22 there who will speak to that, to their models, and
23 the other is that Bridgette will talk about the
24 models that we use.

MR. JIMMY BARNETT: Okay.

1 FACILITATOR DAVE WAHUS: The panel
2 this morning will talk to some of those questions.

3 Yes, sir.

4 MR. ED WILLIAMS: One of the things in
5 public land management is the expansion of that land
6 management beyond the bounds of ownership, i.e.,
7 conservation easements along riparian corridors and
8 things of that nature. Is that part of the
9 discussion and process, I would hope so, where
10 ecosystems and different types of corridors that are
11 now ecologically accepted as being management units
12 as opposed to the old fashioned county lines, et
13 cetera.

14 DR. KATE JACKSON: And we will talk
15 about where we do some of that. We probably don't do
16 as much of it as some other institutions do that have
17 that as their core mission with respect to gaining
18 conservation easements over large pieces of property,
19 but we do use some of that. We also use lots of
20 technical advice that facilitates others using that
21 kind of a process or plan.

22 MR. ED WILLIAMS: But we're not
23 precluded from adding conservation easements along
24 adjoining lands that might --

1 MR. ED WILLIAMS: -- or some program
2 that might enhance the value of the TVA lands that
3 they own?

4 DR. KATE JACKSON: We are not
5 precluded. Of course, there are issues on the other
6 side of the balance sheet, if you will, that have --

7 MR. ED WILLIAMS: Understood.

8 DR. KATE JACKSON: -- an impact on
9 that.

10 FACILITATOR DAVE WAHUS: Paul.

11 DR. PAUL TEAGUE: Do we have a copy of
12 26(a) shoreline management policy?

13 DR. KATE JACKSON: We can give you
14 copies of those. What Bridgette will do is talk to
15 you about them.

16 DR. PAUL TEAGUE: Okay.

17 FACILITATOR DAVE WAHUS: Any other
18 questions? Any other comments?

19 Then I think we have reviewed that and
20 we will talk then at 2:00 this afternoon about the
21 format, the discussion guidelines for obtaining the
22 views and advice.

23 DR. STEPHEN SMITH: One other
24 question. On this homework assignment to respond to

25 this, what is your anticipated time that you're

1 asking for the response to be back? Are you
2 asking --

3 FACILITATOR DAVE WAHUS: We will do it
4 here in the meeting.

5 DR. STEPHEN SMITH: I understood you
6 wanted a written response.

7 FACILITATOR DAVE WAHUS: We're going
8 to show you a process --

9 DR. STEPHEN SMITH: We're going to
10 collectively write that?

11 FACILITATOR DAVE WAHUS: Yes. We're
12 going to be asking for your views and comments. We
13 will be recording it. You will see it on the screen.
14 I will explain the process we're going to use. We
15 will summarize. We'll draw your conclusions and put
16 that together here during this meeting.

17 DR. STEPHEN SMITH: You know, one
18 concern I have of that process is that there are a
19 number of constituencies that are in communication
20 with me that feel very passionately about these
21 issues. I personally would like to wait to solicit
22 their input into my comments in response to these
23 things.

24 I mean, I have ideas and an

25 understanding of a number of these that I can

1 respond, but I think to more fully answer this
2 question and I think actually to represent, you know,
3 some of the interests here, there are people that are
4 more intimately involved with this that are in touch,
5 and, you know, I feel compelled to solicit their
6 input from.

7 DR. KATE JACKSON: Let me address that
8 from two perspectives. One is that that's exactly
9 why we have gotten the questions to you beforehand so
10 that you have an opportunity to solicit that input
11 before you come to this room.

12 And the second is, if, in fact, we
13 cannot get through all of these issues, we will
14 contemplate pushing off other topics for other
15 meetings over the Council's purview over the next 18
16 months and coming back and wrestling with some
17 subsection portion of these issues at another Council
18 meeting for two days. Those are the two ways that we
19 determined to manage that.

20 DR. STEPHEN SMITH: Okay.

21 MR. BRUCE SHUPP: Let me remind you
22 too that this is why we have set this 2:00 discussion
23 session. I want you guys to buzz about this from now
24 through coffee breaks and through lunch thinking

25 about the way we're -- it's being proposed we operate

1 and then let's discuss this in depth at 2:00.

2 DR. STEPHEN SMITH: Okay. Because
3 unfortunately the dog ate my homework in the sense
4 that the packet was mailed to the wrong address. So
5 I have never seen these questions before just now.
6 So I had no opportunity. It was sent to our old
7 office address, and I'll talk to Sandy about getting
8 that corrected, but I have never seen these questions
9 before.

10 MR. BRUCE SHUPP: Any other questions
11 before we take our break?

12 Let's break until precisely 10:00 and
13 get started with the next part of the agenda.

14 (Brief recess.)

15 MR. BRUCE SHUPP: We're going to move
16 into a panel on public lands management. We had
17 scheduled five speakers. We have one who was flying
18 up from Montgomery, Alabama and who could not land,
19 apparently because of fog, and he turned around and
20 went back. So Jim Griggs will not be with us today.

21 Phil Francis from the Park Service has
22 not arrived yet, so we're going to modify the agenda.
23 He's probably having trouble getting in here, too.
24 We're going to modify the agenda and move people

25 around, but we're going to cover this subject

1 thoroughly, I think.

2 What you're going to find is that the
3 public lands management policy is not a static thing,
4 it differs. There is agencies that do it
5 differently. There's different pressures, different
6 philosophies, and we're going to hear three -- we
7 hope we're going to hear three federal agencies today
8 and at least one state, State of Tennessee.

9 So with that I would like to introduce
10 Ray Johnston with the U.S. Forest Service. Ray is a
11 special assistant to the regional forester in
12 Atlanta, the southern region of the U.S. Forest
13 Service. He's going to talk to us about forest
14 service policy.

15 Ray.

16 MR. RAY JOHNSTON: Thank you. It's a
17 pleasure to be here. Kate, thanks for inviting me.
18 As I was coming up here I was thinking about the
19 movies or the television programs I have seen about
20 the Tennessee Valley, and we have all seen those on
21 PBS looking at the floods and the poverty, and those
22 kinds of things.

23 And every time I come here and I drive
24 over the bridge and I drive by Neyland Stadium and

25 think about the university and this great place you

1 have here, thank goodness for TVA. I guess it's one
2 of the few federal programs that I really deem a
3 critical success over a long period of time. And
4 quite honestly, you don't get the oohs and aahs from
5 the public. In fact, we always hear it the other way
6 around. So I congratulate you for that. It's a good
7 place to live and a really positive public program.

8 I guess what I would like to talk to
9 you about today is the forest service. And I have
10 worked for the forest service for more than 30 years,
11 spent about 20 years in California and about more
12 than 10 or 12 years here in Atlanta. I have done
13 about everything you can do in the forest service.

14 I've marked trees. I have worked with
15 loggers. I have worked with marinas on special use
16 permits. I have worked with wildlife, recreation. I
17 was a district ranger for eight years managing
18 200,000 acres of land for all the uses.

19 Sort of a hobby of mine, I have worked
20 on forest fires for more than 30 years. This year I
21 was in Denver for over a month on the fire in their
22 watershed. I have worked on hurricanes. Two weeks
23 ago I was on Hurricane Lily in Louisiana. It's sort
24 of an honor for me working on fires. I was asked to

25 be at the Pentagon on search and rescue on 9/11. I

1 was also at the Olympics on security. So as a
2 federal employee, you get to do a lot of things.

3 What I am going to talk to you about
4 today is the public lands policy in the forest
5 service. Basically our agency was established in
6 1905, and I will talk about that in a bit, and the
7 basic purpose, like some of the questions you have,
8 was to provide the greatest good to the greatest
9 number over the long run, and that basically was sort
10 of a monitor for us for a long period of time.

11 I am going to go over some slides
12 really quickly with you and then point out a few
13 things that I see for change for us and how we're
14 trying to respond to our landowners. A lot of times
15 when we look at the public lands we don't think about
16 all of the uses. When we think of the forest service
17 we think of recreation and timber and grazing and the
18 kinds of multiple uses we provide, but we also
19 provide water. As I say here, the Agency has most of
20 the water.

21 Let me see if I can back up here just
22 a little bit. Okay. As we look at -- as we look at
23 the forest service water is a very important thing to
24 us. And our first chief, Gifford Pinchot, began his

25 work in Asheville, North Carolina. He believed that

1 we ought to value the forest for their effects on
2 climate, floods, rainfall, runoff, and erosion, and
3 someone mentioned this this morning.

4 This thing's is on a timer. Can I
5 turn it off? It's running a slide show.

6 DR. KATE JACKSON: I'm doing it.

7 MR. RAY JOHNSTON: You are?

8 DR. KATE JACKSON: With my
9 extraordinary power.

10 MR. ED WILLIAMS: Talk fast.

11 MR. RAY JOHNSTON: It will just take a
12 second. There you go. You just have to pull up one
13 slide. Thank you.

14 So what I wanted to do was to just
15 give you a few slides looking at water. It's a very
16 important thing. You don't think of the national
17 forest for water. Most of the water sources in the
18 U.S., the majority of them come from national
19 forests. We generally have the headlands.

20 Particularly here in the south you
21 notice with the drought we were all focused on water.
22 In the west we see all of the headwaters affect the
23 drinking water of many people. For the fire in
24 Denver it created a tremendous problem for the City

25 of Denver and cost millions for them to fix it.

1 So I mentioned Gifford Pinchot, and he
2 really directed us to begin to do these kinds of
3 things and focus on erosion, and those kinds of
4 things. This really is sort of the essence of what
5 our agency is about.

6 In 1897 the federal reserves were
7 created and they were created -- I'm putting in a
8 slide to just kind of give you -- this is sort of the
9 policy that we deal with, is to improve protective
10 forest within the boundaries for the purpose of
11 securing favorable conditions for waterflows and to
12 furnish continuous supply of timber. What they are
13 really looking at is improving the forest condition
14 over the long run, and that really is our objective.

15 In the national forest we have 191
16 million acres, which represents about 8 percent of
17 the entire land area in the United States. And I can
18 tell you that there is probably no country in the
19 world that has that much forest as public land, other
20 than the Soviet Union, and, of course, they own
21 everything there.

22 If we look at the condition of the
23 forest in 1900, and this is much of the condition
24 that TVA is dealing with still and we are is the

25 massive clearing of forest lands. You see in the

1 east they estimate it at 13 square miles a day were
2 being denuded before 1900, 13 square miles a day.

3 And yet today we look at those lands
4 that -- whoa, I want to go back. Okay. Let me try
5 it.

6 We look at the lands that no one
7 wanted, and we have actually done a lot of
8 restoration of those lands. In the three C's, and
9 particularly in the south, we have done a lot of
10 work. So we have forests that are managed.

11 When I was on the fire in Denver one
12 of the reasons they had a crown fire was the fact
13 that the forest floor was not cleared, that the land
14 was probably in fairly poor condition. Hundreds of
15 homes were burned, and they are lucky that thousands
16 weren't burned.

17 In the south we have many forests like
18 this, and this is the objective that we have to
19 produce wood, fiber, as well as wildlife habitat, as
20 well as recreation.

21 This was taken on the Ocoee River.
22 Whitewater is an issue for us, and it certainly
23 provides recreation for the public.

24 One of the areas, and talking to Paul

25 about this, we were talking earlier, I read the book

1 by Jimmy Carter, Jimmy Carter said that until 1950
2 you never saw a deer or a turkey in South Georgia
3 period. And yet, you go around Tennessee -- 49
4 states have turkeys. We have deer everywhere. A lot
5 of people think too many deer. The fact is we have
6 brought those back from virtually extinction.

7 We're working really hard on wildlife
8 habitat, and I know that your agency is too with
9 threatened and endangered species and with the
10 regular species. We have really done a lot to
11 improve things, and we don't hear a lot about that,
12 but we have.

13 So in the east what we did was we took
14 a lot of sort of worn-out land and we bought the
15 land, the Federal Government bought land. We turned
16 it into national forests, particularly in the coastal
17 plain areas. Our goal there was to create a
18 continuous supply of timber, protect the watersheds,
19 and provide recreation and other uses.

20 Of course, one of our roles is to
21 provide fire protection, and we have worked with the
22 states to do that, and I will talk about that in a
23 little bit.

24 I was on these fires in Montana in

25 1990. You can see that the elk had to run to the

1 rivers in this case, pretty devastating kinds of
2 things, particularly for the wildlife and for water.
3 Some of this land recovers very slowly, unlike we do
4 here in the south.

5 So what is the forest service
6 management model?

7 Our model basically is in three parts.
8 We protect the national forest lands, like I said,
9 191 million acres. And our role there is to provide
10 wood. We actually do logging. We mark trees. We
11 provide for sustainable eco systems. We improve
12 wildlife habitat. We provide for recreation and we
13 provide good water, as well as other uses. We manage
14 the land for multiple uses, and certainly that
15 creates conflicts, but working with groups like
16 yourself we try to do that.

17 And we also have another arm of the
18 forest service called state and private forestry
19 where we have worked with the states in particular to
20 help them establish state forestry groups, and we a
21 have a wonderful one here in Tennessee and Georgia,
22 many of the states here in the basin. We also
23 provide assistance to private land holders to improve
24 forests on private land.

Finally, I wrote down research. In

1 research we're providing basic research on forest
2 ecosystems on economics and on those things that
3 affect forest.

4 One final thing, in Madison, Wisconsin
5 we have the National -- the National Forest Lab that
6 does wood research, and they provided some really
7 good things for all of us, such as truss frames for
8 houses, that was developed there. Much of the
9 chipboard technology that we see with all of the
10 companies was developed in Madison, Wisconsin. So
11 these folks are helping us get ahead.

12 So the management model that we have
13 is that we're going to manage the public lands in
14 this basin for those uses -- multiple uses, and we
15 assess that through the public. And we seem to be
16 crafting a new model, and it's called the partnership
17 model.

18 And quite often when you're an agency
19 and you want to go to partners, then you come and you
20 say that we're from the Federal Government and we're
21 here to help, this is the kind of response you get.
22 Those of you who laugh know what I am talking about.

23 What we're really talking about is we
24 have to deal with a diverse public and we have to

25 deal with a lot of people. And with many of our

1 agencies, we don't have enough money to do
2 everything, perhaps in the old days we did, but
3 nowadays we have to work with everyone and work
4 toward common goals.

5 And I wrote this down, we have been
6 doing some work in the Lower Mississippi Valley with
7 a number of agencies, and I put TVA in here as a part
8 of that, but the fact is that we have learned to
9 establish some issues and find some partners and see
10 if we can have common objectives where we would spend
11 a half or a third of the money to do it, and that's
12 the kind of stuff that we want to promote. This sort
13 of partnership model is really seemingly with the
14 federal agencies where we're going.

15 We do have a connection with TVA, and
16 it's what I call the Roosevelt connection. Teddy
17 Roosevelt established the National Forest in 1905.
18 Franklin Roosevelt in the '30s purchased more land in
19 the Southern Coastal Plain, and, of course, TVA was
20 established by Franklin Roosevelt. So we do have a
21 connection, and it's a good one. In listening to
22 your objectives, the conservation objectives sounds
23 very much the same.

24 So in conclusion I had a couple of

25 things to talk about. One is we're in land

1 management for the long-term, and that means that
2 we're going to manage our forest land in this basin
3 for the long-term. That means that we have to deal
4 with our landowners because our landowner, you, the
5 public, helps us establish our objective through
6 Congress and through public groups.

7 And sometimes that's a contentious and
8 a difficult thing to the deal with, but we have to
9 have our eyes set on the long-term. So we deal with
10 that and have managed these lands, in my opinion,
11 very well.

12 You recognize that landowner
13 objectives change and they change sometimes very
14 quickly, but if you're in business for the long-term
15 you really have to look at changes closely and make
16 sure that they are going to last for the long-term.

17 Publicly agencies have a difficult
18 time changing. The bureaucracy, quite honestly,
19 helps us from making change too quickly, and in a lot
20 of ways that's good because we aren't like a willow
21 in the wind and in other ways it's bad because we
22 don't change quickly.

23 I could make a short comment about the
24 TVA ROS study. I'm on the committee, the ROS

25 committee, and I can tell you that from my personal

1 opinion that it's a superb job running very well and
2 I'm very impressed with the folks you have working on
3 that project.

4 I could say two more things. One was
5 that I participated for more than 12 years in
6 cooperation and memorandum of understanding with
7 Kate's group developing a GIS system for the forest
8 service, and we paid the Agency, your agency, \$8
9 million to help us do that job. It's probably the
10 longest -- one of the longest agreements I have ever
11 seen in the Federal Government, and we really
12 appreciated the work that your Agency does on GIS at
13 Norris.

14 And finally, I will give you two other
15 things. One is that I think there are areas where we
16 could cooperate, and we are a bit. I believe that
17 carbon sequestration, the forest service would be
18 able to help you figure out how to get more trees in
19 the basin.

20 And perhaps when the president comes
21 on board, I believe he will soon, in terms of
22 figuring out that planting trees means that we reduce
23 carbon in the environment, we will be able to do that
24 in cooperation with you.

The second area that I believe we need

1 some cooperation is working on whitewater; and that
2 is, we have written some EA's. We worked on the
3 Olympics. It's been about five years since we did
4 all of that work. I believe that we need to look at
5 that again because this is a use I believe that the
6 public needs in this basin and realize that there's
7 some costs to it, but we need to work with you on
8 that, too.

9 And I would like to close with this:
10 We can leave no greater gift for our children than to
11 leave the watersheds entrusted in our care healthier,
12 more diverse, and more productive.

13 Thanks very much.

14 MR. BRUCE SHUPP: Thank you, Ray.
15 Appreciate it. Dave just me that the Alabama plane
16 has landed. So we're going to have all of our
17 speakers.

18 I failed to mention earlier, let's
19 hold all of our questions until we get them up as a
20 panel. We won't take any time away from the
21 presenters.

22 Our next speaker is Phil Francis from
23 the U.S. -- pardon me, the National Park Service.
24 Phil is the assistant superintendent of the Great

25 Smoky Mountains National Park right in Gatlinburg,

1 Tennessee. He will be talking about the land
2 management planning for the Park Services.

3 Phil.

4 MR. PHIL FRANCIS: Thank you very
5 much. I appreciate the invitation. Good to see my
6 friends at TVA again. I had the chance to spend
7 three months with TVA this summer and had a
8 wonderful, wonderful experience, and want to thank
9 Kate and all the other folks here with TVA for
10 providing me with that opportunity.

11 I didn't bring pictures for you to
12 see. I thought I would tell you a story. I brought
13 some papers, and those people who know me know that I
14 never follow them. So I'll just put those to the
15 side and talk a little bit about the National Park
16 Service and specifically about Great Smoky Mountains
17 National Park.

18 You may or may not know that the
19 National Park Service was formed to protect and
20 preserve those natural and cultural resources and the
21 wildlife therein by such means and in such manner to
22 leave them unimpaired, and that word unimpaired is
23 very important, for future generations while at the
24 same time providing for the enjoyment of those

25 resources to the American public, which makes it

1 pretty difficult for us as we manage our 80 million
2 of acres of land throughout 49 states and trust
3 territories and 280 million visitors.

4 We have a wide array of resources.
5 When we think about resources we think about not only
6 natural resources but we also think about cultural
7 resources. We manage things such as the White House,
8 Edison's Laboratory, the Grand Canyon, Great Smoky
9 Mountains National park, King's Mountain National
10 Military Park, a whole array of resources.

11 So we're not only focused on natural
12 resource management and stewardship but also cultural
13 resource management and stewardship, including the
14 historic buildings, as well as the archeological
15 sites in the southwest and so forth.

16 We're constantly faced with the
17 challenge of how do we manage these resources while
18 at the same time allowing for their enjoyment and
19 use. At Great Smoky Mountains National Park, for
20 example, we have 10,000,000 visitors each year that
21 visit our park. It's the most visited national park
22 in the entire system.

23 We're currently looking at a
24 particular issue in the Cades Cove section of the

25 park. Cades Cove is an 11 mile loop road or contains

1 an 11 mile loop road through this beautiful valley.

2 Have you-all been to Cades Cove, by
3 chance? All of you have been there.

4 And now in the fall and sometimes in
5 the summer it can take as long as four or five or six
6 hours to make that 11-mile loop drive. It's pretty
7 darn crowded. It reminds me of the guy that came to
8 the UT game and he entered the cove at 10:00 in the
9 morning and he missed the game. He's sitting in the
10 cove and he's got his tickets and he's upset.

11 It reminds me of an issue where we
12 have road rage in Cades Cove where people have mixed
13 objectives. Some people want to get there and see
14 every wildlife and other people want to get around as
15 quickly as possible. So people stop in the road,
16 they throw open their doors, they run off through the
17 fields with their cameras, they want to take a
18 picture of the bear or a deer, and the person behind
19 them is saying, where are they going, you know. We
20 have actually had fist fights in Cades Cove as people
21 have tried to get around the cove in their own time.

22 So we're trying to plan the future of
23 Cades Cove and we're looking at mass transportation
24 issues, possibly charging a fee, maybe implementing

25 some kind of an intelligent transportation system to

1 let people know how long it's going to take, and so
2 forth and so on. So we're managing people versus
3 resources.

4 How do we allow as many people as
5 possible to enjoy our resources while at the same
6 time keep those same people from impairing those
7 resources?

8 And there have been court cases which
9 speak to the word impairment. And the courts have
10 told us with regard to our balancing act that our
11 first objective is prevent the impairment of those
12 resources.

13 And so when we're working with our
14 partners, such as TVA on air quality, or if we're
15 working on other issues such as water quality or
16 overuse of lands, our first thing that we keep in
17 mind is to make sure that we don't allow any
18 impairment to our resources.

19 When you think about Great Smoky
20 Mountains National Park and many of our parks
21 throughout the system you think about the fact that
22 most of our threats originate outside of our parks.
23 Whether it's air quality issues or whether it's
24 non-native species, such as the Balsam Wooley Adelgid

25 that's killed 99 percent of our Fraser Fir, or the

1 Hemlock Adelgid, which we have found now inside the
2 park which is threatening all of our Hemlock trees.

3 All of those issues originate outside
4 of our parks, and the only way we can face these
5 threats is to work in partnerships. And we have
6 learned over the years that the National Park Service
7 cannot manage its parks by simply staying within its
8 borders, that we must, in fact, develop new and
9 creative relationships if we're ever going to
10 successfully meet our mission.

11 And so we have created friends groups,
12 raised money. Nearly 20 percent of all we do in the
13 Great Smoky Mountain National Parks now come through
14 non-government sources, either through private
15 donations or through volunteerism. Last year, for
16 example, we had 100,000 hours of volunteer time,
17 which is equal to about 50 people a year worth of
18 work.

19 We have new education programs with
20 local counties and communities, such as Experience
21 Your Smokies, where the leaders of each adjoining
22 county are invited into the park for six weeks, and
23 they spend half a day, one day each week, learning
24 about park issues.

1 where we teach 15,000 kids each year about their
2 stewardship responsibilities regarding resources both
3 in the park as well as around the park, and we have
4 our Parks In Classrooms Program where we actually
5 reach out into the classrooms and try to teach the
6 kids about their responsibilities.

7 We also work with a whole variety of
8 agencies, including TVA. We have had a long
9 partnership with TVA. We're working on air quality
10 issues, our monitoring issues. We're looking at use
11 of electric vehicles. I wonder why they're electric
12 vehicles? Anyway, electric vehicles with TVA. And,
13 you know, the partnership is working well. I think
14 there's much more that we can do in this arena.

15 One of things the Smokies is doing is
16 trying to operate more like a business; and that is,
17 every business needs to know what its inventory is.
18 Right? I mean, can you imagine operating your
19 business without knowing what you're managing.

20 So one of the things that we have
21 undertaken, which is the most -- one of the most
22 fascinating projects I have ever been involved in is
23 called the All Taxa Biodiversity Inventory. Now, the
24 All Taxa Biodiversity Inventory is a project where

25 we're trying to identify all species of life in the

1 park, not just some of them, all of them.

2 Just imagine getting down on your
3 hands and knees in your front yard with a piece of
4 paper and a pen and making a list of all that you see
5 of all that you see, of all that you find. Now, dig
6 a little bit too and you will find that there's some
7 more critters underneath the surface. Imagine doing
8 that for 524,000 acres.

9 Well, that's what we're going to do.
10 Not only are we going to make our list of species,
11 but we hope to identify where they are, you know, and
12 begin to define what ecosystems really look like and
13 how things work within those microsystems so that we
14 can better judge what effects our actions are going
15 to have on park resources.

16 What does poor air quality really mean
17 to the park? You know, what happens when the pH
18 level increases in our streams? What happens when we
19 allow people to overuse an area? What happens when
20 non-native species enter the park?

21 By completion of this project we
22 should have a much more complete picture of what
23 those causes and effects are. We think it's the most
24 important undertaking in the park's history.

Now, we have got over 100 scientists

1 signed up as volunteers. We're doing this with
2 practically no federal money. We have, I believe,
3 over 100 partner institutions working with us. We
4 created a nonprofit organization called Discover Life
5 in America to help us do this work.

6 So far we have identified nearly 300
7 species new to science never discovered before
8 anywhere. One of the stories I like to tell about
9 one of the species new to science has to do with a
10 worm. Imagine a worm that's 18 inches long. One of
11 our volunteers was hiking in the Appalachian Trail,
12 saw this worm, came back down, told one of our
13 scientists, hey, guess what I saw, and the scientist
14 said, yeah, right. He said, tell you what, next time
15 you see one, bring it to me. So he did and it's new
16 to science.

17 So you think about what in the world
18 is in our parks? You know, what in the world is in
19 our country? You know, what do we have that we're
20 unaware of?

21 So we have begun at the
22 Smokies working with other national parks and then
23 the Washington office and the National Park Systems
24 to do an inventorying project in all of our national

25 parks.

1 So now we have created a system of 32
2 biomes throughout the entire country. We divided our
3 parks into what we call clusters, and we have a
4 resource manager stationed in the -- centrally
5 located in each one of these biomes trying to
6 coordinate this inventory of species so we better
7 understand what exists in our national parks.

8 And you think about what we will have
9 at the end of the day, because we will be doing
10 inventories in places like Channel Islands, a very
11 different ecosystem than the Great Smokies, that's
12 for sure, off the coast of California or the Grand
13 Canyon or Great Smokies or Big Thicket down in Texas.

14 So once we have this information, and
15 we will have this -- we're going to take pictures,
16 record sounds. We're going to have identification
17 guides. We're going to make all of this information
18 available to whoever wants it, classrooms,
19 cooperating agencies, whoever might want this
20 information.

21 One of the scientists calls it the
22 equivalent of a moonshine. Many people don't think
23 we will ever get it done, that it's not unlike the
24 Human Genome Project. We will see how it goes. So

25 far things have worked pretty well on a limited

1 budget. We're trying to raise more money, but we
2 think that it's a really, really exciting thing that
3 originated here in the Smokies.

4 This project's idea came from Costa
5 Rica actually. In Costa Rica they are far more
6 diverse -- biologically diverse than the Great
7 Smokies.

8 Now, the people who funded this
9 project, now I think this is interesting, were
10 pharmaceutical companies from Norway who gave Costa
11 Rica \$66 million to do this inventory. And you say,
12 well, why would they do that? Well, 62 percent of
13 all medicines come from plants.

14 And so what do we have in the Smokies?
15 Why should we protect it? Should we protect it just
16 for the waterfalls, the beautiful vistas? Well, sure
17 we should. But is there other reasons to protect it,
18 too? You bet.

19 And so working toward these kinds of
20 stewardship responsibilities is critically important,
21 and we ask you to join us as a partner as we work on
22 this project and others. We appreciate the
23 partnerships very much that we have had in the past.

24 Thanks.

MR. BRUCE SHUPP: Thank you. The next

1 speaker is David Harbin. David is the liaison with
2 the EPA and the legal advisor for the State of
3 Tennessee Land Management Program.

4 MR. DAVID HARBIN: Thank you for
5 inviting me here today. It's a pleasure to be here
6 this morning.

7 As you heard, I am an EPA attorney on
8 assignment to the State of Tennessee, and I have had
9 the distinct pleasure and the fortunate opportunity
10 to work on a number of land acquisitions for the
11 State of Tennessee. And that's what I want to talk
12 about today, which is land acquisitions by the State
13 of Tennessee that I believe can be useful in
14 developing a model of land management within the
15 State of Tennessee, kind of in the inverse acquiring
16 but in the process of acquiring you have to think
17 about how you're going to manage that land as well.

18 Governor Sundquist has placed land
19 acquisition of public lands as one of his highest
20 priorities. And as it's working out, it's proven to
21 be one of the Governor's major legacies.

22 Since 1995 over 210,000 acres of
23 natural lands have been protected and over 400 miles
24 of trails and greenways have been created. In 2001,

25 through the assistance and the help of TVA, the State

1 of Tennessee -- the State Scenic Rivers Act was
2 revitalized through a pilot project on the Duck
3 River, the former Columbia Dam area.

4 A new 283 mile linear park called the
5 Justin P. Wilson Cumberland Trail State Park, funded
6 largely through federal highway funds and constructed
7 by volunteers, as our park service representative has
8 said and has so highly utilized. We have utilized
9 park volunteers, and this park is now being
10 recognized as a new visionary model for state parks
11 throughout the U.S.

12 In doing all of this and in
13 approaching the acquisition of property, Governor
14 Sundquist and his administration took three
15 fundamental approaches to land acquisition. The
16 first was the use of its business connections to
17 encourage donations. Recognizing that state and
18 federal dollar are largely limited now, they used
19 their business connections to encourage donations.
20 And in return the company got significant public
21 relations benefit and other incentives.

22 Through this 27 -- 27,000 acres have
23 been donated by corporations valued at \$45 million.
24 One of the most significant is the

25 Bridgestone/Firestone Centennial Wilderness Area.

1 Greer is well aware of that. And through that it was
2 a unique arrangement of public and private interests.

3 The Bridgestone/Firestone Company gave
4 10,000 acres overall in fee to the State of
5 Tennessee, and laying over top of that was a
6 protective conservation easement to the Conservation
7 Fund as an interim holder that later gave that
8 easement to the Tennessee Conservation League.

9 And Eddie spoke about conservation
10 easements and how they can be used to properly manage
11 properties and protect them for perpetuity. The
12 Chimnee property is a significant geographic
13 location. It was an outright donation by the
14 Marathon Petroleum Company. So the first was using
15 business connections.

16 The second is forming partnerships,
17 and that's been talked about by both the park service
18 and the forest service, how important partnerships
19 are in the overall management and protection of land,
20 forming partnerships between federal government,
21 state government, and private sectors.

22 I wanted -- in this I wanted to talk
23 about the gulf tract that's now known as the Martha
24 Sundquist State Forest, I wanted to talk about Royal

25 Blue Wildlife Management area, but I want to change

1 that a little bit and talk about the Columbia Dam
2 area lands that's now called the Yunnoly Wildlife
3 Management area.

4 Through the hard work of TVA, through
5 the State of Tennessee, that issue, I believe, has
6 been resolved in a unique way that has been accepted
7 by government agencies and the public alike. Over
8 12,000 acres of land is now protected along the Duck
9 River. It's been put into a multitude of uses,
10 greenways, trails, wildlife management areas, natural
11 areas, city parks.

12 And there's even a therapeutic course
13 center there that will teach disabled children to
14 ride horses. Riding a horse is similar to -- using
15 the muscles to ride a horse is similar to using the
16 very same muscles that you have to use to walk. So
17 teaching a disabled child to ride a horse is similar
18 to teaching a disabled child to walk. But there has
19 been a multitude of uses along the Columbia River.

20 Also, there has been an area that has
21 been set aside for water supply, for future water
22 supply in the Columbia/Murray County area. There was
23 also a \$9 million trust fund that was put into the
24 state treasury to be used that's set aside

25 specifically for water supply development.

1 That was a big lesson for us in how to
2 do that, but it was resolved through a public
3 planning process. What TVA and the State of
4 Tennessee did was to develop a plan that provided
5 public input. Several public meetings were held to
6 discuss that. That plan was ultimately acceptable to
7 the public and is approved to be a model for success,
8 as I said earlier, now that the State Scenic Rivers
9 Act has been revitalized through a pilot project,
10 along with that Columbia Dam area now known as the
11 Yunnoly Wildlife Management area.

12 There's a Tims Ford Reservoir that is
13 now being looked at as a sustainable community, and
14 the same process has been used there, which is a
15 public process to go through a public planning
16 process of how to use that land.

17 The third area that the state uses to
18 acquire land is leveraging straight land acquisition
19 with other funding sources, primarily private funding
20 sources, like the one in Costa Rica. There's a
21 number of areas in the State of Tennessee that we're
22 leveraging public groups, a park friend's group,
23 conservation groups, and using their sources and
24 their funding, along with state and federal funding,

25 to acquire state property. Almost all of the state

1 acquisitions have been leveraged by public and
2 private funding in some way.

3 In using these tools the Governor took
4 the following philosophical approach. You may want
5 to consider this in your approach to land management
6 as well. The approach included two fundamental
7 guidelines.

8 One, the government has less money to
9 provide for resource protection. And to put -- the
10 second is to put a primary focus on, one, what is
11 available. Look at what is out there. Find out what
12 is available. Determine what is most vulnerable and
13 needs protection. And then the third is to look at
14 what the public wants, what the public wants, and
15 what the public needs.

16 In summary, the State has used this
17 approach in, one, determining what's available, what
18 do we want to protect by determining what needs
19 protection and finding alternative ways to acquire
20 the protection rather than addressing through
21 straight acquisition or straight government
22 management.

23 We're proud to say that we have been
24 able to conserve and protect more lands at less

25 expense. And we believe that Governor Sundquist has

1 left the next administration with a road map to
2 follow that will conserve and protect even more lands
3 that can be enjoyed and used by future generations.

4 Thank you very much.

5 MR. BRUCE SHUPP: Thank you, David.

6 The next speaker is Mr. Jim Griggs. Jim is the
7 Director of Alabama State Lands for the Conservation
8 Department, State of Alabama.

9 Jim.

10 MR. JIM GRIGGS: Thank you. I'm
11 delighted to be with you this morning. Maybe I
12 should more appropriately say that I am glad to drop
13 in. I have just been hanging over Knoxville for two
14 hours trying to get into the airport, and I think we
15 were the first airplane in just a few minutes ago.

16 It is a real pleasure for me to come
17 up and speak with you today on my favorite subject.
18 As the lands director, obviously I love land, love
19 managing land, love acquiring land, and I would like
20 to talk to you very briefly about three different
21 things that we do in Alabama.

22 We have a land base that is probably
23 as small as most any in the state or most any of the
24 states. I brought a couple of maps, and they are a

25 little bit cryptic, but I will just refer to them

1 right quickly and tell you -- it will give you some
2 idea of the land that -- if I can make this work.
3 There we go.

4 I'll show you some of the -- I think I
5 have skipped one. Some of the lands that we manage
6 in Alabama are trust lands and lands managed -- lands
7 owned by state agencies. As you can imagine,
8 institutions on land, including the great University
9 of Alabama, as well as that other school that we have
10 down there. There are, of course, mental health
11 lands and all sorts of educational lands.

12 These are lands that are used for a
13 particular purpose. In one case, an institution of
14 higher education, in other cases, something less than
15 that perhaps, but those are nonetheless necessary to
16 state government. What we try to do is use those
17 lands for that particular purpose, but, of course,
18 they're also used for multiple purposes as much as
19 possible.

20 These lands can be used to some degree
21 for recreation. People say that the University of
22 Alabama land is used heavily for recreation. I spoke
23 with the acting president last week and his pledge is
24 that it will be used less for recreation than it has

25 been or it has been in the last few years anyway.

1 But these are the state agency lands
2 that we have. You can see that those are largely
3 scattered. There are lands down in the Mobile Delta
4 that you will see that we have recently acquired
5 through the Forever Wild Program. This is a program
6 that has about ten years' duration in Alabama, and we
7 elected to establish by constitutional amendment a
8 program that would purchase lands in four categories,
9 for recreation, for wildlife management, as nature
10 preserves, and as wildlife management areas.

11 During the course of the program we
12 have acquired about 100,000 acres of land. The great
13 thing about it is the funding does not come from
14 taxes and it does not come from bond issues. Some of
15 you may know that Alabama is one of the states that
16 has offshore natural gas, and we're fortunate enough
17 that we have not spent that money since those fields
18 were developed.

19 Last year the State Lands Division
20 received \$256 million in royalties. That money goes
21 into trust and we only spend the interest. So we
22 decided that we would take 10 percent of the interest
23 generated from that money, and we have about \$2
24 billion now, and we would spend 10 percent of

25 interest on land acquisition. It's been a very, very

1 successful program.

2 It is a meager program compared to
3 some states. For example, the State of Florida
4 spends \$300 million a year. We spend about \$12
5 million a year. The difference is we don't have to
6 pay for it in the future as Florida does, and they
7 are doing great work, but ours is paid for already
8 from the interest from the oil and gas trust fund.

9 If you add to that the use of land,
10 you can see we have a number of wildlife management
11 areas in the state, and we have tried to dot those
12 throughout the state. If you pay particular
13 attention up in this area you can see that there's a
14 wildlife management area that certainly is on land
15 that you're very familiar with. It's on TVA land.

16 And as David said, partnership is the
17 key to land management in the State of Alabama, I
18 think it is in any state, but particularly in
19 Alabama. And TVA has been a wonderful, wonderful
20 partner with us, and we have worked closely together
21 in management of these wildlife management areas.

22 I will layer on top of those wildlife
23 management areas the state lands. This gives you an
24 idea of either state owned or state managed land in

25 Alabama. The forever wild lands that are down in

1 the -- down in the Mobile Delta area there, we
2 recently acquired 47,000 acres of those.

3 This wildlife management area land
4 that you see right here is actually Corps of
5 Engineers mitigation land that is by our wildlife
6 area. So we, again, partner with a number of both
7 federal and state agencies.

8 We recently purchased the land up
9 here, 32,000 acres, which is really forever wild
10 land, but it's used as a wildlife management area in
11 Freedom Hills and Lauderdale Wildlife Management
12 areas.

13 If you layer on top of that or you
14 look at then federal agencies, excluding Corps of
15 Engineers land, you can see -- you can see the TVA
16 land, and there's about 97,000, 100,000 acres of TVA
17 land as we calculate it. This is the national
18 forest -- this is Talladega National Forest Bank Head
19 and then Conecuh National Forest here.

20 And if we go one more, and I won't
21 keep boring you with these maps, but if we go one
22 more you can see roughly the public land -- publicly
23 accessible land in Alabama, both federal and state
24 ownership. It amounts to about a 4 1/2 or 5 percent

25 of the land in Alabama.

1 Now, what do we do with that land?

2 The land that we manage, either
3 cooperatively or we manage that's state owned land,
4 as I said, we try to put into multiple use
5 management.

6 What kind of multiple use management?

7 That's sort of a moving target these
8 days. Typically it has been wildlife management
9 areas for hunting and fishing. We now see an awful
10 lot of emphasis on different kinds of recreation in
11 Alabama. We're seeing more and more demand for
12 canoeing, more and more demand for kayaking,
13 horseback riding, mountain biking, those kinds of
14 things. So what we're trying to do is to make all of
15 these lands available for all of these purposes.

16 Obviously you can't mountain bike
17 through a wildlife management area right in the midst
18 of hunting season. So you have got to operate those
19 lands so that you hunt them for the three years of --
20 three months of the year that you have hunting --
21 largely hunting in Alabama. The rest of the year
22 it's used for camping and other sorts of outdoor
23 recreation.

24 Now, unfortunately Alabama is losing a

25 lot of access to public land. That's one of the real

1 problems we have today. And one of the appeals, if
2 you will, that I would like to make to you today is
3 to continue and enhance the cooperation that we have
4 with TVA because TVA lands are crucial to outdoor
5 recreation in Alabama.

6 Total wildlife management acres in
7 Alabama are 805,000 acres. People are shocked when
8 we tell them that of that 805,000 acres the Wildlife
9 and Freshwater Fisheries Division only owns 58,000
10 acres, a miniscule amount of the land that's actually
11 within wildlife management areas. The Forever Wild
12 Land Trust that you saw earlier owns about 67,000.

13 So you ask where does most of the
14 other land come from, it comes from partners like
15 TVA. It comes from private individuals. We have a
16 tremendous amount of private land that's placed in
17 wildlife management areas, and that's through a
18 cooperative management effort with those landowners.

19 Let's talk a little bit about land
20 management. As I said, we try to manage with
21 partnerships. We do that -- not only manage the land
22 but land acquisition with partnerships. We work with
23 federal agencies. We have used a lot of NAWC money,
24 North American Wetlands Conservation money, to

25 purchase lands in Alabama because we do have a lot of

1 duck habitat, a lot of coastal habitat. We have used
2 coastal funds, Fish and Wildlife Service funds and
3 grants that we have been able to get.

4 But purchasing land is not the only
5 option, the other option, of course, is a close
6 working relationship with the government agencies.
7 We frankly don't care who owns the land. The
8 objective that we have is to make the land available
9 for public recreation whoever owns it. We don't care
10 if private organizations own it. Some of the
11 conservation organizations own land in the Mobile
12 Delta, that's fine. It's still available to the
13 public, and that's the goal that we have.

14 In Alabama we have basically three
15 types of lands that the Lands Division manages. We
16 manage some of the institutional lands. Of course,
17 we manage the recreation lands or divisions of the
18 Department of Conservation manage recreation lands.
19 The Lands Division manages trust lands.

20 In some sense I view TVA land as trust
21 lands. They are managed just as we manage 16th
22 section school lands and mental health trust lands
23 for a particular purpose, and that purpose is that we
24 manage them to make money. We have to make money for

25 education and mental health, but you can manage those

1 trust lands also for recreation where it doesn't
2 conflict with your money-making objectives.

3 What we do is we manage the trust
4 lands by developing oil and gas reserves on them. We
5 have coal in Alabama, as you're aware of, that we
6 mine the trust land for coal. We have timber
7 harvesting. We plant timber on those lands.

8 We even have on the trust lands
9 commercial hunting leases that doesn't always sit
10 very well with the recreational hunter who says,
11 those are state lands, why can't I hunt those lands?

12 Our answer is, yes, they are state
13 lands, but they are designated by the federal
14 government for the particular purpose of generating
15 revenue. And, yes, you can hunt those lands and
16 you're willing to lease them and you're the high
17 bidder on the lease, but those are opportunities to
18 make money for our trust beneficiaries. In a lot of
19 respects we think that we operate a lot like TVA.
20 Obviously, you have a different motivation, but in
21 some respects you are a trust land.

22 What we would like to do, as I said
23 earlier, is we would like to work more closely with
24 TVA in a lot of areas. There are a lot of studies

25 that we have done on TVA lands. We're getting in

1 areas on our trust land management now where we
2 can -- we're doing things we never thought we would
3 do before.

4 We're talking about -- everybody talks
5 about wetland mitigation banking and states do that
6 to various degrees. Our Department of Transportation
7 does it. We do it with DOT. We're now talking about
8 species mitigation banking, a new thing on the
9 horizon for us, and it's something that we're using
10 trust lands to mitigate for the relocation of species
11 where a highway comes through or an interstate comes
12 through or a power line comes through.

13 Those are things that are not
14 inconsistent with generating money on trust lands.
15 Those are things that probably would not be
16 inconsistent with management of TVA lands as well.
17 In fact, you probably enhance your land base and
18 certainly the quality and the biodiversity of your
19 land base by doing that, but there's an economic
20 factor that is a very favorable one as well.

21 Basically that's what we do in Alabama
22 in managing lands under our jurisdiction. Alabama
23 has about 33 million acres of land. As I said, about
24 4 1/2 to 5 percent of that is public land. However,

25 we manage submerged land as well, about 600,000

1 acres, and we do it to generate money and provide
2 access to the public for recreation as well as to try
3 to protect and enhance the biological species in the
4 communities on that land.

5 And again, I'm delighted to come up
6 and talk to you about my favorite subject, and I look
7 forward to working -- continuing working with TVA in
8 the future.

9 Thank you.

10 MR. BRUCE SHUPP: Thank you, Jim. The
11 final speaker is Jonathan Davis. Jonathan is
12 environmental stewardship program manager with the
13 Corps of Engineers out of the Atlanta, Georgia
14 office.

15 Jonathan.

16 MR. JONATHAN DAVIS: Well, thank you
17 very much. Like my colleagues who have come before
18 me, I too am very grateful to be here today to have
19 an opportunity to speak with you. I'm more grateful,
20 not for what I might contribute, but what I might
21 take away. I have learned quite a bit already. So
22 thank you for having me.

23 I have had about 25 years of
24 experience with the Corps of Engineers. As Bruce

25 mentioned, I am now an environmental stewardship

1 program manager in the regional office in Atlanta for
2 the South Atlantic Region or the Southeastern United
3 States.

4 I started as a coop student. I think
5 it was by design that I followed this previous
6 speaker, I went to that other school in Alabama as a
7 zoology major and began my work and my knowledge in
8 association with the Corps at that time.

9 I didn't even know who the Corps of
10 Engineers was prior to starting to work for them, and
11 that's because I was more familiar with Tennessee
12 Valley Authority growing up in Albertville, Alabama,
13 which is just up Sand Mountain from Guntersville,
14 which you're all aware of. So that was my growing up
15 experience was on a TVA reservoir.

16 I have worked at all levels of the
17 Corps, as a park ranger in some of our lake projects
18 in the Mobile District Office in the region, and I
19 have had several long-term assignments. I am
20 fortunate to work with Dave Wahus, who, as most of
21 you know, recently retired from the Corps
22 headquarters, but I have worked quite a bit in the
23 headquarters. So I have seen the agency from all
24 sides.

Today what I would want to do is just

1 give you a model, and I hope it will be on track with
2 what you are trying to do here today. The Corps is a
3 very large and diverse organization, and I could talk
4 about many, many things that we do, but I just want
5 to hone in on a model for public lands management.

6 I am going to start very broad with
7 authorities and quickly move through a lot of that,
8 and then try to drill down to a very specific example
9 of some of the challenges that we're facing today and
10 then give you an example of one tool that we've
11 developed which we think will help us in that
12 challenge.

13 I will start with the map, and this is
14 just to give you a sensing of our geographic coverage
15 in all or a part of seven southeastern states. We
16 have about 33 water resource projects or lakes. Some
17 of these have multiple impoundments.

18 We -- unlike Ray, who spoke earlier,
19 we don't have large snow capped mountains and rushing
20 whitewater, but we do have a lot of very beautiful
21 projects. Obviously, as most of you know anything
22 about the Corps and you're all familiar with TVA, I'm
23 probably -- it's the best model and very familiar and
24 similar to what TVA manages in terms of its reservoir

25 systems. We have within the southeast region about

1 1.2 million acres of land and water total and even
2 Corps wide in the whole nation about 12 million
3 acres.

4 Our challenge, and I will speak to
5 this a little bit later though, is we -- while we
6 don't have the large and vast land holdings like the
7 forest service, we have visitation, like Phil
8 mentioned at Great Smoky Mountains, on a very limited
9 amount of land. So its the density of use and a lot
10 of competing uses and interests that give us our
11 greatest challenge.

12 Now, I only have one other slide. And
13 if I can go there, I'm through with that. This is
14 just an outline slide that I will use to help keep me
15 on track.

16 As I mentioned, I want to start by
17 speaking to authorities and our acquisition policies.
18 The Rivers and Harbors Act of 1894 and the Flood
19 Control Act of 1944 is what gave the Corps of
20 Engineers the mission to begin to harness the
21 nation's waterways, the Civil Works Water Resources
22 Development Mission.

23 And our authorized purposes was for
24 flood control and water supply, commercial

25 navigation, the generation of hydroelectric power.

1 And, no, it was not authorized initially, a later
2 added benefit or an authorization was the provision
3 of outdoor recreation.

4 We don't -- we do not have specific --
5 as Phil mentioned the word of protecting the
6 resources from impairment, we don't specifically have
7 that in our authorities. And likewise for TVA, as I
8 heard mentioned earlier today, you-all talked a
9 little bit about that definition of managing the
10 physical and then you said economic, and we don't
11 specifically have economic, but that's certainly
12 something that is a part of our public lands
13 management and something that we just can't shun.
14 And again, I'll talk a little bit about that as I go
15 along.

16 Also, in the way that we acquired our
17 lands, it may differ somewhat from some of the others
18 who have spoken before me. Phil and Ray, in the
19 acquisition of lands, their agencies may have looked
20 to large blocks of lands that were in need of
21 restoration or protection and purchased them for
22 those reasons.

23 The Corps of Engineers looked at lands
24 from sort of an operational point of view, lands that

25 would be needed to accommodate the operation of the

1 project, for an example, flood control, and so we may
2 have bought federal lands to accommodate anticipated
3 flood levels. So most of our acquisition, and that's
4 probably why we result in not so large land holdings,
5 was based on elevations for those reasons.

6 We've had several different
7 acquisition policies over the years that have created
8 some challenges for us today. The initial policies
9 were to acquire lands where we needed them around the
10 lakes, but if the willing seller had a large block of
11 land and did not want to necessarily break that land
12 up we bought the whole parcel. So some of the lands
13 that were acquired in the early days have much more
14 land base than some that were acquired later.

15 Then we came along with what I believe
16 was called an Eisenhower policy and sort of went to
17 the other extreme. Through those years we bought
18 very minimal lands, just absolute minimums. If any
19 of you are familiar with Lake Sidney Lanier near
20 Atlanta, that's an example, very -- I heard the term
21 mentioned with TVA, a very thin strip of land, and
22 that's what we have around that particular lake. Now
23 we're somewhere sort of in the middle of that by
24 using elevations and 300 foot setbacks to try to find

25 the middle ground.

1 We have different types of use on
2 those lakes, and that use and development, as you
3 can -- as you-all have gone ahead in your thinking
4 with me, the lakes which have the very narrow land
5 around them allow the public and other uses to get
6 much closer to them. So they are much more heavily
7 developed than, say, the lakes who have larger land
8 holdings.

9 Now, in our regulations we come from
10 our authorities and laws and we create the
11 regulations to help us carry these out. And as
12 you-all know, people have a love affair with the
13 water. Again, that's what the Corps realized after
14 creating these lakes and for the other purposes that
15 kind of -- it's kind of like the movie, The Field of
16 Dreams, if you build it they will come, and people
17 came to the water and wanted to use water.

18 So we developed regulations to help us
19 manage that use with, again, a similar goal that's
20 been mentioned earlier. We want to accommodate the
21 use, but at the same time we want to protect the
22 resource. So really the whole essence of our
23 management is achieving that balance.

24 I want to talk specifically about what

25 I call the shoreline management program, that

1 regulation, and the need that we had to create that
2 program. That was -- again, as people began to come
3 and use the water more in the early '50s and '60s,
4 visitation was not that heavy and there was just not
5 as much of an emphasis on, you know, environmental
6 protection at that time, but as the use continued and
7 as we, as a society, and the people became aware that
8 the environment was important and something we cared
9 about, we developed a shoreline management program
10 and a regulation to help guide that in about 1974.
11 Again, the goal of that was to help us achieve a
12 balance between protection of the resource and the
13 wise use of that resource.

14 This regulation then called for us to
15 develop master plans for each of our projects. The
16 planning process and the master planning processes
17 takes the authorities and the regulations and begins
18 to put together conceptual plans for how the land
19 will be used.

20 And there's an allocation process in
21 the master planning where lands are classified for
22 uses such as high and low density recreational use,
23 fish and wildlife management, and the areas that are
24 environmentally sensitive, as well as operational

25 areas, those lands that we need to conduct some of

1 our missions.

2 We also do the master planning using
3 what I call an interdisciplinary approach. It's not
4 just all the folks like myself, biological
5 scientists, but we use engineers and those who know
6 the planning process, our real estate, our counsel,
7 and a lot of different disciplines to get all of the
8 proper points of view.

9 Also, the master planing process is
10 done with public involvement. There are workshops
11 and we get involvement from stakeholders and users in
12 that process early on. It would obviously be futile
13 for us to do planning in the absence of input from
14 all of the stakeholders.

15 I will tell you that one of our needs
16 right now in the Corps is while we have master plans,
17 many, many, many of them are in need of revision.
18 They were probably -- some of our lakes are now 30,
19 40, and 50 years old, and the master plans that we
20 are using were developed -- maybe the initial set of
21 master plans were done right after the project was
22 built. So times change, needs change, and our users
23 are changing, and that's a challenge that we are
24 going to have to address, and funding is a big part

25 of that with all the other things that we have to do.

1 But regardless, we take a master plan,
2 and from that we go next from the -- which is
3 conceptual, we go next to what is called the
4 operational management plan, and that is the real --
5 the action driven plan that each lake project has.
6 It's a document that describes how the resource
7 objectives in the master plan and the concepts there
8 will be implemented and achieved.

9 This is a five-year document. It's
10 the execution year and four years out, and each year
11 it's revised and pushed forward. It's the document
12 that we basically tie our budget to and request our
13 budget for each year. I know TVA has plans that are
14 probably similar to this in the same way and also
15 involve the public involvement, and we try -- we use
16 public involvement at all stages.

17 Then there's an appendix to the
18 operational management plan, as I'm continuing to
19 drill down with you, and I'm going to talk about that
20 now, and that's the shoreline management plan.
21 Again, the operational management plan would cover
22 all of the purposes of the project. There would be
23 objectives in there for the hydropower and the
24 navigation, and so forth, but the shoreline

25 management plan is generally directed toward

1 protection and use of the public lands that make up
2 that project and the recreational use that occurs on
3 them.

4 As I said earlier, the challenge and
5 the way most of these shoreline management plans are
6 written and the intent of them is to help us balance
7 this tremendous use that we get on our lakes. We
8 have actually less than 2 percent of the total
9 federal land holdings, yet, we're one of the most
10 heavily visited federal providers.

11 What has occurred, of course, over
12 these lakes, which are now 30, 40, and 50 years old,
13 these lakes that were formerly out in the country
14 have now become urban lakes. And I know that's
15 probably occurring with some of your reservoirs at
16 TVA, but certainly -- again, I will use the Atlanta
17 area as an example, Lake City Lanier and Allatoona,
18 with highway systems and the tolerance, I guess you
19 would say, of people to commute in exchange for being
20 able to live year around on the lake, we have
21 literally very, very many of our large projects
22 becoming urban lakes.

23 So we use the shoreline management
24 plan to manage that use and it has what -- I want to

25 tell you a little bit about how it's constructed. It

1 zones the entire shoreline into use categories
2 similar to how municipalities zones various parts of
3 the city for commercial or residential.

4 The four categories are recreation,
5 recreation areas, and this is where we would develop
6 our campgrounds and parks and our day-use areas.

7 Another category is prohibited areas.
8 These are the areas obviously around our dams and
9 intake structures, and so forth, where it's just
10 unsafe for the public to be.

11 The other area is protected areas.
12 These are areas which are environmental sensitive.
13 There may be endangered species in that area, there
14 may be wetland areas, those kind of areas that are
15 just not suitable for development. After zoning
16 those the balance of what remains is call limited
17 development.

18 The limited development areas are
19 those areas around the lake where we allow uses --
20 minor private shoreline uses. This is where adjacent
21 landowners can apply for dock permits and utility
22 lines and minor roadways. We also allow some minor
23 underbrushing. Each of -- these plans are much more
24 specific than that, but I just wanted to give you a

25 sense of what they entail.

1 Plans are developed using public
2 involvement. And while there are some similarities
3 in the plans across our region, they each have the
4 flexibility to be -- to accommodate the needs of the
5 users and the stakeholders of that particular
6 reservoir. And that, in itself, is somewhat of a
7 challenge, but we can't be so rigid as to have a
8 cookie cutter plan for every lake across the region.

9 Dave is standing up back there, which
10 means he has heard me speak before and he wants me to
11 move on.

12 So let me just close with one example
13 of our -- another challenge that we're having today,
14 and that is what I am just going to term unsolicited
15 proposals for the use of public land. Again, in the
16 early days there seemed to be plenty of land and the
17 use was accommodating, but as use has gotten heavier
18 and as these lakes have become more urbanized.

19 We would formally go out with a
20 request for proposals, say we needed a marina on a
21 lake, we would ask for development proposals, well,
22 now we don't have to ask for them anymore. We have
23 municipalities, private developers, golf course
24 communities coming to us, and they see these lands

25 and they know that the -- being near the water makes

1 them attractive from that point of view and we
2 have -- we are really wrestling with that, I'll be
3 honest with you. That's something in the last few
4 years that we are trying to get a handle on.

5 We're not just saying no to it, but it
6 involves just the kind of thing that you're doing
7 here today. You have to have people involved that
8 represent all points of view that want to protect
9 that balance between the environment but also know
10 that there's the economic development to the
11 communities.

12 And I'm sure this is true of the TVA
13 reservoirs, but many communities around the Corps of
14 Engineers' lakes, almost the entire economy is based
15 on the industries that the lake supports or that are
16 related to the lake.

17 We have developed a land use
18 evaluation template. This was developed by our
19 Wilmington District. It's really nothing more than a
20 flow chart that comes -- with the requests coming in
21 and it identifies all the points of decision and
22 helps us make certain that when we consider these
23 requests anywhere within the South Atlantic Region --
24 we developed that model, by the way now, across our

25 region. They are the five districts, I'm sorry I

1 didn't name them there, but we have five districts
2 within the South Atlantic Region.

3 And that is the biggest help that we
4 have right now is that we have a consistent approach
5 and a consistent methodology for evaluating these
6 unsolicited proposals. It's just not for private
7 proposals, we use it for things that we want to do as
8 well, because the model entails considerations for
9 NEPA. It contains considerations for all of our
10 authorized purposes. It gives us a way to document
11 the process that we have been through and to make
12 certain that we have involved all of the stakeholders
13 that need to have a voice in it.

14 There are always people who
15 may disagree with our decision, but I hope that they
16 will not disagree that we didn't use a fair and
17 consistent approach and method for arriving at the
18 decision. I had -- I didn't know how many people
19 were here today. I brought several copies of that or
20 I will be happy to e-mail it. I have it
21 electronically, the process that we're using if you
22 think it might be of value to you. So I will use
23 that as a close right now so that I leave time for --
24 I have got one more minute.

Well, let me just close with stating

1 that the overall lesson learned, and I had used that
2 last item there, a lesson learned with regard to our
3 public lands management policies has been this thing
4 what I just talked about; and that is, consistency.

5 The strength of our policy and
6 strength of program is in consistency, the
7 consistency not just in the spirit and intent of our
8 mission and our regulations, but also consistency in
9 how we evaluate the uses and how we gather input for
10 the uses of our public lands.

11 Honestly, we have had in the past, and
12 this is where we're trying to improve, we have had
13 lakes that were side-by-side that would receive
14 similar proposals and one lake would approve it and
15 the other would deny it, and that's just not good and
16 it's almost indefensible.

17 So we are trying to use a regional
18 approach with this template as one example, and there
19 are very many others. We are looking at our
20 shoreline management plans and trying to make them
21 consistent across the board to the degree that we
22 can, yet, still maintaining some responsibility. So
23 it's not easy stuff, but it's something that we need
24 to be giving attention to.

1 forward to your questions.

2 MR. BRUCE SHUPP: Thank you. If the
3 panelists would come up here together we will have
4 some questions. I think we have to be impressed too
5 with the courage of the Alabama and Auburn people
6 coming up here well behind enemy lines to make their
7 presentations today.

8 DR. PAUL TEAGUE: I want to know if we
9 can get that fog to come in tomorrow so that the
10 Alabama team can't arrive.

11 MR. BRUCE SHUPP: Okay. Ready for
12 questions.

13 Steve.

14 DR. STEPHEN SMITH: I have a whole
15 series of questions, so I will stagger -- stagger
16 mine. I guess the first question, this is to all of
17 the panelists, I guess some of you touched on this
18 lightly, but a significant part of TVA's public lands
19 were acquired by eminent domain and I think that that
20 changes the dynamic a little bit. I mean, there's a
21 certain amount of responsibility, I think, especially
22 that comes from that.

23 Could each of you address if lands
24 that you have acquired by eminent domain and does

25 that affect or has it affected the thinking?

1 And my biggest concern is that many
2 times when lands are acquired by eminent domain they
3 are acquired where the landowner may feel that they
4 were not paid full value. And then one trend we're
5 very concerned about with TVA is that after the lands
6 are acquired by eminent domain wealthy, influential
7 individuals approach TVA to acquire those to use them
8 for personal profit, and there is a violation of the
9 public trust, in my opinion, when that happens.

10 So I would like to just explore with
11 each of you, if you have any direct experiences with
12 eminent domain, and then, you know, how that may
13 affect your thinking about your land.

14 MR. DAVID HARBIN: I'll go first.
15 Governor Sundquist, one of the guidelines -- now,
16 this is only speaking towards park lands, natural
17 areas, not talking about Department of Transportation
18 lands, things like that, but the tool of eminent
19 domain was not used and that's why we took the three
20 approaches that we did, which was to use business
21 connections, to partner up, and then to leverage
22 private funding. We still ended up being able to
23 acquire 210,000 acres of natural land. So eminent
24 domain was not used.

MR. JIM GRIGGS: Maybe I could follow.

1 We largely followed what Tennessee did in that in the
2 Forever Wild Land acquisition program that we enacted
3 in 1992, we specifically provided that we could not
4 acquire by eminent domain.

5 I think that was responsible for the
6 overwhelming vote that -- I think we had a
7 national -- a nationally leading vote of 82 percent
8 of the people of Alabama who voted for it, largely
9 because there was no threat of eminent domain. We
10 purchased based on -- based on appraisals that paid
11 fair market value.

12 Now, we never talk eminent domain in
13 others areas of land acquisition as well. I think it
14 just sours a project for us, and for that reason we
15 don't take that approach. We have needed easements
16 in a number of cases, and we've just eventually
17 worked those through with landowners.

18 I think if you did acquire property
19 with eminent domain, however, and if you pay fair
20 market value for it, I don't think you have any
21 enhanced obligation to use it for another purpose
22 other than that for which it was acquired, other than
23 the general tone that we have in that all state land
24 should be used for whatever multiple purpose that we

25 can use it for.

1 DR. STEPHEN SMITH: But you would --
2 you would -- let me just probe there a little bit.
3 You would understand -- I mean, if you use eminent
4 domain to acquire land from an individual using the
5 power of eminent domain, I would take it you would
6 not support turning around and making that available
7 to private developers at a later date to profit off
8 of that land?

9 MR. JIM GRIGGS: That's a correct
10 statement, we would not. In fact, we would really
11 stay light years away from that approach.

12 MR. JONATHAN DAVIS: And now the
13 federal response. I'm certain that, yes, we have
14 acquired lands in that way. I'm sorry. I am not a
15 real estate person from the Corps. In fact, most of
16 these lands that were acquired for Corps projects
17 were probably acquired before I was born, but I have
18 some history of them and I am familiar with what
19 you're speaking about.

20 Yes, obviously if we're going to
21 create a reservoir we couldn't have a 100 acre hold
22 out to build a dike around it and let them stay
23 there. So if it's the same term, and I think maybe
24 it is, or through a condemnation process, we did take

25 and paid the -- what was fair market value at that

1 time. That doesn't mean that the landowner was
2 always satisfied.

3 To get to your question, the Corps of
4 Engineers is very sensitive to that, and if we ever
5 change the use of the land, and to my knowledge, if
6 we -- and we don't dispose of lands often, but if we
7 did have a disposal, which is what we could call it
8 being -- you know, taking lands out of federal
9 ownership, there is a procedure -- a very prescribed
10 procedure through GSA, and I don't know if you two
11 could address that, through General Services
12 Administration where we couldn't do that.

13 I think the original owner has first
14 rights back to the land before -- you know, there's a
15 whole process that we would go through to properly
16 dispose of lands that were acquired for a specific
17 federal purpose and for whatever reason is now
18 determined that that purpose was no longer valid and
19 there was no longer a need for the land.

20 DR. STEPHEN SMITH: And is -- is
21 that -- and maybe -- maybe the other two are going to
22 talk about it. So, in other words, there is a
23 prescribed trigger that would trigger a GSA analysis
24 or something like that that would require -- and so

25 it sounds like basically that rarely, if ever,

1 happens, and it's a fairly significant deal if you,
2 as a federal entity, lose or move out of the public
3 back to private after you have acquired it by --

4 MR. JONATHAN DAVIS: That's my
5 experience. We have had -- and I don't know if
6 executive orders pertain to you fellows or not, but
7 occasionally we will have an executive order that
8 asks us to examine all of our land holdings to see if
9 they still are fulfilling and needed for the purpose
10 they were acquired 40, 50, 60 years ago.

11 Part of that is just that the federal
12 government shouldn't hold, at least in what -- to my
13 understanding, hold large land holdings that they
14 don't have -- that are not supporting the authorized
15 purposes of that project. So that's a drill that we
16 have gone through a few times over my career where we
17 did identify some lands like that went through this
18 GSA process to be properly disposed of.

19 MR. RAY JOHNSTON: Okay. I could
20 probably speak from the National Forest standpoint.
21 And really thinking about condemnation or perhaps
22 eminent domain, the only places that I can recall
23 that we have done that to any great extent is
24 where -- in the west where private lands blocked

25 access to public lands, large blocks of public lands.

1 And in those cases they did condemnation for roads
2 only, not for property.

3 I do have some experience though
4 dealing with what you talk about; and that is, I have
5 been the facilitator for the Federal Advisory
6 Committee at LBL for the last two years and I've
7 spent time with the folks on the Federal Advisory
8 Committee dealing with the very issue you're talking
9 about. And it does leave some issues, and I
10 appreciate what Kate and these folks are dealing with
11 with some of the eminent domain lands.

12 So I would say that we rarely do that.
13 In fact, we have had quite a discussion amongst the
14 federal family about the Appalachian Trail. We still
15 do not have the entire trail under right-of-way
16 because our agency and some others refuse to condemn
17 the lands. And there's quite a discussion there, but
18 we feel that over time we will acquire the
19 right-of-way but we're not going to condemn, for the
20 most part.

21 The second part of your question is
22 that we're under a lot of scrutiny about we use land,
23 and the kind of use that you described, we have some
24 very discrete processes on how to deal with that.

And I would say to you that using

1 public lands for private profit is something that we
2 wouldn't do. I wouldn't say you wouldn't be able to
3 find it, but for the most part it would be outside
4 our regulations. We have some great cases that I
5 could talk to you later about that started us really
6 looking at using public lands for private profit, and
7 I think we have pretty well got ahold of that.

8 MR. PHIL FRANCIS: Real quickly. I
9 don't know if this is working or not. We rarely, if
10 ever, use condemnation in order to acquire land, only
11 as a last resort.

12 With respect to alienating lands, is
13 how we refer to it, we will never alienate lands
14 which contain significant resources, but should we
15 decide to do so, then we obviously followed NEPA and
16 would have public hearings and input and then make a
17 decision based on the quality and quantity of that
18 input and with respect to whether or not we're
19 impairing our resources. This is very rarely used.
20 The only for-profit enterprise is in national parks
21 or concessions, which are authorized under the
22 Concessions Act.

23 MR. BRUCE SHUPP: Jimmy.

24 MR. JIMMY BARNETT: Two questions.

25 One is to Jim, since I'm an Alabamian. You lost me

1 on some of your figures. How much land in Alabama is
2 in public use right now?

3 MR. JIM GRIGGS: Mr. Barnett, we have
4 about 4 percent of public land, and that includes
5 federal, as well as state agencies. It's a moving
6 target. We try to figure it exactly, but the
7 acreages vary so much and change so much, we think
8 it's about 4 1/2 percent.

9 MR. JIMMY BARNETT: 4 1/2 percent?

10 MR. JIM GRIGGS: Yes, sir.

11 MR. JIMMY BARNETT: That 805,000
12 acres, does that belong to that figure?

13 MR. JIM GRIGGS: The 805,000 acres is
14 the amount of land in wildlife management areas.
15 This is not really related to that figure because
16 most of that land is private land.

17 MR. JIMMY BARNETT: Okay. That was --
18 I got a little confused when you were talking about
19 the private lands that were in there versus the
20 other.

21 MR. JIM GRIGGS: Yes, sir. And we get
22 confused with it on a daily basis.

23 MR. JIMMY BARNETT: Along with what
24 Steve was talking about as far as eminent domain, I

25 have had the unfortunate experience of being involved

1 in that being in the utility industry. And I know
2 the kind of problems that Kate would get into because
3 we have people wanting to encroach on our easements
4 and right-of-ways.

5 We had one guy that built a huge
6 high-rise apartment right under a high voltage line.
7 I went out there and somebody called my attention to
8 it. He already had it built. The guy was on there,
9 and it was a 46,000 volt line and he was on the roof,
10 and it scared me to death, I didn't want him to stand
11 up or anything, you know, please crawl down.

12 We went around and around. And, of
13 course, he was in clear violation. The judge told
14 him he was an idiot, but he was still there and he
15 didn't like it. We had acquired the land from his
16 uncle and he figured he could put his house anywhere
17 on there. So we went around and around about that.

18 I guess my question, when you acquire
19 the land, whether by eminent domain or other, it's
20 still your land. You've acquired it for a public
21 purpose. Therefore, you have to -- what you do with
22 it needs to be responsive to the public.

23 I'm asking for -- you're shaking your
24 heads or whatever when I say these things, but it's

25 still -- you have to meet your particular purposes,

1 the agency you happen to work for, whether it's
2 Sheffield Utilities or the Forest Service or
3 whatever. So as long as you use it for that
4 particular purpose, I think you can use it any kind
5 of way you want to that fits the purpose.

6 If you need to get rid of it, which I
7 think is where you're coming from, Steve, is that
8 correct, then what do you do with it or how do you
9 dispose of it or how do you compete with somebody
10 private wanting to use it?

11 The marinas, for an example, that Kate
12 deals with, that's private business. Concessions --
13 you have a Concessions Act that you go by. I don't
14 know, is there a Concessions Act with TVA would be
15 something I would ask or Marina Act or anything like
16 that or is that something that's allowed?

17 Now, should we have a marina down
18 here? Well, that's in the public good to have it
19 because I like to fill up my boat without landing my
20 boat and walking, you know, 2 or 3 miles, 5 miles,
21 10 miles to get gas. I like a marina every now and
22 then. Is that good or bad? I don't know.

23 MR. RAY JOHNSTON: If I could
24 address -- I think it's been said that -- again, as

25 Ray pointed out, we would not just dispose of land

1 strictly for private development for that reason
2 alone.

3 The key phrase that you mentioned
4 there is that -- and we don't dispose of land except
5 rarely, but when there's a request like those that I
6 mentioned earlier, these unsolicited requests for use
7 of public lands maybe by a private entity, the key to
8 our decision and a lot of what drives our decision is
9 the public good that's in it, the public benefit,
10 because these are public lands and we are providing
11 public outdoor -- and in my business it's outdoor
12 recreation.

13 Golf courses are an example that I
14 will use, and we have had some very successful
15 public/private partnerships. Lake Lanier Islands is
16 an example of that, if any of you have been there in
17 the Atlanta area. I think the key to what made that
18 successful was that we, the landholder and the
19 developers that were doing it, still had the same
20 customer in mind, the public at large who used public
21 lands and used these recreational facilities in
22 public lands.

23 We've had some that the interest was
24 more just in the benefit of the private developer,

25 maybe it was a golf course and they wanted to run a

1 few signature holes out across the Corps' property
2 and get them near the lake and then run them back
3 and, you know, the other 34 holes were on private
4 development and they wanted to put residential
5 housing on the private land, well, that was of no
6 benefit to the public which uses that particular
7 lake. It would have been a great benefit to the
8 private developer, but that would have been an
9 example of something that we would not have looked
10 favorably upon.

11 MR. BRUCE SHUPP: Paul, then Austin,
12 and Steve.

13 DR. PAUL TEAGUE: Phil, Ray, and
14 Jonathan, this question applies to all of you, but
15 it's directed primarily to Jonathan.

16 You say your policy of land management
17 is consistent. The average Joe up and down this
18 Tennessee River may agree that your policy is
19 consistent, but they also agree that your policy is
20 hard-nosed, non-cooperative, even worse than TVA.

21 TVA had this history before and they
22 have gotten in trouble of taking a bureaucratic
23 approach to it and not individualizing their
24 problems. That's what this Council is for, to help

25 TVA simulate and work through the image that has been

1 developed over the years. The Corps is a -- will
2 have the same problem in the future unless they
3 change their policy, as well as the forest.

4 I know there's a lot of resentment
5 over the Land Between the Lakes and the forestry
6 system because the locals say the forest department
7 is more difficult to deal with than their prior
8 people. So I only bring this up to make you aware of
9 what John Doe feels about your organization.

10 MR. PHIL FRANCIS: Let me speak to
11 that. That certainly was true at Great Smoky
12 Mountains National Park and still is true to some
13 extent, but we work really hard to go out and work
14 with local people and get to know them and for them
15 to get to know us.

16 And when I moved here in '94 I went to
17 Swain County, North Carolina, and we were not well
18 received. We had public meetings every month and
19 allowed the public to come and bring up their issues.
20 I finally learned to ask, well, what year did that
21 happen. And sometimes it would be back in the 1950's
22 or 1960's and it was represented as if it just
23 occurred, but those feelings were very strong and
24 long-lasting.

But as we have gone out and tried to

1 engage the public, and we have worked very, very,
2 very hard to do that, those feelings are beginning to
3 go away to some extent.

4 But you're exactly right, it won't
5 happen by itself, it took a lot of effort.

6 MR. BRUCE SHUPP: Paul. Pardon me.
7 Austin.

8 DR. PAUL TEAGUE: I want to hear --
9 Jon -- before we leave I want to hear Jonathan.

10 MR. JONATHAN DAVIS: I agree with you,
11 Paul. I think what we have learned is -- and I did
12 say we're seeking consistency in a policy so that we
13 won't be -- that's so on the one hand we won't be
14 accused of being arbitrary and capricious, but as I
15 said, the whole challenge of what we do is try to
16 have that goal, but yet, to still have some
17 flexibility.

18 And policies, I will tell you that --
19 confess that what we have come to realize, and I'm
20 one of them and our folks that implement the policy,
21 policy is just that, it's policy, it's not law. Law
22 is law, but from law flows regulations and policy and
23 they can be changed. We need to be open and make
24 sure that our policies and regulations are updated

25 and that they are looked at and reviewed, that we

1 don't just don't hold to something.

2 We have been guilty of, you know,
3 giving back, as you say, to somebody, well, that's
4 our policy as though it had the force of law and it
5 doesn't, so that's something that we're learning. I
6 appreciate your comment.

7 MR. RAY JOHNSTON: I would like to
8 close with what you said about LBL. And being that I
9 have been facilitating the FACA, I do have some
10 experience with that.

11 When you put two federal agencies or
12 perhaps public/private agencies together and you say,
13 you know, we're going to manage this and we're going
14 to switch, whenever you do that you have some issues.
15 I could tell you that I think the local people there,
16 our people, are working very hard to deal with what
17 you described, but it is there, and that comes with
18 change. And I believe over time we will take that
19 on, Paul, but it's there.

20 DR. PAUL TEAGUE: I appreciate it very
21 much the three of you -- your response in that you
22 say you're trying very hard. And if you try very
23 hard and pass that on down and get everybody in your
24 organization trying hard to be fair with the local

25 Joe out here that wants something from the Corps or

1 from TVA who doesn't have some political pull, you
2 people know like I know, when the hammer comes down
3 from Washington or Sundquist or whoever says, this is
4 a good old friend of mine, I want this done, you
5 know, you have to respond, and it's unfair for the
6 local small Joe who doesn't have those contacts, and
7 that's why you have to be responsive in kind.

8 And I appreciate your response that
9 you are trying because that's what it will take to
10 keep continuity and friendship between the locals and
11 the federal government.

12 MR. AUSTIN CARROLL: I have a couple
13 of questions. One gets back to an extension of
14 Dr. Smith's question.

15 When -- like, for example, the Corps,
16 you know, does allow marinas and does allow a golf
17 course or whatever to -- how does that work? You're
18 saying you're not selling that land or are you
19 providing easements or how are you handling that?

20 MR. JONATHAN DAVIS: The context in
21 which we provide those two types of things that you
22 have mentioned there, again, we still own the land
23 but it's usually through a lease arrangement.

24 Some of the golf courses that we have

25 are on state lands that may be contained within an

1 existing state park lease. And so if the golf course
2 and the marina, what we like to see and what we
3 typically have are golf courses where they are part
4 of an integrated total development that includes a
5 marina and campgrounds, nature trails, a lot of other
6 public use amenities that would typically be found
7 around the water.

8 Again, while it's not stated in our
9 mission anywhere, the Corps' role, and I think very
10 similar to TVA, when you talk about recreation, it's
11 pretty much water based recreation. Now, the way I
12 play golf is water based. So the golf course doesn't
13 have to be on the lake.

14 But, you know, just having a golf
15 course for the sake of having a golf course
16 standalone or in that example I gave you, just to
17 come out of nowhere and run two holes over and
18 dissect a contiguous part of the shoreline which is
19 providing a lot of environmental benefits, you know,
20 corridors for movement of Neotropical migrants and a
21 lot of other environmental benefits is not something
22 that we would do unless it could be supported in the
23 context of a larger, overall, comprehensive
24 recreation development.

MR. AUSTIN CARROLL: So you're saying

1 that if it involved recreation, then you would allow
2 the use of that land for that, but if an industry or
3 something were to want to locate and have access, you
4 know, for a port or something like that. Would you
5 do that or how do you handle that?

6 MR. JONATHAN DAVIS: Well, yes, and
7 that's getting into a different Corps purpose. But
8 like on the Tennessee Tombigbee waterway for an
9 example, industries in that project was authorized
10 for commercial navigation in the support of industry,
11 so there are occasions there where those types of
12 things would be entertained.

13 I was just using recreation in -- I
14 use those examples because that's the side of the
15 Corps that I work in operation is more the recreation
16 and environmental stewardship.

17 MR. AUSTIN CARROLL: But there are --
18 I guess the point is there are properties that were
19 taken under eminent domain or whatever that are used
20 somehow or another for profit.

21 MR. JONATHAN DAVIS: For profit but
22 not in context of a park or recreation development,
23 is that what you're asking me?

24 MR. AUSTIN CARROLL: Well, like if an

25 industry wanted to locate and they needed a port, you

1 know, access to the water there, then you would try
2 to cooperate with that?

3 MR. JONATHAN DAVIS: Yes. I think we
4 have some areas like that, again, along the Timtom,
5 some development authorities.

6 MR. AUSTIN CARROLL: They would lease
7 it?

8 MR. JONATHAN DAVIS: I believe those
9 would be under a lease arrangement, right.

10 MR. AUSTIN CARROLL: One other
11 question, I grew up on the Buffalo River down in
12 Middle Tennessee. It's 108 miles long. There's, you
13 know, some other rivers like it, probably the Elk
14 River and somewhat the Duck River and whatever. I
15 still have some property down there.

16 On that river, you know, I see, you
17 know, people locating as close as they want to. They
18 cut whatever they want to. They have, you know,
19 cattle runoff in the river, you know. It just looks
20 like it's wide open. I mean, I don't see any
21 regulation at all.

22 I mean, who, if anybody, is
23 responsible for that kind of thing?

24 MR. DAVID HARBIN: I will try to

25 address the pollution side of it. The Department of

1 Environment and Conservation is under the
2 responsibility to protect waters of the state from
3 pollution.

4 And if encroachment like that, runoff,
5 construction activities, things like that, do cause
6 pollution, then, yes, that's within the
7 responsibility of the Tennessee Department of
8 Environment and Conservation, but we have to know
9 about those things, too. We have only got so many
10 inspectors and only have so many resources to go
11 throughout the state.

12 But, yes, if we know about that, if
13 the state knows about that, then that is a
14 responsibility to prevent contamination of navigable
15 waters in the State of Tennessee, absolutely.

16 MR. AUSTIN CARROLL: Thank you.

17 MR. BRUCE SHUPP: Steve.

18 DR. STEPHEN SMITH: Do you want to let
19 Greer go first?

20 MR. BRUCE SHUPP: I thought you were
21 up before.

22 DR. STEPHEN SMITH: I might have been.
23 I have just gone before.

24 MR. BRUCE SHUPP: Okay. We will do

25 that.

1 DR. STEPHEN SMITH: I do have a
2 question, so I do want to get to it before lunch.

3 MR. ED WILLIAMS: I will try to be
4 quick then. This is primarily the field that I know
5 that Ray and David have dealt with it. Shifting
6 gears a little bit. In the late '80s and early '90s
7 facing the funding crisis you did -- as you know, we
8 created a number of friends organizations throughout
9 the country, and a lot of volunteer effort, a lot of
10 public and private partnership.

11 I think it would be helpful to reflect
12 on the value of that vis-a-vis everything from a
13 mountain fire tower to the handicap trails and the
14 other things and how successful in the last ten years
15 the friends of a support group that has a sole
16 purpose of helping the park service as opposed to a
17 group that has a special interest and is really
18 helping your mission with your lands.

19 MR. PHIL FRANCIS: Well, in our case,
20 in '94 when I arrived we noticed that we were
21 severely underfunded. We didn't expect the Congress
22 to come through with any additional funds for the
23 parks. So instead of whining and complaining about
24 not having enough money, we did that some too, but,

25 you know, we had a friends' group that had just

1 formed, and in 1993 I think we raised a total of
2 \$30,000 from all sources. In 1999 that was up to a
3 million and a half. We had a new volunteer program
4 in '93. We had 100,000 hours last year.

5 So we have gone from less than
6 1 percent of all that we accomplished in the Smokies
7 to over 20 percent of all that we accomplish in the
8 Smokies now come from non-federal sources. We did
9 that by thinking out of the box, and we threw the box
10 away. I don't even know where it is anymore.

11 We developed a real sound
12 relationship; and that is, the park service has to
13 develop the priorities. Our friends' group funds
14 them. We work with them to make sure that the
15 projects that we put on our list are sexy enough so
16 that someone would want to buy them.

17 We retain the -- we retain the
18 priority setting prerogative, and it's worked great.
19 It's one of the model friends' group organizations in
20 the country. It's easier to do in Smokies than it is
21 at Big Ben. We have Knoxville nearby and Asheville,
22 lots of people live near the Smokies and love the
23 Smokies. If you're at Big Ben, you know, the nearest
24 city is 60 miles away, it would be a bigger

25 challenge. So the model works in some places very

1 well.

2 MR. RAY JOHNSTON: I could speak to
3 that in a different way. We have some national
4 watersheds that we have emphasized and a couple that
5 affect Tennessee, perhaps the area on the Conesauga
6 River, the Upper Tennessee River, Ed, that you been
7 working on.

8 The Conesauga River, we invested about
9 \$500,000 a year over the last four years, but our
10 partners in various ways, like you say, the friends
11 and so forth, we have been averaging about six to
12 one. So we have invested \$3 million from partners in
13 terms of watershed improvement for an investment from
14 the federal government of 500,000.

15 In the Potomac River, which is a much
16 larger project, we find that our return is 11 to 1.
17 We've invested about \$1 million a year over the last
18 four years and the return -- the Potomac Conservancy
19 is actually our partner and handles the funds. We
20 have achieved, for a million dollar investment,
21 \$11 million invested a year in improving the
22 watershed.

23 So we're finding that we're able to
24 achieve goals without having the federal government

25 pony up the money or a lot of the money, and this is

1 really positive in my way of thinking.

2 MR. DAVID HARBIN: I might add to
3 that. Ed, in state acquisition using and leveraging
4 private groups and private dollars, the state has
5 been able to take the acquisition cost of almost
6 approximately \$900 or less per acre in acquisition.
7 So we have been really able to leverage private
8 funding and private groups as well and save the state
9 money in acquisition costs.

10 MR. JIM GRIGGS: Just to extend that a
11 little bit, in Alabama we have been successful in
12 working with partnerships not only from the money
13 that comes from the match or providing part of the
14 match, but we find that our rating in a grant
15 application is much higher if we have these
16 partnerships endorse our grant. And so we actively
17 look for just endorsements as well as cash because
18 those translate into cash in terms of the grant
19 awards.

20 MR. JONATHAN DAVIS: Quickly, I would
21 just say that we use volunteers like everyone else
22 for anything that they would be willing to do, trail
23 building. Our shoreline cleans-ups, typically this
24 time of year, are very successful and generate a lot

25 of -- one of the biggest benefits besides just

1 getting the work done, it really gives the community
2 and stakeholders, you know, a sense of ownership.

3 And we have an Adopt-A-Mile like the
4 Adopt-A-Mile on the highway, we adopt certain lengths
5 of the shoreline. So now they own -- that's my piece
6 of shoreline, I'm not going to let that can stay out
7 there, and that's been a great benefit in just
8 building constituencies with individuals and groups.

9 We have a volunteer clearinghouse,
10 it's in the Nashville district, that operates on
11 behalf of the whole nation. We make known our
12 volunteer needs and people can access -- call a 1-800
13 number, find out, you know, where are some volunteer
14 opportunities on core lakes in my area, and then also
15 they can say, I have a group with this expertise. So
16 we use that as sort of our way to generate and keep
17 that program going.

18 MR. BRUCE SHUPP: Greer.

19 MR. GREER TIDWELL: Thanks, Bruce. I
20 would like to hear basically from everybody on this
21 question; and that is, kind of as a business person
22 here I have to quantify the objectives I set for
23 environmental management within
24 Bridgestone/Firestone. We work on a basis of

25 numbers.

1 You can call any tire plant manager
2 across the country right now and ask them how many,
3 many tires they are making in the last hour, the last
4 day, the last week, they know, they get it down to
5 numbers.

6 We're in an arena where quantification
7 is extremely difficult, but I think it's going to be
8 extremely important in managing multi-use pressures.
9 And each of you discussed the public interest, which
10 is obviously multi-use at best.

11 Could -- I don't care which side we
12 start from, maybe we will start with David and move
13 across the board there, to talk about tools you have
14 used or seen used in your agency for quantifying the
15 public interest or the multiple uses that people want
16 to have applied to your lands.

17 MR. DAVID HARBIN: Greer, I think a
18 good example of that would be the Yunnoly Wildlife
19 Management area, how we quantified with -- along with
20 our partner TVA. We were able to look at the area,
21 look at the vulnerable areas, look at the topography,
22 look at the -- where the urban growth was going, look
23 at what species were growing, look at what uses that
24 area could be put to, first of all, then develop some

25 sort of overall management plan that would pull all

1 of those various uses together, a multiple use, and
2 we put that out for public comment to see if that
3 would be acceptable to the public.

4 I don't know if that's an answer that
5 you're looking for, but that was a model that we
6 used, along with our partner TVA, in the Yunnoly
7 Wildlife Management area, and it proved successful.
8 I don't know if that's answering your question.

9 MR. GREER TIDWELL: It answers it with
10 an example of sort of not really putting numbers to
11 it other than particular acres assigned particular
12 uses.

13 MR. DAVID HARBIN: That's correct.

14 MR. GREER TIDWELL: And watch how much
15 political pressure came back at the Governor, I mean,
16 that's -- it proved ineffective there.

17 MR. DAVID HARBIN: And to see if that
18 was acceptable to the public as well.

19 MR. GREER TIDWELL: Yeah, that's what
20 I mean by pressure coming back to the Governor, is it
21 acceptable. Maybe others have put numbers weighing
22 different uses.

23 MR. JIM GRIGGS: We quantify it in a
24 couple of ways. I think I can expand on exactly what

25 you're talking about. First of all, in the

1 management aspects of the property we quantify based
2 on real figures, how much -- how much -- how many
3 miles of boundary do we survey, how many miles do we
4 mark, how many miles of inland roadway do we
5 maintain, what do we do to those, so at the end of
6 the year we know what we're doing to the land.

7 Then what we do on the other end of
8 that is look at the numbers of people who come and
9 use that land. In wildlife management areas, for
10 example, we know how many people obtain permits and
11 how many days they hunt. We know what the yield is
12 from those hunting efforts.

13 Where it's not a wildlife management
14 area and it's just open to the public, we look at the
15 numbers who actually come in and use those. Where
16 they are day-use areas we count -- we have counts so
17 we know who uses those, and we also know what kind of
18 use. We try to partition out the sort of use that
19 they have, whether they came to horseback ride. Did
20 we have 50 people bring trailers in with horses last
21 month or did we have one, and that helps us from a
22 business perspective in that we know based on that
23 use what we have to do to the land getting back to
24 maintaining the land for that public purpose.

So we have done that for -- through

1 sort of on the open end through asking people what
2 they want to use, and they will tell you right quick,
3 and we found that those figures -- those preferences
4 do bear out.

5 We opened 3,000 acres of land in
6 Tuscaloosa County and we had people who were very
7 vocal about what they wanted to do with that land.
8 They wanted to horseback ride. They wanted to be
9 able to portage the Sipsy River from that land. And
10 those people have, in fact, done that.

11 Now, there were some requests -- there
12 were some preferences that we could not allow. There
13 were people who wanted to ride mud buggies on the
14 land, those kinds of things were inconsistent with
15 almost everybody else's use.

16 But you can get some real figures that
17 way, and you can put a business pencil to it, if you
18 will, to know exactly what you have to do to the land
19 to accommodate those preferences.

20 MR. JONATHAN DAVIS: I understand your
21 question, I believe. I will tell you, it's been
22 difficult for us. Again, the Corps is a multi -- has
23 multi missions.

24 We first started to address this when

25 we tried to write performance measures, results

1 oriented performance measures, which federal agencies
2 under the Government and Performance Results Act were
3 to come with up. That forced us to think about what
4 do we produce and then how do we quantify it, and
5 then is that of value to our users and how do we know
6 that.

7 It was maybe a little easier with
8 navigation. You can talk about ton miles that move
9 and kilowatt hours, but when you get over to
10 recreation we use some of the things that they
11 mentioned earlier, visitation, and the amount of
12 dollars that people would spend to come and whether
13 our facilities were meeting their needs.

14 The one that we -- that's difficult is
15 the one that deals with lands management and the
16 environment, you know, and trying to quantify that.
17 We always tend to want to go back and put -- relate
18 everything back to dollars, and it is just hard to do
19 that with the environment, you know, what's the value
20 of the tree or the blue bird or two blue birds and
21 who's it important to. So we're still really
22 wrestling with that, and if you have got any good
23 ideas, I will take them.

24 MR. RAY JOHNSTON: I deal with it in

25 a different way. I won't talk about recreation

1 because we do those kinds of things and they are a
2 little more quantifiable, but we do a lot of work and
3 quantification of vegetation. And what we have done
4 is tried to set what we would call, and like many do,
5 sustainable ecosystems, and we have some targets as
6 to what the forests should look like.

7 And we inventory the forests to see
8 what's changed, and the idea is to look at our
9 management activities and see that it still maintains
10 sustainable ecosystems. And we can do that by acres
11 or by crown classes or by age of the forests or by
12 species.

13 An example of that, and I think it an
14 was extraordinary effort made by many of the agencies
15 here in the south, was the Southern Forest Resource
16 Assessment where we were accused, we meaning the
17 forest industry or people that own forests, accused
18 of denuding forests for chip mills, and that was kind
19 of growing and so forth.

20 We actually went through a fairly
21 extensive inventory of all the forests in the south.
22 And, of course, the end result is maybe in some small
23 areas we have some issues, but for the most part the
24 greatest degradation of forests in the south come

25 from urbanization and we really aren't dealing with

1 that very well yet. We will.

2 We're able to quantify that on a
3 vegetation basis, and we use that to determine forest
4 health. I heard the gentleman from the park service
5 mention, you know, invasive species, we're looking at
6 all kinds of things that we assist people to try to
7 keep those invasive insects out of our forests and
8 all of those other places, too. So we can quantify
9 some of that.

10 MR. PHIL FRANCIS: Well, we do much of
11 the same thing. We have the Government Performance
12 and Results Act. Each of the 380 parks has a
13 strategic plan. Each of the parks has a number of
14 goals with numbers, and those are measured each year
15 with annual reports given.

16 The Park Service has also undertaken a
17 new project to develop business plans for each one of
18 its parks. We have a business plan, for example, for
19 the Smokies that we have implemented and revised
20 already. So we are doing quite a bit of measurement.

21 One of the interesting things that
22 we're doing is we're going to be working with Alcoa
23 Aluminum in our partnership, and they are going to
24 help us devise some metrics for our education program

25 to see how effective they are.

1 But I must tell you, after spending
2 three months with TVA, a place I would look is at TVA
3 because I think they do an outstanding job of
4 developing goals and numbers and metrics and they
5 measure and compare against the benchmarks. I think
6 they do a great job in that area.

7 MR. BRUCE SHUPP: We're eating into
8 our lunch hour, so to speak. One more question and a
9 quick answer, please.

10 DR. STEPHEN SMITH: Well, very quickly
11 I want to drill down just a little bit more, and I
12 will direct this more to the federal folks because I
13 think they're the most relevant.

14 The term economic development -- and I
15 think Austin was alluding to it, you know, there's
16 different types of economic development, and when you
17 have public assets, public land, if an industrial
18 site or something like that, maybe one, but do any of
19 you-all deal where -- where you take public lands and
20 put it into private ownership to where it's used for
21 residential development that it can ever been
22 justified as economic development?

23 MR. RAY JOHNSTON: As far as I know,
24 we never have. We have gone through processes where

25 we have disposed of land but never something like

1 that probably since the '30s. We have some things in
2 the '30s we did things but not since then.

3 DR. STEPHEN SMITH: So, I mean, as a
4 general rule, once it's in the public domain, to move
5 it back to private residential would never be
6 construed as economic development?

7 MR. RAY JOHNSTON: Well, unless the
8 land was determined surplus. If we have small
9 parcels of land someplace and if they are determined
10 surplus, then -- actually what the GSA does is they
11 advertise it in the public record and you can buy it,
12 but not given to an individual, and that's the key.
13 You would have to buy it at public auction.

14 DR. STEPHEN SMITH: That's highly
15 unusual?

16 MR. RAY JOHNSTON: Yes.

17 MR. BRUCE SHUPP: Is that it? All
18 right. Gentlemen, excellent job. I wish we had
19 another two hours. Thank you very much.

20 All right. Back at 1:00 for starting
21 the afternoon session.

22 (Lunch recess.)

23 MR. BRUCE SHUPP: Okay. Here we go.
24 Okay. To sort of set up the afternoon session and

25 presentation by Bridgette Ellis, Kate Jackson would

1 like to give us some opening remarks to try to
2 clarify where we're going from here.

3 DR. KATE JACKSON: Thank you. I just
4 wanted to introduce Bridgette's presentation. What
5 Bridgette is about to do is to talk about the land
6 assets that we own and the purposes under which we
7 manage them and the guidelines and policies that we
8 use as the instruments to manage those assets.

9 And I would just like -- after the
10 presentations that we heard this morning, I would
11 like to provide a little bit of perspective before
12 Bridgette does her presentation so that you can have
13 your ears perked up for some things.

14 And one of those is think about the
15 mission differential from the agencies and
16 institutions that you heard from this morning and
17 TVA. And the ones that are -- that are really clear
18 to think about are the purposes under which the
19 National Park Service manages land are very clearly
20 defined. They are relatively inflexible and they are
21 for non-impairment. I mean, you heard Phil say that
22 a couple of times.

23 The forest service has a fairly well
24 defined mission and responsibilities and fairly clear

25 boundaries on those responsibilities, and because of

1 that they have a vehicle to measure whether or not
2 they are having success in their mission in a
3 relatively narrower field of view. It's pretty clear
4 whether or not the forest is healthy. It's pretty
5 clear whether or not people are enjoying the resource
6 and whether it's being impaired or not.

7 The Corps of Engineers have a
8 responsibility to have land to facilitate the
9 operations of its projects, and each project has an
10 identified set purpose or set of purposes.

11 Whereas, TVA has a much broader, more
12 general mandate and responsibilities under the TVA
13 Act and because of that has the wonderful benefit of
14 balancing all of those issues and sort of wrestling
15 with those.

16 The hard part is those issues change
17 over time, in addition to which the purpose by which
18 we obtain the land, multipurpose, and in some cases
19 condemnation, which Steve brought up, those purposes
20 were determined on a reservoir-by-reservoir basis
21 when we were provided the responsibility to acquire
22 land. And those include things that are not included
23 in those missions of those other institutions, and
24 maybe the most compelling of those is the economic

25 development responsibility.

1 So we acquired a lot of land with the
2 responsibility included in some of those reservoirs
3 to do residential development, to do industrial
4 development, to provide large, large tracts of land
5 to the states for state parks.

6 So just hold -- bear in mind, and I'm
7 not trying to explain why we do anything or justify
8 it, it's just hold in mind that there's this broad
9 set of issues, a broad set of purposes which are
10 different under which we acquired those land rights
11 and land holdings, and now that lots more people have
12 moved here, people feel differently about the way
13 that land ought to be used and there's much less of
14 it, that's where the real issues come into play with
15 respect to how do we wield this asset in the way that
16 values the public the most, and that's why your
17 advice is so critically important to us.

18 With that, Bridgette, vice president
19 of resource stewardship.

20 MS. BRIDGETTE ELLIS: Thank you, Kate.
21 Hello everyone. It's really, really good to see
22 everyone again. I hope as we go through this -- you
23 have a copy of this presentation in your notebooks,
24 so you can jot down some notes as we go through it.

25 I think it's in the very back, I believe Sandy said.

1 MR. BRUCE SHUPP: On the table.

2 MS. BRIDGETTE ELLIS: Or on the table.

3 Let's talk first about what Franklin Roosevelt
4 charged TVA with doing. He said in his statement
5 from the very beginning that the direction is that he
6 suggest that legislation to create the Tennessee
7 Valley Authority, a corporation clothed in the power
8 of government but possess the flexibility and
9 initiative of private enterprise, charged with the
10 broadest duty of planning of the natural resources of
11 the Tennessee River drainage basin for the general,
12 social, and economic welfare of the nation. So from
13 the very start President Roosevelt set those
14 expectations.

15 And if you go actually into the TVA
16 Act, which is what you heard earlier talked about,
17 and this is part of one of those specific questions
18 that we're going to talk about today, Section 22 of
19 the Act also states that to aid further the proper
20 use, conservation, and development of the natural
21 resources of the Tennessee River drainage basin for
22 the general purpose of fostering orderly and proper
23 physical, economic, social development of those set
24 areas.

So in today's time what that means to

1 us and how we interpret that from an objective
2 standpoint is that we believe that our mission and
3 our objective is to provide for those multiple
4 benefits from the uses of these lands while balancing
5 not only those power generation needs, conservation
6 of resources, economic development, water quality,
7 and recreation, because you noticed in some of those
8 first things that I talked about water quality wasn't
9 stated, recreation wasn't stated, but we believe in
10 today's time and with our responsibilities for that
11 broad development and those broad missions that
12 that's what that includes in today's time.

13 Okay. Let's talk about TVA's land
14 assets and what we own and what we do not own
15 anymore. TVA acquired over 1.3 million acres
16 originally for the acquisition of the projects. And
17 this table shows a combination of things that we own
18 in fee, things where we only own an easement. I
19 think you heard earlier talks about different types
20 of land rights and what that means. And then lands
21 that even though we acquired them for those original
22 projects, they were later sold or transferred for
23 other specific purposes, and I am going to go through
24 each one of these individually.

In the fee ownership area we actually

1 have ownership of almost half a million acres, and
2 that is the land that's actually under the
3 reservoirs. Obviously very limited management in
4 terms from a public lands standpoint of the types of
5 things that we do on those parts of the land.

6 The part where we spend the majority
7 of our time is the 328,000 acres of land, what we
8 call above summer pool, and that's where the active
9 management is. That's where we have management for
10 industrial development, for recreation, for
11 protection of sensitive resources, all of those
12 things and purposes by which we manage these lands.

13 We also have a category -- it's called
14 easements, and this is land that we do not own but we
15 own a right over that piece of property for a
16 specific purpose. On several of the reservoirs we
17 own what's called a flowage easement. Douglas is a
18 great example where we don't own a lot of the land
19 around Douglas, but all we purchased was the right to
20 flood up to a certain contour for the purposes of
21 protecting for flood control.

22 So on certain reservoirs you're going
23 to have a different mix of those different types of
24 land or land rights. So we don't own all of the land

25 around every reservoir. In some cases we only own

1 what's called an easement.

2 Another area where we own easements is
3 in the transmission system where we own a
4 right-of-way to -- for a transmission line on private
5 property.

6 Another big area is land that was
7 either transferred or sold, and there's been over
8 five -- approximately about a half million acres sold
9 or transferred since TVA's inception. Now, the
10 majority of this happened in the '50s and the '60s
11 when TVA, once the lands -- once it was determined
12 what was needed for the intended purposes of each
13 reservoir, a lot of those lands were either sold or
14 transferred for specific purposes.

15 A lot of what Kate talked about
16 earlier were transferred to states for state parks.
17 The two national wildlife refuges that are on the
18 reservoir were TVA lands that were transferred to the
19 U.S. Fish and Wildlife Service, that being the
20 Tennessee National Wildlife Refuge and the Wheeler
21 National Wildlife Refuge.

22 You heard the gentleman from the State
23 of Tennessee talk about the Columbia project, that
24 was over -- that was about 13,000 acres of land that

25 we originally acquired but that has been transferred

1 to the state.

2 Then there's other areas where we have
3 actually sold land for specific purposes. And in
4 that area where we have sold for specific purposes,
5 there are a couple of things going on. We either
6 sold it outright and we said you can do whatever you
7 want to with it. It's your land now. We have sold
8 it at public auction. You can have the use of it.
9 Or we might have sold it with a specific purpose in
10 mind and we placed some type of a restrictive
11 covenant on that piece of property that said, yes,
12 we're going to sell it to you or, yes, we're going to
13 transfer it to you, but you have to use it for that
14 intended purpose.

15 A good example would be where we
16 would -- if you remember back in the '50s and '60s
17 TVA was trying to get people to actually come to the
18 reservoir not only to live but to recreate. Well, we
19 sold a lot of land around the reservoirs to
20 individual group camps, churches, things like that,
21 but we said they had to use it for recreational
22 purposes.

23 So there's a lot of private land
24 around the reservoir that in the public's perception

25 looks public but it's privately owned, but it may

1 have some type of restriction on it that says it has
2 to be used for some specific purpose. So a lot of
3 that happened in the '50s and '60s in terms of trying
4 to -- again, trying to get people to come, recreate,
5 live on the reservoirs, all of those types of things.

6 Now, that's a huge area. When we
7 start talking about some of our areas of issues and
8 conflicts where we get into a lot of issues with the
9 public and with our stakeholders because we're
10 talking about areas where someone owns the land, TVA
11 has a restriction on that piece of property, and that
12 individual or that private property owner is wanting
13 us to lift that restriction so they can use it for
14 other intended purposes or to expand on what they are
15 doing. So keep that in mind as we talk through this.

16 Now, in this transferred area, about
17 two-thirds of that was transferred for public
18 purposes, that being the public access, the state
19 parks, wildlife management areas, all of those
20 different things. About a third was sold for -- with
21 residential use restrictions or no restrictions. And
22 then maybe 1 percent was sold for commercial
23 recreation group camps or private club enterprises.

24 Now, remember, back in the '50s and

25 '60s we were trying to -- again, trying to bring

1 people to the reservoirs for those specific purposes.
2 So if you look at that area of those lands that were
3 sold or transferred, that gives you kind of an idea
4 of the complexity of all of those lands and land
5 rights.

6 Now, if you want to actually look at
7 the purposes, what we're going to concentrate on is
8 the first line up there, which is the reservoir
9 properties. There's about 293,000 acres around all
10 of these reservoirs. I am going to give you kind of
11 a snapshot of what those look like, but this is to
12 give you an idea of all the land assets that TVA
13 owns.

14 We own obviously around the reservoirs
15 this amount of acreage, and this includes everything
16 for a lot of different purposes, dispersed
17 recreation, economic development, natural resource
18 conservation, protection of sensitive resources, and
19 I will go through that real specific here in a
20 minute.

21 The power properties for generation
22 and transmission, we own about 35,000 acres for that.
23 That is where our plant sites are. It's where some
24 of our substations are, a lot of those different

25 types of things. Then our commercial properties,

1 which is where a lot of our buildings are. Across
2 the street, for example. So a lot of that -- so that
3 gives you kind of an idea of the whole makeup of all
4 of the assets that the company owns because I --
5 across the board.

6 Now, when we're talking about the
7 reservoir properties, again, 293,000 acres, I have a
8 staff of about 130 people who manage those -- that
9 amount of acreage. They are spread all the way from
10 Kingsport to Paris, Tennessee.

11 There's 12 watershed teams that do the
12 majority of that work. They had the responsibility
13 for managing these lands. They had the water quality
14 responsibilities, all of the recreation
15 responsibilities.

16 So in terms of the time and effort
17 that it takes them to work these reservoirs, it can
18 take them anywhere from a few minutes to get to a
19 place on the reservoir all the way to a half a day
20 depending on where they need to be.

21 Particularly on Kentucky Lake, and on
22 that reservoir where the team is actually located in
23 Paris, if they are doing work in certain areas,
24 there's a lot of places where it takes them a full

25 day. So that gives you kind of the difference

1 between the geography and the responsibilities that
2 they have and that may be the difference between the
3 park service or the forest service where they have a
4 large contiguous tract of land and everybody resides
5 in one place where they are working on a specific
6 piece of property.

7 Okay. Let's talk about land ownership
8 patterns around the reservoir. What you have got up
9 here -- and first, let me tell you, every reservoir
10 is different. The land ownership patterns on
11 Douglas, on Cherokee, on Ft. Loudon, Fontana, I could
12 not give you one description for what the land looks
13 like on each one of those because, remember, each one
14 was acquired for specific purposes. At the time they
15 were acquired, depending on the Eisenhower rule,
16 which I heard earlier, we might have only acquired an
17 easement or we might have acquired the fee land.

18 So when you think about that -- what I
19 have put up here is kind of a characterization of
20 Watts Bar reservoir. Some reservoirs like Ft. Loudon
21 and Douglas, the majority of the property is
22 privately owned.

23 Here on Watts Bar you have got an
24 example where TVA owns around 13,000 acres. We have

25 sold over 8,000 for specific things, maybe it's a

1 national -- maybe it's a wildlife management area or
2 we have sold it for some type of development.
3 There's about 1,200 acres that have been transferred.
4 And then there's that flowage easement again of 6,600
5 acres.

6 Now, compare that to Kentucky, which
7 has a much larger land base and compare it to Ft.
8 Loudon, and you will see, regardless of where you go
9 on any reservoir, you need to know the specifics of
10 each one.

11 If you look at the characterization in
12 the map you can see that there's very, very few large
13 contiguous tracts of land on any of the reservoirs.
14 Most of it is these real small slivers of land that
15 Kate talked about earlier. In fact, we own very few
16 tracts now they are greater in size than 500 acres or
17 more.

18 The one you see on there is the Clinch
19 Breeder reactor site over in Anderson County -- Roane
20 County, I mean. So very, very few large contiguous
21 tracts on any reservoir across the way.

22 Most of the tracts are very narrow
23 parcels within 100 to 300 feet of the summer pool,
24 and that's probably all we own in some cases, 300

25 feet back from summer pool in a lot of areas. Again,

1 flood control to protect for those needs.

2 If you look across the valley there's
3 also about 12,000 acres that are designated as
4 habitat protection areas, and I'll talk about that
5 specifically when I get into our planning process and
6 how we actually use our lands for all of those
7 intended purposes.

8 Okay. Let's talk about lands
9 planning, which is one of our tools. You heard the
10 other organizations talk about they have different
11 management models and different ways of planning for
12 the uses of those lands, and the first one that we
13 turn to is our reservoir lands planning process and
14 it has really three objectives.

15 The first is to identify what the
16 stakeholder values and needs are around any given
17 reservoir. The second is to provide a blue print for
18 the future management of those lands, and then define
19 the capabilities and suitability of those lands for
20 any various use.

21 Let me talk a little bit about our
22 process. Our process started in 1979. In other
23 words, even though we have been around since 1933 we
24 didn't have a lands planning process until that

25 point. And the reason we started a lands planning

1 process is because we had conflicting uses and
2 competing uses for land. So it was decided that, you
3 know, we really needed to have a long-term strategy
4 and a long-term plan for a lot of these different
5 lands. So to date there's probably 94 percent of the
6 land which has been put into some type of planning
7 process, and I will show y'all the details on that.
8 Now, through this planning process we examine
9 everything that you can imagine associated with that
10 land.

11 We will do physical characteristics of
12 the land. What are the existing uses and who are the
13 adjoining property owners, because that does make a
14 difference in terms of how you can manage a piece of
15 property, especially if you have access to it or you
16 do not have access to it.

17 What are the economic conditions
18 within that reservoir area? What are your
19 environmental issues and constraints? Where are your
20 wetlands? Where are your threatened and endangered
21 species? Where are your cultural sites, all of those
22 issues? What is the water quality issue? Are there
23 historic structures on any of these lands that we
24 need to take into account for? And then, what are

1 that we need to examine?

2 And then as far as defining what
3 capability and suitability really means, capability
4 is just saying any given piece of land has the
5 capability to have any kind of use on it of any
6 different type.

7 And what we do is all the staff in all
8 those areas that I just talked to you about, they
9 will look at each individual tract and they will,
10 based on some real specific criteria, and I will show
11 you those criteria here in a minute, it addresses
12 slope, it directs -- it talks to acreage, it talks
13 about proximity to infrastructure, what's the land
14 cover, what are the navigation issues concerned with
15 that. So each parcel is ranked based on its
16 capability to meet any kind of intended use. Then
17 once you know that, then you take that and you align
18 it with your stakeholder values in terms of
19 determining how to allocate parcels to different
20 uses.

21 Now, you might say, well, what does
22 that really mean? There's a lot of land around the
23 reservoirs that is probably capable of supporting
24 recreation all the time, natural resource

25 conservation all the time, industrial all the time,

1 those are the three biggies that I really talk to
2 when I talk about this specific area.

3 But, based on what your public input
4 tells you and what your stakeholders are telling you,
5 you probably -- if on a specific reservoir you
6 have -- let's say you have got five marinas already
7 on that reservoir and the public says, well, we don't
8 really need any more marinas but we sure would like a
9 launching ramp on this part of the reservoir or we
10 might want it on another part of the reservoir, just
11 because a piece of property is capable of that, we
12 wouldn't necessarily allocate it for what it's
13 capable of holding because you wouldn't put two
14 marinas necessarily right next to each other. You
15 certainly wouldn't put two launching ramps
16 necessarily next to each other unless the public is
17 telling you there is a specific need, there is a gap
18 in some type of development or there's a gap in a
19 resource concern that they are looking at.

20 So even though we can rank a piece of
21 property and say that it's capable of doing all of
22 these things, we bounce that against what
23 stakeholders tell us in terms of how many boat
24 launching ramps they want, how many industrial sites

25 they would like on any given reservoir, all of those

1 different things.

2 So what that looks like, if you just
3 take the three criteria of land base, land slope, and
4 road access, these are the criteria developed by TVA
5 staff in these specific areas where they would say
6 for recreation I would rate something very high for
7 that particular capability, if I had over 20 acres,
8 the land slope was between 1 and 20 percent, and
9 there was a road readily accessible to the site, that
10 gets it to a real high criteria.

11 So if you just go through every single
12 one of these, then the TVA staff, they will rank,
13 they will look at every piece of property, and they
14 will make a determination of whether or not they
15 think something is capable.

16 Then what we obviously do, we bounce
17 that off the public, the stakeholders, and say, yeah,
18 even though we have got 20 or 50 sites that would
19 support industrial development, maybe we're only
20 going to allocate that for five based on what the
21 stakeholders are telling us. Maybe one community
22 needs industrial access and another community does
23 not. So that's some of the details of how we
24 determine how you would allocate.

Now, what does the overall process

1 look like?

2 From a planning standpoint, first and
3 foremost, the first thing that those watershed
4 teams -- and each one of the watershed teams have
5 responsibility for developing these water -- these
6 reservoir plans around the reservoirs. They define
7 those planning objectives based on what stakeholders
8 have told them to date.

9 So not only will they talk with
10 non-governmental organizations that they have been
11 partnering with maybe on specific projects, but they
12 go talk to the local Chambers of Commerce, they talk
13 to the mayors, they go talk to city officials, they
14 go talk to a lot of people and say, hey, we're
15 getting ready to start another planning process on
16 this reservoir and you need to be thinking about what
17 long-term needs you have that maybe TVA can support
18 you with along the way.

19 So we begin starting that process
20 probably about three months before we actually
21 initiate the process. So the teams are out there
22 talking to all the organizations. It may be Ducks,
23 Unlimited. It may be Wild Turkey Federation. It
24 could be a lot of different groups that they work

25 with, but they inform them, they tell them that this

1 is coming, and then they begin the process.

2 What they next do is they identify and
3 analyze any known resource or stakeholder information
4 that they already have. For example, if we already
5 know that we have an archeology site on a specific
6 tract, we know right now what we're going to allocate
7 that to more than likely. It's going to be very hard
8 for us to say that that could be used for industrial
9 development if we know that there's a specific
10 resource that has to be protected.

11 So we kind of pre-allocate, if you
12 would, and look at what some of those issues are so
13 that we know before we go out to the public -- we
14 don't want to waste their time in them saying they
15 would like to do a launching ramp here but we know
16 there's a threatened and endangered species here, we
17 don't really want them to be concerned with, well, I
18 told you I wanted that there but now you're telling
19 me I can't have it.

20 So what we try to do is go out with
21 what I call a draft map, which is this preliminary
22 land allocation for scoping process. And again, all
23 of this is done in the public arena. We will do an
24 Environmental Impact Statement. So we follow all of

25 the rules of NEPA, the National Environmental Policy

1 Act in terms of putting this -- putting one of these
2 plans in front of the public.

3 So we do what we call a preliminary
4 allocation, and what we have found is -- before we
5 used to -- and again, this is all evolved since 1979.
6 What we used to do is just go out there with a bare
7 piece of paper with all the property outlined and
8 saying -- and asking people, what do you want ten
9 years from now, how do you think this reservoir ought
10 to look ten years from now, and what we found was
11 that if people had more concrete to react to with
12 some preliminary allocations, then they -- then it
13 was much easier to engage the public on those
14 specific issues and them say, well, you know, we
15 probably don't need another ramp right there, but it
16 would be nice if we had one over here. So the give
17 and take with the public is much more rich now
18 because we can go out with a preliminary map and let
19 them react to that.

20 Once we do that, we will have our
21 public scoping meetings. We will put all of our
22 experts there. We will have the wetlands people, we
23 will have the threatened-and-endangered species
24 folks. We will have the economic development folks

25 there. We will have the public meeting. We will go

1 through and talk to all constituents about what types
2 of things would you like to see in this reservoir
3 plan. Once we know that, then we come back and see
4 if there's any additional data that we might need to
5 collect about our own land that maybe we haven't --
6 we don't have in our data basis yet.

7 For example, if there's a strong
8 agreement with the stakeholders that they would like
9 to see an industrial site in a specific area, well,
10 the first thing we're going to look at is do -- what
11 do we know about that tract, do we know if there's
12 any environmental issues on that tract that would
13 preclude it from going to some type of an industrial
14 allocation.

15 So we will start looking at those
16 areas and determine what we need to do in terms of
17 providing more information about the
18 threatened-and-endangered species, the wetlands, or
19 whatever the case may be.

20 Once we do that, then we will complete
21 this allocation based on what the public has told us
22 and what the TVA staff has said in terms of
23 capability and suitability. Then we will take that
24 back out to the public in the form of a draft plan

25 and a draft Environmental Impact Statement. Then we

1 will go through the routine process that NEPA allows
2 for, which is your comment periods, having people
3 come back and tell us, no, I didn't really mean that,
4 I would like to see something else on a particular
5 plan. Then it would go to the Board for their
6 approval. The Board does approve all of our plans.
7 They approve every reservoir plan.

8 And I have got an example of a map
9 right over here, which I know you can't see, but
10 that's one section of Guntersville, and it just
11 goes -- it can give you with just a quick snapshot a
12 look at the fact that there's not a lot of color on
13 there. Okay. So there's a real slim sliver of land
14 in most of those areas. And I am going to talk to
15 you now about what we allocate those for and where we
16 have the plans already.

17 This may not be real easy to see, but
18 we do have our plans completed for 94 percent of our
19 land across the Valley. Those in black have
20 reservoir plans completed. The reservoir plans
21 remaining are those that you see in red. Those that
22 are remaining, there's about 17,000 acres that have
23 not -- do not have reservoir plans for them yet. So
24 we basically -- we have seven of the tributaries

25 planned and seven of the mainstream reservoirs

1 planned.

2 So what does that look like when you
3 go to an allocation? And I think you heard the Corps
4 talk about how they have allocations that they plan
5 for in their plans, in their shoreline plans. So
6 Valley wide if you look at all the land that TVA owns
7 around all the reservoirs, that 293,000 acres that I
8 have talked to, we put them into seven zones.

9 Now we show you the first one, which
10 is what we call non-TVA land. Really that's mostly
11 flowage easements. Those are the lands where people
12 own all the way to the water and all we own is an
13 easement for flooding rights. I don't show that here
14 in terms of the acreage because that's not land
15 assets that TVA has an ownership of.

16 The second zone is TVA project
17 operations, and that's specifically for all of our --
18 all of our plant sites, the dam reservations,
19 everything associated with operating TVA's facilities
20 or plants or any of that type of thing. It also will
21 include some public works projects.

22 A lot of times we will provide an
23 easement -- a utility easement or maybe a road
24 easement for Department of Transportation across TVA

25 land. So we will place those in an operations

1 category also.

2 The third zone is sensitive resource
3 management, and those are the lands that are managed
4 for protection enhancement of sensitive resources
5 that are defined either by state or federal law or by
6 executive order that says TVA will protect whatever
7 those known resources are, and that's
8 threatened-and-endangered species, that's your
9 cultural resources, your archeology resources,
10 wetlands, all of those responsibilities that we have.

11 Right now if you look, there's
12 about -- there's several thousand acres that are in
13 habitat protection areas. We also have about 9,000
14 known archeology sites right now. And I say known
15 because we haven't inventoried all of the land for
16 archeology sites, but you can imagine how rich the
17 Tennessee Valley is and all of the land around the
18 reservoir is where a lot of the Native Americans
19 lived many, many years ago. So we do have a lot of
20 responsibility for protection of those sensitive
21 sites around the Valley.

22 The fourth zone, natural resource
23 conservation, are those lands that are managed for
24 the enhancement of any natural resources and

25 activities that include everything from hunting to

1 promoting forest health, for wildlife habitat, even
2 dispersed recreation. We say dispersed because
3 there's a lot of places on our reservoirs where there
4 are just trails, informal camping, a lot of those
5 different types of what you would call dispersed
6 recreation.

7 Now, also in this category includes
8 public landowner easement or lease or licensed to
9 others for some type of wildlife or forest management
10 purpose. So, for example, you heard the State of
11 Alabama talk about the agreement we have on the
12 wildlife management areas in North Alabama. There's
13 about -- there's about 24,000 acres in North Alabama
14 where we have a long-term easement to the state for
15 the use for a wildlife management agency for those
16 purposes. We still own the fee, but they have a
17 long-term easement where those lands are used
18 specifically for wildlife management.

19 Another example was where -- well,
20 there's several examples where we actually do
21 maintain a lot of marinas around the reservoirs.
22 They may have their operation on private property,
23 but they have a license or lease agreement with TVA
24 to cross specific pieces of land.

Okay. In the industrial and

1 commercial area, this is zone five, this is land
2 that's managed for economic development, including
3 business commercial, light manufacturing. This is
4 where you would see a barge terminal or some fleeting
5 for mooring sites. Again, there are lands across the
6 reservoirs where we have -- for specific industrial
7 purposes have those allocated for those purposes.

8 Recreation is both developed public
9 and commercial recreation. I use the word developed
10 because if you remember back in natural resource
11 conservation I talked about dispersed recreation.
12 This is where you have a campground. You may have a
13 city park. You may have a launching ramp. You may
14 have a marina. So this could be both public and
15 commercial recreation. This is everything where
16 there may be some capital investment made for some
17 specific recreational purpose in the Valley.

18 Again, this also includes those lands
19 that are under easement license or lease agreement
20 for commercial operations that are recreation.
21 Marinas are a great example of that.

22 Then the final zone there is
23 residential access. When you think some of the
24 slivers that we talk about, a lot of the lands behind

25 those pieces of property, if you looked at every one

1 of those deeds, they would say something to the
2 effect that the owner has the right of ingress/egress
3 across TVA for the purposes of access to the
4 reservoir. So there is a concrete finite amount of
5 land that is specifically designated with that in
6 their deeds that says they have the rights based on
7 what their deed says in terms of access to the
8 reservoir.

9 Now, this is waterfront property that
10 we call -- that we say is open for consideration of
11 requests for docks and other shoreline development.
12 Let me talk real briefly now about a couple of our
13 tools that we use for management of those requests
14 for uses of TVA land.

15 They are very discrete processes. In
16 fact, they are very -- they are standard from
17 watershed team to watershed team. Many of these
18 processes that guide the uses that are standard, they
19 have very specific criteria for our decision-making
20 and how we look at each one of those requests.

21 So let's first talk about shoreline
22 permitting and shoreline management. Now, to get so
23 that you're not confused with what the Corps said,
24 the Corps talks about shoreline management as

25 everything along the reservoir. What I am talking

1 about is two zones of land. It's zone one and zone
2 seven.

3 Zone one, because, remember, those
4 people own down to the water, we only own a flowage
5 easement, but the Section 26(a) of the TVA Act says
6 that no structures will be placed in or around the
7 reservoir that could impede navigation or flood
8 control or public lands. So even though these folks,
9 they own the land, if they wish to place a dock or
10 something off, you know, into the reservoir, then
11 they still have to get a permit from TVA to do that.
12 So I am talking about zone one and zone seven when I
13 talk about a permitting process for shoreline.

14 We have standards for docks,
15 boathouses, and vegetation management. Back in the
16 late '90s we went through a comprehensive look at
17 residential access across the Valley. There was a
18 lot of issues on how large should a dock be, what
19 should the construction material look like, and how
20 should those continue to be permitted in the future.

21 We also designated real specifically
22 what part of the shoreline is open for residential
23 use and access. It grandfathered all of the
24 pre-existing uses. One thing we found, you know,

25 there's a lot of docks and a lot of uses out there

1 already, and you could not apply new sets of
2 standards to people who already had their docks and
3 their permits in place. So we grandfathered everyone
4 who already had docks in place and any type of access
5 already in place.

6 We also put in here what we call a
7 maintain-and-gain approach, and what that allows us
8 to do from a flexibility standpoint is allows us
9 to -- if someone has a piece of property and it has
10 no access rights associated with it and they wish to
11 have some type of a dock, what we will look at is
12 where can they go and purchase some area of the
13 reservoir where they can extinguish the rights and
14 then we will give them rights at their area if
15 there's no environmental issues, if it, you know,
16 meets all the criteria of our shoreline process.

17 So basically if -- because we knew
18 that there's people who own land where they don't
19 have access rights, we knew we needed to have a
20 flexible approach to be able to say that if I own
21 this piece of property and I can't have, you know, an
22 access to the reservoir, do I have any options.

23 So the option is, yes, if you will
24 purchase where there are access rights, extinguish

25 those rights back to TVA, then we will give you a

1 comparable set of rights. So that gives us a little
2 bit of flexibility with folks that, you know, maybe
3 for any kind of reason they never had the opportunity
4 to purchase where there were some type of rights. So
5 that's one of our management tools, and that is only
6 for access. That's residential access.

7 Okay. Let me talk a little bit about
8 what that looks like Valley-wide. Again, I am
9 talking about zone one and zone seven again. If you
10 look at the entire Tennessee Valley river and the
11 basin, there's 650 miles approximately, but there's
12 11,000 miles of shoreline, okay, 11,000 miles of
13 shoreline right now, both sides of the river
14 obviously, right?

15 Okay. Currently somewhere in
16 somebody's hand there is something that says either I
17 own to the water or I have ingress/egress rights to
18 the water on 38 percent of the shoreline, that's a
19 given right off the bat. If you go and look at all
20 of the titles, you go look at deeds, everything, you
21 can find 38 percent where they own that right
22 immediately. If they want to exercise it, then we
23 will entertain it through the 26(a) permitting
24 process.

Currently 13 percent of that is

1 developed. So there's an additional 25 percent of
2 the 11,000 miles where it's not developed right now
3 but they have those rights currently. Okay. Big
4 distinction when you talk about TVA's properties and
5 some of the others that you heard earlier. Okay. We
6 don't own and we don't necessarily control who has
7 rights and who does not have rights. It is in their
8 deed. It's stated specifically that they have that
9 potential.

10 Then the remaining 62 percent is all
11 the other allocations that I talked about earlier,
12 all the other zones, resource management, industrial,
13 recreation. So this is a very different and very
14 complex part of our business in terms of from a
15 planning standpoint and from how we -- a tool that we
16 use to manage uses and access to the reservoir that
17 we have to deal with.

18 So right off the bat there's
19 38 percent right now. Now, is that the same from
20 reservoir to reservoir? Guess what, nope, it's not
21 the same.

22 Fontana, I am going to give you the
23 range because I am not going to tell you every single
24 one. There's only 8 percent of the entire shoreline

25 around Fontana that has residential access.

1 Wilson Reservoir has 95 percent.

2 Think about that when you think about development
3 pressures, the appearance of inconsistency and the
4 way that you might apply your policies and the way
5 you apply this permitting process.

6 It's a given that there's 38 percent
7 across the Valley that has this right, but it could
8 be as high as 95 percent on one reservoir and very
9 small on another. So it is specific to reservoir.

10 So, therefore, each reservoir and
11 every watershed team has to know and has to have
12 great confidence that they understand those land
13 rights around every single one because you always get
14 someone who wants to develop in a certain area and
15 you have a realtor who wants to develop in a certain
16 area, and the first thing we have to do is tell them
17 whether or not they have access rights to the water
18 or not and give them some flexibility on what does
19 that really mean and how they can get access to the
20 water, if they can get access to the water. So
21 that's one tool.

22 So I am going to shift now to a
23 different tool that we use; and that is, how we
24 review land use proposals. That's uses for other

25 parts of TVA land. I have got a flow chart that I am

1 going to show you in a minute, but I'm going to kind
2 of go through first, you know, we -- I heard a lot of
3 people talk about unsolicited proposals. A party --
4 any party can initiate a proposal with TVA, and that
5 could be anyone from the general public, a public
6 entity, and adjacent property owner who may have
7 something that they have an issue with or it may be a
8 local government. It may be a local government that
9 is wanting to get a utility easement or maybe they
10 want to put in a public park or maybe they want to
11 do, you know, any kind of development that you might
12 think of.

13 Each one of those requests are
14 evaluated for consistency with our goals and
15 objectives to eliminate any incompatible requests.
16 For example, we wouldn't allow a large shopping
17 center on prime waterfront property because that may
18 not be necessarily congruent to those objectives. We
19 want to maintain some flexibility, because think
20 about starting in the '50s and '60s we were
21 developing recreation areas. We were developing
22 subdivisions.

23 Are those the same purposes and do we
24 need to have that same focus or do we need to have

25 some flexibility based on what current stakeholders

1 who live in the Valley and use these resources, what
2 they want?

3 We want to make sure they align with
4 any operational needs. Obviously, we would consider
5 anything on the dam reservation more than likely an
6 incompatible use if it's going to do something that
7 would do something to the integrity of the dam. So
8 we wouldn't necessarily allow a lot of things
9 associated with that. Obviously, we wouldn't look at
10 requests for uses on our power properties if it's not
11 compatible with that. So you can think there's a lot
12 of different things like that.

13 Another example might be navigations
14 requirements. We might not be able to actually look
15 at something because it may have an impact on
16 navigation depending on how the structure --
17 depending on how the development was going to
18 actually go.

19 Once you have those things, then you
20 would look at environmental, programmatic, and public
21 review, and I will go through those in a lot more
22 detail. Environmental, obviously when you follow the
23 Environmental Policy Act procedures you're going to
24 look at all decisions on all land use based on those

25 impacts it may have on the environment, and that

1 could be everything from threatened-and-endangered
2 species, as I talked before, to archeology, to
3 wetlands, to historic structures, any of those types
4 of things.

5 Than programmatic would include
6 compatibility with any goals or objectives of other
7 TVA organizations, the economic development group,
8 reservoir operations, any of those safety
9 transmission. So we would actually ask them if
10 they -- if there's any issues, or from a programmatic
11 standpoint, is there any reason why we should or
12 should not consider a specific proposal?

13 Once you go through those with your
14 public review, and again, I am going to go through
15 the details even more, TVA Board would approve any
16 land dispositions or changes in the land plans or any
17 allocation changes. So a land disposal could be an
18 actual sale of land. It could be a lease. It could
19 be a easement. If you dispose of a land right, then
20 that requires the Board's approval.

21 So this is what it looks like on a
22 very high level. Obviously, our teams have very much
23 more detail and guidelines that they go through
24 that's documented in our process that says from a

25 process standpoint there's a lot of things that you

1 have to check off as you can move something through
2 that.

3 So a request might come in for any
4 type of use of TVA land. It could be an interim use.
5 It could be everything from a 5K run where someone
6 wants to have exclusive use of a dam reservation for
7 the day all the way to a sale. And depending on that
8 type of request, then if it's a disposition of some
9 land or land rights, then it goes to the Board.

10 That request would come in. We would
11 first ask the compatibility with our plans and with
12 our objectives. And remember, each reservoir has
13 specific goals and allocation purposes for which that
14 particular reservoir was built. We look at those
15 goals and we make sure that any use is congruent with
16 those. If it's not, then we go and ask the question,
17 would it -- does it qualify for consideration to be
18 changed?

19 There are some cases where some of
20 those plans, some of them are over 20 years old, it's
21 what you heard earlier with the Corps, that some of
22 our plans need to be revisited. So there are some
23 places where the decisions we made on allocation 20
24 years ago may or may not make sense today. So we

25 could ask those questions. We would find out from

1 that particular party, we would want them to
2 demonstrate what that public benefit is of that
3 request for that use of that land.

4 We would also want to know if that
5 piece of land is even capable of what they're
6 requesting for. So we might have to go through that
7 again and see -- because we have done this plan based
8 on a specific capability and so it may have changed.
9 And if they come in and they want to use it for
10 something else, then we would probably have to look
11 at that again.

12 Once you go through those things, then
13 you would do your public environmental and your
14 programmatic reviews. We would look at those, and if
15 there is something about the process through
16 reviewing with the public or in the -- when we do our
17 environmental review or programmatic review that you
18 could modify the proposal and still make it
19 compatible, then we allow that to happen. If not,
20 you know, then we would reject it.

21 Once it goes through all of those
22 reviews, whether -- and through the public review,
23 the environmental review, all of the programmatic,
24 then it goes to the Board and we request the action,

25 only if it is a disposition of land or land rights.

1 If it's an interim use, like a license
2 agreement or, like I said, a single event, then the
3 watershed team has that leverage to do that on the
4 spot once they have gone through all of their
5 responsibilities to the environment and programmatic
6 and the public. Okay.

7 To refresh your memory a little bit on
8 environmental review process, we have talked about
9 that before in the last Council, but since we have
10 new members I wanted to go through this again to make
11 sure that everyone remembers this.

12 For every single action that the
13 watershed teams takes when it's a use or request for
14 TVA lands, they look to review the potential effects
15 on all the environmental issues that you see listed
16 up there. We also invite the public to come in and
17 participate into this process.

18 Now, since we have EIS's that are
19 developed for a lot of the land plans, a specific
20 action that does come in, then we have to decide what
21 level of review we need to do on that specific action
22 that might come in. There's three levels of
23 environmental review, according to the National
24 Environmental Policy Act.

The first is categorical inclusion,

1 and these are minor routine actions. It must not --
2 it must be insignificant in terms of its impacts. It
3 may not have any type of the extraordinary
4 circumstances, and it must be on our list of
5 categorical exclusions.

6 NEPA requires that you have that list
7 developed and that you have to have that available.
8 And what we do in this specific part of our work, the
9 watershed teams have that responsibility to go
10 through and do that environmental review. However,
11 they have an independent checkoff from our
12 environmental scientists to make sure that we're not
13 just rubber stamping these. So we do have a check
14 system in our environmental management system that
15 allows us to make sure that as we look at this that
16 we're not just rubber stamping every action that
17 comes through the door.

18 The second level of environmental
19 review is the environmental assessments. These are
20 actions that are obviously not on our exclusion list.
21 They are also actions that have the potential to
22 affect known resources or there's public interest.
23 And I say the potential to effect. In other words,
24 we may not know yet the impacts or the actions, we

25 may not know what those impacts are. So we do have

1 to look at that and we do have to look at, again, the
2 extraordinary circumstances and go through all of the
3 responsibilities from threatened-and-endangered
4 species, any effects on National Register historic
5 sites, all of those different things.

6 Now, if you can come to a decision
7 that you're not going to have any impacts, then you
8 can finish your process at that point. However, if
9 you do have action that you think is going to have
10 some type of significant impact on the resource or
11 public interest, then you would do an Environmental
12 Impact Statement.

13 Now, you can always jump over an
14 environmental assessment if you know that the action
15 that you're considering certainly does have some
16 significance. So I just wanted to refresh you on the
17 fact that we do use the same criteria in this as we
18 do in a lot of TVA operations.

19 So what does this look like from a
20 land action standpoint of what we have done in the
21 last five years from '98 to 2002?

22 These are actions that include
23 transfers, sales, easements, deed modifications. A
24 good example of a deed modification I heard earlier,

25 someone might build their house, in other words, they

1 have had a piece of property in the family for a long
2 time. They're adjacent to TVA land and they decide
3 they are going to go ahead and build a house on their
4 home -- on their piece of property. And when they
5 build it and when they finish something or maybe --
6 maybe for some reason -- and I don't know how this --
7 how they get through this with the banks, but
8 anyways, part of their house is on TVA land.

9 Now, there's two things you can do
10 there. You can tell them to tear it down because
11 it's not on their property or you can modify the deed
12 and you can give them a long-term easement or give
13 them something that allows them to resolve that
14 encroachment.

15 So what you see in that very top one,
16 that 250 acres over the last five years is a
17 combination of those where we have resolved some type
18 of an encroachment. It may be specific Tellico
19 Reservoir, and I don't really want to get into the
20 details here because Tellico is different from every
21 single one, every other reservoir in the fact that
22 you can purchase access to the reservoir if you're
23 within a certain profile of that. That's where that
24 is actually sold in terms of an easement. And then

25 maybe some removal of restrictions on private land

1 for residential purposes. So that's what the
2 250 acres includes.

3 Industry, obviously 825 in the last
4 five years. Alochem on Pickwick is one example where
5 we provided an easement -- industrial easements, in
6 New Johnsonville, Mead Corporation on Gunter'sville.
7 The most recent one was an economic development site
8 at the Hartsville Nuclear Plant where we provided --
9 we did that easement, that long-term to that economic
10 development group.

11 Public works projects for federal,
12 state or local, that's 600 acres. Now, remember,
13 these are not all leaving TVA's hands. We may
14 have -- have disposed of a land right where we have
15 given someone an easement. I know I am using terms
16 that you probably haven't heard, but the majority of
17 this is not where we have actually sold the land
18 outright. The majority of this is where there's an
19 easement.

20 The public works projects are things
21 like utility easements. There's a lot of times where
22 a utility may need a water intake or they may need to
23 cross our land to put some type of a pipeline in. So
24 since they need a long-term easement to be able to do

25 that, then we can provide them that, and it probably

1 can run across just about any part of our land as
2 long -- because more than likely it's going to get
3 buried and it's not going to be in conflict with
4 another use.

5 So that's a good example where you
6 would go through that process flow and you would say,
7 is this compatible with your land allocation. And it
8 might be running across a recreation allocation but
9 it's a utility easement and you're going, well,
10 that's not compatible, but you're going to bury it,
11 eventually it's going to be compatible, and then it
12 does not have an impact on your future uses for
13 recreation or for dispersed recreation. So there's a
14 lot of places where we have those type of easements.

15 Commercial recreation, 720 acres.
16 Pickwick Landing State Park recently -- is one good
17 example where they actually needed to expand their
18 park and they used some adjacent land -- TVA land for
19 the expansion of that park, that's one good example
20 of that.

21 Then public recreation conservation, I
22 think you heard both the States of Alabama and
23 Tennessee talk to this where, one, we transferred the
24 land to the State of Tennessee, which was the

25 Columbia project, that's 13,000 of this 39. And then

1 the Alabama Department of Conservation and Natural
2 Resources, we gave them a long-term wildlife
3 management easement for over 24,000 acres.

4 So that's -- even though you hear us
5 disposing of land or land rights, the majority of it
6 is in these easements where TVA probably owns the
7 fees still but we have granted an exclusive permanent
8 easement to someone.

9 So those are the two big models and
10 policies and processes that we use in the management
11 of public lands. There's a lot of other things that
12 relate to how we manage our natural resources for
13 wildlife management. I did not get into a lot of
14 those details because that's -- once it's allocated
15 into a certain zone, like natural resource
16 conservation, we have a lot of processes and policies
17 for those too in terms of how we manage that.

18 The big issues and related to the
19 questions that we have talked about over the -- this
20 morning are these, okay, first and foremost, there's
21 a lot of competing and conflicting requests for the
22 use of these reservoir lands. And remember, we're
23 trying to balance those multiple uses. Remember, in
24 those zonings we have recreation, economic

25 development, conservation, protection of sensitive

1 resources. There is an obvious increased demand and
2 interest in the development of those lands;
3 maintaining this balance among the users while being
4 responsive to a wide variety of stakeholders; then
5 the complexity of language in conveyance instruments,
6 restrictions that are placed even on private land.

7 So we may be asked to lift a covenant
8 off a piece of private land that someone else owns,
9 but because of the way we sold it to them or
10 transferred it to them back in the '40s or '50s or
11 '60s, they still have to get our approval to lift
12 that restriction. So those -- that's a big -- that's
13 a high level summary of the issues.

14 Now, what I am going to do is walk
15 through three --

16 DR. KATE JACKSON: We're wrestling
17 with the time issue, too. So how fast do you think
18 you can zoom through the case studies?

19 MS. BRIDGETTE ELLIS: Very quickly. I
20 have got three case studies. This first one, and you
21 have this and we don't necessarily have to go through
22 them in detail, but you can read them, private
23 land -- this is a private land with a deed
24 restriction. While Huntsville YMCA, Camp Barber,

25 they own the land, but there was a restriction placed

1 over it for a group camp. They had requested the
2 lifting of that restriction for 50 acres of 111 acres
3 that they own that was situated in a high visible
4 area around the dam. Modification allowed them to
5 sell the property and renovate the remaining of the
6 camp with the resulting funds.

7 You can see the issues there.
8 Obviously, they could develop the entire site without
9 the modification themselves if they wanted to.
10 However, the restrictions did not allow them to
11 subdivide it. So they could have taken the whole 111
12 acres and put whatever they wanted to on it, but what
13 they needed is they wanted some return cash flow so
14 that they could do renovations on the rest of their
15 project, and the way they felt they could do that
16 would be through selling the land.

17 It was certainly perceived by the
18 public that it was public land and that it would no
19 longer be available. So the factors that we looked
20 at you can see there. In this one we did approve
21 this action in 1989. That's one.

22 I won't spend a lot of time on this
23 one. I think a lot of people have heard of Little
24 Cedar Mountain. TVA did -- has received over the

25 years, probably 20 plus years, for some type of

1 development potential in this area of Marion County,
2 Tennessee, and this was one of the largest tracts
3 that TVA owned on Nickajack Reservoir.

4 Now, this was a TVA initiated project
5 on the fee land. We were going to do a
6 public/private partnership for a resort type
7 development with recreation and residential
8 development. You can see all of the issues located
9 there, the factors, and the resolution was that --
10 and we did abandon this proposed development, the one
11 that TVA initiated.

12 Most recently, and I'm sure Jimmy will
13 probably -- may or may not appreciate this one. The
14 retirement system of Alabama, this was a community
15 initiated project on TVA land. In this we had four
16 cities and two counties come to TVA wanting to
17 develop a piece of TVA property for economic
18 development purposes. You can see there that there
19 was a lot of issues associated with that, public
20 opposition to the loss of the land, a lot of factors
21 that influenced our decision, and then the resolution
22 being that before we completed our review they chose
23 to go to another private piece of property to do the
24 majority of the development. We did give them a

25 long-term easement for the hotel on the north side of

1 the reservoir for this particular project.

2 Sorry I took so long but --

3 MR. BRUCE SHUPP: Don't go away.

4 MS. BRIDGETTE ELLIS: No, I'm not.

5 MR. BRUCE SHUPP: What I would like to
6 do is to deviate somewhat from the agenda and take
7 about 10 minutes of questions for Bridgette, 10 to 15
8 minutes, and then after that we will take a
9 ten-minute break, just a quick relief break, and then
10 come back and start our discussion on our format and
11 our procedures and on the issues.

12 Steve.

13 DR. STEPHEN SMITH: Unfortunately, I
14 have a whole host of questions. Bridgette, you're
15 going to be around tomorrow, I take it?

16 MS. BRIDGETTE ELLIS: Sure. I'm going
17 to here the whole time.

18 DR. STEPHEN SMITH: You had -- under
19 the term residential access you mainly used the term
20 egress rights primarily.

21 MS. BRIDGETTE ELLIS: Yeah, that's a
22 legal term, uh-huh.

23 DR. STEPHEN SMITH: But there is
24 that -- places where TVA is actually making land

25 available specifically for residential use, and you

1 alluded, sort of cryptically, to something unique
2 about Tellico. And I hate to keep bringing that up,
3 but that happens to be an area -- and it may just be,
4 as Kate used the other day, sort of a poster child
5 for -- and I noticed it wasn't in your processes
6 here, but there does seem to be some issues unique to
7 residential use, and I guess I'm trying to understand
8 that.

9 Under what authority does TVA have at
10 all to transfer land to residential use because that
11 has no public interest value whatsoever? So I'm
12 trying to understand under what authority TVA can do
13 anything associated with residential development?

14 MS. BRIDGETTE ELLIS: I think it's the
15 broad interpretation, and y'all can correct me if I
16 am wrong, about our specific intended purposes for
17 every reservoir. One of them is Tellico is economic
18 development, and residential is an economic
19 development component of any kind of economics.
20 There's a lot of counties and a lot of cities that
21 would say that that is a strong piece of economic
22 development in any area.

23 DR. STEPHEN SMITH: But all three
24 federal agencies this morning did not qualify

25 residential development as any sort of economic

1 development activity. And they actually alluded to a
2 GSA process, that if you were to deliberate what --
3 why is TVA not subject to --

4 DR. KATE JACKSON: Let me speak to
5 that. One thing is those agencies do not have any
6 mandated mission based responsibility for economic
7 development, and that's why I said what I said to
8 introduce Bridgette's talk is we do have a mission
9 for economic development.

10 DR. STEPHEN SMITH: The forest service
11 doesn't have --

12 DR. KATE JACKSON: Not specifically
13 for utilizing their land assets for economic
14 development.

15 DR. STEPHEN SMITH: What is the timber
16 and the recreational and all of the --

17 DR. KATE JACKSON: They're responsible
18 for production of that agricultural protect that they
19 consider to be timber and public/private partnerships
20 for recreation, which end up being economic
21 development, but those are recreation based, I think.
22 And that's why I said what I said about in the
23 mission, TVA Act, there is a responsibility for
24 economic development.

And there wasn't -- Jonathan spoke to

1 the GSA process for disposal of property and the
2 requirements within that. I think that, in fact, GSA
3 requires that you auction that land off to the
4 highest bidder, not anything to do with the former
5 owner, but we are checking on that.

6 DR. STEPHEN SMITH: Right. But do you
7 then -- do you have GSA responsibilities to land? I
8 mean, it is government land, right?

9 DR. KATE JACKSON: It depends on how
10 we specifically dispose of that land or those land
11 rights.

12 DR. STEPHEN SMITH: But if you're
13 making it available to residential private
14 development with --

15 DR. KATE JACKSON: If we need to clear
16 land surplus we do not have to -- I mean, maybe
17 Barry -- Barry, Barry, oh, there he is.

18 MS. BRIDGETTE ELLIS: He's going to
19 talk to it.

20 DR. KATE JACKSON: He can speak
21 directly to when GSA applies to us and when it does
22 not.

23 MR. BARRY WALTON: First, under
24 4(k)(a) of the TVA Act it specifically says --

DR. STEPHEN SMITH: Can you get closer

1 to the mic, Barry?

2 MR. BARRY WALTON: 4(k)(a)
3 specifically says that we have the right to convey by
4 deed, lease, or otherwise any real property in the
5 possession or under the control of the corporation to
6 any person or persons for the purpose of recreation
7 or use as a summer residence.

8 And, gosh, 60 years ago or so TVA
9 determined that if it could be used as a summer
10 residence, the fact that it could also be used as a
11 winter, fall, and spring residence didn't detract
12 from our authority. So we have got specific
13 authority to transfer for residential. We also --

14 DR. STEPHEN SMITH: And that's been
15 legally defined?

16 DR. KATE JACKSON: It's in the Act.

17 DR. STEPHEN SMITH: No. I mean, I
18 understand the summer development, but you've
19 actually had a court ruling to give you the authority
20 to do year around --

21 MR. BARRY WALTON: I don't believe so.
22 We have never been challenged.

23 DR. STEPHEN SMITH: Right.

24 MR. BARRY WALTON: Residence though is

25 clearly what it says.

1 DR. STEPHEN SMITH: Summer residence?

2 MR. BARRY WALTON: Yes.

3 DR. STEPHEN SMITH: Which tends to
4 indicate --

5 MR. BARRY WALTON: Also, we have
6 authority that if we -- if the TVA Board declares
7 it's surplus, we can auction it off with no
8 restriction or we can auction it off with
9 restrictions that we find needed to serve our program
10 interest.

11 In addition -- and that's in addition
12 to the authority that other agencies have when they
13 excess or surplus something to go through GSA, and
14 then GSA has to use its preferences for the homeless
15 and for educational institutions, but not, I'm pretty
16 sure, for prior landowners. I have got a call in to
17 GSA right now to confirm that.

18 But anyway, that's -- that tool is
19 available to us if we were to use it, but it's never
20 been advantageous or hardly ever advantageous.

21 DR. STEPHEN SMITH: Another question.
22 With the reservoir land management plans, I
23 understand the concept where if you had a plan that
24 was 20 years old that you could, you know, go back

25 and potentially engage and review.

1 It is disconcerting to me though that
2 in the situation, again, in Tellico where a reservoir
3 land management plan was developed about 24 months
4 ago and you guys are already going in there and
5 possibly redesignating land that was, in my
6 understanding, not designated for this particular use
7 in the plan and now, because of whatever reason
8 motivating the Board at the Agency or whatever, are
9 going back in there and revisiting this.

10 It would -- and there is a sense that
11 every -- when you develop these plans with the public
12 involvement, that the development is hinged, and if
13 you start messing around with that, theoretically the
14 whole thing comes unhinged because of the way that
15 you presented the overall -- overall plan.

16 And it's -- it's -- I mean, I guess,
17 I'm asking the question, if it's immediately subject
18 to review within just months after it's been
19 completed, then what's the point of doing it because
20 it just seems to me that it, you know --

21 MS. BRIDGETTE ELLIS: I think that's
22 why we're asking you, in some cases, go back to the
23 questions that we have asked you, are these effective
24 planning tools?

Second, we have not made any decisions

1 on that specific proposal. We're still going through
2 our processes to determine whether --

3 DR. STEPHEN SMITH: Can you show me on
4 your flow chart where you guys are specifically in
5 that process because I noticed --

6 MS. BRIDGETTE ELLIS: We're in the
7 public, programmatic, and environmental review phase
8 right now.

9 MR. BRUCE SHUPP: Let me -- let's not
10 get into discussions that we're going to get into,
11 I'm sure, this afternoon later and tomorrow on trying
12 to determine what the policy should be. Let's keep
13 these questions now to Bridgette for specifics of
14 what we need -- information we need to make those
15 policy recommendations. So let's not discuss this.
16 Let's just ask questions.

17 DR. STEPHEN SMITH: Is this --

18 MR. BRUCE SHUPP: Let me move on to
19 other questions. We have got two more to go and five
20 minutes to do it.

21 Lee.

22 MR. LEE BAKER: Thanks, Bruce.

23 Bridgette, just curious, I had made a note to ask
24 this question sometime earlier. By chance, do you

25 know the last time that TVA acquired land by eminent

1 domain, and also in there, any concept or idea other
2 than transmission right-of-way?

3 MS. BRIDGETTE ELLIS: Yeah,
4 transmission right-of-way, we still have that.

5 MR. LEE BAKER: Other than
6 transmission right-of-way --

7 MS. BRIDGETTE ELLIS: The last one,
8 and I think we were discussing this earlier, we
9 believe it was the Tellico project.

10 MR. LEE BAKER: How long ago was that?

11 MS. BRIDGETTE ELLIS: That was in the
12 '70s.

13 MR. PHIL COMER: '69 to '70.

14 MS. BRIDGETTE ELLIS: '69 to '70.

15 Just ask Phil, he knows.

16 MR. LEE BAKER: Another point of
17 interest is overall as far as the reservoir land, any
18 idea what percentage of that land was acquired by
19 eminent domain or outright purchase of those types of
20 things or in terms of percent or acre?

21 MS. BRIDGETTE ELLIS: We thought this
22 might be asked and we're trying to track that down.
23 I don't have that answer for you right now, but we
24 are trying to track down how much could have -- would

25 have been purchased by eminent domain.

1 MR. LEE BAKER: Just a general feeling
2 is all I would be interested in. I've got no way to
3 challenge you on the number. Is it 50/50? I don't
4 have to know now.

5 MS. BRIDGETTE ELLIS: I think it
6 varied with the time, Lee.

7 MR. LEE BAKER: I am not going to
8 challenge your number.

9 MS. BRIDGETTE ELLIS: I think it
10 varied with the time of the acquisition of the
11 project. So I would hate to guess from one project
12 to the next on that.

13 MR. LEE BAKER: Okay. Thanks,
14 Bridgette.

15 MR. PHIL COMER: I don't know how to
16 pose this as a question. You may want to elaborate
17 on this tomorrow after somebody can look into it
18 more, Bridgette, but Tellico was uniquely different
19 from the others. And part of the justification at
20 the time TVA acquired, and I believe it was at least
21 50 percent by eminent domain, very, very clearly the
22 justification was not for power generation, because
23 that was totally inadequate to meet the standards, it
24 was economic development, which not only envisioned

25 the huge industrial park around Vonore but a city to

1 be codeveloped with Boeing.

2 I mean, it was even -- the term was
3 even used, Boeing City. That was before the
4 acquisition of all this land was publicly in every
5 way justified on the grounds that this would
6 eventually be an economic development. It turned out
7 not to be Boeing but instead was Tellico Village, et
8 cetera. So this clearly was part of TVA's announced
9 plans at the time. That is -- I don't think that's
10 as good a question to ask as the one on Keller Bend,
11 that's a better question for you to pursue.

12 MR. BRUCE SHUPP: Greer.

13 MR. GREER TIDWELL: Just a second.

14 Phil, is it okay if I ask about --

15 MR. PHIL COMER: We rehearsed that
16 last night. We rehearsed that last night. Go ahead,
17 Greer.

18 MR. GREER TIDWELL: I just want to ask
19 about land swaps, and I didn't see any discussion
20 about that. I don't know if TVA even does that, but
21 I would like to hear about that.

22 MS. BRIDGETTE ELLIS: We do that in
23 the maintaining game proposals that -- that we hear,
24 which are about access, where someone my want to swap

25 this land that does not have access potential for a

1 piece of property where they can extinguish those
2 rights, so we do that in those cases.

3 We have -- I don't know if you call it
4 land swap, but with the State of Tennessee on the
5 Tims Ford Reservoir we did just recently give land to
6 the state and they gave land to us for our
7 conservation purposes, and we went through a lot of
8 processes to come to that. That was based on the
9 reservoir plan for the area. So we do use that, but
10 we don't use it to a huge -- huge potential.

11 MR. GREER TIDWELL: You use this same
12 land planning process, not land planning process
13 but --

14 MS. BRIDGETTE ELLIS: Or maybe a land
15 use review where someone may want to do some type
16 of -- and there may be some cases where in the review
17 there may be some mitigation associated with a
18 particular project where they do have to set aside
19 something because of environmental issue.

20 MR. BRUCE SHUPP: All right. One
21 more.

22 MR. AUSTIN CARROLL: As far as
23 whatever water intakes, does TVA control that by
24 easement to the reservoir or is that controlled by

25 the water?

1 MS. BRIDGETTE ELLIS: It depends on if
2 they need land access to get to the reservoir, then
3 we would give them some type of, you know, working
4 easement, but then we would also permit the intake
5 under Section 26(a) of the Act for making sure that
6 it would not obstruct a navigation or flood control.

7 MR. AUSTIN CARROLL: Okay. Can --

8 MS. BRIDGETTE ELLIS: So it will get a
9 permit, and then depending on whether -- if it's on
10 flowage land, then we wouldn't, you know.

11 MR. AUSTIN CARROLL: Can a company or
12 a city or whatever just take whatever water they want
13 from a -- and put in as big of pipe as they want, do
14 y'all control that?

15 MS. BRIDGETTE ELLIS: Yeah. We look
16 at their requirements and whether or not that is
17 considered compatible and what that means to the rest
18 of that. And we will talk more about water supply, I
19 think, in another -- in another session.

20 DR. KATE JACKSON: The states have
21 responsibility for water supply and allocations of
22 water. So there is sort of a collaborative working
23 process between the states with respect to permitting
24 the amount of water that comes out and TVA with

25 respect to the 26(a) permit.

1 MR. BRUCE SHUPP: Quick one, Ed.

2 MR. ED WILLIAMS: What are the
3 policies for changing the designations within the
4 zone, i.e., four, the natural resource conservation
5 zone.

6 MS. BRIDGETTE ELLIS: Policies or
7 processes that say if someone comes in and is looking
8 at a different use than what it is allocated for,
9 then we will look at the merits of that proposal,
10 could that potential proposal actually be capable of
11 doing that, what are the benefits of that particular
12 proposal if it comes in. So we do use certain
13 decision criteria that we will walk through to see if
14 that is the case.

15 MR. BRUCE SHUPP: Jackie.

16 MS. JACKIE SHELTON: I'm seeking
17 clarification. And in your what I term, say,
18 long-range planning and short-range planning, with
19 the assumption that according to the mandate by
20 Congress in that all of your decisions are prompted
21 by certain criteria within the mandate, do you
22 realizing all of the lake -- they are all different,
23 all the dams are different, the reservoirs, but do
24 you in your long-range planning look at each area and

25 within that area consider allocating certain lands

1 for certain purposes with the mandate in mind or if
2 it's something that you wait until you get a cry from
3 the public, we need this or we need that.

4 For instance, if a lake -- if you have
5 a boat dock, for instance, on the south side, have
6 you ever thought of the north side and doing it in a
7 more equitable way versus just whoever comes first?
8 In your long-range planning, do you look at it in
9 that concept?

10 MS. BRIDGETTE ELLIS: Yes. In fact,
11 you look at the purposes for which the project was
12 intended first, and then you use that information,
13 along with what the public tells you. Remember,
14 those projects were built everywhere from the early
15 1900's, like Wilson, up until late '60s, '70s. You
16 look at those intended purposes, and then you also
17 look now at -- you add to that what the public is
18 telling you about how maybe values have changed since
19 those intended purposes and what other things we
20 should take into consideration along with those
21 intended purposes, but we will look at those.

22 MS. JACKIE SHELTON: I think perhaps
23 if you -- do you ever in your long-range planning,
24 for instance, go to an area or to those local

25 officials and say, we have this land and we have

1 suggested uses for it according to our mandate,
2 instead of waiting for someone to come to you?

3 DR. KATE JACKSON: That's exactly what
4 we do. Just in that process of going out and talking
5 about the capabilities of those lands, we do take
6 public input. Then we establish the allocations, the
7 Board approves those, and then what often happens is
8 people come in and ask for particular uses and
9 projects that may be consistent with those
10 allocations or may not be consistent.

11 MS. JACKIE SHELTON: Does this enable
12 you to go back to the long-range plan to allocate,
13 for instance, each lake should have a park, camping,
14 so many -- so much facilities for this and so much
15 just for residential and so much for economical, in
16 your long-range plan do you guide the public, so to
17 speak?

18 MS. BRIDGETTE ELLIS: Yes.

19 DR. KATE JACKSON: Yes.

20 MS. BRIDGETTE ELLIS: I guess another
21 point of clarification, if you look at those planning
22 zones, and recreation is a great example where that
23 is for developed public and commercial recreation,
24 27,000 acres, that entire 27,000 acres is not

25 developed. And that's where you talk to, yes, we

1 have said we have some intended purposes out here
2 now, but yet, we haven't necessarily implemented or
3 requested proposals for those specific uses.

4 MS. JACKIE SHELTON: You have not
5 requested?

6 MS. BRIDGETTE ELLIS: Right.

7 MS. JACKIE SHELTON: Does TVA -- do
8 they help in funding in any way of development, for
9 instance, on something that's strictly for public
10 use?

11 MS. BRIDGETTE ELLIS: Yes. In fact,
12 our economic development group, they have a lot of
13 loan programs and a lot of things that we do that
14 support a lot of those different types of
15 developments.

16 MS. JACKIE SHELTON: I really don't
17 believe the public is aware of this. So perhaps it's
18 a way of informing, because it seems that --
19 particularly with me listening, if the human cry goes
20 up, we need this, and they come to you and you go and
21 you have your public hearings, and this is how -- or
22 I am getting that impression that you decide what to
23 do with that.

24 DR. KATE JACKSON: No. The public

25 input is a portion of how we make determinations for

1 long-range plans, but the capability of that land,
2 what's there, are there archeological resources
3 there, are there threatened species, are there
4 wetlands, has this land got a nice road to it and a
5 transmission line and a gas pipeline and it would be
6 great for any industrial development, that's how we
7 do a preliminary allocation.

8 And then in so doing, we gets lots of
9 involvement from industrial development agencies,
10 from local communities, from particular stakeholders,
11 from environmental constituencies, overlay that on
12 our preliminary allocations and make a final
13 allocation.

14 MR. BRUCE SHUPP: Okay. Thank you
15 very much, Bridgette. It's 2:22. Let's come back
16 and be at our seats at 20 minutes to 3:00.

17 (Brief recess.)

18 MR. BRUCE SHUPP: Okay. Here we go.
19 All right. Dave Wahus is going to explain the format
20 for our discussion of the questions posed by TVA, and
21 then he will immediately launch into the first
22 question and we will begin testing our format.

23 Dave.

24 FACILITATOR DAVE WAHUS: Well, first I

25 need to share with you and tell you a couple of

1 things. One, as far as this discussion is going to
2 go, I have no opinion. My opinion, if I did have
3 one, doesn't count. It's what you think and what
4 you -- the points that you come up with that are
5 important.

6 The only thing that I am going to be
7 doing up here is to help you use or to help you plan
8 an efficient use of your time and then help you
9 follow the plan that you, in a minute, are going to
10 put together as far as how you're going to use the
11 time that you have available to you to address these
12 questions.

13 The other thing I am going to do is
14 try to keep you on subject. It's very easy in a
15 group this size on a subject this complex to go off
16 on rabbit trails. And so if I think you're going off
17 on a rabbit trail, I am going to stop you and ask
18 you, is that really on subject. I am not going to do
19 it to try to offend you, but I am going to try to
20 keep you on subject. So if we need to come back on
21 subject, let's do so.

22 We're going to record your comments
23 and we're going to do it so you can see them. Laura
24 Duncan over here is going to actually put them in a

25 computer and they are going to be shown up on a

1 screen. We're not going to try to catch your
2 comments verbatim. We're going to try to get phrases
3 or ideas that you're trying to address. And as you
4 see what we have up there, if we're not capturing
5 your idea accurately, it's time to stop us and tell
6 us that we're not doing that.

7 What we're going to do in just a few
8 moments, we're going to -- we have about four hours
9 to look at three questions. We have two hours this
10 afternoon, and we have two one-hour sessions -- a 45
11 minute session tomorrow and an hour session -- I
12 think one 45 minute session and an hour session
13 tomorrow to look at these questions.

14 So the question becomes, how do you
15 want to break out the four hours of time on these
16 three questions. Now, I will offer you a suggestion
17 based on what I have been advised by TVA.

18 The first question, question No. 1, is
19 probably the most complex and probably the most
20 difficult, and so it's been suggested that you go --
21 that we spend two hours -- the next two hours on
22 question No. 1, and then an hour on each of the other
23 two questions, understanding that question No. 2 has
24 two parts, but they are probably not as complex and

25 probably would not require the depth of discussion.

1 What are your preferences?

2 And the reason I ask you to set a time
3 line is because if we just launch into the first
4 question without identifying a time frame, then we
5 could spend the next three and a half hours on
6 question No. 1 and not have any time for the others.

7 Steve.

8 DR. STEPHEN SMITH: Well, I apologize.
9 I'm stepping backwards to this morning for just a
10 second. It was my understanding that this morning we
11 were sort of given our supposed mandate, but I
12 understood that part of this time was for us to react
13 to what we heard this morning as well as getting into
14 these questions.

15 MR. BRUCE SHUPP: It's coming. He's
16 going to ask for it.

17 FACILITATOR DAVE WAHUS: I am going to
18 ask for your comments in a few minutes.

19 DR. STEPHEN SMITH: Okay. So you're
20 saying -- you're saying -- because I was interpreting
21 what you are doing is going directly into the
22 questions.

23 MR. DAVE WAHUS: I'm not going into
24 the questions for a couple more minutes. I want you

25 to help me plan the rest of our day or the rest of

1 the open time, and then I am going to give you some
2 time to make a few comments and then we will go into
3 the questions.

4 DR. STEPHEN SMITH: Well, it's not
5 just me. I think there are other people -- I guess
6 one of the things that to me needs to be on that list
7 is how much time are we going to give to have a
8 discussion about the Council itself, as well as then
9 dealing with the questions, because I can't really
10 respond to allocating time here until I understand
11 the context of what we -- what all else we're doing,
12 because it's not clear to me on the agenda when we're
13 doing it.

14 MR. BRUCE SHUPP: We were going to do
15 it in this time period. We were hoping we didn't
16 have to devote a whole lot of time to that so we
17 could get into the first question, but if you really
18 want to talk about the format or somebody's
19 dissatisfied with the format, then we have got to air
20 it. We were hoping we didn't have to get into that
21 discussion.

22 DR. STEPHEN SMITH: I mean, maybe I am
23 the only one. If I am, it wouldn't be the first
24 time. I mean, I think that there is -- at least I

25 have heard through conversations, and hopefully

1 others will speak up, there is some concern that the
2 way the Council is being constituted now and the
3 directive that we heard from the extraordinarily
4 powerful DFO is that it seems a bit constraining,
5 and, you know, I guess if nobody else feels that way,
6 sobeit, but to me it was a bit uncomfortable the way
7 that it was presented, and, you know, I would like to
8 have a discussion about that.

9 MR. BRUCE SHUPP: Greer.

10 MR. GREER TIDWELL: Let's flesh that
11 out a little bit. It was a little bit of a surprise
12 to me to come today, and I had had these questions
13 before and given them some thought, I didn't realize
14 that today the objective was going to be or by
15 tomorrow the objective was going to be to have the
16 written response answer to these questions from this
17 Council ready for the Board.

18 That's -- I am a big efficiency
19 expert. I like to get things done pretty fast. I am
20 not sure this Council is quite ready to take these
21 kinds of questions and come up with a written
22 response by tomorrow afternoon, having not really
23 known that's what we came to do between now and
24 tomorrow afternoon.

Now, discussion on this is all fine

1 and dandy and we can jump right into that, but the
2 issue I think Steve is really getting to is, how do
3 we want to get ready to give a written response to
4 the Board on these questions?

5 Do we want to do that in four hours
6 and 15 minutes, which is on the agenda, or do we need
7 to think about another approach to that, including
8 perhaps shifting the final approval of a written
9 statement to the Board to the beginning of the next
10 meeting?

11 DR. STEPHEN SMITH: Well, it's not --
12 I mean, I appreciate that, and that is certainly part
13 of it, but my concern is even a little bit more
14 global. It's in the way that this Council -- I mean,
15 at least -- maybe I am misunderstanding, but the
16 perceived sense that the ability for this Council to
17 explore issues seems constrained beyond just, you
18 know, the response of these particular questions. It
19 seems that the sort of mission and mandate of the
20 Council has been dramatically reduced.

21 Again, I may have misunderstood it,
22 but I just want to have a little bit of a discussion
23 to understand that better. So I think -- but I do
24 agree with Greer's concern, and, you know, I thought

25 it was unique to me because I didn't get the

1 questions in advance, but I think there is a
2 legitimate question about whether we can adequately
3 really respond to these questions in the time period
4 or there should be some ability to leave it a little
5 bit more open even after we have the discussion over
6 the next day to continue to refine responses to these
7 questions because I don't feel adequately prepared to
8 do justice.

9 FACILITATOR DAVE WAHUS: Jackie.

10 MS. JACKIE SHELTON: Well, I
11 attributed this to the fact that I was new. I feel a
12 little rushed. I don't know if the other members
13 feel this way in making a decision. I really
14 expected a little more discussion from the Council
15 versus the presentation of the TVA, not to say --
16 that was very informative and educational and I
17 learned from it, but the responsibility we have is a
18 group participation and I don't feel like we've
19 really had a chance to do that, now, perhaps because
20 of time constraints. However, I feel like these are
21 very important questions, good questions, and I'm
22 like you, before I give a written statement, I'm not
23 ready.

24 FACILITATOR DAVE WAHUS: Okay. Let me

25 go back and explain just for a moment the process,

1 and maybe I haven't done that yet. During the period
2 that you were setting aside now for discussion, we
3 will have open discussion on the issue.

4 Let's take question No. 1, we will put
5 it out and we'll have discussion. We will -- we will
6 take everyone's comments in turn and we will have --
7 we will discuss it until we get close to the time --
8 to the end of the time that you have allotted for
9 that question or you are exhausted, whichever comes
10 first.

11 About 20 minutes before we get to the
12 end of the session, we will stop and we will review
13 the comments that you made. We will have them up on
14 the screen. We will see if there's a central theme.

15 And based on that, then we will ask
16 you to -- if we can come up with an interim
17 recommendation based on the discussion that you've
18 had. And I want to emphasize, it's an interim
19 recommendation, and we will try to do that within the
20 time frame that you have allotted. Then we will go
21 to question two and question three in the periods
22 you've allotted.

23 And then tomorrow morning at 11:00
24 we're going to have public input. And we already

25 have two members of the public that have signed up to

1 speak tomorrow.

2 Following that then we will have
3 another session -- a council discussion session where
4 you relook at the interim recommendations, and you
5 will have an opportunity then to make -- to modify,
6 to edit, to change, to confirm that the -- that your
7 interim recommendation may be the direction that you
8 wish to go. We will try to get that done before the
9 end of the session, but you will have an opportunity
10 to make some changes after you have heard what the
11 public has to say about the public lands issue.

12 Did that clarify the process any? Did
13 they impact -- answer any of your question?

14 I know the piece about -- of your
15 question that says you want to bring in other issues,
16 and I want to let Kate address that here in a minute.
17 But as far as the process that we're expecting today
18 it's --

19 DR. STEPHEN SMITH: Well, right, and I
20 appreciate that. I guess, again, I would like to
21 have some ability to maybe add or amend. In other
22 words, I guess I don't think over the next, you know,
23 14 hours or whatever it is between now and the time
24 that we sort of put closure on these questions, that

25 I am going to have adequate time to give a thoughtful

1 response. I mean, I will engage in the conversation,
2 I appreciate that, and, you know, I will solicit
3 comments where I can over this short time period.
4 But I guess I would like to have the opportunity to
5 feed in additional information for some period of
6 time after the meeting.

7 It's a little unclear to me exactly
8 what TVA wants to do with this input once we give it
9 to them to know the gravity and the significance of
10 it, but there are a host of public land issues that I
11 think are ripe that TVA is dealing with and my sense
12 is that there is -- this could be an important
13 feedback mechanism and I just, again, feel -- I feel
14 like it's inadequate for me to be prepared and ready
15 to do.

16 It may be my unique case, but I am
17 hearing from other people the same thing. So I don't
18 think I'm -- and maybe people can sort of nod their
19 heads and you can get a sense of the group, but I
20 think there is some concern about that.

21 MR. DAVE WAHUS: Julie and then Ed.

22 MS. JULIE HARDIN: Yeah. What I'm
23 hearing, I think, from you, Jackie, and certainly
24 from Stephen, and I also heard it from Phil Comer as

25 I walked him out to go home to his sick wife, I think

1 what we're asking as a Council is that we have a
2 little process time here.

3 We're starting up, this is our first
4 day together in how many months. I must say though
5 it's a much more directive and deliberate and
6 constructive day than this time last year when we
7 didn't know who we were or why we were coming
8 together. If you all remember, it was really fuzzy
9 last year.

10 I agree with Jackie, I also feel
11 rushed. I feel like TVA has planned this day and put
12 it on my shoulders, and then to react to these
13 questions doesn't really let me have enough group
14 process for us as an organism now that we're back
15 together, and I think that's what I hear from people
16 wanting some of that as an opportunity for the
17 discussion.

18 MR. DAVE WAHUS: Ed.

19 MR. ED WILLIAMS: Another new kid on
20 the block. I would just add that it seems to me that
21 we have been given some really good questions and
22 that we clearly are -- have been asked to do some
23 things from the Board and that we ought to go through
24 the process, at least one question, maybe all three,

25 and defer this discussion until we at least have an

1 open discussion about the questions at the table.

2 Are we going to expand them? Are we
3 going to defer them? Are we going to give an interim
4 report, which scares me because that always gets a
5 lot of ink in the media, or are we just going to have
6 discussion points for discussion next meeting?

7 It seems to me that we ought to
8 postpone the procedural issue and get into the meat
9 of some of these questions and see how it kind of
10 evolves.

11 FACILITATOR DAVE WAHUS: Other
12 comments?

13 Jimmy.

14 MR. JIMMY BARNETT: I didn't
15 understand when I got the material that, hey, this
16 was the time for us to go back and ask any
17 constituents we might want to ask of ours that, hey,
18 what do you think about these questions.

19 I just took them as, hey, here's some
20 questions that we want you to -- that we will be
21 covering, now, that's fine, and I like the questions.
22 They are good questions. You're dumping on us to
23 make some comments, but I think that's right and
24 proper that you should ask us those. So I have no

25 problem with the questions.

1 All of a sudden I feel like I'm making
2 my decision and I haven't checked with anyone else.
3 If I make a decision based on this and then go back
4 and find out something, I would want the ability to
5 come back and say something about it, modify my
6 comments.

7 Maybe this is in the same vein that
8 you're talking about, Steve, I don't know.

9 Because of the way we did it last
10 time, I guess my thinking was colored by that. This
11 is a new Charter, and I understand that. I
12 understand y'all wanting answers to these particular
13 questions. I also understand the economic thing and
14 the time thing, which I was one of the proponents of,
15 not having so much time involved going off into
16 subcommittees, and this, that, and the other. I
17 guess maybe this first time, at least, that we should
18 have an opportunity to discuss these same things or
19 whatever it is we come up with after going through
20 these things the next meeting.

21 Now, having seen what we're talking
22 about, you send me something that we need to discuss
23 the next time, I will do whatever it is I need to do
24 to get my input. The first time I was confused

25 enough, I got them, I looked at them, and I said,

1 hey, nice, we're going to be looing at this. I like
2 some flat things knowing what we're going to be
3 covering, and then I laid it down until I got here.

4 FACILITATOR DAVE WAHUS: Kate, did you
5 want to respond?

6 DR. KATE JACKSON: Let me just
7 generally respond. There were kind of two drivers
8 that have driven us to this new format and the new
9 vehicle through which we will solicit your views and
10 advice. One of those was the discussions that we had
11 about your desire to have fewer meetings, more
12 focused meetings, and fewer meetings in between the
13 meetings.

14 Many of you have talked to me about
15 the fact that many of those writing, rewriting,
16 resubcommittee meeting, rewriting, resubcommittee
17 meeting, big committee meeting, coming back, all of
18 that was of relatively little value.

19 Okay. Add to that, we, TVA, have gone
20 back and were a little circumspect about how we
21 wanted to manage this, maximize the value we got out
22 of it, and the maximum value to us is not tactical
23 advice but relatively strategic, programmatic level
24 advice that can give us high level values and

25 expectations from you and your constituents to feed

1 into our policy-making and our guidance-making as we
2 move forward thinking about how we're going to manage
3 our assets.

4 So the thing that is the most value to
5 us is if you say, gosh, we think yada, and I will
6 give you just a sound bite on the reservoir
7 operations study, we think you ought to go back and
8 reexamine the balance and output and we think as you
9 do that you ought to do it comprehensively and you
10 ought to make sure that you get a public overview
11 group and you ought to really try to communicate in
12 an ongoing way with the public as you do that, that's
13 the high level advice that you gave us. Wherein, we
14 launched the ROS. That was incredibly helpful advice
15 for us. That's the level of advice TVA is looking
16 for, and that's the most value for us. So that's
17 where we are.

18 I will say one other thing, which is
19 in the Charter there is a safety relief valve, if you
20 will, where you can request consideration of other or
21 additional issues on future agendas. And so maybe
22 one of the things you want to contemplate is a kind
23 of process tweak wherein you get to the point where
24 you've written advice, and, Ed, I respect your

25 interim issue, go back and then come back at the next

1 meeting and validate those. I mean, we can talk
2 about a possibility for that. There's a long time
3 period in between them, remember that.

4 MR. DAVE WAHUS: Are there any other
5 comments?

6 DR. STEPHEN SMITH: I don't know if
7 it's -- this is the right time or not, but help me
8 understand what you mean by a long time period in
9 between.

10 DR. KATE JACKSON: Well, it's --

11 DR. STEPHEN SMITH: Let me finish the
12 question. I mean, the -- I mean, when I looked at
13 the back of the Charter here it says, you know,
14 Regional Stewardship Council from 2002 to 2003 until
15 2003 to 2004, and basically the first meeting is
16 happening the end of November.

17 And, you know, in essence if you have
18 a long gap in between, you know, theoretically we
19 might meet two more times at this sort of long gap.
20 I mean, there is -- my thought on the value that this
21 Council serves is not just to have something that TVA
22 can conveniently point to and say, you know, we have
23 this thing, we rarely activate it, you know.

24 It's got to have some kind of

25 substance for it to be worth having. Otherwise, I'm

1 not -- so I'm trying to understand exactly how
2 frequently you're thinking about meeting. If I
3 understand correctly, you're saying no subcommittees,
4 no subcommittee meetings, and, you know, if -- if the
5 point of constituting this thing was just to make it
6 so that people who were like, well, I will serve on
7 this thing if I don't have to do anything is the
8 approach, then maybe we don't have the right people
9 on the Council, because I thought the Council was
10 actually constituted to actually do something.

11 And I'm beginning to question now if
12 we're five or seven or eight months into the
13 Council's Charter, we haven't met, and then it's kind
14 fuzzy to me what the time frame is that we're going
15 to meet again on. And the meetings are going to be
16 like -- you know, like what appears to be happening
17 here, I'm just wondering how constructive that is and
18 whether it's just almost like kind of a rubber stamp
19 type of thing. I am not real comfortable with that
20 personally.

21 DR. KATE JACKSON: Of course, we don't
22 want a rubber stamp. We are not going to have
23 meetings every two months. That was a combined
24 decision of TVA and of this group of people. I said

25 earlier that we will probably have five meetings.

1 That means that there will be X months between. You
2 will not come back and revisit this for several
3 months. So if you need to have some different
4 format, we obviously need to talk about that, that is
5 not our intention.

6 And, you know, to suggest that TVA is
7 not serious about this, not only am I offended by
8 that, but I completely reject it. This is very
9 important. Your advice is very important to us.
10 Clearly we have implemented the advice and views you
11 have given us and worked very hard to accept every
12 one the way that we can and we hope to do in the
13 future, but we also hope to do that focused on issues
14 that are primarily important to us and to prevent the
15 Council from having to be reactive to extraordinary
16 tactical issues. That is not to say that you can't
17 talk about specific issues, but turn that discussion
18 of specific issues into advice, that's what we're
19 looking for.

20 DR. STEPHEN SMITH: And don't
21 misconstrue me, I fully appreciate and I agree with
22 the comments earlier that the last Council TVA was
23 extremely responsive to and -- but I guess I'm
24 concerned, but could be convinced that this new

25 format you're going to have is -- but to me you're

1 almost setting up this new format to where it's
2 meeting less frequently, and this, that and the
3 other. I am just wondering if you're going to have
4 the same level of responsiveness because this is to
5 me somewhat of a diminished application of the
6 Council.

7 DR. KATE JACKSON: And part of the
8 advice to which we were responsive was to change the
9 format to this. So you-all need to represent some of
10 those issues among yourselves.

11 FACILITATOR DAVE WAHUS: Paul, did you
12 have a comment?

13 DR. PAUL TEAGUE: I'm going to take
14 both sides in this issue.

15 FACILITATOR DAVE WAHUS: Please do.

16 DR. PAUL TEAGUE: Some of my friends
17 are for it and some of them are against it, and I am
18 with my friends.

19 First of all, thanks, Kate, for the
20 compliment because all of this came out of our
21 committee last time for the last Council on this land
22 management. So I am glad she thinks we did a good
23 job.

24 And to -- the problem, I think, that's

25 bothering Steve, and he can correct me if I am wrong,

1 is that -- the question I asked this morning, we
2 instigated the survey, but yet, we were not going to
3 get a report on it. I think this bothered Steve a
4 little bit and it bothered me a little bit. So
5 that's a question we will answer. And Kate, I think,
6 is helping us answer that now by saying we can visit
7 those issues if we're so inclined strong enough.

8 But as far as to the rest of the
9 Council members, except the neophytes, the puppies on
10 the street that we have got, three of them, these
11 issues have already been chewed and chewed and chewed
12 pretty well, maybe not directly as they are written
13 here, but we chewed all of this for months last time
14 around, if I am not mistaken. So I think I have got
15 no problem of us discussing it and taking a stand on
16 it at this time.

17 FACILITATOR DAVE WAHUS: Well, one of
18 the -- two of the -- one of the suggestions that I --
19 and I saw one of your members put the name tag back
20 down when they heard another member speak, but Ed
21 Williams suggested that we trust the process a little
22 bit and let's go on with the process, let's at least
23 get part way through it, if not all the way through
24 it, and then let's stop and evaluate, is it really as

25 constructive as it's perceived to be. If not, then

1 that's the opportunity to evaluate it, but you will
2 be in a better position to evaluate the process than
3 if we continue to evaluate it here when we haven't
4 experienced it yet.

5 Do I have a general concurrence to
6 move forward?

7 Okay. We have three questions and we
8 have about four hours. We're eating into the first
9 hour. How much time do you want to spend? Again,
10 it's been suggested that we allot -- we might allot
11 two hours to the first question, which would be the
12 end of the day today, and then one hour for each of
13 the other questions.

14 Does anyone have any preferences or
15 any suggestions contrary to that or any ideas as to
16 how much time you think we should spend on the
17 questions?

18 MR. LEE BAKER: It's worth a try.

19 FACILITATOR DAVE WAHUS: Do you want
20 to try that?

21 MR. BRUCE SHUPP: Dave, can I make a
22 comment first?

23 FACILITATOR DAVE WAHUS: Yes, sir.

24 MR. BRUCE SHUPP: Let me make a

25 suggestion too that -- and I -- Steve -- is Steve

1 gone?

2 DR. STEPHEN SMITH: I'm right here,
3 Bruce.

4 FACILITATOR DAVE WAHUS: He hasn't
5 left.

6 MR. BRUCE SHUPP: When we -- when Kate
7 and I talked about this new format, initially I had
8 some reservations also. I had the opportunity to
9 talk to her a long time about it and understand
10 better than we probably understood today or got the
11 understanding today of where she really wants to go,
12 and I think it's going to work. I think -- I have
13 total confidence in this group to get to the end of
14 these basic philosophical value statements that she
15 wants from this group by the end -- in the time
16 allotted. I think we can do it.

17 I would advise you, this is what I
18 really wanted to say, when we work on these
19 questions, let's not look at what's wrong with the
20 system and talk about what's wrong with the system,
21 let's look ahead and say, here's how to fix this,
22 here's the way it should be, here's the way the
23 public policy of TVA should work, and let's phrase
24 the statements and the thinking of -- that it's a

25 positive thought. Here's the way we want it to see

1 and it's an advice statement or recommendation rather
2 than a criticism of the way TVA's policy differs from
3 the National Park Service, the Forest Service or
4 whatever. So if we work if that kind of constructive
5 philosophy, I think we will get there real quick.

6 FACILITATOR DAVE WAHUS: Okay. Then I
7 saw nods that we will go for two hours, one hour, and
8 one hour, at least that's -- we will try it.

9 Do I see any objections?

10 Okay. I would remind you that --

11 MR. GREER TIDWELL: David.

12 FACILITATOR DAVE WAHUS: Go ahead,
13 Greer.

14 MR. GREER TIDWELL: I'm a stickler for
15 this, but I think we need to make sure and allot some
16 time for all of them reserved after public comment.

17 FACILITATOR DAVE WAHUS: There is a
18 time on your schedule for that, and we will be coming
19 back and addressing that after the public comment
20 period, yes.

21 MR. GREER TIDWELL: Then we don't
22 have --

23 DR. KATE JACKSON: That's just your
24 discussion time.

MR. GREER TIDWELL: We don't have four

1 hours between now and --

2 FACILITATOR DAVE WAHUS: We have two
3 hours now between now and 5:00 and then tomorrow
4 morning.

5 MR. GREER TIDWELL: We have an hour
6 and 15 minutes.

7 FACILITATOR DAVE WAHUS: We have from
8 8:00 to 10:00 -- we have a time from 8:45 to 10:00.

9 MR. GREER TIDWELL: Which is an hour
10 and 15 minutes.

11 FACILITATOR DAVE WAHUS: After the
12 break from 11:15 to -- actually, it should be 12:00,
13 10:15 to 12:00, and then the public comment.

14 MR. GREER TIDWELL: I stand
15 unembarrassed but corrected.

16 FACILITATOR DAVE WAHUS: Thank you.
17 As you make your comments now we're going to put your
18 comments up on the board, and we have got the wrong
19 one here. Let's see. There we go.

20 I am going to be assisted up here by
21 Laura Duncan, and she asked me not to say anything
22 bad about her. I don't know anything bad about her
23 to tell you, but she's going to assist by putting
24 your comments up there.

Can you read what's up there? Do we

1 need to increase the font?

2 Okay. If any of you have problems
3 reading or seeing what's up there, please sound off
4 as we go through.

5 Paul.

6 DR. PAUL TEAGUE: You know, last time
7 when we started discussing something we'd take the
8 easiest questions first and work up to the hard one.
9 It looks like to me like No. 1 is going to be the
10 most difficult. No. 2 and No. 3 kind of work up to
11 No. 1, so we might consider starting doing it that
12 way. I don't care either way.

13 FACILITATOR DAVE WAHUS: TVA indicated
14 that No. 1 is the one that they -- if we didn't get
15 all of them done that's the one that they would most
16 like to hear your answers for.

17 DR. PAUL TEAGUE: We're working
18 backwards.

19 FACILITATOR DAVE WAHUS: I understand.
20 The first question, and I am not going to spend a lot
21 of time reading, but the first question is: Does the
22 way in which TVA manages public lands remain
23 responsive to the directive -- to this directive?
24 And the directive has been stated, you have it in

25 front of you.

1 And as I indicated earlier, this could
2 be a yes or no answer. However, the TVA would
3 certainly like some elaboration on any direction that
4 you might want to go.

5 Do we have any comments? Are they
6 responsive or are they not responsive?

7 Jimmy.

8 MR. JIMMY BARNETT: Yes and no. How
9 about that? And may I elaborate with that comment?

10 FACILITATOR DAVE WAHUS: Please.

11 MR. JIMMY BARNETT: I don't think
12 that -- again, I say this because I didn't know
13 before all of this went on as far as the Council was
14 concerned, I didn't know all the processes that are
15 out there for us to respond.

16 I don't think all the cities and towns
17 know. I know our mayor doesn't. That's probably his
18 fault. On the other hand, maybe a little more
19 education out there on, here is the process. You
20 have had meetings around. I don't think they are
21 attended like they ought to be.

22 I don't think people are interested
23 really deep down, there's so much going on, until all
24 of a sudden they have a need and then they wonder,

25 why all of this red tape or why this process or why

1 everything else. Now, I don't know that you can
2 change that.

3 Perhaps there is a better education of
4 the powers at be, quote, quote, on what is the
5 process and why is it on the front end so that if
6 they have a problem they will have one more chance of
7 knowing what this process is so they can better -- I
8 won't say take advantage of it but better utilize the
9 process and understand it, because they don't
10 understand it right now.

11 Witness the discussions that Bridgette
12 and you and myself and my mayor and my attorney had,
13 no matter what I told them, no, that couldn't be
14 right, so and so and so and so, and I warned them on
15 some things and some things I kept my mouth shut
16 because I wanted them to find out whichever way.

17 So it is responsive? It is and it
18 isn't. It is because y'all told us what you did in
19 our particular case. It wasn't responsive from the
20 standpoint they didn't feel like they got the best
21 shot.

22 MR. BRUCE SHUPP: What's the process
23 they need?

24 MR. JIMMY BARNETT: I'm talking about

25 the process -- they went and asked for something --

1 they asked for a piece of the reservation land to do
2 something about. To them looking at that one
3 micronism, is that right, okay, in Sheffield only,
4 that looked like a reasonable thing to ask for.

5 Kate doesn't look at just Sheffield.
6 She's got to look at the whole Valley because what
7 they do in Sheffield could affect what Austin might
8 want to do up in his neck of the woods in
9 Hopkinsville and around.

10 I guess the education phase of it, I
11 have been educated to an extent. Nobody make a
12 comment please. I understand more about it and why
13 you need to look at -- and why you're asking these
14 questions, and I guess what I'm saying is I don't
15 think enough people around the Valley know enough
16 about whatever the process is that they get bent out
17 of shape when all of a sudden they are in the middle
18 of it.

19 How do you get them to respond and
20 find out if they won't attend a meeting? Unless you
21 have individual meetings and invite each major and
22 each county commissioner and so forth, which would be
23 an awful big process, or may be send them a lot of
24 nice letters during it.

DR. KATE JACKSON: May I ask a

1 clarifying question? Am I allowed to ask clarifying
2 questions?

3 FACILITATOR DAVE WAHUS: Absolutely.

4 DR. KATE JACKSON: Is responsiveness
5 determined based on whether you got what you asked
6 for?

7 MR. JIMMY BARNETT: Of course, anybody
8 that asks for something wants a positive answer to
9 whatever they asked for. In my case I thought I knew
10 what the answer was going to be in the first place.
11 So my gauging of it was what I have to work with and
12 the response to y'all's response to the request, even
13 though I cautioned them that, hey, we may not get
14 this particular thing at this point in time or
15 whatever point in time.

16 I guess it's based on the way that I
17 felt that my people felt after the thing was done,
18 and it's not to fault your presentation or anything.
19 It was because they went in with heightened
20 expectations only looking at the small particular
21 thing and not understanding the big picture, and I
22 think they need to know that there's a big picture
23 out there that you have to look at and they didn't
24 know that, no matter what I told them.

1 then Miles.

2 MS. JULIE HARDIN: I did take these
3 questions to some of my constituents in West
4 Knoxville. I made several telephone calls and had, I
5 think, two interviews with folks. I ran into a true
6 hornet's nest at Keller Bend. As they looked at
7 these questions, they were totally negative about TVA
8 fulfilling its Act. So that's some input. I don't
9 know if you-all read the Knoxville newspapers, but
10 Keller Bend was in the news recently as well, that
11 controversy.

12 The other thing I have to ask, David,
13 is this TVA Act was done in 1933, right?

14 FACILITATOR DAVE WAHUS: Yes.

15 MS. JULIE HARDIN: Well, we have
16 changed one hell of a lot since 1933 in East
17 Tennessee. In fact, in the whole country and the
18 whole world. So I think we need to be more timely
19 than 19 -- than the 1930's in looking at this very
20 critically and very positively.

21 FACILITATOR DAVE WAHUS: Well, I
22 believe that that's why you're being asked the
23 question.

24 MS. JULIE HARDIN: Right.

1 setting are they being responsive to the Act given
2 the fact that a lot of things that are changed and
3 they are continuing to change, so that's why they are
4 asking the question.

5 Did I capture that correctly, Kate?

6 DR. KATE JACKSON: Yes. Let me just
7 clarify one thing. I mean, our responsibility and
8 our opinion is to balance all of the uses of land
9 assets under the premise of the TVA Act. Our
10 question is, is that balance still appropriate?

11 Should we still be doing that? Should we do
12 something different? And if something different, how
13 should we prioritize those outputs of that land base?

14 MS. JULIE HARDIN: I think tomorrow in
15 public comments we're going to get the input that we
16 should be doing things differently. Okay. Thank
17 you. Miles and then Stephen and then Bruce.

18 MS. MILES MENNELL: I want to preface
19 my comments based on what happened at Little Cedar
20 Mountain, which was a specific interest to our local
21 governments. I want to do this in a positive way.

22 I think that there has been a certain
23 inconsistency in TVA policy where my local
24 governments would argue that in the particular case

25 of Little Cedar Mountain that a minority point of

1 view prevailed and the economic development project
2 did not go forward.

3 So trying to put it into a positive
4 light, I think one of the things that we need to be
5 looking at, does TVA -- does the way in which TVA
6 manages public lands remain responsive to this
7 directive? I think that there needs to be perhaps a
8 better definition and consistency of policy without
9 getting into a whole bunch of argument and details.
10 I referenced that as my example.

11 FACILITATOR DAVE WAHUS: Okay. Thank
12 you. Might I just add that if you see a misspelled
13 word up there, we're testing the spell check. So
14 don't get concerned. It will be corrected before we
15 get done.

16 Stephen.

17 DR. STEPHEN SMITH: Well, in response
18 to the question, does TVA manage the lands in a way
19 that's responsive to this directive, I -- I don't
20 think it's a simple yes or no answer. I think it
21 depends on a lot of different things.

22 And what Julie said, the TVA Act and
23 the context of which it was written is 1933. Just my
24 personal experience, I'm a private pilot, I fly small

25 planes. I would imagine that if I got up in a plane

1 in 1933 and I flew across the Valley, I would largely
2 see in a lot of areas a sea of undeveloped lands,
3 some abusive lands, but there would be a lot of
4 undeveloped lands and there would be these pockets of
5 development.

6 What I see today is a sea of
7 development and little pockets of public land, and
8 what that means is that there is greater pressure on
9 the very limited public land resource that we have
10 and it means that -- that while the pressures for
11 economic development continue to grow because of
12 population, and yada, yada, yada, and just people
13 trying to make a dollar in all kinds of different
14 ways, the asset, the resource is diminishing in many
15 ways.

16 I think that -- that TVA needs to
17 elevate its responsibility as a public land manager
18 for public purposes beyond narrow economic interest
19 and development. And I think that there are clearly
20 growing examples where TVA is influenced dramatically
21 by the personalities on the Board. These
22 personalities are not elected, they are not
23 accountable, and they have -- you know, TVA tends to
24 be a stepping stone for some additional political

25 thing.

1 And so it is very difficult to see how
2 this personality influence is not conducive to
3 developing good public policy, and I think that there
4 needs to be some way to look programmatically at
5 TVA's public land assets, to look at a very broad use
6 of the lands and understanding that and developing, I
7 think, a more defined approach.

8 Yes, each individual reservoir is
9 unique, but you cannot take that uniqueness out of
10 the context of, one, what is TVA and the watershed
11 itself, and two, the context of all of the other
12 development activities that are happening all around
13 that TVA has no direct control of.

14 So I'm concerned that the march
15 towards development is unceasing but the resource is
16 becoming more and more finite.

17 FACILITATOR DAVE WAHUS: Okay. Thank
18 you, Steve.

19 Bruce.

20 MR. BRUCE SHUPP: Jimmy's statement, I
21 think, was directed at defining the decision process
22 for the outside world to understand, and I couldn't
23 agree with that more. I think there's another
24 important factor, and that gets to Steve's point, and

25 that's to redefine economic development and what

1 economic development mandate means to TVA now, not in
2 1993 (sic).

3 One could argue if you look at the PBS
4 programs on the history of TVA that they certainly
5 have achieved all the economic development that
6 Franklin Roosevelt had charged them with. I mean,
7 what a magnificent, you know, surge of the Valley
8 because of TVA. Okay. It's done. Now, what? Now
9 let's preserve the resources.

10 Let's define economic development in
11 today's terms, not in the terms of 1993 (sic). I
12 think that's a big challenge for TVA. And if that
13 isn't done, then the re-review of new policies goes
14 on forever. You make a policy and it's re-reviewed
15 and another policy is re-reviewed. What are the
16 components of that policy and how long should it
17 stand after the new definitions come in? I think
18 that's what we have to do.

19 FACILITATOR DAVE WAHUS: Miles, you're
20 next. We're just going to wait a minute to get
21 caught up.

22 MS. MILES MENNELL: This is clarifying
23 a question. Kate, I understand that TVA has a plan
24 for every reservoir, but then is there also a plan

25 overall for the reservoirs, just like if we were in a

1 given community there needs to be X amount of green
2 space within the Tennessee Valley or is there that
3 kind of master overriding plan then that applies to
4 all of the reservoirs? I'm not quite sure how to ask
5 it.

6 DR. KATE JACKSON: No. It goes back
7 exactly to what Stephen was suggesting, and let me
8 talk about sort of our comprehensive view.

9 What we have done historically is the
10 reservoir lands planning process around individual
11 reservoirs, examining the capability of that land you
12 heard Bridgette talk about, and examining the needs
13 in that particular area.

14 When we look at allocating lands for
15 particular purposes, one of the things you examine is
16 substitutes for those purposes. How far would a
17 person have to go to get green space? How far would
18 a person have to go to get to a boat dock? How far
19 would a person have to go to access industrial
20 property or residential property? It is not helpful
21 to look at that on a system-wide basis. It's much
22 more helpful to look at that on a
23 reservoir-by-reservoir basis.

24 The two things that we have done

25 comprehensively, one, is the reservoir operations

1 study, recognizing that the water doesn't stay in
2 regional places, it moves from one to the other. And
3 therefore, you inhibit the use downstream from
4 upstream.

5 And the second is the shoreline
6 management policy, which examined particular issues
7 of residential access, recognizing that we were
8 getting driven to increase the amount of residential
9 access that we opened, and we wanted to look at that
10 on a regional basis because of the pressures on that.

11 However, what we learned from that
12 process is that if you do that comprehensive level
13 evaluation you don't get much value on a regional
14 basis. So what you're forced to do is look
15 comprehensively and then do another environmental
16 impact study regionally for those lands in lands
17 planning process, and then for particular projects
18 that are brought to you, do another environmental
19 review and possibly another EIS, depending upon the
20 size and significance of the project in its
21 implications.

22 So what we determined was because of
23 all of that it is not an appropriate investment of
24 resources because we wouldn't get much bang for that

25 buck. So we have decided that we need to remain at

1 that reservoir-by-reservoir level.

2 FACILITATOR DAVE WAHUS: Miles. Thank
3 you. Is there a mechanism then for you to directly
4 involve local governments with you in that planning
5 process on a region-by-region basis so that they are
6 identifying what they need -- if you would comment on
7 that, so they can identify what they need in terms of
8 quality of life or quality of living within their
9 community and that's compatible with TVA's planning.
10 And that's exactly what we do. That's exactly how
11 those plans get developed. We look at the needs of
12 the community, the needs of the resource, and then
13 try to balance those needs in that allocation of
14 those properties around each reservoir.

15 MS. MILES MENNELL: So that the input
16 then comes not only from the public but also from
17 those elected or city or county employees or
18 officials?

19 DR. KATE JACKSON: And not only those
20 people, also the industrial development
21 organizations, also local businesses, also state and
22 federal agencies.

23 So on a project like that, we have an
24 inner-agency review team which examines other broader

25 issues associated with that to make sure that the

1 scope of those reviews is appropriate.

2 MS. MILES MENNELL: One final comment.
3 I would like to speak to Bruce's comment about
4 redefining economic development. And correct me,
5 Bruce, but it seems to me that -- my understanding is
6 that nationwide something like 17 percent of the
7 workforce is employed in manufacturing and economic
8 development, but here in the Tennessee Valley, for
9 obvious reasons, and I'm not being critical of that,
10 we have cheap power, so we have more manufacturing,
11 but in terms of -- I think we need to be looking at
12 economic development in terms of our natural
13 resources and that we need to be talking about how do
14 we promote clean industry, how do we move away
15 perhaps from manufacturing. Obviously, if we do that
16 we don't sell more power and we begin to maintain a
17 status quo, but I think that that's something we need
18 to be -- I just wanted to comment and add to yours, I
19 think that's something that we need to be looking at
20 in terms of maintaining and protecting our natural
21 resources.

22 FACILITATOR DAVE WAHUS: Lee and then
23 Austin.

24 MR. LEE BAKER: I have just got a few

25 questions that I needed some clarification on. I

1 thought I understood someone to say there was not a
2 reservoir plan on all reservoirs, specifically
3 Douglas does not.

4 DR. KATE JACKSON: 94 percent of the
5 lands have been planned.

6 MR. LEE BAKER: And then this section
7 of the seven zones that depicts the amount of acreage
8 allotted, that's not -- that just happens to be the
9 way the allotment falls today, that -- is it not?
10 That's not -- and I see natural -- zone four, natural
11 resource conservation, 181,000, that's 62 percent. I
12 don't know where that -- am I understanding what --
13 tell me what zone four is again, because maybe
14 Stephen is not seeing that when he flies around.

15 What is zone four?

16 DR. KATE JACKSON: Those are lands
17 that have currently been planned. There's 17,000
18 acres that remain to be planned. I will let
19 Bridgette speak to zone four.

20 MR. LEE BAKER: Is there development
21 on the zone -- is there houses and buildings and
22 things on zone four?

23 MS. BRIDGETTE ELLIS: No. Zone four
24 is natural resource conservation, and that is for

25 wildlife management, habitat, for timber and forest

1 health, a lot of those natural resources, and
2 dispersed recreation. And remember, I talked about
3 dispersed recreation meaning trails, greenways, other
4 things that people use from a recreation standpoint
5 where they don't go to a developed site. That is for
6 the 14 projects, 14 reservoirs that have been planned
7 because that's where the majority of the acreage is.

8 MR. LEE BAKER: Is there any magic to
9 these percentages as far as -- these aren't
10 necessarily objectives, and how do they differ from
11 what -- for instance, if 62 percent is not the
12 objective, is there an objective that it be 70
13 percent or 50 percent? Is there objectives set?

14 Because when you talk about balance,
15 you know, I am not sure what we mean by balance. And
16 whether the process is good or not is not the same
17 question as whether or not the people -- you know,
18 we're actively getting the people in to participate
19 and they know.

20 We do a lot of good things at Newport
21 Utilities, but we play heck -- you know, you invite
22 them down to come and participate and they won't
23 participate. They won't show up. I mean, you try to
24 feed them and sometimes they come, but then you do

25 something and then they come out of the woodwork.

1 You have got Monday morning quarterbacks.

2 So I see a difference in whether or
3 not the process is a good process. That doesn't
4 negate the fact that, yeah, it would be great if more
5 people knew what you were doing, but it doesn't mean
6 the process is wrong just because the people don't
7 understand what you're doing.

8 But my question was: Is that
9 allocation -- is there any magic to these percentages
10 or is there a goal that deviates? What is balance?
11 What do you think balance is, Bridgette?

12 MS. BRIDGETTE ELLIS: First, you have,
13 you know, the specific reasons and purposes for which
14 each reservoir was built and the lands associated
15 with that, you have that as one objective.

16 Then you go and you talk to the
17 communities, the other non-governmental
18 organizations. You talk to the chambers. You talk
19 to the industrial development associations. You go
20 and ask them specific questions about, here's the
21 land base around this reservoir, what do you think
22 this reservoir ought to look like ten years from now
23 and are there any specific needs from any of these
24 areas, these zones that you have a specific interest

25 in or you would like to have input on.

1 So what -- then what we do is based on
2 that we may have X number of industrial sites,
3 recreation sites, and then conservation sites, and
4 then protection of sensitive resources and all of
5 that. So there is no magic number goal for any
6 reservoir that says you must have this amount and
7 this amount and this amount.

8 MR. LEE BAKER: For those reservoirs
9 that this plan is complete, the 94 percent, are those
10 percentages as best you have determined them to be or
11 are they -- do we know what -- I mean, I know you
12 know, but is that information that we could easily
13 see?

14 MS. BRIDGETTE ELLIS: Sure. We could
15 give the breakdown by reservoir. There's 14
16 projects. If you remember, I said there's seven
17 tributaries and seven mainstream projects that
18 account for the lands that have already been planned.
19 All the rest of the projects or the other 17,000 is
20 that last 6 percent. Then we do a breakdown by
21 reservoir that says -- by reservoir what those are
22 allocated to.

23 MR. LEE BAKER: Thank you.

24 FACILITATOR DAVE WAHUS: Okay. Austin

25 and then Steve.

1 MR. AUSTIN CARROLL: Kate, I'm not
2 sure I understood what you said while ago as to why
3 there's not kind of an overall master plan, you know,
4 for all the reservoirs. I understand -- but I did
5 understand Bridgette that each one was planned for a
6 specific purpose.

7 I mean, the -- you know, I understand
8 there's certain elements of that purpose that have to
9 override, you know, the rest of it, but it just seems
10 like, you know, there should be some kind of overall
11 plan for the whole thing. Maybe that's getting a
12 little bit on what Lee said, some targets and some
13 definitions, kind of like Bruce said, you know, of
14 how you're going to look at the whole system and each
15 reservoir within that system.

16 DR. KATE JACKSON: And the way we have
17 proceeded is because each purpose -- each reservoir
18 is there for a different purpose or slightly
19 different or slightly different priorities within
20 those sets of purposes and because the capability of
21 that land base and the ownership of that land base is
22 so different from one reservoir to another, that the
23 -- what you would end up doing in a comprehensive
24 review is being so generic and so dilute that it, in

25 fact, wouldn't provide any boundaries or any guidance

1 that make all of that investment worthwhile.

2 And so the more value is to do an
3 examination on a reservoir-by-reservoir basis because
4 think of how different Kentucky is from Fontana. So,
5 I mean, one issue that you might want to talk about
6 is should those percentages be -- should there be a
7 target objective as opposed to have those be result
8 and that maybe we could talk about, I mean, going
9 back to kind of combining both of your issues.

10 FACILITATOR DAVE WAHUS: Did you --

11 MR. AUSTIN CARROLL: Well, I think I'm
12 like Bruce, I believe we do -- it would be a good
13 idea to have, you know, a definition for economic
14 development and -- you know, look at, you know, the
15 benefit of, you know, lands remaining, public, and
16 those kinds of things when you look at each reservoir
17 as far as the planning.

18 It just seems like somewhere or
19 another you need to have some guidelines so every now
20 and then you can kind of stick your head up and see
21 which way is west, you know, in considering the whole
22 maze of reservoirs. Maybe you do that.

23 FACILITATOR DAVE WAHUS: Stephen and
24 then Jackie and then Greer.

1 watershed, and maybe Bridgette can answer this,
2 comprehensively how much -- what percentage of land
3 does TVA actually own?

4 MS. BRIDGETTE ELLIS: Can't answer
5 that.

6 DR. KATE JACKSON: Very little, almost
7 none.

8 DR. STEPHEN SMITH: My sense is it's
9 like maybe a percentage or two or three.

10 DR. KATE JACKSON: Maybe not even that
11 much.

12 DR. STEPHEN SMITH: So when you look
13 at the TVA watershed and you look at the actual land
14 that TVA actually owns, then you look at the numbers
15 that you put up there, 181,000 acres or whatever it
16 is looks big, but when it's in the context of, you
17 know, 20, 30, 40,000,000 acres or whatever it's
18 incredibly small.

19 So to some degree when I am up there
20 flying around I'm not just, you know, flying along
21 the banks of the Tennessee River and limiting my view
22 to that, you know, 50 feet on either side of the
23 river that happens to be TVA public lands, I'm
24 viewing it in the context of the overall watershed

25 which affects water quality, it affects the habitats,

1 the whole biological integrity of the Tennessee
2 River, the fifth largest river system in this
3 country.

4 And so it appears to me that TVA
5 manages an incredibly small percentage of the overall
6 land base that affects the watershed. Therefore,
7 TVA, in my opinion, has a very, very strong mandate
8 to protect those public assets, because while there
9 are areas where there are large holdings of public
10 lands within the TVA watershed, my sense is that even
11 in the context of that, even if you factored in the
12 park service and some of the -- the National Forest
13 Service that that is a relatively small percentage in
14 the overall land mass within the Tennessee Valley.

15 So there is a need, I think, to look
16 comprehensively at the watershed itself and be able
17 to put those lands in context because there are
18 few -- precious few entities left in the existence
19 that have the ability to take that broad perspective
20 that TVA was originally conceived to do.

21 If I understand some of the original
22 motivations of TVA, it was to act as a regional
23 authority to look across the broad region and to look
24 at management issues and development in the broadest

25 sense of the word, resource conservation in the

1 broadest sense of the word across a broad region.

2 And it is easy to put yourself in your
3 small little community and, you know, see the trees
4 across the street, but when you begin to get
5 perspective, and depending on where you go to get
6 that perspective, you begin to see things very, very
7 differently.

8 I think that because TVA has that
9 unique ability and unique mandate to look very
10 broadly, there is a need to do a comprehensive
11 analysis of TVA's public lands not only in TVA
12 ownership but TVA's public lands in the context of
13 the whole watershed, because that is actually TVA's
14 mandate is the management and preservation of that
15 watershed.

16 What's been happening is TVA has been
17 beaten back to where it's now only looking at that
18 very thin band of land around the river itself which
19 it actually has direct control over, but there is --
20 I think there is a need for TVA to take a broader
21 look and put its public lands in context of the
22 overall watershed. And in that way, that 181,000
23 acres or whatever that seems so big to some
24 individuals is going to actually be extremely small.

And I think that -- I would like to

1 introduce the concept within this protection of these
2 public lands of no-net loss. I think there needs to
3 be some targets for preservation. And just as there
4 was within the shoreline management, the goal of
5 maintaining gain for the very critical riparian
6 resources that TVA has, I think the same kind of
7 thinking needs to be applied to the public land
8 policy and management.

9 FACILITATOR DAVE WAHUS: Okay. Julie
10 and then Greer.

11 DR. KATE JACKSON: Jackie.

12 FACILITATOR DAVE WAHUS: I'm sorry.
13 Jackie. I apologize. Jackie and then Greer and then
14 Bruce and then Tom, and we will come back to Lee.

15 MS. JACKIE SHELTON: I think what I am
16 hearing is a redefinition, redefining the mandate. I
17 think it's made great distress for the TVA to
18 interpret and to think regionally. For instance, to
19 think about, one, what's happening with one
20 watershed, one area.

21 I'm of the feeling that if you had an
22 overall plan, including all of the land you own that
23 TVA controls, if you had an overall plan and thinking
24 in terms of what you're going to do with that -- with

25 the land, just basically what Steve is saying, which

1 would make it easier or it would seem easier when you
2 address each area that has a problem or when they ask
3 for land.

4 And you could -- if redefining what
5 the land is for, when they ask the land you could
6 very easily say, well, we've -- we don't have space
7 for this or we have already completed all we need in
8 this part of that area. So it would give you
9 something to work with, but that's an overall -- for
10 instance, if you go into an area -- now, if TVA does
11 this sort of in-depth research, do they need any more
12 power companies? Do they need more recreation? Do
13 they need economic development?

14 Granted, each of them may be
15 different, but you only have so much land, and in my
16 mind if you use that land what will benefit the most,
17 which is a long-range plan, not necessarily just
18 those people that come before you.

19 FACILITATOR DAVE WAHUS: Greer.

20 MR. GREER TIDWELL: I was just trying
21 to think about what Jackie said. Picking up from
22 what the National Park Service said this morning
23 about reaching beyond their borders. I think that in
24 order to be responsive to this directive TVA needs to

25 reach beyond its lakeshore borders and think about

1 how its land management decisions work in the context
2 of the full Tennessee River drainage basin as the law
3 requires.

4 FACILITATOR DAVE WAHUS: Before I ask
5 the next person to speak, I want to make sure we
6 capture that. TVA needs to reach beyond the
7 lakeshore borders to look at how the decision affects
8 the entire TVA watershed.

9 MR. GREER TIDWELL: Right. Actually
10 not just look at the decision but leverage how the
11 decisions affect the entire TVA watershed.

12 FACILITATOR DAVE WAHUS: Affects the
13 entire watershed. Did we capture your thoughts
14 accurately?

15 And I haven't been asking if we've
16 been capturing thoughts accurately, but if we haven't
17 I hope that you're going to be very persistent in
18 letting us know.

19 Bruce.

20 MR. BRUCE SHUPP: In addition to
21 defining economic development, I think it would be
22 important to -- in the next planning phase to
23 describe the impacts of each category of use.

24 If I can explain that, you know,

25 looking at the quality-of-life issue on the water, on

1 a given water, and I look at that because I am
2 concerned with public anglers getting onto the water,
3 in addition to residents getting on the water.

4 An industrial development of 600 acres
5 with a plant and a good buffer zone and a good sewage
6 treatment system would have very little impact on the
7 quality of the on-water use, assuming all the
8 pollution is taken care of and the non-point source
9 runoff is well handled, it would have very little
10 impact on the quality of use of that water versus
11 600 acres of residences where everybody felt that the
12 lake was their personal playground and they had --
13 they had obligatory rights over any public entity
14 that would be coming on that resource.

15 The ownership issue becomes very
16 critical. We see this all over the country, anywhere
17 that there's a ring development around a shoreline
18 that the proprietary ownership believes they have all
19 the rights of that water, even though it's public
20 water, and anybody coming in through a public access
21 has secondary rights.

22 So describing the impacts of the
23 categories of use, I think, is very important. In my
24 view, an industrial plant would be an economic plant

25 that a community would benefit from and so would be

1 600 homes, but the 600 homes have a huge impact on
2 that water and the watershed more so than the
3 industrial plant.

4 FACILITATOR DAVE WAHUS: Okay. Thank
5 you.

6 Tom and then Lee.

7 MR. TOM VORHOLT: This afternoon's
8 session has probably raised a lot more questions than
9 I realized it would for me, quite frankly.

10 In response to Stephen's comment, that
11 293,000 acres may be relatively small, but I would
12 also like to point out it's extremely, extremely
13 important, 293,000 acres, because this is the access
14 to the water.

15 Going back to Lee's point, there's
16 181,000 that's set aside for natural resource
17 conservation, another sensitive resource management
18 of 31,000. So that's 211,000 acres or 73 percent,
19 and that might be the appropriate target.

20 On the other hand, you've got 7,000
21 acres or 2 percent that's set aside for
22 industrial/commercial. And I have no idea what that
23 7,000 acres looks like. I don't know if there's a
24 minimum acreage per site. I don't know how many

25 sites go into that, how it was developed, obviously,

1 a lot of thought and input, and I'm assuming local
2 representation from economic development councils, et
3 cetera. So I can only assume that a lot of thought
4 and a lot of work went into that.

5 The other thing that's hard to gauge
6 sitting here is how -- I think this goes back to
7 Lee's and Roger's point or Austin's point on balance.
8 I know that Kate made the point, and I know the exact
9 words you used because I wrote them down, were the
10 most compelling mandate of the TVA Act was economic
11 development in terms of residential and industrial.

12 And maybe that's not the right
13 mandate. Maybe it is, I don't know, but that seems
14 to be at this point -- I think we have -- this
15 Council has to remember that the TVA Act currently is
16 the law of the land. I think that we have to be
17 careful when we're talking about the TVA Act. I
18 think we have to keep that in mind, that at this
19 point it's the law of the land. And unless that law
20 gets revoked or changed and rewritten by Congress
21 that we still have to realize and understand that
22 we're under that law today.

23 The other thing -- and I don't know
24 how fluid these zones are. Going back to the

25 comments that Bridgette was making. I think it was

1 in relation to the Little Cedar Mountain episode
2 where -- let's see, maybe it was not that one. Yeah,
3 it was the Little Cedar Mountain where the comment
4 was made in there that mitigation land was identified
5 and an industrial tract was proposed to be allocated
6 for conservation to offset effects of developing
7 Little Cedar Mountain.

8 I don't know what process went into
9 that, but obviously there's some fluidity, there's
10 some ability through the process, NEPA or through AIS
11 or whatever to rezone the acreage. I think it goes
12 back to whoever made the point, maybe it was Lee,
13 about what are the targets.

14 And I understand where Stephen is
15 coming from. I mean, you know, I have four children
16 that live here and plan on living here. I plan on
17 living here. I think we all want conservation. We
18 all want green lands. We all want -- I know when I
19 go up and down the river, and I do on the boats that
20 we operate on the river, I see -- from my
21 perspective, I see lot of green lands. I see a lot
22 of islands. I see a beautiful shoreline, you know,
23 that I certainly respect and want to maintain.

24 This 2 percent is not a lot to set

25 aside for industrial/commercial. You know, there's

1 53 million tons that move on the river today. I
2 think it's probably appropriate because of the access
3 issue to leave 7,000 acres. Again, I don't know all
4 that went into that. I can only assume that a lot
5 more thought and work with the local state
6 governments went into that than certainly I'm aware
7 of or know and maybe want to know, but that's just
8 some of the comments that was in my mind.

9 MR. DAVE WAHUS: Thank you, Tom. Tom,
10 did we capture your thoughts right here on the last
11 four items here?

12 MR. TOM VORHOLT: I think my comment
13 was it's probably still appropriate to leave some
14 access to the river. I mean, like Stephen said,
15 293,000 acres is small, but it's also extremely
16 important acreage because that is the access to the
17 river.

18 FACILITATOR DAVE WAHUS: Then we're
19 going to go on to Lee and then to Ed.

20 Lee.

21 MR. LEE BAKER: Yeah. Just somewhat
22 of a follow-up as far as broadening, you know, I
23 think their challenges are difficult enough as it is.
24 Of course, you know, I take water from one of the --

25 probably one of the largest watersheds in the state

1 and so -- but to suggest that -- I think two things,
2 to suggest that these numbers somehow or another
3 should be integrated into the rest of the earth, I'm
4 not quite sure that's a fair charge.

5 The question really is, and I don't
6 know whether 2 percent is right for industrial -- you
7 know, I'm optimistic. Up in my neck of the woods
8 where you have a Denier plant, you know, I actually
9 hope you go heavy up on the industrial part and we
10 can get some jobs in our part of the area, we
11 certainly need them.

12 It seems to me that the question is
13 the process, that's what we're being asked, is the
14 process workable. Everybody -- you know, we have
15 seen enough of this where this forum has been where,
16 you know, people walk in just to attack at their own
17 little pet peeves and attack.

18 The question -- and I appreciate the
19 fact we're trying to hone in on a specific, but the
20 question of the process, I have to assume -- I would
21 like to assume that if you go through the process for
22 Douglas that the right ratio for natural resource and
23 conservation, you know -- and, you know, I own
24 21 acres, and I don't plan to do anything but leave

25 it green, cut hay on it. So, you know, I appreciate

1 the conservation also.

2 I'm not sure what the right percentage
3 is for Douglas. It would be interesting to me to see
4 what the percentages break out on some of the other
5 ones were, but as long as you're involving the
6 community and the stakeholders in that process who
7 can look across the road and see the beautiful green
8 field and say, well, that's a good park over there
9 but we need an industrial area over here because we
10 need jobs.

11 So it seems to me that -- I don't see
12 a lot of flaws in the process. Now, can you get more
13 people to participate, you know, yeah, probably
14 could, but I think it's -- it is a balanced approach
15 if you get their input, but balance to me does not
16 mean, you know, one person's agenda, and we hear that
17 too much, as far as I'm concerned.

18 I'm willing to do a balance. As far
19 as I can tell, the process looks pretty darn good. I
20 would like to see what the percentages look like on
21 some of the reservoirs, and I'm anxious to work with
22 the TVA and stakeholders to see what that looks like
23 on Douglas in our part.

24 FACILITATOR DAVE WAHUS: Did we

25 capture your concept?

1 MR. LEE BAKER: I don't even know what
2 I said.

3 MR. DAVE WAHUS: Well, then it doesn't
4 make any difference.

5 MR. LEE BAKER: It doesn't matter.

6 FACILITATOR DAVE WAHUS: Ed.

7 MR. ED WILLIAMS: During the
8 discussion I just went back and reread the quote from
9 the Act, and I find it really poignant in that
10 there's been a talk about redefining economic
11 development. You know, we have gone from a wording
12 here from the Great Depression to a vibrant economy
13 of the 21st Century.

14 I think we need to focus on some of
15 those words. Conservation doesn't mean what it did
16 then. Certainly economic development was industrial
17 driven, heavy industry. Now, tourism is the largest
18 probably employer in the entire Valley, certainly is
19 the largest economic development factor in Tennessee,
20 tourism, outdoor recreation, things that were unheard
21 of.

22 Social development as is called for
23 there was hoping that every house would get enough
24 electricity to turn on a light bulb and people would

25 get rid of outdoor privies and actually come into

1 some kind of modern existence.

2 So all of these things have changed
3 dramatically since 1933 as we move into 2003, and I
4 think we need to kind of look at that overall Act.
5 We're governed by that mandate, but I think the
6 definitions have changed dramatically. Tourism and
7 outdoor recreation are a vital component of economic
8 development and they weren't even under consideration
9 in 1933.

10 FACILITATOR DAVE WAHUS: Julie, did
11 you change your mind?

12 MS. JULIE HARDIN: Well, no, not
13 really.

14 FACILITATOR DAVE WAHUS: Okay. Then
15 it's your turn.

16 MS. JULIE HARDIN: Okay. Thank you.
17 I just want to ask the rest of you your opinion about
18 this. I really liked the answers of our five
19 panelists this morning when they said before we do
20 any development on lands of public domain we have to
21 use a very specific, enact a special policy to get
22 approval to do that. I think they all answered that
23 question the same way, Stephen's question to them.

24 And is there any way we can fit into

25 the answers of these questions a specific process

1 that TVA must go through before they do any
2 residential or economic development on the public
3 domain lands and violated that trust?

4 FACILITATOR DAVE WAHUS: I saw Ed's.
5 You just didn't take it down. Greer, you can
6 respond.

7 MR. GREER TIDWELL: I just want to
8 follow up on what Julie just said. I think it's not
9 merely a specific process but some more defined
10 standards or criteria which will then engender more
11 trust in the Agency, the Authority.

12 And that's what generates uncertainty
13 for the private sector to start doing something with
14 TVA or a local ECD group, Economic Community
15 Development group, is if there's not a process and a
16 criteria for working through the issues about
17 conservation, environmental impact, whether the land
18 at Tellico was going out of the public good and into
19 some private good, if there's not a criteria and
20 process the public can trust, then the public is
21 going to get its hackles up and come into attack.

22 I have been involved in economic
23 development both with the State of Tennessee,
24 bringing industry into the state from the private

25 perspective and from working with environment and

1 conservation, been involved locating a huge tire
2 plant where we could put it anywhere from east of
3 Mississippi, including Canada, I have been through
4 the process of figuring out what impacts those kind
5 of decisions.

6 And after the top three issues, which
7 are good employees, good employees, good employees,
8 you get roads, cheap watts, and, hey, air
9 conditioning solves all the rest of the problems we
10 used to have in the south for economic development.

11 I guess my point is, I haven't yet
12 heard from TVA about their land management, a defined
13 process and criteria that generates trust in the
14 public. Maybe I wasn't listening well enough or
15 didn't ask the right questions, but I haven't yet
16 heard that.

17 FACILITATOR DAVE WAHUS: I'm not sure
18 which of you had your stack up. I will ask Miles and
19 then we will go to Steve or did someone want to
20 respond to that, to Greer's comments?

21 Miles.

22 MS. MILES MENNELL: Back to policy and
23 the need for consistent policy. I think something
24 else that the panel said this morning which we need

25 to keep in mind is that we need to always be in a

1 position to think out of the box. So there needs to
2 be sort of a base level of what we can -- what the
3 public -- we, as the public or TVA, can and cannot
4 do. I think we also need to, all of us, position
5 ourselves to be able to react to change because --
6 and to be able to be fluid in understanding the river
7 and public lands policies and understanding where
8 we're going with that.

9 So having an overall understanding of
10 philosophy, being sure that we invoke our policies,
11 the policies are invoked consistently but also being
12 able to respond to changes, in our natural
13 environment, to our social environment, to our
14 economic environment.

15 FACILITATOR DAVE WAHUS: Steve.

16 DR. STEPHEN SMITH: Yeah. Building a
17 little bit on Greer's point, maybe taking it off in a
18 little different direction. When TVA goes into the
19 process of looking at developing, say, a reservoir
20 management plan, many of the people that are
21 advocating on behalf of the larger public interests
22 are not necessarily constituted in -- you know, they
23 don't necessarily have a large economic or any
24 economic interest in it really.

And so what happens is that when they

1 are brought up to speed, engaged in the process, and
2 communicate in the process, it takes a certain amount
3 of energy to get their input and involvement.

4 Anybody that's gone out to solicit public input knows
5 that. When a plan is developed there -- and people
6 engage and participate in the process, there is at
7 least some understanding that that plan is going to
8 have some useful life or people wouldn't come into
9 it.

10 I guess that the comment is that there
11 needs to be some sense of -- in building the trust,
12 if people have committed and worked on a process,
13 that that process is somehow or another going to have
14 some integrity for some period of time and not be
15 immediately opened to those interests that have a
16 large financial stake and can constantly sit there
17 and try to pierce the plan for their own financial
18 advantage.

19 And so I think in the context of
20 trust, there needs to be some understanding that if
21 you develop a reservoir lands management plan, that
22 it -- how you go in and modify that plan or change it
23 after it's been developed, at least for some period
24 of time, I think that needs to be addressed. I mean,

25 I think TVA needs somewhat to have a policy on that.

1 I understand that there is a mechanism
2 that you feed in and then it starts churning around,
3 but it would seem to me that if you've -- if you've
4 developed that plan there should be some time period
5 that that plan at least has integrity before it's
6 modified.

7 Now, I understand that you can't keep
8 it indefinitely and there needs to be some
9 flexibility and that over time the ability to modify
10 that plan becomes, I think, more of a reality, but in
11 the short run if you have gotten the public to where
12 they have put a lot of time and effort into
13 commenting and in a very short order the plan is
14 being modified, then that basically -- people, I
15 think, begin to question why they even went through
16 the process. I think that impacts the public trust
17 and confidence in how that -- you know, that input is
18 solicited and the value they see in that.

19 DR. KATE JACKSON: And that's a
20 particular point that we would very much like advice
21 on. And what Miles said and what you said are in
22 indirect conflict, and so we would really like for
23 you to wrestle with that issue.

24 We constantly struggle with having a

25 really good thought into plan and then having a

1 wonderful opportunity, and sometimes those
2 opportunities are conservation easements and
3 sometimes those opportunities are development
4 requests.

5 And if you don't maintain flexibility
6 you preclude yourself from taking advantage of those
7 requests for any of the purposes, which is why -- you
8 know, you go back to what Lee said, which is the
9 issue is the process. So the issue is the set of
10 criteria. We have established criteria.

11 And the education issue, that advice
12 is going to be extremely helpful, but that constant
13 flexibility, highest and best use, what does that
14 mean, how do you redefine those, we'd love for you,
15 all of you to wrestle with this.

16 That's why this venue is so important.
17 In those public meetings the people who stand to
18 maximally gain or maximally lose are the ones who
19 come to the meetings. This venue is so precious to
20 us because we never get this broad a set of
21 stakeholders to come and talk about these issues. So
22 have at it. It's hugely important.

23 FACILITATOR DAVE WAHUS: Dr. Teague.

24 DR. PAUL TEAGUE: Two or three issues.

25 Number one, you talk about this policy of no-net loss

1 that you-all were working on it, it is in play
2 already. If you get access to the lake, you pay a
3 ransom, which I pay the ransom, gave them some money
4 to buy some land somewhere else. And there's nothing
5 wrong with that, you know, I've got no problem with
6 that. That gives them a no-net loss that you people
7 are hollering about.

8 DR. STEPHEN SMITH: Are you sure that
9 you're not talking about the shoreline management?

10 DR. PAUL TEAGUE: Yeah, that's exactly
11 what I'm talking about.

12 DR. STEPHEN SMITH: Okay. But I think
13 the context of this discussion is in the public lands
14 beyond just a shoreline, which I don't think there is
15 a policy like that in place.

16 DR. PAUL TEAGUE: I don't know about
17 that. I am speaking of shoreline management.

18 Number two, I support Miles
19 wholeheartedly. First of all, we have got to have a
20 basic policy for Kate and TVA to go by, but we cannot
21 institute percentages for one lake, two lakes, three
22 lakes, four lakes, and stick to them like glue,
23 because if you do, then you return TVA to that
24 overbearing, unsympathetic bureaucracy. TVA is

25 beginning to change. They are beginning to be more

1 responsive.

2 And everything in life is relative.
3 It means nothing for Steve to condemn building 50, 60
4 homes on 600 feet of TVA shoreline, which would give
5 them access, but the public still has access because
6 they have got a road in front of it. That may not
7 mean anything to Knoxville, Memphis, Chattanooga,
8 what-have-you, but 70 new homes means a hell of a lot
9 to Decatur County, to get 70 retirees from Memphis,
10 Nashville, whoever, wherever, that adds a lot to
11 Decatur County's base for taxes.

12 And when those people come to
13 retirement, like one of them told me in a Chamber of
14 Commerce meeting one time, says, you people overlook
15 us people that come in like that, but just remember
16 one thing, when we come in we bring our pocketbooks
17 with us. So it is relative.

18 And if we set this criteria that
19 you're talking about so on this lake we can't let you
20 have any more industrial development, and then we get
21 a Mercedes or Chrysler or Saturn or whoever that
22 wants to come and talk to Lee about forming a plant
23 in his community with access but then they say, no,
24 we can't do that because the lines have been drawn

25 and there's no more access to it, we have to have

1 policy, but as Miles says, I think it has to be
2 fluid.

3 You have to use common horse sense,
4 common horse sense, because it has to be fluid enough
5 that Kate and them can say, yes, that's a good deal,
6 because let's face it, Franklin Delano Roosevelt made
7 TVA another WPA and a PWA as economic development was
8 the main issue. Of course, electricity and flood
9 control and all of that is involved also. So really
10 with economic development, we are doing the original
11 mandate of TVA.

12 FACILITATOR DAVE WAHUS: Lee.

13 MR. LEE BAKER: I was hoping Paul
14 would chime up with the flexibility issue, because
15 while -- strangely enough or ironically or
16 unbelievably I can agree with Stephen on, you know,
17 when you do put a lot of work into it you would want
18 it to have some meaning and some bearing. And, yeah,
19 I understand that.

20 But as Paul has so correctly pointed
21 out, you know, some of our biggest -- some of TVA's
22 biggest critics have beat them to death with the idea
23 of not being flexible. It certainly seems that it's
24 an issue deal. If it's -- if I want you to change, I

25 want you to be flexible. But if I don't want you to

1 change, then I want you to be rigid.

2 So I stand to the side with Paul in
3 saying I think being flexible and soliciting that
4 input is certainly the right way to do it, and you
5 can't -- a wonderful opportunity presents itself, I
6 would hope we're smart enough to use that horse sense
7 and do what's necessary to make it happen.

8 FACILITATOR DAVE WAHUS: Miles.

9 MS. MILES MENNELL: Going back to the
10 amount of land that's TVA land relative to all of the
11 zillions of acres in the Tennessee Valley, I think
12 that when we're talking about -- this is just for the
13 sake of conversation, folks.

14 When we're talking about public lands,
15 I think we need to think beyond the public lands that
16 TVA has, and I think we need to think about lands
17 beyond that so that maybe access becomes the sole
18 issue or maybe we define or ask TVA to consider what
19 to do with those public lands and not be using them
20 per se for an industrial complex or whatever and
21 maybe -- maybe I need clarification on this, but it
22 does become an access issue.

23 Again, we're thinking outside of the
24 box and we're looking at the whole big mass of land

25 within our region and asking TVA to help us on a

1 regional basis define that land or parcel that land
2 or to help us develop a master plan for our whole
3 region and our community at large, just for the sake
4 of conversation.

5 FACILITATOR DAVE WAHUS: May I ask a
6 point of clarification to make sure I understand what
7 you just said.

8 MS. MILES MENNELL: Uh-huh.

9 FACILITATOR DAVE WAHUS: So you're
10 suggesting a plan of multiple ownerships be developed
11 with TVA taking the lead, is that what you said?

12 MS. MILES MENNELL: Well, yes,
13 providing us that expertise, just for the sake of
14 conversation, so that -- so perhaps that little bit
15 of land that's public land that TVA manages stays
16 intact. Again, just for sake of conversation. I'm
17 not really advocating this point of view, I am just
18 throwing it out for conversation. I'm not
19 unadvocating it either, just for the sake of
20 conversation.

21 FACILITATOR DAVE WAHUS: Well, I see
22 you've at least one who wants to speak to that.

23 Stephen, you're next.

24 DR. STEPHEN SMITH: Well, you know, I

25 don't necessarily disagree with what Miles said. As

1 a matter of fact, that's what I was alluding to is
2 that in the context of looking at the watershed
3 comprehensively and then looking at the assets that
4 TVA manages, you know, I think what we heard from the
5 panel this morning was, you know, seek partnerships,
6 seek partnerships. And it seems to me that you can,
7 you know, get the desired development activity but it
8 need not be TVA's that's always the one that's being
9 pressured to cough up the land in order for that to
10 happen.

11 Now, you know, I don't -- I understand
12 that there are unique industries with Tom and others
13 that needs access to the river, and there's not an
14 attempt here to necessarily constrain that. But
15 because you have this large -- tremendously large
16 private land asset, it should be -- in working with
17 partnerships, you should be -- people who want to
18 locate this horse sense plan, you know, there is --
19 you know, Paul's horse sense might be my, you know,
20 horse something else, you know, because it could be
21 very different.

22 If people want to do that, they could
23 look at developing it on private lands. They don't
24 necessarily have to come after the TVA lands to do

25 that because there is a much larger -- you know, they

1 can go in and negotiate and buy those -- buy those
2 lands from private owners and they shouldn't
3 necessarily access TVA's public lands. So, I mean, I
4 agree, I think put it into context and see if we can
5 maintain it.

6 I also think Ed's point is an
7 excellent one, you know, we need to -- we need to
8 really look at what is the future of economic
9 development in the region and what are -- what are
10 the assets that we have unique to our area and see
11 whether we are not in sort of an old mindset approach
12 to trying to do economic development and should we
13 not be looking at economic development in a new way
14 that actually may be better both -- it could be a
15 win/win both for the environment and for the -- and
16 for the economy as opposed to trying to chase after,
17 you know, particular industries, try to find
18 industries that actually play into the uniqueness and
19 the assets that we have, which then give us a quote,
20 unquote competitive advantage.

21 And many of those, I think, would be
22 in tourism and some of the other more environmental
23 benign types of development and not just sort of get
24 locked into trying to recruit the next big horse

25 sense plan. I mean, there's other -- horse sense is

1 actually, in my opinion, a much broader sense than
2 just, you know, the old way we used to do things.

3 FACILITATOR DAVE WAHUS: Paul, did you
4 want to speak again? I understand, but I'm asking
5 you, did you want speak to again? I will get to you.
6 I see you didn't take yours down.

7 DR. PAUL TEAGUE: The majority --

8 FACILITATOR DAVE WAHUS: I am going to
9 get to you. I just want to know if you were talking
10 from --

11 DR. PAUL TEAGUE: I want to respond.

12 FACILITATOR DAVE WAHUS: Okay.

13 Jackie -- we'll go Jackie, Greer, and then back to
14 you. I didn't know whether you had your tent card
15 up.

16 DR. PAUL TEAGUE: As I have old
17 timer's disease, I will forget before they get back.

18 MS. JACKIE SHELTON: I'm like Paul, I
19 have almost forgotten what I wanted to say. However,
20 the Tennessee Valley Authority, clarify with me, I
21 feel has a great responsibility. They hold in trust
22 lands of the public to serve the public for their
23 best interest.

24 Now, sometimes the public really

25 doesn't know their best interest, and you know that,

1 we all know that. And thinking beyond the borders of
2 the person who wants to build on this beautiful lake
3 and look at this beautiful water, but think of these
4 people who live in, for instance, Colorado or in
5 Wyoming who would like to drive to see the beautiful
6 lakes in this part of the country.

7 Are the -- is all of this land going
8 to be taken up by those people who live on the lakes,
9 who look at the water and enjoy it? It's a trust for
10 it's federal -- it's federal land. It is not private
11 land. It's federal. That includes California,
12 Tennessee, Virginia, Colorado, Wyoming.

13 And the way our country is -- with all
14 of the problems we're having families who want to
15 take vacations who would love to go to these
16 beautiful lakes, boating, is it going to be to the
17 point where this public land is going to be so
18 developed, so covered with houses, with industries,
19 that the public no longer has access to the beauty of
20 this part of the country?

21 We're talking about what is our most
22 valuable resource in this part of the country on
23 these lakes. To me we're talking about one of our
24 most valuable resource, it's the lakes in this area,

25 which makes your job even more difficult.

1 I applaud you for what you're doing,
2 and I feel you're on the right track, the fact that
3 you're asking for advice. You have a very difficult
4 job, but it's an important -- it's so important. I
5 personally would just be in tears if I thought
6 Mercedes Benz was going to build a plant on some of
7 this lakeside property. I would love to have them,
8 but I would like to put them a little further inland.

9 Having lived in California, the beach
10 land -- access to the beaches was such a problem
11 because so many people who live on the beaches there
12 have lots of money. They are very wealthy people.
13 Finally, finally, the State of California -- the
14 beaches are public land. You cannot fence off, block
15 off, prevent anyone from enjoying the beaches,
16 regardless of how expensive your home is.

17 And to take our land that we have --
18 we're not growing any more land, so we must be good
19 stewards and use it to the advantage of everyone, not
20 just that homeowner, not just that industry that
21 wants to place itself on the lake. It belongs --
22 it's federal property, that means it belongs to
23 everyone in the United States.

24 FACILITATOR DAVE WAHUS: Thank you,

25 Jackie. Greer.

1 MR. GREER TIDWELL: One of the things
2 I want to thank Bruce for pointing out, that industry
3 is taking a very responsive and responsible role, a
4 lot of industry has, I represent one that does, in
5 terms of making sure that our environmental footprint
6 is tightly controlled.

7 And, in fact, we're headed toward a
8 time where responsible industry is improving the
9 environment as opposed to degrading the environment.
10 We're not there yet. We need continued oversight,
11 continued pressure, but that's where we're headed.
12 I'm proud to say that that shift has turned around
13 largely.

14 With that in mind, the way in which
15 TVA manages public lands should include economic
16 planning and land use planning assistance for local
17 entities. I think those are very specific language
18 to put up here.

19 I think this is just feeding right on
20 what Miles said, again, thinking a little bit beyond
21 the box of dealing with the land around the
22 shoreline. EPA has got a directive to look at the
23 whole big picture of the Valley. And by giving that
24 kind of assistance to the local communities, I think

25 that's part of their opportunity for managing public

1 land, which is your question.

2 FACILITATOR DAVE WAHUS: Paul, do you
3 remember what you were going to say?

4 DR. PAUL TEAGUE: I think I remember
5 just a little bit of it.

6 FACILITATOR DAVE WAHUS: Would you
7 mind sharing it with everyone?

8 DR. PAUL TEAGUE: My compliments to
9 California on something. As B. Jacks says, and I
10 think TVA ought to maintain the same thing, and I'm
11 not talking about this industry taking over, and as
12 far as Stephen's part, I don't know of an industry
13 that doesn't usually build on private land, but they
14 have to have access to waterways and that's
15 different.

16 Stephen says, well, let's pick an
17 industry that will do it correctly. You know, when
18 your unemployment rate is 6, 7, 8, 9 to 14 percent,
19 you don't pick an industry. You don't really pick an
20 industry anymore anyhow. They pick you. So you have
21 to be variable.

22 Again, back to what Miles said, you
23 have to be fluid depending on the demand, but
24 basically I'll just say that you do -- most of it

25 comes out of private forums or lands.

1 FACILITATOR DAVE WAHUS: Bill, you
2 had -- Bill left. Jackie, do you have anything?

3 MS. JACKIE SHELTON: I'm sorry.

4 FACILITATOR DAVE WAHUS: Other
5 comments?

6 MR. GREER TIDWELL: Can I correct
7 something up there?

8 FACILITATOR DAVE WAHUS: Certainly.
9 Item AA, BB?

10 MR. GREER TIDWELL: I can't believe
11 we're already at AAA. I really meant on that second
12 sentence, you can erase the whole first part of it,
13 but TVA's public land management.

14 FACILITATOR DAVE WAHUS: Okay. Let's
15 erase that. TVA's public land management.

16 MR. GREER TIDWELL: Right.

17 FACILITATOR DAVE WAHUS: Does that
18 capture then what you're looking for?

19 MR. GREER TIDWELL: Yes.

20 FACILITATOR DAVE WAHUS: Any other
21 comments?

22 MR. W. C. NELSON: Just one thing.
23 I'm a pilot also, and I was just thinking about
24 Stephen's comment, if you had been flying his Beach

25 Stagger Wing in 1933 around this area he probably

1 would have seen very little public land. There was
2 very, very little. You probably would have seen the
3 courthouse and schools, very little public land.

4 The point I wanted to make is that TVA
5 land is not the only public land. You have the
6 forest service who has thousands and thousands and
7 thousands of acres for the public to use. And in
8 many cases, a lot of this TVA land is very desirable
9 for development. Whereas, a lot of the forest
10 service land is not.

11 In the case of North Georgia and Union
12 County, where the lake is, that's where the best land
13 is. It was all the river bottoms and all the flat
14 land where we could develop. So the lands that are
15 adjacent to the lake are the easiest lands to use.
16 Other places are extremely difficult to grade.

17 But I just want to state that I think
18 that -- again, that the policy needs to be flexible,
19 to look at each lake, look at each application and
20 make decisions based on each place rather than trying
21 to make one master plan fit it all.

22 FACILITATOR DAVE WAHUS: Bill, you had
23 your tent card up a few minutes ago, did you want to
24 make a comment?

MR. BILL FORSYTH: W.C. said exactly

1 what I was going to say.

2 DR. STEPHEN SMITH: I think it would
3 be instructive for TVA to put this information
4 together because while -- you know, in Western North
5 Carolina and Northwest Georgia it may seem like
6 there's a lot of public land relative to private land
7 in that area, but if you look at the TVA watershed I
8 think -- I would like to make this request, to look
9 at the total acreage of land within the TVA watershed
10 and break out what percentage is TVA's under TVA
11 management, what percentage is under other public
12 lands, and I think that you would see that the
13 percentage is incredibly small.

14 And my point about if I was flying
15 back in the '30s was not necessarily that it was
16 public lands, my point is the nature of development
17 generally, because whether it was public land or
18 private land, it didn't matter, people just hadn't,
19 you know, developed all of the land as much in the
20 '30s as they have now, where you see the intensive
21 seas of development wherever you look. Now, there
22 again, there are pockets that there are higher
23 concentrations of public land if you look
24 comprehensively.

The other thing, I think your point is

1 well taken. My understanding is that a lot of the
2 land that was designated as public land for the
3 forest service was actually the less desirable land
4 because it was hilly and it was less developed and,
5 you know, it was the ones that were eroding worse,
6 and this, that, and the other.

7 A lot of the more valuable land was
8 not moved into public domain. Again, I think is a
9 very important point because there is unique needs
10 for preserving these diversity of habitats and lands.
11 In other words, if you give all of the mountainous
12 lands into the public sector and then you develop
13 every inch of all the other lands, you don't
14 necessarily -- there are different species and
15 different ecosystems and then also different
16 buffering capacities that public lands provide for
17 water quality and all these other things, and it's
18 not all in the most steep part of higher elevation
19 areas. It actually -- you need public land in a
20 diversity of settings. And so lands around -- I
21 think lands around watersheds is particularly
22 important because, you know, short of air, the next
23 most important element that we need to have is water,
24 and water is becoming scarce, and the need for pure,

25 quality drinking water is very difficult. So by

1 protecting those assets, it's very important.

2 FACILITATOR DAVE WAHUS: Miles, you
3 put your card up and put it down, did you want to --

4 MS. MILES MENNELL: I never put it up
5 actually, but since you called on me, I think that
6 TVA has a unique opportunity as a steward here in the
7 Tennessee Valley to help us all working together --
8 help us come to a conclusion about what we want to be
9 when we grow up, and I think that's the bottom line
10 in terms of this policy.

11 I think the public input, the local
12 government input, the industrial, the navigation
13 input, I think all of these pieces are so very
14 important to our understanding, and I think we can
15 pretty much define what we want to be and where we
16 want to go, but I think it needs to be within the
17 context of not just the public lands policy to answer
18 the question, but within the whole context of the
19 stewardship of our resources so that, you know -- so
20 I think there's an extraordinary opportunity, and I
21 think the bottom line is for all of us working in
22 partnership to define what it is we really want to be
23 in terms of our quality of life and quality of
24 employment and quality of navigation and et cetera.

1 comments?

2 MR. KARL DUDLEY: I don't think I have
3 ever put my flag up. It won't stay up.

4 FACILITATOR DAVE WAHUS: We will fix
5 it for next time so it stays up better.

6 MR. KARL DUDLEY: My mother always
7 told me to just keep my mouth shut and I would learn
8 more, so I try to do that. You know, Mark Twain
9 wrote that one of the most aggravating things in the
10 world to put up with is a good example, and I think
11 TVA is a good example.

12 Let me give you an illustration of
13 that. I live near Pickwick Lake. Within half a mile
14 area there, there's a papermill that employs about
15 500 people, uses over a million dollars worth
16 electricity a month. And also, there's a lot that
17 sold for \$250,000 that sold on that line down through
18 there and they built a million dollar house on it.
19 So there's been multiple use through the years at
20 TVA. I feel like it has done pretty good. On the
21 weekends you can't get through there. It's like
22 Panama City Beach.

23 So when I look at the management style
24 that has been in place since the '30s, hey, folks

25 it's not all that bad, it's not all that bad. I

1 understand, you know, we have an opportunity to make
2 improvements and I hope we can, but I don't want us
3 to lose sight of what good things have happened
4 because of TVA.

5 I'm like Paul now, I am kind a
6 Republican, and I hate to admit it, it's one of the
7 finest things that ever happened to our part of the
8 country. So I am impressed when I look around and
9 see that industry and tourism and residences, and
10 Pickwick is still one of most beautiful lakes on the
11 system. I am proud of what we've got in our area.

12 I guess I have this question, and I
13 should know the answer to this because I have been
14 around TVA for 33 years, but do we have in place an
15 active program to harvest the timbers off TVA's
16 public land?

17 DR. KATE JACKSON: Maybe Bridgette
18 wants to talk about this more specifically. It's not
19 a huge active process.

20 MS. BRIDGETTE ELLIS: To say that we
21 have a forest management program would be incorrect.
22 I mean, because we have such a small base of land
23 anyways, the majority of what we're doing with those
24 lands from a forest productivity standpoint is we're

25 taking care of forest health issues.

1 For example, the pine beetle, we're
2 going to make sure that we look at those issues on
3 those lands, and if that means, yeah, you cut timber
4 because it's getting ready to fall on somebody's else
5 or you're going to lose the value of that, that would
6 be the only case where I would call it an active
7 timber program.

8 It's really focused in on the forest
9 health, and then the wildlife habitat, because what
10 we're looking for there is what the stakeholders are
11 telling us they would like from a quail standpoint,
12 turkey standpoint, from a deer standpoint.

13 So what we do is we look at the forest
14 and the makeup of the forest to see how that supports
15 those wildlife habitat issues or things that they
16 want to do, but to say we're going to cut X number of
17 square feet per year or anything like that, we don't
18 do that anymore and hadn't for a long, long time.

19 MR. KARL DUDLEY: You don't -- you
20 wouldn't consider it again or it's just you don't
21 think it's economically feasible?

22 MS. BRIDGETTE ELLIS: Well, it isn't
23 economically feasible, but more importantly the
24 majority of your stakeholders who live around the

25 reservoirs don't want an active timber management

1 program. I mean, really, when you think about what
2 they are looking for is green shoreline and that's
3 what you heard a lot of people talk about. And
4 remember, a lot of our tracts are very short and not
5 very deep in terms of the -- so it's really falling
6 back on what the stakeholders want to see those lands
7 used for.

8 MR. KARL DUDLEY: But there are some
9 parcels of timber on TVA property that's very
10 valuable. And, you know, since Congress in their
11 infinite wisdom decided not to fund those activities
12 and we're taking it out of our consumers' power
13 bills, you know, it seems to me that we should look
14 at maybe some alternatives to funding the other
15 things that TVA does besides production of power. In
16 fact, we're paying, you know, so that these things
17 can be carried on.

18 FACILITATOR DAVE WAHUS: Ed.

19 MR. ED WILLIAMS: I agree with Karl,
20 having just finished chairing the Forestry Commission
21 for the last three years in Tennessee, I think that
22 that it's worth relooking at the forest management
23 practices.

24 In our state forests, which is only

25 160,000 acres, we net a million dollars a year in

1 timber production, which gets rave reviews from every
2 constituent user, including Gary Myers, who's, I
3 think, the best wildlife management person in the
4 country at TWRA, from the trail users, and from
5 others.

6 And forestry practices have come such
7 full circle with forest stewardship and silver
8 culture, the state forest will become the first in
9 the United States to be certified by two different
10 groups about having green friendly timber to be sold
11 off of a state forest.

12 Now, I am not advocating getting back
13 in the timber business, but I think forest management
14 has come a long, long ways in the past decade or two.
15 While TVA has been getting out of it, a lot of other
16 people have been changing the entire forest practice
17 and the way forests are managed, the forests
18 stewardship, and all the forest programs.

19 FACILITATOR DAVE WAHUS: We have been
20 talking and discussing these issues for about an hour
21 and 30 minutes, hour and 35 minutes. Let me see if I
22 can summarize a little bit, and if I don't capture
23 this accurately, then I am going to -- we can always
24 scroll back and capture it here.

1 you say, and now I am looking for validation, is,
2 one, TVA isn't doing too bad a job. A number of
3 people I heard say that TVA is doing a reasonably
4 good job. We need more education of the elected
5 officials and the public, they really don't
6 understand the process.

7 What is needed, you have got -- you
8 have a good start now, but we need to make sure that
9 part of that education is to explain the process, so
10 we have a good process and an established set of
11 criteria that can be used through the planning
12 process.

13 Plans should have integrity for a
14 period of time. Once you develop a plan, then it
15 should have some integrity so that you're not going
16 back in and making major modification to it as soon
17 as -- or before the ink dries.

18 At the same time I heard you say that
19 TVA needs some flexibility to deal with a new
20 Chrysler plant or a new other industry or some
21 opportunity that might come along that is totally
22 unexpected.

23 In the planning -- land management
24 planning issues, I heard you say that other lands

25 should be involved or lands that are owned by others

1 other than TVA should be involved in the watershed
2 planning. And public lands are limited. And then I
3 heard someone else talk about that public -- the term
4 public land has greater definition than just TVA
5 lands, so that needs to be understood.

6 We heard earlier on that we need to
7 redefine the term economic development in today's
8 terms rather than 1933 terms, and maybe some of the
9 other terms as well, the industrial development and
10 other terms that are being used.

11 Again, the question was: Does the way
12 in which TVA manage public lands remain responsive to
13 this directive. The answer was yes and no, and then
14 these comments came accordingly.

15 Did I miss any of your major themes?

16 Miles.

17 MS. MILES MENNELL: Back to the
18 education, for example, local governments needs to be
19 better educated, I think the real key is that local
20 governments needs to be -- they need to understand
21 that there's an opportunity for the process and they
22 need to understand the importance of it because right
23 now I think they discount it, and I don't know if we
24 want to change that wording just a little bit.

I think that elected officials, for

1 example, needs to understand that there's an
2 opportunity for the process and they need to
3 understand the importance of their role in making it
4 happen, which I am saying the same thing but just
5 twisting it a little bit.

6 FACILITATOR DAVE WAHUS: Good comment.
7 Steve.

8 DR. STEPHEN SMITH: I thought I heard
9 from several people, maybe I was -- but that there
10 was a need to take -- there was an interest in TVA
11 taking a broader look at, you know, sort of -- and
12 defining some overall goals within the context of
13 its -- of, you know, how its lands fit into the
14 broader agenda. I thought that there were several
15 comments that way.

16 FACILITATOR DAVE WAHUS: Help me
17 understand what -- I think we're maybe saying the
18 same thing, but maybe not. You're talking about how
19 TVA fits in with all the other lands within the
20 watershed or they should be setting a goal on a
21 watershed goals -- on a watershed basis rather than
22 on a regional basis, which do you mean?

23 DR. STEPHEN SMITH: I think it was
24 while -- I think Kate made a compelling point why,

25 you know, you need to be careful about

1 comprehensively looking at the way TVA's lands -- I
2 heard from several people that it may make sense to
3 take a region-wide perspective on TVA's public lands,
4 not just in the context of other lands should be in
5 watershed plans, but that there should be a look at
6 a -- I mean, you have got -- TVA's taking a
7 comprehensive look currently at the reservoirs, which
8 is the water. They have taken a comprehensive look
9 at the shorelines. The thing that they have yet to
10 do is take a comprehensive look at their public
11 lands, and I heard from several people an interest in
12 that.

13 FACILITATOR DAVE WAHUS: Okay. We
14 will add that to the list.

15 MR. BRUCE SHUPP: I think that that
16 would be -- taking a comprehensive look, if you mean
17 by stating their goals in the context of the regional
18 land use map, that's one thing, but you don't really
19 mean that they should do a regional planning effort,
20 do you? I mean, that would be nice, but that's a
21 massive, humongous task.

22 DR. PAUL TEAGUE: I hope he doesn't
23 mean another \$10,000,000.

24 DR. STEPHEN SMITH: What needs to

25 happen is I think that there does need to be a look

1 at TVA's public lands on a regional basis. Now,
2 whether that is -- again, obviously TVA is somewhat
3 limited in their ability to influence other lands
4 around them, but I think by having -- by taking a
5 comprehensive look and developing goals, developing,
6 you know, some driver so that it's not necessarily --
7 I mean, that there is some defensible way that they
8 are making decisions of the --

9 MR. JIMMY BARNETT: So you're saying
10 that you get a base map, you show the public land
11 ownership patterns within the watershed, and then you
12 can state your own goals in the context of that
13 ownership without going out and planning for the
14 control and the modification of that ownership
15 pattern?

16 DR. STEPHEN SMITH: Well, I think that
17 because the -- because these lands impact the
18 watershed, I think TVA does have a responsibility on
19 a regional basis to look at -- look at it
20 comprehensively. If they don't do it, no one else
21 will. So I think it's completely within their
22 mandate to do that.

23 Now, whether it is, you know,
24 something as comprehensive as the reservoir, you

25 know, operation study is, you know, I don't think

1 it's necessarily that way, but I think that there
2 needs to be some way that they look at the public
3 lands across the region, because while there are
4 advantages obviously to zeroing in on each reservoir,
5 but then there is also a need to see how those
6 reservoirs piece together in a watershed because,
7 otherwise, it's a fragmented approach.

8 FACILITATOR DAVE WAHUS: Isn't that
9 what we're talking about here involving the other
10 lands in the development of the watershed plans?

11 DR. STEPHEN SMITH: No, because
12 nothing there in that statement that links the
13 watershed plans together into a -- because what I
14 understand you saying here --

15 FACILITATOR DAVE WAHUS: You're
16 talking about the entire Valley?

17 DR. STEPHEN SMITH: Well, you used the
18 word watershed, I think what you mean is reservoir
19 plans. Okay. The reservoirs don't make the
20 watershed. The reservoirs are a small piece of the
21 watersheds.

22 There is a functioning watershed that
23 is the Tennessee Valley, and no one else other than
24 TVA has the responsibility to look comprehensively at

25 that. So TVA should have -- should take a

1 comprehensive look at how its public land policy
2 reservoir-by-reservoir collectively flows together.

3 FACILITATOR DAVE WAHUS: And how it
4 affects the entire watershed?

5 DR. STEPHEN SMITH: And how it affects
6 the entire watershed.

7 FACILITATOR DAVE WAHUS: You're right.
8 This term -- this term should be other lands should
9 be in the reservoir plans, and then your comment
10 would say that all of those need to be looked at from
11 one watershed perspective.

12 DR. STEPHEN SMITH: Right. Because,
13 again, you know, reservoir-by-reservoir is not
14 looking at the watershed, the Tennessee Valley
15 watershed.

16 FACILITATOR DAVE WAHUS: Okay. Thank
17 you? Other comments?

18 MR. GREER TIDWELL: The comments -- I
19 think we had three or four comments that I would like
20 to see up there personally is the need for assistance
21 in fostering economic and land use planning on a
22 local level.

23 FACILITATOR DAVE WAHUS: Okay.

24 MR. GREER TIDWELL: Assistance for

25 economic and land use planning to the local entities

1 or local communities, yeah, for -- on a local
2 level -- for the local level, is what I am really
3 talking about.

4 FACILITATOR DAVE WAHUS: Miles.

5 MS. MILES MENNELL: With the local
6 level, but that's including counties as well as towns
7 and cities, is that what --

8 MR. GREER TIDWELL: Anything below
9 federal is local to me.

10 MS. MILES MENNELL: Counties and then
11 all of the incorporated towns and cities.

12 MR. GREER TIDWELL: You start listing
13 them all and then you will tend to eliminate them.

14 FACILITATOR DAVE WAHUS: Are these the
15 themes of what you're -- what -- what you -- how you
16 want to respond? This is a tentative response. We
17 could certainly flesh out some of these words and let
18 you look at it tomorrow again.

19 I do believe that education on a clear
20 process and clear criteria is what you said and is
21 certainly the word I had down here. I heard several
22 of you say that it has to be clear so that you can
23 understand that process and criteria.

24 I am in the way here. Okay. Does

25 anyone have anything else that should be added to

1 this summary? Does this capture -- does this capture
2 your feelings? Is there anyone -- we're looking for
3 a consensus, and by not seeing anyone disagreeing,
4 I'm assuming consensus, but we certainly can have an
5 opinion if someone doesn't agree and we certainly
6 want to identify that.

7 Austin.

8 MR. AUSTIN CARROLL: I'm going to
9 disagree with Greer on that last one. That's been
10 one of the traditional roles that TVA has taken on,
11 and they have sort of given that up in recent times.

12 I think -- are you talking about
13 cities and counties all over the Valley or are you
14 just talking about along the --

15 MR. GREER TIDWELL: I believe the
16 Act --

17 DR. PAUL TEAGUE: You're talking about
18 education, isn't he?

19 MR. GREER TIDWELL: No. I am talking
20 about assistance, not just making them aware of it.
21 I am talking about technical assistance for economic
22 and land use planning for the local level, because I
23 don't think there's any other way for us to foster an
24 orderly and proper physical, economic, and social

25 development of the entire Valley.

1 If we're just looking along the
2 riverbank, I don't think we're -- I don't think we're
3 meeting this mandate in reference to land use -- in
4 reference to managing public lands.

5 MR. AUSTIN CARROLL: TVA has
6 traditionally done that sort of thing. It's been cut
7 back to some extent.

8 MR. GREER TIDWELL: I don't want to
9 lose it, Austin, is part of why I want to keep it in
10 there.

11 MR. W. C. NELSON: The primary
12 assistance in Georgia comes through the Department of
13 Community Affairs for the planning for the cities and
14 the counties. TVA assists when you ask them, but
15 that's being provided by the state government.

16 MR. GREER TIDWELL: If I can speak to
17 that, my concern is that the state government's
18 perspective is within the bounds of the state and
19 that TVA can bring a perspective on a broader
20 regional basis that deals with land use issues and
21 economic development issues for a broader valley-wide
22 perspective that, I think, is going to be necessary
23 for the Valley to be what we want it to be over the
24 next 15 decades or 15 years.

25

FACILITATOR DAVE WAHUS: Julie.

1 MS. JULIE HARDIN: Thank you. I think
2 there were three of us who were fairly vocal on
3 looking at any kind of development,
4 residential/economical development very, very
5 carefully on these public lands so that we don't
6 violate the trust of the public -- eminent public
7 lands, and I don't think that's anywhere in this
8 summary.

9 FACILITATOR DAVE WAHUS: So you want
10 to look very critically at any proposals for
11 residential development.

12 MS. JULIE HARDIN: And even economic
13 development.

14 FACILITATOR DAVE WAHUS: Residential
15 or economic development?

16 MS. JULIE HARDIN: Yes.

17 MR. TOM VORHOLT: I disagree with that
18 from the standpoint of access. This river has got to
19 provide access. We don't need to cite plans on these
20 public lands, a Mercedes plant or whatever, but this
21 river is critical to this Valley to have access to
22 the river for industry and economic development.

23 DR. STEPHEN SMITH: Let me try to
24 flesh this out a little bit because I would be

25 interested to get the sense of the will of the

1 Council in the sense that, you know, would there
2 be -- are there a number of people that would
3 actually support TVA not doing public lands for
4 residential development. We can talk about the
5 larger other economic development. I question
6 whether there's really much of a public good from
7 taking public lands and putting them in private
8 development hands.

9 Now, you know, looking at industries
10 and looking at other recreational/commercial
11 activities and other things like that for economic
12 development purposes, but I really do question
13 whether -- how this group would feel about public
14 lands being taken out of the public domain and given
15 to a private developer for a private residential
16 development and whether that would be a majority view
17 or minority view, because I would certainly like to
18 put it up as a minority view, but it may actually be
19 a majority view of the Council that public lands
20 should not be moved into residential development.

21 MS. JULIE HARDIN: And for profit.

22 DR. STEPHEN SMITH: Yeah, exactly.

23 FACILITATOR DAVE WAHUS: Austin.

24 MR. AUSTIN CARROLL: I will agree with

25 Stephen on that.

1 MR. BRUCE SHUPP: I don't think I
2 would agree with that flat out prohibition statement,
3 but I would think it's the worst use for economic
4 development than any of them. Public assess and
5 economic development on lands is fine, but I think
6 the worst economic development is housing,
7 absolutely, on shoreline properties I'm talking
8 about.

9 DR. STEPHEN SMITH: I hear you. Let's
10 get a sense of group.

11 MS. JULIE HARDIN: I would go along
12 with that, too, Stephen, and that will make Tom
13 happier and we will just delete economic development,
14 just say residential.

15 DR. STEPHEN SMITH: Focus in on
16 residential.

17 FACILITATOR DAVE WAHUS: So the
18 proposal here is to add to this list to recommend to
19 TVA that they should look very critically at any
20 proposals for residential development taking out the
21 terms and economic development.

22 MR. TOM VORHOLT: My only point was --
23 I agree wholeheartedly that residential development
24 is probably the least -- absolutely the least

25 desirable, but you have to give shippers access. I

1 mean, we have got an industry that's most
2 environmentally friendly, the lowest cost way to
3 move --

4 MS. JULIE HARDIN: But that doesn't
5 mean they have to live there, does it? I agree with
6 you.

7 MR. TOM VORHOLT: No. No. My point
8 on the access to the river, and I'm not for siting
9 plants on the river, but that access.

10 FACILITATOR DAVE WAHUS: I think they
11 have removed the term economic development and I
12 think they concur with you.

13 DR. STEPHEN SMITH: And, you know,
14 egress rights, you know, is an issue, but actually
15 dropping, you know, a million dollar home so one
16 individual gets a beautiful lake view at the expense
17 of the public domain is the kind of -- I don't see a
18 whole lot of economic development.

19 FACILITATOR DAVE WAHUS: Could I see a
20 show of hands that concur with this last statement
21 that you have up there of leaving the critical look
22 at proposals for residential development, is there --
23 I'm seeing a few hands that aren't up. I see about
24 11 hands that are up, so it's split, but it does not

25 have consensus.

1 DR. STEPHEN SMITH: I thought -- I
2 mean, I think 11 is the majority of the Council,
3 right?

4 FACILITATOR DAVE WAHUS: We would
5 offer an opportunity --

6 MR. BRUCE SHUPP: I think what it says
7 is that it's enough to consider when we finalize this
8 tomorrow, it should be considered in the discussion
9 again.

10 MR. LEE BAKER: I think it's pretty
11 interesting, you know, with the process where the
12 local people have some input into that. And it
13 amazes me, we continue to think that we can save
14 everybody from themselves because we're so much more
15 brilliant.

16 I would like a shot at letting the
17 local folks decide what works for them. I don't
18 necessarily -- I'm not a lake person, I live in the
19 mountains, but, you know, I think it's a local
20 decision. When Douglas Lake gets together and they
21 decide what they want, they can build what's good for
22 them.

23 FACILITATOR DAVE WAHUS: Jimmy.

24 MR. JIMMY BARNETT: Living on the

25 river in a nice cedar home, 120-foot bluff, I would

1 hate to say I am going to keep mine, because I am
2 going to be grandfathered, and nobody else could have
3 one.

4 MS. JULIE HARDIN: We'd grandfather
5 you in.

6 MR. BRUCE SHUPP: Yeah, I am a
7 grandfather anyway, twice over. My other comment is
8 someone said, you know, economic development to a
9 small area and housing -- is housing rather where
10 somebody else might say, well, it's going to be a
11 huge Mercedes.

12 So when you say not economic
13 development, I can argue very succinctly that in
14 Colbert County getting some good housing would very
15 much be an economic benefit to our company and our
16 area. So, I mean, I have got a problem with just
17 saying that unilaterally. I think you have got to
18 look at everything critically. If you want to put
19 everything in there and say critically, I have got no
20 problem.

21 FACILITATOR DAVE WAHUS: I think I
22 understood Julie to say that the public lands that
23 are now in TVA ownership, there are a lot of other
24 lands along the river that certainly could support

25 the economic development. I'm not sure if I captured

1 your thought right.

2 MS. JULIE HARDIN: Yes, you did. I
3 want to thank you, Ed, for defining social
4 development for me.

5 FACILITATOR DAVE WAHUS: Karl, did you
6 still want to make a comment?

7 MR. KARL DUDLEY: I guess just to
8 follow up on Jimmy's comment, we recently hooked up
9 some condominiums on Pickwick Lake that's going to
10 have about a 4 megawatts load for our area and a lot
11 of newcomers for that area. So a 4 megawatt load is
12 a large factory to us, Stephen.

13 So just to say flatly it's not
14 economic development, I can't do that. I really
15 can't. I don't necessarily disagree with you, but,
16 you know, there are some places along the lake that
17 may not -- that may not be any good for anything
18 else, because they've built these on a dern bluff. I
19 mean, you couldn't grow -- you couldn't grow nothing.
20 You couldn't grow a tomato plant there. So, you
21 know, we're getting some benefit out of that. Is
22 that economic development? I don't know.

23 MR. JIMMY BARNETT: In thinking about
24 that, sort of a modifier to it or an addendum to it,

25 however you want to put it, you have modern freeways

1 running down through the whole width of breadth of
2 the Atlantic, except in North Alabama, and we're
3 trying, a lot of times they have frontage roads up
4 and down them, like the borders, the buffer zones
5 that we're trying to get up and down the rivers. I
6 agree with the buffer zones. And if you're talking
7 about just those lands, I agree, don't give up those
8 lands, I like the buffer zones.

9 But occasionally TVA's property winds
10 up back up like this. In a case not to -- between us
11 where I think there was a trade-off or was proposed
12 to be a trade-off with some property that was going
13 to be developed privately down here for even more
14 property that could be made better use of and you
15 would save some of the environment, I am totally for
16 a trade-off like that. That could be a win/win
17 situation. Economically, maybe the guy's making some
18 money, but we're getting more property that would --
19 that fed into the river that gave us more opportunity
20 for biodiversity for an example.

21 DR. STEPHEN SMITH: Right. A
22 situation like that may be some sort of -- where you
23 actually are -- like in the shoreline management
24 where you're maintaining or gaining property in some

25 sort of -- I mean, again, you don't have to be so

1 rigid about it necessarily.

2 The point is, and I think Bruce said
3 it well, that residential development of public lands
4 is the least value economic development. And while,
5 you know, distributors love to add more megawatts
6 onto their system, the reality is they can -- you
7 know, there are plenty of private lands to where you
8 can do development.

9 The public land is a shrinking
10 resource, and I think giving it over to individuals
11 for their own private residential homes is --
12 particularly if that land was condemned and taken,
13 for the public generally, I think is a violation of
14 the public trust.

15 MS. JULIE HARDIN: Yep.

16 DR. STEPHEN SMITH: And I think it
17 should be strongly discouraged because those lands
18 belonged to somebody before. They were taken for the
19 public good, and then to turn around and give them to
20 some other individual just because they happen to
21 come back a little bit later and have a lot more
22 money and a lot more political influence is really a
23 violation of public trust.

24 FACILITATOR DAVE WAHUS: One more

25 comment before I turn it back to the Chairman.

1 Paul.

2 DR. PAUL TEAGUE: There's a lot of
3 difference in making it the last priority and hell
4 no.

5 MR. BRUCE SHUPP: I agree with that.

6 FACILITATOR DAVE WAHUS: We have
7 expended our time. I'll turn it back to Bruce.

8 MR. JIMMY BARNETT: She didn't write
9 that on the board.

10 MR. BRUCE SHUPP: The extraordinarily
11 powerful Kate Jackson would like to make a comment.

12 DR. KATE JACKSON: Well, I just want
13 to follow along on this discussion, which is very
14 interesting, would the Council by tomorrow give some
15 consideration to if, in fact, you were to advise us
16 to say no more TVA public lands ever being allocated
17 for or ever being transferred or licensed for
18 recreation, what about lands that are adjoining
19 public lands that are privately held currently?

20 If, in fact, you will not contemplate
21 TVA lands for residential development, you put
22 increased pressure on those buffer lands that TVA
23 currently owns where residential property will be
24 developed behind that and then ingress and egress

25 pressure will increase dramatically. So could you

1 wrestle with that a little bit overnight?

2 We already have a whole lot of
3 pressure on that. We already have a cap on
4 residential access. So I'm confused a little as to
5 how this advice from the Council would actually move
6 us in a direction that it feels like you want us to
7 go, because already there's no more residential
8 access.

9 MR. GREER TIDWELL: By what?

10 DR. KATE JACKSON: Shoreline
11 management policy.

12 DR. STEPHEN SMITH: That's with
13 shoreline. What about the public lands around the
14 shoreline?

15 DR. KATE JACKSON: It's a residential
16 access versus allocation of the land, but not ingress
17 and egress for private docks along that land.

18 MR. BRUCE SHUPP: I think that's what
19 we're talking. We haven't clearly stated that, is
20 that what you're saying?

21 DR. KATE JACKSON: Well, you know, if
22 what you're doing is saying to just put all of
23 residential development on currently privately held
24 land, all you're doing is focusing the pressure to

25 have TVA give up the most valuable -- from the

1 riparian standpoint the most valuable land because
2 there will be increased pressure to turn that over
3 and long-term give access there.

4 DR. STEPHEN SMITH: Well, you know, I
5 would be interested to see examples of where that's
6 happening because some of the examples I have seen is
7 that by TVA being willing to give up public land for
8 residential development actually spurs additional
9 residential development even behind those -- the
10 shoreline areas so that they want -- so that kind
11 of -- that residential development gets more
12 residential development in many of these areas. I
13 mean, I would be interested for you to come and show
14 me the --

15 DR. KATE JACKSON: And the way we have
16 dealt with that is, let's make a trade-off. If, in
17 fact, we could operate with a developer, they have
18 land that they're contemplating developing, they are
19 requesting TVA land, it's not currently allocated for
20 residential, they have ingress and egress which could
21 be a gazillion little individual docks along their
22 private land.

23 Could we make some sort of trade-off
24 that leverages the use of the TVA land to drive

25 really high quality buffers, not individual docks,

1 but community docks, long-term land planning that
2 decreases runoff into the reservoir, which is better,
3 that's what we struggle with.

4 MR. ED WILLIAMS: Would that put you
5 in a box that you can't get out of, because that's
6 taking a critical look at residential?

7 DR. KATE JACKSON: Well, it's not
8 clear to me that's where you-all are going.

9 MR. JIMMY BARNETT: I like that
10 approach.

11 DR. PAUL TEAGUE: That's a good
12 addition for us to think about.

13 DR. KATE JACKSON: Just wrestle
14 overnight and be sure you want the words you have.

15 DR. PAUL TEAGUE: That's a good
16 compromise.

17 MR. BRUCE SHUPP: Okay. I don't think
18 I have to tell you or remind you that it would be
19 interesting if you would keep on discussing this into
20 the evening and into the night so that we have some
21 really good charged-up ideas tomorrow morning when we
22 get started again.

23 How about before we talk about the end
24 of the day here or before we talk about tomorrow that

25 we give thanks to Laura and Kim and Paul for their

1 assistance today, I really appreciate that.

2 Tomorrow breakfast is on your own. Is
3 there any reason why tomorrow -- we are starting at
4 8:30, I misread that, starting at 8:30 tomorrow.

5 And Mr. Facilitator, are we going to
6 start -- tomorrow morning how are we going to
7 approach these issues tomorrow morning?

8 FACILITATOR DAVE WAHUS: Start with
9 question No. 2 at 8:45, depending on the
10 administrative announcements.

11 MR. BRUCE SHUPP: Any public here
12 that's going to speak tomorrow that has not signed a
13 card, please do that. Don't forget to do that.

14 MR. ED WILLIAMS: Can we get a copy of
15 the typed version tomorrow?

16 DR. KATE JACKSON: Absolutely.

17 MR. BRUCE SHUPP: We'll have that as a
18 handout tomorrow morning.

19 DR. KATE JACKSON: Let me mention two
20 other things. One is, would you please all look at
21 your addresses and e-mail addresses in the book to
22 make sure they are right?

23 Stephen mentioned that we sent
24 something to the wrong address, which I feel terrible

25 about and I totally apologize for. We have, however,

1 sent all the critical issues both FedEx and via
2 e-mail. So make sure all of those are right so we
3 don't -- we don't have that mistake again and we will
4 make a different mistake the next time.

5 Then in addition to that, I am going
6 to name Bridgette Ellis as an additional alternative
7 DFO and Janet. Bridgette will be made an alternate
8 DFO so that they are the most pertinent to the areas
9 that -- if we were doing water supply, Janet would be
10 the alternate. If we're doing public lands and
11 recreation, Bridgette would be the DFO.

12 DR. STEPHEN SMITH: Can we could leave
13 our stuff here overnight? Are we meeting back in
14 this room?

15 MR. BRUCE SHUPP: Anything else?
16 Dinner at 6:30. Meeting is adjourned.

17 (The meeting was adjourned and
18 reconvened on October 24, 2002 at 8:30 a.m.)

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