

MINUTES
OF
REGIONAL RESOURCE STEWARDSHIP COUNCIL
MEETING

August 16-17, 2006
Knoxville, Tennessee

Present

1. Mr. Jimmy Barnett
2. Mr. Mike Butler
3. Mr. Austin Carroll
4. Mr. Kenny Darnell
5. Mr. Karl Dudley
6. Mr. Bill Forsyth
7. Mr. Jim Fyke
8. Mr. Don Gowan
9. Dr. Kate Jackson (DFO)
10. Mr. Tom Littlepage
11. Ms. Miles Mennell
12. Mr. W. C. Nelson
13. Mr. Bruce Shupp (Council Chair)
14. Mr. Bill Tittle
15. Mr. Greer Tidwell, Jr.
16. Ms. Rosemary Williams
17. Mr. Dave Wahus (Council Consultant)

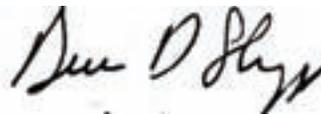
Absent

18. Mr. Phil Comer
19. Mr. Jim Jared
20. Senator Tommy Ed Roberts
21. Mr. Joe Satterfield
22. Mr. Tom Vorholt

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Approved by _____



Chair

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REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

AUGUST 16, 2006

VOLUME I OF II

LOCATION:

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MR. TOM VORHOLT

MR. JIM JARED

MR. BILL FORSYTH

MR. TOM LITTLEPAGE

MR. KENNETH RAY DARNELL

MS. MILES MENNELL

MR. JOE SATTERFIELD

MR. PHIL COMER

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MR. BILL TITTLE

MR. GREER TIDWELL, JR.

MS. ROSEMARY WILLIAMS

MR. JIMMY BARNETT

MR. MIKE BUTLER

MR. AUSTIN CARROLL

MR. JIM FYKE

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P R O C E E D I N G S

CHAIRMAN BRUCE SHUPP: Council

Members, take your seats, please. Good morning. My name is Bruce Shupp. I am the Chair of the TVA Resource Stewardship Council. I welcome you-all to the August 16/17, 2006 official Council meeting.

This is a special meeting today because we're pleased and proud to be able to meet with the new committee, the Community Relations Committee of the new TVA nine-member Board, and we welcome those members, who will be introduced later, to the Council meeting.

A little housekeeping. Those of you that haven't scoped out the facilities here, the restrooms are out the door to the right all the way down the hall. It's a pretty good long hike. So if you haven't found them yet, they are way down at the end of the hall.

There's other meetings going on. I understand some TVA meeting members were eating the food of the other meeting down there, and I guess that's all right if you can get away with it.

MR. JIM FYKE: Guilty as charged.

CHAIRMAN BRUCE SHUPP: All right. We welcome the audience to this meeting, and we're

1 looking forward to the participation by the public
2 this afternoon at the 1:30 public comment session.

3 To get started, I would like to
4 introduce the Executive Vice President for River
5 System Operations and Environment, Kate Jackson from
6 TVA, to introduce -- oh, first I'll introduce the
7 Council Members. Let's introduce the Resource
8 Stewardship Council Members starting over there with
9 Jim Fyke, where are you from and who you represent.

10 MR. JIM FYKE: I am the Commissioner
11 of Environment and Conservation for the State of
12 Tennessee representing Governor Phil Bredesen.

13 MR. GREER TIDWELL: I'm Greer Tidwell
14 from Nashville, Tennessee representing The Tennessee
15 Wildlife Federation and Bridgestone/Firestone.

16 MR. MIKE BUTLER: I'm Mike Butler from
17 Nashville, Tennessee. I'm the Executive Director of
18 The Tennessee Wildlife Federation.

19 MR. DON GOWAN: Don Gowan with the
20 Nature Conservancy representing the State of
21 Virginia.

22 MR. AUSTIN CARROLL: Austin Carroll,
23 Hopkinsville, Kentucky, representing Tennessee Valley
24 Public Power Association.

25 MR. KENNETH DARNELL: Kenny Darnell

1 from Murray, Kentucky. I represent Governor Ernie
2 Fletcher.

3 MR. KARL DUDLEY: Karl Dudley,
4 Pickwick Lake Cooperative, representing TVPPA.

5 MR. TITTLE: I'm Bill Tittle from
6 Chattanooga, and I represent the southeast part of
7 Tennessee on security issues with public law
8 enforcement and other response agencies.

9 MR. BILL FORSYTH: I'm Bill Forsyth.
10 I'm the North Carolina Representative, and I am also
11 Chairman of Murphy Electric Power Board.

12 MR. JIMMY BARNETT: I'm Jimmy Barnett
13 representing TVPPA.

14 MR. W. C. NELSON: W. C. Nelson from
15 Blairsville, Georgia, and I represent Georgia.

16 MS. MILES MENNELL: I'm Miles Mennell
17 from Franklin, Tennessee, and I am representing the
18 Association of Tennessee Valley Governments.

19 MR. TOM LITTLEPAGE: I'm Tom
20 Littlepage from the State of Alabama, Office of Water
21 Resources, representing the Tennessee Valley Water
22 Supply Partnership.

23 CHAIRMAN BRUCE SHUPP: Bruce Shupp
24 from Guntersville, Alabama representing recreational
25 interests.

1 FACILITATOR DAVE WAHUS: I'm Dave
2 Wahus. I'm the Facilitator for the Council.

3 CHAIRMAN BRUCE SHUPP: And now we will
4 turn it over to Kate Jackson, who is the Executive
5 Vice President of River System Operations and
6 Environment for TVA.

7 DR. KATE JACKSON: Thank you, Bruce.
8 I also have the honor to be the Designated Federal
9 Officer for this Regional Resource Stewardship
10 Council and the TVA's Environmental Executive.

11 I want to welcome this Council to the
12 fourth meeting of this term of the Stewardship
13 Council, and we appreciate the Council's support for
14 this joint hearing on TVA Land Policy in conjunction
15 with the Community Relations Committee of the TVA
16 Board.

17 The Regional Council was established
18 in 2000 to provide TVA advice on stewardship
19 activities and priorities among all the competing
20 objectives and values of those stewardship
21 activities.

22 Those stewardship programs include
23 operation of dams and reservoirs, responsibilities
24 for navigation, flood control, the management of
25 land, water quality, wildlife, and recreation.

1 Because the Regional Council's Charter
2 limits its area of review to those stewardship
3 responsibilities, the remarks of panelists and
4 comments from the public up to this point have really
5 been limited to the stewardship functions within that
6 Charter.

7 Today's meeting is being held jointly
8 with the TVA Board, and the Board's area of
9 responsibilities, of course, encompasses all of TVA's
10 activities.

11 So the public comments and some of the
12 panel comments will be outside the Charter obviously,
13 because there are more land issues than just
14 stewardship-based land issues. So there will be some
15 broader comments than just within the Charter.

16 Today we're looking forward to
17 comments from panelists representing federal and
18 state land management agencies, hearing how they
19 balance increasing demands on those finite resources.

20 We're going to hear the range of
21 visions and opinions from all kinds of stakeholders
22 on the stewardship of lands, the vision of TVA lands.
23 This is a wonderful opportunity for us to hear from
24 all of those people.

25 And now it's my honor to introduce

1 Susan Richardson Williams who chairs the Community
2 Relations Committee of the TVA Board. And Director
3 Williams is the owner of SRW & Associates, a public
4 relations firm here in Knoxville, and she's served on
5 the cabinet of two Tennessee Governors, the staff of
6 a third, and the staff of a U.S. Senator.

7 Director Williams, welcome.

8 DIRECTOR SUSAN RICHARDSON WILLIAMS:

9 Good morning. Thank you, Kate. Let me add my
10 thanks, Kate, to the Regional Resource Stewardship
11 Council for allowing us to use this meeting to help
12 us on the TVA's Board Community Relations Committee
13 to hear from the public on issues that are related to
14 TVA's management of the lands.

15 This is obviously a very important
16 topic, one that is of great interest to many of TVA's
17 stakeholders. While TVA's land holdings are not
18 extensive by virtue of their location, near and along
19 the reservoir system they have significant potential
20 to provide conservation, economic development and
21 recreational benefits for the communities and the
22 people of the Valley.

23 In some cases these uses may be
24 mutually exclusive, and we want to hear what the
25 residents, the businesses, and the government of the

1 Valley think about how these lands should be managed.

2 The Board's Community Relations
3 Committee was established to review and provide
4 guidance on policies and strategies for TVA's
5 stewardship of its land, land rights, facilities and
6 resources, and the performance of TVA's economic
7 development programs and activities and activities
8 related to TVA's demonstration of good corporate
9 citizenship.

10 This past May the Board established a
11 moratorium on major land transactions in order to
12 provide this committee and the Board time to review
13 past land transactions and current policies. While
14 we delegated authority to TVA's Chief Executive
15 Officer to approve small transactions and actions
16 needed to support normal day-to-day operations, we
17 know that this moratorium has affected a number of
18 citizens and businesses who had land use requests
19 that were in progress at the time the moratorium was
20 established.

21 We apologize for any inconvenience,
22 but we feel it is important that we take this time
23 now so that future land decisions will be in
24 alignment with this Board's view of TVA's
25 responsibilities in this area.

1 Now I would like to introduce the
2 other members of the Community Relations Committee.
3 On my right is Don DePriest from Columbus,
4 Mississippi. He's the Chairman of a venture capital
5 firm and two companies involved in mobile
6 telecommunications.

7 You-all know Skila Harris to my left,
8 a native of Bowling Green, Kentucky, has served as a
9 full-time TVA Director from November 1999 through
10 March 2006. Skila previously held positions with the
11 Department of Energy and the White House and Energy
12 Management and engineering consulting firms.

13 The fourth member of our committee,
14 Mike Duncan from Kentucky, was unable to be with us
15 today.

16 In the audience is the Chairman of the
17 Board, Bill Sansom. Bill, would you wave wherever
18 you are? And Bill is Chairman and CEO of H. T.
19 Hackney Company here in Knoxville.

20 We are very much looking forward to an
21 interesting and informative session today. I really
22 want to say this is important to our committee,
23 important to our Board. We really appreciate the
24 Council's willingness to help us with this and to
25 give us your input and guidance, and I think we're

1 all new, not all of us, most of us are new on the new
2 Board, and I think we really want to listen and learn
3 and come back with some definitive suggestions.

4 So, again, thank all of you in the
5 audience and those of who you are going to testify
6 today, and we'll turn it back to Kate to get started.

7 DR. KATE JACKSON: Thank you, Director
8 Williams. I think at this point we will have Dave
9 run over the agenda for the day briefly.

10 FACILITATOR DAVE WAHUS: Thank you,
11 Ms. Jackson. First we're going to be hearing an
12 overview of TVA lands and then we're going to be
13 hearing three panels of four members each, with the
14 public comment session starting about 2:30 this
15 afternoon.

16 And then tomorrow for the Council
17 members and any members of the public who wish to be
18 here, we will be convening at 9:00 a.m. rather than
19 8:30 like we did today, and we will be reviewing or
20 discussing the issues that we hear about today and
21 you will be making and developing your advice to the
22 Council on land management issues.

23 We will also be hearing some updates
24 on several -- on two or three actions that have been
25 ongoing, and we will be adjourning about 11:30

1 tomorrow.

2 Does anyone have any questions?

3 DR. KATE JACKSON: Thank you, Dave.

4 Rosemary, you came in just a minute late. If you
5 would, please introduce yourself, we would appreciate
6 that.

7 MS. ROSEMARY WILLIAMS: I'm Rosemary
8 Williams from Corinth, Mississippi. I was appointed
9 by Governor Barbour to represent the State of
10 Mississippi on this Council.

11 Thank you.

12 DR. KATE JACKSON: Thank you,
13 Rosemary. At this point we're going to have
14 Bridgette Ellis, who is TVA's Senior Vice President
15 of Environmental Stewardship and Policy come up and
16 give an overview, sort of a basing of TVA's land
17 holdings, kind of what we have, the purposes of that
18 land, and some of the processes that we use.

19 MS. BRIDGETTE ELLIS: Thank you, Kate.
20 Thank you, Council, for allowing me to come up here
21 today and talk to you and give you that broad
22 overview. I know the Regional Resource Stewardship
23 Council has had that overview before, but I think
24 it's good to go back and refresh on that. And thank
25 you to the Board Committee also for allowing me to do

1 this.

2 As I start into the overview of our --
3 of TVA's managed lands, the first thing I would like
4 to do, if I can get this thing to work, there it is,
5 is talk a little bit about TVA's broad regional
6 resource conservation and development mission and the
7 fact that all of our land management responsibilities
8 are derived from Section 22 of the TVA Act, which
9 talks to aiding further the property use and
10 conservation and development of the natural resources
11 in the Tennessee River drainage basin. So a lot of
12 our responsibilities are derived from that portion of
13 the Act.

14 Now, the TVA Act obviously establishes
15 that direction in terms of how long we manage the
16 lands under our responsibilities, but we have three
17 overriding guiding principles.

18 First and foremost is that we manage
19 our lands for energy supply, environmental
20 stewardship, recreation, and economic development.
21 Energy supply is all of those power properties that
22 we use for our power plants and for our transmission
23 and for even our commercial buildings that we have
24 that we house our employees, and then obviously the
25 majority or the rest relates to the reservoir

1 properties.

2 We maintain those lands and retain the
3 lands and land rights and mineral holdings we need
4 for our operational needs. Then obviously we ensure
5 compliance with all federal laws and regulatory
6 requirements as we carry out our responsibilities.

7 Throughout the southeast there's quite
8 a few different trends that are going on. And when
9 you think about TVA's public lands, this is very
10 similar to a lot of things you're seeing in the
11 southeast.

12 You have a lot of places where you
13 have a growing retirement group, the baby boomers are
14 starting to retire, and a lot of developers are
15 certainly interested in large tracts of residential
16 and waterfront communities, and they do see TVA land
17 as easier to purchase. We have large tracts. We
18 adjoin the reservoirs. So, therefore, that is a
19 natural fit in their mind in terms of how that would
20 work.

21 Also, there is that growing
22 environmental ethic in the southeast that really,
23 really talks to the value of undeveloped land and the
24 value of open space and the values that reservoir
25 land provides in terms of wildlife habitat and water

1 quality benefits and all of those different types of
2 things.

3 So the remaining lands that TVA
4 manages around the reservoir are where a lot of those
5 unique resources are concentrated, such as threatened
6 and endangered species habitat, cultural resources,
7 wetlands, a lot of those different things reside in a
8 lot of those remaining acres of reservoir land. So
9 that gives you a little bit of an overview of some of
10 the trends that are happening, particularly in the
11 Tennessee Valley.

12 Now, as I talk about TVA's property
13 assets, they are basically in two different
14 classifications. The first is land rights, and we
15 have about 710,000 acres of land rights, and I will
16 go into a little bit of detail about that, and we
17 currently have about 798,000 acres of feed land that
18 we own.

19 If you look at land rights and look at
20 that on the right, you break it up into four
21 different areas. First and foremost is flowage
22 easement, 293,000 acres of land where we own rights
23 across for flooding.

24 When TVA purchased and acquired for
25 the reservoirs, they didn't necessarily acquire all

1 of the land around the reservoir. In some places
2 they only acquired rights to flood certain elevations
3 for that flood control responsibility.

4 So across the valley
5 reservoir-by-reservoir there are areas where we don't
6 own all the way to the water, but we only own a right
7 to flood to a certain elevation.

8 We also have 258,000 acres of
9 transmission-line easements. Obviously, these were
10 rights that were purchased by TVA for the
11 construction and maintenance of our 17,000 miles of
12 transmission lines. That also includes a lot of the
13 infrastructure with the towers and our substations in
14 a lot of different areas.

15 Thirdly, you have coal and mineral
16 rights. We have 159,000 acres of coal and mineral
17 rights. That is primarily coal, in fact, the
18 majority of this is coal. There are very few mineral
19 rights that we still own. The majority of those are
20 in -- are here in Tennessee, they are in Kentucky and
21 in Illinois.

22 And then, finally, where we have some
23 commercial easements where we have some of our
24 employees located, we also own about 340 acres of
25 lease arrangements for those. So that makes up

1 our -- all of our land rights.

2 When you look at the actual fee land
3 that TVA owns, what you see here is a little bit more
4 than what we currently own. I have added the
5 historical perspective here because a lot of people
6 want to understand, well, how much land did TVA
7 originally acquire when we were looking at not only
8 our power production but also the reservoir
9 properties.

10 So TVA originally acquired about 1.3
11 million acres of land. And if you look at that
12 yellow part of the pie chart, there's over 500,000
13 acres of land that we have sold or transferred for a
14 wide variety of purposes.

15 Now, TVA acquired lands under three
16 major categories. First and foremost was
17 multipurpose property. These were the properties
18 that were acquired with congressional appropriations
19 for the development of the reservoirs where you had
20 those multipurpose functions, you had navigation,
21 flood control, hydrogeneration, a lot of those
22 different types of things.

23 Power properties, those are
24 properties, as I talked about earlier, that were not
25 purchased with congressional appropriations but

1 through the sale of power or through financing
2 through our power bonds and those different types of
3 things.

4 And then finally, non-power property,
5 these are areas where you -- we did purchase those
6 with congressional appropriations. However, those
7 are for non-power projects on the reservoirs. The
8 best example of that is in North Alabama where we
9 have the Bear Creek Projects.

10 So those are projects where they
11 only -- they do not have a provision for power, but
12 they serve other purposes, such as flood control or
13 water supply or recreation, those types of things.
14 So two types were with congressional appropriations
15 and then power properties were brought with power
16 proceeds.

17 Since there is -- has been a lot of
18 discussion about the amount of land that TVA has
19 either sold or transferred, I wanted to spend a
20 little bit of time on that specifically. Of that
21 500 -- over 500,000 acres of land throughout our
22 history, the majority of the land that has been sold
23 or transferred has been around the reservoirs, and
24 very small portions of our power properties have been
25 either transferred or sold to the power distributors

1 for their purposes, but the majority of those lands
2 were for around the reservoirs.

3 The biggest part of that, over 342,000
4 acres, was for state and federal purposes, primarily
5 for recreation and resource management. A lot of the
6 state parks that are around the reservoirs are lands
7 that TVA transferred to the states.

8 A lot of the wildlife management
9 areas, like Chuck Swan Wildlife Management area on
10 Norris, that was transferred to the state. Then some
11 of the Cherokee Forest and some of the national
12 wildlife refuges that some of the other federal
13 agencies managed were lands that TVA transferred for
14 those purposes.

15 Obviously, throughout the history of
16 TVA we have sold land for development, over 162,000
17 acres have been sold throughout the history of that,
18 and that has been for a wide variety of things, very
19 similar to what you hear today. It's been for
20 residential development, even in the '40s and '50s,
21 commercial, recreation facilities, and other economic
22 development purposes.

23 Then there's a small amount of land
24 that we sold, 4,000 acres with restrictions, and
25 really what this was was back in the '40s and '50s we

1 were actually trying to get people to come to the
2 reservoirs to recreate. I mean, there was a very
3 deliberate try to get people to come here.

4 So there were tracts of land that we
5 sold to groups for recreation purposes. And with
6 that restriction, we sold that to them for the
7 purpose of a church camp or for the purpose of the
8 Boy Scouts, a lot of different types of private
9 clubs. So you see private lands out there around the
10 reservoir that we sold that have those restrictions
11 for those purposes. So that makes up the land that
12 was sold and transferred.

13 And to talk about the history and the
14 fact that a lot of people feel like there's a lot of
15 continuing release or sale of TVA lands, if you look
16 at the history of those reservoir land sale trends,
17 the majority of that happened in the '40s and the
18 '50s. In fact, over 87 percent of those sales
19 happened in the '40s and '50s.

20 If you look up into the '80s, that was
21 after Tellico was built and Tims Ford, there was a
22 lot of lands that were then sold for those wide
23 variety of purposes also. So this just gives you an
24 overview of the historical perspective of when those
25 lands were sold.

1 Now, if you look at our power
2 properties, this includes the power plants,
3 transmission lines, and our commercial areas where we
4 have our buildings. The largest component obviously
5 is our fossil plants, over 16,000 acres there, and
6 that varies widely.

7 We have some gas turbine sites that
8 are less than 200 acres in size, but we also have
9 Paradise, who's 3,500 acres, so that's a very broad
10 perspective in terms of footprints of our fossil
11 plants.

12 The hydro plants you see there, those
13 are those single purpose hydro projects, over 5,400
14 acres, the largest one of that is Raccoon Mountain,
15 our pump storage project just outside of Chattanooga,
16 that one is over 3,100 acres.

17 The nuclear sites, there are four
18 sites, Bellefonte, Browns Ferry, Sequoyah, and Watts
19 Bar.

20 Transmission, we actually own about
21 300 -- 3,000 acres for our transmission purposes, and
22 that is primarily the substations. Our substations
23 account for about 2,700 of that 3,000 acres. Our
24 customer service centers and our commercial buildings
25 sites, 238 acres.

1 And that last category, the over 5,000
2 acres, that is other power properties that were
3 purchased with power proceeds that are not being used
4 for that purpose right now. And the two examples
5 that I use are Hartsville, where we have sold some of
6 those lands, and then Saltillow (phonetic) out in
7 West Tennessee. So that gives you two examples of
8 those different types of properties. So that makes
9 up the power properties.

10 Reservoir lands, there's a wide
11 variety of reservoir lands that we own. And I
12 haven't been talking about the land under the water,
13 I think that's kind of an assumption that everybody
14 understands that we do own land under the water of
15 about 470,000 acres, but what I am focusing on are
16 those lands around the reservoirs, 293,000 acres.
17 Those are placed in land allocations zones via our
18 lands planning process, and these are a wide variety
19 of uses that are brought to the TVA Board and
20 approved by the Board for these various purposes.

21 TVA project operations, those are the
22 dam reservations primarily for the hydro sites where
23 we actually do have those multipurpose functions.
24 There's 7,000 acres allocated for economic
25 development, that includes both commercial and

1 industrial development.

2 The largest component that is out
3 there is natural resource conservation. There's over
4 181,000 acres that are allocated for those purposes,
5 and that is primarily informal recreation, hunting,
6 wildlife management, a lot of those uses that you
7 would see on very similar properties of some of our
8 counterparts.

9 Sensitive resource management, that's
10 31,000 acres. Those are lands where we have
11 identified specific sensitive resources, where there
12 are either threatened and endangered species or
13 habitat, cultural resources, archeology or
14 potentially wetlands. So those are lands where we
15 have identified specific things that we are managing
16 for those purposes.

17 Developed recreation, 27,000 acres,
18 that's where you would think about capital
19 investments for recreation, that would be
20 campgrounds, that would also be marinas, those
21 different types of things.

22 Shoreline access, that's 17,000 acres.
23 I would think about shoreline access as a narrow ring
24 around a lot of these reservoirs where we own land
25 that people have the rights for docks across and the

1 right to come to TVA and ask for access to the
2 reservoir.

3 That 17,000 acres is a very narrow
4 strip over 11,000 miles of the shoreline, and it
5 makes up about 38 percent of that shoreline. So
6 there is about 38 percent of the shoreline that
7 people have legal deeded rights for access for those
8 types of docks.

9 We still have 17,000 acres to plan,
10 but primarily that is in North Georgia and in North
11 Carolina and some in upper East Tennessee. So that
12 makes up the majority of our reservoir lands.

13 We did put some maps around here for
14 people to take a look at when they have the chance
15 that shows all of the different areas where we have
16 our lands. It also shows the areas where we have
17 sold or transferred so that you can get a perspective
18 geographically of where a lot of those lands are
19 today.

20 And when you think about a lot of the
21 lands -- let me go back.

22 When you think about a lot of these
23 lands, a lot of people are saying, well, how much is
24 this land actually committed for specific purposes.
25 Well, especially in the economic development area

1 where you have development and then developed
2 recreation, about half of those lands actually have
3 active management on them, but there are -- you know,
4 they are still available for additional development.

5 Some of natural resource conservation
6 lands, we have long-term arrangements with some of
7 the state agencies to help us manage those,
8 particularly Alabama Department of Conversation and
9 Natural Resources and the Tennessee Wildlife
10 Resources Agency. So we have various different
11 mechanisms to help us manage those pieces of property
12 for those purposes.

13 As I talked about earlier, we do this
14 through a planning process, 94 percent of those lands
15 are planned, 17,000 still remaining to be planned.
16 And the key to this slide is just to see that
17 throughout the planning process we do look for public
18 input, we do look for opportunities for the public to
19 tell us what are the types of things they think those
20 lands should be used for in the future, and hopefully
21 over the long-term we provide a blueprint for the
22 future use and management of those lands. All of
23 these plans are Board approved.

24 So I think in closing all I will say
25 is that TVA does strive to maintain a balance among

1 those multiple purpose uses of the TVA managed lands
2 then, and then also while being flexible to
3 everything that's changing in terms of social values
4 and economic drivers.

5 We did acquire properties for a wide
6 variety of purposes, both power, non-power, and these
7 multipurpose uses that I have talked about. Lands
8 are allocated for specific uses through our planning
9 process.

10 It's obvious there is an increasing
11 request for the use of TVA land, and as a result,
12 there's a lot of increasing conflicts over that
13 proper balance of all of those uses.

14 And hopefully today, through the
15 hearing, we're going to get the opportunity for
16 stakeholders to provide their input in terms of what
17 they feel the future uses of those lands will be.

18 Thank you.

19 DR. KATE JACKSON: Thank you,
20 Bridgette. We will move on to the first panel.
21 Today we're going to convene three panels to discuss
22 varying viewpoints on management of lands.

23 Each panel member will have ten
24 minutes to make his or her comments, after which
25 Members of the Regional Resource Stewardship Council

1 or the Board committee can ask questions.

2 There is a timer in front of the
3 panelists which will let them know how much time they
4 have left to speak. When the yellow light comes on,
5 you have got two minutes. When the red light comes
6 on, we ask that you stop.

7 By keeping to those time limits, we
8 really believe that we will be able to get plenty of
9 time for the questions from the Council and the
10 committee and have time for the public to comment
11 this afternoon.

12 I have asked Dave Wahus to serve as
13 the moderator for the panel sessions and help make
14 sure we will be on time, so he's our time cop, and
15 then Bruce will facilitate the questions at the end
16 of each panel.

17 Our first panel today consists of
18 representatives from state and federal agencies that
19 have a vested interest in the management of public
20 lands and properties, and the panel members are Avis
21 Kennedy, the Chief of the Natural Resources
22 Management Branch, Operations Division for the
23 Nashville district of the U.S. Army Corps of
24 Engineers. She's a member of the Tennessee
25 Recreation Parks Association. Ms. Kennedy also

1 serves on the Tennessee State Natural Areas Advisory
2 Committee and the Kentucky Federal Agency tourism
3 Council.

4 Welcome, Avis.

5 Stephanie Medlin is the Forest,
6 National Environmental Policy Act, Appeals
7 Litigation, and Freedom of Information Act
8 Coordinator, that's actually even longer than my
9 title, which is something to say, for the Cherokee
10 National Forest, part of the U.S. Forest Service.
11 While with the Forest service, Ms. Medlin has worked
12 as a fisheries biologist and a coordinator of NEPA
13 documents and appeals.

14 Welcome, Ms. Medlin.

15 Greg Lein is the Assistant Director of
16 the State Lands Division for the Alabama Department
17 of Conservation and Natural Resources. In this
18 position, Mr. Lein coordinates field operations, and
19 in his recent efforts on behalf of Forever Wild Land
20 Trust he has secured \$35 million in federal grants
21 directed at land acquisitions in Alabama. Mr. Lein
22 has worked as a field biologist in the southwestern
23 and southeastern U.S., serving in several capacities
24 that include status and distributional surveys, as
25 well as life history studies of rare and endangered

1 mammals, amphibians and fish.

2 Welcome, Mr. Lein.

3 Marie Stringer researches and helps
4 designs a broad spectrum of policy initiatives from
5 education to the environment for the State of
6 Tennessee. She began her work as a policy analyst
7 for Tennessee Governor Phil Bredesen in 2001.
8 Ms. Stringer is currently working closely with the
9 Governor's Heritage Conservation Trust Fund, which
10 was created in 2005 to work with other public and
11 private partners to preserve and protect Tennessee's
12 natural treasures.

13 Welcome, Ms. Stringer.

14 And with that, I will hand it over to
15 Avis.

16 Keep talking, it will come on.

17 MS. AVIS KENNEDY: Thank you. I am
18 very pleased to be able to address the Council today.
19 It's my pleasure to be able to share some information
20 with you about the way the U.S. Army Corps of
21 Engineers manages its lands. And as you see, there
22 will be a number of similarities between the two
23 agencies, and there are also some significant
24 differences.

25 Nationwide the Corps of Engineers owns

1 and manages 12 million acres of land and water.

2 These are located at 456 lakes in 43 states.

3 One of the key factors about the
4 Corps' land management is that land that the Corps
5 purchases is purchased for authorized project
6 purposes only, so that every acre is for one or more
7 project purposes that are designated by Congress.

8 These can include flood damage
9 reduction, navigation, hydro electric power,
10 recreation, fish and wildlife, water quality, and
11 water supply.

12 Economic development has never been an
13 authorized project for a Corps of Engineers' project.
14 Not all projects have all purposes. Each project has
15 specific ones of these that are designated by
16 Congress.

17 Some of our basic planning tools
18 include Project Master Plans, Operational Management
19 Plans, and Shoreline Management Plans.

20 The Project Master Plans are very
21 comprehensive and lengthy documents. Among other
22 things, they allocate all of the land for a Corps
23 project to specific uses, which can include
24 operations like the land around the dam, recreation
25 which includes Corps operated, and other operated

1 recreation areas and concessionaire areas, fish and
2 wildlife or mitigation lands that were specifically
3 designated for mitigation of project facts.

4 In addition, the Allocation Project
5 Master Plans classify lands into some other areas,
6 including project operations, recreation, mitigation,
7 environmental sensitive areas, which include some
8 state and natural areas and areas with especially
9 sensitive species, and a big category called multiple
10 resource management. It has a number of sub
11 categories, including recreation, low density, that's
12 lands that are used for such uses as trails and
13 hunting, wildlife management general, vegetative
14 management, some Corps projects have extensive forest
15 management plans, inactive or future recreation
16 areas, and easement lands.

17 Project Master Plans can be changed by
18 a supplement process. The supplement process is
19 approved at the district level. So that's a lower
20 level than the original master plan has to be
21 approved at.

22 For example, in the Nashville District
23 for master plan change at a lake like Center Hill or
24 Dale Hollow, those could be approved at -- in the
25 Nashville office, rather than having to go to a

1 division or headquarter office.

2 We have supplements to the Project
3 Master Plans that are Operational Management Plans.
4 The Operational Management Plans are updated every
5 five years for each project, and they include
6 prescriptions for management of the undeveloped
7 lands. Prescriptions might include things like
8 habitat improvement or removal of invasives at
9 individual areas on the lake.

10 They also include plans for
11 maintenance and improvement of recreation areas,
12 plans for managing all kinds of things like visitors,
13 emergencies on the project, and that sort of thing.
14 Then they have specific five-year and annual work
15 plans, which are updated every year. Those are used
16 primarily for budget processes.

17 We have an appendix to our Project
18 Master Plans that are called Shoreline Management
19 Plans. Not every lake has a Shoreline Management
20 Plan. This governs private uses of public land or
21 water. So this includes things like private and
22 community docks. It includes mowing and other kinds
23 of vegetative modification, like underbrushing.

24 Shoreline Management Plans are only
25 allowed and are required at lakes where private uses

1 existed before 1973. So only at some of our older
2 lakes, for example, Old Hickory Lake and Lake Barkley
3 that private uses were permitted before 1973, they
4 have the Shoreline Management Plan.

5 Lakes impounded after 1973 do not
6 permit such uses. So we basically stopped permitting
7 new private shoreline use at new lakes after 1973.

8 Is this on?

9 Shoreline Management Plans allocate
10 all shoreline as either limited development or
11 protected, shortly referred to as open or closed. In
12 addition, they govern size, length, construction,
13 placement, and uses of private docks.

14 I am kind of getting to the primary
15 issue that I believe the Council and the Board are
16 considering right now, requests for outgrants at
17 Corps of Engineers' projects. This ties back to
18 project purposes. All requests for outgrants must
19 support authorized project purposes.

20 So you go back to flood damage
21 reduction, hydro electric power, navigation,
22 recreation, fish and wildlife. Some examples of
23 these kinds of uses can include ports, water intakes,
24 fish hatcheries, and parks.

25 Here's the latest news, under similar

1 pressures as what TVA has been experiencing in the
2 last few years, the Corps has developed a brand new
3 Recreation Development Policy for Outgranted Corps
4 land. It was issued in December of 2005. This was
5 partly in response to a controversy that we
6 experienced on J. Percy Priest Lake near Nashville.

7 Here are the keys to that policy: A
8 recreational land use must depend on projects'
9 natural or other resources. They typically support
10 water-based activities, overnight and day use. They
11 can include marinas, campgrounds, trails, swim
12 beaches, launching ramps, and comprehensive resort
13 facilities.

14 What are the criteria for evaluating
15 such a request?

16 Here are our criteria; the request
17 must be consistent with project purposes. It must
18 have a reasonable connection to the project's natural
19 and other resources. It must be consistent with
20 allocations and objectives in the master plan, but as
21 I mentioned, master plans can be supplemented and
22 changed at the district level if the decision is made
23 to do so.

24 The proposal must be determined to be
25 in the public interest. It must be justified by

1 public demand, and that has to be demonstrated by the
2 applicant. It must be economically viable, and that
3 has to be demonstrated by the applicant and verified
4 by the Corps.

5 It must meet the demands created by
6 the project itself while balancing natural resources
7 requirements. So, in other words, even though
8 recreation is an authorized project purpose, not
9 every kind of recreation is meeting the demands
10 created by the project itself. A bowling alley, for
11 example, is not meeting demands created by the
12 project.

13 We have been under the policy for
14 about six months. We're still in the process of
15 evaluating it on a nationwide basis to see whether it
16 needs any changes. So far it's been quite
17 successful.

18 A few basics about the way the Corps
19 operates its lands. Residential development or
20 habitation is not allowed on any Corps' project, and
21 that is by law. We do not have any new private
22 clubs. We have got some old private clubs, but we
23 haven't permitted any in about 25 or 30 years.

24 The Corps has very limited authority
25 for both acquisition and disposal. All acquisitions,

1 even donations, must be approved by the Secretary of
2 the Army. Disposals must be approved by the
3 Secretary of the Army, and any over \$50,000 have to
4 be performed by General Services Administration, not
5 by Army. Lessees may not convey any real property
6 rights to sublessees, customers or renters.

7 What are our challenges?

8 We share some of these with Tennessee
9 Valley Authority, floating cabins being one of the
10 most ones, we have not permitted any in the Nashville
11 district yet, creative financing schemes, very
12 unusual uses like theme parks or public park uses
13 that are not related to project resources.

14 I would like to thank you for the
15 opportunity to address the group today.

16 DR. KATE JACKSON: Stephanie.

17 MS. STEPHANIE MEDLIN: Good morning.
18 My name is Stephanie Medlin. I work for the Cherokee
19 National Forest. I'd like to take this opportunity
20 to thank you for the invitation to come. I
21 appreciate that. Before there was Paul Arnt, he
22 filled in. So I am filling in for Paul, but I do
23 appreciate the extension.

24 Just a little background information.
25 Recently the Cherokee National Forest completed their

1 new plan revision in 2004, and we have our final
2 appeal decision from the Washington office in July,
3 and we were affirmed.

4 So with that, the Cherokee National
5 Forest has approximately 639,000 acres. The Forest
6 Service was established in 1905 under the Department
7 of Agriculture. Nationwide there is 193 million
8 acres.

9 Our mission is to sustain the health,
10 diversity and productivity of the nation's forest and
11 grassland to meet the needs of present and future
12 generations.

13 Our goals are to reduce the risks from
14 catastrophic wild fire and reduce the impacts from
15 invasive species, provide outdoor recreational
16 opportunities, and help meet the needs and energy
17 needs and resources, improve watershed conditions,
18 and in addition, conduct mission related work which
19 supports our agency goals.

20 In one of the areas of lands and
21 realty management, we purchase land to protect it
22 from critical resource areas. We authorize power
23 lines to provide electricity to communities, ensure
24 hydro electric projects that are in those areas are
25 protecting the riparian areas, exchanging land to

1 achieve a desired national forest land ownership
2 pattern that is primarily contiguous and supports the
3 forest land and resource goals and objectives, as
4 well as surveying our national forest boundaries to
5 identify and protect the private and public lands.

6 Our land ownership activities are
7 guided by our objectives specifically. We give
8 priority to consolidation of national forest lands
9 within the unit. We acquire right-of-ways to ensure
10 protection in the uses of continuing national forest
11 resources.

12 Exchanges or disposal of lands outside
13 the system is also a consideration, and we complete
14 land for land exchanges to maintain a contiguous
15 National Forest Service land.

16 Our planning allocation comes under
17 the Forest and Rangeland Renewable Resources Planning
18 Act of 1974 and the National Forest Management Act of
19 1976 as it was amended.

20 Our planning units are divided in
21 three areas. Nationally, the chief of the forest
22 service is responsible for those activities. The
23 forest, which the Cherokee would fall under, there is
24 a forest supervisor, and he or she is responsible for
25 the development and approval of that forest plan and

1 any respective amendments or revisions.

2 Further down at the very district
3 where on-the-ground actually occurs is the
4 supervisor, and the district ranger is responsible
5 for making those projects and activity decisions.

6 Land use proposals which come to the
7 Forest Service, we do have the right to deny those
8 proposals which are inconsistent with our land
9 resource management plans and those that are also in
10 conflict with our management objectives.

11 We try to not deny them, but we will
12 if they are not accommodated on National Forest
13 Service lands. If they can be accommodated on off
14 land, off the public land, we will.

15 Factors considered in determining the
16 public interest includes protection of fish and
17 wildlife habitats, cultural resources, watershed
18 protection, wilderness, aesthetic values, recreation,
19 multiple-use values, timber land, and minerals.

20 Land adjustments, we have about
21 four -- what we call four areas, acquisitions or
22 purchases, exchanges, condemnations and conveyances,
23 and conveyances only apply to administrative sites.

24 The key factor in any of these is, is
25 it in the public interest, that is our key question

1 foremost and continually reappears in each of those.

2 A purchase is primarily from a private
3 entity, and we utilize our Land and Water
4 Conservation Fund for that. Exchanges are primarily
5 from private individuals who want to trade land or
6 lands.

7 Donations come from private
8 individuals with a specific interest in giving that
9 land to the Forest Service.

10 Condemnation is a last resort that we
11 use. It has been primarily used for the AT, the
12 Appalachian Trail acquisitions.

13 In the southern region, there has been
14 approximately 50 to 60 purchases per year. There are
15 six right-of-way acquisitions per year, eight to nine
16 exchanges per year, six donations per year, and five
17 special authority sales per year.

18 The time frames that these take are
19 approximately one and a half years for a purchase, up
20 to two and a half years for an exchange, and around
21 two years for a right-of-way acquisition.

22 Does the Agency sell our land?

23 Congress must authorize the land to be
24 sold. The administrative sites, as I mentioned
25 before, can be sold under the Forest Service Facility

1 Realignment and Enhancement Act of 2005.

2 Recently there was a pilot conveyance
3 authority, and I have the appropriate citation above,
4 that allowed land to be sold, and there was two Acts,
5 under direct sale and competitive sale.

6 Acquisitions, which we primarily do,
7 are for total inholdings, enhancing management,
8 tracts for watershed protection, and AT. Most of our
9 acquisitions have been for AT protection and actually
10 acquiring the tread tracts and establishing a
11 500-foot corridor around that and the view shed that
12 would go with that.

13 Land exchanges are discretionary.
14 They are voluntary. They are made with the benefit
15 of the public interest. The intended use of the
16 conveyed land will not conflict with other forest
17 management allocations already established.

18 In our land exchange process, we have
19 a 63-step process, and when it is followed we have to
20 have regional and Washington office approval.

21 Our implementation for that would
22 include a notice of availability, respective NEPA
23 documents and associated documentation, a comment
24 period, appraisal review, a final signed decision, an
25 appeal period, and then the executed exchange

1 agreement.

2 Donations would fit into our land
3 adjustment strategy. They are total our inholdings.
4 They are compatible with our land management and they
5 are considered attractive for our land management
6 properties.

7 And we welcome you to come to the
8 Cherokee National Forest anytime.

9 DR. KATE JACKSON: Thank you.

10 MR. GREG LEIN: Good morning. I am
11 here on behalf of Commissioner Barnett Lawle. The
12 Alabama Department of Conservation and Natural
13 Resources operates under five line divisions.

14 The Wildlife and Freshwater Fisheries
15 Division is our principle game and fish management
16 agency. They manage programatically fish and
17 wildlife programs.

18 We have a State Parks Division, which
19 provides for public recreation through our state park
20 systems.

21 We have a Marine Police Division,
22 which is similar to state troopers, on our public
23 waterways.

24 We have a Marine Resources Division,
25 which functions in our two coastal counties.

1 And lastly, we have our State Lands
2 Division, where I work. State lands is basically the
3 manager of other public agency property.

4 Historically we have managed Mental Health and
5 Department of Education trust lands for the purpose
6 of generating revenue for those apparent trusts.

7 More recently we were asked to take on
8 the responsibility of administering Alabama's Forever
9 Wild Program, which is a land acquisition program
10 that was set up through a constitutional amendment to
11 attend to the state and the department's recreational
12 needs. Much of our public hunting areas are leased
13 lands. In fact, within the Tennessee Valley many of
14 those properties are TVA properties.

15 And historically over the last 20
16 years, we have seen a loss of many of those lease
17 holdings as large timber companies divested
18 themselves of their property or adjusted their land
19 management needs to lease the properties for private
20 use to generate more income.

21 So through the Forever Wild Program,
22 we have attempted to add to the state's public
23 recreational land base. And since 1992, when the
24 program was created, we have acquired around 120,000
25 acres of property. Within the last five years 50,000

1 of those acres have been in the Tennessee Valley and
2 North Alabama where we have worked to partner with
3 TVA from a management standpoint in providing more
4 public recreational lands, much of which is public
5 hunting areas.

6 Our Commissioner asked us to thank the
7 Council and TVA for the long-standing partnerships
8 that we have had and recent adjustments in longer
9 term leases on some of these properties that are used
10 for public hunting.

11 I would add that from a land
12 acquisition standpoint, we have seen dramatic trends
13 in the last couple of years where the price of
14 property has increased sometimes two fold, especially
15 on waterways.

16 In the last year we have seen a change
17 in patterns where people are no longer buying
18 property on the coast, they're moving inland, or
19 they're selling their property on the coast and they
20 are moving inland and buying properties on inland
21 waterways as second homes or for recreational
22 purposes, and this has dramatically changed the price
23 of real estate on the waterways. We have seen that
24 as far north as the Tennessee Valley.

25 And when you have a limited budget and

1 you're working to try and acquire property and it
2 doubles and triples in cost, it has a large impact on
3 your ability to achieve those goals. We have been
4 fortunate that we work through a number of federal
5 programs, like the Forest Service's Forest Legacy
6 Program, where we compliment their goals of
7 protecting working for us, and through those grants
8 we have been able to leverage our own state funds.
9 We have done that quite successfully in North Alabama
10 and the Cumberland Plateau in the last three years.

11 Many of these acquisitions have been
12 regionally and nationally noteworthy projects, such
13 as the Walls of Jericho, which was a joint effort
14 between the State of Alabama and the State of
15 Tennessee that was driven through a partnership with
16 the Nature Conservancy and has been hugely popular.

17 These projects essentially represent
18 the desires of our department. We are
19 programatically driven and those programs are
20 described statutorily.

21 So from those mandates we do not
22 necessarily have some of the conflicts that TVA has
23 today from a development standpoint. You know, our
24 state parks are there for public recreation. There
25 is no necessarily request to change that or have it

1 operated in a private fashion.

2 In closing, I would just reiterate
3 that our partnership with TVA is very important to
4 us, and we look forward to future opportunities.

5 Thank you.

6 MS. MARIE STRINGER: Good morning.

7 Thank you-all for inviting me today. I am Marie
8 Stringer. I represent Governor Bredesen's office.
9 I'm closely working with his Heritage Conservation
10 Trust Fund and the Department of Conservation --
11 Environment & Conservation. And Jim Fyke,
12 Commissioner Fyke is here also.

13 I am going to try to stay focused just
14 on the trust fund. While the State does a number of
15 other works in land conservation, I'm going to keep
16 my remarks limited to that -- to that group.

17 The Governor created the trust fund in
18 2005 to help the State respond more quickly to
19 emerging opportunities for preserving open spaces in
20 Tennessee. The fund, now at a little bit less than
21 \$20 million, supports land conservation through
22 acquisition, donation, and easement working
23 exclusively with willing sellers.

24 We also partner with other government
25 agencies from the federal, state, and local level

1 to -- also nonprofit groups and private owners to
2 prioritize conservation interests and to design
3 creative approaches to land conservation and leverage
4 our limited conservation resources.

5 A number of people today, starting
6 with Bridgette and Greg, also mentioned trends in
7 conservation, rising land prices, development
8 demands, and even timber companies who for years and
9 years have owned large tracts of land and are
10 beginning to sell those properties and create a
11 certain amount of unrest in local communities, and
12 those are issues that the trust fund is dealing with.

13 A little more background just on how
14 the trust fund -- who they are and how they work.
15 It's an 11-member board representing the diversity of
16 the State. There are private individuals,
17 conservation minded, most of whom have previous
18 philanthropic experience, many of them working with
19 The Nature Conservancy and other land and environment
20 organizations.

21 They have the authority to buy and
22 sell land and to acquire easements. And one of the
23 unique aspects of the trust fund, something that
24 gives it increased flexibility that other state
25 agencies do not have, is its ability to acquire

1 easements on its own, you know.

2 So were they to acquire land in fee,
3 there are a number of steps that they would have to
4 go through, you know, starting with the building --
5 State Building Commission, going through a long --
6 sometimes long appraisal processes, but the ability
7 to accept these easements virtually instantly makes
8 the trust fund a fairly nimble group.

9 They do not have the power of eminent
10 domain, and I mention this again only because it was
11 such an important issue as we were working on the
12 legislation. Legislators hearing from their local
13 communities and concerns from local governments, we
14 made it a point to really limit the trust fund's
15 authority in that respect.

16 Also important from local communities
17 and to garnering support for the trust fund is the
18 requirement that it pays in lieu of property taxes on
19 all land that it acquires. We're really proud of
20 that relationship and that acknowledgement, but these
21 are crucial resources for local communities and for
22 local economies.

23 It's the Governor's belief that land
24 conservation and job creation and economic
25 development can be complimentary goals. I think

1 certainly you don't have to tell you-all, as we sit
2 here today in Knoxville at the foothills of the
3 Smokies, what an asset we have in our State's natural
4 treasures for drawing recreators, tourists, hikers,
5 hunters to visit, to eat, to sleep, to leave their
6 money in our economy, and I think it's important that
7 we recognize those facts. And in concert, we have an
8 obligation to manage and protect those treasures
9 before they are lost to future generations.

10 The trust fund is still in its
11 infancy. We are comparably small when you look at us
12 in relation to TVA or to the Corps, to Cherokee or
13 even to Alabama's Forever Wild Program. We have --
14 are in the process of acquiring just a little over --
15 a little under 13,000 acres from Bowater.

16 In fact, if I have a few minutes at
17 the end I might touch on that exciting success for
18 the Governor and for the trust fund, but I mentioned
19 our size only in -- as it relates to the process that
20 the board is putting together for analyzing the land
21 that we acquire and for establishing priorities for
22 acquiring that land.

23 I don't think I have to tell you-all
24 that whether you're dealing with a couple thousand
25 dollars or \$20 million, there are often more ideas

1 about how to spend money than there is money itself.

2 We have, as I mentioned before,
3 experienced board members who are really trying
4 diligently to be good stewards and keen
5 conservationist and from the start have given staff
6 clear direction that they want to employ science in
7 determining the need and value and priorities that we
8 place on our acquisitions, and there are several
9 tools that we have identified and have begun using.
10 We will continue to identify emerging tools as the
11 years go on.

12 As the Governor established the trust
13 fund, he also directed the Department of Environment
14 & Conservation to work with Tennessee Wildlife
15 Resources Agency, other state agencies and nonprofit
16 groups to put together a plan first looking at the
17 Cumberland Plateau and primarily focus on -- well, to
18 identify priorities and in that process realize that
19 the state's priorities were around lands that
20 connected existing state holdings, inholdings, and
21 buffer zones around those areas so that that plan
22 can -- is ready now.

23 We're continuing to work on a
24 state-wide plan that offers us a ready resource.
25 Anytime large or small properties become available we

1 can go to that resource. It does not identify
2 individual parcels, but it does identify areas of
3 interest. We can immediately say, is this in the
4 State's best interest? Does it meet our conservation
5 goals?

6 We have also worked with the State
7 Wildlife Management Plan, which was designed by --
8 again by TWRA, TNC, and a number of state government
9 and nonprofit partners. It uses science to identify
10 habitat, water, cave protection areas, and it is
11 really an exciting tool.

12 You-all may be aware of it, maybe even
13 have employed it. I would encourage you to look at
14 it. It is a changing tool in that anytime new
15 information is identified it can be fed into this
16 program and help us really focus on where our
17 priorities should be.

18 There are other rating systems,
19 ranking systems that exist in federal funding
20 programs. For example, the Forest Legacy project
21 that the board will employ as they look at working
22 forests and whether or not we want to participate in
23 that type of conservation.

24 Finally, there are some sort of mushy
25 elements to identifying priorities, like cultural and

1 historical resources that may not fall directly under
2 the scientific models, but the board does recognize
3 that those -- those are resources that we must
4 protect and must find adequate ways of identifying
5 where those -- where those features exist.

6 Finally, the board looks at the
7 urgency of a project and the leverage that any
8 proposal brings with it. We -- we encourage our
9 partners to bring other partners to the table. As I
10 said at the beginning, we have limited conservation
11 resources and believe that the more a project can
12 leverage, the more public support there is for the
13 project, the more it meets those public interest
14 goals.

15 I think I've just got a couple of
16 seconds left. I want to touch on Bowater. We're
17 getting ready to acquire about 12,600 acres in
18 partnership with Bowater and have really enjoyed
19 working -- a positive working relationship with that
20 entity.

21 Thank you-all.

22 CHAIRMAN BRUCE SHUPP: Thank you very
23 much, Panelists. We have plenty of time for
24 questions. I remind you-all that if you want to be
25 recognized for questions to put your name tag on end

1 and we will take it in chronological order.

2 So with that, questions?

3 Skila.

4 DIRECTOR SKILA HARRIS: I am
5 interested -- a couple of you, excuse me, mentioned a
6 move by timber companies to divest themselves of
7 their land holdings.

8 Typically you have enough taken --
9 have enough of those actions been taken place to
10 predict the kinds of uses that land is going to?

11 Is there a trend?

12 MS. MARIE STRINGER: I think we have
13 seen a variety. In the case of Bowater, I will just
14 stick to that specific example, they will continue to
15 own their mill in Tennessee and require a certain
16 amount of supply -- timber supply. While they will
17 not own or manage those properties, they will
18 continue to produce paper. And we have learned that
19 a number of their acres will remain in active
20 management, and, in fact, under timber supply
21 agreements.

22 There are, however, portions of their
23 lands that deserve to be preserved and accessible for
24 the public. And I think it's due to Commissioner
25 Fyke's positive relationship that he's built that we

1 were able to establish a good relationship with
2 Bowater and convince them of the public good
3 accomplished by helping the state acquire certain
4 properties.

5 I guess I can't emphasize enough that
6 that positive working relationship that we sort of
7 understood the needs they had and how they could
8 balance those needs with the State's conservation
9 goals.

10 MR. GREG LEIN: I would add that in
11 many instances the sale of large tracts of land from
12 one timber company are picked up by another, but it's
13 not always the same objective. Some of these
14 companies are driven more through investment
15 portfolios, pension funds, and that dramatically
16 changes the management of those properties and the
17 future of those properties.

18 We have seen that a number of times.
19 What often results is that the properties get broken
20 up into smaller parcels and then eventually sold and
21 the land use and land management changes from timber
22 to other non-timber or non-natural resource related
23 activities.

24 DIRECTOR SKILA HARRIS: Would
25 residential development be part of that?

1 MR. GREG LEIN: Yes.

2 DIRECTOR SKILA HARRIS: Okay.

3 CHAIRMAN BRUCE SHUPP: Susan.

4 DIRECTOR SUSAN RICHARDSON WILLIAMS:

5 Stephanie, I was interested, you-all do land
6 exchanges in the Forest Service, you said.

7 Do you have written policy on that;
8 and if so, what is that policy?

9 MS. STEPHANIE MEDLIN: Yes, ma'am, we
10 do. We follow the Code of Federal Regulations,
11 36CFR254, and it outlines step-by-step what needs to
12 occur.

13 So we have -- basically they come with
14 a proposal, and, once again, we look and see if it is
15 in the best interest of the Forest Service to do
16 that. If it is, then we proceed and we get the
17 appropriate documentation, follow through with the
18 appropriate NEPA documentation, and then do an
19 exchange of titles.

20 DIRECTOR SUSAN RICHARDSON WILLIAMS:

21 Does it have to be equal land exchange in the number of
22 acres --

23 MS. STEPHANIE MEDLIN: Yes.

24 DIRECTOR SUSAN RICHARDSON WILLIAMS:

25 -- or maintain and gain?

1 MS. STEPHANIE MEDLIN: Yes.

2 CHAIRMAN BRUCE SHUPP: Jimmy.

3 MR. JIMMY BARNETT: I have a question
4 for Avis. Your recreational land uses where you were
5 talking about recreation development policy for
6 outgranted Corps land.

7 MS. AVIS KENNEDY: Yes.

8 MR. JIMMY BARNETT: Two or three
9 questions along that. What is outgranted?

10 MS. AVIS KENNEDY: Outgranted is any
11 kind of conveyed -- any interest to another entity
12 outside the Army. So normally it means a lease. It
13 could also be a license for easement.

14 And we have several different kinds of
15 leases, concessionaire leases where they pay rent
16 based on their gross receipts. We also have public
17 parks and recreation leases that are made to states
18 and local governments which are -- they pay no rent
19 but they have a number of conditions to operate them,
20 and then easements and licenses for all kinds of
21 purposes, including to the states for fish and
22 wildlife management, roads, utilities, that kind of
23 thing.

24 MR. JIMMY BARNETT: I noticed one of
25 the slides said Nashville Shores.

1 MS. AVIS KENNEDY: Yes.

2 MR. JIMMY BARNETT: I would imagine
3 that around Nashville there was a lot of interest in
4 that from the public.

5 Was there a lot of outcry against it?

6 MS. AVIS KENNEDY: That was a very
7 interesting issue that actually rose to the highest
8 levels of the Corps to the Assistant Secretary of the
9 Army for Civil Works.

10 The lease for what is now Nashville
11 Shores has been in effect for over 30 years. It is a
12 concessionaire lease of about 385 acres on J. Percy
13 Priest Lake, which is right in the eastern edge of
14 Nashville. It includes a marina, a water park,
15 cabins, a beach, and a number of other, mostly water
16 oriented, development.

17 It was something new when the Corps
18 did it. The water park was constructed in the '70s.
19 It is unique within the Corps to have a water-park
20 type facility located on Corps land, and I would
21 characterize it as being in the extreme edge of the
22 nature of Corps concessionaire development.

23 The developers approached the Corps
24 about three years ago with a proposal to construct a
25 theme park, which was going to include land-based

1 rights, such as roller coasters and that kind of
2 thing on the 385 acres. And after some
3 consideration, the Nashville District decided that
4 that was not in the public interest for that piece of
5 land, but the developers pursued it greatly. The
6 people of Nashville have never gotten over Opryland
7 closing, even though it's been a number of years ago.

8 Nashville is the -- I believe the
9 largest metropolitan area in the U.S. without a theme
10 park. So it has -- it was a very controversial, and
11 the applicants pursued their request all the way to
12 the highest level of the Corps, but the decision was
13 made not to permit it. And out of that, our
14 Nationwide Land Use Policy was borne.

15 MR. JIMMY BARNETT: Thank you.

16 CHAIRMAN BRUCE SHUPP: Austin.

17 MR. AUSTIN CARROLL: I have a question
18 for Ms. Kennedy. In your shoreline management plan
19 and the development of that plan, could you elaborate
20 a little bit more on the process that you-all go
21 through to develop that plan, those plans?

22 MS. AVIS KENNEDY: Yes. The shoreline
23 management plans are reviewed on a five-year basis at
24 the lakes that have them. And as I mentioned, lakes
25 that are -- were impounded after 1973 or that had no

1 private uses in 1973 do not have these plans, but for
2 lakes where they exist they are reviewed every five
3 years to see if there is a need to rewrite plan.

4 And in our case, I can speak for the
5 Nashville District, we have five lakes with shoreline
6 management plans, and we almost always do choose to
7 rewrite the plans on a five-year basis. The rewrites
8 can include a change in shoreline allocation where we
9 change shoreline either from protected to limited
10 development or from limited development to protected.

11 They can also include details about
12 the docks themselves, how they can be built, size,
13 length, whether or not they can have a roof,
14 requirements for engineering review of the plans,
15 just a lot of details.

16 That is done with the public
17 involvement process, where typically we hold one or
18 two sets of workshops at the lake where people are
19 invited to come hear about the plan, make comments in
20 person or submit them in writing.

21 For request for allocation review
22 where people are requesting that their shoreline be
23 changed typically from protected to limited
24 development, those are each addressed on an
25 individual basis. Criteria are applied and there's a

1 record of each one, whether it was approved or
2 denied.

3 The plans are then approved at the
4 Corps division level or major subordinate command, as
5 the Army likes to call it. So that's a level above
6 the district. They are typically approved by a
7 Brigadier General.

8 CHAIRMAN BRUCE SHUPP: Greer.

9 MR. GREER TIDWELL: Yes. Ms. Kennedy,
10 I was curious about the statement you made about no
11 private use for shoreline on lakes built after 1973,
12 I think, if I understand that correctly. If so, I am
13 curious about the process for making that decision
14 and the effect of that decision.

15 MS. AVIS KENNEDY: That was made in
16 the early days of environmental policy in the
17 country. And of course, I don't know all of the ins
18 and outs of it, except that the Corps had typically,
19 previous to that, permitted all kinds of private uses
20 on a very broad basis at all of its lakes in any area
21 on any lake.

22 Basically anybody who requested to be
23 able to cut grass, cut trees, build docks, and that
24 kind of thing, had been permitted to do so basically
25 on a letter-of-permission type basis.

1 And in the decision to try to get a
2 handle on that, which happened in the early '70s, the
3 Corps issued policy on a nationwide basis that, you
4 know, they planned to accommodate those kinds of
5 private uses at lakes where it already existed with
6 provision for updating, and, you know, trying to keep
7 up with demand on those lakes but that no new --
8 lakes that were newer that had not been impounded yet
9 wouldn't -- we just wouldn't start down the path of
10 allowing those private uses of public land and water.

11 To some extent it may have been a moot
12 point because the land acquisition policy changed,
13 and it changed from a policy where we typically
14 acquired very narrow, maybe averaging 50-foot wide,
15 just the minimum necessary for project operation, to
16 a more comprehensive land acquisition policy so that
17 on newer lakes, for example, Percy Priest Lake, there
18 was much more land acquired and the shoreline really
19 doesn't lend itself to those kind of private uses at
20 most of the newer lakes.

21 CHAIRMAN BRUCE SHUPP: Does the
22 prohibition of residential development fit into that
23 same time period or -- and what's the rationale for
24 that?

25 MS. AVIS KENNEDY: No, sir. It is

1 actually granted in Title 36 of the Code of Federal
2 Regulations, which prohibits residential or
3 habitation use. And this includes houseboats, which
4 is frequently pointed out to us as the contrast
5 between TVA lakes and Corps lakes in our area, in
6 that the occupation of a houseboat for the purpose of
7 habitation is appropriate.

8 But habitation on any Corps lands, we
9 have very strict policy on long-term camping, for
10 example, but it's all from Title 36. It kind of goes
11 back to the idea that every acre was purchased for a
12 purpose and none of those purposes were for people to
13 live on.

14 CHAIRMAN BRUCE SHUPP: Do you have
15 another question, Greer?

16 MR. GREER TIDWELL: Yes, I did. As
17 we're thinking about land management, in my view you
18 only own land to the extent you're willing and
19 capable of keeping people from taking it from you. I
20 would like to hear from all four of you a little bit
21 about your approach of dealing with encroachments.

22 MS. AVIS KENNEDY: Our encroachments
23 are a continuing issue for the Corps. We have made a
24 lot of efforts and gone to considerable expense to
25 ensure that we have a surveyed and well-marked

1 boundary line, which I believe is the key to
2 protecting our land. If you don't know where it is,
3 you can't protect it.

4 And most lakes have a program of
5 having rangers actually walk that boundary on some
6 kind of a regular basis with goals of reviewing it
7 every so many -- every acre gets looked at ever so
8 many years.

9 We still have encroachments. We have
10 some very long-standing encroachments at some of the
11 older lakes that we have frankly not been successful
12 in dealing with. A lot of it is education. We try
13 to communicate with real estate agents, with property
14 owners around the lakes.

15 Our major encroachments issues right
16 now are people cutting trees for a view, and we are
17 having a very challenging time dealing with that
18 right now. We're working with U.S. Attorneys'
19 offices a lot on that.

20 MR. GREER TIDWELL: Have you dealt
21 with the real estate licensing boards at all about
22 that?

23 MS. AVIS KENNEDY: We have on a
24 lake-by-lake basis, kind of our local manager usually
25 trying to talk with realtor associations in the

1 counties where -- that lie around the lakes.

2 We have a number of tools that we can
3 use. Obviously prevention is best. We do have
4 citation authority so that we can cite people for
5 unauthorized structures or for destruction of
6 government property, and those are federal citations
7 that take them into Federal Court with some
8 substantial penalties for some of them. Violations,
9 typically they get resolved before we get to that
10 point.

11 MS. STEPHANIE MEDLIN: Most of our
12 encroachment on Forest Service lands, like the Corps
13 of Engineers, is primarily cutting a few trees,
14 widening a driveway, wanting to plant some flowers,
15 plant a garden, but people that would be doing that
16 are land people, some of our recreation people, our
17 timber markers, we also notify our law enforcement,
18 and they would go out and, of course, that would
19 cause a survey -- an additional survey to be done.
20 It varies, but it's very minor.

21 MR. GREG LEIN: I would say that we
22 approach it first from an avoidance standpoint where
23 we maintain a firm boundary on our properties. With
24 lands that we have historically had, those boundaries
25 are well fixed. They are routinely monitored by

1 enforcement staff who are also the managers of those
2 properties.

3 And keep in mind, these are properties
4 that are actively used by the public. So from just
5 the standpoint of being good neighbors to adjacent
6 land owners, it's important that we mark our
7 boundaries so the public knows when they are on
8 public land and when they are off, but I would
9 reiterate that our encroachment issues are largely
10 minor, in that it is sometimes the theft of timber or
11 the expansion of a driveway.

12 We do on occasion, as we acquire new
13 properties, inherit encroachment issues from the
14 previous landowner that had difficulty dealing with
15 them, and we deal with them as we need to from an
16 adaptive management standpoint.

17 CHAIRMAN BRUCE SHUPP: Susan. Oh, I'm
18 sorry.

19 MS. MARIE STRINGER: As I mentioned,
20 the trust fund is fairly new and just getting its
21 feet wet on these issues, but I would say, as with
22 other state entities, we deal with encroachment in a
23 proactive way in that we are looking at acquiring
24 land that connects existing state ownership and
25 acquiring buffer zones to protect our investments.

1 CHAIRMAN BRUCE SHUPP: Susan.

2 DIRECTOR SUSAN RICHARDSON WILLIAMS:

3 Avis, I know you said that in Corps economic
4 development is not a purpose, it's not a stated
5 purpose for you-all to consider.

6 Economic development is something TVA
7 is -- is part of TVA's mission and there is
8 increasing pressure on all of us, I think, for
9 economic development missions out there.

10 How do each of you define economic
11 development in today's terms?

12 What does that mean to your agency?

13 MS. AVIS KENNEDY: I would say rather
14 than actually defining economic development, the
15 Corps goes back to the definitions of what our
16 authorized purposes are in terms of flood damage
17 reduction, hydropower, outdoor recreation, fish and
18 wildlife, and so forth.

19 And something that does not fall
20 within one of those areas, it really doesn't matter
21 whether it's characterized as economic development or
22 not. If it's not in support of one of those
23 authorized purposes, it's not considered.

24 DIRECTOR SUSAN RICHARDSON WILLIAMS:

25 On your project in Nashville, was that -- did the

1 developers try to market that and sell that as
2 economic development or did they avoid that knowing
3 your purposes?

4 MS. AVIS KENNEDY: Oh, absolutely.

5 They took the position that it would bring a
6 substantial investment into the community from those
7 who were interested in financing it and that it would
8 have a substantial impact on the tourism in
9 Nashville, and they had quite a bit of information in
10 support of that.

11 Their position was also that it was --
12 that it was recreation and that it was outdoors, and
13 that's really what led the Corps to a more careful
14 examination of its policies, to actually articulate
15 the policy, that the purpose of the recreation on
16 Corps' projects is to meet the needs created by the
17 project itself.

18 You have built a lake. People want to
19 come out there. They need certain things when they
20 come to the lake, like a place to stay, a place to
21 eat, a way to get on the lake, but that it's not a
22 blanket approval for any kind of recreation to be
23 located on Corps lands simply for the purpose of
24 obtaining free land, which, of course, is -- and they
25 would pay rent, but it would be substantially less

1 investment for them than having to acquire the land
2 in the real estate market.

3 To echo something Stephanie said, that
4 the -- one of the first things that's looked at is,
5 could this be located somewhere else, and in the case
6 of a theme park, certainly it could.

7 DIRECTOR SUSAN RICHARDSON WILLIAMS:
8 Stephanie, what is economic development? How is it
9 defined at the Forest Service?

10 MS. STEPHANIE MEDLIN: Like
11 Ms. Kennedy said, we go back to our purpose and our
12 mission, and that's for the health and diversity of
13 our forests. So we don't really have an economic
14 development.

15 Our economic development, if you use
16 those terms, would be like in the form of our
17 recreation areas. And we have certain areas that are
18 designated for certain uses and we have those and we
19 have developed recreations, we have dispersed
20 recreations, and we have desired conditions that we
21 try to maintain. As far as for economic profit, we
22 don't have those.

23 MR. GREG LEIN: For us it's a
24 case-by-case situation. If someone approaches us
25 about leasing a mental health or education tract that

1 we manage for revenue purposes, we would be fairly
2 interested in listening to those ideas because our
3 goal is to generate revenue. It doesn't have to be
4 timber management.

5 In fact, we have a number of
6 properties that were once in rural areas that are now
7 bisected by an interstate, and they are very choice
8 real estate property today.

9 On the other hand, if it was a Forever
10 Wild tract, you know, there's a constitutional
11 amendment that dictates what that property is to be
12 used for, and it's public recreation and resource
13 protection.

14 So being approached about developing
15 that property would fly in the face of the law that
16 set it up, and it would not be welcome and would not
17 happen.

18 DIRECTOR SUSAN RICHARDSON WILLIAMS:
19 But you must -- in working for the state you must
20 face pressures, political pressures. If a large
21 industrial plant or automobile factory wanted to come
22 in there and the prime piece of property they wanted
23 was currently zoned for recreation conservation, how
24 do you handle that? Because I understand the
25 political pressures that come with that.

1 MR. GREG LEIN: Well, again, it would
2 go back to the particular property, who holds the
3 deed to that property, what governs the use of that
4 property.

5 And, you know, in some instances with
6 Forever Wild and the new properties that we're
7 acquiring there are federal grants involved with
8 those acquisitions, and they have their own legal
9 burdens associated with them in terms of what can
10 take place there, and development is not a
11 complimentary activity in those cases. So the law
12 really dictates what will and will not happen there.

13 MS. MARIE STRINGER: The trust fund's
14 primary purpose is to acquire and maintain open
15 spaces. There are, as Stephanie mentioned with
16 Cherokee, instances where the trust fund will acquire
17 land with a variety of uses. Some of them may be for
18 public recreation and were it to go -- were those
19 lands to go to the management of state parks, there
20 may be opportunities, you know, to generate revenue
21 through cabins or other recreation activities, but
22 there are also -- the trust fund recognizes that
23 there are also lands better used, you know, as
24 working forests, for example, or helping families
25 maintain agricultural land.

1 So, again, it goes back to the tools
2 that the trust fund is using to identify lands and
3 the best use for those lands.

4 CHAIRMAN BRUCE SHUPP: Mike.

5 MR. MIKE BUTLER: Yes. Real quick. I
6 know we're up against the break. I would like to
7 hear from any of the panelists. The question I have
8 is, have any of your organizations seen research or
9 conducted research that explains the economic impacts
10 of the natural resource and conservation lands that
11 you're managing?

12 In other words, in economic
13 development economic engines typically are thought of
14 in one system, but as we know, sitting here in
15 Knoxville with a national park, it is in itself an
16 economic engine, and I am curious to know with each
17 one of your land holdings, what have you seen as a
18 result of economically holding those undeveloped
19 natural resource lands?

20 MS. AVIS KENNEDY: Mike, I'm not aware
21 of any research the Corps has done that would
22 differentiate between the benefits of the undeveloped
23 land versus developed recreation areas.

24 The Corps has a vast amount of
25 information about economic benefits of recreation in

1 general and that differentiates in a couple of
2 different ways, some of it between Corps areas and
3 areas operated by others or day-use visits versus
4 overnight visits broken down by project but -- so
5 that it captures the benefits of such dispersed uses
6 as hunting or hiking or bird watching, but I have
7 never seen anything that would break that out and
8 show those kinds of numbers by themselves.

9 MS. STEPHANIE MEDLIN: The most recent
10 that I can think of that might be what you're talking
11 about would be the recent southern Appalachian
12 assessment and the recent analysis that was done for
13 our forest plan revision. The two were done one
14 behind the other that did talk -- there was an
15 economic analysis -- socioeconomic analysis done that
16 talked about visitor use, the types of uses as it
17 applied to the forest and for -- you know, southern
18 Appalachian wide, and then specifically we had one
19 for the Cherokee, but that's the -- there was no -- I
20 don't remember values being put in there, but there
21 may be. I can't recall.

22 MR. GREG LEIN: I know there's been a
23 number of studies funded through our department
24 related to hunting and fishing activities and the
25 economic benefits to the State of Alabama from those

1 activities, and I think from a socioeconomic
2 standpoint in terms of acquiring land and other uses
3 on these properties we often cite statistics and
4 studies done by partner agencies, like Ducks,
5 Unlimited, The Nature Conservancy, Trust for Public
6 Land, that have regional studies and national trend
7 studies on benefits of acquiring land and setting it
8 aside.

9 MS. MARIE STRINGER: We haven't

10 conducted any of our own research but have been made
11 aware of -- that American Farm Land recently issued a
12 report on the cost of development actually, that, you
13 know, while there are units to be made for
14 developing, say, forest land, you know, for
15 residential use, I think one point that's often lost
16 is that it can -- it can actually cost more to
17 develop those lands to bring services to rural
18 communities than developing that -- those lands
19 actually returns to local coffers.

20 So I think that's a good question, and

21 I'm sorry I can't quote the actual studies, but I
22 believe that work has been done.

23 CHAIRMAN BRUCE SHUPP: Any other

24 questions?

25 Thank you very much, Panelists. You

1 did a very fine job, appreciate it.

2 Let's take a break until 10:30. My
3 watch says five after 10:00. So that's 25 minutes
4 from now.

5 (Brief recess.)

6 DR. KATE JACKSON: Okay. I think we
7 will just get started. The second -- I'll introduce
8 the second panel.

9 The majority of requests for the use
10 of TVA managed lands are for commercial recreation,
11 industrial development or residential development.
12 Our second group of panelists today represents those
13 interests and will provide a broad perspective on
14 issues they face and the opportunities they see.

15 Since some of you panel members were
16 not here, I am just going to review the rules. You
17 see the timer in front of you. If you have a green
18 light, you have got ten minutes. At two minutes the
19 yellow light will come on, and please wind up your
20 comments at the end of ten minutes.

21 I will introduce you-all. You can go
22 down the line making your comments, and then the
23 Council and the Committee will interact and ask
24 questions.

25 I will start with Mike Ross, the

1 Founder of -- and President of Rarity Communities,
2 Incorporated, a development company headquartered in
3 Knoxville.

4 Rarity Communities performs master
5 concept planning and design for commercial,
6 residential, and resort developments, as well as
7 sales and marketing for its planned communities.

8 The company's developments include
9 Rarity Bay and Rarity Point on Tellico, Rarity Ridge
10 on the Clinch in Oak Ridge, and Rarity Mountain near
11 Jellico, and Rarity Meadows in Sweetwater.

12 Everett Roberson is the Chairman of
13 the Watts Bar Development Authority. The authority
14 was formed as a joint partnership between Meigs and
15 Rhea counties in Tennessee to explore development
16 opportunities for the lower branch area of Watts Bar
17 Reservoir.

18 Forrest Wright is the Executive
19 Director of the Shoals Economic Development Authority
20 headquartered in Muscle Shoals, Alabama. The group
21 serves as the area's lead organization to develop and
22 implement economic development strategies that create
23 new business and employment opportunities essential
24 for sustainable community growth.

25 And John Cooper, the Chairman of the

1 Board, President and Chief Executive Officer of
2 Avocent Corporation in Huntsville, Alabama. Mr.
3 Cooper holds leases on several TVA parcels around
4 Guntersville Reservoir for commercial recreation
5 purposes, including North Shore Campground, Seibold
6 Marina and South Saulty Creek Resort. In addition,
7 Mr. Cooper is involved in a residential development
8 along the reservoir.

9 With that, I will turn it over to
10 Mr. Ross.

11 MR. MIKE ROSS: Thank you very much.
12 I am Michael Ross, President of Rarity Communities,
13 and I sincerely appreciate the opportunity to share
14 with your committee my views about the important
15 issues you are considering.

16 Rarity Bay in Loudon and Monroe
17 counties is the first waterfront development our
18 company undertook back in 1994. Since then our
19 company has developed over 4,600 acres of land
20 adjacent to TVA lakes in five different projects in
21 four different Tennessee counties.

22 Each of our current projects is at
23 different stage of development, and when developed
24 out, their total value will exceed \$4.4 billion, and
25 we estimate the amount of property taxes alone paid

1 in the four Tennessee counties where our projects are
2 located will be \$22 million per year.

3 Of course, this amount does not
4 include sales and local -- state and local sales tax
5 paid, as well as other taxes generated by the impact
6 of the economic multiplier. These taxes are paid by
7 property owners who put very little burden on local
8 government and also contribute significant capital to
9 the local economies.

10 But my purpose today is not to talk
11 about numbers. I would like to talk about the vision
12 that the Tennessee Valley Authority had in the 1960s
13 and 1970s, to bring jobs and opportunity to some of
14 the Valley's most rural areas, to protect our
15 Valley's rare lands, and to invest in the Valley's
16 future through helping local governments provide a
17 better quality of life for its citizens, particularly
18 by funding better schools. Good schools and good
19 jobs have been the formula for the successful
20 communities in the Valley for decades, and TVA's has
21 played a tremendous role in promoting both.

22 I was fortunate enough to have been
23 raised and educated in Maryville and Blount County,
24 one of our regions most prosperous communities with
25 some of our best schools.

1 Shouldn't our goal be for all young
2 people to have the advantage of going to a good
3 school with the hope of getting a good job that
4 allows them to stay in this area?

5 That is why Rarity Communities is
6 proud to participate with TVA to allow some of the
7 Valley's most economically challenged counties to
8 capitalize on its natural assets to grow their tax
9 revenue to improve their schools and other services
10 and to do so in a culturally and environmentally
11 responsible way.

12 When I was growing up in Maryville we
13 heard of plans to use -- to use a new lake in Blount,
14 Loudon and Monroe counties to provide economic
15 opportunity to attracting large industrial plants
16 along what was to become Tellico Lake.

17 The Tellico Lake Reservoir Development
18 Agency has succeeded and continues to succeed in
19 attracting employers to the area, but as our economy
20 and lifestyles have changed the promise for economic
21 growth through attracting large smoke stacks have
22 dramatically changed. Not only are there not as many
23 of these projects anymore, there is greater concern
24 about the environmental impact on our air and water.

25 In each of our Rarity communities we

1 seek to go the extra mile, to respect the land and
2 preserve the qualities that made them attractive for
3 use in the first place. We work hard to provide high
4 quality homes and communities that create high land
5 values resulting in significant property taxes that I
6 mentioned earlier.

7 In other words, I believe the growth
8 of residential development on TVA lakes has become
9 the cleaner, higher value way for TVA to deliver on
10 its promise of creating jobs and generating local
11 revenues to improve the quality of life in these
12 communities.

13 It is my hope that TVA will adopt
14 policies that will allow a case-by-case consideration
15 of land use requests that will create win/win
16 outcomes; that is:

17 No. 1: Allocate a small percentage of
18 TVA land to help facilitate master plan minimized
19 (phonetic) residential development.

20 No. 2: Allow changes in deed
21 restrictions for residential projects that are of
22 sufficient size or scope to make significant and
23 positive impact, cultural, and revenue impacts on
24 counties where they are to be located.

25 And No. 3: Work with companies who

1 have a proven track record of financial strength,
2 experience, and company philosophy to produce the
3 kind of products that meet these objectives.

4 You very likely will hear a lot about
5 eminent domain during this hearing.

6 How dare you take land by eminent
7 domain and then use it for flood control, power
8 generation or make it available for industrial,
9 residential or recreational development?

10 Responsible development educates and
11 employs our citizens. Free enterprise, that is the
12 foundation on which this country has been built.

13 I have an interesting heritage. My
14 Cherokee ancestors were removed on the Trail of Tears
15 from the Tennessee Valley in 1836 by the federal
16 government. My Scott-Irish grandfather, who lived in
17 Greenback, Tennessee, was the largest owner of river
18 bottom farm land along the Little Tennessee River in
19 Loudon and Monroe counties. The mismanagement of the
20 economy by the Federal Reserve caused the Great
21 Depression of the 1930s and caused my grandfather to
22 lose his farm land.

23 In recent years my family sold land to
24 TVA under the threat of condemnation, in other words,
25 eminent domain, for the installation of TVA

1 electrical transmission towers and lines. No one
2 likes eminent domain, but government must have the
3 right to condemn land.

4 TVA has been good for the Tennessee
5 Valley. Please continue to manage TVA land for the
6 balanced benefit of all the communities you serve.

7 Thank you for allowing me to be here
8 today, and I will be glad to answer any of your
9 questions.

10 Thank you.

11 DR. KATE JACKSON: Mr. Roberson.

12 MR. EVERETT ROBERSON: Good morning,
13 Ladies and Gentlemen. I am Everett Roberson,
14 Chairman of the Watts Bar Development Authority,
15 which is comprised of seven board members appointed
16 by the Meigs and Rhea County Commissions. As
17 Chairman I want to thank you for the opportunity to
18 participate in this land policy hearing.

19 I am a lifelong resident of Rhea
20 County, Tennessee. I am the vice president of
21 manufacturing for Roberson Manufacturing Company
22 located in Rhea County and have been for 27 years. I
23 am a former County Commissioner and served as
24 Chairman of the Finance Committee for 18 years.

25 My soul, my heart, and my life are in

1 Rhea County, Tennessee, and I am in the best position
2 to convey to this committee the importance to our
3 citizens of the decisions you're about to make
4 regarding TVA's Land Management Policy.

5 On behalf of the Watts Bar Development
6 Authority, we want to thank the members of this
7 committee and all members of the TVA Board of
8 Directors for the opportunity to reaffirm our
9 requests and urgent need to obtain TVA property for
10 economic development purposes.

11 The land requested is referred to as
12 the low branch or lower Watts Bar land in the draft
13 Watts Bar Land Reservoir Management Plan. It is
14 1,700 acres of high valued property located in Meigs
15 and Rhea counties adjacent to the Watts Bar Dam and
16 the nuclear plant.

17 The Watts Bar Development Authority is
18 a Meigs and Rhea County development authority
19 governed by a seven-member board appointed from both
20 County Commissions. The authority was formed at the
21 urging of TVA's economic development group to seek
22 the property requested for economic development
23 benefits.

24 TVA economic development helped us
25 prepare a master concept plan that was submitted to

1 TVA's resource stewardship group over two years ago
2 as part of planning and economic review process.

3 For an adjusted draft concept plan, it
4 sets the stage for attracting the caliber of private
5 sector investors that would create high quality,
6 mixed-use development to produce hundreds of millions
7 of dollars of new tax base for our communities.

8 We hope that this new TVA Board can
9 truly understand what this can mean to Meigs and Rhea
10 counties, two Tennessee counties that are classified
11 as economically distressed and ranked well below most
12 of the other counties in the state and the nation.
13 This request, in partnership with TVA, can help us
14 alleviate substantial economic growth that would
15 provide long-term prosperity for generations to come.

16 TVA's three primary goals related to
17 this mandated mission are to provide flood control,
18 generate electricity, and promote economic
19 development. Our request directly supports two out
20 of three of these goals with no negative impact on
21 the goal of flood control.

22 TVA spends millions of dollars per
23 year in partnership with states and communities it
24 serves in the Valley region to attract and retain
25 industry. You now have the opportunity to allow us

1 to work with TVA and private-sector developers to
2 create an economic benefit equal to a mega industry
3 at no cost to the ratepayers.

4 In fact, TVA, on behalf of the
5 ratepayers, can share in the revenue from the
6 partnership development while creating new demand for
7 electric power and advancing its economic prosperity,
8 what a tremendous win/win for the ratepayers,
9 Volunteer Electric Cooperative, TVA, and the
10 communities it serves.

11 And with TVA's maintain-and-gain
12 policy on reservoir properties, the informal public
13 use benefits of this land would be replaced on more
14 suitable property within the TVA reservoir system.
15 We cannot imagine a better partnership opportunity to
16 produce such a well-balanced benefit to all of
17 stakeholders.

18 To a large degree, our request is
19 similar to what TVA and the Tellico Reservoir
20 Development Authority have accomplished over the last
21 25 years through a contractual partnership on Tellico
22 Reservoir. This is the same type of partnership we
23 would like to initiate between the Watts Bar
24 Development Authority and TVA economic development
25 and resource stewardship groups.

1 Over one billion dollars of economic
2 development has occurred on Tellico Reservoir through
3 that collaborative partnership. It's been a very
4 successful joint venture of working together to
5 attract residential, industrial and commercial
6 development to create thousands of good paying jobs
7 while sustaining an equal balance of public land
8 base.

9 It is beyond our comprehension that
10 TVA Board has not directed economic development and
11 resource steward groups to join together in a similar
12 partnership with the Watts Bar Development Authority.

13 Where is the TVA that we used to know
14 and respect that worked hand-in-hand with reservoir
15 communities to improve quality of life?

16 What has changed in TVA's mandated
17 mission to polarize rather than facilitate
18 cooperative solution that optimize these goals?

19 We realize the complexity of managing
20 the land and water resources of TVA's vast integrated
21 river system. We know that the challenges of
22 reevaluating and making changes in a reservoir land
23 plan that strikes a balance and somehow the resources
24 will be managed for future generations, but through
25 its maintain-and-gain policy TVA has created the

1 mechanism that allows the balance to be perpetuated.
2 It truly allows substantial growth based on the
3 highest and best use property under its control.

4 As economic development opportunities
5 arise based on market demands for high valued
6 lakefront property, TVA can change its land
7 allocation and replace its outdoor recreation lands
8 to balance the needs of all citizens. The new TVA
9 Board has the tools to help our communities to
10 benefit from a changing market.

11 For several years now TVA has reviewed
12 and spent countless hours on developing and studying
13 the alternatives for the Watts Bar Reservoir Land
14 Management Plan. This has been done at tremendous
15 cost to the ratepayers. The ratepayers and citizens
16 of the Valley region, we ask that you move this
17 project forward by adopting the economic development
18 alternative that helps all of the communities
19 connected to Watts Bar Reservoir.

20 You have the authority to make this
21 happen. You have the authority to strike a balance
22 that provides tremendous economic benefit while
23 continuing to maintain outdoor recreation
24 opportunities.

25 It is time to stop the studying of

1 studies, the documentation of documentation, and make
2 the decisions that will benefit the vast majority of
3 citizens and all ratepayers of this region.

4 Again, we want to thank TVA for the
5 opportunity to submit yet another written statement
6 on this matter. To the committee of the new TVA
7 Board, I cannot express how important your decision
8 is to the future generations of Meigs and Rhea
9 counties. We ask that you, please, not allow this
10 opportunity to pass us by when you have the mandated
11 authority and justification to make this a win/win
12 for TVA and its customers.

13 I would like at this time to introduce
14 and welcome my two guests, the Honorable Ken Jones,
15 Meigs County Mayor, and the Honorable Billy Ray
16 Patton, Rhea County Executive. I want to thank both
17 of the gentlemen for their continuing dedication as
18 the highest elected officials for our two-county
19 region along the Watts Bar Reservoir, and I want to
20 thank you both of your tireless efforts in working
21 with TVA to make our dream of having a high quality
22 mixed-use community a reality on the lower Watts Bar
23 Lake. This is truly the key to our long-term
24 economic prosperity.

25 Again, thank you, Ladies and

1 Gentlemen, for the opportunity to express our heart
2 felt views on how important this matter is to our
3 economically distressed counties and the future
4 well-being of our citizens.

5 Thank you.

6 FACILITATOR DAVE WAHUS: Our clock is
7 not working very well. So I will give you a signal,
8 or if you don't see it, a two-minute verbal warning.

9 MR. FORREST WRIGHT: I did notice the
10 clock had 36 minutes on it here. If I could defer to
11 him, I believe he would like some of that time.

12 My name is Forrest Wright. I am the
13 Executive Director of the Shoals Economic Development
14 Authority, and I will tell you also that I open up
15 the office in the morning, make the coffee, and close
16 the office at night. Like most of the economic
17 development authorities around, small offices that
18 work either with a single community or multiple
19 communities within several counties possibly.

20 Too, we can talk about a lot of
21 things, economic development can facilitate growth,
22 but very candidly and very straightforwardly, trying
23 to provide opportunities for the folks that live in
24 that community to be able to have a quality of life
25 that we probably in this room all enjoy at this time.

1 I have thought a lot about what I
2 would want to say in the few minutes here, and I
3 found out that it became very much an education
4 process for me too as I began to read more and more
5 about what TVA is all about and how TVA became TVA in
6 1933.

7 I found an interesting quote in -- on
8 TVA's web site that TVA was a vision by President
9 Roosevelt, and I am sure the TVA people here know
10 this, that is a corporation clothed with the power of
11 government but consist of the flexibility and
12 initiative of a private enterprise, and that's a
13 tough taskmaster, I will tell you.

14 Easy to be clothed with the power of
15 government, easy to be initiative of business, but I
16 always shutter to think -- I have been in this
17 business for decades, and I always to shutter to
18 think when I hear someone who is running for public
19 office to say that I am going to run government like
20 a business. Government is not a business. TVA is
21 not a business. You can't run it like a business,
22 but at the same time TVA is not a government, you
23 can't run it like a government.

24 I do not envy your challenge. To some
25 degree we have fallen in this category as a local

1 community. I have business people calling me daily
2 needing something and needing something right now,
3 and if it's not done it's got to be someone else's
4 fault. Then, of course, you have the public agencies
5 saying that you can't go any farther than this or you
6 can't go further.

7 I will attest to the fact that I have
8 worked both inside and outside of TVA and I have
9 found TVA to be, by and large, very supportive of
10 economic development and what we're trying to jointly
11 accomplish in our communities.

12 I will say further that you have heard
13 this before, sometimes it has been the best of times
14 and sometimes it has been the worst of times in
15 working with TVA. However, I think that TVA, by and
16 large, has continued to keep its mandate firm, first
17 of all, to sell power.

18 We have heard it so succinctly put, as
19 much as we would like to do grand things for the
20 world, it still takes money to be able to do that,
21 but at the same time it does have a mandate to manage
22 by stewardship of the public lands. Of course,
23 stewardship is management -- best use management of
24 those lands, not just the single-purpose use but
25 management of that.

1 Economic development and the term
2 economic development has been thrown around today,
3 and as it is most times you use it to hopefully
4 accomplish something that you want to accomplish.
5 There's not a real firm definition of economic
6 development, but economic development, by and large,
7 is a third goal of the Tennessee Valley Authority,
8 and I applaud you for that.

9 And I would say that even -- although
10 the Corps of Engineer folks are probably gone, but
11 they do participate in that kind of development.
12 They may not build factories on lands, but the Corps
13 of Engineers is very involved in economic
14 development. Navigation channels are 3 foot deep for
15 recreation folks and 9 foot deep for commercial
16 boats, and that's economic development.

17 I really do not have words of wisdom
18 to share with you, other than to encourage you -- to
19 encourage you to continue to try to meet the needs of
20 both the conservation sector, the business sector,
21 and more than anyone else, the folks that when you go
22 home that are not here because they are working
23 somewhere in either an office job or a factory job or
24 working at the local dry goods store working seven,
25 eight, ten, twelve hours a day so that they can have

1 the funds necessary to enjoy the conservation lands
2 that we have available or to enjoy the recreational
3 opportunities we have available, you can never lose
4 sight of that.

5 And I think that those folks that are
6 in economic development that try -- and economic
7 development -- good economic developers can co-exist
8 with good conservationists, that happens every day.
9 It happens at TVA every day, it happens outside TVA
10 every day, but it's a give-and-take situation, and
11 they can and will continue to do that.

12 And I will be happy to answer
13 questions later on.

14 Thank you.

15 MR. JOHN COOPER: Good morning. My
16 name is John Cooper. I appreciate the opportunity to
17 attend today's session and to have the chance to
18 offer remarks to the Council and the committee on the
19 general subject of commercial recreation, which is
20 what I was asked to address.

21 Before moving to that topic, however,
22 I want to provide you just a little information about
23 my personal background because I believe it will be
24 pertinent to the remarks I make.

25 I was born in 1947 in Gunterville,

1 Alabama. My childhood years were spent on a farm
2 near Guntersville, and a substantial portion of my
3 childhood involved fishing, hunting, and other forms
4 of recreation on Guntersville Lake.

5 My family rented agricultural land
6 from TVA for cattle grazing in those days. My wife's
7 family began our involvement in commercial recreation
8 in 1956 with the purchase Nick's Fishing Camp, and
9 that's all it was, a fishing camp consisting of a tin
10 building on poles, some wood boats for rent, live and
11 artificial bait, and some basic refreshment.

12 Over the years the business changed in
13 many ways. Today we operate three campgrounds with
14 about 300 improved camping spaces. We also operate
15 two marinas, including a gas stop and a pump-out
16 station. One of our sites includes a grocery store
17 and cafe with a small motel operation.

18 You also heard from my biographical
19 information that we have developed some property on
20 TVA for single-family residential occupancy, that
21 would be about 90 lots, I believe, in three separate
22 subdivisions on property that we own that was
23 acquired from TVA in 1947.

24 In addition to all of that, my wife
25 and I live in a home on the lake and we're fortunate

1 to experience the lake from the standpoint of a
2 homeowner with a boathouse, a pier, and shoreline
3 access.

4 So the lake and TVA have been part of
5 my life for as long as I can remember, since
6 obviously TVA is older than I am, but I am old enough
7 that my memory often goes back to those days when my
8 father and I could fish all afternoon and not see
9 another boat. We could hunt all day and not
10 encounter another hunter.

11 Now, even though our location is in a
12 relatively remote part of the lake, during the spring
13 and summer our shoreline often is fished as many as
14 eight times in a single day and the roar of power
15 boats and personal watercraft is ever present.

16 During duck and goose seasons we are
17 awakened often by the sound of early morning
18 shooting, and hunters off our shoreline is becoming a
19 common occurrence.

20 Now, let me talk about, with that as
21 background, commercial recreation. We have a broad
22 background, I think, with respect to the lake and
23 with respect to TVA. On one hand, as I mentioned, we
24 live on the lake, have direct access to it, and
25 remember fondly the more private times of earlier

1 days.

2 On the other hand, we are involved in
3 the business of commercial recreation, and the lake
4 and TVA are integral parts of that business.

5 Commercial recreation is important to many people.

6 Obviously, it's a sizable business throughout the
7 Valley and many jobs are dependent on it.

8 A large portion of the economic
9 success of the Valley is dependent on the resources
10 managed by TVA, and commercial recreation is an
11 important part of those resources.

12 The vast majority of economic activity
13 in the Valley relating to commercial recreation flows
14 through facilities that involve TVA to various
15 degrees. Without those facilities fishing
16 tournaments would not happen, tourists from other
17 states would not visit us and spend money in our
18 communities, and the vast majority of locally based
19 recreation, boating, water sports, hunting, fishing,
20 et cetera, would be curtailed.

21 Another important point to remember is
22 that commercial recreation facilities provide access
23 to the lakes of the system for a wide spectrum of the
24 general public that otherwise would not be able to
25 use the lakes in any practical way. Most of the

1 people we serve at our locations are not able to
2 afford their own place on the lake. So the way they
3 get access on a regular basis is through our
4 facilities.

5 They use public launch ramps to get
6 their boats on the lake and they camp at facilities
7 that are available to the general public. To a very
8 large degree, these activities occur on property
9 owned by TVA and made available to independent
10 operators for development. To put it another way,
11 TVA's active role in fostering commercial recreation
12 broadens the public's access to the lakes.

13 Making the right choices with respect
14 to commercial recreation facilities is difficult at
15 best and sometimes, I'm sure, seems impossible. The
16 competition among the various publics that TVA must
17 serve for access to and control over the lakes will
18 only increase as the lakes are used more intensely.

19 However, I see little choice for TVA
20 but to continue its role in commercial recreation.
21 The question becomes how to balance the needs of all
22 the people who want to use the lakes. To some
23 limited extent, these activities are regulated by
24 local laws, including zoning and related regulations.
25 There also is a substantial element of regulation

1 with respect to environmental matters from the state
2 and federal governments.

3 However, the common thread throughout
4 the Valley is TVA. You are the dominant landowner,
5 and by default, you are the primary regulator of
6 commercial recreation development on the lakes. TVA
7 has many years of experience in this area. Your
8 staff is competent for the task if given the support
9 they need.

10 A tremendous amount of time and money
11 has been spent during recent years in developing land
12 use plans and similar documents. I believe your
13 biggest challenge as Board members is to allow the
14 staff to work in its professional capacity without
15 undue interference with the Board and elected
16 officials, and I stress the word undue. Obviously,
17 the process must allow for input from affected
18 parties in the communities involved.

19 However, a careful balance must be
20 maintained so that the process continues to reflect
21 the appropriate balance between uses of the limited
22 resources. That balance can only be maintained if
23 your professional staff can perform its duties with
24 the reasonable assurance of your support.

25 While almost everyone can quickly

1 recite an example of their belief that something was
2 done incorrectly by TVA, in general, the partnership
3 between TVA and private developers of commercial
4 recreation facilities works well. The public is
5 served by it. Access to the lakes on a reasonable
6 basis is promoted by it. It needs to be continued
7 and nurtured.

8 Thank you.

9 CHAIRMAN BRUCE SHUPP: Thank you,
10 Panel.

11 Questions?

12 Skila.

13 DIRECTOR SKILA HARRIS: Mr. Cooper, I
14 am particularly interested in your informal survey
15 results of your customers. What do they expect from
16 shoreline development in the reservoirs?

17 I mean, you're around those people who
18 are attracted through your facilities. I mean, what
19 is your impression of your average customer and what
20 they want?

21 MR. JOHN COOPER: The average customer
22 that we have, and remember, we are in the campground
23 business, so it's --

24 DIRECTOR SKILA HARRIS: Right.

25 MR. JOHN COOPER: That's a subset of

1 the broad customer, but the average customer we have
2 is blue collar, middle class, often retired, and
3 looking for a way to spend time on the lake in a way
4 they can afford.

5 Generally speaking, they travel less
6 than 50 miles to that campground. The exceptions are
7 the tourists who come through, the fishing
8 tournaments that will sometimes fill you up, the
9 holidays, things of that nature, but in general we're
10 serving a customer that, as I said in my prepared
11 remarks, cannot afford their own property on the lake
12 but want to be on the lake and wants to spend time on
13 the lake. So the avenue they take to do that is to
14 come to a public available facility to access the
15 lake.

16 DIRECTOR SKILA HARRIS: Some of the
17 issues that we have been facing has to do with not
18 only residential development along the shorelines but
19 also industrial.

20 How do you think a large industrial
21 development along a reservoir would impact your
22 customer base, I mean, in the attractiveness of the
23 reservoir to people who are coming there for
24 recreation?

25 MR. JOHN COOPER: Well, clearly all of

1 us would like to have a lake from a recreation
2 standpoint that I remember as a child. That would be
3 the ideal situation if you were only looking to the
4 recreation area.

5 I think though that most everyone
6 realizes that cannot exist and that there is a
7 continuing pressure on the TVA Board and on TVA
8 generally on the lakes for use. I think most people
9 have a fairly realistic view of that and accept that
10 reasonable economic development in terms of industry
11 along the lake is a part of our life. It's been good
12 for us in the Valley in many ways.

13 With the environmental regulation we
14 have today, with the improvement in the aesthetics of
15 manufacturing facilities, with the change in nature
16 of what we call manufacturing today from what was
17 traditional smokestack industry to more an assembly
18 kind of industry, I think there's reasonable
19 acceptance of that, and that's why I stressed in my
20 remarks that a balance use is what you have to strive
21 for. You may never hit that perfectly, but it needs
22 to be a balanced use of the facilities that are
23 available.

24 DIRECTOR SKILA HARRIS: Is barge
25 traffic a problem for the people who come to use your

1 facilities, boaters, for instance?

2 MR. JOHN COOPER: We're reasonably
3 close to the river with one of our facilities, and
4 two of them we're more into an embayment. Barge
5 traffic was there first, and I think everybody
6 accepts that barges go up and down the river.

7 And if you spend much time on the
8 river you understand that when a barge is coming or
9 going you stay out of the river and you stay
10 somewhere else, I think that's accepted. I have
11 never heard anyone spend any appreciable amount of
12 time criticizing barge traffic.

13 DIRECTOR SKILA HARRIS: Interesting.
14 Thank you.

15 CHAIRMAN BRUCE SHUPP: Susan.

16 DIRECTOR SUSAN RICHARDSON WILLIAMS:
17 Mike, and Everett particularly, I guess this question
18 is for you two. It can't be easy to acquire TVA
19 land, I know it can't be. There's environmental
20 issues and public scrutiny and board approvals and
21 that kind of thing when you come to TVA to request
22 land.

23 Why do you come to TVA?

24 Why do you not first pursue private
25 lands? Are they not available?

1 I mean, why are you -- why do you come
2 to TVA given the difficulty of acquiring TVA land?

3 MR. EVERETT ROBERSON: In the first
4 place, we didn't come to TVA. TVA came to us, Rhea
5 and Meigs County, with its proposal for this
6 development project. They told us that they had
7 1,100 acres on the Rhea County side and 600 acres on
8 the Meigs County side that they were going to let the
9 counties have for development of economic benefit to
10 both counties because there's still -- this would --
11 in doing so it would benefit the tax base of both
12 counties and also improve the schools, create jobs,
13 and better humanity in both counties.

14 And there are still people in both
15 counties that do not have indoor plumbing in their
16 homes, and TVA came to us with this proposal.

17 DIRECTOR SUSAN RICHARDSON WILLIAMS:
18 Mike.

19 MR. EVERETT ROBERSON: Over two years
20 ago. It was like two and a half years ago or so.

21 MR. MIKE ROSS: The only time we have
22 come to TVA asking to acquire land was for our Rarity
23 Point development, and we asked to acquire 110 acres
24 of land there just because we owned the land
25 next-door and needed some more room to accomplish

1 what we wanted to accomplish on that site for the
2 community and all the amenities we wanted to place
3 there. So that was our reasoning -- that was our
4 reason for coming to TVA. You-all -- we typically
5 would buy land from private holders and develop it.

6 But you-all are a large land holder on
7 the lakes, and in our situation you own -- you owned
8 the land. If somebody else owned it, we certainly
9 would have been glad to talk to them and acquire it
10 from them if it was available.

11 And you're right, it is a challenge
12 dealing with TVA, Environmental Impact Studies, the
13 time, and I have never found the price to be cheap.
14 I also run into situations where you-all reserve
15 certain rights. Indeed sometimes y'all may not own
16 the land but you have reserved a right in that land.

17 And we will be coming to TVA whenever
18 it's appropriate to talk about a deed modification on
19 a tract of land that we're working with the City of
20 Rockwood on for development. And again, it's not
21 necessarily that you own the land, but you also have
22 rights and you certainly have rights on the
23 shorelines that developers need to work with you-all
24 on. So you can -- not only can you make land
25 available sometimes but you can certainly help

1 facilitate development.

2 DIRECTOR SUSAN RICHARDSON WILLIAMS:

3 So you wouldn't come here first if you had that
4 choice?

5 MR. MIKE ROSS: We have never come to
6 TVA and asked to buy a parcel of land to develop it
7 per se, I mean, y'all being the only land holder and
8 the only people we would have to deal with. We have
9 always -- the majority of the lands that we have
10 acquired -- the vast majority of the lands that we
11 have acquired have been from private individuals or
12 companies.

13 DIRECTOR SUSAN RICHARDSON WILLIAMS:

14 Everett, in y'all's case, are there other lands
15 available in Meigs and Rhea that you could develop
16 similarly to what you want to do other than what you
17 have requested from TVA?

18 MR. EVERETT ROBERSON: Not to my
19 knowledge there's not. Of course, the Meigs County
20 Mayor is here and he could probably answer that
21 better than I could.

22 Mr. Mayor, would you comment on that?

23 MAYOR KEN JONES: May I comment?

24 DIRECTOR SUSAN RICHARDSON WILLIAMS:

25 Sure.

1 MAYOR KEN JONES: I think that your
2 question was, is there other properties available,
3 waterfront properties in Meigs County, there are, but
4 I know -- I don't know of any that is available.

5 I do know that Bowater Southern Paper
6 Corporation is in the process of liquidating all of
7 their property assets throughout Tennessee. And I do
8 know that Bowater does own some waterfront property
9 in Meigs County, but to my knowledge it has not yet
10 been put up for sale.

11 I do know that there are large tracts
12 of property in Meigs County that are in private
13 holdings, but I don't know of any that is for sale at
14 this moment.

15 CHAIRMAN BRUCE SHUPP: Mike.

16 MR. MIKE BUTLER: Yes, I have got a
17 couple of questions. Did you call on me?

18 CHAIRMAN BRUCE SHUPP: Yes.

19 MR. MIKE BUTLER: I've got a couple of
20 questions. The first question is for Mr. Wright. In
21 working with the municipalities you deal with in your
22 region, how many of those economic development plans
23 include goals with residential development in them?

24 MR. FORREST WRIGHT: Zero.

25 MR. MIKE BUTLER: The next question is

1 for, Mr. Cooper, how many people visit your
2 facilities in a given year?

3 MR. JOHN COOPER: We're not
4 sophisticated enough to keep those statistics. On a
5 given holiday weekend, all of our spaces would be
6 full. On a given weekend, we probably will
7 accommodate 100 boat launchings for people just
8 launching a boat. So maybe that would give you some
9 idea.

10 Practically every state in the nation
11 comes through at one time or another. The vast
12 majority of our campers are, as I say, residents of
13 areas within 50 miles of the lake.

14 MR. MIKE BUTLER: One last question I
15 did have for Mr. Ross. What were the impediments on
16 the Tellico development that did not allow for use of
17 existing TRDA lands that are held that have not been
18 developed for residential use?

19 MR. MIKE ROSS: I'm sorry. I am not
20 sure I understand the question.

21 MR. MIKE BUTLER: The Tellico
22 Reservoir Development Agency has some acres of land
23 on the southern part of the western shore that have
24 been set aside as part of their development plan for
25 residential type development that took place on the

1 northeastern -- the northwestern side.

2 I am curious to know, what were the
3 factors that led towards the decision to go to the
4 other shore to make the request of TVA versus using
5 the lands that TVA had already given to TRDA for the
6 purpose of economic development?

7 MR. MIKE ROSS: TRDA sold 216 acres of
8 the Rarity Point site to a group of investors,
9 potential developers, probably about two to three
10 years before Rarity Communities got involved to
11 develop Rarity Point.

12 Those same folks had acquired
13 approximately four or 500 acres more. They acquired
14 or had it under contract at the time that we got
15 involved there from private developers, excuse me,
16 that's not right, probably about 300 acres more.

17 So the site was about either -- the
18 TRDA lands, I believe, made up 216 acres, and then
19 the private property owners probably made up about
20 another 300 acres, and we just needed some more land
21 to facilitate the development. TVA had a boundary
22 that joined the TRDA land, as well as joined the
23 private landowner's land that we needed to satisfy
24 our development, and that made the total acreage
25 there about 700 acres.

1 We have since negotiated and are in
2 the process of acquiring approximately another
3 200 acres from private ownership so that the total
4 project will ultimately be about 900 acres.

5 MR. MIKE BUTLER: Thank you.

6 CHAIRMAN BRUCE SHUPP: Tom.

7 MR. TOM LITTLEPAGE: I guess I have a
8 question directed for Mr. Wright, but any of the
9 panelists if you choose to comment. You made the
10 statement that developers and conservationists can
11 and do cooperate and co-exist on a frequent basis,
12 and I was just curious to what degree you, or the
13 other panelists, would have specific lessons learned
14 or experiences that relate to processes that help
15 facilitate that cooperative approach while
16 recognizing TVA's land stewardship roles.

17 MR. FORREST WRIGHT: And I am speaking
18 from experience now of being in Northwest Alabama,
19 and there is areas in that part of the state that
20 have endangered species, and we recognize that, and
21 there's no attempt at all to try encroach on those
22 types of properties.

23 I am interested -- I'm hearing several
24 people say that, you know, TVA gave land for this and
25 that, I am looking forward to getting some TVA land

1 sometime myself, but we have purchased properties
2 with the full intent of being able to access the lake
3 at some point for business reasons.

4 In particular, there's a site called
5 The Barton Riverfront Industrial Park, which is a
6 large site that we purchased with the support of TVA
7 but purchased locally.

8 In that process, unbeknownst to anyone
9 in working through an easement on an intake and
10 outfall, found a plant that was not endangered. It
11 was sort of unique. It was not endangered. In fact,
12 you could buy the plant at a local nursery, but it
13 was just unique to that spot on that hillside. For
14 whatever reasons, the company and TVA and Alabama
15 resources got together and was able to make that
16 situation whole for everyone concerned.

17 So I don't think -- they're reputable
18 economic developers. That are not trying to run
19 roughshod over conservation efforts. They too have
20 families that live in the area and they do enjoy
21 that, but at the same time they have a mission
22 themselves to protect.

23 MR. TOM LITTLEPAGE: Does any other
24 panelists have any follow-up to that?

25 MR. EVERETT ROBERSON: The Watts Bar

1 Development Authority would comply with all
2 environmental and all the laws of the land, as well
3 as TVA.

4 MR. TOM LITTLEPAGE: Thank you.

5 CHAIRMAN BRUCE SHUPP: Bill.

6 MR. BILL TITTLE: As a matter of
7 review, I would address this question to Bridgette
8 with the questions being raised of the panel.

9 TVA has sold 38 percent of the
10 shoreline to private individuals, is that what I
11 remember from your report this morning?

12 MS. BRIDGETTE ELLIS: Throughout the
13 history of TVA we have sold lands for development
14 purposes, remembering our three-prong mission. The
15 38 percent I was talking about is TVA land that still
16 is owned by the company that is available for
17 shoreline access, particularly for private docks,
18 those types of things, that third -- that 7,000 acres
19 or 17,000 acres that makes up the shoreline access is
20 about 38 percent of all the shoreline miles around
21 all the reservoirs, that was the context for that.

22 MR. BILL TITTLE: Okay. Thank you.

23 MS. BRIDGETTE ELLIS: Does that answer
24 your question?

25 MR. BILL TITTLE: Yes, it does.

1 CHAIRMAN BRUCE SHUPP: Don.

2 MR. DON GOWAN: Yes. This is a
3 question for Mr. Ross. First of all, I grew up in
4 Monroe County, spent most of my youth on Watts Bar
5 Lake. So I know that area pretty well.

6 I have worked for the majority of my
7 career to protect -- to work with people to protect
8 rare and endangered species. And my question to you,
9 or any of the folks up there, is: We have lost a lot
10 of species over the last hundred years. We can
11 debate all day long whether that's a good thing, a
12 bad thing or not important at all, but nonetheless,
13 we have to assume that all these species are part of
14 what we live in.

15 And my question to you is: Can you --
16 will you make -- will you do all you need to do to
17 minimize further loss of species through your
18 development?

19 I understand people need houses and so
20 forth. Do you think those things can be compatible?

21 MR. MIKE ROSS: We certainly do our
22 best to -- to abide by the rules and best land
23 practices that are available in developing and
24 maintaining our properties. We think of ourselves as
25 being environmentally conscious and sensitive.

1 We probably are not qualified to say
2 how good a job or how bad a job we do, but we are
3 always willing to listen and to learn and to endeavor
4 to be sensitive to the environment and bend over
5 backwards or feel like we bend over backwards to try
6 to be good stewards and good developers.

7 MR. DON GOWAN: Thank you.

8 MR. EVERETT ROBERSON: Watts Bar
9 Development Authority would strive to make this
10 development a part of the community to provide better
11 living standards and living areas for all the people
12 in the community, and we would expect and promote and
13 insist that this development be the same standards
14 and all as we would on the rest of our community that
15 we live in.

16 CHAIRMAN BRUCE SHUPP: Skila.

17 DIRECTOR SKILA HARRIS: Forrest, when
18 you talk to prospects who want to come and locate
19 businesses potentially in the North Alabama area, do
20 you use as a selling point the fact that there are
21 natural spaces, that this is a quality-of-life issue?
22 I mean, is that a selling point that you raise?

23 MR. FORREST WRIGHT: Different
24 developers would be behaving differently in different
25 communities. If I were in the City of Nashville or

1 Knoxville or Memphis, I would probably spend a lot of
2 time and effort talking about open space.

3 When you're in -- but in a great part
4 of the Tennessee Valley you stand at the door and you
5 see that there's a great amount of open space. I
6 will tell you in the business world that it will
7 eventually get back to dollars and cents, of course.

8 I think quality of life and having
9 open space and having the availability of water to
10 recreate and types of -- those types of things can be
11 an advantage to that. But many of you are from the,
12 you know, Knoxville area, the Nashville area, and I
13 will tell you that the situation of how you perceive
14 economic development is going to be a lot different
15 than if you were in Sweetwater, Tennessee, or if
16 you're in anyplace in Georgia or Mississippi. So
17 open space has a place in economic development, but
18 it would be different from community to community.

19 I will tell you that the river itself,
20 the river itself, is an image of vitality to any
21 human being. When they see the river, that's why
22 people are drawn to that, and we want to protect that
23 and that plays a role in our salesmanship, that's
24 correct, but having a national forest next-door would
25 not be a sales tool that would be used.

1 CHAIRMAN BRUCE SHUPP: Susan.

2 DIRECTOR SUSAN RICHARDSON WILLIAMS:

3 Have any of you had -- tried to acquire or acquired
4 other public lands from other agencies, the Corps or
5 Forest or anything? I've just been curious if that
6 -- if you have had any experience with that and what
7 kind of process you went through.

8 MR. JOHN COOPER: I have not.

9 MR. MIKE ROSS: We have not.

10 MR. EVERETT ROBERSON: No, we have
11 not.

12 MR. FORREST WRIGHT: We are a public
13 agency, so we have had inner public agency transfers.

14 MR. MIKE ROSS: Well, Susan, let me
15 correct that. I guess TRDA is a public agency. Our
16 first Rarity development, Rarity Bay, was acquired
17 from TRDA, but they were actively soliciting
18 proposals for development of that land as a
19 residential community.

20 And as I mentioned earlier, we have
21 entered into a long-term lease arrangement with the
22 City of Rockwood to do some development over there if
23 we can work out the details of it with TVA. I can't
24 think of anything else.

25 CHAIRMAN BRUCE SHUPP: Questions? Any

1 other questions?

2 All right. We're going to break for
3 lunch and adhere to the original schedule of resuming
4 the meeting at 12:45 because of the people that are
5 coming this afternoon for the public comment period.

6 Before we break, Dave has some
7 housekeeping to discuss.

8 FACILITATOR DAVE WAHUS: I'd invite
9 the Council and the Committee to -- when we leave
10 here to retire for lunch in the Rotunda. The Rotunda
11 is in this general direction and it's across the
12 hall.

13 And for the panelists and TVA
14 employees, I will be at the panel table and I will
15 show you how to get to the room where we have lunch
16 waiting for you.

17 CHAIRMAN BRUCE SHUPP: Anything else
18 before we break?

19 Thank you, Panel. Thank you very
20 much. We were very enlightened.

21 (Brief recess.)

22 CHAIRMAN BRUCE SHUPP: Council
23 Members, take your seat. Welcome to the afternoon
24 session. We will begin the session with panel three,
25 and Kate Jackson of TVA will introduce the panel.

1 DR. KATE JACKSON: Okay. Our third
2 and final group of panelists represent a range of
3 interests related to conservation and protection of
4 public lands, natural resources, and open space.

5 Panel members are Russell Townsend,
6 the Tribal Historic Preservation Officer for the
7 Eastern Band of the Cherokee Indians and a member of
8 the Cherokee Nation of Oklahoma. Mr. Townsend is
9 responsible for all government-to-government
10 consultation concerning protection of tribal cultural
11 resources, such as archeological sites, sacred sites,
12 and traditional cultural properties. He's been a
13 professional archeologist for 19 years and has
14 participated in numerous excavations around the
15 southern and southwestern U.S., as well as in the
16 Caribbean.

17 Sandra Goss is the Executive Director
18 of Tennessee Citizens for Wilderness Planning. Oops,
19 I didn't get it in order. I will do Billy Minser
20 next.

21 Billy Minser is an instructor and
22 researcher in the Department of Forestry, Wildlife
23 and Fisheries at the University of Tennessee teaching
24 a variety of wildlife management courses. Mr. Minser
25 is a wildlife biologist and former wildlife refuge

1 manager for the State of Georgia. He's been an
2 active participant with a number of conservation
3 organizations, particularly in relationship to
4 conservation of public land.

5 Sandra Goss is the Executive Director
6 of Tennessee Citizens for Wilderness Planning. This
7 environmental advocacy organization follows issues
8 related to public lands, water quality and supply,
9 and forest management and coal mining in Tennessee
10 and Kentucky, particularly in the vicinity of the
11 Obed Wild and Scenic River and the Big South Fork
12 River and Recreational Area.

13 Dr. Monte Miller is a retired
14 Lieutenant General from the U.S. Air Force, is a
15 member of the Board of Directors of the Tims Ford
16 Council. The objectives of the Tims Ford Council are
17 to promote and protect quality of Tims Ford Reservoir
18 and its shoreline environs, to provide a forum for
19 discussion, education and appropriate action
20 concerning reservoir issues and activities and to
21 maintain active liaison with appropriate federal,
22 state, and local authorities, departments and
23 agencies.

24 And with that, I will just hand this
25 to Russell Townsend.

1 MR. RUSSELL TOWNSEND: Thank you very
2 much. Ladies and Gentlemen, as I was introduced, I
3 am Russ Townsend. I am a citizen of the United
4 States of America. I am also a citizen of the
5 Cherokee Nation, and I am employed by the Eastern
6 Bands as their tribal historic preservation officer.

7 My primary responsibility is to
8 protect the Cherokee heritage and cultural sites, and
9 I do that in the traditional aboriginal territory of
10 the Cherokee.

11 I am certainly not here today to tell
12 TVA what their job responsibilities are and duties.
13 I know that you-all have an immense amount of varied
14 duties and responsibilities that often conflict with
15 one another, and I know that TVA is pulled in many
16 different directions to service everybody and to
17 satisfy the general public.

18 I won't spend a lot of time talking
19 about the general responsibilities or how you handle
20 that, but I will point out that out of all of the
21 things that TVA may do, may be required to do, may be
22 mandated to do, one thing that they are required to
23 do is follow the National Historic Preservation Act
24 of 1966. Sections 106 and 110 specifically concern
25 archeological resources and tribal resources, that is

1 a mandate of Congress, and it's very important to do
2 so.

3 It just so happens that there's a lot
4 of history in the valleys that TVA controls, a lot of
5 history underneath the reservoirs that TVA is
6 responsible for. And we're not just talking about
7 the past 500 years of history, we're talking about
8 14,000 years of human habitation in these valleys,
9 and that's a very important thing for my people to
10 understand.

11 This responsibility of TVA's to
12 protect these resources is perhaps the most important
13 thing from the tribal perspective. From the
14 perspective of the Eastern Band, there's nothing more
15 important that TVA can do than protect these
16 resources.

17 If you-all will take a look at the
18 Royce map that I have included in my written
19 comments, the 1884 Royce map, what it shows is that
20 out of the seven-state Tennessee Valley operations
21 area, everything but Mississippi was seeded to the
22 British government or the United States government by
23 the Cherokee people at one time or another. Every
24 speck of that land was seeded by the Cherokee people.

25 Sometimes those land sessions were

1 friendly and beneficial to both our peoples.
2 Sometimes they were accomplished by threat and force
3 of threat, or threat of force rather, and the result
4 was and is that so much of our history and cultural
5 is now out of our hands.

6 When I look at the map I see that in
7 western North Carolina, Chatuge Reservoir, Nottely
8 Reservoir, Fontana, all of these reservoirs contain
9 remnants of the Cherokee Valley towns. Those towns
10 are along those rivers and along those shorelines and
11 under those reservoirs.

12 When I look at the Tennessee area, I
13 see the Cherokee towns along the Watauga and
14 Nolachuckie, along the Holston, this very land that
15 we are here on today was seeded by the Cherokees to
16 the United States government. So there are Cherokee
17 towns and Cherokee cultures here.

18 When I look at the Little Tennessee
19 River Valley, I see the towns of Chota and Tensassee,
20 Tensassee that we get our state's namesake from, the
21 towns of Tellico, Citico, Toocca, Tuskegee, Millawoka
22 are all under Tellico Reservoir or on the shorelines
23 of Tellico Reservoir.

24 When I look down towards Nickajack in
25 Chattanooga, there are the Chickamauga towns that are

1 Cherokee and Shawnee and Creek all through that
2 region. So at various times we lost these pieces of
3 land.

4 And in 1838 16,000 Cherokees, the bulk
5 of the Cherokee Nation, were removed from these lands
6 by force 800 miles away in the -- to the midst of
7 enemy peoples that we had to struggle against. This
8 has become known as the Trail of Tears, but the fact
9 of the matter is TVA is now steward, is now the
10 steward of lands that are vitally important to the
11 Cherokee people.

12 Our Cherokee people, our Cherokee
13 ancestors are buried in those towns that are along
14 your lands now. Their families, our families are
15 buried there. Our heroes are buried there. Each one
16 of those locations is an Arlington Cemetery to the
17 Cherokee people, some of them under water. These
18 places are vitally important. They contain our
19 history, and they need to be protected and respected.

20 And more importantly than that, TVA is
21 not just the steward of the graves of our ancestors
22 and these archeological sites, TVA is the de facto
23 steward of our very history, and therefore, TVA is a
24 primary steward of Cherokee identity today, and we
25 look to TVA to fulfill these stewardship

1 responsibilities and protect these sites and these
2 locations.

3 Stewardship of these archeological
4 sites can be accomplished, and it does not have to be
5 mutually exclusive of other TVA projects. These
6 goals can be accomplished by consultation, which is
7 required by law, both the National Historic
8 Preservation Act, as well as Executive Order 13175,
9 which requires tribal consultation, requires, and the
10 best way to get this accomplished is to have tribal
11 consultation well in advance of ground disturbing
12 federal undertakings.

13 Our tribes will work closely with you
14 to see that not only are these sites protected and
15 not only are the graves of our ancestors protected
16 but that TVA is able to use these lands for the
17 benefit of the American people today. We believe
18 that TVA can have it both ways, but it will require
19 careful consultation that is mandated by law.

20 I think our office is well equipped to
21 work with you. We have a long relationship with the
22 Cultural Resource Office of TVA under the leadership
23 of J. Bennett Graham. They have done a very good
24 job. I don't want to give y'all a big head, but out
25 of the federal agencies we work with, we group TVA

1 with the good ones, with the Forest Service and the
2 National Park Service.

3 So we think a lot of TVA and the way
4 they have done things, but they always need
5 additional resources to do their job better, just as
6 my office can use additional resources to function
7 more efficiently.

8 But I believe that if you hear the
9 voice of your Cultural Resource Office, you will hear
10 the voice of the tribe well in advance that will
11 allow planning, and not just the voice of our tribe,
12 but of the 18 tribes that at one time had traditional
13 aboriginal territory in TVA holdings.

14 I think this can be accomplished and I
15 think we can have great success, but I do want to
16 reiterate how important it is to the tribe and how
17 frightened we are that part of our history and
18 identity is controlled by another entity where our
19 say in its existence is limited.

20 And I would like to take back a
21 message to my Chief in the Eastern Band and relay
22 that message to the other tribes that TVA is
23 sincerely concerned about protecting those resources,
24 fulfilling their stewardship responsibilities, and
25 serving Congress by fulfilling the National Historic

1 Preservation Act responsibilities.

2 I thank you-all very much for your
3 time and will be happy to answer questions at your
4 convenience.

5 Thank you.

6 MR. BILLY MINSER: Okay. I am Billy
7 Minser. On the program it says that I am an employee
8 of the University of Tennessee, I do not represent
9 the University of Tennessee here. I am a lifelong
10 wildlife conservationist.

11 Thanks for the opportunity. And I
12 think we're right on target in addressing the public
13 concerns on land use, and we need much more extensive
14 and intensive efforts to find out what the public
15 thinks and maybe reorganize how TVA manages.

16 The American public has a tremendous
17 value and thirst for open spaces. Our public lands
18 across the country, we have about 750 million acres
19 of public lands, most of it west of the Mississippi,
20 Parks Service, BLM, Fish & Wildlife Service, and the
21 like, and TVA has a chunk of that in the southeast
22 and the Tennessee Valley.

23 The value that we place on our public
24 lands is indicated by the 2004 election where the
25 public voted for \$2.4 billion extra in their own

1 taxes for buying more open spaces. In order to kind
2 of figure out what we should do with the land that we
3 manage, that TVA manages, and other land for that
4 matter, we need to look at population growth and
5 where we have been in the last 60 years and where
6 we're going in the future.

7 And to do that I have a series of maps
8 that came actually from Georgia Tech to a Wildlife
9 Federation meeting by TWRA. And the red part on this
10 map shows housing density, which is a reflection of
11 human population density. So I am going to take us
12 up to 2000 with six maps.

13 Now, watch this and hold your breath.
14 There's 1950, '60, '70. As the red increases, so do
15 people. '80, '90, 2000. Now, let's project on 30
16 more years to 210, 20, 30, and it's supposed -- our
17 population is supposed to double by 2050 to 600
18 million people.

19 All of this red is taking place on
20 private land, private development. That puts even
21 more importance on the public land that you manage
22 and that we have with other agencies.

23 The value of TVA land, the 49
24 reservoirs in seven states, of course, you have seen
25 this map before, the red dots are the 49 reservoirs

1 and the blue is the lake. The TVA lakes are within a
2 day's drive of half of the population of the United
3 States. That's why 22 million people a year visit
4 the TVA lakes and surrounding lands for recreation.
5 That's about a third of the entire National Park
6 Service's visits, 66 million, to all the parks in the
7 country, a tremendous value, a tremendous national
8 treasure that TVA provides in its reservoirs and
9 lakeshore property.

10 So what is TVA's record of
11 stewardship?

12 Well, it acquired 1.3 million acres
13 through eminent domain, and Kate -- or Bridgette
14 Ellis went over this, 470,000 acres under water,
15 800,000 acres were acquired that you didn't even
16 flood, and of that 506,000 acres have already been
17 sold or transferred off with the majority going to
18 other state or federal agencies, and that's good that
19 they're still in public domain.

20 There's 293,000 acres that remain, but
21 of those 53 percent has already been leased or
22 licensed over to somebody else. So that only leaves
23 100 -- nearly 138,000 left for public use, and the
24 public is really hacked about this, selling off the
25 public lands, not TVA lands, public land bought with

1 tax money to build these reservoirs, and hopefully,
2 for the public good.

3 Now, what has allowed the Agency to
4 get in this quandary with the public so mad about the
5 selling of the public lands?

6 Well, part of the problem is the TVA
7 Act of 1933. It was a good act. It was created
8 during the depression for the needs of society at
9 that time.

10 At the peak of the depression, I
11 guess, I wasn't born yet, deforestation, land
12 erosion, agricultural was a problem, no jobs, it was
13 a good act. So it came up that these are the major
14 mission statements of the TVA Act as I read.

15 You might notice that most of these
16 missions are now taken care of by other agencies,
17 Department of Agriculture, Forest Service, Fish &
18 Wildlife Service, and so forth. So I think this
19 act -- part of the problem is this act is so broad
20 and so vague and so outdated, the Agency can do
21 almost anything, and it's okay according to the act.
22 It needs to be totally overhauled by Congress and
23 narrowed down and focused down on what TVA is good at
24 and what the needs of society are today, not 1930.

25 Another huge issue is the land use

1 policy, you don't have one. So how are we, as a
2 public, expected to weigh the Board's decision and
3 the Agency's decision to manage public land when you
4 don't have a policy? We don't know what the rules
5 are. I don't guess the Board does, because you don't
6 have one.

7 And what Mike Ross said, well, we
8 ought to just leave it so you can pick and choose
9 some policy -- some offer as they come along, that's
10 bologna. We need a policy that we can all go by.
11 Otherwise, we're left in the dark. We're confused as
12 to knowing what to do. You have got to have a
13 policy.

14 And it has to be developed with
15 intensive public interaction. You can't do it by
16 yourself, and you don't want to do it by yourself.
17 You need help, and we offer that help.

18 Eminent domain, Mike was right again,
19 eminent domain is at the top of the public's interest
20 and anger really nationally right now. Eminent
21 domain is a provision of the Fifth Amendment of the
22 Constitution that allows the government to take
23 private property for public good, the public good.

24 The public good, now, what's that?

25 So TVA took all the land, the 1.3

1 million acres with eminent domain, created 50,000 TVA
2 refugees that were thrown off the land for the public
3 good. So people like the Ritcheys on the Tellico
4 project and poor ole Nellie McCall that was dragged
5 out of her house by federal marshals, their lives
6 were totally upheaved, their lands were taken from
7 them. Now, we have created beautiful lakes, public
8 good, I agree, for the people to use.

9 So with their lives in upheaval
10 though, now we see the land that was taken, their
11 land, this was the Ritchey farm, right here that guy
12 is standing on the Ritchey farm and his house is
13 sitting where the Ritchey house was and now you're
14 selling it to somebody else. You can't live there
15 but you can, that's not right, it's wrong.

16 So all of this economic development
17 that has gone on on TRDA land, TVA land actually, is
18 in opposition to the spirit of the law of eminent
19 domain. So now we have all of this -- there's
20 certainly nice houses and the people that live there,
21 Mike did a good job developing it, but it's
22 inappropriate use of the law of eminent domain. The
23 public has said so, 97 percent of them has said, do
24 not use eminent domain for economic development.

25 And I noticed that residential

1 development was not part of the Mission Statement of
2 TVA. Forty-one state legislators right now, or last
3 spring, were involved in passing new laws to protect
4 private property.

5 President Bush said, "None of the
6 federal agencies under his control can use eminent
7 domain for economic development."

8 Now, TVA, as far as I know, is a
9 federal agency. What are you going to do? Well, the
10 public says don't do it. So land sales and trades of
11 public land -- back up. I've got a minute and a
12 half.

13 TVA has done scoping and reservoir
14 management plans for lots of its reservoirs. I don't
15 know if it's all, Kate, but it's a bunch of them, and
16 every time it comes out the same way, the public
17 says, do not sell our lakeshore properties, we want
18 it kept in the public domain for public use. And
19 what happens, they make a decision to sell it. I
20 don't know why that happens, but Tennessee Wildlife
21 Resources Commission, Tennessee House of
22 Representatives, 96 to nothing, and beaucoup of
23 citizens and public groups say don't sell our private
24 land. So don't.

25 Economic development by itself is

1 okay, but it should be done on private land, not
2 public land. Tennessee is what, 26 million acres,
3 95 percent of it is private. Do the development
4 there, not on that precious national treasure that
5 is -- that the public is going to depend on as all
6 the private land gets developed.

7 Now, the economic development staff is
8 not paying attention to what we're saying. They
9 went -- you heard the fellow say from Meigs County,
10 they came to us, TVA economic development staff came
11 to us and said, we want you to take part in
12 developing public TVA lands. They're not listening.
13 No, don't do that.

14 And even where they're developing and
15 working on -- the economic development staff is
16 working on private development on private land, they
17 have got to follow NEPA. You can't say we're not
18 going to follow NEPA because this is private land.
19 They're federal employees with federal money. So
20 they have got to follow National Environmental
21 Standards.

22 Deed restrictions must stay in place.
23 You can't lift them and then let somebody like the
24 YMCA sell their land for windfall profits, that's not
25 right.

1 My time is up. I have a more
2 extensive report on paper, if you would like to read
3 it. That was my last two points.

4 MS. SANDRA GOSS: Hello. I am with
5 Tennessee Citizens for Wilderness Planning, and for
6 40 years we have protected wild and sensitive lands
7 and rivers at the national and state levels. Our
8 organization began with a fight to protect wild
9 lands, and 40 years later that struggle is still our
10 primary focus.

11 Over the years our efforts have led to
12 the designation of the Obed Wild and Scenic River,
13 the Big South Fork River, passage of the State
14 Natural Areas Act, the State Scenic Rivers Act, and
15 the Surface Mine and Control and Reclamation Act.

16 We have enjoyed an effective
17 partnership with TVA for many years. We're proud of
18 this relationship, and we're proud of the good things
19 that we accomplish working together.

20 Some of those things include building
21 and maintaining a trail at the Whites Creek Small
22 Wild Area, a yearly exotic pest plant cleanup at
23 Worthington Cemetery. Our members help lead hikes at
24 the River Bluff Trail. We partnered on the Riparian
25 Buffer Zone Improvement Program. We're active

1 partners with the Emory-Obed Watershed Association,
2 and most recently we've participated in efforts to
3 establish a Poplar Creek Watershed Association as
4 part of the Lower Clinch Watershed Council.

5 We have a vision for TVA public lands.
6 Our vision will accomplish three important goals, and
7 those are, protect water quality and quantity,
8 preserve wild and sensitive lands, and promote a
9 sustainable and viable economy with equitable public
10 access to protected lands and water.

11 The importance of adequate clean water
12 cannot be overstated. Tennessee's and the Valley's
13 population grow steadily. The population of the
14 southeast is growing. With this growth comes
15 increased water demand. TVA's Zone 3 and Zone 4
16 lands and the riparian buffers contribute to improved
17 water quality. Improved water quality results in
18 lower water treatment costs. Potable water is a
19 vital natural resource, and TVA has a role in
20 ensuring the security of this resource for current
21 and future generations.

22 The benefits of wild lands known are
23 frequently cited, habitat for wildlife and outdoor
24 space for humans. Our beautiful Valley is a treasure
25 that deserves and needs adequate and careful

1 guardianship. Development removes access to public
2 lands for public use, while access to natural lands
3 is shrinking throughout the Valley.

4 This affects hunters, fishermen,
5 birders, hikers, and all others who benefit from
6 being in the outdoors. Numerous surveys show that
7 there is an overwhelming preference among the Valley
8 residents and ratepayers to have access to public
9 lands and waters.

10 TVA has a big responsibility in this
11 area. With hundreds of thousands of acres of land,
12 water, and mineral rights, you-all have a lot to
13 steward and many needs to balance. We urge careful
14 attention to mining and its potential for land and
15 water degradation, particularly when mineral rights
16 are under publicly held lands.

17 We also encourage that ecological
18 assessments and land management planning procedures
19 for the lands that have been received in recent land
20 swaps be implemented immediately.

21 It is incumbent on TVA to promote a
22 sustainable and viable economy with equitable public
23 access to shore lands and their waters. Fair
24 treatment to ratepayers should be sought. Access to
25 shoreline property, of particular value to citizens

1 who cannot afford watercraft or lakefront residences,
2 should not be diminished.

3 Land originally obtained by or under
4 threat of eminent domain remain a public resource.
5 Resort and upscale housing developments, which
6 benefits only a privileged few, has a ripple effect
7 on real estate prices throughout the Valley. TVA can
8 play a role in keeping real estate prices affordable
9 for local folks.

10 It is our contention that public use
11 and recreation stimulates sustainable economic growth
12 and that our natural resources necessary for
13 sustained economic health should be given priority
14 protection in every decision and by proactive
15 planning.

16 We recommend that a program to monitor
17 and document water quality and natural resources of
18 shoreline buffers, both upstream and downstream from
19 developments that have been permitted, should be
20 implemented.

21 Also, research to quantify economic
22 benefits of non-intensive uses, including fishing,
23 boating, hiking, camping, water quality protection,
24 and water supply should be conducted and the results
25 made public.

1 We believe that development can and
2 must be done in a sustainable manner that includes a
3 reasonable standard of care. The natural beauty and
4 resources of our area will continue to be a huge
5 selling point to residents and employers. Preserving
6 our lands and waters enhances the value of our area.

7 The 1974 directory of TVA
8 Environmental Programs begins with this paragraph,
9 "Founded upon the concept of unified resource
10 development TVA, from its beginning, has been
11 concerned not only with the physical environment but
12 with the living environment of people unable to earn
13 enough for adequate housing, education, and health
14 care."

15 Today most people are able to have a
16 living standard once enjoyed by only a privileged
17 few, but the economic and industrial growth that made
18 this possible created a new and different set of
19 environmental problems. For the Valley, as for the
20 Nation, the challenge now is to provide a clean and
21 livable environment for the future without
22 sacrificing the gain in human living standards so
23 hard won in the past.

24 This is a perfect example of the more
25 things change the more they stay the same. Thirty

1 years later we have still got the same challenges.
2 This Board inherits a legacy of leadership and
3 stewardship that work to restore and protect the
4 natural resources in the Tennessee Valley and to
5 improve the quality of life for its residents.

6 We call on the leadership to honor
7 that legacy, to keep public lands in public hands,
8 protect the public lands and waters for the benefit
9 of future generations.

10 Thank you.

11 DR. MONTE MILLER: I am pleased to be
12 here to represent Tims Ford Council. The Council was
13 organized in 1955. It currently represents about 200
14 lake loving families.

15 Our objectives, concisely stated, are
16 to promote and to protect the quality of the
17 reservoir and its shoreline environs and to maintain
18 active liaison with federal, local, and state
19 authorities.

20 The Council monitors several
21 parameters of water quality, including chemical and
22 bacterial field testing. We sponsor an annual
23 reservoir cleanup. We publish a newsletter. We
24 cosponsor the National Clean Voting Effort in our
25 area, arrange the educational speakers with TVA,

1 TDEC, TWRA, Bass Club, The Rescue Squad, Department
2 of Agricultural, County Planning Commission, and so
3 on. We participated in shoreline stabilization
4 efforts and supported boating safety programs, and so
5 forth.

6 Tims Ford Reservoir impounded the Elk
7 River in 1970. The reservoir has 10,680 acres of
8 surface water at summer pool. It lies within
9 Franklin County and then within a smaller area in
10 Moore County.

11 The reservoir's more vulnerable than
12 some due to low flow-through averaging 280 days to
13 replenish the reservoir. Steep banks, especially in
14 the embayments, foster runoff, winter drawdowns that
15 average 18 feet, an occasional heavy stormwater and
16 city -- we have actually four city sewer treatment
17 plants that discharge their affluents without
18 tertiary treatments to reduce those nutrients into
19 the upper and mid reservoir.

20 The TVA ecological health rating for
21 our reservoir is poor, as it has been since 1944,
22 because of low dissolved oxygen, poor bottom life,
23 and increasing nutrients, chiefly phosphorous.
24 Phosphorous promotes excessive algae growth, results
25 in decreased water clarity, low dissolved oxygen, and

1 accelerated degradation or eutrophication in
2 scientific terms. Sources of phosphorous includes
3 stormwater drainage, fertilizers, sewage affluent,
4 animal waste.

5 A TVA quarterly specialist -- water
6 quality specialist addressed the Council last year
7 and advised that the sources of nutrients, chiefly
8 phosphorous, that entered the reservoir should be
9 identified and quantified and the benefits of
10 reducing nutrients should be evaluated.

11 Increasing bank erosion and siltation
12 are clearly evident, especially in the narrow
13 embayments. Buffer zones help to mitigate siltation
14 from runoff but do little to offset boat wake
15 effects. Riprap has been installed by some lot
16 owners but is done without underlayment of heavy-duty
17 ground cloth and riprap is being undermined.

18 A lot of you sometimes are presenting
19 concerns about decreasing water quality because there
20 is a strong correlation with shoreline development
21 and water quality degradation, and that is
22 accelerating the demise of our reservoir.

23 This first slide that is from the
24 Shoreline Management Initiative, and if you will
25 notice, the dashed line, horizontal line, represents

1 the threshold for water quality degradation. This
2 was projected in the Environmental Impact Statement
3 for the tributary reservoirs, including Tims Ford, to
4 exceed the threshold at buildout.

5 TVA adopted the major land survey and
6 major land disposition changes without adequate
7 public awareness of the magnitude of the change.
8 This change to D1 alternative established 51 Zone 8
9 sites permitting shoreline water facilities and
10 development within and adjacent to previously
11 designated no-access conservation zones with a
12 proviso of a 100-foot shoreline buffer zone easement
13 within the Zone 8 boundaries.

14 This map shows only the upper end of
15 the reservoir, but the red circles identify the Zone
16 8 changes in this area. Notice the consequent
17 congestion of the continuous line of development that
18 goes from Fine Bluff here clear around this area up
19 to East Brock Hollow.

20 Notice also the development -- the
21 Zone 8 developments across from areas 46 and 51 that
22 are TDEC owned, projected residential development
23 areas, are the size of somewhere in excess of 200
24 lots. Notice also that at this area there is a
25 little arrow that depicts where just recently the

1 city announced that they had received four bids to
2 develop a hundred plus boat marina.

3 It appears that TVA exceeded to the
4 pressure from developers who influenced the Tennessee
5 Legislature to pass Public Chapter 816 back in April
6 of 1996 that urged the disposition of remaining
7 lake-front properties as expeditiously as possible to
8 foster economic growth and transfer to local agency
9 TRDA development responsibility to TDEC and TVA.

10 TVA responded in Volume II of the
11 Final Land Management Plan that the purpose of the
12 plan was to, and I quote, "Foster economic and social
13 development of the Elk River," end quote.

14 Since 1996, however, economic growth
15 has burgeoned in our area, and we're no longer a poor
16 area but are contending with the certain prospect of
17 water quality degradation that will, if unchecked,
18 destroy this recreational jewel of tremendous
19 economic and quality-of-life benefits.

20 Members of our Council Executive Board
21 met with TVA authorities in December of 2005 to
22 present our concerns concerning the environmental
23 impact of the 51 Zone 8 development parcels and the
24 unanticipated division of several of the 129
25 grandfathered sites whose plans depict access by

1 other lot owners to the dock and ramps of the
2 original owner. We suspend -- we requested in
3 December and subsequently that the Zone 8 sites be
4 suspended pending a comprehensive Environmental
5 Impact Study after the Zone 8 decisions.

6 We have also requested TDEC review the
7 impact of those large residential areas I pointed
8 out, 46 and 51 as shown on the previous slide. We
9 have suggested that these two sites be transferred to
10 state park management and have offered to help in
11 construct fishing piers and nature trails.

12 The Council Board also advised TVA of
13 our environmental concerns regarding the proposed
14 hundred plus boat marina. We have asked TWRA to
15 favorably to consider no-wake zones within those
16 narrow embayments without success.

17 TVA did respond to our concern
18 regarding boat launch ramps -- boat launch ramps in
19 every 51 Zone 8 sites by suspending approval and
20 agreed to disallow boat slips for lot owners outside
21 the Zone 8 boundaries. We sincerely offer --
22 appreciate the opportunity to offer land management
23 suggestions.

24 Other than those previously suggested,
25 we believe, one, supervision and monitoring of the

1 developing Zone 8 sites needs to be improved and that
2 the plats need to be reviewed.

3 Second, that TVA should be more
4 cognizant of the conclusion in the final Land
5 Management Plan that I quote, "The adoption of the
6 alternative D-1 could facilitate the conversion of
7 some farm and forest lands to residential uses with
8 unknown environmental aspects and should evaluate
9 conformity with the requirements of the National
10 Environmental Policy Act, NEPA."

11 No. 3, more attention, we believe,
12 should be paid to permitting Zone 8 developments
13 downstream from tributary streams that are listed on
14 TDEC's 303-D list of water quality impaired streams
15 due to siltation, bacterial, and other pollutants.

16 No. 4, the precedence established by
17 permitting the metastasis of boat slips in the first
18 large residential development, Fannin Bend, from the
19 concept plan of 80 boat slips to 224 should be
20 revoked.

21 Five, the change that permitted
22 measurement of the 100 foot buffer zone from the 895
23 contour to the 888 foot level should be reversed and
24 measurement from a horizontal plane should be
25 enforced.

1 No. 6, public hearings for boat dock
2 approval by zone -- within Zone 8s should be
3 sponsored by TVA and the Corps of Engineers rather
4 than by developers and realtors that has happened
5 recently.

6 These suggestions previously have been
7 presented in greater detail with examples to TVA
8 watershed personnel. I cannot overemphasize that the
9 excessive development fostered by the D1 change
10 portends the death toll of Tims Ford Reservoir.

11 Thank you.

12 CHAIRMAN BRUCE SHUPP: Thank you,
13 Panel.

14 Bill.

15 MR. BILL TITTLE: Billy did such a
16 good job presenting his perspective, I'd like to hear
17 your comments on the last two slides when your time
18 ran out, trade lands and mine lands, what you have to
19 say about that.

20 MR. BILLY MINSER: Okay. On the trade
21 lands I know you have taken -- those deals have
22 already been made on especially Nickajack, but
23 there's no protection that I know of that the Board
24 has taken to make sure that now that they are in the
25 public domain that they won't also be developed at

1 some future date.

2 So I would suggest that on all trade
3 lands -- in fact, all TVA lakeshore properties
4 combined have a conservation easement put on them so
5 that they can't be divided or developed on the
6 appropriate lands, conservation lands.

7 The other one was on -- the other
8 comment was on mine lands. As Sandra has commented
9 on, I think you have about 160,000 acres of mineral
10 rights, much of it in the Cumberlands where there's
11 two major wildlife management areas.

12 Of about 130,000 acres in the Big
13 South Fork of the Cumberland, certainly recognize
14 that we need those coal reserves, but we don't want
15 to see mountain-top removal like they did in West
16 Virginia. Those are some of the prettiest mountain
17 ranges and most-sensitive ecologically for all kinds
18 of reasons in the Eastern United States.

19 So I think there needs to be a careful
20 plan drawn out with intensive public input and do
21 that mining over time. Don't go in there and crash
22 and take everything out in ten years. It needs to be
23 stretched over time so that the reclamation has to
24 take -- has time to take place, that as you're doing
25 new lands, the other ones are being reclaimed.

1 Those were my other two points.

2 MR. BILL TITTLE: Thanks.

3 MR. BILLY MINSER: Thank you.

4 CHAIRMAN BRUCE SHUPP: Susan.

5 DIRECTOR SUSAN RICHARDSON WILLIAMS:

6 I guess I would like to ask each of you if you were on
7 our committee on the Board, how would you deal with
8 TVA's mission of economic development?

9 What would you do if you were in our
10 place and looking at developing a land policy?

11 MR. RUSSELL TOWNSEND: Would you like
12 me to go first?

13 DIRECTOR SUSAN RICHARDSON WILLIAMS:

14 Please.

15 MR. RUSSELL TOWNSEND: I think some
16 very valid points have been made about keeping public
17 land in the public trust, and I think that is a very
18 important point to make.

19 However, the Tribe is concerned with
20 having Section 106 of the National Historic
21 Preservation Act accomplished, having that law
22 complied with because that's what requires, I guess,
23 the adverse effects of a federal undertaking on
24 cultural resources to be assessed.

25 So by fulfilling that goal, you know

1 what's on that land, you know what it means to Tribal
2 peoples and you know what you have to do to protect.
3 At that point you can much more easily decide what to
4 do with the land, how to develop it, what uses may be
5 appropriate to accomplish on that land, that's the
6 most important thing from the Tribal perspective.

7 And I certainly don't want to gainsay
8 anything that any of the other speakers have said
9 because I do agree with their points, that it's
10 important to preserve these lands in the public
11 trust, but I think almost any goal can be
12 accomplished after the National and Historic
13 Preservation Act Goals have been accomplished.

14 And the Eastern Band would certainly
15 like to work with TVA to see that those resources are
16 protected, and then TVA can get on with their
17 mission.

18 DIRECTOR SUSAN RICHARDSON WILLIAMS:
19 Billy.

20 MR. BILLY MINSER: Okay. I think the
21 Board needs to be a visionary looking at how land
22 development is exploding in the country but
23 especially in the TVA Valley.

24 We can see that there's going -- if we
25 do agree that public open space and recreational land

1 is a national treasure and a national interest, we
2 have got to listen to that. And the polls are clear
3 on it, on every reservoir plan they're saying to
4 protect these resources.

5 If you think about the spirit of the
6 law of eminent domain, for the public good, and
7 there's no question, and Mike Ross pointed it out,
8 that development has brought tax dollars to the
9 communities, but it also has sacrificed the land that
10 the public had been used to using and then were
11 evicted from it for private use, and that's not for
12 public good.

13 We look at the surrounding states,
14 every state has an economic development staff. Why
15 do we try to duplicate that effort? I mean, it was
16 appropriate back in the depression, but we're not in
17 the depression anymore. I don't know that TVA needs
18 to keep on pursuing these kinds of developments.

19 So I think we say -- if I was on the
20 Board, I would say we're listening with open ears to
21 the public and they're saying, preserve this precious
22 public resource for future generations, and I think
23 you ought to go by that.

24 MS. SANDRA GOSS: When I think
25 economic development, I think jobs. As a native of

1 Crossville, Tennessee, it's very important to me that
2 my relatives, my people have an opportunity to earn a
3 living wage.

4 I believe if the economic development
5 staff, and I bet you they already have, read the same
6 things that I have read, in fact, probably in more
7 detail than I and are up-to-date on them, but job
8 development in our country is not reforming around
9 these plants. I think that the economic development
10 staff would be well advised to look at the trends in
11 job creation.

12 TCWP is an active alliance with the
13 Corps. So we're actively promoting all up and down
14 the Cumberland Plateau ecotourism where the
15 advantages are two-fold. One is the people who live
16 there who have lived there all their lives and don't
17 realize what a unique gem they live in begin to
18 appreciate that, hey, these out-of-towners might
19 really think this is hot, and if we provide the goods
20 and the services and the guides that they need to
21 take advantage of our natural resources, those are
22 jobs.

23 It also then gives small business
24 people, which is the heart of a good economy, an
25 opportunity to start restoring jobs. That would be

1 the direction I would head in.

2 Thank you.

3 DR. MONTE MILLER: I strongly believe
4 that all of us, not just the Board and the Council,
5 have a real obligation to do a better job at
6 educating the public of the accelerated degradation
7 of our reservoirs is to the point where in a couple
8 of decades some of them are going to be turning into
9 real slum ponds, and that's not an exaggeration.

10 I firmly believe that the developers
11 and some of the local politicians needs to be
12 educated to the point where they can understand that
13 accelerated development has a real danger of killing
14 the goose that laid the golden egg in a few
15 generations.

16 Thanks.

17 MR. BILLY MINSER: Ms. Williams, if I
18 could add one more comment, I think we also need to
19 recognize that the public lands are economic
20 development into themselves. Those 22 million people
21 that visit the TVA reservoirs every year, they spend
22 a lot of money. Just hunting and fishing alone is \$2
23 million a year to the State of Tennessee.

24 So when you start eliminating those
25 public resources you're -- and I don't know what

1 the -- maybe Commissioner Fyke knows, but I don't
2 know what the impact of ecotourism or just tourism in
3 general is to the State of Tennessee, but it's got to
4 be huge.

5 So as he said, we might be killing the
6 goose that laid the golden egg by taking those public
7 resources away that the national public has paid for,
8 and I emphasize the national public has paid for.
9 This is not a Tennessee Valley resource, it's a
10 national resource.

11 CHAIRMAN BRUCE SHUPP: Any more
12 questions?

13 Greer.

14 MR. GREER TIDWELL: Thank you,
15 Mr. Shupp. Ms. Goss, you said something that really
16 caught my attention about being affordable for local
17 folks in terms of resources that are held by TVA
18 right now, and I would like to -- that's such an
19 important issue, I would really like to hear from the
20 panelists. You have really kind of hummed in on it.

21 DR. MONTE MILLER: I'm sorry. I
22 didn't quite understand. Can you repeat a little
23 louder for me?

24 MR. GREER TIDWELL: Yeah. Sandra was
25 honing in on a concern that she's raised about

1 whether our land management program, if it is
2 involved with luxury shoreline development is, in
3 fact, impacting the affordability of the lakes for
4 local folks. The civil engineer in me says it's
5 simple geometry.

6 Earlier we had a gentleman who had a
7 resort saying that most people that come to his boat
8 docks and bait shop come within 50 miles. Well, you
9 can have a whole lot of people living within 50 miles
10 that can come and enjoy that resource, a lot more
11 than you can on a strip along the lake or at one
12 point of the lake.

13 I think that's what I -- Ms. Sandra
14 was talking about in terms of making these resources
15 affordable for the local folks, and I would like to
16 hear your comments on that, Mr. Miller, and move
17 right down.

18 DR. MONTE MILLER: Yes. I guess I
19 would point out that when the Tennessee Elk River
20 Development Agency was sunsetted, those large tracts
21 of land that were identified as residential
22 development areas, like Fannin Bend, became owned by
23 the state by the Tennessee Development -- Tennessee
24 Department of Environmental Conservation.

25 Consequently, although there seems to

1 be an impetus to the federal government and where
2 federal government has authority, some of those lands
3 had best be placed into conservation areas, parks, if
4 you will, hiking trails, and so on, and fishing that
5 could be enjoyed by the general public. We face some
6 uncertainty as a federal authority because TDEC now
7 controls those that are scheduled for development.

8 But as I pointed out, those large
9 tracts are in areas that are seriously compounded by
10 the Zone 8 developments, which were added, you know,
11 after a draft plan which everybody agreed was
12 probably a good compromise. And subsequent to that
13 map even showing those as conservation areas, the
14 decision was changed, largely at the insistence of
15 the developers to garner more economic return for
16 themselves and allegedly for the community.

17 As I pointed out, our area, and I
18 suspect many others, are not where they were ten
19 years ago. We have got -- the recorder of deeds
20 tells me that in the past ten years we have had over
21 450 new additions, new subdivisions. Some of those
22 are small, some of them are million-dollar houses.

23 There has to be a threshold and a
24 point at which we need to say no more shoreline
25 development. Let's develop some public areas for

1 everybody to enjoy that do not have the environmental
2 impact that more shoreline and more docks create.

3 MR. GREER TIDWELL: You're not
4 suggesting a moratorium on the privately held
5 shoreline management, just on how we're using the
6 public lands?

7 DR. MONTE MILLER: That's precisely
8 what I am talking about. Thank you.

9 MR. BILLY MINSER: Well, if you're
10 going to keep it affordable for the local folks, I am
11 not sure what the local folk is anymore, because the
12 local folks back in the '50s when I grew up, there
13 was a lot of old-timers around, farmers, people
14 working in town that made \$5,000 a year and rented a
15 wooden boat and a five-horsepower motor. Now they
16 have got million-dollar homes and a \$100,000 boat.

17 So I guess if you're going to make it
18 affordable for the folks that live back away from the
19 lake, those that live by the lake, they're in a
20 different economic class, then you have got to keep
21 the public land in public domain.

22 I know I had an interesting
23 conversation with the environmental guy for the
24 Governor of Utah. They put conservation easements on
25 every state park and all of their wildlife management

1 areas and even land grant permit stations so they
2 would be protected in perpetuity and you wouldn't
3 have to worry about changes in administration and
4 different people kind of monkeying with it and
5 selling it off. So to keep it affordable to
6 everybody, you have got to keep it available to
7 everybody, and the way to do it is keep it in public
8 trust.

9 MR. RUSSELL TOWNSEND: The Eastern
10 Band has neither the authority nor the goal to
11 influence real estate costs outside of the their
12 boundary.

13 So I would like to reiterate that we
14 have a real problem when TVA surrenders their
15 stewardship responsibility to private individuals,
16 firms, developers, because that means the historical
17 archeological and cultural resources that are present
18 there are no longer protected under law.

19 And if they are going to be protected
20 at all, they are going to be protected out of the
21 goodness of a private individual or developer's
22 heart, and that's a risk that frightens a lot of
23 tribal members.

24 So we prefer that TVA work to maintain
25 their stewardship responsibilities and understand

1 that they do have a responsibility to take care of
2 this land for the American public, and that includes
3 the Cherokee people these days.

4 CHAIRMAN BRUCE SHUPP: Any further
5 questions?

6 MR. W. C. NELSON: I just wanted to
7 make a point that some of you may not be aware that
8 in North Georgia where I am from several of the
9 counties have less than 50 percent in private
10 ownership. So the best lands were acquired by TVA
11 and the most usable. We have a limited resource for
12 industry because the flat lands are government owned.

13 And it's really important that TVA
14 work with us to acquire properties for industries
15 to -- for jobs. We may be different.

16 Some of the lakes -- one lake, in
17 particular, I know has less than 25 percent of the
18 shoreline in private ownership, and those lands real
19 scarce and they bring the biggest price because
20 there's such small amount available. It would
21 benefit the public if there were more lands available
22 for public use or private enterprise.

23 So I don't think you can make a
24 hard-fast rule that public lands should remain with
25 the public, because in some instances it's definitely

1 needed for the local economies. So I invite any
2 comments that you have.

3 MS. SANDRA GOSS: I have a comment. I
4 understand we have got several counties of great
5 interest to TCWP where much of the land is state and
6 federally owned and property taxes are among the
7 highest, if not the highest, in the state. It's a
8 rural county. They have very few financial
9 resources.

10 The double-edge sword that they're
11 experiencing, along with many other counties in the
12 state, and I expect the whole southeast area, because
13 the land is so low priced in comparison to the other
14 areas of the country, people can come with their
15 retirement and buy a lot bigger house or land for
16 their money than they could ever have had in their
17 original homes.

18 And as a native of Crossville,
19 Tennessee girl, it makes me feel bad, because they
20 are -- these people are enjoying our lower cost of
21 living and translating their lifestyle into a much
22 higher level than ever would have been possible
23 without moving here. They are sucking up our water,
24 they are sucking up our air, and I don't like it. I
25 am just that selfish.

1 I understand what you're meaning about
2 the jobs and how it would be useful, but in economic
3 development and things that I read, industry is not
4 necessarily going to come if you have got the land.
5 Our economy is so outsourced now as a country.

6 And as a matter of fact, there's a
7 presentation going on this week all up and down the
8 plateau about the rural economies and what they can
9 do to improve their situations. And one of the
10 things that's addressed in this presentation is
11 poorly educated workforce.

12 I have been in North Georgia. I love
13 their area. There's a lot of it that reminds me of
14 my hometown and the geography is beautiful and the
15 land is gorgeous, and I understand it's very hard for
16 those people there to make a living and it is a
17 difficult problem to address. That's why you guys
18 get the big bucks.

19 MR. W. C. NELSON: One thing for sure
20 is they are not going to come if there's no place for
21 them.

22 MS. SANDRA GOSS: That's true.

23 MR. RUSSELL TOWNSEND: I wanted to say
24 that I certainly appreciate your comment, and I think
25 it's a situation that must be debated and decided

1 upon by this Board. But it seems to me to be a case
2 of once upon a time somebody bit off more than they
3 could chew and more land was transferred to the
4 public trust than perhaps was required, and then I
5 think we are perhaps realizing that today.

6 The Eastern Band of Cherokee Indians
7 does not have a problem with rectifying that
8 situation, but the fact remains, when that land was
9 put in public trust under TVA's stewardship, they
10 accepted the stewardship responsibility for that
11 land.

12 So before that land is transferred out
13 of the public trust, if that is the decision that
14 you-all make, we need to see that these federal laws,
15 environmental laws, and cultural resource laws are
16 complied with. And I think if we do that, then
17 situations can be created through Memorandums of
18 Agreement, easements and other things that will
19 protect the sensitive areas and still allow private
20 development to proceed.

21 MR. BILLY MINSER: The situation that
22 you're describing in North Georgia, that's kind of a
23 mixed-blessing occurrence, or however you want to
24 look at it. The lands that's held by the Forest
25 Service, if that's who you are talking about, you

1 know, deer, turkeys, squirrels don't require schools,
2 sewage treatment plants, and a police force. So the
3 more land you have with settlement on it and
4 development on it to deal with, the more tax base you
5 need to pay for all of that.

6 And they say it takes about 30 years
7 for a new development to pay back the debt to support
8 the development. So, you know, it's a mixed
9 blessing.

10 In fact, in some northeast states
11 right now where a piece of land -- say a 500-acre
12 dairy farm comes up for sale, a local town will buy
13 that conservation easement and give the money to the
14 land owner not to sell it just so they won't have to
15 build another \$50,000 school or \$40,000 sewage
16 treatment plant and all the rest.

17 So, you know, I think you -- you do
18 maintain a different quality of life in your county
19 where that happens than those that are like in
20 Memphis that are just built there because they have
21 that open landscape to enjoy. So it's a mixed
22 blessing.

23 MR. W. C. NELSON: Part of the problem
24 with that, Billy, though is the students graduating
25 from high school are going away to college and don't

1 get to come home, and you don't get to see your
2 grandkids and you don't have that family life that
3 you could have if there were jobs available.

4 MR. BILLY MINSER: I understand.
5 That's a good point.

6 DIRECTOR DON DEPRIEST: I'd like to
7 make two comments. One, when the TVA Act was enacted
8 the average family income in the Tennessee Valley,
9 which was the poorest in the nation, was about \$126,
10 averaging to just a few thousand dollars today, and
11 there's been a miraculous transformation largely as a
12 result of TVA.

13 And to the earlier point about the
14 Eastern Band of Cherokees, I think there's no
15 question whatsoever that Kate and her leadership and
16 this Committee and the Board of Directors will comply
17 with all of the laws, but at the same time, we do
18 have a mission for economic development.

19 MR. BILLY MINSER: But I don't think
20 the same demand from societies are here for economic
21 development now that they were in the '30s.

22 DIRECTOR DON DEPRIEST: Actually, I
23 think it may be worse, because someone mentioned
24 outsourcing and offshore plants and business
25 interests around the world and China is booming and

1 India is booming and Usakistan is booming. I think
2 we have problems in this country in an environmental
3 sensitive way.

4 MR. BILLY MINSER: Well, how do you
5 respond to the duplicative efforts between TVA's
6 economic staff and all the states' economic staffs
7 that we have in all seven states?

8 DIRECTOR DON DEPRIEST: I don't think
9 it's duplicative. I think it's a partnership, and I
10 think it's vital to recognize interests of local
11 communities.

12 MR. BILLY MINSER: Well, they ought to
13 do that with private land, not public land.

14 DIRECTOR DON DEPRIEST: Both, correct.

15 CHAIRMAN BRUCE SHUPP: Any other
16 comments or questions?

17 I want to thank the panel for a very,
18 very stimulating session, appreciate it very much.

19 We're running up against the break and
20 we're also running up against a time problem. Let me
21 explain quickly. We're going to break at 1:50
22 instead of 1:55. We're going to break for ten
23 minutes instead of 30 minutes, ten minutes. You have
24 got ten minutes until 2:00 to do your stuff during
25 the break.

1 We're coming back and beginning the
2 public period one-half hour early. We have 51 plus
3 people -- pardon me, 56 now, it goes up all the time,
4 56 people who took advantage of this to give us their
5 wonderful comments and we really appreciate that. We
6 want to accommodate everybody, and we will come back
7 at 2:00 and explain how we're going to do that. So
8 you have ten minutes.

9 END OF PANEL PRESENTATIONS

10 (The Public Comments are bound in a
11 separate binder.)

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