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
REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

AUGUST 16, 2006

VOLUME I OF II

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

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

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

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

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

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


MR. KENNETH DARNELL: Kenny Darnell
from Murray, Kentucky. I represent Governor Ernie Fletcher.

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

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

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

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

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

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


CHAIRMAN BRUCE SHUPP: Bruce Shupp from Guntersville, Alabama representing recreational interests.
FACILITATOR DAVE WAHUS: I'm Dave Wahus. I'm the Facilitator for the Council.

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

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

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

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

Those stewardship programs include operation of dams and reservoirs, responsibilities for navigation, flood control, the management of land, water quality, wildlife, and recreation.
Because the Regional Council's Charter limits its area of review to those stewardship responsibilities, the remarks of panelists and comments from the public up to this point have really been limited to the stewardship functions within that Charter.

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

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

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

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

And now it's my honor to introduce
Susan Richardson Williams who chairs the Community Relations Committee of the TVA Board. And Director Williams is the owner of SRW & Associates, a public relations firm here in Knoxville, and she's served on the cabinet of two Tennessee Governors, the staff of a third, and the staff of a U.S. Senator.

Director Williams, welcome.

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

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

In some cases these uses may be mutually exclusive, and we want to hear what the residents, the businesses, and the government of the
Valley think about how these lands should be managed.

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

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

We apologize for any inconvenience, but we feel it is important that we take this time now so that future land decisions will be in alignment with this Board's view of TVA's responsibilities in this area.
Now I would like to introduce the other members of the Community Relations Committee. On my right is Don DePriest from Columbus, Mississippi. He's the Chairman of a venture capital firm and two companies involved in mobile telecommunications.

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

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

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

We are very much looking forward to an interesting and informative session today. I really want to say this is important to our committee, important to our Board. We really appreciate the Council's willingness to help us with this and to give us your input and guidance, and I think we're
all new, not all of us, most of us are new on the new
Board, and I think we really want to listen and learn
and come back with some definitive suggestions.

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

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

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

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

We will also be hearing some updates
on several -- on two or three actions that have been
ongoing, and we will be adjourning about 11:30
Does anyone have any questions?

DR. KATE JACKSON: Thank you, Dave.

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

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

Thank you.

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

MS. BRIDGETTE ELLIS: Thank you, Kate.

Thank you, Council, for allowing me to come up here today and talk to you and give you that broad overview. I know the Regional Resource Stewardship Council has had that overview before, but I think it's good to go back and refresh on that. And thank you to the Board Committee also for allowing me to do
As I start into the overview of our --
of TVA's managed lands, the first thing I would like
to do, if I can get this thing to work, there it is,
is talk a little bit about TVA's broad regional
resource conservation and development mission and the
fact that all of our land management responsibilities
are derived from Section 22 of the TVA Act, which
talks to aiding further the property use and
conservation and development of the natural resources
in the Tennessee River drainage basin. So a lot of
our responsibilities are derived from that portion of
the Act.

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

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

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

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

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

Also, there is that growing environmental ethic in the southeast that really, really talks to the value of undeveloped land and the value of open space and the values that reservoir land provides in terms of wildlife habitat and water
quality benefits and all of those different types of things.

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

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

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

When TVA purchased and acquired for the reservoirs, they didn't necessarily acquire all
of the land around the reservoir. In some places they only acquired rights to flood certain elevations for that flood control responsibility.

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

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

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

And then, finally, where we have some commercial easements where we have some of our employees located, we also own about 340 acres of lease arrangements for those. So that makes up
our -- all of our land rights.

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

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

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

Power properties, those are
properties, as I talked about earlier, that were not
purchased with congressional appropriations but
through the sale of power or through financing through our power bonds and those different types of things.

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

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

Since there is -- has been a lot of discussion about the amount of land that TVA has either sold or transferred, I wanted to spend a little bit of time on that specifically. Of that 500 -- over 500,000 acres of land throughout our history, the majority of the land that has been sold or transferred has been around the reservoirs, and very small portions of our power properties have been either transferred or sold to the power distributors
for their purposes, but the majority of those lands were for around the reservoirs.

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

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

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

Then there's a small amount of land that we sold, 4,000 acres with restrictions, and really what this was was back in the '40s and '50s we
were actually trying to get people to come to the reservoirs to recreate. I mean, there was a very deliberate try to get people to come here.

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

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

If you look up into the '80s, that was after Tellico was built and Tims Ford, there was a lot of lands that were then sold for those wide variety of purposes also. So this just gives you an overview of the historical perspective of when those lands were sold.
Now, if you look at our power properties, this includes the power plants, transmission lines, and our commercial areas where we have our buildings. The largest component obviously is our fossil plants, over 16,000 acres there, and that varies widely.

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

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

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

Transmission, we actually own about 300 -- 3,000 acres for our transmission purposes, and that is primarily the substations. Our substations account for about 2,700 of that 3,000 acres. Our customer service centers and our commercial buildings sites, 238 acres.
And that last category, the over 5,000 acres, that is other power properties that were purchased with power proceeds that are not being used for that purpose right now. And the two examples that I use are Hartsville, where we have sold some of those lands, and then Saltillow (phonetic) out in West Tennessee. So that gives you two examples of those different types of properties. So that makes up the power properties.

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

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

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

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

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

Shoreline access, that's 17,000 acres. I would think about shoreline access as a narrow ring around a lot of these reservoirs where we own land that people have the rights for docks across and the
right to come to TVA and ask for access to the reservoir.

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

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

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

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

When you think about a lot of these lands, a lot of people are saying, well, how much is this land actually committed for specific purposes. Well, especially in the economic development area
where you have development and then developed
recreation, about half of those lands actually have
active management on them, but there are -- you know,
they are still available for additional development.

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

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

So I think in closing all I will say
is that TVA does strive to maintain a balance among
those multiple purpose uses of the TVA managed lands
then, and then also while being flexible to
everything that's changing in terms of social values
and economic drivers.

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

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

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

Thank you.

DR. KATE JACKSON: Thank you,
Bridgette. We will move on to the first panel.

Today we're going to convene three panels to discuss
varying viewpoints on management of lands.

Each panel member will have ten
minutes to make his or her comments, after which
Members of the Regional Resource Stewardship Council
or the Board committee can ask questions.

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

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

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

Our first panel today consists of representatives from state and federal agencies that have a vested interest in the management of public lands and properties, and the panel members are Avis Kennedy, the Chief of the Natural Resources Management Branch, Operations Division for the Nashville district of the U.S. Army Corps of Engineers. She's a member of the Tennessee Recreation Parks Association. Ms. Kennedy also
serves on the Tennessee State Natural Areas Advisory Committee and the Kentucky Federal Agency tourism Council.

Welcome, Avis.

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

Welcome, Ms. Medlin.

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

Welcome, Mr. Lein.

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

Welcome, Ms. Stringer.

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

Keep talking, it will come on.

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

Nationwide the Corps of Engineers owns
and manages 12 million acres of land and water. These are located at 456 lakes in 43 states.

One of the key factors about the Corps' land management is that land that the Corps purchases is purchased for authorized project purposes only, so that every acre is for one or more project purposes that are designated by Congress. These can include flood damage reduction, navigation, hydro electric power, recreation, fish and wildlife, water quality, and water supply.

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

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

The Project Master Plans are very comprehensive and lengthy documents. Among other things, they allocate all of the land for a Corps project to specific uses, which can include operations like the land around the dam, recreation which includes Corps operated, and other operated
recreation areas and concessionaire areas, fish and
wildlife or mitigation lands that were specifically
designated for mitigation of project facts.

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

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

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

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

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

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

Shoreline Management Plans are only allowed and are required at lakes where private uses
existed before 1973. So only at some of our older
lakes, for example, Old Hickory Lake and Lake Barkley
that private uses were permitted before 1973, they
have the Shoreline Management Plan.

Lakes impounded after 1973 do not
permit such uses. So we basically stopped permitting

Is this on?

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

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

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

Here's the latest news, under similar
pressures as what TVA has been experiencing in the last few years, the Corps has developed a brand new Recreation Development Policy for Outgranted Corps land. It was issued in December of 2005. This was partly in response to a controversy that we experienced on J. Percy Priest Lake near Nashville.

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

What are the criteria for evaluating such a request?

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

The proposal must be determined to be in the public interest. It must be justified by
public demand, and that has to be demonstrated by the
applicant. It must be economically viable, and that
has to be demonstrated by the applicant and verified
by the Corps.

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

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

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

The Corps has very limited authority
for both acquisition and disposal. All acquisitions,
even donations, must be approved by the Secretary of
the Army. Disposals must be approved by the
Secretary of the Army, and any over $50,000 have to
be performed by General Services Administration, not
by Army. Lessees may not convey any real property
rights to sublessees, customers or renters.

What are our challenges?

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

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

DR. KATE JACKSON: Stephanie.

MS. STEPHANIE MEDLIN: Good morning.

My name is Stephanie Medlin. I work for the Cherokee
National Forest. I'd like to take this opportunity
to thank you for the invitation to come. I
appreciate that. Before there was Paul Arnt, he
filled in. So I am filling in for Paul, but I do
appreciate the extension.

Just a little background information.

Recently the Cherokee National Forest completed their
new plan revision in 2004, and we have our final
appeal decision from the Washington office in July,
and we were affirmed.

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

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

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

In one of the areas of lands and
realty management, we purchase land to protect it
from critical resource areas. We authorize power
lines to provide electricity to communities, ensure
hydro electric projects that are in those areas are
protecting the riparian areas, exchanging land to
achieve a desired national forest land ownership pattern that is primarily contiguous and supports the forest land and resource goals and objectives, as well as surveying our national forest boundaries to identify and protect the private and public lands.

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

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

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

Our planning units are divided in three areas. Nationally, the chief of the forest service is responsible for those activities. The forest, which the Cherokee would fall under, there is a forest supervisor, and he or she is responsible for the development and approval of that forest plan and
any respective amendments or revisions.

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

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

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

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

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

The key factor in any of these is, is it in the public interest, that is our key question
foremost and continually reappears in each of those.

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

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

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

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

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

Does the Agency sell our land?

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

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

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

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

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

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

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

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

DR. KATE JACKSON: Thank you.

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

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

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

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

We have a Marine Resources Division, which functions in our two coastal counties.
And lastly, we have our State Lands Division, where I work. State lands is basically the manager of other public agency property. Historically we have managed Mental Health and Department of Education trust lands for the purpose of generating revenue for those apparent trusts.

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

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

So through the Forever Wild Program, we have attempted to add to the state's public recreational land base. And since 1992, when the program was created, we have acquired around 120,000 acres of property. Within the last five years 50,000
of those acres have been in the Tennessee Valley and
North Alabama where we have worked to partner with
TVA from a management standpoint in providing more
public recreational lands, much of which is public
hunting areas.

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

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

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

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

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

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

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

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

Thank you.

MS. MARIE STRINGER: Good morning.

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

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

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

We also partner with other government agencies from the federal, state, and local level
to -- also nonprofit groups and private owners to prioritize conservation interests and to design creative approaches to land conservation and leverage our limited conservation resources.

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

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

They have the authority to buy and sell land and to acquire easements. And one of the unique aspects of the trust fund, something that gives it increased flexibility that other state agencies do not have, is its ability to acquire
easements on its own, you know.

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

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

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

It's the Governor's belief that land conservation and job creation and economic development can be complimentary goals. I think
certainly you don't have to tell you-all, as we sit here today in Knoxville at the foothills of the Smokies, what an asset we have in our State's natural treasures for drawing recreators, tourists, hikers, hunters to visit, to eat, to sleep, to leave their money in our economy, and I think it's important that we recognize those facts. And in concert, we have an obligation to manage and protect those treasures before they are lost to future generations.

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

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

I don't think I have to tell you-all that whether you're dealing with a couple thousand dollars or $20 million, there are often more ideas
about how to spend money than there is money itself. We have, as I mentioned before, experienced board members who are really trying diligently to be good stewards and keen conservationist and from the start have given staff clear direction that they want to employ science in determining the need and value and priorities that we place on our acquisitions, and there are several tools that we have identified and have begun using. We will continue to identify emerging tools as the years go on.

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

We're continuing to work on a state-wide plan that offers us a ready resource. Anytime large or small properties become available we
can go to that resource. It does not identify
dividual parcels, but it does identify areas of
interest. We can immediately say, is this in the
State's best interest? Does it meet our conservation
goals?

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

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

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

Finally, there are some sort of mushy
elements to identifying priorities, like cultural and
historical resources that may not fall directly under
the scientific models, but the board does recognize
that those -- those are resources that we must
protect and must find adequate ways of identifying
where those -- where those features exist.

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

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

Thank you-all.

CHAIRMAN BRUCE SHUPP: Thank you very
much, Panelists. We have plenty of time for
questions. I remind you-all that if you want to be
recognized for questions to put your name tag on end
and we will take it in chronological order.

So with that, questions?

Skila.

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

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

Is there a trend?

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

There are, however, portions of their lands that deserve to be preserved and accessible for the public. And I think it's due to Commissioner Fyke's positive relationship that he's built that we
were able to establish a good relationship with Bowater and convince them of the public good accomplished by helping the state acquire certain properties.

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

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

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

DIRECTOR SKILA HARRIS: Would residential development be part of that?
MR. GREG LEIN: Yes.

DIRECTOR SKILA HARRIS: Okay.

CHAIRMAN BRUCE SHUPP: Susan.

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

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

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

MS. STEPHANIE MEDLIN: Yes.

DIRECTOR SUSAN RICHARDSON WILLIAMS:

-- or maintain and gain?
MS. STEPHANIE MEDLIN: Yes.

CHAIRMAN BRUCE SHUPP: Jimmy.

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

MS. AVIS KENNEDY: Yes.

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

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

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

MR. JIMMY BARNETT: I noticed one of the slides said Nashville Shores.
MR. JIMMY BARNETT: I would imagine that around Nashville there was a lot of interest in that from the public.

Was there a lot of outcry against it?

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

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

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

The developers approached the Corps about three years ago with a proposal to construct a theme park, which was going to include land-based
rights, such as roller coasters and that kind of
thing on the 385 acres. And after some
consideration, the Nashville District decided that
that was not in the public interest for that piece of
land, but the developers pursued it greatly. The
people of Nashville have never gotten over Opryland
closing, even though it's been a number of years ago.

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

MR. JIMMY BARNETT: Thank you.
CHAIRMAN BRUCE SHUPP: Austin.
MR. AUSTIN CARROLL: I have a question
for Ms. Kennedy. In your shoreline management plan
and the development of that plan, could you elaborate
a little bit more on the process that you-all go
through to develop that plan, those plans?

MS. AVIS KENNEDY: Yes. The shoreline
management plans are reviewed on a five-year basis at
the lakes that have them. And as I mentioned, lakes
that are -- were impounded after 1973 or that had no
private uses in 1973 do not have these plans, but for lakes where they exist they are reviewed every five years to see if there is a need to rewrite plan.

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

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

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

For request for allocation review where people are requesting that their shoreline be changed typically from protected to limited development, those are each addressed on an individual basis. Criteria are applied and there's a
record of each one, whether it was approved or
denied.

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

CHAIRMAN BRUCE SHUPP: Greer.

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

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

Basically anybody who requested to be able to cut grass, cut trees, build docks, and that kind of thing, had been permitted to do so basically on a letter-of-permission type basis.
And in the decision to try to get a handle on that, which happened in the early '70s, the Corps issued policy on a nationwide basis that, you know, they planned to accommodate those kinds of private uses at lakes where it already existed with provision for updating, and, you know, trying to keep up with demand on those lakes but that no new -- lakes that were newer that had not been impounded yet wouldn't -- we just wouldn't start down the path of allowing those private uses of public land and water. To some extent it may have been a moot point because the land acquisition policy changed, and it changed from a policy where we typically acquired very narrow, maybe averaging 50-foot wide, just the minimum necessary for project operation, to a more comprehensive land acquisition policy so that on newer lakes, for example, Percy Priest Lake, there was much more land acquired and the shoreline really doesn't lend itself to those kind of private uses at most of the newer lakes.

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

MS. AVIS KENNEDY: No, sir. It is
actually granted in Title 36 of the Code of Federal Regulations, which prohibits residential or habitation use. And this includes houseboats, which is frequently pointed out to us as the contrast between TVA lakes and Corps lakes in our area, in that the occupation of a houseboat for the purpose of habitation is appropriate.

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

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

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

MS. AVIS KENNEDY: Our encroachments are a continuing issue for the Corps. We have made a lot of efforts and gone to considerable expense to ensure that we have a surveyed and well-marked
boundary line, which I believe is the key to protecting our land. If you don't know where it is, you can't protect it.

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

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

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

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

MS. AVIS KENNEDY: We have on a lake-by-lake basis, kind of our local manager usually trying to talk with realtor associations in the
We have a number of tools that we can use. Obviously prevention is best. We do have citation authority so that we can cite people for unauthorized structures or for destruction of government property, and those are federal citations that take them into Federal Court with some substantial penalties for some of them. Violations, typically they get resolved before we get to that point.

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

MR. GREG LEIN: I would say that we approach it first from an avoidance standpoint where we maintain a firm boundary on our properties. With lands that we have historically had, those boundaries are well fixed. They are routinely monitored by
enforcement staff who are also the managers of those properties.

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

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

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

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

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

What does that mean to your agency?

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

On your project in Nashville, was that -- did the
developers try to market that and sell that as
economic development or did they avoid that knowing
your purposes?

MS. AVIS KENNEDY: Oh, absolutely.

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

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

You have built a lake. People want to
come out there. They need certain things when they
come to the lake, like a place to stay, a place to
eat, a way to get on the lake, but that it's not a
blanket approval for any kind of recreation to be
located on Corps lands simply for the purpose of
obtaining free land, which, of course, is -- and they
would pay rent, but it would be substantially less
investment for them than having to acquire the land in the real estate market.

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

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

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

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

MR. GREG LEIN: For us it's a case-by-case situation. If someone approaches us about leasing a mental health or education tract that
we manage for revenue purposes, we would be fairly interested in listening to those ideas because our goal is to generate revenue. It doesn't have to be timber management.

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

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS: But you must -- in working for the state you must face pressures, political pressures. If a large industrial plant or automobile factory wanted to come in there and the prime piece of property they wanted was currently zoned for recreation conservation, how do you handle that? Because I understand the political pressures that come with that.
MR. GREG LEIN: Well, again, it would go back to the particular property, who holds the deed to that property, what governs the use of that property.

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

MS. MARIE STRINGER: The trust fund's primary purpose is to acquire and maintain open spaces. There are, as Stephanie mentioned with Cherokee, instances where the trust fund will acquire land with a variety of uses. Some of them may be for public recreation and were it to go -- were those lands to go to the management of state parks, there may be opportunities, you know, to generate revenue through cabins or other recreation activities, but there are also -- the trust fund recognizes that there are also lands better used, you know, as working forests, for example, or helping families maintain agricultural land.
So, again, it goes back to the tools that the trust fund is using to identify lands and the best use for those lands.

CHAIRMAN BRUCE SHUPP: Mike.

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

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

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

The Corps has a vast amount of information about economic benefits of recreation in
general and that differentiates in a couple of
different ways, some of it between Corps areas and
areas operated by others or day-use visits versus
overnight visits broken down by project but -- so
that it captures the benefits of such dispersed uses
as hunting or hiking or bird watching, but I have
never seen anything that would break that out and
show those kinds of numbers by themselves.

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

MR. GREG LEIN: I know there's been a
number of studies funded through our department
related to hunting and fishing activities and the
economic benefits to the State of Alabama from those
activities, and I think from a socioeconomic standpoint in terms of acquiring land and other uses on these properties we often cite statistics and studies done by partner agencies, like Ducks, Unlimited, The Nature Conservancy, Trust for Public Land, that have regional studies and national trend studies on benefits of acquiring land and setting it aside.

MS. MARIE STRINGER: We haven't conducted any of our own research but have been made aware of -- that American Farm Land recently issued a report on the cost of development actually, that, you know, while there are units to be made for developing, say, forest land, you know, for residential use, I think one point that's often lost is that it can -- it can actually cost more to develop those lands to bring services to rural communities than developing that -- those lands actually returns to local coffers.

So I think that's a good question, and I'm sorry I can't quote the actual studies, but I believe that work has been done.

CHAIRMAN BRUCE SHUPP: Any other questions?

Thank you very much, Panelists. You
did a very fine job, appreciate it.

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

(Brief recess.)

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

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

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

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

I will start with Mike Ross, the
Founder of -- and President of Rarity Communities, Incorporated, a development company headquartered in Knoxville.

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

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

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

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

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

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

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

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

Each of our current projects is at different stage of development, and when developed out, their total value will exceed $4.4 billion, and we estimate the amount of property taxes alone paid
in the four Tennessee counties where our projects are located will be $22 million per year.

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

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

I was fortunate enough to have been raised and educated in Maryville and Blount County, one of our regions most prosperous communities with some of our best schools.
Shouldn't our goal be for all young people to have the advantage of going to a good school with the hope of getting a good job that allows them to stay in this area?

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

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

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

In each of our Rarity communities we
seek to go the extra mile, to respect the land and
preserve the qualities that made them attractive for
use in the first place. We work hard to provide high
quality homes and communities that create high land
values resulting in significant property taxes that I
mentioned earlier.

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

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

No. 1: Allocate a small percentage of
TVA land to help facilitate master plan minitized
(phonic) residential development.

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

And No. 3: Work with companies who
have a proven track record of financial strength,
experience, and company philosophy to produce the
kind of products that meet these objectives.

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

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

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

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

In recent years my family sold land to
TVA under the threat of condemnation, in other words,
eminent domain, for the installation of TVA
electrical transmission towers and lines. No one likes eminent domain, but government must have the right to condemn land.

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

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

Thank you.

DR. KATE JACKSON: Mr. Roberson.

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

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

My soul, my heart, and my life are in
Rhea County, Tennessee, and I am in the best position to convey to this committee the importance to our citizens of the decisions you're about to make regarding TVA's Land Management Policy.

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

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

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

TVA economic development helped us prepare a master concept plan that was submitted to
TVA's resource stewardship group over two years ago as part of planning and economic review process.

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

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

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

TVA spends millions of dollars per year in partnership with states and communities it serves in the Valley region to attract and retain industry. You now have the opportunity to allow us
to work with TVA and private-sector developers to
create an economic benefit equal to a mega industry
at no cost to the ratepayers.

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

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

To a large degree, our request is
similar to what TVA and the Tellico Reservoir
Development Authority have accomplished over the last
25 years through a contractual partnership on Tellico
Reservoir. This is the same type of partnership we
would like to initiate between the Watts Bar
Development Authority and TVA economic development
and resource stewardship groups.
Over one billion dollars of economic development has occurred on Tellico Reservoir through that collaborative partnership. It's been a very successful joint venture of working together to attract residential, industrial and commercial development to create thousands of good paying jobs while sustaining an equal balance of public land base.

It is beyond our comprehension that TVA Board has not directed economic development and resource steward groups to join together in a similar partnership with the Watts Bar Development Authority. Where is the TVA that we used to know and respect that worked hand-in-hand with reservoir communities to improve quality of life?

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

We realize the complexity of managing the land and water resources of TVA’s vast integrated river system. We know that the challenges of reevaluating and making changes in a reservoir land plan that strikes a balance and somehow the resources will be managed for future generations, but through its maintain-and-gain policy TVA has created the
mechanism that allows the balance to be perpetuated.

It truly allows substantial growth based on the highest and best use property under its control.

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

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

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

It is time to stop the studying of
studies, the documentation of documentation, and make
the decisions that will benefit the vast majority of
citizens and all ratepayers of this region.

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

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

Again, thank you, Ladies and
Gentlemen, for the opportunity to express our heart
felt views on how important this matter is to our
economically distressed counties and the future
well-being of our citizens.

Thank you.

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

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

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

Too, we can talk about a lot of
things, economic development can facilitate growth,
but very candidly and very straightforwardly, trying
to provide opportunities for the folks that live in
that community to be able to have a quality of life
that we probably in this room all enjoy at this time.
I have thought a lot about what I would want to say in the few minutes here, and I found out that it became very much an education process for me too as I began to read more and more about what TVA is all about and how TVA became TVA in 1933.

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

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

I do not envy your challenge. To some degree we have fallen in this category as a local
community. I have business people calling me daily needing something and needing something right now, and if it's not done it's got to be someone else's fault. Then, of course, you have the public agencies saying that you can't go any farther than this or you can't go further.

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

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

We have heard it so succinctly put, as much as we would like to do grand things for the world, it still takes money to be able to do that, but at the same time it does have a mandate to manage by stewardship of the public lands. Of course, stewardship is management -- best use management of those lands, not just the single-purpose use but management of that.
Economic development and the term economic development has been thrown around today, and as it is most times you use it to hopefully accomplish something that you want to accomplish. There's not a real firm definition of economic development, but economic development, by and large, is a third goal of the Tennessee Valley Authority, and I applaud you for that.

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

I really do not have words of wisdom to share with you, other than to encourage you -- to encourage you to continue to try to meet the needs of both the conservation sector, the business sector, and more than anyone else, the folks that when you go home that are not here because they are working somewhere in either an office job or a factory job or working at the local dry goods store working seven, eight, ten, twelve hours a day so that they can have
the funds necessary to enjoy the conservation lands
that we have available or to enjoy the recreational
opportunities we have available, you can never lose
sight of that.

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

And I will be happy to answer
questions later on.

Thank you.

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

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

I was born in 1947 in Guntersville,
Alabama. My childhood years were spent on a farm near Guntersville, and a substantial portion of my childhood involved fishing, hunting, and other forms of recreation on Guntersville Lake.

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

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

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

In addition to all of that, my wife and I live in a home on the lake and we're fortunate
to experience the lake from the standpoint of a homeowner with a boathouse, a pier, and shoreline access.

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

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

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

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

On the other hand, we are involved in the business of commercial recreation, and the lake and TVA are integral parts of that business. Commercial recreation is important to many people. Obviously, it's a sizable business throughout the Valley and many jobs are dependent on it.

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

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

Another important point to remember is that commercial recreation facilities provide access to the lakes of the system for a wide spectrum of the general public that otherwise would not be able to use the lakes in any practical way. Most of the
people we serve at our locations are not able to afford their own place on the lake. So the way they get access on a regular basis is through our facilities.

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

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

However, I see little choice for TVA but to continue its role in commercial recreation. The question becomes how to balance the needs of all the people who want to use the lakes. To some limited extent, these activities are regulated by local laws, including zoning and related regulations. There also is a substantial element of regulation
with respect to environmental matters from the state
and federal governments.

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

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

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

While almost everyone can quickly
recite an example of their belief that something was
done incorrectly by TVA, in general, the partnership
between TVA and private developers of commercial
recreation facilities works well. The public is
served by it. Access to the lakes on a reasonable
basis is promoted by it. It needs to be continued
and nurtured.

Thank you.

CHAIRMAN BRUCE SHUPP: Thank you,
Panel.

Questions?

Skila.

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

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

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

DIRECTOR SKILA HARRIS: Right.

MR. JOHN COOPER: That's a subset of
the broad customer, but the average customer we have
is blue collar, middle class, often retired, and
looking for a way to spend time on the lake in a way
they can afford.

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

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

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

MR. JOHN COOPER: Well, clearly all of
us would like to have a lake from a recreation standpoint that I remember as a child. That would be the ideal situation if you were only looking to the recreation area.

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

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

DIRECTOR SKILA HARRIS: Is barge traffic a problem for the people who come to use your
facilities, boaters, for instance?

MR. JOHN COOPER: We're reasonably close to the river with one of our facilities, and two of them we're more into an embayment. Barge traffic was there first, and I think everybody accepts that barges go up and down the river. And if you spend much time on the river you understand that when a barge is coming or going you stay out of the river and you stay somewhere else, I think that's accepted. I have never heard anyone spend any appreciable amount of time criticizing barge traffic.

DIRECTOR SKILA HARRIS: Interesting.

Thank you.

CHAIRMAN BRUCE SHUPP: Susan.

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

Why do you come to TVA?

Why do you not first pursue private lands? Are they not available?
I mean, why are you -- why do you come to TVA given the difficulty of acquiring TVA land?

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

Mike.

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

MR. MIKE ROSS: The only time we have come to TVA asking to acquire land was for our Rarity Point development, and we asked to acquire 110 acres of land there just because we owned the land next-door and needed some more room to accomplish
what we wanted to accomplish on that site for the community and all the amenities we wanted to place there. So that was our reasoning -- that was our reason for coming to TVA. You-all -- we typically would buy land from private holders and develop it.

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

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

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

Mr. Mayor, would you comment on that?

MAYOR KEN JONES: May I comment?

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

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

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

CHAIRMAN BRUCE SHUPP: Mike.

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

CHAIRMAN BRUCE SHUPP: Yes.

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

MR. FORREST WRIGHT: Zero.

MR. MIKE BUTLER: The next question is
for, Mr. Cooper, how many people visit your
facilities in a given year?

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

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

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

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

MR. MIKE BUTLER: The Tellico
Reservoir Development Agency has some acres of land
on the southern part of the western shore that have
been set aside as part of their development plan for
residential type development that took place on the
northeastern -- the northwestern side.

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

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

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

So the site was about either -- the TRDA lands, I believe, made up 216 acres, and then the private property owners probably made up about another 300 acres, and we just needed some more land to facilitate the development. TVA had a boundary that joined the TRDA land, as well as joined the private landowner's land that we needed to satisfy our development, and that made the total acreage there about 700 acres.
We have since negotiated and are in the process of acquiring approximately another 200 acres from private ownership so that the total project will ultimately be about 900 acres.

MR. MIKE BUTLER: Thank you.

CHAIRMAN BRUCE SHUPP: Tom.

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

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

I am interested -- I'm hearing several people say that, you know, TVA gave land for this and that, I am looking forward to getting some TVA land
sometime myself, but we have purchased properties with the full intent of being able to access the lake at some point for business reasons.

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

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

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

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

MR. EVERETT ROBERSON: The Watts Bar
Development Authority would comply with all environmental and all the laws of the land, as well as TVA.

MR. TOM LITTLEPAGE: Thank you.

CHAIRMAN BRUCE SHUPP: Bill.

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

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

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

MR. BILL TITTLE: Okay. Thank you.

MS. BRIDGETTE ELLIS: Does that answer your question?

MR. BILL TITTLE: Yes, it does.
CHAIRMAN BRUCE SHUPP: Don.

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

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

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

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

MR. MIKE ROSS: We certainly do our best to -- to abide by the rules and best land practices that are available in developing and maintaining our properties. We think of ourselves as being environmentally conscious and sensitive.
We probably are not qualified to say how good a job or how bad a job we do, but we are always willing to listen and to learn and to endeavor to be sensitive to the environment and bend over backwards or feel like we bend over backwards to try to be good stewards and good developers.

MR. DON GOWAN: Thank you.

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

CHAIRMAN BRUCE SHUPP: Skila.

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

MR. FORREST WRIGHT: Different developers would be behaving differently in different communities. If I were in the City of Nashville or
Knoxville or Memphis, I would probably spend a lot of
time and effort talking about open space.

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

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

MR. JOHN COOPER: I have not.

MR. MIKE ROSS: We have not.

MR. EVERETT ROBERSON: No, we have not.

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

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

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

CHAIRMAN BRUCE SHUPP: Questions? Any
other questions?

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

    Before we break, Dave has some
housekeeping to discuss.

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

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

    CHAIRMAN BRUCE SHUPP: Anything else
before we break?

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

    (Brief recess.)

    CHAIRMAN BRUCE SHUPP: Council
Members, take your seat. Welcome to the afternoon
session. We will begin the session with panel three,
and Kate Jackson of TVA will introduce the panel.
DR. KATE JACKSON: Okay. Our third and final group of panelists represent a range of interests related to conservation and protection of public lands, natural resources, and open space.

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

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

Billy Minser is an instructor and researcher in the Department of Forestry, Wildlife and Fisheries at the University of Tennessee teaching a variety of wildlife management courses. Mr. Minser is a wildlife biologist and former wildlife refuge
manager for the State of Georgia. He's been an active participant with a number of conservation organizations, particularly in relationship to conservation of public land.

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

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

And with that, I will just hand this to Russell Townsend.
MR. RUSSELL TOWNSEND: Thank you very much. Ladies and Gentlemen, as I was introduced, I am Russ Townsend. I am a citizen of the United States of America. I am also a citizen of the Cherokee Nation, and I am employed by the Eastern Bands as their tribal historic preservation officer.

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

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

I won't spend a lot of time talking about the general responsibilities or how you handle that, but I will point out that out of all of the things that TVA may do, may be required to do, may be mandated to do, one thing that they are required to do is follow the National Historic Preservation Act of 1966. Sections 106 and 110 specifically concern archeological resources and tribal resources, that is
a mandate of Congress, and it's very important to do
so.

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

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

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

Sometimes those land sessions were
friendly and beneficial to both our peoples. Sometimes they were accomplished by threat and force of threat, or threat of force rather, and the result was and is that so much of our history and cultural is now out of our hands.

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

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

When I look at the Little Tennessee River Valley, I see the towns of Chota and Tenassee, Tenassee that we get our state's namesake from, the towns of Tellico, Citico, Toocca, Tuskeege, Millawoka are all under Tellico Reservoir or on the shorelines of Tellico Reservoir.

When I look down towards Nickajack in Chattanooga, there are the Chickamauga towns that are
Cherokee and Shawnee and Creek all through that region. So at various times we lost these pieces of land.

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

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

And more importantly than that, TVA is not just the steward of the graves of our ancestors and these archeological sites, TVA is the de facto steward of our very history, and therefore, TVA is a primary steward of Cherokee identity today, and we look to TVA to fulfill these stewardship
responsibilities and protect these sites and these
locations.

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

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

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

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

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

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

And I would like to take back a message to my Chief in the Eastern Band and relay that message to the other tribes that TVA is sincerely concerned about protecting those resources, fulfilling their stewardship responsibilities, and serving Congress by fulfilling the National Historic
I thank you-all very much for your time and will be happy to answer questions at your convenience.

Thank you.

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

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

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

The value that we place on our public lands is indicated by the 2004 election where the public voted for $2.4 billion extra in their own
taxes for buying more open spaces. In order to kind
of figure out what we should do with the land that we
manage, that TVA manages, and other land for that
matter, we need to look at population growth and
where we have been in the last 60 years and where
we're going in the future.

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

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

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

The value of TVA land, the 49
reservoirs in seven states, of course, you have seen
this map before, the red dots are the 49 reservoirs
and the blue is the lake. The TVA lakes are within a day's drive of half of the population of the United States. That's why 22 million people a year visit the TVA lakes and surrounding lands for recreation. That's about a third of the entire National Park Service's visits, 66 million, to all the parks in the country, a tremendous value, a tremendous national treasure that TVA provides in its reservoirs and lakeshore property.

So what is TVA's record of stewardship?

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

There's 293,000 acres that remain, but of those 53 percent has already been leased or licensed over to somebody else. So that only leaves 100 -- nearly 138,000 left for public use, and the public is really hacked about this, selling off the public lands, not TVA lands, public land bought with
tax money to build these reservoirs, and hopefully,
for the public good.

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

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

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

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

Another huge issue is the land use
policy, you don't have one. So how are we, as a public, expected to weigh the Board's decision and the Agency's decision to manage public land when you don't have a policy? We don't know what the rules are. I don't guess the Board does, because you don't have one.

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

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

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

The public good, now, what's that? So TVA took all the land, the 1.3
million acres with eminent domain, created 50,000 TVA refugees that were thrown off the land for the public good. So people like the Ritcheys on the Tellico project and poor ole Nellie McCall that was dragged out of her house by federal marshals, their lives were totally upheaved, their lands were taken from them. Now, we have created beautiful lakes, public good, I agree, for the people to use.

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

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

And I noticed that residential
development was not part of the Mission Statement of TVA. Forty-one state legislators right now, or last spring, were involved in passing new laws to protect private property.

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

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

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

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

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

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

Deed restrictions must stay in place. You can't lift them and then let somebody like the YMCA sell their land for windfall profits, that's not right.
My time is up. I have a more extensive report on paper, if you would like to read it. That was my last two points.

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

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

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

Some of those things include building and maintaining a trail at the Whites Creek Small Wild Area, a yearly exotic pest plant cleanup at Worthington Cemetery. Our members help lead hikes at the River Bluff Trail. We partnered on the Riparian Buffer Zone Improvement Program. We're active
partners with the Emory-Obed Watershed Association, and most recently we’ve participated in efforts to establish a Poplar Creek Watershed Association as part of the Lower Clinch Watershed Council.

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

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

The benefits of wild lands known are frequently cited, habitat for wildlife and outdoor space for humans. Our beautiful Valley is a treasure that deserves and needs adequate and careful
guardianship. Development removes access to public lands for public use, while access to natural lands is shrinking throughout the Valley.

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

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

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

It is incumbent on TVA to promote a sustainable and viable economy with equitable public access to shore lands and their waters. Fair treatment to ratepayers should be sought. Access to shoreline property, of particular value to citizens
who cannot afford watercraft or lakefront residences, should not be diminished.

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

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

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

Also, research to quantify economic benefits of non-intensive uses, including fishing, boating, hiking, camping, water quality protection, and water supply should be conducted and the results made public.
We believe that development can and must be done in a sustainable manner that includes a reasonable standard of care. The natural beauty and resources of our area will continue to be a huge selling point to residents and employers. Preserving our lands and waters enhances the value of our area.

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

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

This is a perfect example of the more things change the more they stay the same. Thirty
years later we have still got the same challenges. This Board inherits a legacy of leadership and stewardship that work to restore and protect the natural resources in the Tennessee Valley and to improve the quality of life for its residents.

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

Thank you.

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

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

The Council monitors several parameters of water quality, including chemical and bacterial field testing. We sponsor an annual reservoir cleanup. We publish a newsletter. We cosponsor the National Clean Voting Effort in our area, arrange the educational speakers with TVA,
TDEC, TWRA, Bass Club, The Rescue Squad, Department of Agricultural, County Planning Commission, and so on. We participated in shoreline stabilization efforts and supported boating safety programs, and so forth.

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

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

The TVA ecological health rating for our reservoir is poor, as it has been since 1944, because of low dissolved oxygen, poor bottom life, and increasing nutrients, chiefly phosphorous. Phosphorous promotes excessive algae growth, results in decreased water clarity, low dissolved oxygen, and
accelerated degradation or eutrophication in scientific terms. Sources of phosphorous includes stormwater drainage, fertilizers, sewage affluent, animal waste.

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

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

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

This first slide that is from the Shoreline Management Initiative, and if you will notice, the dashed line, horizontal line, represents
the threshold for water quality degradation. This was projected in the Environmental Impact Statement for the tributary reservoirs, including Tims Ford, to exceed the threshold at buildout.

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

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

Notice also the development -- the Zone 8 developments across from areas 46 and 51 that are TDEC owned, projected residential development areas, are the size of somewhere in excess of 200 lots. Notice also that at this area there is a little arrow that depicts where just recently the
city announced that they had received four bids to
develop a hundred plus boat marina.

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

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

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

Members of our Council Executive Board
met with TVA authorities in December of 2005 to
present our concerns concerning the environmental
impact of the 51 Zone 8 development parcels and the
unanticipated division of several of the 129
grandfathered sites whose plans depict access by
other lot owners to the dock and ramps of the original owner. We suspend -- we requested in December and subsequently that the Zone 8 sites be suspended pending a comprehensive Environmental Impact Study after the Zone 8 decisions.

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

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

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

Other than those previously suggested, we believe, one, supervision and monitoring of the
developing Zone 8 sites needs to be improved and that
the plats need to be reviewed.

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

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

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

Five, the change that permitted
measurement of the 100 foot buffer zone from the 895
contour to the 888 foot level should be reversed and
measurement from a horizontal plane should be
inforced.
No. 6, public hearings for boat dock approval by zone -- within Zone 8s should be sponsored by TVA and the Corps of Engineers rather than by developers and realtors that has happened recently.

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

Thank you.

CHAIRMAN BRUCE SHUPP: Thank you, Panel.

Bill.

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

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

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

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

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

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

MR. BILL TITTLE: Thanks.

MR. BILLY MINSER: Thank you.

CHAIRMAN BRUCE SHUPP: Susan.

DIRECTOR SUSAN RICHARDSON WILLIAMS:

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

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

Please.

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

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

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

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

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

DIRECTOR SUSAN RICHARDSON WILLIAMS:

Billy.

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

We can see that there's going -- if we do agree that public open space and recreational land
is a national treasure and a national interest, we have got to listen to that. And the polls are clear on it, on every reservoir plan they're saying to protect these resources.

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

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

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

MS. SANDRA GOSS: When I think economic development, I think jobs. As a native of
Crossville, Tennessee, it's very important to me that my relatives, my people have an opportunity to earn a living wage.

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

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

It also then gives small business people, which is the heart of a good economy, an opportunity to start restoring jobs. That would be
the direction I would head in.

Thank you.

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

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

Thanks.

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

So when you start eliminating those public resources you're -- and I don't know what
the -- maybe Commissioner Fyke knows, but I don't
know what the impact of ecotourism or just tourism in
general is to the State of Tennessee, but it's got to be huge.

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

CHAIRMAN BRUCE SHUPP: Any more
questions?

Greer.

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

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

MR. GREER TIDWELL: Yeah. Sandra was
honoring in on a concern that she's raised about
whether our land management program, if it is involved with luxury shoreline development is, in fact, impacting the affordability of the lakes for local folks. The civil engineer in me says it's simple geometry.

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

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

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

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

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

As I pointed out, our area, and I suspect many others, are not where they were ten years ago. We have got -- the recorder of deeds tells me that in the past ten years we have had over 450 new additions, new subdivisions. Some of those are small, some of them are million-dollar houses. There has to be a threshold and a point at which we need to say no more shoreline development. Let's develop some public areas for
everybody to enjoy that do not have the environmental
impact that more shoreline and more docks create.

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

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

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

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

I know I had an interesting
conversation with the environmental guy for the
Governor of Utah. They put conservation easements on
every state park and all of their wildlife management
areas and even land grant permit stations so they
would be protected in perpetuity and you wouldn't
have to worry about changes in administration and
different people kind of monkeying with it and
selling it off. So to keep it affordable to
everybody, you have got to keep it available to
everybody, and the way to do it is keep it in public
trust.

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

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

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

So we prefer that TVA work to maintain
their stewardship responsibilities and understand
that they do have a responsibility to take care of this land for the American public, and that includes the Cherokee people these days.

CHAIRMAN BRUCE SHUPP: Any further questions?

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

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

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

So I don’t think you can make a hard-fast rule that public lands should remain with the public, because in some instances it’s definitely
needed for the local economies. So I invite any
comments that you have.

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

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

And as a native of Crossville,
Tennessee girl, it makes me feel bad, because they
are -- these people are enjoying our lower cost of
living and translating their lifestyle into a much
higher level than ever would have been possible
without moving here. They are sucking up our water,
they are sucking up our air, and I don't like it. I
am just that selfish.
I understand what you're meaning about the jobs and how it would be useful, but in economic development and things that I read, industry is not necessarily going to come if you have got the land. Our economy is so outsourced now as a country.

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

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

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

MS. SANDRA GOSS: That's true.

MR. RUSSELL TOWNSEND: I wanted to say that I certainly appreciate your comment, and I think it's a situation that must be debated and decided
upon by this Board. But it seems to me to be a case of once upon a time somebody bit off more than they could chew and more land was transferred to the public trust than perhaps was required, and then I think we are perhaps realizing that today.

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

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

MR. BILLY MINSER: The situation that you're describing in North Georgia, that's kind of a mixed-blessing occurrence, or however you want to look at it. The lands that's held by the Forest Service, if that's who you are talking about, you
know, deer, turkeys, squirrels don't require schools, sewage treatment plants, and a police force. So the more land you have with settlement on it and development on it to deal with, the more tax base you need to pay for all of that.

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

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

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

MR. W. C. NELSON: Part of the problem with that, Billy, though is the students graduating from high school are going away to college and don't
get to come home, and you don't get to see your
grandkids and you don't have that family life that
you could have if there were jobs available.

MR. BILLY MINSER: I understand.

That's a good point.

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

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

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

DIRECTOR DON DEPRIEST: Actually, I
think it may be worse, because someone mentioned
outsourcing and offshore plants and business
interests around the world and China is booming and
India is booming and Usakistan is booming. I think we have problems in this country in an environmental sensitive way.

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

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

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

DIRECTOR DON DEPRIEST: Both, correct.

CHAIRMAN BRUCE SHUPP: Any other comments or questions?

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

We're running up against the break and we're also running up against a time problem. Let me explain quickly. We're going to break at 1:50 instead of 1:55. We're going to break for ten minutes instead of 30 minutes, ten minutes. You have got ten minutes until 2:00 to do your stuff during the break.
We're coming back and beginning the public period one-half hour early. We have 51 plus people -- pardon me, 56 now, it goes up all the time, 56 people who took advantage of this to give us their wonderful comments and we really appreciate that. We want to accommodate everybody, and we will come back at 2:00 and explain how we're going to do that. So you have ten minutes.

END OF PANEL PRESENTATIONS
(The Public Comments are bound in a separate binder.)