RESOLUTION No. 31268

Bruce Q. Hewell

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2011.

2/16/2011 Adopted BH, RC, NL

Introduced: 2.14.11	By: Energy, Technology + Civil Rights
Referred:	To:
Referred:	To:
Reported: 2/22/11	
Passed: 2/22/11	Signed:
Filed:	Published:

US5171

2/22/11 Full Council Adopted 9-0

LAW DEPARTMENT

Smead 107 YSP17704

RESOLUTION 31268

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2011.

WHEREAS, on March 30, 1984, The City of Seattle and the Province of British Columbia signed an agreement settling their long-standing dispute over the proposed construction of the High Ross Dam; and

WHEREAS, Appendix D to that agreement provided for the establishment of the Skagit Environmental Endowment Commission to administer the Skagit Environmental Endowment Fund established by the City of Seattle and the Province of British Columbia; and

WHEREAS, in 1985, the Skagit Environmental Endowment Commission was duly constituted with four members appointed by the Mayor of Seattle and four members appointed by the Premier of British Columbia; and

WHEREAS, Article II of Appendix D establishing the Skagit Environmental Endowment Commission provided that the annual budget of the Commission shall be subject to review and approval by Seattle and British Columbia; and

WHEREAS, the Commission has agreed upon a budget for fiscal year 2011; and

WHEREAS, the budget of the Commission for fiscal year 2011 has been duly reviewed by the City Council and the Mayor; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The budget for the Skagit Environmental Endowment Commission (SEEC) fiscal year 2011 (April 1, 2011-March 31, 2012) as set forth in documents attached to this Resolution, is hereby approved by the City of Seattle.

Section 2. Projected expenditures detailed in the attached budget may be carried forward into fiscal year 2012, until such time as they are incorporated into a fiscal year 2012 budget approved by the City of Seattle. The fiscal year 2011 budget of the Commission needs to be resubmitted to the City Council only if the aggregate budget amounts for projects or

CITY CLERK

administrative expenditures are expected to be exceeded before approval of an annual budget for fiscal year 2012. The Commission may amend individual contract accounts and the contingency account, provided the cumulative changes do not exceed the total capital budget. Individual project funds shall be available for authorized reimbursements to contractors until projects are completed and contracts closed out within the times specified in the contracts.

Section 3. Any act pursuant to the authority and prior to the effective date of this resolution is hereby ratified and confirmed.

Adopted by the City Council the 22nd day of February, 2011, and signed by me in open session in authentication of its adoption this 22nd day of February, 2011.

President _____ of the City Council

THE MAYOR CONCURRING:

Michael McGinn, Mayor

Filed by me this 28th day of February, 2011.

City Clerk

(Seal)

Attachment A: 2011 Skagit Environmental Endowment Commission Budget

SEATTLE CITY CLERK

2011 Skagit Environmental Endowment Commission Budget

SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION

For the period April 1, 2011 to March 31, 2012

(All amounts in U.S. Dollars)

SUMMARY

I.	**ADMINISTRATION (6.3%)**		$97,140
II.	**WORKPLAN / ANNUAL PROGRAM**		$451,364
	A. Partnership Workplan Support	**$219,839**	
	B. Partnership Joint Projects	**$220,289**	
	C. Workplan Contingency	**$11,236**	
III.	**LAND MANAGEMENT CONTINGENCY***		$1,000,000
		TOTAL BUDGET	$1,548,504

* **Set aside to cover costs of converting unprotected land in BC portion of watershed to protected status and/or to fund specific activities in support of grizzly bear recovery.**

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SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION

2011 ADMINISTRATIVE BUDGET for the period April 1, 2011 to March 31, 2012

(All amounts in U.S. Dollars)

	U.S. SECTION	CANADIAN SECTION	COMBINED EXPENDITURES
I. Administrative Expenditures			
A. Meetings	**$ 15,000**	**$ 15,000**	**$ 30,000**
Includes scheduled Commission meetings and other meetings to conduct specific business; e.g., commissioner orientation, meetings to discuss grant proposals; meeting with resource managers to discuss cross boundary issues			
B. Office and Project Operating Expense	**$ 4,000**	**$ 1,500**	**$ 5,500**
1. Insurance	2,500		
2. Miscellaneous	1,500	1,500	
C. Financial Services	**$ 0**	**$ 61,639**	**$ 61,639**
1. Audit		10,970	
2. Endowment management		50,669	
GRAND TOTAL ADMINISTRATIVE BUDGET	**$ 19,000**	**$ 78,139**	**$ 97,139**

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SEEC INITIATIVES
FISCAL YEAR 2011-12
(All amounts in U.S. Dollars)

Partnership Workplan Support

	TITLE	(US $)
09-P1	National Park Service—North Cascades ***International Interpretive Program; Youth involvement.***	$40,000
09-P2	**BC Ministry of Environment: *International Interpretive Program***; *Youth involvement.*	$40,000
09-P2	North Cascades Institute ***Mountain School***	$80,000
09-P4	Hope Mountain Centre for Outdoor Learning: *Capacity building; Education programs; Fraser Cascade School programs*	$59,839
TOTAL PARTNERSHIP WORKPLAN SUPPORT		**$219,839**

Partnership Joint Projects

	TITLE	(US $)
	Ecosystem Management & Monitoring	$135,343
	Recreation Projects • Student Conservation Association $35,000 • Trail and Camp Projects $30,000	$65,000
	Land Management Projects	$19,946
TOTAL PARTNERSHIP JOINT PROJECTS		**$220,289**

WORKPLAN CONTINGENCY	**$11,236**

GRAND TOTAL SEEC WORKPLAN	**$451,364**
CONTINGENCY FUND FOR LAND PURCHASE AND/OR GRIZZLY BEAR RECOVERY	$1,000,000

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Form revised: August 9, 2010

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle City Light	Scott Powell (386-4582)	Calvin Chow (684-4652)

Legislation Title:
A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2011.

- **Summary of the Legislation**: This Resolution describes the planned use of the Skagit Environmental Endowment Fund between April 1, 2011 and March 31, 2012 and approves the resulting budget. The Endowment Fund is not part of the City of Seattle's annual budget, but City Council approval is required by the 1984 High Ross Treaty. Similar Resolutions have been presented to the Council on an annual basis since 1985.

- **Background:** The Skagit Environmental Endowment Commission was jointly established by Seattle City Light and BC Hydro during the period 1985-88, as a result of the 1984 High Ross Treaty.

  The Treaty requires Seattle City Light to supplement the fund by an annual, inflation-adjusted payment based on a fixed amount of power purchase. In 2010-2011 the payment was $119,758. Seattle City Light's payments are anticipated in the 2011 Adopted Budget in the Purchased Power Budget Control Level.

Please check one of the following:

_X_ This legislation does not have any financial implications.
(Stop here and delete the remainder of this document prior to saving and printing.)

List attachments to the fiscal note below:

Attachment 1: Briefing Paper for Skagit Environmental Endowment Commission 2011 Budget

Attachment 2: 2010 Annual Report: Skagit Environmental Endowment Commission

DOS CITY CLERK

BRIEFING PAPER

SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION

2011 BUDGET

- The Commission was established by treaty between the United States and Canada as part of the settlement of the High Ross Dam controversy in 1984. Half of the Commission members are appointed by the Mayor of Seattle; the other half by the Premier of British Columbia.

- As part of the treaty, an endowment fund was created to protect the wilderness and wildlife values, and to enhance recreational opportunities, in the upper Skagit watershed above Ross Dam.

- The Treaty stipulated that Seattle and British Columbia would contribute to an endowment fund that the Commission administers. This was initially accomplished in 1985-89. The Treaty also requires Seattle City Light and BC Hydro to contribute to the fund, based on the value of certain power sales, on an annual basis.

- The endowment fund is **not** part of Seattle's annual budget, but approval of the budget by the Seattle City Council and the British Columbia Minister of Finance and Corporate Relations are required. The SEEC fiscal year begins April 1.

- In August, 2008, the Commission launched a 5-year work-planning process in collaboration with its public agency and non-governmental partners. The Commission continues to organize its work around initiatives for education, ecosystem management, land management, and recreation.

- The 2011-12 budget also reflects these categories with funds for education ($219,839), ecosystem management ($135,343), recreation ($65,000), and land management ($19,946).

- The Commission budgets a modest contingency fund to account for unforeseen needs and opportunities. Also, the Commission continues to set-aside $1,000,000 in contingent appropriation for two specific purposes. First is authority to move unprotected areas of the Upper Skagit Watershed in British Columbia into protected status. The second is targeted support for grizzly bear recovery in the upper Skagit area, should opportunities arise.

- The Commission is mindful of volatility in the financial markets. The fund is professionally managed and has rebounded from recent downturns very well. The Commission gauges its expenditure rate on a multi-year perspective and will continue to monitor the fund for needed budget adjustments in future years.

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Skagit Environmental Endowment Commission

ANNUAL REPORT

Calendar Year 2010

Students from Fraser-Cascade Mountain School explore Chittenden Meadows, near Hozomeen at the head of Ross lake

Skagit Environmental Endowment Commission

ANNUAL REPORT
Calendar Year 2010

INTRODUCTION

This Annual Report summarizes the activities of the Skagit Environmental Endowment Commission (SEEC) during the calendar year 2010. It is prepared in fulfillment of the provisions of Article II, Appendix D of the British Columbia–Seattle Agreement (March 30, 1984) regarding the High Ross Dam. Budget information is based on the Commission's fiscal year which begins on April 1.

BACKGROUND

The Commission was established in 1984 as a result of the Ross Lake/Seven Mile Reservoir Treaty between Canada and the United States. Within the Treaty, British Columbia and the City of Seattle established the Skagit Environmental Endowment Fund to be administered by the Commission. Seattle and British Columbia contributed US $1 million and US $250,000 respectively to the Fund for each of the first four years after its creation. Per terms of the Treaty, both Seattle City Light and BC Hydro make ongoing annual supplemental payments to the Fund, based on annual power purchases.

As of December 31, 2010 the market value of the Endowment Fund was CAN$ 9,448,257 (US$ 9,499,552), with the principal held in separate US and Canadian investment portfolios in Canada. The Fund resides and is managed completely outside of the consolidated revenue of both the BC Provincial and Seattle City governments.

The primary purposes of the Fund are to:

(A) conserve and protect wilderness and wildlife habitat;
(B) enhance recreational opportunities in the Skagit Valley;
(C) acquire mineral or timber rights consistent with conservation and recreational purposes;
(D) conduct studies of need and feasibility of projects;

(E) plan for and construct hiking trails, foot bridges, interpretive displays and the like; and

(F) cause the removal of stumps and snags in Ross Lake and on the shoreline as deemed appropriate and the grooming and contouring of the shoreline, consistent with wildlife habitat protection

Expenditures of the Fund are limited to projects located in or related to the Skagit River drainage upstream of the Ross Dam in both Washington State and British Columbia. The intent of the Agreement is that the majority of the expenditures from the Fund, averaged over an extended period, be made in Canada. Details of the Fund are outlined in Appendix D of the Treaty (page 38) dated 1984. Annual expenditure levels are set within established guidelines, including the investment income of the Fund.

The Commission created to manage the Fund consists of eight members, four of whom are appointed by the Mayor of Seattle and four of whom are appointed by the Premier of British Columbia. Both countries also have four alternate Commissioners for a total of sixteen individuals that serve the Commission. By Treaty, SEEC is a non-profit, tax-exempt entity.

2010 COMMISSIONERS AND STAFF

A complete roster of the Commission is attached to this annual report (Appendix A). The Commission mourns the loss of Canadian Commission Alternate Tom Bird to an untimely demise. Otherwise, membership was stable throughout the year.

By terms of the Agreement, Seattle City Light and the BC Ministry of Environment provide staff and administrative support to the Commission. Chris Tunnoch served as the Canadian staff with Scott Powell as the US staff member to the Commission.

2010 ACTIVITIES AND PARTNERSHIPS

SEEC continues the implementation of its Five-year Workplan developed at its 2008 annual retreat. The Commission is working with established partners with a

THE CITY CLERK

focus on the following initiatives:

Commissioners tour NCI Environmental Learning Center during annual retreat.

- Land Management;
- Ecosystem Management;
- Education and Interpretation; and
- Recreation.

The full Commission met quarterly in January, May, July, and November 2010. The July meeting was held over two days at Newhalem and Diablo, Washington, where the Commission reviewed and adjusted the 5-year Work-plan and prepared its draft budget for the following fiscal year.

As a critical part of its strategic initiatives, SEEC has developed strong working relationships with land management agencies and non-profit groups.

VIDEOS COMMEMORATE GATHERING AT HOZOMEEN

The Commission followed up on its September 2009 Gathering at Hozomeen event with two multimedia projects. A committee of Commission and Tribal/First Nations participants first worked with Bear Image Productions to develop a 40-minute video interpretation of the event and its lessons. Also, a slide interpretation was created by Benj Drummond and Sara Steele and is featured on the SEEC website. Discussion is underway concerning a follow-up gathering event in the future.

WEB-SITE UPGRADE FEATURES ON-LINE DOCUMENT ARCHIVE

Working through its outreach consultant, the Simplify Company, SEEC completed a thorough upgrade to its web-site. The web-host Groundwire, Inc. was hired to redesign the site, adding a contemporary look and an improved content management system framework and controls. Also, nearly one hundred documents produced in prior SEEC-funded projects were scanned and are available in a searchable online database. See www.skagiteec.org

TIES RENEWED WITH INTERNATIONAL JOINT COMMISSION

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In the negotiations leading to the creation of SEEC in 1984, the US-Canada International Joint Commission (IJC) was involved and helped mediate over several years. The IJC has recently developed an International Watersheds Initiative, building on its many successful negotiations across the US-Canada Border. Though IJC is no longer formally involved in the Skagit, ties between the two Commissions were renewed in 2010. Correspondence between the staffs led to a meeting in Vancouver in June. SEEC Canadian Co-chair Peter Kennedy was then invited and attended an IJC meeting in Ottawa in October.

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Initiative

EDUCATION

The Commission continued to build on its commitment to education and outreach in 2010. In addition to the production of video and internet-based communications tools, major funding support was provided to non-profit groups and parks agencies in the U.S. and Canada.

SEEC held its annual retreat this year at the North Cascades Institute's Environmental Learning Center on Diablo Lake. In addition to its business meetings, the Commissioners toured and learned about this stunning outdoor learning facility. NCI continues to receive major SEEC support for its Mountain School program for local youth, which hosted more than 1,500 students and 300 parents in Spring and Fall sessions.

In BC, the Hope Mountain Centre for Outdoor Learning (HMCOL) also continued its strong development, more than doubling its offerings of interpretive hikes and volunteer events. Through HMCOL, SEEC also supported Fraser Cascade Mountain School, which led more than 900 students and 200 parents in hiking, camping, and backcountry safety programs.

The park agencies in the US and Canada had a very strong year of educational programming, supported in part by SEEC funding. North Cascades National Park spearheads programs that engage youth from a variety of organizations in outdoor stewardship and learning. Also, a BC Parks interpreter leads a joint international interpretive program at the campgrounds at Hozomeen. These programs, reaching almost 6,500 visitors this year, included a historical re-enactment, interpretive talks, and special offerings by HMCOL's Kelly Pearce and the NPS' Jon Reidel.

City Clerk

Initiative

LAND
MANAGEMENT

With respect to land management, in 2010 the Commission advanced its goal for land protection in BC. Negotiations were completed for the potential purchase of a key private in-holding within Skagit Provincial Park. This land would then be deeded to the BC government for management as a park property. A portion of the SEEC contingency fund of $1,000,000 to support purchasing or moving unprotected areas of the Upper Skagit Watershed to protected status would be used to complete this transaction.

Also, information was gathered to advance protection against potential mining impacts, outside of the Park on the US side of the upper Skagit. Commissioners continue to evaluate options for consultants to study this issue and propose action steps.

The Commission was also active with respect to future land management on the US side. SEEC educated itself about the "American Alps" proposal to adjust the boundaries of the North Cascades National Park Service Complex and Pasayten Wilderness. The Commission joined with other groups to fund an economic impact analysis of the American Alps concept. It also reviewed and held discussion with the National Park leadership concerning their process for renewing the General Management Plan for the Ross Lake National Recreation Area. An extensive comment letter was submitted.

Finally, SEEC supported a follow-up to the water quality study completed in BC in 2009. Staff from the Hope Mountain Center received training and worked with volunteers to evaluate existing and new sites. It is expected that this work will continue each year, so as to maintain the existing water quality/benthic invertebrate model hosted by Environment Canada and to maintain vigilance against any future water quality impacts. The Commission will enlist support from BC Ministry of Environment to review and interpret the data collected.

Initiative

ECOSYSTEM
MANAGEMENT

The Commission continued to contribute to an ecosystem monitoring program by the North Cascades National Park Service Complex. SEEC funds allowed for expanded effort on studies including: Land Birds, Ross Lake fisheries and water quality, High Lakes, and Tributary Streams. This work is part of the National Park Service "Vital Signs" monitoring program to document and interpret key ecological indicators and detect impacts from human activities or climate change. The National Park Service began reporting on its monitoring outcomes through the publication "2010 Resource Brief Annual".

The BC Ministry of Environment continued implementing its SEEC-funded Fish and Wildlife Management Plan for the Skagit. Mapping of ungulate (moose, deer, and elk) winter ranges was completed, and the final year of a wolverine monitoring program was being planned. The Commission learned about ongoing work by the Ministry to aid in the recovery of both grizzly bears and spotted owls.

Ross Lake and upper Skagit fisheries issues were also addressed. SEEC participants and agency staff learned more about the red-side shiner population of small fish in Ross Lake that may be affecting trout population dynamics. In a related effort, SEEC joined with Seattle City Light to fund a study plan for an angler survey to be conducted in 2011 in the US and Canada. This information will be needed to evaluate current fishery regulations, in light of changes and uncertainty in the ecology of Ross Lake.

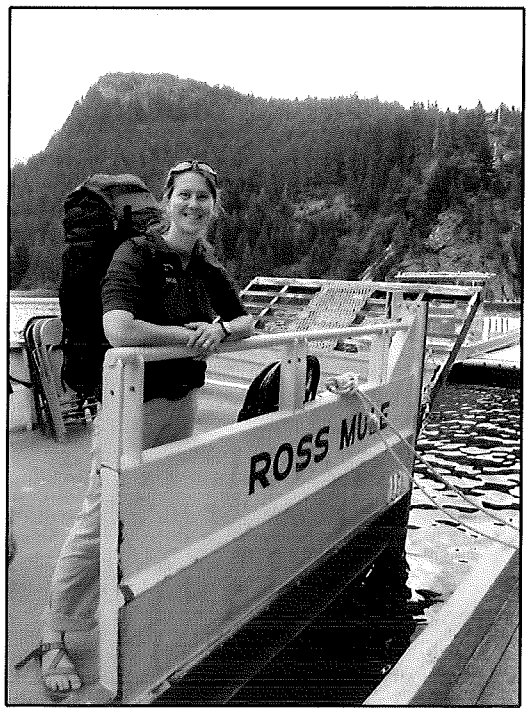
Initiative

RECREATION

The Student Conservation Association, with support from the Commission, runs a 5-week trail and camp maintenance crew in the upper Skagit each year. 2010 showed continued success in this unique international program, with 8 crew member and 2 crew leads from throughout the U.S. and Canada. The crew spent the first two weeks in Canada, in Skagit Provincial Park, developing a new tent site and improving trails at the junction of Nepopekum and Centennial Trails. The second half of the season was spent in the North Cascades National Park, working in the vicinity of Desolation Peak and Lightning Creek. In 2010, the crew included students from around the U.S. and Canada.

Other recreation projects were moved ahead:

- Interim improvements were made at the BC Hozomeen Group Camp, including enhancement to the shelter and thinning of vegetation.
- Landscaping was completed at the Hozomeen Amphitheater at International Point.
- Planning was completed for enhancement of the "Winnebago Flats" camping area at Hozomeen. This project will start construction in 2011.



SCA Program Manager Sarah Zablocki-Axling heads up-lake to join the crew.

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FINANCES

The Commission's fiscal year runs from April 1st to March 31st. The Endowment Fund is held and managed by the Canadian Imperial Bank of Commerce (CIBC) and holds investment portfolios in both US and Canadian funds. According to CIBC's 2010 Fourth Quarter Financial Update, the combined Fund showed a balance of approximately CAN $9.4, million or US $9.5 million. Seattle City Light and BC Hydro supplement the fund annually with payments based on power purchases under the agreement.

Total expenditures of the Commission, based on projected expenditures for the 2010/11 fiscal year, are approximately US $573,000 of which 85% was direct disbursement for contracts and partnership projects. Administrative costs were 6.6%, while the balance reflects financial management fees for the Endowment Fund.

ATTACHMENTS

- Appendix A 2010 Commission Roster
- Appendix B SEEC Budget - Fiscal Year 2010

THIS CITY CLERK

City of Seattle
Office of the Mayor

February 1, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to forward the attached Resolution seeking Council approval of the Skagit Environmental Endowment Commission's (SEEC's) 2011 budget for its fiscal year of April 1, 2011 through March 31, 2012. The Commission was established in 1984 as part of an 80-year agreement between the City of Seattle and the Province of British Columbia relating to a proposed "High Ross Dam". Earnings from the endowment plus annual supplemental payments by Seattle and British Columbia, set by treaty, allow the Commission to support a variety of educational and environmental projects in the upper Skagit watershed. Although its funds come from an endowment and are separate from City funds, the agreement requires SEEC to submit its annual budget to the Seattle City Council for review and approval.

SEEC continues to work in partnership with the National Park Service, the North Cascades Institute, British Columbia natural resource agencies, the Student Conservation Association, and the Hope Mountain Centre for Outdoor Learning. A 5-year work-plan has been developed that outlines funding priorities for education, ecosystem management, land management, and recreation. The 2011 SEEC budget carries forward a contingent allocation of $1 million to support land protection measures in the Skagit watershed in British Columbia and to support grizzly bear recovery in the watershed.

SEEC will not act on its 2011 budget proposal until it receives City Council approval. Please call Lynn Best (Seattle City Light) at 386-4586 if you have questions or would like additional information.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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600 Fourth Avenue, 7th Floor
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Seattle, WA 98124-4749

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STATE OF WASHINGTON – KING COUNTY

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267918 No. 31268

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY RESOLUTION

was published on

03/03/11

The amount of the fee charged for the foregoing publication is the sum of $ 27.30, which amount has been paid in full.

M. DOWD
COMMISSION EXPIRES
NOTARY
PUBLIC
NOV. 21, 2011
STATE OF WASHINGTON

Subscribed and sworn to before me on

03/03/11

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following resolution, passed by the City Council on February 22, 2011, and published here by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For further information, contact the Seattle City Clerk at 684-8344.

RESOLUTION NO. 31268

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2011.

Date of publication in the Seattle Daily Journal of Commerce, March 3, 2011.

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