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5-YEAR OCS OIL AND GAS  
PROPOSED LEASING PROGRAM  
FOR 2007-2012  
Anchorage, Alaska

NORTH SLOPE BOROUGH PUBLIC HEARING/MEETING  
for the Draft Environmental Impact Statement  
Taken December 6, 2006  
Commencing at 7:00 p.m.  
Volume I - Pages 1 - 38

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I-N-D-E-X

Minerals Management Service:

Fred King, Chief of Leasing

Deborah Cranswick

Michael Salyer, Wildlife Biologist, EIS Coordinator

Reported by Britney Chonka, CR

PUBLIC COMMENTS

Page 3

1           MR. KING:  If we can get everybody to come sit  
2 down, my clock on the back of the wall says it's  
3 time to start.

4           My name is Fred king.  I'm with the Minerals  
5 Management Service.  I'm chief of leasing  
6 activities.  And I'm going to be the hearing officer  
7 today.  Sitting up here with me as part of the  
8 panel, I've got Mike Salyer and Debbie Cranswick.  
9 And we'll be conducting the hearing.

10           I also have Britney Chonka, who is going to be  
11 taking the minutes, or actually transcript of the  
12 testimony that's given here today.  If you have  
13 written testimony, please bring it up and give it to  
14 her.  And then also when you start to testify, and  
15 I'll have people come here and sit, if would you  
16 please say your name and spell it, that way we'll  
17 make sure we get it into the record correctly.

18           I'd like to cover just a few administrative  
19 things, just in case something goes wrong, but if,  
20 while you're here, you should -- there should be any  
21 type of an emergency, earthquake, fire, anything  
22 like that, please go out the door, head to your left  
23 and exit.  Go out the same way you came in.  If, for  
24 some reason, that's blocked, you can also go out  
25 this door here and out to the south.

1           If you need to use the rest room or anything  
2 while you're here, there are rest rooms located  
3 right on the other side of this wall here. We would  
4 appreciate it if you would stay on the first floor.

5           And right now, we're hoping that the meeting  
6 will, we anticipate being here from 7:00 to 9:00,  
7 based on the crowd. I'd like to limit testimony to  
8 no more than ten minutes.

9           Are there any questions or anything before I  
10 start and go any further?

11           Just, as a little bit of background, we have a  
12 couple of maps up on the wall. This EIS, just for  
13 people's -- so you know a little bit about what  
14 we're talking about, we are actually looking at four  
15 alternatives, I believe, in this EIS. There is the  
16 Polar proposal, which is basically leasing the  
17 program area. There is also a no-action  
18 alternative, which means no sale, which we're  
19 required to look at by NEPA, and then we have two  
20 alternatives, there is a Corridor I, which I believe  
21 is based on 60 miles.

22           MR. SALYER: Yes.

23           MR. KING: And then the second alternative is  
24 based on 25, about 25 miles, so those are the two  
25 alternatives that we're looking at here and we also

1 offer a suite of mitigation.

2 To start with, looks like I've got four people  
3 who would like to testify. And, Elise --

4 MS. WOLF: Elise.

5 MR. KING: Elise, would you like to come  
6 forward?

7 MS. WOLF: Sure.

8 MR. KING: If you would sit over here, which is  
9 nearest the --

10 MS. WOLF: The exit so I can run? All right.

11 MR. KING: One other thing, if you're  
12 testifying, if you represent a group, I'd appreciate  
13 it if you testify. If you're here as an individual,  
14 you don't need to go any further. If you're  
15 representing an organization or a group, please  
16 state the group.

17 MS. WOLF: You caught me off guard, I guess I  
18 should --

19 You should start with somebody else, because I  
20 was expecting you to explain some things first, so I  
21 shut my computer off.

22 MR. KING: Okay. Bruce St. Pierre, would you  
23 like to come and testify?

24 MR. ST. PIERRE: Sure.

25 Good evening. My name's Bruce St. Pierre, S-t

1 period P-I-E-R-R-E. I'm a 38-year resident in the  
2 state of Alaska. Currently employed with  
3 ConocoPhillips as an environmental coordinator  
4 working in the exploration of land department. And  
5 I am giving comments for, representing  
6 ConocoPhillips Alaska.

7 ConocoPhillips has a strong and long-standing  
8 interest in Exploration Alaska, including the  
9 Chukchi Sea area, Outer Continental Shelf. We're  
10 the largest oil and gas producer. And we have a  
11 proven track record of high quality environmental  
12 performance on the Alaska North Slope.

13 As the largest owner of state and federal leases  
14 in Alaska and a major owner in the three largest  
15 fields, Prudhoe Bay, Kuparuk and Alpine,  
16 ConocoPhillips is a long-standing and active  
17 participant in oil and gas exploration and  
18 development activities in the state.

19 Among our production and other activities that  
20 we have in place on the North Slope, this past  
21 summer we conducted a seismic exploration program in  
22 the Chukchi Sea and we intend to conduct additional  
23 seismic activities in federal waters in the Chukchi  
24 Sea area into this summer coming up. We will be  
25 submitting full-blown comments on this draft

1 environmental impact statement for this Lease Sale  
2 193 in writing by the comment deadline.

3 Our general comments are as follows: Again,  
4 we're a strong supporter of oil and gas leasing in  
5 Alaska and especially in the OCS areas. We are  
6 particularly interested in Chukchi and the Lease  
7 Sale 193 that's coming up that's being commented on  
8 tonight.

9 We also appreciate and would like to continually  
10 see consistent and reliable scheduling in the  
11 occurrence of lease sales. And we believe that's  
12 crucial to allow companies sufficient assurance to  
13 justify the significant investment that's required  
14 to be prepared for those lease sales.

15 ConocoPhillips encourages MMS to authorize  
16 pre-leasing activities for seismic in 2007. And to  
17 proceed after that with the Lease Sale 193 in the  
18 Chukchi.

19 We encourage MMS to continue leasing and to  
20 continue to promote exploration, development and  
21 production of oil and gas in the Alaska and federal  
22 offshores.

23 The opportunity in the Alaskan OCS, specifically  
24 in the areas of Beaufort and the Chukchi Seas, is  
25 very attractive for the industry and for

1 ConocoPhillips. Those areas are considered frontier  
2 and areas that are of extreme interest to us.

3 ConocoPhillips commends the Minerals Management  
4 Service pursuing an area-wide EIS and planning  
5 process as well as a thought-out analysis within  
6 that process of potential environmental impacts.

7 Subject to a few important concerns, we do  
8 believe that the DEIS that's being discussed today  
9 provides a convincing analysis in support of both  
10 the Lease Sale 193 and pre-lease seismic exploration  
11 activities in the Chukchi for 2007.

12 ConocoPhillips does oppose alternative 2, which  
13 is the no-sale alternative, as well as opposition to  
14 alternatives 3 and 4, which would impose lease  
15 exclusions zones larger than the current Polynyal  
16 spring lead system. These alternatives would  
17 exclude larger areas from leasing, resulting in lost  
18 opportunity to discover commercial areas and  
19 reserves calculated by MMS to range between 15 and  
20 35 percent in comparison to the alternative 1.

21 Geophysical surveys that use seismic rec --  
22 reflection are essential. They are done as state of  
23 the art. They are a component of oil and gas  
24 exploration in the OCS. Geophysical data are used  
25 by both industry and MMS to make informed, economic

1 and regulatory decisions regarding the potential  
2 accumulations of oil and gas.

3 As one of the earliest components of the lengthy  
4 and costly process leading from leasing of lands to  
5 the exploration to the next phase, which is  
6 development and then on to production of hydrocarbon  
7 resources, seismic surveys are both critical to the  
8 OCS resource development and in the marine  
9 environment, any low activity -- impact activity  
10 with no detectable long-term effects. It's a  
11 critical part of the process.

12 ConocoPhillips asks MMS to take notice of its  
13 findings as strong evidence and strong support for  
14 both the absence of significant adverse  
15 environmental impacts from seismic activities and  
16 for authorizing seismic activities throughout the  
17 Chukchi OCS and Lease Sale 193.

18 In conclusion, ConocoPhillips strongly supports  
19 Lease Sale 193 and the NEPA process, the draft  
20 environmental impact statement that is being done to  
21 that end. We also support pre-leasing seismic  
22 activities subject to reasonable mitigation  
23 measures.

24 Conoco believes that the OCS can and will be  
25 developed responsibly with respect for the

1 environment and in a manner that also respects the  
2 way of life of the residents of the North Slope of  
3 Alaska. Thank you.

4 MR. KING: Thank you.

5 Do you have any questions?

6 MR. SALYER: No.

7 MS. CRANSWICK: No.

8 MR. KING: Thank you.

9 One thing I would like to mention to everybody  
10 is we had some discrepancies in our notices on when  
11 the comments were due. The official word now for  
12 the comments is going to be December 26th. So  
13 there's a little bit more time. That way anybody  
14 who is real bored at Christmas will have something  
15 to do. Okay.

16 Elise, are you ready?

17 MS. WOLF: All right. I represent the Alaska  
18 Oceans Program and a group called Alaska Watch.

19 First of all, I have a couple of questions. One  
20 is about the buffer zone. You have indicated in the  
21 summary of the EIS that there is a 15-mile buffer  
22 zone, which, in the text of the EIS doesn't exist.  
23 You refer to the five-year plan alternatives, but  
24 then in the EIS, you do not refer to the 15-mile  
25 buffer zone.

1 MR. KING: Let me try it, then you can -- go  
2 head, then I'll jump in if I think you're wrong.

3 MR. SALYER: There's good chance.

4 It's a 15- to 25-mile. It's one -- you know,  
5 whenever it was laid out on the map.

6 MS. WOLF: 15- to 50-mile buffer is what you  
7 have in the summary.

8 MR. SALYER: Polynya are the buffer zone. I  
9 believe it's 15 is in the northwest corner, but it  
10 doesn't track perfectly with that.

11 MS. WOLF: But your proposed plan has no buffer  
12 zone.

13 MR. SALYER: Yes, it does. That is the buffer  
14 zone for the proposed plan.

15 MR. KING: Just real quick, what happens is in  
16 the five-year program, this program was decided in  
17 2002 to 2006. The Secretary made a decision that  
18 just the program area with that buffer zone would be  
19 offered. So we don't consider anything outside of  
20 the area that was in the program area for 2002,  
21 which included elimination of the buffer zone from  
22 leasing.

23 MS. WOLF: Say that again, please.

24 MR. KING: Okay. The five-year program, okay,  
25 deleted the buffer zone from consideration in

1 leasing in the current five-year program.

2 MS. WOLF: Right.

3 MR. KING: So that is not considered and is not  
4 available for consideration for further analysis or  
5 leasing during this five-year program.

6 MS. WOLF: That buffer zone is not considered?

7 MR. KING: Right. As well as, for example, area  
8 to the north, which is part of the planning area,  
9 it's outside of the area being considered and in the  
10 program area for the five-year program.

11 MS. WOLF: Then why do we have two alternatives  
12 with buffer zones?

13 MR. KING: They came up as we did scoping, when  
14 we went out to the communities.

15 MS. WOLF: But you're saying those are already  
16 integrated into the plan to some degrees?

17 MR. KING: There's some. These would add more.  
18 So that's part of what we look at in the EIS, is  
19 what do we hear in scoping and what alternatives  
20 should we evaluate to see what the benefits and  
21 risks are of those.

22 MS. WOLF: Okay. So let me start at the top.

23 I could stand here for two days, but I don't  
24 think you want me to, so -- the EIS does not provide  
25 sufficient discussion of the national parks, three

1 wildlife refuges, two reserves and the one monument,  
2 four of those which border, abut the coastline of  
3 the Chukchi Sea. And I think they should.

4 There's five species of salmon, as well, that  
5 come up into these areas. So in terms of tourism  
6 and fisheries, I think the EIS should evaluate the  
7 impact on those. The Northwest region of Alaska is  
8 increasingly becoming a site for both guided and  
9 other types of people looking to explore those  
10 regions.

11 They also do -- they also do beluga whale and  
12 other types of whale tourism off the coast of  
13 Canada. And this is being discussed as a potential  
14 economic industry that could be developed off of  
15 Alaska's coast.

16 You have in your marine habitat discussions -- I  
17 went to the Chukchi Sea monitoring science meetings  
18 in November. And there was virtual consensus by the  
19 agencies' representatives there at the marine mammal  
20 group that there's significant lack of baseline  
21 data. So my question would be how -- if we do not  
22 have enough baseline data to monitor impacts, how we  
23 could possibly have enough baseline data to have an  
24 environmental impact statement?

25 And so I would conclude that we don't have

1           enough baseline data to even begin to do an  
2           environmental impact statement, much less a  
3           mitigation plan. But I'll talk about the mitigation  
4           plan in a minute.

5           The bowhead whale in terms of impacts, the EIS  
6           fails to discuss their roughened areas on their skin  
7           that allow oil to penetrate the epidermal surface  
8           and their eye sockets, which also allow oil to  
9           penetrate the epidermal surface and gain access,  
10          which is almost redundant, because if they're in  
11          that much oil, their baleen's going to be saturated.  
12          But those are current science studies that are not  
13          integrated into the EIS.

14          The EIS concludes that there's going to be  
15          limited to no or small impacts. And yet they cite a  
16          40-percent oil spill estimation. And to me,  
17          unlikely means, in terms of percentages, 40 percent  
18          doesn't equate logically to the term "unlikely"  
19          doesn't equate logically to a 40 percent statistic.

20          I would equate "unlikely" to maybe under 10  
21          percent. 40 percent is almost half, that's -- on  
22          averages, that's -- that's "likely" at least, not  
23          "unlikely."

24          So I have a real issue with the EIS continued  
25          use, rhetorical use of "unlikely," "small,"

1 "minimal," to refer to or make conclusions about  
2 discussions -- impact discussions that would  
3 logically conclude higher impacts than those  
4 references -- or those terms referenced. "Minimal"  
5 does not mean that there's going to be 50 percent of  
6 a chance. "Minimal" means there's going to be not  
7 much of a chance. And I think we could definitely,  
8 either if you're going to use terminology, then  
9 perhaps what we need is a definition of terms at the  
10 beginning of your EIS, so that the public  
11 understands that what you think is unlikely is, to  
12 them in the logical common knowledge, the use of  
13 these terms, you know, used differently in common  
14 knowledge.

15 I don't think the seals and the walrus and the  
16 polar bear are discussed enough in this EIS.  
17 There's the ribbon seal, there's 193 or 198 left out  
18 there. They're so wild that people can walk up to  
19 them. I think you have -- this is the most, you  
20 admit to or acknowledge that the Chukchi Sea is  
21 pristine, relatively pristine, but the only  
22 industrial activity you can cite is commercial  
23 whaling from 100 years ago or 80 years ago.

24 And I think what we have here is a huge public  
25 interest issue that is being shoved into the

1           holidays and completely set aside for Alaskans to  
2           make a decision on, even though this is a national  
3           issue, we have national parks, monuments, wildlife  
4           refuges and preserves on them, and yet there is  
5           virtually no public comment period for the nation.

6           And even though we've had a, supposedly a year  
7           to deal with this, and you might argue maybe longer  
8           with the previous five-year plan, there's -- MMS has  
9           perform virtually no public education outside of  
10          Alaska. And even in Alaska I find a lot of problem  
11          with the public education attempt to get what is  
12          really a national decision here.

13          This is our wildest ocean resource, hands down.  
14          The Chukchi Sea is the wildest Alaska re -- ocean  
15          resource we have. It is a wilderness area. And it  
16          could be qualified or set aside as a wilderness  
17          area. It could be called Yellowstone. And yet what  
18          we're doing here is shoving it into: Hey, between  
19          eating turkey and opening presents, by the way, make  
20          a decision on one of the biggest decisions, as a  
21          country, we're being asked to make. I think this is  
22          completely unfair to the public. And I think it's  
23          highly misrepresentative and misleading to the  
24          public.

25          Just the language, I have a background in

1 rhetoric, so I mean, I could take this thing apart  
2 and write a dissertation on the problems with the  
3 minimization, the language that minimizes impacts in  
4 conclusions. It's not so much that your EIS and the  
5 main document or discussion performs somewhat of an  
6 adequate job, although I would never admit it was an  
7 adequate job, because I think it could be a lot  
8 better. And I think you're missing a lot of  
9 science, perhaps Conoco could contribute some more  
10 to that.

11 But anyway, the EIS, the summary, we could  
12 conclude that the Secretary of the Interior, in his  
13 decision on this issue, is not going to read 600  
14 pages. That's going to be true for five-year plan,  
15 800 pages in that case. Right? So what we have  
16 here is in your summary, this enormous linguistic  
17 manipulation of fact that is pretty improper. And  
18 if I were to use harsher terms, I'd say negligent.

19 The coastal communities that are going to be  
20 impacted, and this is one of the most negligent, to  
21 use my more harsher term, that the EIS fails to  
22 discuss, is, one, you do not have anywhere near  
23 enough psychological studies in this. And I did my  
24 master's thesis on the psychological impacts on  
25 Native communities in Alaska from oil development.

1 So I could provide you some citations, if you need  
2 those. But you do not have anywhere near, you  
3 minimize the psychological impacts to such a degree  
4 that it's absolutely overwhelming.

5 If you rip out -- if you put infrastructure and  
6 the cultural changes that will come from people all  
7 over the States, coming in to work in these  
8 villages, the infrastructure changes, the chance of  
9 losing beluga migration routes, which will cut off  
10 subsistence, caribou changes from onshore siting of  
11 infrastructure, beluga changes in routes, seal and  
12 walrus, you eliminate subsistence which is a  
13 possibility with your 40-percent large impact -- oil  
14 spill impact. You are going to devastate these  
15 people.

16 Chenega Bay is an excellent example. We can  
17 look at Chenega Bay village, and we know where  
18 Chenega Bay is, correct? Okay. It was surrounded  
19 by the Exxon Valdez oil spill. Who is living there  
20 now? That should be in this. If you want to look  
21 at the impact of what oil spills do on a Native  
22 village, then you should go to Chenega Bay. First  
23 you have to come to Anchorage to interview the  
24 people, because they don't live there any more. The  
25 only ones that are living there now are the most

1           elders, the elders that just cannot leave because  
2           they're so emotionally attached to their homes.

3           You are -- this EIS is just atrocious on this  
4           point. And I'm hoping -- I am sure that the North  
5           Slope Borough will attend those more than I am going  
6           to right now.

7           The true cost of cleanup on -- in terms of oil  
8           spill is not addressed. There is no infrastructure  
9           for a boat with cleanup equipment to even park  
10          itself along the Chukchi Sea coast to address a  
11          spill. And this is going to happen even in  
12          exploration. We are going to have oil spill risks  
13          even in exploration. So where is the deep ports,  
14          where are the ports that all these boats that are  
15          going to respond to this spill?

16          We talk about a suite of mitigation, I'm still  
17          waiting to read that part.

18          MR. KING: Can I get you to wrap up in a couple  
19          minutes.

20          MS. WOLF: Yeah. Okay.

21          I want to talk about mitigation. I'm going talk  
22          about economics.

23          The economic analysis in this EIS completely  
24          ignores what the true cost of the taxpayer is going  
25          to be. First of all, public agencies, federal and

1 state agencies are going to pay for all the baseline  
2 data. There might be an opportunity to for some  
3 industry, but in order for this data to be public  
4 knowledge, we have to provide baseline data.

5 That's going to -- the costs of which is  
6 staggering. That economic cost needs to be taken --  
7 I mean, it's just like a business. You can't  
8 estimate your income, just by your gross profits.  
9 You have to have a net number. And your net number,  
10 you don't give a net number, you give a gross number  
11 of how much money these leases would make. And no  
12 discussion of how much it would cost to oversight  
13 them.

14 And I think we can see that the burden of the  
15 State of Alaska at least, in oversighting the  
16 industry was evident -- particularly evident with  
17 the corrosion issue. I mean BP, of course they're  
18 not going to do monitoring. Who needs to monitor  
19 it? The State of Alaska. What did they decide to  
20 do? Not fund it.

21 So there's a big issue. You're assuming that  
22 the costs of this monitoring is going to be happily  
23 absorbed by the State of Alaska and the federal  
24 government. And those numbers need to be  
25 determined, and they need to be taken off the top.

1 And I think once we do a true economic analysis, it  
2 won't be -- look so rosy.

3 In addition to which, and this is part of the  
4 mitigation, the industry requirement in the EIS is  
5 that all they have to do is cap the wells and leave  
6 the pipelines and infrastructure where they sit.  
7 And it's a public, quote/unquote public  
8 responsibility for us to pay for the removal of  
9 their stuff? Where is the cost analysis of that?  
10 How many billions of dollars is that going to cost?  
11 That should come straight off the top.

12 And that is also a mitigation impact that is  
13 just completely overwritten, just: By the way we're  
14 going to leave all these pipelines with all the oil  
15 in it and all the other stuff and the rust and  
16 whatever else at the bottom of your ocean wilderness  
17 of the Chukchi Sea. That's a big problem. I don't  
18 think that's right.

19 Inadequate discussion of climate impact, there  
20 were citations of baby walrus floating, abandoned to  
21 starve or drown two years ago when the scientists  
22 were up there. We're not even -- we need baseline  
23 data that integrates climate changes that are going  
24 on right now. And Alaska is a hot spot for that.

25 My conclusion with this whole thing is it's an

1 improvident plan. And what I mean by that is we are  
2 ramrodding this thing through without adequate  
3 studies or sufficient thought or sufficient impact  
4 from the nation on an issue that is truly a national  
5 issue. So, thank you.

6 MR. KING: Okay. Thank you.

7 Next is Whit.

8 MR. SHEARD: Thank you. My name is Whit Sheard.  
9 And I work with Pacific Environment; we're a  
10 non-government organization that undertakes  
11 conservation work around the Pacific Rim, including  
12 China, the Russian Far East, Japan, United States.  
13 I'm the Alaska program director.

14 I have a couple of comments I'd like to make.  
15 First, by way of background, I -- a couple of you  
16 know I was up at the Barrow meetings. And I just  
17 wanted to remind folks here that at the Barrow  
18 meetings, which lasted about five hours and covered  
19 a few topics, including this Lease Sale, I didn't  
20 hear one public comment in support of this plan.

21 And I think that's very important, because, as  
22 Elise pointed out, there is not a lot of community  
23 support for this, whatsoever. And in my opinion,  
24 and I think in the opinion of a lot of folks up  
25 there, who I don't speak for, the agency is failing

1 to achieve environmental justice.

2 And what that means is the agency is going  
3 forward with the plan that deprives citizens of due  
4 process by forcing disproportionate impacts upon  
5 these communities, which are minority, rural, off  
6 the road system and oftentimes low income, and that  
7 are also dependent upon subsistence.

8 The reason this is important is because, if you  
9 put it into context, really I think what we're  
10 seeing here is that you have a region of the  
11 country, the Arctic, that is most feeling the  
12 impacts of global warming, which is a direct result  
13 of our fossil fuel development and use.

14 The citizens, as well as the ecology of the  
15 Arctic region are feeling these impacts at an  
16 accelerated rate more so than the rest of the  
17 nation. The fact is that the rest of the country,  
18 except for the Gulf of Mexico, is under a moratorium  
19 on offshore development because they have the  
20 political wherewithal and connections to keep this  
21 development off their shores.

22 The Arctic is really a marginal development  
23 area. And I say that because we have no proven  
24 technology to clean up oil spills in broken ice.  
25 That's a fact, yet when you look at the development

1 scenario, there is, I think a 33 to 51 percent  
2 chance of a large spill, a 40 percent chance of a  
3 large spill. For analysis in the five-year program  
4 they assume one large spill and something like 15 to  
5 30 or 40 medium and small spills. These spills will  
6 not be cleaned up unless we're very lucky. And the  
7 policy of being very lucky didn't hold very well  
8 when you look at what happened with the pipeline up  
9 at Prudhoe Bay and aging infrastructure, which is  
10 something that will be occurring at sub-sea  
11 platforms and sub-sea pipelines in the Arctic. And  
12 I think that's very important.

13 In terms of environmental justice, we've heard  
14 over and over again from these communities from the  
15 mayor of the Borough, from the wildlife division of  
16 the Borough, and the Whaling Commission that this is  
17 all too much too soon, too fast. It's being forced  
18 upon these communities at a rate that does not allow  
19 for adequate public involvement, adequate public  
20 analysis, and adequate public discourse.

21 I think this document reflects that. I think it  
22 tears off a five-year plan document that is  
23 inadequate, I think they're being forced through.  
24 And I think the analysis is deficient in many ways.

25 One of the major deficiencies is in quantifying

1 scientific uncertainty. And, as you're aware, under  
2 the National Environmental Policy Act, it's the  
3 agency's responsibility to do the best job possible  
4 of characterizing the amount of science and amount  
5 of baseline data we have on this issue.

6 The responsibility doesn't stop there. At that  
7 point you are supposed to look to other areas or  
8 regions of similar conditions and look at what the  
9 science there says. And I think if you look over at  
10 the Barents Sea and certain other places in the  
11 Arctic, you see government agencies and communities  
12 trying to develop much more comprehensive plans  
13 than what we have here. What we have here is  
14 basically a zone in the Arctic for oil and gas  
15 development. That's the Beaufort and the Chukchi.

16 If you look at the Barents Sea and what the  
17 Norwegians are doing right now, they have an  
18 integrated management plan, which takes into account  
19 ecological areas which takes into account birds,  
20 fish, whales and takes into account oil development  
21 and fisheries. It's not the cart before the horse  
22 approach that we're doing here.

23 I think if you look at what the U.S. Commission  
24 on Ocean Policy and the Pew Ocean Commission said,  
25 they said what you need in the oceans is

1 comprehensive zoning. This is not comprehensive  
2 zoning. This is taking the Arctic, which is feeling  
3 the impacts of our fossil fuel addiction and zoning  
4 it almost exclusively for oil development. That's  
5 simply the wrong approach. And we're probably only  
6 taking that approach because we're pushing this way  
7 too fast.

8         Going back to the communities for a second. We  
9 heard in Barrow, and I have heard in meetings that  
10 there are impacts to whales, to subsistence  
11 resources that the agency is not taking into  
12 consideration. During the open water meetings,  
13 there was a lot of discussion about subsistence.  
14 And ultimately there was cobbled together these  
15 agreements that would allow folks to go ahead and do  
16 seismic this last summer. It didn't go very well,  
17 in my opinion and in the opinions of some of the  
18 communities despite the fact that most of the  
19 acoustics scientists said that the 120 decibel level  
20 was where you had to monitor out to, to avoid  
21 impacts to bowhead whales and aggregations of  
22 whales, cow/calf pairs, Conoco went ahead and sued  
23 on that because it was too much for them.

24         Our experience with Shell has been similar on  
25 Sakhalin Island, they have not followed the advice

1 of scientists they had made promises to communities  
2 that they don't follow through on and they've  
3 impacted the environment and compromised the  
4 environment in an unacceptable manner that has  
5 serious deleterious impacts on communities and on  
6 subsistence resources.

7 The subsistence resources analysis in the  
8 five-year program in this document is exceptionally  
9 poor. I am as confused as Elise was, how you can  
10 say that one of these six communities along the  
11 Chukchi coast will very likely lose their  
12 subsistence resources for one to two years and this  
13 is not a substantial impact. The five-year program  
14 goes through a list over and over again of saying  
15 these are major impacts, there will be  
16 disproportionate impacts to communities and it does  
17 the same thing. It reaches a conclusion that  
18 ultimately does not match the level of analysis.

19 Furthermore, in terms of scientific uncertainty,  
20 the agency has another responsibility, which is to  
21 take their scientists and other scientists and ask  
22 them to draw a conclusion in the absence of the  
23 science that's there. I think if you talked to  
24 North Slope Borough scientists, they will say there  
25 is some science on the impacts of seismic and

1 development on whales and it shows that there's  
2 deflections within the migration.

3 But even ignoring that, local and traditional  
4 knowledge, which was pretty well documented at that  
5 Barrow meeting, says that the impacts to whales go  
6 far and above what are in these documents. And I  
7 think that needs to be noted. And I think the  
8 communities would especially appreciate hearing a  
9 response from the agency to their concerns that  
10 traditional knowledge is not being factored in and  
11 that the agency is drawing conclusions that bear no  
12 relation to the analysis whatsoever. And also to  
13 the fact that this is too much too soon, too fast.

14 So I encourage the agency to go back to the  
15 drawing board on this EIS, seriously look at the  
16 impacts. Seriously talk to these communities. Look  
17 at that time what the Norwegians are doing in the  
18 Barents Sea with an integrated management plan,  
19 think more holistically In terms of zoning the  
20 Arctic and come up with a plan that does not cause  
21 disproportionate impacts on these communities to  
22 meet our nation's perceived energy needs.

23 Think I we can, as a nation, craft a much better  
24 energy policy that does not force us to go destroy  
25 subsistence resources of communities that have

1           existed for a millennium.

2           Thank you.

3           MR. KING:    Thank you.

4           Any questions?

5           Next I have Chris.

6           MR. KRENZ:  Good even, my name is Chris Krenz.

7           And I am here representing Oceana.  Oceana is an  
8           international ocean conservation organization.  It's  
9           a nonprofit organization.  And we have an office in  
10          Juneau.  I work in that office in Juneau and I am  
11          the North Pacific project manager.

12          We oppose development in the Chukchi Sea of oil  
13          and gas.  The Chukchi Sea is very pristine area, as  
14          has been pointed out previously tonight.  It has  
15          amazing abundance and uniqueness in its animal  
16          diversity that occurs there.  You have whales that  
17          use a variety of habitat within the Chukchi Sea,  
18          from bowhead whales to gray whales, using a lot of  
19          the bottom habitat.  You also have walrus that rely  
20          heavily on bottom habitat areas.  You have sea birds  
21          and sea ducks.  Some of those sea ducks go down and  
22          they also rely on that bottom habitat area.

23          A lot of these animals are very sensitive to  
24          impacts from oil and gas development.  For example,  
25          in an oil spill, a fraction of that oil is likely to

1 end up on the bottom where filter feeders will  
2 consume that oil and it will get biomagnified up in  
3 the food chain through the numerous animals that  
4 consume resources on the bottom. And I think that  
5 they need to take that into account.

6 Those are not the only animals that are  
7 obviously going to be potentially impacted by oil  
8 and gas development. But I think it's also  
9 important, as others have done before tonight, to  
10 point out that communities are likely to be very  
11 impact -- largely impacted in the development of oil  
12 and gas in the Chukchi Sea, these communities  
13 obviously rely on those resources that are in a  
14 pristine state in the Chukchi. And they don't just  
15 rely on them for their recreational activities.  
16 They rely on them for both their culture and their  
17 food.

18 I think the Chukchi Sea is a place where we  
19 don't know a lot as scientists. As western  
20 scientists, we don't know a lot. However, there's  
21 been people there that have lived for a millennium,  
22 as Whit pointed out. Those people have accumulated  
23 a vast amount of knowledge, have a lot of  
24 traditional knowledge and wisdom.

25 If the Minerals Management Service would like to

1           make its decision on the best available information,  
2           they need to, and must incorporate that information  
3           that is at a level that is much higher than what  
4           western science has within the region.

5           There's going to be impacts of development in  
6           oil and gas and exploration and putting in  
7           infrastructure and certainly during the lifetime of  
8           extracting those resources. We already are seeing  
9           debates about the impacts on bowhead whales of  
10          seismic explorations. Putting in infrastructure is  
11          not only going to impact the Chukchi Sea, it will  
12          impact much of the -- much area on the North Slope  
13          Borough through pipelines out to Prudhoe Bay  
14          impacting numerous types of wildlife in those areas.

15          Oil spills obviously are something that strike a  
16          chord when one talks about oil spills in Alaska to  
17          the U.S. public, everyone thinks of the Exxon Valdez  
18          oil spill and the impact that that oil spill had on  
19          numerous animals. We still haven't seen full  
20          recovery of that.

21          And that's only going to be compounded by the  
22          fact that the Chukchi Sea has ice on it most of the  
23          year. And we don't know how to clean up oil in  
24          broken ice conditions, or if oil is underneath the  
25          ice. We have no way to even imagine how we would

1 clean that up. We believe that there are going to  
2 be very many adverse impacts to the development of  
3 the Chukchi Sea. Thank you.

4 MR. KING: Thank you.

5 I believe John's up next.

6 MR. WARRENCHUK: Hello --

7 MR. KING: Would you state your name and spell  
8 it for the court reporter, please.

9 MR. WARRENCHUK: Sure. My name is John  
10 Warrenchuk, W-A-R-R-E-N-C-H-U-K. I'm here as an  
11 Alaska resident and a concerned scientist.

12 The Chukchi and Beaufort Sea, really our last  
13 pristine Arctic wilderness, our last pristine  
14 wilderness in the U.S., really. Here we are  
15 debating whether or not to open it for oil  
16 exploration. The Chukchi, even though this is a  
17 voluminous document, there's a lot that science  
18 still doesn't know.

19 The Northern Right Whale, which is the most  
20 endangered cetacean marine mammal species in the  
21 world. There's 300 left, I think. We don't know  
22 where their calving and breeding areas are yet.  
23 It's possible that they do use portions of the  
24 Chukchi Sea to breed and to feed. With only 100 --  
25 300 animals left, there's a lot we don't know. I

1 don't know if Northern Right Whale is discussed in  
2 here very much at all.

3 You know, consideration of this project in the  
4 Arctic marine environment, particularly with all the  
5 endangered species and Arctic wildlife, which are  
6 really under risk of extinction because of -- well,  
7 because of global warming brought on by -- well,  
8 our -- the negative effects of our oil-driven  
9 economies. This is a double-whammy for these  
10 animals. We shouldn't proceed. I support  
11 alternative -- the status quo alternative, which is  
12 no lease sale. And I want to see this, this last  
13 pristine wilderness in the U.S. remain pristine.  
14 Thank you.

15 MR. KING: Okay.

16 Thank you.

17 Okay. Next we have Bubba.

18 MR. COOK: Thank you for the opportunity to come  
19 and speak with you today.

20 MR. KING: Could you state your name and spell  
21 it for the court reporter.

22 MR. COOK: Absolutely. My name is Bubba Cook,  
23 B-U-B-B-A C-O-O-K. And I represent the World  
24 Wildlife Fund. World Wildlife Fund is an  
25 international conservation association with 1.2

1 members in the U.S. And thousands more worldwide.

2 And I'm here -- I'm not going to spend a whole  
3 lot of your time, but I am going to address the EIS  
4 itself.

5 We're interested in the issue because the Nature  
6 Conservancy and World Wildlife Fund led a  
7 biodiversity assessment in 1999 where 60 scientists  
8 from the U.S. and Russia agreed that the area should  
9 be considered of the highest priority for  
10 conservation.

11 And with respect to the EIS, I have a little bit  
12 of experience with EIS development, as well as  
13 review. While with the Trustees for Alaska, I  
14 reviewed a similar lease sale for the proposal for  
15 the Beaufort Sea. And as a member of another  
16 federal agency, I had a considerable amount of  
17 experience writing, drafting these documents.

18 I can say from reading this document I  
19 understand how it is when you're under a time  
20 crunch, but looking at this document, it appears  
21 there's a lot of cut and paste. I have seen it in  
22 other places, I've done it myself. Doesn't mean  
23 that it's right. You need to spend more time  
24 addressing the analytical issues in this document,  
25 more time fleshing out the individual arguments,

1 particularly with respect to the subsistence  
2 argument.

3 I don't know that any of you would appreciate  
4 someone coming in and throwing a bunch of oil into  
5 your refrigerator or cabinet and telling you that it  
6 wasn't a significant impact, because that's what  
7 you'd be ultimately doing with the Native groups in  
8 these areas. And they would tell you that directly.

9 They depend on the subsistence resources. If  
10 you tell them that they can't go out and get them  
11 because of oil contamination, they're going to be  
12 upset, obviously.

13 And I think it's very important to consider also  
14 obligations under Executive Order 13175, which are  
15 obligations to consult with the tribes in the  
16 regulatory process, especially when it's something  
17 that directly affects the tribes as this will. And  
18 I don't think it's addressed in the EIS.

19 An additional concern is with the cumulative  
20 impacts. It appears that this is more of a  
21 threshold assessment as opposed to a serious  
22 in-depth review of the issues, particularly from a  
23 cumulative-impacts perspective. When you're  
24 considering these issues, you need to consider them  
25 in the context of everything that's occurring. That

1 includes whether it's climate change, fisheries  
2 impacts, mining impacts that are onshore, any  
3 terrestrial or oceanic impacts that may be occurring  
4 from other areas.

5 I think that, unless this additional effort  
6 isn't made to further flesh out these issues, it  
7 probably wouldn't pass the hard-look test required  
8 by NEPA.

9 With that, I want to state on behalf of World  
10 Wildlife Fund that we support the no-action  
11 alternative. The resources in this area that  
12 include polar bears, which are undergoing the 90-day  
13 scrutiny for ESA listing and gray whales and beluga  
14 whales and the other marine resources that both  
15 Natives depend on and the ecosystem depends on, the  
16 jeopardy is too great to continue with the sale at  
17 this time.

18 MR. KING: Okay. Thank you.

19 Is there -- according to what I have got, that's  
20 everybody who signed up to testify. Is there  
21 anybody else who would like to testify? If so, you  
22 don't have to sign up, you can just come up.

23 Okay. I think what I'd like to do is go ahead  
24 and go into temporary adjournment, we'll see if  
25 anybody comes up the next half-hour or so, we'll

1 hang around in case somebody shows up who wants to  
2 testify. If you want to hang around with us, you're  
3 welcome to. Otherwise, thanks for coming out. Be  
4 careful going home.

5 (Whereupon, the public hearing was  
6 adjourned.)

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## REPORTER'S CERTIFICATE

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I, Britney E. Chonka, Court Reporter, hereby  
certify:

That I am a Court Reporter for Alaska Stenotype  
Reporters and Notary Public in and for the State of  
Alaska at large. I certify Hereby that the forgoing  
transcript is a true and correct transcript of said  
proceedings taken before me at the time and place stated  
in the caption therein.

I further certify that I am not of counsel to  
either of the parties hereto or otherwise interested in  
said cause.

In witness whereof, I hereunto set my hand and  
affix my official seal this 23rd day of December, 2006.

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BRITNEY E. CHONKA, REPORTER

Notary Public - State of Alaska