

PUBLIC HEARING  
FOR  
DRAFT ENVIRONMENTAL IMPACT STATEMENT  
MINERALS MANAGEMENT SERVICE  
PROPOSED ARCTIC MULTI-SALE

Kaktovik, Alaska

Taken February 7, 2009  
Commencing at 5:30 p.m.

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Taken at  
Qargi Community Center  
Kaktovik, Alaska

Reported by:  
Mary A. Vavrik, RMR

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A-P-P-E-A-R-A-N-C-E-S

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Taken by: Mary A. Vavrik, RMR

BE IT KNOWN that the aforementioned proceedings were taken at the time and place duly noted on the title page, before Mary A. Vavrik, Registered Merit Reporter and Notary Public within and for the State of Alaska.

1 P-R-O-C-E-E-D-I-N-G-S

2 MR. LOMAN: We will get started.

3 Usually we start these meetings with a prayer, and  
4 we ask somebody to do it. If there is anybody that  
5 would like to do it, volunteer, or I'll --

6 MR. INGLANGASAK: We should get some  
7 of our Elders here, too, huh? Because this is a  
8 pretty important meeting.

9 MR. LOMAN: It is important.

10 MR. FENTON REXFORD: I don't know.

11 MR. BARROS: The only constraints we  
12 have is that at 8:00 the dance group is going to  
13 come in to practice, so whenever you guys want to  
14 get started, we can start. If you want to make  
15 phone calls to get people down here, we can wait  
16 till then to have more people show up or we can get  
17 started now.

18 MR. GORDON: We can even come back at  
19 6:30 and start at 6:30.

20 MR. BARROS: Which means we will have  
21 an hour and a half meeting.

22 MR. FENTON REXFORD: Probably would  
23 work a lot better.

24 MR. LOMAN: Does everybody know what  
25 the National Environmental Policy Act is? I'll give

1 a little explanation on that. But I'll start off  
2 just by introducing our team here.

3 My name is Jeffrey Loman. I'm the Deputy  
4 Director of Minerals Management Service Alaska, and  
5 I've worked for MMS about a year and a half now, a  
6 little over a year and a half. I actually managed  
7 the scoping meetings when we started this project.  
8 We were here in Kaktovik in the fall of 2007 right  
9 after the agency proposed to do an environmental  
10 impact statement for the Arctic multi-sale projects.

11 Before I worked for MMS, I worked for the  
12 Bureau of Indian Affairs for ten years. I was the  
13 Chief of Natural Resources for BIA in Washington,  
14 D.C. Before that I worked for the Navy as a  
15 civilian running hazardous waste operations. That's  
16 when I first started working on National  
17 Environmental Policy Act or NEPA projects, building  
18 a new hazardous waste facility. I've worked on a  
19 couple dozen now NEPA projects, including about six  
20 in Alaska.

21 I prepared some environmental assessments  
22 for the Denali Commission when I was on detail for  
23 them for projects in Alaska. We did an EIS for an  
24 oil response facility project down in Shepard Point.  
25 So I'm a NEPA practitioner.

1           Before I went to work in the environmental  
2 field, I was a Navy explosive ordnance disposal  
3 mobile unit diver for ten years and a saturation  
4 diver for ten years. So I've got about 33, going on  
5 34 years of service with the federal government.

6           I was born on the A'Lanse Indian  
7 Reservation, and I'm a member of the Keweenaw band  
8 of the Chippewa Indians.

9           MR. KENDALL: My name is Jim Kendall.  
10 I'm from Herndon, Virginia, which is outside of  
11 Washington, D.C. That's where our headquarters  
12 office is. I'm the Chief of the Environmental  
13 Division that oversees the NEPA assessment and  
14 science. I come from the science side of the house.  
15 I'm an oceanographer by training. This is my first  
16 trip to the North Slope, and I've enjoyed meeting  
17 all the people, and it's been quite a learning  
18 experience. Thank you.

19           MR. GORDON: My name is Keith Gordon.  
20 I'm the NEPA coordinator for the multi-sale draft  
21 EIS. I have been doing NEPA in one form or another  
22 for almost 24 years.

23           MR. BARROS: I'm Albert Barros. I'm  
24 the community liaison for the Alaska Region.

25           MR. LOMAN: This law, the National

1 Environmental Policy Act, was passed into law by  
2 President Nixon, and it's commonly referred to as  
3 the Sunshine Law. And what this is all about, to  
4 kind of cut through all the gobbledygook, is the  
5 government is required, any federal agency, to  
6 prepare an environmental impact statement for a  
7 major federal action that has the potential to  
8 affect the human environment.

9 In this case the major federal action is  
10 four offshore oil and gas lease sales, two sales in  
11 the Beaufort Sea and two sales in the Chukchi Sea.  
12 And these sales will take place sometime between  
13 2010 -- actually 2009 is sale 209 in the Beaufort --  
14 and 2012. It's under MMS's five-year plan for 2007  
15 through 2012. Two sales in the Beaufort Sea, two  
16 sales in the Chukchi Sea.

17 And like I mentioned earlier, last fall we  
18 did public scoping meetings. That was the beginning  
19 process to get comments from the public on the scope  
20 of what we should analyze, what we should consider  
21 as part of the environment under our analysis, what  
22 alternatives we should consider. And since then we  
23 have drafted a 2,200-plus-page environmental impact  
24 statement. We released it a little while ago. And  
25 the purpose of this hearing tonight is to get

1 comment on that document.

2 A little bit about that document. The  
3 alternatives that were analyzed are Alternative  
4 No. 1, which is the no action alternative. The law  
5 requires us to analyze that. And under that  
6 alternative, there would be -- the government  
7 wouldn't conduct these four lease sales at all. No  
8 lease sales.

9 Alternative No. 2 is the proposed action.  
10 And that's to hold two sales in the Beaufort Sea,  
11 within this Beaufort Sea planning area in the red,  
12 and the Chukchi Sea planning area in the blue.

13 The other alternatives, alternatives for  
14 the Beaufort Sea and alternatives for the Chukchi  
15 Sea, identify a number of deferrals. Cross Island  
16 deferral; this shaded area [indicating] off of Cross  
17 Island would not be offered for lease under that  
18 alternative.

19 An eastern deferral; all this area  
20 [indicating] would not be offered for lease under  
21 that alternative. Barrow deferral area; this area  
22 here [indicating] would not be offered under that  
23 alternative. And a deep water deferral.

24 Over on the Chukchi Sea, there is also a  
25 number of deferrals. In the Chukchi Sea, you will

1 notice that the proposed sale line doesn't start for  
2 25 miles off the coast. There is also Hanna Shoals  
3 alternative out there, way out there in the far  
4 corner. What are we calling that alternative,  
5 Keith?

6 MR. GORDON: Deep water.

7 MR. LOMAN: Deep water alternative in  
8 the Chuckchi. And then the shaded area inshore?

9 MR. GORDON: Coastal deferral.

10 MR. LOMAN: And then the yellow area?

11 MR. GORDON: The Ledyard Bay  
12 deferral. That's a critical habitat area.

13 MR. LOMAN: So it's conceivable that  
14 one or more or all of those deferrals would be  
15 subscribed to or, because this is a draft  
16 document -- and we have received comments during  
17 these hearings by whaling captains, whaling crew  
18 members saying that the deferrals should be expanded  
19 even larger. That was mentioned, for example, with  
20 respect to Cross Island. How large we -- we didn't  
21 quite nail down, but they felt that it should be  
22 larger than what was identified here.

23 What does this all mean? It all gets to  
24 the purpose of this exercise. And the ultimate  
25 purpose, as required by the National Environmental

1 Policy Act, is to inform the decisionmaker, who will  
2 most likely be the Secretary of Interior, or if the  
3 Secretary delegates it to the Assistant Secretary  
4 for Land and Minerals Management -- and they often  
5 do -- to decide whether or not to move forward with  
6 these sales and, if so, what deferrals the agency  
7 would subscribe to and take off the sale area and  
8 only offer some limited portion of it.

9 I can tell you how it worked for sale 193  
10 in the Chukchi, which we held back in February.  
11 This, of course, was under the past Administration.  
12 We now have a new President. Our new President has  
13 been in office less than a month, and a new  
14 Administration is just coming in and they will make  
15 the decision.

16 But under the last Administration when MMS  
17 was briefing the Assistant Secretary for Land and  
18 Minerals Management, he asked the question as to  
19 whether or not the people on the North Slope felt  
20 that the oil industry could clean up a spill in  
21 Arctic conditions, a substantial spill.

22 And I had just finished these scoping  
23 meetings that we held for this project, and I knew  
24 the answer was no. So after a little bit of silence  
25 in the room, I told him no. Then he asked the

1 question as to whether or not the oil industry is  
2 able to clean up a spill. And I told him that I'd  
3 put my money on prevention, the kind of equipment  
4 and technology that they would intend -- that they  
5 intend to put in place to first explore for oil and  
6 gas, and then if they find a viable project, to  
7 produce it. But cleaning up an oil spill on the  
8 worst day in the Arctic is -- I'm sure you all know  
9 since you live here and you have had experience in  
10 those conditions -- would be a struggle for anybody,  
11 no matter what equipment they had.

12           So I just tell that story because what we  
13 learn from you does make it up to the ultimate  
14 decisionmaker, and that's what this is for. Even  
15 though the National Environmental Policy Act or NEPA  
16 is the most litigated environmental statute out  
17 there, it -- it does serve a purpose. It separates  
18 us from a lot of other countries in the world where  
19 their governments don't care about what people have  
20 to say about these kinds of activities. And my  
21 promise to you is to make sure that your concerns  
22 ultimately are told honestly to the person that has  
23 to make a decision on this project.

24           And the work that we do in the draft EIS  
25 and the final EIS is ultimately done to serve one

1 purpose: to inform that decisionmaker. So  
2 hopefully that's an explanation that makes some  
3 sense to you about what this is all about.

4 Are there any questions?

5 MR. FENTON REXFORD: My name is  
6 Fenton Rexford. Were there any fliers or any type  
7 of information for this type of hearing?

8 MR. LOMAN: Yes, sir.

9 MR. FENTON REXFORD: Do you have  
10 copies here?

11 MR. LOMAN: You are talking about the  
12 notice or actual physical information, written  
13 information about the document?

14 MR. FENTON REXFORD: You are hear to  
15 hold a public hearing?

16 MR. LOMAN: Yes.

17 MR. FENTON REXFORD: And the public  
18 hearing is on what?

19 MR. LOMAN: It's on the -- sorry.  
20 You came in before -- before [sic] I got started.  
21 It's on the draft Arctic multi-sale proposed  
22 offshore oil and gas lease sale, four of them, two  
23 in the Beaufort Sea in this planning area  
24 [indicating].

25 MR. FENTON REXFORD: So are the

1 planning documents here for us to comment on or do  
2 you have copies present?

3 MR. GORDON: We can mail them to you.  
4 We don't have copies that we brought with us.

5 MR. FENTON REXFORD: How do we make  
6 comments, then? My name is Fenton Rexford. How  
7 would we make comments tonight if you are here for a  
8 public hearing and we have no --

9 MS. MARIE REXFORD: No information.

10 MR. FENTON REXFORD: -- no documents  
11 for the public here?

12 MR. GORDON: We have a mailing list.  
13 When the public notice went out and the notice in  
14 the Federal Register went out, we indicated first  
15 that it was available on our website at a given  
16 address. We have mailed some copies out to the  
17 communities to individuals who expressed an interest  
18 in receiving them. We have mailed some CDs out to  
19 some of the communities. If you haven't received  
20 any or they are somewhere in the community you don't  
21 have access to, we'll be more than --

22 MR. FENTON REXFORD: Thank you very  
23 much for that information. And I'm glad that you  
24 reminded us. My name is Fenton Rexford. I'm the  
25 Kaktovik whaling captain and president of the

1 association. I oppose or say publicly that all of  
2 this multi-sale planning for lease sale should not  
3 happen.

4 MR. LOMAN: Okay. Thank you. Any  
5 other questions or testimony?

6 MS. MARIE REXFORD: Marie Rexford. I  
7 oppose offshore. I'm a whaling crew -- I'm on the  
8 whaling crew and resident. How did this sale come  
9 about? I mean --

10 MR. LOMAN: How did it come about?

11 MS. MARIE REXFORD: I mean, isn't it  
12 supposed to be, like, the people should know about  
13 it before it --

14 MR. LOMAN: Well, there hasn't been a  
15 sale yet. And it's -- it's only proposed. First  
16 the government -- first the Administration decides  
17 under a five-year plan what areas nationwide they  
18 are going to offer for lease. The 2007 through 2012  
19 was the first indication that the agency planned to  
20 conduct these four specific sales. We held scoping  
21 meetings, including meetings here, for that  
22 five-year plan. We prepared an environmental impact  
23 statement for that five-year plan and held public  
24 hearings, including meetings here.

25 Then when we set forth in 2007 to actually

1 propose the Arctic multi-sale, we gave notice of it,  
2 held scoping meetings, then started work on the  
3 document itself to analyze the impacts of that  
4 proposal and develop and analyze the alternatives.

5 MR. BARROS: Can we take a short  
6 break? Maybe you and I should talk.

7 MR. LOMAN: Sure.

8 MR. BARROS: We will take a  
9 five-minute break.

10 (Off the record.)

11 MR. LOMAN: Okay. Was there a  
12 question?

13 MR. BRUCE INGLANGASAK: Minimal  
14 damage to our environment policies, I think they  
15 should be changed. It should be zero damage because  
16 we got 30 years of minimal damage to our atmosphere.  
17 It's affecting our fish, our plants, and all the  
18 people that live here. We know for a fact that  
19 Nuiqsut has got the highest rate for upper  
20 respiratory sicknesses. And we live out on the  
21 North Slope. We get that same atmosphere as they  
22 do. So I think your minimal damage of 30 years plus  
23 pumped into our atmosphere pretty well affected  
24 everybody that's living here now.

25 MR. LOMAN: From the onshore

1 activities?

2 MR. BRUCE INGLANGASAK: From what is  
3 happening right now.

4 MR. LOMAN: Thank you. Yes, sir.

5 MR. ROBERT THOMPSON: Do the people  
6 that participate in this oil lease sale have to  
7 demonstrate any ability to clean up in the Arctic  
8 Ocean or under the ice if they were to have a  
9 mishap?

10 MR. LOMAN: Yes.

11 MR. ROBERT THOMPSON: Have they ever  
12 demonstrated it?

13 MR. LOMAN: Well, you know, the  
14 ability to clean up is relative.

15 MR. ROBERT THOMPSON: I don't think  
16 any of us here want this relative idea you are  
17 talking about. I think we want a positive cleanup,  
18 100 percent.

19 MR. LOMAN: One hundred percent of a  
20 substantial oil spill in the Arctic conditions  
21 during the worst time period --

22 MR. ROBERT THOMPSON: What are you  
23 saying? Eighty-five percent? What are you  
24 saying.

25 MR. LOMAN: I'm saying I don't

1 believe personally that the technology exists now or  
2 will ever exist to clean up 100 percent of a  
3 substantial oil spill, 10,000 barrels or more, in  
4 the Arctic conditions in -- in the worst weather  
5 conditions that can be expected to be experienced in  
6 the Arctic, no, sir.

7 MR. ROBERT THOMPSON: What percentage  
8 do you think they would be able to take?

9 MR. LOMAN: I'm not -- I'm not --

10 MR. ROBERT THOMPSON: Any capacity at  
11 all? I mean, like one percent?

12 MR. GORDON: The estimates vary. In  
13 the document we have what's called the OSRA, the Oil  
14 Spill Response Analysis. And what they are looking  
15 at is in broken ice conditions they expect very  
16 little to be cleaned up. In calm water conditions  
17 with a given spill of light oil, they would expect  
18 you would be able to clean up a much more  
19 substantial quantity. But no, we are not getting  
20 near 100 percent cleanup.

21 MR. ROBERT THOMPSON: Fifty?

22 MR. GORDON: The conditions -- for  
23 each set of conditions, there is going to be a  
24 different percentage they feel they can clean up.  
25 So we are not going to be able to give you any

1 percentage across the board. It just doesn't apply  
2 that way. We would be ludicrous to try to tell you  
3 that under all circumstances you always can clean up  
4 this much oil.

5 MR. ROBERT THOMPSON: I'm just trying  
6 to get some idea of what capacity you have. If you  
7 could say one percent, okay, then say it. If you  
8 don't have any capacity to clean up, then you ought  
9 to let the public know. Let us know you are just  
10 going to do it and not be able to clean up. Now, I  
11 want to know how you can clean up oil underneath the  
12 ice. And I'm not getting any satisfactory answers.  
13 If you can't answer that to some capacity, then  
14 maybe you shouldn't be out there. I mean, that's  
15 just our opinion. Write it down.

16 Here we are being told by Shell Oil their  
17 capacity, and we look at the movies they show. It's  
18 ridiculous. There is no capacity. It's never been  
19 demonstrated. The representative of Governor Palin  
20 to the Arctic Frontiers Conference admitted they  
21 have no capacity to clean up oil in the Arctic  
22 Ocean. I mean, this is on record. And you are  
23 coming here saying it's relative. We want to know  
24 more than relative.

25 MR. LOMAN: Right when we started,

1 you were here. Right when we started, I told you  
2 about briefing the Assistant Secretary of Land and  
3 Minerals Management, and he asked the question. Big  
4 room of senior bureaucrats in the government. He  
5 asked the question. And he was concerned about you  
6 and everybody in these communities up here and  
7 whether or not you believe, after the Secretary of  
8 Interior had been up here --

9 MR. ROBERT THOMPSON: He doesn't  
10 impress me any more than you do as far as capacity  
11 to clean up -- I mean, about ability to clean up.

12 MR. LOMAN: I'm not here to impress  
13 anybody, sir. I'm not here to talk anybody into  
14 anything.

15 MR. ROBERT THOMPSON: You can impress  
16 me if you can say you can clean up 50 percent  
17 positively, and nobody is doing that.

18 MR. GORDON: We're not going to do  
19 that.

20 MR. LOMAN: I'm not going to say  
21 that.

22 MR. ROBERT THOMPSON: Why don't you  
23 say you can't clean it up?

24 MR. GORDON: Some percentage under  
25 some conditions can be cleaned up, but every set of

1 conditions you can give me, we can come up with a  
2 different probability based on current technology as  
3 to whether or not they can clean it up and the  
4 percentage they can clean up. Broken ice conditions  
5 in wind and wave, they are going to get an extremely  
6 small quantity. Very calm conditions with the right  
7 oil, the right equipment, they can get a much more  
8 substantial quantity. As Jeffrey said, we will  
9 never get it all.

10 MR. LOMAN: It's going to be a  
11 struggle, at best.

12 MS. MARIE REXFORD: Then they  
13 shouldn't be drilling out there.

14 MR. LOMAN: I said it right at the  
15 very beginning of this meeting, sir.

16 MR. ROBERT THOMPSON: It's relative  
17 as to the amount. Okay. But why don't you say  
18 almost no capacity at all?

19 MR. LOMAN: Relative to the  
20 conditions, the weather conditions. And what we are  
21 responsible for at the Minerals Management Services  
22 as a regulatory agency is making sure they have the  
23 best equipment, that their people are trained, that  
24 enough equipment is there so that there is nothing  
25 lacking. And that's about all we can do. But we

1 are not in that scenario yet. And the fact of the  
2 matter is, there are no OCS development projects out  
3 there after more than 30 years of the government  
4 proposing this over and over and over again.

5 MR. ROBERT THOMPSON: What about the  
6 OCS projects?

7 MR. LOMAN: There are no OCS projects  
8 in the Arctic.

9 MR. ROBERT THOMPSON: Who is Shell  
10 Oil dealing with?

11 MR. LOMAN: They are trying to  
12 explore. No one knows whether or not there are any  
13 viable resources in either of these planning areas.  
14 And they won't know until they conduct  
15 exploratory -- first probably seismic exploratory  
16 drilling and actually find a viable resource. They  
17 suspect through past seismic activity and geology  
18 and other information that there is. There have  
19 been estimates that there is.

20 MR. ROBERT THOMPSON: We just had  
21 Shell Oil here a few days ago. Now, they told us --  
22 we asked about corrosion in the underwater pipes and  
23 they said, well, the oil there is not corrosive. So  
24 apparently they have got some sampling of oil;  
25 either that or they were lying to us again. So the

1 question we have is: How are you going to test for  
2 corrosion on these underwater pipes? They are  
3 proposing 50 miles or more of underwater pipes. We  
4 are concerned, and these questions aren't being  
5 answered. So hopefully you can answer it.

6 MR. GORDON: Were they talking about  
7 oil only or were they talking about oil, water, and  
8 gas?

9 MR. ROBERT THOMPSON: Whatever they  
10 pop out of the ground from 50 miles offshore.

11 MR. GORDON: Likely they are not  
12 going to get strictly only oil. Frequently they can  
13 get primarily only oil or some oil, some gas, or  
14 sometimes some oil, some gas, some water. That's  
15 what they call three-phase fluid. And there is some  
16 degree of corrosion. The question is, in some  
17 circumstances they can put chemicals in the pipe  
18 with the product that they produce from the  
19 reservoir to limit corrosion. I'm not aware -- I'm  
20 not an oil and gas industry expert. I'm not an oil  
21 expert, but I'm not aware of circumstances where you  
22 have zero corrosion.

23 MR. ROBERT THOMPSON: Well, you  
24 probably heard the news that there were some leaks  
25 in the Prudhoe Bay oil field.

1 MR. GORDON: Right.

2 MR. ROBERT THOMPSON: And that was on  
3 the ground. If we have an oil leak under the ocean  
4 with 3,000 pounds per square inch of pressure, you  
5 are going to have a hell of an oil spill if it's  
6 underneath the ice. I think we are in order to ask  
7 for some capacity to clean it up.

8 They haven't completed any studies on  
9 toxicity. How long will that oil be toxic in that  
10 ocean? What Shell Oil said, they said they were  
11 doing ongoing studies, but they haven't determined  
12 it yet. So we want to know these answers.

13 MR. GORDON: Did they discuss any of  
14 the pipe-in-pipe technology or anything else for  
15 bringing these subsea fluids to shore to process?  
16 In other words, Oooguruk Island, which is sitting  
17 out there now, has a pipe-in-pipe setup so that if  
18 oil escapes from the interior pipe, they can tell by  
19 the pressure that there is oil escaping from the  
20 interior pipe and go ahead and address that leak.

21 MR. ROBERT THOMPSON: They didn't  
22 talk about that. I don't know if they can do that  
23 for 50 miles, so --

24 MR. GORDON: They can do what the  
25 regulatory agencies and the federal government and

1 the public tells them they should do.

2 MR. ROBERT THOMPSON: I think the  
3 public should be able to tell them they should clean  
4 it up. If they can't clean up a little bit of it,  
5 there is going to be how many -- 10,000 barrels  
6 of -- we are thinking about -- we don't know -- when  
7 this oil production starts, it's under pressure. It  
8 comes out of the ground, and through the pressure it  
9 flows out of the pipe to wherever you want to move  
10 it to. Now, if there was a spill, do they have any  
11 means to stop the flow 50 miles out in the ocean in  
12 a blizzard in the middle of the winter? Do they?

13 MR. LOMAN: Yes.

14 MR. ROBERT THOMPSON: They do have  
15 the capacity to stop the flow and get the pressure  
16 down instantly?

17 MR. LOMAN: Yeah.

18 MR. KENDALL: They do that in the  
19 Gulf of Mexico when hurricanes approach. You have  
20 got over 35,000 miles of pipeline on the sea floor  
21 in the Gulf, and whenever a hurricane enters the  
22 Gulf, they immediately flip switches in Houston and  
23 things automatically start turning off while people  
24 are flying back in. It's never 100 percent, but the  
25 last few years with the hurricanes, they have been

1 very successful that way.

2 MR. ROBERT THOMPSON: I heard they  
3 did have some spillage, but they can't document it.

4 MR. KENDALL: You do have some.

5 MR. ROBERT THOMPSON: In industry it  
6 seems that first they are allowed to have the  
7 privilege of proof. Like in the Exxon Valdez oil  
8 spill, you have to prove that you harmed the  
9 environment and so on. So apparently whoever does  
10 this will have that privilege, also. So we have no  
11 way of knowing how much oil is spilling out  
12 underneath the ocean. They couldn't document what  
13 spilled out of the Exxon Valdez ship. There are so  
14 many different figures on that. So we will have no  
15 way of knowing how much oil goes through that ocean,  
16 if it's a 10,000 barrels or if it's millions of  
17 barrels. Who knows?

18 MR. GORDON: They are required by the  
19 State and federal government to meter what comes out  
20 of those reservoirs because it's not all going to  
21 the oil companies. Some of it's going to the State.  
22 Some of it is going to the federal government.  
23 Therefore, somebody is getting revenue off of that.  
24 So if they can't adequately document what they are  
25 pumping out of the ground, it's considered in some

1 cases fraud, and there are criminal and civil  
2 penalties for it; not just the pollution, but the  
3 loss of revenue to the public.

4 MR. ROBERT THOMPSON: Where would  
5 this documentation take place at, landfall or where  
6 it comes out of the ground?

7 MR. GORDON: Where it comes out of  
8 the ground.

9 MR. ROBERT THOMPSON: Even though  
10 it's 50 or 100 miles offshore?

11 MR. GORDON: Right. They have to.  
12 It's no different offshore than it is onshore when  
13 it comes to -- well, it's different when it comes to  
14 taking it out of the ground, but it's not different  
15 from the standpoint of metering it, accounting for  
16 how much of it comes out, accounting for the fact  
17 that they don't have leaks.

18 The companies should be able to give you  
19 extremely detailed technological presentations, and  
20 some of our folks back in Anchorage could, on the  
21 prevention technology that exists to keep these  
22 wells from leaking once they are put in place.

23 MR. ROBERT THOMPSON: So how long are  
24 they going to be watching these pipes? And then you  
25 take it a step further when it comes time to pick

1 them up.

2 MR. GORDON: They watch them from the  
3 time they first start drilling into the ground. And  
4 from what we are talking about, I'm not saying that  
5 there is zero percent chance of them having a  
6 blowout when they start to drill a well, but have  
7 they ever had a blowout in the Gulf?

8 MR. KENDALL: The only one was the  
9 one in Mexico, not in the U.S. waters.

10 MR. GORDON: Okay. So out of over  
11 4,000 rigs, which means at least 4,000 wells in the  
12 Gulf, we had one in Mexico that -- I don't know who  
13 drilled it, but -- went. There is the potential for  
14 that to happen, but they have -- just like they do  
15 onshore, they have blowout preventer technology  
16 offshore to be able to shut that sort of thing down.

17 So as Jeffrey said, we are not here to sell  
18 you to go forward with this or not to go forward  
19 with it. We want to hear what you have to say.

20 MR. KENDALL: And take it back to the  
21 decisionmaker.

22 MR. ROBERT THOMPSON: I just ask the  
23 question, can oil be cleaned up in the Arctic Ocean?

24 MR. GORDON: Some percentage --

25 MR. ROBERT THOMPSON: Some

1 percentage. You might take a five-gallon pail and  
2 pick some up and say, we picked some up. That  
3 doesn't get it with us.

4 MR. GORDON: I'll happy to mail more  
5 copies of the document up here, and it has  
6 substantial sections on the percent chance for a  
7 spill, the ability to clean up a spill under various  
8 conditions, et cetera. The entire Appendix A in  
9 that document, which goes on for, I believe, well  
10 over 100 pages, is filled with nothing but tables of  
11 calculations and narrative of what they expect to  
12 happen as far as if a spill ever occurred. We give  
13 in the document the probabilities, a percent chance  
14 that there would be a spill. We have those  
15 estimates in there. We have to disclose that stuff.

16 MR. ROBERT THOMPSON: Okay. I have a  
17 question about oil toxicity. Would you care to  
18 comment about how long, about, that oil will be  
19 toxic in the Arctic Ocean in Arctic conditions?

20 MR. GORDON: I can't answer -- not  
21 being the appropriate scientist, I can't answer that  
22 question, but I can tell you when the Exxon Valdez  
23 dumped the oil, it was toxic immediately. But keep  
24 in mind that there are seeps along the Arctic coast,  
25 along the Beaufort Sea and along the Chukchi that

1 leak some degree of oil into the environment.

2 In the Gulf of Mexico along the Pacific  
3 coast, there were concerns for many years about the  
4 fact that, well, there is something going on in the  
5 Gulf of Mexico because we have these tar balls  
6 coming up on shore. You all are leaking oil. Well,  
7 they went back in the records in the 1800s, and  
8 there were tar balls on the shore for 100 years  
9 before anybody ever drilled the first offshore well.  
10 That was a result of the fact of the natural seep.

11 So there is some introduction of crude oil  
12 into the environment naturally, you know. My  
13 experience with it is it's a reasonably small  
14 quantity over frequently very lengthy periods of  
15 time, so you have a minimal local effect in most  
16 cases. What we are talking about, you would see a  
17 local effect and potentially a larger quantity of  
18 oil in the very short-term.

19 Now, from what I -- from what we are seeing  
20 with Prince William Sound, there is a -- you can go  
21 dig holes -- you turn over a rock on an island in  
22 Prince William Sound, and there is crude oil there.  
23 You can dig a pit and it will fill back up with  
24 crude oil. Some of that stuff has obviously been  
25 there since Exxon Valdez went down. And there is

1 undoubtedly some degree of toxicity left for some  
2 species.

3 MR. ROBERT THOMPSON: Yeah, but  
4 that's in a warm climate.

5 MR. GORDON: Well, you are going to  
6 have toxicity in this environment. It may or may  
7 not be less toxic. It depends on the species,  
8 depends on the type of oil, depends on its depth, et  
9 cetera; depends on the rate it degrades. That's --  
10 that's why we need this -- we have a four-volume  
11 document of over 2,200 pages to discuss the effects  
12 of this type of activity.

13 MR. ROBERT THOMPSON: Okay. Now, we  
14 have actually had people tell us that it's  
15 beneficial to have oil in the -- in the ocean  
16 because the microbes feed on it, and it gets to the  
17 food chain. It's a naturally occurring phenomenon  
18 that's been going on. Are you going to say these  
19 spills would be beneficial?

20 MR. LOMAN: No.

21 MR. ROBERT THOMPSON: I have been  
22 told that.

23 MR. LOMAN: No, we are not saying it.

24 MR. GORDON: No. This is man-made  
25 introduction into the environment, if it occurred.

1 We are not arguing that that's a benefit to the  
2 environment.

3 MR. ROBERT THOMPSON: So what --  
4 what -- how do these companies that you are going to  
5 do this for meet their financial responsibilities in  
6 this regard? Because they were quite lacking in the  
7 Exxon Valdez oil spill, as much as people were  
8 saying; for clearly established monetary losses,  
9 they got seven to ten percent and very little  
10 compensation for subsistence losses.

11 MR. GORDON: That's -- falls under  
12 the guise of mitigation. How would you mitigate the  
13 potential negative impacts of this type of activity?  
14 It's come up in every hearing we have had so far.  
15 And what the communities are frequently coming back  
16 to us with is what sort of bonding are these folks  
17 going to have to do so if there is a spill, if there  
18 is a negative impact, people who lose opportunity  
19 for subsistence, people who have property on the  
20 coastline contaminated, et cetera, have some  
21 mechanism to get money right away, not 15 years  
22 later after an oil spill.

23 That's the kind of thing we are looking  
24 for. What would you see as a potential solution if  
25 this activity took place, if there was a spill; what

1 would you see as a way to compensate yourself or  
2 someone else in the community for potential impact?  
3 We are looking for avenues to do that if this type  
4 of activity occurred.

5 MR. ROBERT THOMPSON: Well,  
6 personally I would say that the money should be up  
7 front before it even happens. Then an organization  
8 separate from the oil industry should be able to  
9 dispense the -- the penalties or impacts because it  
10 didn't work out with Exxon Valdez.

11 And another problem they had with Exxon  
12 Valdez, there was no baseline study. I don't  
13 believe there has been an adequate baseline study  
14 anywhere out here to establish what's there, because  
15 this has happened with Shell Oil and with Exxon  
16 Valdez in Prince William Sound. If you don't have  
17 an adequate baseline study, they may say we don't  
18 have to pay them. We don't know what was there. We  
19 don't know what we damaged.

20 So is there going to be an adequate  
21 baseline study that people will sit here and say,  
22 okay, you studied it, we know what's the potential  
23 harm?

24 MR. GORDON: As far as baselines, the  
25 bibliography for the environmental impact statement

1 is, I believe, almost 40 pages of citations of  
2 studies that folks used. Now, those are not all  
3 Arctic studies. Some of them are Arctic studies for  
4 Norway where they got information on the impact to a  
5 species over there, a species that occurs over here  
6 as well. MMS -- Jeffrey, do you want to talk about  
7 the variety of studies MMS has done on the Arctic?

8 MR. LOMAN: Well, it's safe to say  
9 that the federal government and the organizations  
10 the federal government employs to do studies has a  
11 substantially larger amount of information about the  
12 baseline, I think admittedly more in the Beaufort  
13 than in the Chukchi, but more than was available for  
14 Prince William Sound.

15 Whether or not it's sufficient, we won't  
16 argue that point. If it's a concern, I think you  
17 expressed it and it's -- we have got that on the  
18 record.

19 MR. ROBERT THOMPSON: Well, okay.  
20 You did a lot of studies, generic studies here and  
21 there. But has there been a study that they call a  
22 baseline study so that there is no question when  
23 they look at it, this is what we are going after  
24 when we get this study, rather than a study 20 years  
25 ago that some Ph.D. students did and somebody else

1 did something somewhere randomly done. Is there  
2 anything --

3 MR. LOMAN: Baseline study, to me, is  
4 a baseline, what's the quality of the water, what is  
5 the quality of the sediment, what is the quality of  
6 the air, what is the quality of the bowhead whale  
7 and then all of the subsistence species, other  
8 species, the organisms that all of the subsistence  
9 species rely on, so on and so forth. And so to some  
10 extent, that work has been done. You know, putting  
11 the word baseline -- one baseline study and to do  
12 everything that you could consider a baseline study  
13 would impress me. Some of that work has been done.

14 Whether or not it's sufficient to make a  
15 natural resources damages claim, I think so. I've  
16 worked on those projects when I was with the Bureau  
17 of Indian Affairs. We worked with tribes and we  
18 represented tribes and made claims at Superfund  
19 sites or sometimes in some cases sites that weren't  
20 Superfund sites, but as a result of our work were  
21 listed on Superfund. And we sued those companies.  
22 In some cases we sued them into oblivion, sued them  
23 into bankruptcy, and we took what was left over in a  
24 bankruptcy claim.

25 None of those situations are where we would

1 want to go with offshore oil and gas development.  
2 The prevention and having the best available spill  
3 response equipment, personnel, et cetera, for a  
4 spill if it occurs is something that we are  
5 committed to do.

6           The other thing, I think, when you compare  
7 the Exxon Valdez with today, most of the things that  
8 are in place, the laws that are in place, the money  
9 that's in place weren't there before the Exxon  
10 Valdez. That happened as a result of the Exxon  
11 Valdez. As bad as the Exxon Valdez was, there was  
12 no National Pollution Fund Center which is managed  
13 by the Coast Guard with a significant substantial  
14 amount of money paid by the oil industry in place so  
15 that claims can be made, including subsistence  
16 claims, including claims -- and we argued this --  
17 claims for losses to the ability to govern for  
18 communities such as this one.

19           When the Coast Guard was contemplating the  
20 regulations for adjudicating those claims, we said  
21 in addition to losing food, having to expend more  
22 money on equipment to go further, all of these kinds  
23 of things they had already decided were appropriate,  
24 we said in Alaska and whaling communities, people  
25 are typically elected as government leaders because

1 of their abilities in the -- in the context of  
2 whaling. Whaling defines the people, and it defines  
3 the people's leadership. And so that means if there  
4 is an oil spill that destroys whaling, it will  
5 impact the government, the ability to govern.

6 It's kind of like lawyers or military men  
7 and comparing if you destroyed the ability to  
8 practice law and you destroyed the ability of the  
9 U.S. military to do anything, that would impact the  
10 government. Most of our presidents are either  
11 lawyers or military men.

12 We had these conversations, and the Coast  
13 Guard accepted those arguments. So they manage that  
14 fund center. That wasn't in place. That was  
15 created as part of the Exxon Valdez. So was the Oil  
16 Pollution Act of 1990.

17 Is it enough? That's -- you know, I have  
18 my own personal opinion; you have yours. And it's  
19 perfectly appropriate to say in this context it's  
20 not enough and that the risks outweigh the equities,  
21 and we understand that and we will bring that  
22 message back, you know, through this process and  
23 other processes. There is no revenue sharing  
24 provision that would give this community a portion  
25 of the revenues that were generated.

1           The last Administration, I think, in  
2 general, would provide administrative support for  
3 that kind of legislation. This Administration, I  
4 hope, will, too. Maybe that answers some of your  
5 concerns, but that's the best I can do.

6           MR. ROBERT THOMPSON: I'm not  
7 concerned about making money off this oil. I'm  
8 concerned about preserving our culture. I got  
9 friends who -- who their people used to be buffalo  
10 hunters. They got that took away from them 100  
11 years ago, and they are still affected by it. If  
12 that were to happen here, we are going to have an  
13 effect through the rest of our history. One hundred  
14 years, if we don't have our culture, we are going to  
15 lose more than money.

16           MR. LOMAN: We understand that. We  
17 understand that whaling and other subsistence on  
18 marine mammals is a self-defining cultural practice.  
19 And Albert is a buffalo hunter and comes from a  
20 tribe that hunted them, and they couldn't hunt for a  
21 long time. I was born on the L'Anse Reservation,  
22 and we have treaty rights now to hunt and fish and  
23 gather over a vast area around the Great Lakes, but  
24 there was a time when my ancestors couldn't do  
25 anything but work as trappers for the State as they

1 decimated the timber wolf, the wolverine, one animal  
2 after another, clear-cut the entire Upper Peninsula  
3 of Michigan of every standing tree, et cetera, et  
4 cetera. So we understand that.

5 This isn't an experiment that we have going  
6 to let the oil industry do whatever they want to do  
7 and see how much it affects whaling activities that  
8 have gone on not quite unfettered, but almost  
9 unfettered. Our goal is to regulate these  
10 activities in a way that never disrupts whaling  
11 activities, never. That's our goal.

12 MS. MARIE REXFORD: Have they ever  
13 find out how many currents we have in the Arctic  
14 Ocean? There is not just one current. I know.  
15 I've seen it out there whaling. They go right next  
16 to each other. I've seen it myself. Have there  
17 been any studies on how many currents we have?

18 MR. KENDALL: An excellent question.  
19 And to address that question to the gentleman back  
20 there, one thing MMS has not been good at is getting  
21 out how much science we have supported.

22 MS. MARIE REXFORD: You say you come  
23 to help us.

24 MR. KENDALL: Right.

25 MS. MARIE REXFORD: How do you help

1 us?

2 MR. LOMAN: How in this context?

3 MS. MARIE REXFORD: Yeah.

4 MR. LOMAN: We heard the same concern  
5 last night. We record your comment about --

6 MS. MARIE REXFORD: You are just  
7 recording it? That's it? Record it and put it  
8 away?

9 MR. LOMAN: No. We have to -- I'll  
10 explain to you the process. Your concern with --

11 MS. MARIE REXFORD: Offshore, I  
12 completely oppose offshore. How many times do we  
13 have to say that when you come here? We are  
14 opposed.

15 MR. GORDON: To answer your question,  
16 we have a series of oceanographic studies that have  
17 been done that to a degree address offshore  
18 currents, flows, thermal patterns in the ocean, et  
19 cetera. I'm not an oceanographer. I didn't write  
20 that analysis, so I can't be the one to tell you.

21 MS. MARIE REXFORD: I know you can't,  
22 but still we keep telling you we oppose this, and  
23 you keep telling us you got ways to clean the spill  
24 and stuff like that, but we don't want to hear that.  
25 We oppose. That's all I have to say.

1 MR. LOMAN: Thank you very much,  
2 ma'am.

3 MR. ROBERT THOMPSON: More questions.  
4 Okay. I believe there are 16 endangered or  
5 threatened species in the Arctic here. Are these  
6 lease sales, proposed lease sales, are they going to  
7 accommodate that, as much as some of the habitat  
8 concerns haven't been addressed? The fact like the  
9 polar bear is listed as threatened, you don't just  
10 list it and that's a bunch of words. There is some  
11 action to be taken in regards to that. Is that  
12 going to be done before anything happens out here?

13 MR. LOMAN: Consultation as required  
14 under the Endangered Species Act by Minerals  
15 Management has taken place, but the industry has to  
16 obey the Endangered Species Act in every activity  
17 that they take.

18 MR. ROBERT THOMPSON: Well, no. They  
19 get exceptions for taking the polar bear.

20 MR. LOMAN: Incidental harassment  
21 authorizations or incidental take authorizations.

22 MR. ROBERT THOMPSON: You are allowed  
23 to disrupt their behavior.

24 MR. LOMAN: That's what the law  
25 provides for, as the law provides. And those

1 authorizations are given by the Fish & Wildlife  
2 Service or National Marine Fisheries Service, and  
3 that's -- that's how that federal law is carried  
4 out. If your question is will they be allowed to --  
5 will they get those authorizations? Yes.

6 MR. ROBERT THOMPSON: Not just the  
7 polar bear.

8 MR. LOMAN: They would have to obtain  
9 those authorizations, yes, sir.

10 MR. GORDON: If the activity went  
11 forward and they were allowed to conduct the  
12 activity, they would have to have those  
13 authorizations, which means the Fish & Wildlife  
14 Service and the National Marines Fisheries Service  
15 have to say that if you do exploration in this area  
16 and you have to kill a polar bear, it's not going to  
17 substantially detrimentally harm the population in  
18 that area. In some cases the service will say, no,  
19 the polar bear you might have to kill could be a  
20 female. There are so few females in that area, you  
21 can't do this. That's a possibility.

22 MR. ROBERT THOMPSON: So my question,  
23 I was wondering if before this action takes place if  
24 you are going to have all the -- the habitat study  
25 so that you know what the restrictions are put on

1 the industry. There are, in fact, 16 endangered or  
2 threatened species. How do you know what  
3 restrictions to put on them if you haven't studied  
4 the habitat and what -- what should be done to  
5 mitigate the harmful effects?

6 MR. LOMAN: A biological opinion will  
7 have to be obtained for every particular species.

8 MR. GORDON: Which means the Fish &  
9 Wildlife Service takes their population studies,  
10 game and fish population studies, international  
11 studies that have been done. They estimate the  
12 population, the health of the population, size, et  
13 cetera, and the potential impacts of these  
14 activities and say that we would expect this many  
15 bears will be disturbed in their dens and might  
16 abandon their dens. This many bears might encounter  
17 humans and be killed because they encounter humans.  
18 This many bears might be disturbed when they're  
19 swimming offshore, and you might lose a bear because  
20 it just gets disturbed too much and it drowns. It  
21 gets exhausted.

22 They take all that into account, and the  
23 Fish & Wildlife Service and/or NMFS will either say,  
24 well, we can issue you an incidental harassment or  
25 an incidental take permit or we can't, depending on

1 the status of the species, the nature of the  
2 activity.

3           And it's not just one activity. What Fish  
4 & Wildlife Service or NMFS are looking at is you  
5 have got Company A over here that wants to work in  
6 this area and this time frame. You've got Company B  
7 that wants to work in this area and this time frame.  
8 What's happening with the interaction of the species  
9 with those two companies in relation to their  
10 activities and the time frames? They put that  
11 together effectively in some sort of a matrix and  
12 try to determine the effect and determine if the  
13 species will be unduly harmed or not. The Minerals  
14 Management Service can provide information to  
15 National Marine Fisheries Service and Fish &  
16 Wildlife Service. We can't answer those -- we don't  
17 provide the authorizations.

18           MR. ROBERT THOMPSON: Well, okay.  
19 Everybody knows about the polar bear, but how about  
20 the species such as the ivory gull? There's other  
21 species that -- I don't know what kind of studies --  
22 they are in decline, and nobody has come up with the  
23 science as to why. And then you come up with the  
24 further impacts that you are proposing out here with  
25 the Stellar's eider and so on. Did some of the

1 birds that they -- one spill will wipe out every one  
2 of them.

3 MR. KENDALL: I can't address all the  
4 details, but I would direct you -- and I was  
5 answering it before Ms. Redfox [sic] left. One  
6 thing we have not been very good at is promoting the  
7 science that has been done that we have supported.  
8 In the Alaska Arctic, we have supported over 300  
9 million dollars worth of studies. They are on the  
10 website. We have not publicized that well.  
11 Everything from the speckled eiders to the bowhead  
12 whales, beluga whales, physical oceanography  
13 studies. They're out there. We've done that  
14 through University of Alaska at Fairbanks,  
15 University of Texas, Canada. That would give you an  
16 idea of the work that's been done.

17 So if you go to the website, the mms.gov  
18 and then to the environmental studies program, it  
19 will direct you to all the work that we have done  
20 that's available to you.

21 MR. ROBERT THOMPSON: So that will be  
22 considered and required that the industry  
23 accommodates those adverse interests that might  
24 happen?

25 MR. KENDALL: All of the studies that

1 we have done, as well as from other agencies, be it  
2 NOAA or Fish & Wildlife, were taken into  
3 consideration in the NEPA analysis.

4 MR. ROBERT THOMPSON: Well, how about  
5 in the situation where they don't know what's  
6 causing this decline? I mean, I've heard that about  
7 the ivory gull recently. They said it's in decline,  
8 and nobody has come up with any conclusive answer.

9 MR. GORDON: In some cases we have to  
10 go forward with the information that we have  
11 available, and if the agencies that are experts in  
12 those species and have regulatory authority tell us  
13 that we don't know why it's declining, we can't  
14 determine that this activity would increase the  
15 decline or slow the decline down. The decision may  
16 be made to go forward. The decision may be made we  
17 don't go forward. Or they may be required to change  
18 activity to limit potential impacts if we can't  
19 answer the issue directly.

20 MR. KENDALL: That's why the document  
21 is not a decision document, and it's a draft. And  
22 that's why we make visits like this for people to  
23 look at it, tell us what they think to get down  
24 exactly what you said about those other species and  
25 to take that back with us. That's why we're here so

1 we don't leave any stone unturned. We don't work  
2 for the oil and gas industry.

3 MR. BRUCE INGLANGASAK: Do you know  
4 carbon monoxide kills?

5 MR. KENDALL: Yes.

6 MR. BRUCE INGLANGASAK: Thirty some  
7 years pumping into our environment. It's gotten up  
8 there now. And what are you going to do about that?

9 MR. GORDON: There is an air quality  
10 analysis in the document as well as a global climate  
11 change analysis in the document. And those will --  
12 those are some of the most difficult analyses to do,  
13 and they will continue to be expanded. I can -- if  
14 you all would like, I'm more than happy to send  
15 additional copies of the document up to the  
16 community so you have got this to look at the  
17 information that's in there directly.

18 MR. LOMAN: We also signed a  
19 Memorandum of Agreement with the North Slope Borough  
20 who is participating for the limited purpose of  
21 doing a health impact assessment. And Dr. Aaron  
22 Wernham is the North Slope Borough's consultant, and  
23 we are working with him. Right now his HIA is --  
24 the health impact assessment, which is a draft like  
25 our document, is -- you will find it in Appendix J.

1 Our goal is to make a stand-alone public health  
2 section with his HIA in the document. We are  
3 working with them to do that.

4 MR. ROBERT THOMPSON: Dr. Wernham  
5 said the monitoring equipment that's in place  
6 doesn't work in the cold. Now, are you going to  
7 have any better technology than what you have right  
8 now?

9 MR. LOMAN: If it doesn't work, it's  
10 got to -- got to be fixed. That's our position. I  
11 haven't heard that, but --

12 MR. GORDON: There was a comment the  
13 other night about the air quality monitoring  
14 equipment that stops working at 40 degrees below  
15 zero. Is there other equipment other than the air  
16 quality monitoring?

17 MR. ROBERT THOMPSON: I don't know  
18 how it works, but I want to make sure if you are  
19 going to do this and if you are talking about  
20 monitoring equipment, that you got something  
21 everybody knows works. Nobody is saying 30 degrees,  
22 whatever different temperature. It would be like --  
23 something that works all the time.

24 MR. GORDON: Right. And one of  
25 the -- one of the constraints the Minerals

1 Management Service has is, as you know, we don't  
2 have authority in every realm of environmental  
3 impact. EPA, for instance, deals with air quality.  
4 The State for some aspects deals with water quality,  
5 et cetera. So we work with those other agencies to  
6 develop means to do measurements, to get study  
7 information, to mitigate impacts. And so when an  
8 oil company goes to the State or EPA and says we  
9 want to put in an air quality monitoring station and  
10 that agency then approves the technology, that goes  
11 forward because that regulatory body or agency with  
12 legal authority tells us they believe it will serve  
13 the purpose. That goes forward until such time the  
14 determination is made that it's not working  
15 correctly, and then we go back and they go back and  
16 try to determine a better way.

17 So Minerals Management Service cannot say  
18 yes or no to everything in this process.

19 MR. ROBERT THOMPSON: I think from  
20 our side we want something that works. We don't  
21 want the government -- and you guys are the  
22 government -- saying that we might not be  
23 responsible, somebody else is. We have run around  
24 that baloney forever, one government agency saying  
25 the other one is responsible and they are saying

1 they are not, and you got to go to court. And we've  
2 seen this time and again. So we want to get one  
3 source where we know we got a quality environment  
4 here and not somebody putting it off on somebody  
5 else.

6 MR. GORDON: That's why I'm telling  
7 you up front that there is a breakdown as to who has  
8 which authority.

9 MR. ROBERT THOMPSON: Now is the time  
10 to -- you say you want our opinion. My opinion is  
11 you have got to have some sort of air  
12 quality standard -- air quality testing that's  
13 state-of-the-art, the best there is, and we know it  
14 works.

15 MR. GORDON: Well, one of the things  
16 that was brought up in another hearing is we need to  
17 develop a matrix that shows you all that these are  
18 the agencies, State and federal, who have authority  
19 over air quality, water quality, pollution in the  
20 tundra, tundra travel, et cetera, and put all those  
21 regulations and authorities in one place so you can  
22 determine that if you see somebody traveling on the  
23 tundra in a means that you know they shouldn't be or  
24 you see somebody doing something else they shouldn't  
25 be, the people in the community know or at least

1 have a matrix telling them who they should likely  
2 call to report it and then have a feedback mechanism  
3 so you can find out if it was addressed. I'm sorry.  
4 Go ahead.

5 MR. BRUCE INGLANGASAK: On the air  
6 quality again, at Prudhoe Bay, Deadhorse, they have  
7 regulations on flaring?

8 MR. GORDON: Yes, they do.

9 MR. LOMAN: I really don't want --  
10 I'm sorry, sir. It's onshore oil and gas  
11 activities.

12 MR. BRUCE INGLANGASAK: Well,  
13 onshore, offshore, same thing has happened. You are  
14 firing --

15 MR. ROBERT THOMPSON: Your problem  
16 with offshore is it eventually winds up on shore,  
17 and then it adds to the accumulation of pollution  
18 that we will be experiencing.

19 MR. LOMAN: We are not qualified to  
20 talk about the regulation of the activities at  
21 Prudhoe Bay. They have regulations on flaring. And  
22 I'd be happy to get a Bureau of Land Management  
23 person or State person that should be answering  
24 those questions to answer them. I just can't do --  
25 use this time to do it. I can tell you this much:

1 no matter what agency has regulatory authority, with  
2 respect to offshore oil and gas activities in the  
3 outer continental shelf, which is MMS's charge, you  
4 can come to us. You can come to me and I'll help  
5 anybody deal with any other federal agency that has  
6 regulatory authority over it. And so will every  
7 other MMS employee at MMS Alaska.

8 We work with these other agencies. We want  
9 to address those concerns. We don't want to do any  
10 finger pointing. We have no problem talking to any  
11 other agency that has regulatory authority over the  
12 activities that we work with.

13 MR. BRUCE INGLANGASAK: What's the  
14 purpose of flaring?

15 MR. LOMAN: Burn off gas.

16 MR. ROBERT THOMPSON: Okay.

17 MR. BRUCE INGLANGASAK: That's a lot  
18 of wasted energy right there, if you ask me. I  
19 mean, 30 years of -- look at all these Natives on  
20 this North Slope that are sick from cancer. People  
21 that don't even smoke, their kids are dying with  
22 cancer. You guys go out there and do the same thing  
23 again another 30 years, you know what my kids are  
24 going to look like?

25 MR. LOMAN: I understand.

1 MR. ROBERT THOMPSON: Well, on the  
2 problem of flaring, we know it's only --

3 MR. BRUCE INGLANGASAK: We can see  
4 that flaring 24/7 if you were in the hills in the  
5 springtime.

6 MR. ROBERT THOMPSON: DEC, State of  
7 Alaska, has only two people that monitor all the  
8 permits for the whole northern region in Alaska.  
9 They had only two people 20 years ago. The State of  
10 Alaska doesn't have adequate staff to monitor the  
11 permits. And you know there is going to be more  
12 production. They have increased the production.  
13 They still have the same number of personnel.

14 They don't -- it's sort of on an honor  
15 system, and I don't see the oil industry as being  
16 honorable. We are just looking at more production.  
17 We are going to run into more of this, and if they  
18 are going to be having regulations, there should be  
19 enough people to monitor the permits. You tell the  
20 people to go out in the ocean, you follow all these  
21 regulations that people put in place, they are out  
22 there and there is nobody watching them, they do it  
23 their way. It's happening worldwide. It's not just  
24 here.

25 So I guess you can make a note. Make sure

1 there is enough people to monitor the people that  
2 are going to do whatever activity there is.

3 MR. KENDALL: Thank you.

4 MR. BRUCE INGLANGASAK: Your flaring,  
5 that's got to be changed. Got to be some kind of  
6 carbon catchers at the top end of that. You can't  
7 last one hour at the back end of a diesel truck.  
8 Can you imagine what 30 years has done to all these  
9 communities, all the people and animals? I'm short  
10 of breath right now.

11 MR. ROBERT THOMPSON: We see black  
12 smoke here quite regularly that comes from Prudhoe  
13 Bay. It's not that we just dream this up. We are  
14 seeing the effects that far away.

15 MR. GORDON: We are hearing that all  
16 across the North Slope.

17 MR. ROBERT THOMPSON: And nobody is  
18 doing anything about it. If they determined it's  
19 hazardous to our health, they might have to slow  
20 down the oil production. That's our situation. We  
21 see more drill, baby, drill. Keep on drilling.  
22 Don't worry about us people. We are going to be  
23 raising these concerns because we live here.

24 MR. GORDON: One of the ways MMS is  
25 addressing that is by the human impact assessment,

1 Appendix J Jeffrey referred to that's part of this  
2 document. It is a more thorough look at the impacts  
3 to human health from oil and gas activities, and we  
4 expect that to -- the level of detail we will go  
5 into will increase over time. That's one of the  
6 reasons we need -- that's one of the major parts of  
7 the document we are interested in getting more  
8 comment on is that human health impact assessment  
9 which is, to my knowledge, the first time MMS has  
10 done it in Alaska as a stand-alone. That may not be  
11 accurate, but --

12 MR. ROBERT THOMPSON: Well, we get  
13 bits and pieces of it. Shell Oil was here at other  
14 hearings, and they talk about spraying a chemical on  
15 the oil spill to dilute it or --

16 MR. LOMAN: Disperse it.

17 MR. ROBERT THOMPSON: And then I find  
18 out that stuff itself is hazardous material, so you  
19 know -- and then they talk about in situ burning.  
20 Heck, we live here. They had that happen in Prince  
21 William Sound, and then I brought this up to Shell.  
22 In a village that that cloud blew over, they had  
23 health concerns. They said, no, they didn't. We  
24 took it to court and established they didn't. Well,  
25 the people there think they're having health

1 concerns and they are getting headaches and  
2 problems. Going to court is not going to change it.  
3 Whatever happened happened.

4 So we look at this sort of thing here and  
5 they talk about in situ burning. If we have a  
6 mishap here as part of the technology and talking  
7 about air quality when that happens -- we are  
8 breathing this air. So is there going to be in situ  
9 burning as part of the hazardous -- or the cleanup  
10 or mitigation factor if they have an oil spill?

11 MR. LOMAN: That would be an option.

12 MR. ROBERT THOMPSON: Well, then, we  
13 got to breathe that air if it blows our way. It  
14 doesn't sound like we would be too happy with that.  
15 So you get people here that are disgusted with  
16 what's going on. It is -- when you talk about  
17 coming up here and the potential for seriously  
18 affecting our health, our children's health, our  
19 future generations and the culture that we are  
20 doing, and some government agency saying that's some  
21 other government agency's responsibility. This is  
22 one government and we're here and we are asking the  
23 government to not be shifting the blame to some  
24 other agency.

25 MR. GORDON: That's what the National

1 Environmental Policy Act is for, and that's why  
2 we're going through the process we are, to analyze  
3 the impacts, disclose the impacts to the public, get  
4 public comment, take that comment and determine  
5 what, if any, reanalysis needs to be done and then  
6 provide all that information to the decisionmakers  
7 for them to make a decision.

8           The NEPA process applies not just to MMS,  
9 but every other federal agency out there. So if EPA  
10 is doing something in relation to this project,  
11 proposed lease sales, they may have to do a NEPA  
12 analysis and do some NEPA exposure as well. The  
13 idea is that all the federal agencies involved  
14 provide the public information so you can comment  
15 and get those comments back to us.

16           MR. ROBERT THOMPSON: If you can't  
17 clean it up, you shouldn't be out there putting it  
18 into the ocean. And that's -- if you want my  
19 comment. Nobody is telling me -- nobody anywhere is  
20 telling me that they can clean up even 50 percent,  
21 25 percent. I mean, nobody is telling that. They  
22 say it's an arbitrary figure. And it is, and we  
23 know that. What they have run through before when  
24 they tried to, you know, mitigate what happened such  
25 as the Exxon Valdez oil spill. So --

1           MR. GORDON: For every scenario you  
2 can give me, there will be a different probability  
3 that they can clean it up, a different percentage  
4 they can clean up. And all of that is an estimate.

5           MR. ROBERT THOMPSON: I know one  
6 thing: If you don't go out there, you don't have to  
7 worry about cleaning it up. That natural stuff you  
8 talk about, we will accept that nothing can be done  
9 about that, but from that point on it's not  
10 natural.

11           MR. GORDON: And Alternative 1 for  
12 the Beaufort and Alternative 1 for the Chukchi is  
13 the no action alternative. These sales do not  
14 happen.

15           MR. ROBERT THOMPSON: Good. There is  
16 at least that option. I think you will get  
17 everybody on the North Slope saying they want that.  
18 So I mean, how can somebody want it? I mean,  
19 just -- I mean, it's just unthinkable to think that  
20 a catastrophe could happen.

21           MR. LOMAN: I remember your comments  
22 during scoping, and I think you participated in at  
23 least one other forum that I was at, possibly in  
24 Barrow. You know, like I said earlier, we are not  
25 here to talk anybody into anything, but often when

1 we travel to communities, Shell has been there, and  
2 usually a couple days or a day before or sometimes  
3 even the same day.

4 MR. ROBERT THOMPSON: They were here  
5 the day before yesterday.

6 MR. LOMAN: Yeah, we saw them in  
7 Barrow. And I know that industry has an outreach  
8 program, and you know, I guess my only advice, if I  
9 have any, that is worth anything, is put the burden  
10 on them and take advantage of whatever outreach  
11 activities that they are -- that they make available  
12 to you because you sound intellectually curious  
13 about these capabilities and you want to learn about  
14 them, and it is their job to do that, and they do do  
15 those things. Whether or not they will ever  
16 convince you or me is another story, of course, no  
17 matter what they do.

18 MR. ROBERT THOMPSON: Well, if they  
19 could convince me, then I'd be happy about it, but  
20 they haven't did that yet when they won't say even  
21 50 percent. You know, nobody is doing that. Okay.  
22 Then you ask about under -- under the ice. There  
23 would be talk about under broken ice conditions, and  
24 I have seen their video. We all had to see it and  
25 laugh at it. It's ridiculous. Six inches of ice on

1 a flat, calm day, they have cleaned up a little bit  
2 of 200 gallons that they put into there. They are  
3 not convincing us. I don't know. They might  
4 convince MMS or whatever, but they are not  
5 convincing us local people that they have any  
6 capacity that they can be taken seriously.

7 MR. BRUCE INGLANGASAK: How many more  
8 years is Deadhorse going to be in production here,  
9 going?

10 MR. LOMAN: Well, they are in  
11 decline. That's what we know.

12 MR. BRUCE INGLANGASAK: That's where  
13 somebody should work on the carbon catching on the  
14 flaring because that's number one right there. In  
15 due time they are going to let everybody know what  
16 carbon monoxide does to you over the years. Thirty  
17 years is a long time.

18 MR. LOMAN: We appreciate your --

19 MR. BRUCE INGLANGASAK: You might as  
20 well put us on the extinct list if you are going for  
21 another 30.

22 MR. ROBERT THOMPSON: They will be  
23 there for more than 30 years. Foothills has got 17  
24 billion barrels. That's more than they pumped out  
25 of Prudhoe. Twelve million more barrels in the

1 Prudhoe Bay area. Forty to 60 billion barrels in  
2 Westsak. And they haven't got into the petroleum  
3 reserve. So we are looking at 100 years more, at  
4 least. We still need it.

5 MR. BRUCE INGLANGASAK: My biggest  
6 concern is the flaring, and I'm pretty sure they  
7 can -- I'm pretty sure they can have it set up where  
8 they can filter that stuff, get the main crap out of  
9 the air.

10 MR. LOMAN: That's a technical term  
11 we understand.

12 MR. ROBERT THOMPSON: These  
13 documents -- is this going to be recorded for people  
14 to read?

15 MR. BARROS: That's what she is  
16 doing.

17 MR. ROBERT THOMPSON: Will that be  
18 translated into --

19 MR. BARROS: No.

20 MR. LOMAN: It will be on the  
21 Internet, though, as soon as it's finalized.

22 MR. BRUCE INGLANGASAK: It will be  
23 translated also on the Internet?

24 MR. LOMAN: No, I don't think they  
25 translate it. There is a tape-recorded

1 conversation, and a North Slope Borough resident who  
2 is the wife of the North Slope Borough attorney  
3 obtained video footage of last night's hearing in  
4 Barrow, and I think almost the entire hearing was  
5 translated by an excellent interpreter who did the  
6 best job I've ever seen in any language of  
7 interpreting. If somebody is interested in seeing  
8 that, I'd certainly contact that person and be  
9 willing to make a copy and get it sent to them. I'm  
10 sure she would, too. I think she was recording it  
11 for a purpose other than her own.

12 MR. ROBERT THOMPSON: I'm looking at  
13 your map. You got a purple designation there. What  
14 is that?

15 MR. LOMAN: This is the eastern  
16 deferral boundary. That's one of the alternatives  
17 we have analyzed in the draft EIS.

18 MR. GORDON: It's to minimize impacts  
19 to whaling.

20 MR. ROBERT THOMPSON: That would be a  
21 deferral area?

22 MR. LOMAN: In other words, none of  
23 this area in purple would be offered up.

24 MR. ROBERT THOMPSON: I think it  
25 already has been. Shell Oil has purchased leases

1 over there.

2 MR. LOMAN: In here [indicating]?

3 MR. ROBERT THOMPSON: Yeah.

4 MR. LOMAN: Are you sure?

5 MR. ROBERT THOMPSON: I've got maps  
6 that show that they purchased leases there.

7 MR. LOMAN: Do they still have those  
8 leases?

9 MR. ROBERT THOMPSON: We are talking  
10 about the leases that Shell has. He's saying  
11 deferral area, but I believe there to be ongoing  
12 Shell Oil leases in that area.

13 MR. LOMAN: I can't say whether or  
14 not you are right or wrong because I don't have them  
15 all committed to memory. But I know that whatever  
16 is not leased would not be offered under these two  
17 sales we are proposing in the Beaufort under this  
18 alternative.

19 MR. ROBERT THOMPSON: Okay. So we  
20 were talking about the purple area. He said it was  
21 a deferred area. I'm aware of some leases that  
22 Shell Oil has in that area. So I was questioning  
23 how it can be deferred if they have already leased  
24 it. And he said this is only for the future leases,  
25 I guess.

1 MR. LOMAN: Proposed two leases.  
2 These two proposed leases. And that's a deferral  
3 area. Cross Island deferral, another alternative.  
4 This [indicating] is the Barrow deferral area. Deep  
5 water deferral alternative. And then there is a set  
6 of one, two, three, four -- four or five  
7 alternatives that were analyzed -- deferral areas  
8 that were analyzed for the Chukchi Sea, as well, in  
9 this draft EIS.

10 MR. ROBERT THOMPSON: The problem  
11 with deferral areas is once industry gets up to the  
12 edge of it, the deferral areas become -- they are  
13 taken out of that status. That happened at  
14 Teshekpuk. They are not a permanent protection. We  
15 don't get -- have a lot of faith in the deferral  
16 areas because next year they can be drilled.

17 MR. GORDON: The deferrals in this  
18 proposed lease sale for both the Chukchi and the  
19 Beaufort would exist for the life of these leases.  
20 In other words, they relate to this document. If we  
21 come up with another lease sale, those deferrals  
22 don't necessarily apply to that lease sale. So no,  
23 these are not necessarily deferrals in perpetuity,  
24 meaning nobody would ever be in there.

25 MR. ROBERT THOMPSON: That's why we

1 don't really think that they mean very much because  
2 at the moment they might not drill, but five years,  
3 ten years or whatever, they could be opened. We  
4 have seen it happen, so --

5           So if you wonder why sometimes we don't  
6 trust the government or industry, that's -- that's  
7 one reason.

8           MR. GORDON: That's what we are  
9 trying to give you is the context of what this all  
10 means so that there is -- we don't go away with a  
11 misunderstanding of what's being proposed and how it  
12 would take place, if it took place.

13           MR. ROBERT THOMPSON: Looking at that  
14 area, and you got Alaska and the Canadian border,  
15 doesn't some of that go over into Canada? Or  
16 whose --

17           MR. LOMAN: You mean the angle?

18           MR. ROBERT THOMPSON: Are we moving  
19 in on Canada? Are they going to like that? I mean,  
20 it looks -- I don't know if the border runs straight  
21 out from where the water is on the land.

22           MR. LOMAN: It's the border, and  
23 Canada does know about our proposal. It is -- that  
24 is the border, and Canada knows about it.

25           MR. ROBERT THOMPSON: And then do

1 they know that's what we are claiming?

2 MR. GORDON: The U.S. Minerals  
3 Management Service can't lease another country's  
4 land. It's surface, subsurface. We don't have --

5 MR. ROBERT THOMPSON: I don't know.  
6 It looked like the border.

7 Mr. LOMAN: Over on the Chukchi side,  
8 if I remember correctly, we are pretty close to  
9 Russian waters.

10 MR. ROBERT THOMPSON: I think I've  
11 heard the Law of the Sea, they are trying to  
12 establish a better way to determine our boundaries  
13 and disputes.

14 Do any new climate change studies enter  
15 into this proceeding? There is climate change  
16 studies going on all the time, and there are such  
17 things that would affect the ability to clean up oil  
18 spills, such as offshore wave data, the amount of  
19 time you have that you can clean up oil spills. The  
20 reason I'm asking is we live here and go whaling. I  
21 remember a month when we couldn't go whaling because  
22 it was too rough. So you are probably going to run  
23 into that for oil spill response or cleanup  
24 capacity. Has that ever been addressed?

25 MR. LOMAN: Well, we are going to

1 require a spill response vessel that can operate as  
2 long as the risk is in place. And if they can't  
3 operate, they are going to have to change their  
4 operations and lower that risk. That's -- that's a  
5 given.

6 MR. ROBERT THOMPSON: There was a  
7 spill offshore in Norway last year, 25,000 barrels,  
8 22-foot high seas. They didn't clean up any of it.  
9 So that's what we are concerned about. Could that  
10 happen here? We are seeing much more rough water  
11 now that there is 3- to 700 miles of open water out  
12 there. So is this -- is the climate change -- the  
13 fact that climate change is happening -- sometimes  
14 the government doesn't want to admit it, but we  
15 believe it's happening, and it's going to affect the  
16 ability of the oil industry to -- to -- to effect  
17 some sort of a cleanup if the waves are too big. Is  
18 that part of your studies?

19 MR. LOMAN: Climate change is -- is a  
20 stand-alone topic in the -- in the document. I  
21 don't know that I remember reading a connection  
22 between the climate change impacts to greater waves  
23 and that affecting the ability of a spill response  
24 effort, but we have it on the record now, thanks to  
25 your comment.

1                   MR. ROBERT THOMPSON: There are much  
2 bigger waves than we've ever seen before. When I  
3 first came here, the pack ice would be in sight of  
4 the land. Now it's, with satellite photos,  
5 offshore -- from here 300 miles offshore. From  
6 Barrow, it's 700 miles. So it's a little different  
7 than it used to be. More -- more time for the waves  
8 to build up.

9                   MR. GORDON: From the standpoint of  
10 climate change analysis, one of the comments we are  
11 getting about this document, if you have read EISes  
12 in the past, this document does not have the same  
13 structure nor the same analytical structure because  
14 of climate change. We approached it in a different  
15 way. We said, under the no action alternatives for  
16 the Beaufort or Chukchi, there are all these things  
17 currently taking place, and we did analysis of what  
18 would happen if -- if we do nothing, but all those  
19 things continue to happen, what does it look like in  
20 the future. And part of that was climate change.

21                   Then we took climate change itself because  
22 that, under the National Environmental Policy Act,  
23 is referred to as a baseline environmental change,  
24 and we analyzed that, as well. So we have  
25 incorporated the expectation -- well, the

1 expectation -- the reality that climate change is  
2 occurring into the analysis.

3           And that's why this analytical structure  
4 appears more complicated and is somewhat harder to  
5 follow than what you have seen in the past because  
6 we are analyzing the no action alternative if we do  
7 nothing, in detail. We are analyzing the proposed  
8 actions, the effects those things would have, and  
9 the proposed actions in relation to potential  
10 climate change effects.

11           MR. KENDALL: And we do track the  
12 climate change literature. I'm sure you are aware  
13 of the IPCC report that came out a couple years ago,  
14 and USGS just recently released a report on how  
15 things may be changing quicker. So we do keep track  
16 of that information and pass that on to the  
17 analysts.

18           MR. ROBERT THOMPSON: And it's  
19 happening quicker and at a much faster rate. When I  
20 first started hearing about climate change, it was  
21 predicted to be 2050 before it would be ice free.  
22 Now they are talking about four years from now. And  
23 every year it's jumped up.

24           MR. KENDALL: That's important to the  
25 military and transportation and others.

1 MR. ROBERT THOMPSON: Yeah, the  
2 military is -- Coast Guard, I believe, is going to  
3 have a station at Barrow, I've heard, so --

4 MR. GORDON: It's largely most  
5 important to polar bears, seals, walrus, et cetera,  
6 because they don't live without it in a lot of  
7 cases.

8 MR. ROBERT THOMPSON: No. I hear  
9 Shell Oil telling us there's lots of polar bears  
10 because they can't -- they don't have ice to be out  
11 on the ocean anymore, so --

12 MR. GORDON: Well, the reality is the  
13 U.S. population could potentially be extinct. Now,  
14 there may be other polar bears elsewhere in the  
15 world, but an extinct population is an extinct  
16 population.

17 MR. ROBERT THOMPSON: Oh, definitely.  
18 It's probably going to happen in my lifetime. We  
19 already just about lost our musk ox and Porcupine  
20 Caribou and the ivory gull and so on. And this  
21 is -- as I see it and a lot of other people, it's  
22 caused by what you are trying to promote here, the  
23 oil itself, the oil, 30 billion barrels speculated  
24 to be out there. By the time they put that 30  
25 billion barrels into the atmosphere, we are going to

1 have more of this climate change.

2           So if you look at it beyond the immediate  
3 situation, the fact that this -- what you are  
4 proposing is going to put huge amounts of pollution  
5 into the atmosphere. It's kind of sad for us people  
6 that see these animals going by the wayside right in  
7 front of our eyes.

8           I think what the biggest -- a big concern  
9 that a lot of us has is nobody tells us cumulative  
10 impacts. The idea that there has been some lease  
11 sales -- and Shell has been prevailing in a couple  
12 of lawsuits. They're already planning more drilling  
13 production, and these lease sales, I understand they  
14 allow production if they can meet whatever  
15 requirements are acceptable.

16           MR. GORDON: No. The lease sale is  
17 an analysis of the lease sale and some cumulative  
18 impacts, existing impacts from activities that are  
19 currently taking place. If we were to go toward  
20 exploration, which would be the next step after a  
21 lease sale, assuming they found something via their  
22 seismic and wanted to do some actual exploration  
23 drilling, there would likely be an environmental  
24 assessment.

25           The next step in the NEPA process, which is

1 a more detailed look at the proposed exploration  
2 activities, if via that exploration they found  
3 something they wanted to carry further, they would  
4 have to come back for another NEPA step, which would  
5 be another environmental impact statement where we  
6 would be taking an even more detailed look.

7 So from what Jeffrey discussed earlier, we  
8 have the five-year program, which says we might  
9 offer for sale leases in these areas. Then that's  
10 an EIS. Then there is the lease sale EIS that says  
11 somebody in the five-year program expressed interest  
12 and they have indicated they may want to lease  
13 tracts in these areas, so we analyze that.

14 If they then find something there, then you  
15 have the next step, which is another more detailed  
16 look for exploration as part of an environmental  
17 assessment. Then if they want to continue further,  
18 it's that last EIS that looks at the potential for  
19 development, actual production from an oil reserve.

20 So these things are -- you have a bigger  
21 picture look from the five-year, a closer look from  
22 the lease sale EIS, a look from the exploration EA,  
23 and the closest look of all from the development  
24 plan EIS.

25 MR. ROBERT THOMPSON: I understand

1 that concept. What I'm getting at is the State of  
2 Alaska also has areas leased here that are existing  
3 leases on land, Prudhoe Bay, all over across  
4 northern Alaska. You have got the Beaufort and the  
5 Chukchi leases, and then, I mean, nobody ties it all  
6 together. You are doing a study, coming up with air  
7 quality standards for this particular area that you  
8 are involved in, but nobody has tied them all  
9 together. So what are we going to wind up with 50  
10 years from now after this one does -- they had it  
11 happen at Prudhoe. Now you have got about 1,000  
12 square miles over there that's been leased one step  
13 at a time. Cumulatively, we'll start to have an  
14 impact.

15 MR. GORDON: The document has  
16 cumulative impact assessments for each resource  
17 category that was looked at for the lease sale  
18 potential exploration. So it looks at, you know,  
19 what are the cumulative impacts to walrus, to  
20 bowheads, to tundra vegetation.

21 MR. ROBERT THOMPSON: Of all the  
22 sales that are going to be on the board, the State,  
23 the federal, the onshore?

24 MR. GORDON: Of the existing  
25 MMS-approved activities, State activities we are

1 aware of, offshore, onshore activities we are aware  
2 of, existing developments that have taken place,  
3 things we see as reasonably foreseeable, which is  
4 something that would occur within the next 20 years,  
5 and then we note things that are speculative  
6 activities that might occur beyond 20 years. We do  
7 not, however, in all cases include speculative  
8 activities into the cumulative impact assessment  
9 because those are somewhat pie in the sky. It's  
10 something somebody has talked about, but we don't  
11 know if it will ever happen.

12 I'm going to use a -- I'll use an example.  
13 I won't put it as a location because it would be  
14 potentially misinterpreted. If someone wanted to  
15 put an LNG tanker facility somewhere on the North  
16 Slope coast, that is so far out into the future. We  
17 have nobody with plans, et cetera and so on. It's  
18 something that somebody has brought up in  
19 conversation to say, well, what if we did this.

20 MR. ROBERT THOMPSON: What I'm  
21 looking at, if somebody put this gas facility, they  
22 should look back at what's already there. I know  
23 you say you can't project what's going to happen 100  
24 years from now.

25 MR. GORDON: And that's what the

1 cumulative impact assessment does. It looks at  
2 existing in relation to what's currently proposed  
3 and what we think might happen and says, if we went  
4 forward with these lease sales, we expect this level  
5 of effect from the lease sale in relation to all  
6 these other things.

7 But it is -- so what I'm trying to define  
8 for you is it is a cumulative impact assessment for  
9 the lease sales that talks about the potential  
10 impacts of a lease sale in relation to all other  
11 activities. We are not saying that if you went five  
12 years into the future -- we are not saying that we  
13 are projecting every single activity everybody is  
14 doing and may do and giving you a picture. In other  
15 words, we are not drawing a picture of what  
16 Kaktovik's footprint will be five years from now.  
17 We are discussing potential impacts of the lease  
18 sale from a cumulative impact standpoint. I know  
19 it's clear as mud, and I think I'm going to have to  
20 come up with a better --

21 MR. LOMAN: I think probably the only  
22 way that we can resolve this issue for you is to  
23 send you the document, make sure you get a hard  
24 copy. Take a look at the cumulative analysis that  
25 we did. And then if you think we are short, you can

1 say it falls short or you can provide details on how  
2 you think it falls short, and we would be happy to  
3 address it.

4 MR. GORDON: The comment period has  
5 been extended from March 16th to March 30th. So you  
6 will have a -- I should be able to get these things  
7 in the mail tomorrow.

8 MR. ROBERT THOMPSON: So the problem  
9 we have is we are laymen. We are sitting here --  
10 I'm supposed to be a trapper and doing that, and now  
11 I'm here, I'm sitting here worried about the  
12 accumulation of pollution. We are not trained in  
13 this, but we know that it happens, and so we are  
14 listening to explanations. And sometimes they don't  
15 make a lot of sense and sometimes we are lied to.  
16 We know we are being lied to sometimes, so that's  
17 what we have got to deal with.

18 You know, you talk about a comment period.  
19 Myself, I still got things I got to do. I can't sit  
20 all day in a room studying all this. We are at a  
21 disadvantage on this.

22 MR. LOMAN: I understand.

23 MR. ROBERT THOMPSON: I mean, you  
24 know.

25 MR. GORDON: Remember, we are in the

1 same situation.

2 MR. ROBERT THOMPSON: We got concerns  
3 like how much pollution is acceptable. If we have  
4 none, I can accept that; but this isn't what  
5 happens. We are getting more and more pollution  
6 generated, and the government sometimes will say,  
7 well, it's an acceptable level, but some of it is  
8 cumulative. We are not just getting it from the  
9 air. We are getting pollution from the water. We  
10 just had a dump into the ocean. We don't know if --

11 MR. BRUCE INGLANGASAK: What's  
12 happening in Africa, we are breathing it up here.  
13 What happens up here stays up here. That's the way  
14 our air flow works, doesn't it? I mean, you know  
15 it.

16 MR. KENDALL: Uh-huh.

17 MR. GORDON: You get dust impacts  
18 from Russia. You get dust impacts from China.

19 MR. BRUCE INGLANGASAK: What happens  
20 on the other side of the world, we get it -- it  
21 comes down on us every summer, every winter.

22 MR. ROBERT THOMPSON: So I guess I'd  
23 say it's time for us to move forward with  
24 alternative clean energy. We have lots of wind. If  
25 anybody wants to harness that, fine. I don't think

1 there is much pollution in the wind. None of this  
2 really does us any good. I mean, acceptable levels  
3 of pollution. We have gotten enough of it for the  
4 last 62 years.

5 I was part of the Agent Orange litigation,  
6 and I got some of that in me. DDT is still in me.  
7 We get chemicals everywhere we look. And I'd rather  
8 not anymore. And when we do have problems, people  
9 do have problems with too much pollution, nobody is  
10 there -- you got to go to court and you got to take  
11 a lawsuit to try to determine whether you are  
12 actually being affected. Some people just die from  
13 it because they don't have the resources to  
14 determine that industry caused it.

15 So I get back to the same thing I'm saying  
16 over again: If it doesn't happen, we got that much  
17 less to worry about. And nobody is reassuring us  
18 that it's not going to generate any pollution. They  
19 keep saying acceptable levels. I think I've already  
20 reached the acceptable level in pollution a long  
21 time ago.

22 So is any part of this -- do they propose  
23 any on-the-ice exploration? I've heard that's been  
24 considered.

25 MR. LOMAN: Not part of this draft

1 EIS, but there have been -- MMS has received on-ice  
2 seismic exploration.

3 MR. ROBERT THOMPSON: That's not  
4 going to happen in this phase?

5 MR. LOMAN: This -- this draft EIS is  
6 for the Arctic multi-sale. It doesn't analyze  
7 on-ice seismic activities.

8 MR. ROBERT THOMPSON: I heard it  
9 proposed, and I'm just wondering if that's something  
10 we might have to also be concerned about.

11 MR. LOMAN: It's my understanding  
12 on-ice seismic -- the on-ice seismic attempts that  
13 they have made recently weren't successful.

14 MR. ROBERT THOMPSON: Tell us  
15 something good about this.

16 MR. LOMAN: Like I said, we are not  
17 here to talk anybody into anything. We are not here  
18 to lie to you. Not here to --

19 MR. ROBERT THOMPSON: We don't think  
20 it's so good. Maybe you can reassure us a little  
21 bit.

22 MR. LOMAN: We're not here to  
23 reassure you. We're here to hear your concerns,  
24 here to make sure we get it accurate. And when the  
25 decisionmaker wants to know what those concerns are,

1 it's our job to tell them, whether or not they want  
2 to hear it.

3 MR. ROBERT THOMPSON: Well, I  
4 think -- I don't speak for everybody, but I think  
5 just about 100 percent of people in Kaktovik don't  
6 want this. Maybe about 99 percent of the Inupiat on  
7 the North Slope don't want it. There is a couple  
8 that have been involved in it with Shell Oil and so  
9 on, but most people, they just don't think it's a  
10 good thing, can't see how it's going to benefit us.  
11 Can only do harm to us.

12 MR. BRUCE INGLANGASAK: Nobody really  
13 knows how many birds come into this area every  
14 spring. It's -- nobody has a full count yet.

15 MR. LOMAN: It's a tremendous  
16 migratory corridor for birds. That's well  
17 established. There is no other place on this  
18 earth --

19 MR. BRUCE INGLANGASAK: Most of these  
20 birds are getting sick from what's in our air.

21 MR. LOMAN: No other place on earth  
22 that has these kind of migratory patterns.

23 MR. BRUCE INGLANGASAK: Because June,  
24 July and part of August is probably the best times  
25 you can see smog from east to west, and it's not one

1 layer. It's two layers. The springtime you go up  
2 in the hills like we do every spring, we see our  
3 birds coming. They are literally flying in through  
4 the smog all the way up. I think that's what's  
5 really causing the bird flu, the carbon monoxide.  
6 This black.

7           Sooty stuff -- everywhere I have been, you  
8 know, I've -- I'm actually a Canadian with Alaska  
9 dual citizenship. I travel a lot. And all these  
10 small little ponds and puddles, if you stop and look  
11 at it, you see little black -- puffy black stuff,  
12 soot. It's everywhere. You get enough of that on a  
13 snowball and you put it outside, it will melt really  
14 fast; where if you get another snowball with no soot  
15 on it, it will last longer. The one with the soot  
16 on it will just melt like it's sitting on a frying  
17 pan.

18           We see our animals, caribou that come down  
19 here. Most of them are in pretty poor shape. Their  
20 lungs are stuck to their rib cage. There is no fat  
21 on them. They are just sickly animals. We used to  
22 get a whole bunch of different kinds of ducks in  
23 Canada and they used to be fat. This is like 30  
24 years ago when I was subsistence hunting with my  
25 grandparents. I was just a young fellow, nine, ten

1 years old. We used to get really nice, fat ducks in  
2 them days, but today it's not like that. The only  
3 birds that I see that are in pretty good shape are  
4 the geese that come here. All the other ducks, I  
5 haven't seen any -- any healthy ones.

6 MR. ROBERT THOMPSON: Have they got  
7 anyplace else in the world they put oil pipes under  
8 the ice?

9 MR. LOMAN: Yes.

10 MR. ROBERT THOMPSON: The Norwegians  
11 said they wouldn't do it, but they came over here.  
12 When I was in Norway, they said they wouldn't put  
13 any pipes under the ice, and they came over here and  
14 leased areas where -- I believe the Norwegians have  
15 leased areas in the Chukchi Sea that would -- if  
16 they were going to develop it, they would have to  
17 put pipes under the ice. So we're looking at they  
18 wouldn't do it in their country, but they come over  
19 here and do it. I don't think there has been any  
20 place they put pipes under the ice. That's what I'm  
21 asking. Has anybody -- has anybody did this before?

22 MR. GORDON: Well, it depends on --  
23 Oooguruk, for instance, it's under the ice, but  
24 that's trenched-in flow line. It's trenched into  
25 the sea floor. The idea with what they are

1 proposing in these lease sales is -- I don't  
2 remember the specific depth, but there is a depth  
3 beyond which it's no longer trenched into the sea  
4 floor. It lays on the sea floor. And that's at a  
5 depth that there is no expectation of scour from  
6 ice. In other words, icebergs aren't going to tear  
7 up the line.

8 MR. LOMAN: It's still under ice, the  
9 pipe there is. There's ice above it. It's under  
10 ice, in my book. So I said yes.

11 MR. ROBERT THOMPSON: Well, Shell Oil  
12 told us a couple days ago they would bury their  
13 pipes wherever they came out of the ground to the  
14 shore. So sometimes we get lied to.

15 MR. GORDON: Well, Nikaitchuq, for  
16 example, is another one that the flow lines would be  
17 buried under the sea floor. And then at some point  
18 when it comes on shore, it will go into above-ground  
19 pipelines or flow lines. So it does occur under  
20 ice. Now, whether it's --

21 MR. ROBERT THOMPSON: I mean, like in  
22 open ocean or -- in a lagoon, it could be somewhat  
23 contained. But where your proposed area is is  
24 pretty far offshore. So has anybody did that length  
25 of --

1 MR. LOMAN: No under-ice pipes there  
2 now.

3 MR. ROBERT THOMPSON: I know.

4 MR. LOMAN: I don't want to get into  
5 this.

6 MR. BARROS: Talking about  
7 Northstar --

8 MR. LOMAN: I don't want to get into  
9 Northstar, either.

10 MR. ROBERT THOMPSON: I know about  
11 Northstar. We're talking about this lease sale here  
12 that --

13 MR. GORDON: We are not petroleum  
14 engineers or pipeline engineers, so globally I can't  
15 answer that question.

16 MR. ROBERT THOMPSON: I don't think  
17 anybody has. Not an acceptable risk, except in our  
18 backyard.

19 MR. BRUCE INGLANGASAK: Well, my  
20 biggest concern is carbon in the air. Minimal  
21 damage to our air quality has to be changed to zero,  
22 not parts per million or anything. Just zero.  
23 That's my biggest concern for these oil fields. We  
24 see their flaring going 24/7, and every spring just  
25 before our 24-hour sunlight, we can see this flaring

1 going on all day. And you can see that black soot  
2 coming straight from Prudhoe Bay and right over  
3 everything here. That's my biggest concern.

4 I'm going for a smoke.

5 MR. ROBERT THOMPSON: They got to  
6 develop somewhere. Those people burning all this  
7 fuel want to go offshore. Should go offshore in  
8 California. It's a lot easier to do. It's closer  
9 to the market, closer to the people that are  
10 consuming it. I think it would be in order to do  
11 that one first. But there would be more people  
12 objecting to it down there. I think we have got a  
13 larger percentage up here, percentages that don't  
14 want it.

15 MR. LOMAN: I think you are right  
16 about both those.

17 MR. GORDON: Am I guessing there is a  
18 probability we will not have a translator?

19 MR. ALBERT BARROS: That's right.

20 MR. GORDON: Can we communicate to  
21 this lady that we may not have a mechanism to have a  
22 conversation with her? I'm not sure if she's here  
23 for the hearing or the dance or --

24 MR. ALBERT BARROS: That's what my  
25 thought was.

1                   MR. LOMAN: Well, we sure appreciate  
2 your comments.

3                   MR. ROBERT THOMPSON: Well, got to  
4 try to find out what's going on. I'm not too happy  
5 with it because nobody answers the question can oil  
6 be cleaned up in the Arctic Ocean. If somebody  
7 would tackle that one with some sincerity as to  
8 percentages --

9                   MR. GORDON: If anybody ever tells  
10 you absolutely this percentage under this  
11 circumstance, in my personal opinion, they are  
12 probably lying to you.

13                   MR. THOMPSON: That's what I think.

14                   MR. GORDON: Because it's a  
15 projection.

16                   MR. LOMAN: I'd say they are full of  
17 crap, but --

18                   MR. GORDON: Any condition we can  
19 speculate on that might occur -- it's like a weather  
20 forecast. We can be extremely accurate, but there  
21 will be some variable that we won't have 100  
22 percent. And so their prediction of how much they  
23 can clean up may be very close, but it's not going  
24 to be dead on accurate. It's going to be a range.  
25 We might get from this percent to that percent. And

1 that's the best anybody is probably ever going to be  
2 able to do for you.

3 MR. ROBERT THOMPSON: I've heard that  
4 the oil industry is only required to clean up to the  
5 ability to demonstrate -- demonstrate ability. Is  
6 there any truth to that?

7 MR. GORDON: Yes, there is some truth  
8 to the fact that they need to demonstrate the  
9 ability to clean up. Now, it doesn't mean 100  
10 percent. It means demonstrate the capability. For  
11 instance, one of the reasons many regulatory  
12 agencies have a serious problem with broken ice  
13 conditions is they can't demonstrate good  
14 probabilities that they can do substantial  
15 quantities, even minimum quantities to clean up in  
16 broken ice conditions. They are just not there yet  
17 with the technology.

18 MR. ROBERT THOMPSON: That's what I  
19 think.

20 MR. GORDON: Right.

21 MR. ROBERT THOMPSON: So your having  
22 said that, maybe forget about all this and wait till  
23 they have some ability. Some ability. I  
24 acknowledge they are not going to get every drop,  
25 but a percentage -- I mean, nobody has said even one

1 percent cleanup. It's not happening.

2           Anyway, I appreciate you trying to answer  
3 the question. I know there is only so much data  
4 there and you can only do so much with what you  
5 have.

6           MR. KENDALL: Can you get to our  
7 website?

8           MR. ROBERT THOMPSON: I don't have  
9 the address.

10           MR. KENDALL: It's mms.gov.  
11 www.mms.gov. Go to offshore and go to Alaska. And  
12 then Keith can send you a hard copy if we get your  
13 address.

14           MR. ROBERT THOMPSON: I wouldn't mind  
15 getting a hard copy. Box 35, Kaktovik. It's  
16 probably about that thick [indicating], huh?

17           MR. GORDON: It's four volumes.

18           MR. LOMAN: State your name for the  
19 record and fire for effect. We are ready to take  
20 your statement.

21           MS. CARLA SIMS-KAYOTUK: My name is  
22 Carla Sims-Kayotuk, for the record, from Kaktovik.  
23 I just want to go on record saying that I oppose all  
24 offshore exploration. I think offshores are most  
25 crucial area for us, and if anything happens, I

1 think it would be doing great damage to the people  
2 of Kaktovik because we live off the animals off the  
3 ocean and the animals that go along the coast. And  
4 I think that would be a very bad effect for us. So  
5 I just want to go on the record stating that.

6 MR. LOMAN: Thank you.

7 MR. ROBERT THOMPSON: I think I've  
8 asked all my questions.

9 MR. LOMAN: Thank you very much, sir.  
10 We appreciate your participation and we understand  
11 that these are emotional issues, that this is where  
12 you live and this is your environment. It's  
13 important to you. We understand that you are  
14 concerned with the risks, and we appreciate that.  
15 And we also appreciate the fact that people come,  
16 even if it's just to tell us you are opposed, that  
17 the risks outweigh the benefits for us. And we  
18 understand that it's important to you, and we take  
19 our hats off to you because you took the time to  
20 come and tell the government what your position was.  
21 So thank you very much.

22 MR. ROBERT THOMPSON: We are going to  
23 live here a long time. A lot of people that do this  
24 activity, if it messes up, they will be gone.  
25 Twenty years from now they'll be halfway around the

1 world. They won't even think of us. But we have  
2 got to look out for what -- ourselves and future  
3 generations. We can't go any further north. We are  
4 here.

5 MR. LOMAN: I understand.

6 MR. ROBERT THOMPSON: Other  
7 indigenous people got put out of the way where they  
8 were convenient for the government. I think that  
9 day is over, so we are not going anywhere else.

10 MR. LOMAN: I hope so. Thank you  
11 very much. That's it.

12 (Proceedings adjourned at 7:30 p.m.)

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REPORTER'S CERTIFICATE

I, MARY A. VAVRIK, RMR, Notary Public in  
and for the State of Alaska do hereby certify:

That the foregoing proceedings were taken  
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IN WITNESS WHEREOF, I have hereunto  
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MARY A. VAVRIK,  
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