

1 DEPARTMENT OF THE INTERIOR
2 MINERALS MANAGEMENT SERVICE
3

4
5 OFFICIAL TRANSCRIPT
6 PUBLIC HEARING TELECONFERENCE
7
8 COOK INLET SALE 149
9

10
11 Minerals Management Service
12 6th Floor Conference Room
13 949 East 36th Avenue
14 Anchorage, Alaska 99503

15 Friday, March 3, 1995
16 11:00 o'clock a.m.
17

18
19 MMS PANEL MEMBERS

20 Ms. Judith Gottlieb
21 Regional Director, Alaska Region of MMS
22 Mr. Barry Boudreau
23 Regional Supervisor for Field Operations
24 Dr. Ray Emerson
25 DEIS Project Leader, Leasing and Environment Office

Proceedings recorded by electronic sound recording. Transcript produced by transcription service.

1 ANCHORAGE, ALASKA - FRIDAY, MARCH 3, 1995

2
3 (On record at 11:00 a.m.)

4 RECEPTIONIST: Port Graham Village Council.

5 MR. NUTTALL: Good morning. This is the Minerals
6 Management Service, and we're setting up a teleconference for
7 the Sale 149 public hearings.

8 RECEPTIONIST: Okay. Hold on just a minute. You're
9 setting up now?

10 MR. NUTTALL: Yes, we are.

11 RECEPTIONIST: Okay. Hold on.

12 (Pause - Whispered conversations)

13 RECEPTIONIST: Hello?

14 MR. NUTTALL: Hello.

15 RECEPTIONIST: Hello.

16 MR. NUTTALL: Yes.

17 RECEPTIONIST: There's no one here available for the
18 teleconference.

19 MR. TREMONT: This is John Tremont. I think we've
20 spoken before. Did Ms. McMullen designate somebody to speak
21 for the village?

22 RECEPTIONIST: No, she didn't. I just talked to my
23 supervisor. She said no one's available for it.

24 MR. TREMONT: Okay. Very good then. Please be
25 advised that you can submit written comments.

1 RECEPTIONIST: Okay. Thank you.
2 MR. NUTTALL: Thank you very much.
3 (Teleconference disconnected)
4 MR. NUTTALL: Well, now on to Seldovia.
5 (Pause - Whispered conversation)
6 RECEPTIONIST: Good morning. City of Seldovia. This
7 is Diane.
8 MR. NUTTALL: Good morning. This is the Minerals
9 Management Service, and we're setting up a teleconference for
10 the Sale 149 public hearings.
11 RECEPTIONIST: Right.
12 MR. NUTTALL: Is Ms. Elizabeth Renz in, please?
13 RECEPTIONIST: Hang on for just a moment, okay?
14 (Pause - Whispered conversation)
15 RECEPTIONIST: Just a moment, okay?
16 MR. NUTTALL: Thank you very much.
17 RECEPTIONIST: Yes.
18 MR. NUTTALL: This is Minerals Management Service.
19 MS. RENZ: Right. This is Elizabeth Renz, City
20 Manager, City of Seldovia, and I have a Council member here,
21 Eric Nordenson. And so there are just the two of us here.
22 MR. NUTTALL: Okay. Are we coming in loud and clear
23 to you?
24 MS. RENZ: Beautifully. And who are you?
25 MR. NUTTALL: My name is Chris Nuttall. I'm handling

1 the phones. And I'd like to introduce our Regional Director,
2 Ms. Judith Gottlieb.

3 MS. RENZ: Okay.

4 MS. GOTTLIEB: Good morning. This is Judy Gottlieb,
5 and I just wanted to -- I'll open up the public testimony. So
6 if you'll bear with me for just a few minutes, I need to -- I
7 would like to read some things into the record. And if you
8 have any questions, then, on the testimony, please feel free to
9 ask.

10 Are you hearing me okay?

11 MS. RENZ: Perfectly.

12 MS. GOTTLIEB: Okay. Great. Thanks, Liz.

13 Good morning. Welcome to the hearing on the Draft
14 Environmental Impact Statement for the Proposed Federal Oil and
15 Gas Lease Sale 149 in Cook Inlet.

16 My name is Judy Gottlieb. I'm the Regional Director
17 of the Alaska Region of the Minerals Management Service. The
18 other panel members that I have here are Mr. Barry Boudreau,
19 who is the Regional Supervisor for Field Operations in
20 Anchorage, and Dr. Ray Emerson, the Project Leader for the
21 Draft Environmental Impact Statement preparation from the
22 Leasing and Environment Office.

23 You have the honor of being the first public hearing
24 participants, and we will have one later today in Anchorage and
25 then, as you probably know, others next week in Kenai, Homer,

1 and Kodiak. Port Graham we called earlier today, and they did
2 not have any testifiers. And Nanwalek said they would not have
3 any, so we did not call them this morning.

4 The purpose of this hearing is to receive the views,
5 comments, and suggestions of interested individuals and
6 representatives of local government and organizations on the
7 Draft Environmental Impact Statement. Want to give you just a
8 little background material.

9 This Draft Environmental Impact Statement covers
10 approximately 2 million acres which are being considered for
11 leasing, or about 37 percent of the entire planning area.

12 We have the responsibility to fulfill the mandates
13 set out in the Outer Continental Shelf Lands Act and the Oil
14 Pollution Act. Also, oil and gas activities on the Outer
15 Continental Shelf must comply with the National Environmental
16 Policy Act, the Endangered Species Act, Marine Mammals
17 Protection Act, Clean Water Act, Clean Air, Occupational Health
18 and Safety Act, the Coastal Zone Management Act, and many
19 others. In addition, the Minerals Management Service has in
20 place regulations and operating requirements that are designed
21 to make offshore operations safe and clean.

22 Discharges from the Outer Continental Shelf oil and
23 gas exploration and production activities will be subject to
24 the Environmental Protection Agency's national pollution
25 discharge elimination system permits. Under a local memorandum

1 of agreement between the Minerals Management Service and the
2 EPA on federal platforms, we have agreed to conduct these
3 permit compliance inspections of Outer Continental Shelf
4 facilities in conjunction with normal drilling and production
5 inspections.

6 Under this agreement, the Minerals Management Service
7 may also collect samples of discharges and provide them to EPA
8 for independent analyses. In federal waters, the Minerals
9 Management Service has been conducting these kind of permit
10 compliance inspections in Alaska since 1989, specifically
11 during exploratory drilling operations in the Chuckchi and
12 Beaufort Seas. We are aware that the EPA recently fined
13 companies in the upper Cook Inlet for violation of permit
14 conditions related to discharges that exceed permit limits,
15 mostly for sanitary and domestic wastes, but also for oil and
16 grease discharges.

17 We recently completed a water quality study in Cook
18 Inlet which examined hydrocarbon concentrations in water,
19 sediments, and mussels at the regional scale and found no
20 evidence of regional hydrocarbon contamination. The MMS study
21 did not look for contaminants related to sanitary and domestic
22 wastes. However, the study did perform sensitive life stage
23 bioassays which indicated no harmful levels of contaminants in
24 general. These study results are included in the Draft
25 Environmental Impact Statement.

1 The EIS represents about three years of preparation,
2 which included such actions as the call for information, area
3 identification, and scoping. You have been a part of this
4 process, and through your earlier comments, and are invited
5 once again to give us your comments. The Environmental Impact
6 Statement is a very important element in the decision process.
7 The law under which we operate requires that the Secretary of
8 Interior balance national public policy goals. The law
9 requires considerable consultation with the Governor, balancing
10 national needs with the well-being of local citizens.

11 We want everyone here to understand that MMS does not
12 take this proposal lightly and that we approach all leasing
13 decisions very cautiously and carefully. For example, as a
14 result of public input directly from you and others, we have
15 deleted a majority of the Shelikof Strait portion of the
16 planning area, which included 358 blocks and approximately 1.7
17 million acres, from our original proposal.

18 The Draft Environmental Impact Statement contains
19 mitigating measures that have, for the first time, been
20 committed to and made part of the proposed action and the
21 alternatives at this very early phase of the decision process,
22 which was a suggestion made at previous public hearings here in
23 Alaska. There are also additional potential mitigating
24 measures proposed for analysis and that a Secretarial decision
25 to include those additional mitigating measures will be made

1 upon approval of the notice of sale.

2 Just a few rules to go over. If you would state your
3 name, address, organization or agency you represent. We'd like
4 to have the information properly recorded, so I may ask you to
5 spell it out. And if your comments could be no more than about
6 10 minutes, we'd appreciate that.

7 An official recorder is here to make the verbatim
8 transcript of the hearing. Everything that is spoken when the
9 hearing is in session will be recorded. Copies of the
10 transcripts are available through Cindy and Robert Carl, who
11 are here right now, our recorders of Executary Court Reporting
12 Services.

13 The purpose of this hearing is to improve the quality
14 of our Environmental Impact Statement before it is put in final
15 form. We won't necessarily question you unless a member of the
16 panel wishes to have some facts clarified or obtain additional
17 information. We are understanding -- we are interested in
18 understanding your views about this Draft Environmental Impact
19 Statement.

20 Also, for your information, the comment period for
21 this document closes April 19th. Until that time, we will
22 accept written comments and statements from anyone who would
23 prefer to make written rather than the oral comments. And
24 these written comments and statements should be sent to our
25 address. If you have any information, we have an 800 number,

1 800-764-2627, if you have any questions or need anything
2 clarified after we conclude.

3 I also need to mention, for the benefit of the member
4 of the public who is here this morning, that because we share
5 this building with the Internal Revenue Service, and because
6 they are having a problem with an irate taxpayer today, we do
7 have several guards in the building. So just to clarify why
8 there are guards outside our hearing room.

9 So with that, Liz, did you want to testify first?

10 MS. RENZ: Sure. I'd be glad to.

11 MS. RENZ: My name is Elizabeth Renz, R-e-n-z, City
12 Manager for the City of Seldovia.

13 MS. GOTTLIEB: Thanks, and go ahead then.

14 **PUBLIC TESTIMONY OF MS. ELIZABETH RENZ**

15 In reference, the DEIS, I think it's an extraordinary
16 piece of work. A lot of care and thought have gone into that
17 document, and they have really worked diligently to make that
18 into language which is comprehensible by people who are really
19 interested in reading about the topic.

20 One thing in particular that has surfaced in this
21 area is a lot of concern about the fact that activity in the
22 Cook Inlet Region really directly impacts us, and there is some
23 concern there about the tradeoff in benefits versus risks in
24 terms of there do not seem to be an apparent equal amount of
25 benefits to our area for drilling in Cook Inlet, and the risk

1 seems to be very high. That seems to be consensus of most of
2 the people that I've talked to.

3 As far as specific individuals, we only have Eric
4 Nordenson here that wishes to respond. But generally, the
5 comments that have been made to me have been they would prefer
6 not to see drilling in the Cook Inlet Region because it would
7 put us at great risk and does not appear to have any direct
8 benefit to our community.

9 MS. GOTTLIEB: Okay. Thank you. Appreciate those
10 comments. Anyone have any questions?

11 (No audible response)

12 MS. GOTTLIEB: Thanks, Elizabeth. And we have
13 another person to testify?

14 MR. NORDENSON: Yes, I'm Eric Nordenson. It's N-o-r-
15 d-e-n-s-o-n, Seldovia, Alaska. I'm a resident and a current
16 City Council member. I have just a little statement that I sat
17 down and wrote about this, so I'd like to go ahead and read it
18 if that's all right.

19 MS. GOTTLIEB: Sure. That would be fine.

20 **PUBLIC TESTIMONY OF MR. ERIC NORDENSON**

21 Okay. It starts out, I am a lifelong resident of
22 Seldovia. I was raised here as a commercial fisherman and
23 still am doing so. The Kenai Peninsula has grown immensely
24 since the '50s when I was a kid. Commercial fishing year
25 around is a major contributor to the economy of the lower Cook

1 Inlet villages and cities.

2 Tourism has become a large commercial and economic
3 factor from Anchorage to Kodiak recently, and this part of
4 Alaska will be right at the top in the future, if it's not
5 already. Myself and many in Seldovia oppose the sale of 149,
6 considering the risk factors stated in the Environmental Impact
7 Statement. Any size spill is not acceptable at all, as far as
8 we're concerned. Tanker traffic in Cook Inlet is high now.
9 Enlarging this traffic if oil and gas is found and produced
10 further raises the odds for a spill.

11 Lower Cook Inlet should be left alone for oil and gas
12 production. I think that a less delicate area should be found
13 and explored.

14 And that's my feeling. I was born here in Seldovia,
15 and there's still quite a few of us left around here that are
16 lifelong residents, too, and we all pretty much feel the same.
17 So that's really about all I have to say.

18 MS. GOTTLIEB: We appreciate that, Eric, and that's
19 very thoughtful comments. That does have a higher impact from
20 someone who has lived in a place all their lives.

21 MR. NORDENSON: Thank you.

22 MS. GOTTLIEB: Will there be anyone else who wishes
23 to speak from Seldovia?

24 MS. RENZ: No, that's it for today.

25 MS. GOTTLIEB: Okay. Well, we certainly appreciate

1 your participation. And again, everyone has till April 19th to
2 submit written comments, and we appreciate that you were able
3 to make it today.

4 MS. RENZ: Okay. Thank you for including us.

5 MS. GOTTLIEB: Sure.

6 MR. NORDENSON: This is Eric. I had one more thing
7 to say.

8 MS. GOTTLIEB: Okay.

9 **FURTHER PUBLIC TESTIMONY OF MR. ERIC NORDENSON**

10 Seldovia's always been kind of a place where you
11 can't get people -- they'll talk a lot, but when it comes to
12 doing something like this, it's hard to get them to come forth.
13 So Elizabeth and I both are kind of -- we're kind of relating
14 just about the majority opinion around here, and I'm stating
15 that quite factually, being on the City Council, especially.

16 MS. GOTTLIEB: That's right, and that's helpful for
17 us to know, too.

18 MS. RENZ: Thank you very much.

19 MS. GOTTLIEB: Okay. Thank you both.

20 MS. RENZ: Bye.

21 MS. GOTTLIEB: Bye.

22 (Pause - Teleconference disconnected)

23 MR. NUTTALL: Okay.

24 COURT REPORTER: Off record?

25 MS. GOTTLIEB: Off record then, yes.

1 (Whereupon, the proceedings in the above-entitled
2 matter were concluded at 11:20 o'clock a.m.)
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6 PUBLIC HEARING

7 COOK INLET SALE 149
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15 Friday, March 3, 1995
16 2:00 o'clock p.m.

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19 MMS PANEL MEMBERS

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24 Dr. Ray Emerson
25 DEIS Project Leader, Leasing and Environment Office

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3 (On record at 2:05 p.m.)

4 (Tape No. 1 of 2)

5 MS. GOTTLIEB: Welcome to the hearing on the Draft
6 Environmental Impact Statement for the Proposed Federal Oil and
7 Gas Lease Sale 149 in Cook Inlet. The area that's discussed in
8 the Environmental Impact Statement is shown on the map behind
9 me.

10 My name is Judy Gottlieb. I'm the Regional Director
11 for the Alaska Outer Continental Shelf Region. Other panel
12 members with me include Mr. Barry Boudreau, who's the Regional
13 Supervisor for Field Operations, and Dr. Ray Emerson, who's the
14 Project Leader for the Draft Environmental Impact Statement in
15 the Leasing and Environment Office.

16 This is our first public hearing; others will be held
17 next week in Kenai, Homer, and Kodiak. And this morning we did
18 have a teleconference with a couple of people in Seldovia.

19 The purpose of the hearing is to receive the views,
20 comments, and suggestions of interested individuals and repre-
21 sentatives of local government and other organizations on the
22 Draft Environmental Impact Statement. But before we start, I'd
23 just like to give you a little bit of background.

24 This Draft Environmental Impact Statement -- and we
25 do have extra copies there if you'd like -- covers approxi-

1 mately 2 million acres which are being considered for leasing,
2 or about 37 percent of the entire planning area.

3 Minerals Management Service has the responsibility to
4 fulfill mandates set out in the Outer Continental Shelf Lands
5 Act and the Oil Pollution Act. Also, oil and gas activities on
6 the Outer Continental Shelf must comply with the National
7 Environmental Policy Act, Endangered Species Act, Marine
8 Mammals Protection Act, the Clean Air Act, Clean Water Act,
9 Occupational Health and Safety Act, Coastal Zone Management
10 Act, and many others. In addition, the Minerals Management
11 Service has in place regulations and operating regulations that
12 are designed to make offshore operations safe and clean.

13 Discharges from Outer Continental Shelf oil and gas
14 exploration and production activities will be subject to the
15 Environmental Protection Agency's national pollution discharge
16 elimination system permits. Under a local memorandum of agree-
17 ment between the MMS and EPA on federal platforms, the MMS has
18 agreed to conduct these permit compliance inspections of Outer
19 Continental Shelf facilities in conjunction with normal drill-
20 ing and production inspections.

21 Under the agreement, we may also collect samples of
22 the discharges and provide them to EPA for independent
23 analyses. In federal waters, the MMS has been conducting these
24 kind of permit compliance inspections in Alaska since 1989,
25 specifically during the exploratory drilling operations in the

1 Chuckchi and Beaufort Seas. We are aware that EPA recently
2 fined companies in the upper Cook Inlet for violations of the
3 permit conditions related to the discharges that exceeded the
4 permit limits, mostly for sanitary and domestic waste, but also
5 for oil and grass -- sorry -- oil and grease discharges.

6 The MMS recently completed a water quality study in
7 Cook Inlet which examined hydrocarbon concentrations in water,
8 sediments, and in mussels at the regional scale and found no
9 evidence of hydrocarbon contamination. The MMS study did not
10 look for contaminants relating to sanitary and domestic wastes.
11 However, the study did perform sensitive life stage bioassays
12 which indicated no harmful levels of contaminants in general.
13 These study results are discussed in the Draft Environmental
14 Impact Statement.

15 The Environmental Impact Statement represents approx-
16 imately three years of preparation, which included such actions
17 as the call for information, area identification, and scoping.
18 You have been a part of this process, and through your earlier
19 comments, as well as being invited once again today to give us
20 your comments. The Environmental Impact Statement is a very
21 important element in the decision process. The law under which
22 we operate requires that the Secretary of Interior balance
23 national public policy goals. The law requires considerable
24 consultation with the Governor, balancing national needs with
25 the well-being of local citizens.

1 We want everyone here to understand that MMS does not
2 take this proposal lightly and that we approach all leasing
3 decisions very cautiously and carefully. For example, as a
4 result of public input directly from you, the MMS deleted a
5 majority of the Shelikof Strait portion of the planning area,
6 which included about 358 blocks and approximately 1.7 million
7 acres, from our original leasing proposal.

8 Also, the Draft Environmental Impact Statement
9 contains mitigating measures that have, for the first time,
10 been committed to and made part of the proposed action and the
11 alternatives at this early phase of the process. This was a
12 decision that was made at previous public hearings here in
13 Alaska. There are also additional potential mitigating
14 measures proposed for analysis that a Secretarial decision to
15 include those additional mitigating measures will be made upon
16 approval of a notice of sale.

17 I'll call today's speakers in the order in which
18 they've registered, and if you wish to speak but have not
19 already signed up, please see Dick Roberts, who's sitting over
20 there by the door. We have just a few rules I'd like to ask
21 you to follow to ensure that the hearing runs smoothly.

22 If you'd please state your name and address, the
23 organization or agency you represent. I may ask you to spell
24 your name out so we make sure the court reporter gets it accu-
25 rately. If comments could be no more than about 10 minutes, we

1 would appreciate that as well. If you have prepared written
2 testimonies, please give us a copy for the court reporter for
3 the official record.

4 Our recorders are making a verbatim transcript of the
5 hearing. Everything that is spoken when the hearing is in
6 session will be recorded. Copies of the transcript are avail-
7 able through Cindy and Robert Carl, who are here today, through
8 Executary Court Reporting Services.

9 The purpose of this hearing is to improve the quality
10 of the Environmental Impact Statement before it's put in final
11 form. Speakers will not necessarily be questioned unless a
12 member of the panel wishes to have some facts clarified or
13 obtain additional information. We're interested in understand-
14 ing your views on the Environmental Impact Statement.

15 The comment period for the document closes on April
16 19th. Until that time, we will accept written comments and
17 statements from anyone who would prefer to make written rather
18 than oral comments. And those written comments and statements
19 should be sent to us, and Mr. Dick Roberts will provide infor-
20 mation to you if you have any questions on our address. Again,
21 the comment period is April 19th.

22 For those of you who are visiting our building today,
23 you may have seen a few security guards around. IRS, late
24 yesterday, received word that they have an irate taxpayer, and
25 they ordered the guards for our own -- for all of our safety

1 today.

2 Our first speaker this afternoon, then, is Pam
3 Miller. If you'd come up to the microphone, please.

4 (Pause)

5 **PUBLIC TESTIMONY OF MS. PAM MILLER**

6 Thank you for the opportunity to testify. My name is
7 Pam Miller, and I'm representing Greenpeace Alaska here today.
8 The address is Post Office Box 104432, Anchorage, Alaska 99510.

9 First of all, I want to start out with a quote from a
10 poet, Muriel Rukyser (ph) from, "The Life of Poetry."

11 "Dead power is everywhere among us,
12 in the forest chopping down the songs,
13 at night in the industrial landscape,
14 wasting and stiffening the new life,
15 in the streets of the city throwing away the day.
16 We wanted something different for our people,
17 not to find ourselves an old reactionary republic
18 full of ghost fears,
19 the fears of death and the fears of birth.
20 We want something else."

21 As I said, I'm here representing Greenpeace and our
22 approximately 6,000 members in Alaska and about 1.7 million
23 supporters nationwide.

24 First of all, I feel that you've greatly underesti-
25 mated the resistance to your proposed action. The Draft Envi-

1 ronmental Impact Statement states, in general, that public
2 responses were somewhat negative, and I believe this is an
3 understatement. Opposition is strong and reasonable in the
4 face of known threats to subsistence, commercial fishing,
5 recreation, and tourism, the way of life that sustains the
6 communities that will be most directly affected by your
7 decisions.

8 These are the groups that have expressed written
9 opposition thus far to the sale: in the form of resolutions by
10 the Ninilchik Traditional Council; the D'Naina Traditional
11 Council; the Chugachmuit Environmental Protection Consortium,
12 which represents the villages of Port Graham, Nanwalek, Chenega
13 Bay, and Tatitlek; and then Chickaloon Village United Fishermen
14 of Alaska; and virtual opposition as expressed in scoping
15 meetings from people of the other communities that would be
16 most directly affected and other fishing and environmental
17 organizations representing thousands of members.

18 I urge you to treat this opposition with the respect
19 it deserves by deleting Lease Sale 149.

20 MMS decisions about whether to proceed with leasing
21 and development are inconsistent, unqualified, and biased
22 toward development. I ask the following questions not rhe-
23 torically but with real questions about why decisions have been
24 so seemingly arbitrary:

25 How do you justify canceling the lease sale in the

1 Chuckchi Sea and not that of lower Cook Inlet and Shelikof
2 Strait? It is not demonstrably less ecologically sensitive.
3 The subsistence cultures along the coast here are no less
4 dependent upon a healthy marine ecosystem. It is arguably more
5 important for commercial fishing if value can be measured in
6 dollars. And as you know, lower Cook Inlet and Shelikof Strait
7 supports a commercial fishing industry worth hundreds of mil-
8 lions of dollars per year.

9 Why is there a moratorium on leasing and development
10 in -- excuse me -- on development of leases in Bristol Bay? If
11 leasing were to commence in Cook Inlet and Shelikof Strait, is
12 the pressure for the dreaded buy-back likely to be any less
13 than in Bristol Bay? We saw historically that the pressure for
14 a buy-back in Kachemak Bay was highly effective, and this area
15 is not so far removed from that.

16 Why is there a moratorium in most areas of the
17 country, in large part as a result of the National Academy of
18 Science's determination of the inadequacy of information
19 necessary to make sound leasing decisions? Our scientific
20 understanding in all areas reviewed by NAS -- physical oceano-
21 graphy, ecology, and socioeconomics -- is qualitatively meager
22 for Cook Inlet and Shelikof Strait compared with the areas
23 reviewed explicitly by the National Academy. No such review
24 was done for Cook Inlet/Shelikof Strait, nor has a comprehen-
25 sive assessment been made to understand the chronic and

1 cumulative effects of development here.

2 I did not find answers for these questions in the
3 Draft Environmental Impact Statement and request that your
4 agency consider these questions in the final EIS.

5 Here are some of the reasons that we believe that the
6 lower Cook Inlet/Shelikof Strait has a higher and better
7 purpose than offshore oil and gas development:

8 Leasing and development in the area that still
9 suffers the long-term and chronic effects of the Exxon Valdez
10 oil spill is counter to and inconsistent with the restoration
11 mandate of the EVOS Trustee Council. Hundreds of millions of
12 dollars have been spent on scientific research, land acqui-
13 sition, and other activities in an effort to restore damages from
14 the Exxon Valdez oil spill.

15 You have trivialized the long-term damage caused by
16 EVOS to ecological systems and human communities of the spill-
17 affected areas. Some of the important points that I think are
18 missed in the DEIS:

19 First of all, recovery is patchy and incomplete.
20 While some species have shown evidence of recovery, others are
21 experiencing ongoing injuries and delayed recovery.

22 Secondly, long-term effects occur most visibly in the
23 intertidal zone and in species that either breed or feed in the
24 intertidal and shallow subtidal zone. Oil-contaminated mussels
25 continue to be a primary cause of long-term effects. Several

1 species experiencing long-term effects depend on mussels for a
2 significant portion of their diet. And because of ongoing
3 long-term effects, the time period for recovery is yet unknown.

4 The extreme trauma caused by the Exxon Valdez oil
5 spill to subsistence and commercial fishing based communities
6 in the path of the spill has not yet been mended. The root
7 cause of these problems was the breakdown of activities associ-
8 ated with subsistence and commercial fishing: the sharing and
9 harvest of natural resources.

10 The Draft Environmental Impact Statement also fails
11 to address the issue of environmental justice as mandated by
12 the President's Executive Order No. 12898 on federal actions to
13 address environmental justice in minority populations and low-
14 income populations. The proposed action is counter to even
15 Department of Interior's own stated Strategic Implementation
16 Plan on environmental justice. This action disproportionately
17 affects subsistence communities in the region. The public
18 process outlined in the Plan has failed to adequately ensure
19 protection of subsistence.

20 The DEIS states,

21 "Generally, the coast in the proposed sale area
22 and the marine environment offshore contain some
23 of the most beautiful shore and ocean features
24 in the world. The aesthetics are based on the
25 near pristine environment."

1 And secondly, again quoting,

2 "Lower Cook Inlet and the Kenai Shelf are among
3 the most productive high-latitude shelf areas in
4 the world during the summer months."

5 Unquote. The high ecological values of the area are, in part,
6 reflected by the unsurpassed system of protected areas in the
7 region. These areas are too precious for their ecological,
8 cultural, spiritual, and economic values to risk for short-term
9 profits of offshore oil and gas development.

10 The area encompasses or borders five national wild-
11 life refuges, four national parks, and the state's highest
12 concentration of designated critical habitat areas. And I
13 believe that the DEIS discussion of the importance and value of
14 these areas was incomplete. For example, Chugach State Park
15 was omitted entirely from the discussion. The most recent
16 recognition of Kachemak Bay as an international shore bird
17 reserve is significant and also not included in the Draft EIS.

18 Then I wonder why MMS does not respect the recommen-
19 dations of its own sister agencies, for example, Fish and
20 Wildlife Service and National Park Service, in considering the
21 proposed action. The National Park Service has said,

22 "OCS activities could be counter-productive to
23 efforts initiated by federal/state natural
24 resource trustees to restore resources injured
25 by the Exxon Valdez oil spill. We recommend

1 that any leasing in lower Cook Inlet and
2 Shelikof Strait be deferred until the full
3 extent of injury to trust resources, including
4 those of the National Park Service, is known and
5 the damaged resources have recovered to appro-
6 priate pre-spill conditions."

7 We believe that has not yet occurred. And as I mentioned
8 earlier, recovery -- the length of time for recovery necessary
9 is unknown.

10 The designation of Shelikof Strait as critical habi-
11 tat under the Endangered Species Act for steller sea lions,
12 which are about to rise to the dubious distinction of endan-
13 gered status in this area, is another consideration I think
14 minimized in the DEIS. The DEIS minimizes the threat of dis-
15 turbance to this species that is also highlighted by the
16 steller sea lion recovery team. The area serves as critical
17 habitat for other species at risk: harbor seals, belugas,
18 steller eider, marbled miralets, fin and humpback whales, to
19 name a few. The importance of the area to year-around use by
20 fin whales, documented by Kenai National Wildlife Refuges, is
21 not discussed in the DEIS.

22 The DEIS does also not reflect the lack of basic
23 knowledge concerning distribution and dynamics of key ecologi-
24 cal species and habitats. The extent and importance of sea
25 bird foraging areas is insufficiently treated.

1 MS. MILLER: Are you keeping time here? How much
2 time do I have?

3 MS. GOTTLIEB: You're doing okay.

4 MS. MILLER: Okay. All right. I have just a little
5 bit more.

6 BY MS. MILLER (Resuming):

7 MMS is bowing to the temptation to treat lower Cook
8 Inlet and Shelikof Strait as a sacrifice area based on the fact
9 that it -- existing infrastructure exists, even though this is
10 widely separated from this frontier area of lower Cook Inlet
11 and Shelikof Strait. We request that you do not grant access
12 to the oil and gas industry to this area, if solely because of
13 the industry's contemptible history in upper Cook Inlet and the
14 lack of an adequate regulatory structure to ensure safety and
15 environmental protection.

16 The DEIS lacks a cogent analysis of the poor regula-
17 tory structure as well as fates and effects of waste streams
18 currently affecting Cook Inlet and Shelikof Strait. And I'll
19 just give some brief examples, and we'll list these exhaus-
20 tively in our written comments.

21 Recent discovery of 4,200 violations of Clean Water
22 Act permits and subsequent \$1.5 million enforcement action by
23 EPA, which was made only after the violations were made public
24 by Trustees for Alaska, Greenpeace, and Alaska Center for the
25 Environment. We believe the enforcement action is weak because

1 it addresses less than one-quarter of the violations that we
2 know about, and it also does not seek maximum penalties.

3 There's a lax permit structure allowing industry the
4 license to pollute. From '87 to 1992, offshore oil platforms
5 in Cook Inlet discharged 7-1/2 million gallons of produced
6 waters, three -- 31.5 million gallons of drilling wastes, these
7 containing acute toxins such as petroleum, mercury, cadmium,
8 formaldehyde. There's lax regulatory oversight of pipelines
9 and tanker safety in Cook Inlet. The industry has resisted
10 efforts to instill better safety measures such as tanker tug
11 escorts.

12 And there's a high level of risk from seismic acti-
13 vity. The DEIS states that it is situated in one of the most
14 active seismic zones in the world. In addition to that, sea
15 ice conditions and hazards from extraordinary wind occurrence
16 make Cook Inlet one of the most dangerous places to operate oil
17 tankers in the world.

18 There is a lack of effective spill cleanup methodolo-
19 gies for Cook Inlet. The Oil Spill Commission report stated --
20 and I think their analysis is much more in-depth than Minerals
21 Management Service's own in the Draft Environmental Impact
22 Statement -- I quote:

23 "The extreme environmental conditions in Cook
24 Inlet, with tides of 30 feet and currents of 8
25 knots, cause spreading to occur so rapidly that

1 effective response with mechanical recovery is
2 not likely to be successful."

3 And we know also that other methods of spill cleanup are
4 unproven.

5 MMS has attempted to use the CIRCAC and MMS studies
6 to conclude that Cook Inlet has a clean bill of health. This
7 is scientifically unfounded given the short-term nature of the
8 studies, few sampling stations, and questionable credibility of
9 the CIRCAC contractor. We urge the independent evaluation and
10 design of a comprehensive study to determine chronic and cumu-
11 lative effects in the Inlet and the National Academy of
12 Science's review of adequacy of information for Cook Inlet and
13 Shelikof Strait.

14 Recent studies suggest that -- and this is a quote
15 from a scientific paper published in the Auk:

16 "Chronic impacts may be a more significant cause
17 of sea bird mortality than large spills. The
18 subtle and long-term effects of chronic oil
19 pollution are likely to be extremely damaging to
20 sea bird populations and to be politically dif-
21 ficult to stop."

22 This is in a paper by DiBorsma (ph), 1994.

23 The Draft Environmental Impact Statement does not
24 accurately represent the value of Cook Inlet fisheries. Upper
25 Cook Inlet is not discussed and represents an additional multi-

1 million-dollar value. The DEIS does not discuss recent studies
2 indicating a much higher level of productivity and diversity of
3 the northern Inlet for planktonic organisms and larval fish
4 species. This study, that I have a copy of, was suppressed by
5 ARCO, so I'd like to make this known to you. Upper Cook Inlet
6 is likely to be affected by chronic and catastrophic oil spills
7 and pollution from lower Cook Inlet development.

8 And finally, the energy analysis included does not
9 represent an accurate consideration of an alternative to the
10 proposed action because it does not reflect state-of-the-art
11 thinking on the potential for renewable energy and efficient --
12 and efficiency to surpass the need for fossil fuel development.
13 And Dorothy Childers will address some energy arguments that we
14 would like to make. Thank you.

15 MS. GOTTLIEB: Okay. Thanks, Pam.

16 (Pause)

17 MS. GOTTLIEB: Next we have Marc Lamoreaux.

18 (Pause)

19 MS. GOTTLIEB: Marc, what I said in my introduction
20 is maybe you'll spell your last name so the court reporter gets
21 it properly, please.

22 MR. LAMOREAUX: Okay. It's L-a-m-o-r-e-a-u-x.

23 MS. GOTTLIEB: And if you'd state who you're with,
24 please.

25 COURT REPORTER: Could I get you to spell the last

1 name again?

2 MR. LAMOREAUX: Yeah. L-a-m-o-r-e-a-u-x. And it's
3 Marc with a "c."

4 **PUBLIC TESTIMONY OF MR. MARC LAMOREAUX**

5 Okay. And I'm with Cook Inlet Marine Mammal Council.
6 I'm the Research Facilitator. These are the Native marine
7 mammal hunters and users in the Inlet, especially the upper
8 Inlet, with the beluga hunters being the core group of initi-
9 ators. Cook Inlet Marine Mammal Council is preparing a written
10 statement, which I hope will be considered before prosecuting
11 this sale.

12 My basic position is that further oil development in
13 the Cook Inlet should not proceed till there has been adequate
14 testing for the effects of development to date, as well as
15 research to better understand the potential effects of the
16 proposed development. There is a paucity of data from the
17 upper Inlet.

18 Tidal action scours the bottom leaving little sedi-
19 ment to analyze for petroleum pollution. Mollusk reproduction
20 tests conducted by Minerals Management Service failed when the
21 mollusks died from suspended sediments. That such tests were
22 conducted highlights the poor state of scientific understanding
23 of the (indiscernible). We don't even know what kind of
24 bottomfish should be tested for petroleum hydrocarbon effects
25 in the upper Inlet. These fish and the enzyme tests may be the

1 best tests to date for oil pollution, and they should be done
2 before leasing out the Inlet.

3 The Cook Inlet beluga tissue sampling for analysis of
4 oil pollutants has been opportunistic and far from comprehen-
5 sive. Some archive tissues should be analyzed for back-cast
6 baseline data for a range of pollution indicators. Those
7 studies which haven't been done yet. Marine mammal tissues
8 should contain indicators of petroleum pollution as these
9 toxins accumulate up the food chain.

10 The Cook Inlet Marine Mammal Council intends to begin
11 supplying samples of marine mammal tissues for archival and
12 analysis this summer. National Marine Fisheries Service and
13 probably Minerals Management Service will help with this
14 project. Beluga livers should be analyzed for several indica-
15 tors of petroleum hydrocarbons. These include metabolites and
16 biomarkers, such as enzymes and remnants of petroleum parent
17 compounds.

18 Paul Becker, advisor of the Marine Mammal Tissue
19 Archival Program, is now confident in the DNA adduct analysis,
20 which looks at changes in molecules attached to liver DNA
21 resulting from petroleum hydrocarbons. And we intend to get
22 these tests conducted as well. Also, heavy metals, there's a
23 long list of them, such as vanadium, may accumulate in beluga
24 blubber from oil and gas pollution. We also want to see
25 analysis for organic chlorines and other pollutants.

1 The Cook Inlet harbor seals should also be considered
2 for sampling. None seem to be reported in the Marine Mammal
3 Tissue Archival Program documentation. But these should be
4 available from Council hunters as well. Natives are under-
5 standably concerned about these pollutants which accumulate in
6 marine mammal tissues since this is their food. Some hunters
7 have reported an increase in lesions, tumors, blubber irregu-
8 larities, and other maladies in beluga tissues, and these
9 should be sampled and analyzed as well.

10 (Cough) Is there any water around here?

11 MS. GOTTLIEB: Sure.

12 (Pause - Whispered comments)

13 BY MR. LAMOREAUX (Resuming):

14 It is a morbid joke that dead beluga washed ashore in
15 some areas of eastern Canada are classifiable as miniature
16 toxic waste sites. Although commercial and sport hunting
17 originally depressed populations of beluga in the St. Lawrence
18 Gulf, pollution seems to have depressed their rate of reproduc-
19 tion to the extent that they cannot repopulate. It is now
20 thought that the Cook Inlet does not flush itself as was once
21 thought, but rather, the water sloshes back and forth like in a
22 bathtub. The marine mammal subsistence resources may be swim-
23 ming in an accumulation of toxic brew.

24 I heard last night that the Minerals Management
25 Service projects a 64-percent chance, probability, of major oil

1 spill from 1,000 to 250,000 barrels, and if only 10 percent of
2 oil is usually recovered from Cook Inlet spills because of
3 extreme tides, ice, et cetera, this is an unacceptable risk
4 level to the aquatic ecology upon which subsistence resources
5 depend.

6 There is currently a moratorium on offshore oil/gas
7 development on the West and East Coasts of the Lower 48. Sales
8 off Kodiak and Shelikof Strait have been deleted from the sale
9 due to public opinion, often from fishermen who depend on
10 aquatic resources, as well as the Chuckchi sales have been
11 spoken out against by the whalers up there. And the resources
12 in the Cook Inlet are no less important.

13 The Cook Inlet beluga stock is discrete, being repro-
14 ductively isolated from other beluga in the Bering and Beaufort
15 Seas. Over the last year, official National Marine Fisheries
16 Service estimates of the number of beluga in the Cook Inlet
17 population have ranged from around 300 to around 1,200. They
18 are classified as a strategic stock, which mandates further
19 study of their population parameters under the MMPA. Their
20 migration routes and times when they might rely on the area
21 that's slated for oil development are not well known.

22 Similar comments apply to the Cook Inlet harbor
23 seals, whose populations are in trouble across the northern
24 Pacific Gulf Rim. And of course, the steller sea lion, but
25 they're down a little farther. So I wonder how you can assure

1 us that the oil development will not disrupt these migrations
2 on the -- of the beluga, which are the subsistence resources
3 for CIMMC.

4 Studies of all these factors are planned by National
5 Marine Fisheries Service and CIMMC. Oil leases are -- oil
6 lease sales should await consideration of these results, and
7 you should certainly consult with Native hunters about how to
8 minimize impacts to beluga if you do end up going ahead with
9 this development.

10 MS. GOTTLIEB: Thanks, Marc. Got some.....

11 MR. LAMOREAUX: And we have some other members of our
12 Council here who might like to comment.

13 MS. GOTTLIEB: That would be great.

14 MR. LAMOREAUX: There's Denty Owens and.....

15 (Pause - Whispered comments)

16 MS. GOTTLIEB: Hi, Denty.

17 MR. OWENS: Hi, Judy.

18 **PUBLIC TESTIMONY OF MR. DENTY OWENS**

19 My name is Denty Owens. I live and subsist in the
20 Cook Inlet waters here. The Cook Inlet waters are a part of my
21 harvest for my food. I might like to say a couple of things.

22 Starting from the beginning of our season, we start
23 with the hooligan. It's just a small fish that come in to
24 spawn in the -- on the sandbars and on the river sides of Cook
25 Inlet. And should this be destroyed, there goes part of our

1 livelihood in the sense that we utilize these little hooligans,
2 and not only the hooligans utilized are not only -- we utilize
3 these hooligans, but also the seagulls, and which the seagulls
4 also feed us as we gather their eggs in the springtime.

5 Should these hooligans be destroyed because of a
6 major oil spill or some kind of contaminants, it would greatly
7 affect not only the hooligan and the seagull and then on down
8 the line, but we also utilize the seals in the Cook Inlet. And
9 the beluga is our major source of food from this area. Also,
10 starting from the king salmon, after the hooligan, the king
11 salmon, then the reds, red salmon, and the few humpies that we
12 have here, and then the silver salmon.

13 I noticed -- I just skimmed over your booklets over
14 there, and I noticed there was nothing mentioned on the beluga
15 whales, which a lot of the population, not only in Anchorage,
16 but it has a far-reaching effect into the coastal villages of
17 Alaska as it's one of our major sources of food. I'm really
18 greatly concerned because this greatly affects us. I don't
19 know how it would affect you guys if the beef was affected in
20 this way, but I imagine that you guys would really have an
21 uproar about that.

22 I would like to see more research done on especially
23 the belugas. Thank you very much.

24 MS. GOTTLIEB: Thanks, Denty. Appreciate your coming
25 today. Marc, are there other members from your group who

1 wanted to testify?

2 MR. LAMOREAUX: (Inaudible response.) But I did find
3 a place where there was mention of the beluga, but basically,
4 there -- it's not knowing what the effects are going to be on
5 them. So.....

6 MS. GOTTLIEB: Okay. Thank you.

7 (Pause - Whispered consultation)

8 MS. GOTTLIEB: Is Martha here?

9 (No audible response)

10 MS. GOTTLIEB: We're running a little bit ahead of
11 schedule from when folks signed up, but I'll be glad to call
12 the next people who have signed up, and we may need to go back
13 when Martha does arrive. Carl, I think you're next then.

14 (Pause)

15 **PUBLIC TESTIMONY OF MR. CARL HILD**

16 Good afternoon. My name is Carl Hild, H-i-l-d. I
17 work with the Rural Alaska Community Action Program in their
18 Subsistence and Natural Resource Department. And I haven't had
19 an opportunity to review this entire document; things have been
20 pretty hectic, and it's quite a substantial piece of work. I
21 have gone over some things, though, and I have brought up some
22 concerns, and I'd like to share those with you.

23 Also during the -- this last little bit of time, one
24 of the reasons why I've been busy is the fact that I sit on the
25 Alaska Regional Scientific Review Group for the Marine Mammal

1 Protection Act stock assessment process, which is going on
2 right now. And we just have completed our meetings and our
3 recommendations to the National Marine Fisheries Service and to
4 Fish and Wildlife Service in regards to marine mammal stocks in
5 the state of Alaska.

6 There is a real concern that I see coming up, and
7 several of the other previous speakers here have mentioned
8 this, and this is, I think, an area of concern, particularly
9 the southern end of the lease sale, but also moving up through
10 the entire region. I would like to just state that, for
11 example, in the graphics that are provided in the back of the
12 manuals, these are very helpful, and I think this is really
13 advantageous to have this kind of graphic in the material.

14 But, for example, the one on marine mammals doesn't
15 include the endangered species because the endangered and
16 threatened species are on another map. Now, I don't think
17 that's a good idea. I think if you're going to have one map
18 for marine mammals, you list all the marine mammals on this
19 whether they're endangered, threatened, depleted, strategic,
20 non-strategic, whatever the classification. I think you should
21 list all your marine mammals on one graphic.

22 Likewise, when you do have your endangered and threa-
23 tened species, they need to all be there. Someone mentioned
24 that the steller sea lions currently are threatened, but I
25 understand the steller sea lion recovery team has met just

1 recently. It has made the recommendation that they become
2 endangered, and I would anticipate by the April 19th deadline
3 for written comments, that they may actually be on the endan-
4 gered list. So this would be an area to take in consideration.

5 I think, also, when you make a listing of endangered
6 and threatened species, you have the areas where they occur,
7 but in many areas now, for fishery interaction, the trawl
8 boats, fishery boats are told that they have to maintain a
9 buffer zone around known habitats, haul-outs, rookeries. And
10 so this might be something to consider as well. If there's a
11 known habitat that goes up through Cook Inlet for any of these
12 species, you may want to institute a buffer zone around these.
13 It's not like you have the extreme ability to go up to the edge
14 of a habitat area and protect it. So you may want to look at
15 this.

16 Someone also mentioned -- this was actually an item I
17 was going to mention later, but it fits in here -- the issue of
18 the tides and winds in Cook Inlet. I don't know if you've ever
19 had the opportunity to watch a bore tide come up Turnagain Arm.
20 Now, I know this is the upper part of the Inlet, but this is
21 rather remarkable to see that much water moving in.

22 And I would be real concerned, and I'd like to see
23 some better modeling done, on how fast, if there was an oil
24 spill done at a time when there was an extreme high tide, with
25 possibly a bore tide, would that oil float on that -- the crest

1 of that wave and move well up into the Inlet very quickly. I
2 think those types of things need to be considered. Add a
3 little bit of wind behind it, and you can definitely have a
4 quite influential spreading of oil in a very rapid time period.

5 I would like to see some kind of graphic put in here
6 that would look at the various subsistence use areas. You have
7 different maps showing where there is a habitat for various
8 species, but there is no comprehensive map looking at subsis-
9 tence use. And this would include all marine and coastal
10 resources. I think it should include invertebrates, it should
11 include plants, it should include the marine mammals and other
12 animals that are used -- utilized by the communities along Cook
13 Inlet.

14 I think this graphic would give you a better outline
15 of how far these regions are and if there needs to be buffer
16 zones and protected areas for these habitats. It -- that would
17 provide a better idea for scoping the size of this particular
18 sale.

19 As I was getting into the document, one of the pieces
20 I came across was Section 3.B.14., Item No. 3, that starts
21 talking about killer whales. And one of the things that came
22 up during the stock assessment report was the fact that the
23 Scientific Review Group decided to break the killer whale
24 stocks here in the state of Alaska into two groups: residents
25 and transients.

1 Resident killer whales seem to stay closer to shore.
2 They seem to interact with fisheries more often. They have
3 different acoustical social interactions among their pods, as
4 the transient animals who spend more time offshore do not
5 interact with the fisheries quite as much and move over a
6 greater area of terrain. So that in looking at this particular
7 area, you may really want to pay some attention to those resi-
8 dent killer whale pods that would be at the lower end of Cook
9 Inlet because these are the animals that do not move around
10 quite so much and come there for (indiscernible - cough) time
11 and could have the greatest amount of interaction.

12 Let's see. And I would like to refer you back to the
13 Marine Mammal Commission has recently completed a report on
14 killer whales using this idea of transients and residents, and
15 they outline a lot of the additional biology there.

16 I would like to recommend as something I have not
17 seen, and it -- once again, I apologize for not having gotten
18 through the entire document -- but some additional investiga-
19 tion of near-shore areas. This is not intertidal; this is not
20 tidal areas, but near shore.

21 One of the things that has come up as we've been
22 evaluating the drop in the population of harbor seals in the
23 Gulf of Alaska -- there's been a significant drop, starting in
24 the late '70s and has just continued -- the islands off the
25 southern end of Kodiak, the pup counts there are down by 90

1 percent over the past 20 years. This is just an unbelievable
2 drop in that time period, and the concern is that it's not so
3 much that the pups are dying immediately, but it appears that
4 the juveniles are not surviving.

5 The pups are not surviving through the yearling
6 stage, and it's during this time period they're feeding near
7 shore. They don't have the ability to dive deep, so they're
8 staying close to shore for their survival. And, you know,
9 there's investigation going on now to get better information on
10 that. And this is an area I think would be real critical for
11 the harbor seal habitat areas at the southern end of your sale
12 area, that you do some specific studies, looking at that
13 inter -- that near-shore area.

14 At this point, I think I would like to just conclude
15 and say that the use of this area is not just for the fishery
16 industry, it's not just for the subsistence people. It's used
17 as a transportation corridor to and from Anchorage. There's a
18 lot of other activity that goes on in this area.

19 It is a concern; in fact, it is one of the most
20 extremely sensitive areas for seismic activity in our state.
21 There's been recommendations from the Division of Emergency
22 Services that there may be a significant earthquake in this
23 area, that it's overdue. We haven't had a major or great
24 earthquake since 1964. So that the development of any of these
25 need to be taken into consideration, the fact that we are very

1 likely going to have another big earthquake in this rare --
2 area. And the impact on all those other users needs to be
3 taken into consideration when you're developing something like
4 oil and gas in this region.

5 The last comment I would like to make really has
6 nothing to do specifically with these stock assessments, but it
7 does have to do with this meeting. When I came in this after-
8 noon, I was greeted by a guard downstairs who went through my
9 bag. And I know, Ms. Gottlieb, you mentioned that I was --
10 that there was an irate taxpayer, and it's an IRS issue. When
11 I specifically asked the guard, who was only searching people
12 who were getting on the elevator, why this was going on, he
13 said, 'Oh, there's a meeting upstairs, and Greenpeace is going
14 to be there.'

15 So unless the irate taxpayer is Ms. Miller here,
16 sitting behind me.....

17 MALE SPEAKER FROM THE AUDIENCE: Or Ms. Childers.

18 BY MR. HILD (Resuming):

19 Or Ms. Childers, okay. That, you know, I would think
20 that something needs to be clarified here. You know, I'm not
21 saying that what you told us is wrong, but someone should
22 inform that guard of what is being said because I don't think
23 it is appropriate if he's saying that the reason that people's
24 belongings are searched coming into this building because
25 Greenpeace is attending a meeting like this, I think that's

1 inappropriate for a guard to be saying that unless it is the
2 truth.

3 So I'd just like to make that -- put that on the
4 record and make sure that somebody does correct that.

5 MS. GOTTLIEB: That's fine. The.....

6 MR. HILD: Thank you.

7 FEMALE SPEAKER FROM THE AUDIENCE: Maybe we should
8 look outside the window and see if anybody's scaling the
9 building.

10 MS. GOTTLIEB: Well, the picture of the irate tax-
11 payer did not look anything like either of you. I'll vouch for
12 that.

13 Thank you, Carl, for those specific comments. And
14 likewise, all the testifiers have given us very, very good
15 specific comments where we can make improvements, and providing
16 us issues where we can work together on before final gets
17 published.

18 So, Dorothy, you're next then.

19 **PUBLIC TESTIMONY OF MS. DOROTHY CHILDERS**

20 My name is Dorothy Childers, C-h-i-l-d-e-r-s, and I'm
21 also -- I'm representing myself as a resident of Cook Inlet and
22 Turnagain Arm, and I'm also representing Greenpeace. I've
23 worked on OCS issues for a long time, and I've never -- this is
24 the first lease sale I've ever been involved in that actually
25 affected my very own back yard. So I have a particular differ-

1 ent level of interest in this one than I have in other issues
2 on a nationwide basis.

3 I wanted to focus on one aspect of this sale, that
4 is, the energy -- this Lease Sale 149 is an energy question.
5 Greenpeace has been critical of the OCS program for a long time
6 on the basis of energy planning, and so I just wanted to add a
7 little more in the way of statistics to what Pam said.

8 We don't believe that the Alaska OCS program provides
9 a meaningful contribution to U.S. -- the U.S. energy future in
10 the way of security or sustainable energy sources. The current
11 five-year plan, of which Lease Sale 149 is a part, demonstrates
12 this clearly, and I wanted to just give some of the statistics
13 that we have referred to in other comments on other lease sales
14 and on the program itself.

15 The entire risked mean unleased economically recover-
16 able oil and gas resources that MMS estimates for all the OCS
17 regions, not just Alaska, in the current five-year plan was
18 estimated to be 18.87 billion barrels of oil equivalent. With
19 the current U.S. annual consumption of 6 billion barrels per
20 year, the OCS resources equal only three years of energy.

21 Now, of course, we understand and acknowledge that
22 the actual production would take many years, maybe 20 to 40
23 years, to accomplish that, but over that period of time,
24 produc- -- period of production time, this would lower oil
25 imports to the U.S. by only a few percentage points on a daily

1 basis during those years. So the fact that it might -- is 18
2 billion barrels of oil overall still represents only a small
3 amount of what we require at our current energy consumption
4 rates -- oil consumption rates.

5 Lease Sale 149, according to the DEIS, has a base
6 estimate of 500 million barrels of oil. And, by the way, the
7 graphs and text, as far as I can tell, don't match because in
8 the text, it says that the mean -- or that the base estimate is
9 500 million barrels, but in the charts, it says 200. And maybe
10 I just misread them, but I couldn't make them match. So I was
11 just going to go on the higher figure, 500 million barrels of
12 oil, for today.

13 That equals about 29 days of oil -- days -- at our
14 current consumption rate. If that oil was utilized over the
15 document's estimated 18 years of production, this would equal
16 only .44 percent. That's less than 1 percent of U.S. daily
17 consumption, again, offsetting a very small amount of imported
18 oil. We think this is a clear demonstration of this lease
19 sale's failure to provide any meaningful amount of energy,
20 aside from the fact that we think that renewable energy sources
21 have many more advantages besides just offsetting imported oil.

22 From an economic perspective, the OCS program
23 averages -- and these figures may be slightly outdated, but
24 in -- when -- in our programmatic comments, we figured that the
25 OCS program averages 3.2 billion barrels -- I'm sorry -- \$3.2

1 billion per year to the Federal Treasury. This is a lot of
2 money, and certainly, if we could cut 3.2 billion barrels from
3 some appropriate place in the federal budget, we would advocate
4 that.

5 But this is a lot of money, but it is, by contrast, a
6 small amount compared to the savings of energy -- that energy
7 efficiency improvements made between the years of 1973 and
8 1986. That's after the Arab embargo when efficiency measures
9 were mandated in the United States. Those meager improvements
10 and efficiencies saved \$150 billion each of those years.
11 That's 47 times the revenue from the OCS program every year,
12 was saved by doing the most minimal energy efficiency improve-
13 ments that we could nationally.

14 So we think that the efficiency potential is consid-
15 erably higher than that, and by example, some have estimated
16 that an increase in fuel economy for cars and light trucks to
17 40 miles per gallon and 30 miles per gallon, respectively,
18 would yield 20 billion barrels of oil in savings over the next
19 20 to 30 years. So there's a lot of contrast between what this
20 lease sale and even the whole OCS program in general provides
21 to the United States and what improvements in energy efficiency
22 and increased reliance on renewable energy sources could do.

23 So we don't think that holding Lease Sale 149 is a --
24 represents a fair balance of public policy goals, as you men-
25 tioned, Judy, because if the program is designed to -- if the

1 purpose of the program is to create an energy source for this
2 country, we think that there's better ways to do that.

3 And I also might add that the last time I had my bag
4 checked in a public place was at the -- outside of the Exxon
5 shareholders' meeting after the 1989 oil spill.

6 MS. GOTTLIEB: Thanks, Dory. Tom, I think you're
7 next.

8 **PUBLIC TESTIMONY OF MR. TOM LAKOSH**

9 Good afternoon. Thank you for this opportunity to
10 provide testimony to the Minerals Management Service. My name
11 is Tom Lakosh; that's spelled L-a-k-o-s-h. My address is P.O.
12 Box 100648, Anchorage, Alaska 99510.

13 Unfortunately, I haven't had a great deal of time to
14 examine the DEIS, but I know some glaring deficiencies, and
15 basically, I'd first like to address the philosophy of impact-
16 ing subsistence communities and subsistence harvests.

17 First and foremost, the nature of the remote subsis-
18 tence communities dictates that should their subsistence
19 harvests be adversely impacted, they are likely to be required
20 to flee the area to sustain themselves since the cost of sub-
21 stituting those foods with flown-in foods is prohibitive. And
22 essentially, any impact upon those subsistence harvests consti-
23 tutes essentially genocide.

24 In essence, the federal government is still providing
25 smallpox blankets to the Natives here in Alaska, the Last

1 Frontier, since we've managed to conquer all of the other
2 tribes in the United States. We have the Last Frontier where
3 we are still wiping out Natives for the production of the
4 industrial machine of the United States.

5 And there is a glaring absence of subsistence users
6 from urban communities who use the resources along the Cook
7 Inlet. There has been as many as 10,000 subsistence permits
8 issued to people from Anchorage that use the western shore --
9 or eastern shore here of Cook Inlet, and I didn't see any
10 reference to those permittees whatsoever, much less the other
11 types of non-commercial fishermen that use those resources.

12 I have personally obtained subsistence permits for
13 Cook Inlet. I'm also a commercial fisherman with a halibut IFQ
14 for Area 3-A, and a victim of the 1989 Exxon Valdez oil spill.
15 And what I see here is a underestimate -- a ten-fold underes-
16 timate of the damage to fisheries, of the actual damages to
17 fisheries, that have been granted in Phase II-A of the Exxon
18 Valdez trial.

19 I believe the estimate was from \$11.1 to \$44.5
20 million when, in fact, it had been well over \$300 million
21 determined to be the damage by the jury. And I'm wondering how
22 in heaven's name those estimates were obtained when a jury of
23 our peers has determined that there were quite a bit more
24 damages than have been recognized by the Minerals Management
25 Service.

1 And that should not, by any means, be relegated to a
2 back seat, the question of punitive damages by the industry --
3 that were assessed against Exxon and its affiliates of \$5
4 billion, giving an idea to our government representatives of
5 what type of oversight ought to be maintained in the oil
6 industry. We have a very high regard for our natural
7 resources, and we feel that there is a high degree of regula-
8 tion necessary to provide for the safe and reasonable concur-
9 rent uses of our natural resources.

10 There is a high potential for what is presently
11 considered Alaska's resources -- a high potential for damage to
12 what is presently considered Alaska's resources, and the rights
13 of -- the constitutional rights of Alaska and to protection of
14 those reasonable concurrent uses should be honored.

15 I might make note, though, that there is a question
16 as to whether the areas to be leased are within the jurisdic-
17 tion of the federal government or that of the State of Alaska
18 since those territories were deeded to the State of Alaska --
19 to the Territory of Alaska and turned over to the State of
20 Alaska when we obtained statehood, that all the waters clear to
21 the national boundary between Big Diomedes and Little Diomedes
22 were deeded to the Territory and then to the State of Alaska.
23 So there is a question as to whether there is federal jurisdic-
24 tion in this area in the first place.

25 But I am also -- because I was a victim of the Exxon

1 Valdez oil spill, I took a great deal of time in the last five
2 and half, almost six years now that have transpired, into
3 looking into the transportation issue of oil. And I've been
4 actively engaged in the contingency planning process, and the
5 industry has still denied the best available technology that
6 was a condition of lease and permit for the Trans-Alaska Pipe-
7 line and the North Shore Oil Fields, that we are not having the
8 escort vessels that we requested, we're not having the salvage
9 tugs that are required to cope with tanker -- disabled tanker
10 problems in open waters.

11 And what I -- is -- the reason why I mentioned
12 tankers is it's clear that the oil from this lease development
13 will not be totally consumed at Nikiski, and it will have to be
14 either shipped out again as crude oil or refined product. And
15 the Impact Statement is clearly deficient in assessing the
16 impact from shipping of the refined or crude product.

17 There is also a question of need of development of
18 this oil when the industry, at this present time, is trying to
19 obtain waivers from the provisions of law which prevent the
20 export of oil. Their rationale for the release from this
21 export -- this oil export ban is that there is a glut of oil on
22 the West Coast, that we can't possibly consume all of the oil
23 we're producing in Alaska, and therefore, we have to ship it
24 off to some foreign compy -- country, therefore the -- defeat-
25 ing the intent to decrease oil imports to protect our national

1 security.

2 It's just plain clear and simple that we cannot
3 consume this oil on the West Coast, that your estimates of oil
4 prices, therefore, are overestimates because the continuing
5 slide in the international cartel in being able to maintain oil
6 production restrictions has been driving the price of oil down
7 in the Gulf. There's practically no difference in the price of
8 oil between Gulf oil and the West Coast, despite the increased
9 transportation cross through the Panama Canal. And what we
10 have is a situation is we don't know what to do with the oil
11 that we're already producing.

12 And it seems beyond me why these Native cultures
13 would be endangered, the commercial fishing would be endan-
14 gered, and all of the recreational opportunities in Cook Inlet
15 and these national parks which have been cited, and reserves,
16 would be endangered by such a risky venture in areas where
17 there's such high tidal currents and ice floes. And if there
18 were any sort of justification for the production of this oil,
19 I can see where a cost/benefit analysis would come into play at
20 that point.

21 But there is no justification for the production of
22 that oil at this time, and I fail to see why this lease sale is
23 even being considered when there is a glut of oil. If you
24 can't sell the oil, I don't understand why you want to produce
25 it, much less put all of these valuable resources at risk.

1 And it's not just a matter of cost/benefit analysis
2 if the end result is going to be genocidal. I do not see that
3 there is any option but to protect those Native cultures which
4 have so long endured, for approximately 30,000 years, up to
5 30,000 years of estimates of archeological findings, and why,
6 at this time, with such a short-sighted benef- -- a shorts -- a
7 short-term benefit that could possibly occur, even giving a
8 need for oil, that these cultures which have survived for that
9 amount of time should be put in such jeopardy.

10 It's clearly an ethnocentric attitude that the
11 federal government has been pursuing, and that it is time that
12 we recognized the rights of these indigenous people to maintain
13 their lifestyle and culture in the lands that they have occu-
14 pied for millennia, and that the production -- such meager
15 production, unnecessary production, for such a short period of
16 time certainly cannot warrant the risk to these cultures.

17 I -- and I've looked also at the effects on the
18 commercial and she- -- the commercial fisheries, and I notice
19 that these are very vague and incomplete analyses of the
20 resources at risk. I believe that there is, you know, commer-
21 cial clam harvests on the western shore of Cook Inlet, which
22 are not referenced here anywhere. There are, you know, all
23 types of subsistence fisheries in the entire area which are not
24 specifically referenced.

25 I believe that, you know, the analysis, above and

1 beyond the general questions of risk, has been fairly incom-
2 plete and inexact. I believe that there is no basis for
3 preparing a cost/benefit analysis if that were the decision to
4 proceed with this genocidal act, and that in order to meet the
5 requirements of the National Environmental Policy Act, that
6 there should be a total reassessment of the resources at stake
7 and the potential impacts, including that of transportation,
8 particularly when it's stated in this report that trawl fisher-
9 ies might adversely affect the pipeline, the 12-inch pipeline,
10 which is going to be required to transport this oil.

11 Thank you very much for the opportunity to testify.

12 MS. GOTTLIEB: Thanks, Tom. Why don't we take about
13 a five-minute break, and then we'll resume.

14 (Off record at 3:05 p.m.)

15 (On record at 3:20 p.m.)

16 MS. GOTTLIEB: -- Environmental Impact Statement.
17 Tom's going to continue with a few additional comments.

18 BY MR. LAKOSH (Resuming):

19 Thank you for this opportunity to continue my com-
20 ments. Unfortunately, I managed to over -- to forget about
21 this particular phrase -- phraseology here in the analysis of
22 the impacts of oil spills. Of particular regard I'm concerned
23 about this sentence:

24 "However, the financial compensation received by
25 the commercial fishing fleet during the cleanup

1 process was not factored into this -- these
2 estimates. That compensation was estimated to
3 have exceeded, by several orders of magnitude,
4 the revenue lost due to the spill."

5 And I'm highly concerned that that indicates that oil
6 spills should be looked at as an economic benefit. And I
7 believe that's totally abhorrent to the concept of preventing
8 environmental damages. In effect, what it's saying, that
9 people should be encouraged to -- or people should be encour-
10 aged to look upon oil spills as favorable because of the
11 economic -- the favorable economic impact that they have, as
12 opposed to the harmful environmental damage and resulting --
13 resultant economic impact.

14 And I therefore request that any -- that that parti-
15 cular phraseology and section of this report be stricken, and
16 that the financial -- quote/unquote, "financial compensation
17 from oil spill activities" be totally removed from any
18 cost/benefit analysis due to the fact that it is the duty,
19 under all common law of persons causing threat to the public
20 health, safety, and decency, to mitigate their harmful effects
21 to the public good, and that any such compensation is a liabil-
22 ity, a civil liability, as opposed to an economic benefit.

23 Thank you very much.

24 MS. GOTTLIEB: Thanks, Tom. Martha, we have you
25 next, and if you would please give your name with spelling so

1 the court reporter can take that down, and the organization you
2 represent.

3 MS. LEVENSALE: Okay.

4 MS. GOTTLIEB: If you are.

5 PUBLIC TESTIMONY OF MS. MARTHA LEVENSALE

6 My name is Martha Levensaler, L-e-v as in Victor
7 -e-n-s-a-l-e-r. And I'm with the National Wildlife Federation
8 here in the Anchorage office.

9 I have come today to testify against the Lease Sale
10 149 for a lot of different reasons. It's my understanding that
11 the Native villages in the area are opposed to this, that there
12 are many fishing groups, both commercial and recreational, that
13 are opposed to this. And also, it's my gut feeling that the
14 best way to prevent pollution damage to an area is just not to
15 have those activities going on.

16 I came to Alaska in 1989 because of the Exxon Valdez
17 oil spill, and I worked for six months with DEC in Valdez, and
18 then I worked for three and a half years with Preston, Thor-
19 grimson, the law firm that was on contract with the State to
20 sue Exxon. When I first went to work for Preston, I went with
21 a great deal of zeal, with my new responsibilities of saving
22 the world and righting a wrong.

23 It didn't take me very long to feel that what I was
24 doing, though necessary at this stage of the ac- -- of the
25 event, was not saving anything, not helping anything, that

1 prevention is a hundred percent of taking care of these prob-
2 lems, that once an area is damaged, restoration, any amount of
3 money thrown at it and restoration projects just -- they don't
4 make an impact. They don't -- they do not return something
5 that has been damaged to that degree.

6 And considering that this area is still suffering the
7 effects of the oil spill, I think it's particularly unwise to
8 be subjecting it to more -- to a greater potential of pollu-
9 tion, and that, therefore, I am opposed to the lease sale. And
10 that's all I had to say.

11 MS. GOTTLIEB: Okay. Thank you. Appreciate your
12 coming today.

13 MS. LEVENSALE: Okay.

14 MS. GOTTLIEB: David, you're next.

15 **PUBLIC TESTIMONY OF MR. DAVID HARRISON**

16 My name is David Harrison. I'm the Attorney General
17 for Chickaloon Village, or, you might say, in traditional
18 terms, the War Chief. I come here today to, again, express our
19 very deep concern over the positions and the documents that the
20 Interior Department, through the Minerals Management Service,
21 has put out concerning our territory.

22 Before, when I testified before this body, at that
23 time, I was a chief fish and game management officer for Chick-
24 aloon Village. We have great concerns about these oil and gas
25 developments because they are obsolete. There is no consider-

1 ation for the health of the people who are around it. There is
2 no consideration for the health of the workers that are going
3 to develop it, knowing that radioactivity is very common among
4 oil and gas. It's very well documented down in the Unocal yard
5 on the Kenai Peninsula. You would probably find a lot more
6 documentation up on the North Slope.

7 Oil and gas, or any kind of energy resources that you
8 dig out from under the surface of this Mother of ours -- that
9 provides your life, it provides your food, that provides the
10 clothes that you are wearing, it provides the building that you
11 are sitting in at this present moment -- you must look farther
12 than a couple of years ahead of you. For those that have
13 children, do you want them to be sick? Do you want them to be
14 unhealthy? Do you want them to have the highest education that
15 they can? If they are ill, they cannot have that highest
16 education because they cannot think clearly.

17 I bring before you today the convention on the rights
18 of the child that President Clinton just signed approximately
19 three weeks ago. Under Articles 24, Section 1, it says,

20 "The state parties recognize the right of the
21 child to the enjoyment of the highest attainable
22 standard of health and to facilities for the
23 treatment of illnesses and rehabilitations of
24 those health (sic)."

25 It also goes on to say, under Article 32,

1 "State parties recognize the right of the child to be
2 protected from economic exploitation...."

3 Oil and gas lease sales, wherever they may be, not only in Cook
4 Inlet and the Bering Sea and the Arctic Ocean. Over in Kuwait
5 where, if you want more oil, just keep protecting the Emir.

6 "...and from the performing of any work that is
7 likely to be hazardous or to interfere with a
8 child's education, or to be harmful to the
9 child's health or physical, mental, spiritual,
10 moral, or social development.

11 "The state parties shall take legislative,
12 administrative, social, educational measures to
13 ensure the implementation of these Articles. To
14 this end, and having regard for the relevant
15 provisions of other international instruments,
16 state parties shall in particularly (sic) pro-
17 vide for appropriate penalties or other sanc-
18 tions to ensure the effective enforcement of
19 these Articles."

20 You sit here claiming to represent the United States
21 in a territory that the United States does not have any author-
22 ity over based upon the United Nations Charter, which the
23 United States became signatory in 1945. Under Article 73,
24 United States has a sacred obligation to bring the inhabitants
25 of Alaska up to self-government. Instead, military personnel

1 was shipped to Alaska during World War II and resulted in what
2 people call the state of Alaska.

3 However, prior to that, the United States, in their
4 laws, in their organic documents, say that they will have our
5 consent before they appropriate our lands or assume jurisdic-
6 tion over us. In Alaska you say, 'Well, the United States
7 bought it.' No, that is not true. That is what a lot of these
8 teachers and history writers would like you to believe.

9 But when you go and you look in the archives in the
10 Soviet Union, you will find a memorandum that the United States
11 calls "Memorandum Descriptive," marked AA. We call it the
12 "Koslitzof (ph) Memorandum" because after the United States
13 bought the Russian-American Trading Company, or expended the
14 \$7.2 million that they expended to assert this claim that they
15 bought Alaska, Secretary Seward wrote to Czarist Russia, says,
16 'What did we buy?' They wrote back with this document and told
17 him that they bought the Russian-American Trading Company and
18 117,600 square feet of land in New Archangel, commonly known
19 today as Sitka.

20 So that is the authority that the State of Alaska and
21 the United States government has here in my territory until
22 such time as the United States or the State of Alaska obtains
23 consent from the Alaska Native people, not from 576 of them, as
24 there was during the land claims, because that Act is null and
25 void because the majority of the adult members of Alaska

1 Natives, in 1971, did not have the opportunity to vote. Now, I
2 bring this up because in 1924, all Indians were declared citi-
3 zens of the United States, provided that it did not deprive
4 them of their tribal or other property.

5 Myself, I am no citizen of the state of Alaska. I am
6 not a citizen of the United States. I am a D'Nai citizen.
7 This is my territory to protect. In your documents, you say
8 that we said we're the owners. In western mentality, yeah,
9 we're owners, but in traditional mentality, no one owns our
10 Mother. We are the caretakers, and we intend to take care of
11 it however we can.

12 You may say that we're racist. Well, I was brought
13 up in your educational system, and I probably am a little
14 racist because of the oppression that the United States govern-
15 ment has not only done here in Alaska but has done everywhere
16 it has touched, outside its supposed national boundaries.

17 The oil and gas lease sales, or any other develop-
18 ments that you must dig out from underneath the ground, you
19 promote death for all natural life. When you use the surface,
20 you are promoting life for all natural life because Creator and
21 our Mother gave those things to us to use. The things that are
22 underneath the surface are like the organs in your body. the
23 oil and the gas are like the blood that flows through your
24 veins. The coal is the liver; the uranium, the lungs. And you
25 can go on and relate these to your own body. Now, if you were

1 to take these things out of your system, what would happen to
2 you? You'd die.

3 That is what this plan is all about, killing people.
4 Animals are people. You may not be able to speak with them,
5 but many indigenous people can yet to this day. I'm not one of
6 them, but I'm here speaking for those that have no means to
7 speak, such as the fish, the animals, the plants, the trees,
8 the unborn children, and our future generations because what
9 you do now, they're going to have to deal with. They're going
10 to have to clean it up because you will already be dead and
11 gone from old age.

12 My elders in the village told me when they were kids,
13 the old people then, they were talking about all of this pollu-
14 tion. And the old people says, 'Oh, don't worry because young
15 people will figure it out, and they'll learn how to deal with
16 it.' Well, that's you guys. Now, it's us. We're still trying
17 to figure out how to take care of it, and you guys keep dumping
18 more and more and more on us. And the health of the people,
19 not only the two-leggeds, the four-leggeds, the winged, the
20 fish, they're all suffering at the actions that the United
21 States has taken, just in the name of dollars.

22 This is not appropriate ideology. You cannot expect
23 to get wealthy when your health is not there. The contaminants
24 that these oil companies have already released in the Inlet, in
25 Prince William Sound, on the North Slope have already damaged

1 the ecosystem in Alaska. And you're proposing more. That's
2 insane. The reality behind what is going on here is not clear
3 thinking. With the technology that the United States has, the
4 technology that the international community has, there is no
5 reason why they have to use oil and gas or coal or uranium or
6 any of these other sources.

7 People complain about people on welfare and unemploy-
8 ment. This is part of the cause why they're on welfare and
9 unemployment, because you do things that are not including
10 them. This is excluding them. And you say that, 'Oh, it'll
11 provide jobs.' Well, doesn't do me a heck of a lot of good
12 after I get sick from the jobs that you want to provide me.

13 We have deep concern about this because since the
14 last time we were here, our salmon hatchery is constructed, it
15 is operational, and we have had two releases so far. And we're
16 on the very end of the northern Cook Inlet. They said it
17 couldn't be done, but it is. We have a salmon hatchery that we
18 took no State or federal money to construct, we took no State
19 or federal permits to construct. Our traditional sovereign
20 tribal government says, 'We're going to build it,' and we built
21 it as a model program for alternate economic development pro-
22 jects.

23 And our first criteria for an economic development
24 project is, Is it environmentally safe? After that, Is it
25 sustainable? Oil and gas is not sustainable. It's only sus-

1 tainable if you leave it in the ground so that it can provide
2 the nutrients and the life for what is on surface. These are
3 things that need to be considered.

4 In your report, you say all of our comments that
5 Chickaloon Village made in Homer and in this room here are
6 being negated because you say that you don't know whether they
7 should be dealt with or not. They must be dealt with because
8 you have no legal authority to propose a oil and gas lease sale
9 in my territory without the consent of our people. The laws
10 are very explicit; all you have to do is read them. I did not
11 graduate high school, nor did I ever go to college, but I can
12 still understand it because I learned how to read by the time I
13 was in third grade. And I've done a hell of a lot of studying
14 because my life depends upon it, and so do the life of my
15 children and those that are not here yet.

16 Try and look seven generations ahead of you and ask
17 yourself what's going to be there for them when they get here,
18 when it's their time to deal with this. And if you cannot come
19 up with a good answer, then you'd better not do it because
20 you're dumping on your kids, and they don't deserve that. They
21 don't deserve to be dumped on like the United States has been
22 dumping on them. They don't deserve to be dumped on like the
23 State of Alaska has been dumping on them.

24 People's lives are at stake when you go and try and
25 develop these so-called resources that are the vital organs of

1 our Mother Earth. They're not resources; they're vital organs.
2 And without them, this Mother of ours will die. As many of you
3 have already seen, the earthquakes, the tidal waves, the hurri-
4 canes, all of these things are signs of purification. Our
5 Mother is starting her purification.

6 Men, we have to go to a sweat lodge, a woman has her
7 monthly moon to purify. How is our Mother Earth going to
8 purify? How many of us are going to die because we have abused
9 our Mother? How many of us are going to have to suffer because
10 of the abuse of our Mother, the life-giver? She gave your
11 life, and she gave mine. And if we protect her and keep her
12 clean and healthy, she will grant many more people lives. But
13 if things like this continue to happen, we are all guaranteed
14 one thing, and that's death, at a much faster rate than Creator
15 ever wanted it to be.

16 You have to live with yourselves, but I hope that you
17 can sleep at night because what you're doing is you're killing
18 millions of children around this Mother Earth of ours. By
19 going over to Kuwait and protecting the Emir is one example.
20 Supposed to be against dictatorships, but yet only when it
21 doesn't have to do with oil and gas. The only reason the
22 United States went to Somalia was because of oil and gas. It
23 wasn't humanitarian aid. It had to protect the Saudi Arabian
24 oil fields.

25 And now you're coming to my territory and trying to

1 tell me that you're going to allow multi-national energy corpo-
2 rations who the United States subsidizes into my territory to
3 kill me and pollute the lives of all of these animals, to
4 pollute our food. That hurts. That shows how much you care
5 about what gives you your life. We need assistance from
6 Minerals Management Service to start protecting people and
7 managing these minerals in an appropriate way so that the lives
8 of our children will be healthy, so that they can have a good
9 education.

10 People are afraid about indigenous people asserting
11 their sovereignty. What they should be more afraid of is not
12 recognizing their sovereignty. That's what they should be
13 afraid of, not if they recognize us. Because this land and all
14 of these buildings, the buildings are whoever built them. The
15 land is ours to take care of; it was never for sale. And it's
16 not for sale today, and it won't be sale for tomorrow (sic),
17 nor a year from now -- or at least until I'm dead.

18 (Off record)

19 (Tape Change - Tape No. 2 of 2)

20 (On record)

21 BY MR. HARRISON (Continuing):

22is that I want each of you to tell me, to start with, who
23 makes the decision on these sales. Who is going to make the
24 decision on this particular sale, on whether they're going to
25 do it or not?

1 MS. GOTTLIEB: The decision will be made either by
2 the Assistant Secretary or by the Secretary of Interior.

3 BY MR. HARRISON (Resuming):

4 Bruce Babbitt is the Secretary of Interior. The
5 Assistant Secretary, they got many of them. But Deere Ada
6 (sic) is in town today. Our tribal chairman and the matriarch
7 of our village has had a meeting with her this morning. This
8 is one of the issues that was discussed, as well as the protec-
9 tion, the rights protection, of indigenous people in Alaska
10 because the Interior Department is not doing their job. And
11 their job, and their laws, says that they will uphold the
12 United States Constitution.

13 And I just don't understand why you have not went to
14 the villages and asked if they wanted this, in an election, in
15 a vote, because without that, you have no authority. Without
16 the consent of the villages in this area, you have no author-
17 ity. There are five villages in this area that have come
18 together and signed a treaty amongst ourselves. So it's not
19 just Chickaloon you're dealing with. There's others that are
20 like-minded. They may have a little different strategies, but
21 the point is, oil and gas is obsolete.

22 And how many people are you going to kill for a
23 dollar? What is the value of my kids? What price tag have you
24 put on my children? Because, to me, there is no value because
25 you cannot put a price on it. My children are not for sale,

1 not just so somebody can put a big bank account in some Swiss
2 place or down in the Caribbean or wherever else they may want
3 to try and hide their so-called fortune. 'Cause when you get
4 sick, it knows no race.

5 So I hope that I have been able to touch your heart,
6 to open your eyes, and clean out your ears so that you hear
7 what is around you. I live in the country; I don't live in
8 this place called Anchorage because I can't stand to hardly
9 come here. It makes me sick to see all of this pollution.
10 There are many alternate means to cut down on the need of oil
11 and gas. With all of the reserves full to the brim, why do you
12 need more? Put people to work instead doing something clean
13 that will feed them, that will clothe them, that will house
14 them. Oil and gas, you can't eat it, you can't drink it. The
15 only thing you can get from it is sick.

16 So I will say some prayers for you to hope that you
17 understand and that maybe the positions that are taken when you
18 look at developing these so-called minerals that are vital
19 organs of our Mother, that you will take a stronger stance for
20 the protection of those that cannot speak or those unborn
21 children that are yet to come, because those are the future.
22 And remember, don't shit in your own back yard. This is mine.
23 I want to keep it clean. And I cannot keep it clean if you
24 don't assist me. Thank you.

25 MS. GOTTLIEB: Thank you. George, I believe you

1 signed up next.

2 PUBLIC TESTIMONY OF MR. GEORGE MATZ

3 My name is George Matz. I'm from Anchorage here.
4 Nearly three years ago, Minerals Management Service held a
5 workshop on environmental risks that they invited a number of
6 people to from the local communities and fishermen, industry
7 and environmentalists. And I participated in this representing
8 the Anchorage Audubon Society, and it was a very good workshop.

9 There were some really outstanding consultants run-
10 ning this, and one of the things that really stuck with me that
11 came out of the workshop is they questioned how the EIS process
12 is normally run by federal agencies. And they said, well, you
13 know, what typically happens is you have all these technical
14 people write this very technical document, but then they ask
15 the public to comment on this. And they'll ask, you know,
16 'What do you think about, you know, X number of ppm's on
17 this -- or, you know, chemical as opposed to Y number of
18 ppm's?' And most people don't really understand.

19 And you know, the -- what these consultants basically
20 brought out is what an EIS should be doing is trying to get
21 values from people instead of these very technical judgments on
22 these very technical matters. And as I was thinking about what
23 to say, I -- that really struck home to me because, you know, I
24 know this whole EIS proce- -- this OCS process is very techni-
25 cal and everything, and I certainly haven't bothered to keep up

1 with it or read all the stacks of papers or the Draft EIS, but
2 I certainly have a lot of values that I think are important.
3 And while I'm not able to tell you technically what should be
4 done, I would like to express these values.

5 Let's see. I think, as you all know, this -- the
6 area is really surrounded by some outstanding natural values
7 and which is represented by the national parks and wildlife
8 refuges and state parks in this whole area. And I think you
9 also know that besides these high natural values, there's also
10 a lot of risk to changing anything. There's -- or any kind of
11 development in the area. Whether it be oil and gas or anything
12 else, there's seismic risks, there's volcanoes, the ice in the
13 Inlet, and, you know, all these things which I'm sure you're
14 familiar with.

15 So given the high values and the high risks, you
16 know, it doesn't seem to me that an oil lease is really appro-
17 priate, and especially when you consider that this area is
18 still suffering the stress from the Exxon Valdez oil spill, and
19 then plus the fisheries are -- the fish harvesting has been a
20 problem. When you add all these things together, it just seems
21 inappropriate to even be considering this.

22 Well, let's see. Back at this workshop we had three
23 years ago, they -- this was brought out also. And so I brought
24 with me the final report that was done by the consultants, and
25 they -- and some of the things they brought out, it was a

1 result of the people at the workshop and what they expressed
2 regarding the -- any environmental risks and geological risks
3 and everything else, pretty much are -- coincide with what I'm
4 saying now. But I would like to read here what they mentioned:

5 "The risk management methods used by MMS should
6 be state-of-the-art. Unfortunately, our conclu-
7 sion, based on the background documents provided
8 to us by MMS staff, as well as what we have
9 heard from the workshop participants, is that
10 current MMS risk management practices and the
11 potential of what could be done as a major con-
12 tributor to many of the problems now confronting
13 the agency...."

14 Let's see. I -- let's see. I didn't read that right. Oh.
15 Well, let's see. They mention a decline -- there's a decline
16 in public confidence and trust, a decline in oil and gas
17 industry confidence, and a decline in morale among MMS
18 employees.

19 Well, that was the -- what the consultants wrote up
20 three years ago, and as I've mentioned, I've -- you know, I've
21 followed this issue with OCS oil lease sales in terms of the
22 media. I haven't read all the documents and everything, but my
23 values and my perception of how well these values are being met
24 is things haven't changed much. You know, you read in the
25 paper that tankers are -- their engines are failing in Cook

1 Inlet, and they're about ready to be washed up and -- on the
2 beach, and there's just a -- just ongoing oil spills and toxic
3 waste being spilled in the Inlet.

4 So, you know, I think it's -- you know, basically, I
5 would -- the point I want to make is my values are that it's
6 just that it's not at all conceivable to have an oil lease in
7 this area. And my perception of the problems are that things
8 haven't changed since the -- these consultants wrote this
9 summary of this report three years ago. So that's all I have
10 to say.

11 MS. GOTTLIEB: Okay.

12 MR. MATZ: Thank you.

13 MS. GOTTLIEB: Thanks for telling us that. Bob Wolf.

14 **PUBLIC TESTIMONY OF MR. ROBERT WOLF**

15 Hello. My name's Robert Wolf, P.O. Box 1125, Gird-
16 wood, 783-2743. I'm here to represent UCIDA first off and
17 myself second.

18 First, as representing UCIDA, the United Cook Inlet
19 Drift Association, we've met frequently with MMS on this lease
20 sale and given our input, and our input has always been that we
21 would like to see no oil development north of our south line,
22 which is the latitude of Anchor Point; 59-46-12 is our exact
23 Loran line that we have to stay above.

24 In the past years, we've been losing more and more
25 ground, drift area, where we traditionally have fished. Where

1 they fishery traditionally started, we've been losing more and
2 more ground, and it's been pointed out in a few meetings that
3 the bulk of our fishing activity doesn't take place near shore
4 as much but in the middle of the Cook Inlet. We do fish in-
5 shore, within three miles, when the State requires us to, but
6 most, if not all, Cook Inlet fishermen prefer fishing in the
7 middle of Cook Inlet. That's where the bulk of the fish are;
8 we fish the tide rips, and that's where the tide rips are.

9 We have requested, a lot of times, to see that area
10 north of 59-46-12 deleted from the sale. We've got the Alter-
11 native 5; the coastal fisheries' deferral is one section, and
12 you get a couple of shaded areas on the sides, but that middle
13 of Cook Inlet is still up for lease. We're fairly disappointed
14 to see that still up for lease, but obviously, when we look for
15 where to go fishing, you go as close to the guy who's catching
16 fish. Well, in Cook Inlet, they're pumping oil in the north,
17 so we -- I'm sure they really want that northern part of this
18 lease sale open.

19 With as much that goes on with these lease sales, I
20 know you can't do everything; however, when you talk about
21 managing the risks, reflecting back on things, the main risk,
22 and most of the risk, is brunted by the commercial fishermen
23 and the subsistence users and the sport or personal use people
24 of the area. That is where the risk is.

25 If there is an oil spill, the risk for that first

1 year will fall on all user groups. There -- the possibilities
2 of having to stay off of the Homer halibut grounds is there.
3 The possibilities for the commercial fisheries to be halted
4 completely, which has happened, exists. The possibilities of
5 having contaminated subsistence or personal use foods defin-
6 itely exists.

7 However, as time goes on, the risk still falls mostly
8 on the commercial fishers. If you look at Prince William
9 Sound, everybody says, 'Well, it's clean. There's no more oil
10 washing up. We can go back to normal.' Well, yeah, they can
11 go kayaking still and not see oil, and go recreational boating
12 and not see oil. They can go halibut fishing and not see oil.
13 However, which is one reason this lease sale had been delayed,
14 was to find out what the effects of the Exxon Valdez oil spill
15 was. And I think right now it's still at an early stage of
16 information-gathering, you might say, as far as what damages
17 have occurred.

18 Obviously, Prince William Sound is having trouble
19 with their herring. What troubles that might have contributed
20 will be argued until the next century. Likewise in Cook Inlet
21 with the Cook Inlet sockeye run, I've had to definitely take a
22 hard look at my business and say, 'Well, can I continue fish-
23 ing, or do I need to sell out because there possibly will not
24 be any fishing in 1996?'

25 Fortunately, the season last year was not a doomsday

1 season. I still had to make the moves to sell some fishing
2 assets, a permit, to be able to, hopefully, continue to be in
3 business this year. That Exxon oil spill is still affecting
4 us. I mean, in that way is one. Another way is the Prince
5 William Sound fishermen are no longer able to fish Prince
6 William Sound. Well, they've got -- that has put more pressure
7 on the Kodiak herring fishery. And I've been a participant in
8 that fishery for 10 years, and it is very noticeable, the
9 effects -- the economic effects of the Sound fishermen coming
10 into the Kodiak area.

11 One example is in 1993, the Kodiak processors would
12 not buy fish under 130-gram weight. However, after the Sound
13 crashed that year, Icicle Seafoods came in and bought one
14 entire district on small fish, which closed it to us local
15 Kodiak -- quote, "Kodiak fishermen" to have any chance of
16 harvesting of fish that were of value. There were Kodiak
17 fishermen actually releasing those small fish 'cause their
18 market wouldn't take it. But when the Sound fish came back,
19 they ended up catching them, and Icicle bought them. Icicle
20 isn't really a player down there, but if you're not buying fish
21 in the Sound, you're going to look for some place to buy fish.

22 So this Exxon Valdez oil spill damage, and continuing
23 damage, is still, I think, like I said, in the early stages and
24 needs to be more documented by an environmental impact state-
25 ment like this. I, for the -- I butchered over 130,000 pounds

1 of halibut myself in the past 12 years, and this year I fished
2 off of Point Elrington and off of Prince William Sound, and
3 it's the first time ever I've seen halibut with abnormal look-
4 ing gonads.

5 There's a lot of things that could be cropping up
6 that are related to the spill that we might not ever know
7 about. With funding being cut, the federal government's out of
8 the lawsuit, the State government's out of the lawsuit.
9 They're not pouring much more into it. We had the Exxon Valdez
10 Trustees Council, which is doing their work as best they can,
11 but to start wanting to do another lease sale so close to this
12 disaster is a little hard to take, and therefore, you know,
13 you're running into a lot more opposition. And rightfully so,
14 because the people at risk are the local people in the area.

15 And so for UCIDA, I would like to see that area of
16 60-46-12 North still deleted from the sale tract. It'd be like
17 putting an espresso stand in the middle of Seward Highway,
18 where you have to dodge it. And you kind of know it's there
19 coming up at 36th Street and you've got to dodge it, but it
20 still is going to mess up your traffic pattern. And that's
21 what our fishery -- we drift sometimes up to 10 miles of drift,
22 and to have to pull up out of a good fishing set to jump over a
23 half a mile to miss this oil rig is going to impact our
24 fishery.

25 We've been impacted by oil development. I bought my

1 permit in 1987, and I've been locked in legal lawsuits with oil
2 spills since that date. We had the Glacier Bay spill in 1987,
3 and I've been a plaintiff ever since, unfortunately.

4 And then some more on my own personal views, as a
5 victim of that spill and the Glacier Bay spill, we've taken the
6 brunt of these mistakes -- the fishermen have. The Anchorage
7 population per se, unless you're a fisherman or something,
8 aren't really adversely affected by it economically. You might
9 be outraged, but to be a fisherman and to have a season yanked
10 out from under you and another season just totally thrown in
11 disarray within two years of each other, personally, it gets
12 really hard to take, and it's getting old.

13 We have Exxon with their same arrogant manner, and
14 it's hard to -- as a citizen of the United States, to let my
15 government give these oil companies a chance to do this to me
16 again. It really -- it -- my salmon season is only one month a
17 year. It's not a long time; however, that's the bulk of my
18 income. I commercial halibut fish in Area 3-A, and that's also
19 a bulk of my income. My herring income has been affected year
20 after year, and it's -- it hits home.

21 And that's one place where I think these environ-
22 mental impact statements should also look for a better view of
23 what it might do had there be a spill (sic), is you need the
24 input from the people who've been affected by spills in the
25 past to find out what traumas, stresses, and things that have

1 affected their own personal lives. It's -- I've shared them
2 with you before in other meetings.

3 So I think that to start your lease sale right now is
4 still a little bit too close to the Exxon Valdez data-gathering
5 stage. There's still no explanation on what exactly Prince
6 William Sound herring is doing, from a 16,000-ton quota to a
7 1,000-ton quota, and then a zero quota, something happened.
8 Seeing abnormal looking halibut gonads made me wonder, espe-
9 cially when that area was directly right there at the outlet of
10 Prince William Sound where that oil went to.

11 There's a lot of unanswered questions yet, and I
12 think that that needs to be definitely considered if you con-
13 tinue this environmental impact statement further. And I think
14 that's all I have.

15 MS. GOTTLIEB: Appreciate it.

16 MR. WOLF: Mm hmm (affirmative).

17 MS. GOTTLIEB: Thank you very much. Terry Burrell.

18 **PUBLIC TESTIMONY OF MS. TERRY BURRELL**

19 Thank you very much. I appreciate your coming and
20 listening. I'm not just an Anchorage person, I consider myself
21 a Matanuska Valley person, a Ninilchik person, a Seldovia
22 person. I think most anyone that you talk to from Anchorage
23 doesn't have interests all over Southcentral if not complete
24 northern parts of the state, you're not just hearing from
25 Anchorage.

1 My name is Terry Burrell. I would support 149. I've
2 been here 36 years. I was part of the founding membership of
3 Alaska Center for the Environment. I'm extremely concerned
4 about how the federal government treats the resources, and I
5 appreciate their stand that they have taken on hunting and
6 protecting, trying to get a balance in the hunting venue. I
7 also feel that we have a balance here on the oil discovery
8 also.

9 When the Exxon Valdez spill hit, I sent my entire
10 monthly social security tak- -- check to protect Seldovia Bay.
11 The social security is small, but it was well earned. When --
12 in the '70s, when I was trying to make it on my own -- I'm
13 post-polio syndrome now, but I went without heat and food in
14 order to stay in my home. And the government then was asking
15 12 percent on top of your -- it didn't matter if you had enough
16 for your house, it was 12 percent straight for self-employed
17 people for social security.

18 So I figure my social security check had really good
19 meaning to send it so that we could protect the bay there. And
20 I also, during a period of time, I guess you could call me a
21 subsistence person because I ate freezer throw-away salmon sent
22 over for my dogs. I've never asked for welfare or food stamps.

23 The drug and alcoholic problem is something that is
24 really tearing us apart. It -- the -- our non-Alaskan, our
25 non-U.S. Chickaloon Village speaker who says that besides he's

1 fighting for sovereignty, he spoke of the concern for chil-
2 dren's health. His thrust should have been to stop alcohol,
3 drugs, and illegitimacy among his children, his very young
4 children. Millions of dollars in land claims and still mil-
5 lions of dollars in food stamps, Medicaid, welfare, energy
6 assistance, drug rehabilitation pour in from the State and the
7 U.S. government.

8 The State spends more to regulate our very important
9 departments, such as Fish and Game, Mining, Minerals, Timber,
10 and none of these other industries break even to support their
11 own departments. Oil and gas, the profits from oil and gas
12 come in and make these very important regulatory agencies
13 viable. We wouldn't have the money to protect our other indus-
14 tries if we don't have the oil and gas money.

15 Hatcheries are greatly supported by oil and gas
16 revenues. If it didn't come directly from the oil and gas, you
17 have grants. You've had large grants that have come in to
18 establish these hatcheries. I'm all for upgrading and making
19 our fisheries a sustainable and growing industry, but when you
20 talk about 85 percent of all state revenues come from oil and
21 gas, and this is based on the 90-percent State royalty/10-per-
22 cent federal government.

23 You also need to know that 30 percent of every
24 Alaskan's income was paid by oil and gas, the -- another lar-
25 gesse that comes from the federal government. I would like for

1 you to refer to the ISA (ph) Report, University of Alaska. I
2 don't have to ever expect to donate another social security
3 check because of the tremendous changes in safety regulations,
4 with the emphasis on prevention of violations and preventions
5 of spills.

6 The close-in leases that you're talking about, you
7 have the ability to contain, to prevent, all of these measures.
8 We've been drilling for 30 years. In 1969, you could have said
9 no to ANWR. You can't say no now because of you need to have
10 reasonable sustainable development. The fishermen have,
11 because of the oil industry, had low-income loans, tremendously
12 low-income loans. They have had years where they don't have to
13 pay anything because the fish has been -- and this was before
14 the spill -- because the fish harvest was up or it was down, or
15 it was whatever. The State has forgiven, a lot of years, for
16 them to be able to keep their boats.

17 They also -- many of them I know of claim food
18 stamps. And everybody collects a thousand dollars or more per
19 family member. I think 60-48 North can be developed. I think
20 that money to buy permits comes from oil. The oil spill set-
21 tlement paid thousands of dollars to each and every fisherman
22 for work that they didn't do based on past performances.

23 So I really feel that Alaska, financially, has not
24 only been made whole, but it has been able to grow and to not
25 only subsist -- I mean, I don't really personally feel that

1 there is a true subsistence in Alaska. If you take away your
2 food stamps, your energy assistance, your welfare checks, take
3 all of that away, and then say, 'Okay. Now, subsist.' True
4 subsistence does not exist in Alaska. We are an oil economy.

5 We need to stop the interception of Alaskan stock,
6 salmon stock, fisheries, in the open sea. I believe that we
7 have had a causal decline because of the problems of other
8 states, Japan, before we had the 200-mile limit, even the
9 violations here. Where is your regulation going to come from
10 then -- there?

11 I really support the -- your program because I feel
12 that it is not only do-able, but it is safe, and heavens, it is
13 totally necessary. Thank you.

14 MS. GOTTLIEB: Thank you very much, Terry. And
15 George Schmidt.

16 MR. SCHMIDT: Did you call me?

17 MS. GOTTLIEB: Yes, George.

18 MR. SCHMIDT: I can't hear very well.

19 MS. GOTTLIEB: Yes.

20 **PUBLIC TESTIMONY OF MR. GEORGE SCHMIDT**

21 My name is George Schmidt, and I've been a resident
22 of Alaska since 1948 and a continuous resident of Anchorage
23 since 1962.

24 Is it all right if I read this?

25 MS. GOTTLIEB: That'd be perfectly fine.

1 BY MR. SCHMIDT (Resuming):

2 I favor scheduling sale of the acreage in lower Cook
3 Inlet and northwest Shelikof Strait. Declining production in
4 the United States with respect to imports would seem to dictate
5 doing everything reasonable to restore the balance. Currently,
6 we import over 50 percent of our petroleum needs. We don't
7 know if there's petroleum in the area. Before locking it away,
8 however, prudence would dictate that we find out.

9 There will always be some risk in petroleum extrac-
10 tion. There is risk in nearly everything. But the U.S. has
11 one of the safest records, a record that improves every year.
12 If we insist on importing more and more oil without exploring
13 our own potential basins, we will justify the term "pollution
14 exporters." Our record is good. Let us help it to become
15 better by exploring this high-potential area.

16 Thank you.

17 MS. GOTTLIEB: Thank you.

18 (Pause)

19 MS. GOTTLIEB: Is there anyone else who would care to
20 testify?

21 (Pause)

22 **PUBLIC TESTIMONY OF MR. KEVIN TABLER**

23 Yes, thank you. My name is Kevin Tabler; it's T-a-b-
24 l-e-r. I'm the Land Manager for Union Oil Company of Califor-
25 nia, and I've got a few prepared comments, and I've provided

1 written comments for you that I might have.

2 Union Oil Company of California appreciates this
3 opportunity to comment on the Minerals Management Service Draft
4 Environmental Impact Statement and proposed notice of sale for
5 Cook Inlet Sale 149.

6 The MMS is to be commended on its thorough investiga-
7 tion and analysis of the potential socioeconomic and environ-
8 mental impacts that the Cook Inlet sale would have on the
9 surrounding community and on the Inlet itself. We are nearing
10 the final stages of a very lengthy, exhaustive, and very expen-
11 sive identification process which has begun many years ago.

12 The subsequent 1992 call for information and nomina-
13 tion requested information which was used to identify potential
14 conflicts in the coastal management plans. Environmental
15 concerns, mitigating measures, lease terms, stipulations, and
16 conditions were all to be identified. Comments were received
17 at that time from industry, State of Alaska, federal agencies,
18 environmental groups, fishing groups, local and area represen-
19 tatives, and, of course, private citizens.

20 Numerous workshops and scoping community meetings
21 with groups having a vested interest were conducted throughout
22 the region to inform the public and to gather comments on the
23 proposed sale, with more of those planned meetings held this
24 month. All this data was collected and forms the basis of the
25 Draft EIS. Relevant comments and concerns expressed have been

1 addressed in the Draft EIS, resulting in a significant reduc-
2 tion in the sale area.

3 My point being, a very comprehensive review has been
4 conducted, confirming that the 30 years-plus history of oil and
5 gas exploration and production has not only been compatible
6 with multiple use of Cook Inlet, but has indeed been an
7 extremely critical component in communal development, socioeco-
8 nomic enrichment of the area. Many environmental studies have
9 been conducted over the years on the hydrology of Cook Inlet
10 and on the impact of oil and gas industry discharges in Cook
11 Inlet. These studies have concluded that no adverse environ-
12 mental impact has occurred.

13 I've attached to my comments a copy of three of the
14 most recent Cook Inlet studies, each evaluating different
15 parameters, conducted by Union Oil Company of California,
16 Marathon Oil Company, CIRCAC, the Citizens Advisory Council,
17 and, of course, one that you're very familiar with, the MMS
18 study. All three are positive confirmations of the good health
19 of Cook Inlet. Not only has Cook Inlet not experienced envi-
20 ronmental degradation, but users of the Inlet have invested in
21 a spill response cooperative, and this is CISPRI, located in
22 Cook Inlet and employing the most sophisticated oil spill
23 response equipment, manpower, and training available.

24 Oil and gas resources in the state of Alaska play an
25 important role in the energy policy of the United States. Oil

1 and gas exploration and development in Cook Inlet has had a
2 significant positive fiscal impact on the state of Alaska and
3 local municipalities and communities. There is no indication,
4 in 30 years-plus of oil industry operations within the Cook
5 Inlet basin, of any harmful effects to fish and wildlife and
6 their habitats, or human use for subsistence, recreation, or
7 commercial exploitation.

8 Lease stipulations, mitigating measures, and condi-
9 tions derived through the EIS process will ensure adequate
10 safeguards exist to protect the environment and provide for
11 responsible oil and gas development. We therefore encourage
12 the evaluation process to continue, culminating in the best
13 interests of the people of the United States by holding Cook
14 Inlet Sale 149 on schedule.

15 And I thank you.

16 MS. GOTTLIEB: Thank you, Kevin. Is there anyone
17 else who wants to testify?

18 (No audible response)

19 MS. GOTTLIEB: Well, I suggest we break for about 10
20 minutes then. Thank you.

21 (Off record at 4:20 p.m.)

22 (On record at 5:00 p.m.)

23 MS. GOTTLIEB: We'll reopen the hearing, and we have
24 one more person who would like to testify. Paul?

25 **PUBLIC TESTIMONY OF MR. PAUL HOHENLOHE**

1 Okay. My name is Paul Hohenlohe. I work with the
2 Wilderness Society, the Alaska Regional Office of the Wilder-
3 ness Society here in Anchorage. And the Wilderness Society, at
4 least in our Anchorage office, focuses mostly on federal lands
5 within the state, so that offshore oil leases are not normally
6 in our field of attention. But we feel that this particular
7 lease sale plan would have a serious impact on many federal
8 areas, including several national wildlife refuges and national
9 parks along the shoreline.

10 The impacts of oil development have been felt in
11 other areas with the inevitable small oil spills and the cumu-
12 lative effect on the adjacent ecosystem of those oil spills.
13 Even the planning for this lease sale accepts that there will
14 be some small oil spills associated with it. And we feel that
15 this lease sale could have a detrimental effect on the ecosys-
16 tems of the national wildlife refuges and national parks which
17 are adjacent to the area.

18 So therefore, we have some serious reservations about
19 this oil and gas lease sale.

20 MS. GOTTLIEB: Okay. We appreciate you coming out
21 this afternoon, and.....

22 MR. HOHENLOHE: Okay.

23 MS. GOTTLIEB:thank you very much.

24 MR. HOHENLOHE: Thanks.

25 MS. GOTTLIEB: Okay. We'll close. Thanks, Paul.

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(Whereupon, the proceedings in the above-entitled
matter were adjourned at 5:10 p.m.)

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1 DEPARTMENT OF THE INTERIOR
2 MINERALS MANAGEMENT SERVICE

3
4
5 OFFICIAL TRANSCRIPT

6 PUBLIC HEARING

7 COOK INLET SALE 149
8

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10
11
12 Kenai Merit Inn
13 Kenai, Alaska

14
15 Monday, March 6, 1995
16 7:00 o'clock p.m.

17
18 MMS PANEL MEMBERS

19 Mr. Bob Brock
20 Regional Supervisor, Leasing and Environment of the
21 Alaska OCS Region
22 Mr. Barry Boudreau
23 Regional Supervisor for Field Operations
24 Dr. Ray Emerson
25 DEIS Project Leader, Leasing and Environment Office

Proceedings recorded by electronic sound recording. Transcript produced by transcription service.

(On record at 7:05 p.m.)

(Tape No. 1 of 1)

MR. BROCK: Good evening, and welcome to the hearing on the Draft Environmental Impact Statement for the Proposed Federal Oil and Gas Lease Sale No. 149 in the Cook Inlet. The area that's discussed in the Environmental Impact Statement is shown on this map behind me. And I have a few comments to make before we get started with the public hearing.

My name is Bob Brock. I'm the Regional Supervisor for Leasing and Environment of the Alaska OCS Region of the Minerals Management Service in Anchorage. Other panel members include Mr. Barry Boudreau, who is the Regional Supervisor for Field Operations in Anchorage, and Mr. Ray Emerson, the Project Leader for this Draft Environmental Impact Statement.

This is actually the third hearing on this proposal. We held a teleconference last Friday morning with the town of Seldovia, and then we held the Anchorage public hearing last Friday afternoon. Besides this one, there will be two more hearings, one in Homer tomorrow night and one in Kodiak the next night.

The purpose of the public hearings is to receive views and comments and suggestions of interested individuals and representatives of local government and organizations on

1 the Draft Environmental Impact Statement. The Draft Statement
2 covers approximately 2 million acres which is being considered
3 for leasing, or about 37 percent of the entire planning area.
4 The major goal of this sale, in accordance with the Outer
5 Continental Shelf Lands Act, is to find out more precisely what
6 are domestic energy supplies are, where they are located, and
7 allow them to be produced where it is possible to do so in an
8 environmentally safe manner.

9 We have the responsibility to fulfill the mandates
10 set out in the Outer Continental Shelf Lands Act and its imple-
11 menting regulations. In doing so, we strictly observe all of
12 the requirements of the National Environmental Policy Act, the
13 Endangered Species Act, the Marine Mammals Protection Act,
14 Coastal Zone Management Act, and the Oil Pollution Act. In
15 addition, the Minerals Management Service has in place a host
16 of regulations and operating rules that are designed to assure
17 continued safe and clean offshore oil and gas activities.
18 There are many additional safeguards that I won't go into
19 detail today.

20 Discharges from oil and gas exploration and produc-
21 tion activities will be subject to the Environmental Protection
22 Agency's national pollution discharge elimination system,
23 commonly referred to as NPDES permits. Under a local memoran-
24 dum of agreement between MMS and the Environmental Protective
25 Agency, MMS has agreed, on federal platforms, which are three

1 miles or further offshore, to conduct all the NPDES permit
2 compliance inspections on OCS facilities in conjunction with
3 normal drilling and production inspections.

4 Under this agreement, the MMS collects samples of
5 discharges and provides them to EPA for independent analyses.
6 MMS has been conducting these compliance inspections in federal
7 waters in Alaska since 1989. We are aware that EPA recently
8 fined companies in upper Cook Inlet for violations of the
9 permit conditions related to discharge that exceeded permit
10 levels, mostly for sanitary and domestic waters (sic), but also
11 for some oil and gas -- oil and grease discharges.

12 The MMS recently completed a water quality study in
13 Cook Inlet which examined hydrocarbon concentrations in the
14 water, sediments, and mussels and found no evidence of hydro-
15 carbon contamination. The MMS study did not look for
16 contaminants related to sanitary and domestic waters (sic).
17 However, the study did perform sensitive life stage bioassays
18 which indicated no harmful levels of contaminants in general.
19 These study results are discussed in the Draft EIS, and the
20 final report is available.

21 This Draft Environmental Impact Statement represents
22 approximately three years of preparation, which included such
23 actions as the call for information, area identification, and
24 scoping. You have been a part of this process through your
25 earlier comments, and are being asked once again to give us

1 your comments on this document. The Environmental Impact
2 Statement is a very important element in the discussion
3 process -- decision process. The law requires considerable
4 consultation with the Governor to balance national needs with
5 the well-being of local citizens.

6 We want everyone here to understand that MMS does not
7 take this proposal lightly and that we approach all leasing
8 decisions very cautiously and carefully. For example, as a
9 result of the public input directly from people like your-
10 selves, the MMS deleted a majority of the Shelikof Strait
11 portion of the planning area, which included 358 blocks, or
12 almost 2 million acres.

13 Also, the 149 Draft EIS contains mitigating measures
14 for the first time that have been made part of the proposed
15 action at this very early decision process, which was a sugges-
16 tion made at previous public hearings right here in Alaska.
17 There are also additional potential mitigating measures
18 analyzed in the EIS.

19 Another example of our attempts to bring more respon-
20 sive -- of being more responsive to public input is that
21 concurrent with the release of the Draft Environmental Impact
22 Statement for Sale 149, the proposed notice of sale is also
23 available at this time for comment. In the past, the proposed
24 notice of sale was provided after the release of the Final EIS.
25 This time, it's released with the Draft, which would show how

1 the notice of sale would look based on the information in the
2 Draft EIS.

3 I will call today's speakers in the order which they
4 have registered, and if you wish to speak but have not already
5 registered, please register with Dick Roberts, walking up this
6 way. He's normally sitting back by the door. We have just a
7 few rules I'd like you to follow to ensure that the public
8 hearing runs smoothly.

9 Please state your name, address, and the organization
10 or agency which you represent. We would like to have this
11 information properly recorded in the transcript. And we'd like
12 for you to hold your comments down to about 10 minutes or less.
13 If you have prepared written testimony, please give a copy to
14 the court reporter, sitting over here to my far right.

15 An official recorder will make a verbatim transcript
16 of the hearing. Everything that is spoken during the hearing
17 will be recorded. Copies of the transcript will be available
18 through Mr. Robert Carl, who is our recorder, of Executary
19 Court Reporting Services, and his phone number is area code
20 (907) 272-4084.

21 The purpose of this hearing is to improve the quality
22 of our Environmental Impact Statement before it is put in final
23 form. Speakers will not be questioned unless a member of the
24 panel wishes to clarify some information or obtain additional
25 information. We are interested in understanding your views

1 about this Draft Environmental Impact Statement.

2 The comment period for this document closes on April
3 19th, 1995. Until that time, the MMS will accept comments and
4 statements from anyone who would prefer to make a written
5 comment rather than oral. These written comments and state-
6 ments should be sent to our address, and Mr. Dick Roberts back
7 there will be able to provide you with that if you see him on
8 your way out. Remember, all comments have to be received by
9 April 19th, 1995.

10 With that, I'd like to start our public hearing, and
11 our first person is Mr. Mayor, Don Gilman.

12 (Pause)

13 **PUBLIC TESTIMONY OF MAYOR DON GILMAN**

14 Thank you, Mr. Chairman. For the record, my name is
15 Don Gilman, Box 2941, Kenai 99611, is my home address. My
16 business address is 144 North Binkley Street, Soldotna 99669.
17 I'm Mayor of the Kenai Peninsula Borough, and tonight I will be
18 speaking as the Mayor of the Borough.

19 We will be submitting to Minerals Management Service
20 written comments, written analysis, of the Draft EIS, and we
21 have a group of people that are working on that. And it will
22 take us some time because that will go to our Planning Commis-
23 sion, and they will review it in a public meeting and approve
24 the statement or the analysis that will be sent to MMS.

25 I'd like to thank you for the public process that has

1 taken place in both this Lease Sale 149 -- I think it's far
2 improved from what we have had in the past. You have held a
3 number of meetings, informational meetings, educational meet-
4 ings, whatever you want to call them, throughout the Borough
5 and in Kodiak for the last two years, that I'm aware of.
6 Unfortunately, you did not have too many people attend those
7 meetings, but nevertheless, there was a good deal of informa-
8 tion disseminated and has been circulated throughout the
9 community.

10 Sometime in the latter part of 1993 -- and I'm not
11 sure, I don't have the documents in front of me this evening; I
12 know you have them on file -- the Kenai Borough Assembly took a
13 positive position on Lease Sale 149. And it was done in con-
14 junction with and in tandem with the Kodiak Island Borough and
15 the Lakin Peninsula Borough. I believe it was referred to as
16 the Tri-Borough Position. And that position has not changed
17 since that time. Essentially, it's a position that encourages
18 the Lease Sale 149 to proceed provided that -- and I believe
19 there were three comments, caveats, in the resolution.

20 One, that all areas of environmental sensitivity be
21 identified in the -- or adjacent to sale areas through a scien-
22 tific method, which you, in my opinion, have done in the EIS.
23 Secondly, that there be no loading platforms allowed, and the
24 stipulations very clearly that there be no offshore loading
25 facilities be allowed in any development stage. And third,

1 that we encourage the MMS, Department of the Interior, to help
2 the communities develop, with and through Congress, a method
3 where the communities shared the resour- -- or the financial
4 resources directly, rather than as it is now where the State
5 receives some of the funds and the communities sometimes do and
6 sometimes don't get a direct share of those proceeds.

7 Having attended the recent OCS Advisory Council
8 meeting in Virginia last November, it is my opinion that that
9 is being worked on, at the Congressional level as well as
10 supported by the Department of Interior. So that -- whether
11 that resolution had anything to do with that position or not,
12 we'd like to think it did, but whether it did or not, I guess,
13 is arguable. But that is one of the items that is being worked
14 on.

15 I would prefer to let the public have their comments,
16 so I won't take any more time. Again, I'd like to thank you
17 for this process. We're -- as you know, we're moving -- doing
18 a little different in the next five-year plan where there's a
19 broadening of this public process into what's called a stake-
20 holders' forum that will address lease sales of post- and --
21 pre- and post-lease sale with a broader forum type, which we
22 encourage. We feel it's superior even to the process that you
23 have used for Lease Sale 149.

24 So with that, unless there are some qualifying -- or
25 questions that I can answer, I again thank you for coming to

1 the community. I know you're going to Homer tomorrow night,
2 Kodiak Wednesday, and I'm not sure where else.

3 MR. BOUDREAU: No questions.

4 MR. BROCK: Thank you, Mayor. It's always a pleasure
5 to come to Kenai, and we really appreciate your -- working with
6 you on this effort.

7 MAYOR GILMAN: Okay. Thank you.

8 MR. BROCK: Loren Flagg.

9 (Pause)

10 **PUBLIC TESTIMONY BY MR. LOREN FLAGG**

11 Thank you for allowing this opportunity. My name is
12 Loren Flagg. I represent the Kenai Peninsula Fishermen's
13 Association. My address is Box 3268, Soldotna 99669.

14 Again, I really appreciate the public process that
15 MMS/BLM has gone through. It's so much better than what we've
16 experienced with the State in recent years, especially over
17 Lease Sale 78, and we've certainly had full opportunity to
18 participate.

19 I'm going to do a combination here of a quick read of
20 very short comments that we already have on record, and then
21 I'm going to ad lib a little.

22 The Kenai Peninsula Fishermen's Association is a
23 group of over 400 commercial fishermen operating in the Cook
24 Inlet area, and they do have concerns with Lease Sale 149.
25 Part of the lease sale area being considered is in the heart of

1 the Cook Inlet salmon gillnet fishery, which takes place north
2 of the latitude of Anchor Point. Also, parts of the proposed
3 lease area between Kalgin Island and Cape Douglas are in areas
4 that have been identified as hazardous to important or critical
5 fish and wildlife resources by the Alaska Department of Fish
6 and Game.

7 KPFA is concerned with leasing in these areas due to
8 both the conflicts that will arise between commercial fishing
9 and the oil industry operations and the high resource risks
10 that are involved. If the decision is made to hold the sale,
11 then we recommend these following stipulations:

12 That no seismic activity or drilling be permitted in
13 the areas described above between May 1 and August 30. This
14 restriction will help avoid physical conflicts within the
15 fishing area and also reduce the risk of a fishing closure
16 resulting from pollution caused by the oil industry. From
17 strictly a biological standpoint, this proposed seasonal
18 restriction is also justified. Critical life forms of com-
19 mercially important fish and shellfish are present in high
20 abundance in the marine waters of Cook Inlet during the May 1
21 through August 30 period.

22 If drilling does eventually take place on any of the
23 tracts within the proposed lease sale, and development takes
24 place, we would strongly encourage zero discharge. The zero
25 discharge is now being used in the Gulf of Mexico in critical,

1 important areas, and we think the time has come for Cook Inlet.

2 Would it be appropriate for me to ask one question?

3 Is that okay?

4 MR. BROCK: Yes.

5 MR. FLAGG: In a nutshell, I was wondering why the
6 Shelikof area was deleted from the sale. Was it because of the
7 biological sensitivity or the commercial fishery in the area
8 or.....

9 MR. BROCK: The Secretary made that decision after a
10 trip up, and I couldn't tell you all the reasons that went into
11 it. I don't -- that was a decision by the Secretary.

12 BY MR. FLAGG (Resuming):

13 Okay. Just a few other things. We think that tech-
14 nology now exists throughout the world to do it right, but that
15 not all that technology has come to Cook Inlet. And that is
16 the reason we're asking things like the zero discharge. It
17 certainly can be done.

18 No surface entry. Again, there are technologies that
19 sub-sea wells can be utilized. You don't have to have plat-
20 forms out there in the commercial fishing area. Sub-sea wells
21 are used in other parts of the world.

22 Buried pipelines. Certainly if there are going to be
23 pipelines, they can be, and should be, buried.

24 I think that's -- I'm trying to read here from my
25 notes. I think that's the main points I wanted to make. There

1 was one final one that if production does eventually take
2 place, if a find is made, that -- and I believe this is consis-
3 tent with the Tri-Borough Resolution that the Mayor mentioned.
4 I believe this was added to that, that during the transporta-
5 tion phase that a requirement be put in there that -- for tug
6 escorts.

7 Right now we have no tugs in the Inlet that are
8 capable of assisting a tanker, a laden tanker, in distress. If
9 a tanker loses power or steering, there is absolutely no help
10 within a reasonable time frame. It would have to come from
11 Valdez. They have the only tractor tugs that would be -- have
12 this kind of capability. So we'd ask that that requirement be
13 put in, that if, in fact, as part of this, production take
14 place from the sale.

15 Thank you very much.

16 MR. BROCK: Thank you, sir. Any questions?

17 MR. BOUDREAU: No questions.

18 MR. BROCK: Thank you, Loren.

19 MR. FLAGG: Thank you.

20 MR. BROCK: Mr. Matthews.

21 **PUBLIC TESTIMONY OF MR. THEO MATTHEWS**

22 Good evening. My name's Theo Matthews. I reside at
23 Mile 5.3 Kay Beach Road in Kasilof, Alaska; Box 69, Kasilof.
24 I'll be speaking tonight for two organizations. First, I'll be
25 speaking as the Vice President of the United Fishermen of

1 Alaska. UFA is comprised of 21 regional fishing associations
2 from Ketchikan through Bristol Bay. With respect to the
3 affected fishing area that we're talking about tonight, we have
4 members in Prince William Sound, lower and upper Cook Inlet,
5 and Kodiak.

6 UFA opposes this sale in its entirety. The reason is
7 simple and direct. A long discussion was held at our recent
8 Board meeting in February. There was simply no rationale we
9 could understand why the Shelikof Strait area was deleted due
10 to fisheries -- sensitive fisheries areas and those other
11 concerns, whereas the Cook Inlet area was maintained in the
12 sale. Cook Inlet is every bit, if not more, fisheries sensi-
13 tive as the same area.

14 Another reason that UFA opposes the sale in its
15 entirety is that many of the affected resources from the Exxon
16 Valdez oil spill are still in the recovering stage and have a
17 long recovery to go. This includes not only the affected
18 resources like sockeye salmon in Kodiak and Cook Inlet, but
19 also our concerns about marine mammals, steller sea lions and
20 whatnot on the Kenai Fjords.

21 So UFA's position is not one of opposing oil per se,
22 it's that if Shelikof Strait was going to be deleted, there is
23 no rationale for leaving in upper Cook Inlet. That was their
24 Board -- that Board position.

25 Now I'd like to comment as Executive Director of

1 United Cook Inlet Drift Association. I also hold a commercial
2 salmon drift permit myself. UCIDA appreciates the long process
3 that you've set up for this. We have had a Board member, Mr.
4 Bob Wolf, that's been working with the marine -- MMS for four
5 or five years. And we really do understand the effort you've
6 put in, and we've tried to reciprocate. So we appreciate that.

7 Our concerns with respect to the Federal Lease Sale
8 149 are very similar to the ones you've heard about the State
9 Lease Sale 78. There is, in our opinion, a gross -- there's a
10 major problem with the idea that you can attempt to minimize
11 impacts to commercial fishing and, at the same time, prevent
12 undue interference. I mean, you just cannot do it.

13 Our concern is for the stationing of a fixed platform
14 on the fishing grounds. The mere stationing of that platform
15 on the fishing grounds is undue interference. It cannot be
16 mitigated. And that's the problem we have with this sale and
17 others.

18 (As an aside) Is there something wrong?

19 Therefore, we've adopted the following position with
20 respect to Sale 149, which is consistent with our position with
21 the State Sale 78:

22 We feel that there should be no surface entry, i.e.,
23 no stationary production platforms. Production can be accom-
24 modated through bottom wells and pipelines to shore. I mean,
25 we have discussed this technology with the industry.

1 Now, to get the oil to shore, you have to have a
2 pipeline. Now, we really feel you must have a mitigation
3 measure that requires buried pipelines. There is no alterna-
4 tive to this. For salmon fishermen, it's not such a big deal
5 in terms of gear conflicts, but when you get into halibut and
6 crab pots, whatnot, they simply could not cope with a pipeline
7 above the surface. So it's needed from that point of view.

8 The other point is similar to the one referenced by
9 Mr. Flagg. The oil industry in Cook Inlet is fighting the
10 requirement for tug escort vessels. They're stipul- -- they
11 simply state that, 'We don't need them; we can drop anchor.
12 You know, if we lose power, we can drop anchor.' Well, I'd
13 just submit to you that you drop anchor on a pipeline, and
14 you've got problems. It better be buried and buried deep. And
15 that's just common sense.

16 And the final concern that I'll mention deals with
17 the liability question. Now, whether you have, as we would
18 suggest, no surface entry, but a well on the bottom that's
19 piped to shore, or if you have a platform, we have the liabil-
20 ity question: What happens when you have a spill?

21 Now, with respect to commercial fishing, it's inevi-
22 table that a spill will happen; we have no doubt about it.
23 Your own document more or less says the same. It's also inevi-
24 table that if it happens at the wrong time, the quantity of oil
25 is almost immaterial. Our commercial drift fishery will be

1 terminated, especially in the areas we're considering here.

2 So therefore, the question of liability is very vital
3 to our membership. The Oil Pollution Act of 1990 has -- limits
4 the liability of processors. It forces commercial fishermen to
5 either elect to go through the federal process and give up
6 access to courts or go through courts and give up access to the
7 federal process.

8 So what I would suggest as a mitigation term is one
9 that would require lessees -- since you know and I know that if
10 a spill happens in the wrong time, your document states there
11 will be loss of commercial fishing income, something similar to
12 the voluntary Exxon Payment Program that we established should
13 be a mitigation term. Producers should agree that in the event
14 of a spill when commercial fishing time is lost, there will be
15 a voluntary program that will send out rather rapid payments to
16 allow people to continue with their lives -- to meet their boat
17 payments and their permit payments.

18 I understand this is going a little afield, but this
19 is the core of many concerns. A spill is inevitable; lost
20 fishing income is inevitable. A mitigation term must take
21 account to that.

22 And also, if there are production platforms on the
23 ground, I mean, I assure you there is 100-percent certainty
24 there will be gear conflicts, nets wrapped around the platform,
25 fishing time lost. You also need a mitigation term to deal

1 with that.

2 I mean, I sincerely hope that the terms would require
3 no surface entry, buried pipelines, and if the industry can
4 cope with that, all these problems are resolved. I thank you
5 for the opportunity to comment.

6 MR. BROCK: I have one question, sir.

7 MR. MATTHEWS: Sure.

8 MR. BROCK: During -- no surface entry, in -- it's
9 you -- this is just for my own clarification. Does that mean
10 that no platform would be out there for drilling either? I can
11 understand what you mean by no platform out there.....

12 MR. MATTHEWS: Oh.

13 MR. BROCK:for sub-sea completion.....

14 MR. MATTHEWS: Certainly.

15 MR. BROCK:but I'm having a hard time with.....

16 MR. MATTHEWS: Yeah.

17 MR. BROCK:not -- I don't know where you could
18 drill from. I mean, I.....

19 MR. MATTHEWS: I appreciate the distinction. And we
20 understand that exploration wells and all that will have to be
21 done.

22 MR. BROCK: Oh, okay. Okay. I under-.....

23 MR. MATTHEWS: Yeah, this is a production.....

24 MR. BROCK: Oh, you're talking about a production
25 facility.

1 MR. MATTHEWS: Production sequence.

2 MR. BROCK: Okay. That's.....

3 MR. MATTHEWS: Yeah. We can -- there's no doubt we
4 can find times to accommodate exploration and all that.....

5 MR. BROCK: Okay.

6 MR. MATTHEWS:stuff. I mean, I don't have any
7 doubt about that.

8 MR. BOUDREAU: I have a question also, Mr. Matthews.

9 MR. MATTHEWS: Certainly.

10 MR. BOUDREAU: You were mentioning buried pipelines.

11 MR. MATTHEWS: Mm hmm (affirmative).

12 MR. BOUDREAU: Are you also recommending, in conjunc-
13 tion with that, that all sub-sea wellheads be below the mud
14 line?

15 MR. MATTHEWS: Well, there, Mr. Chairman.....

16 MR. BOUDREAU: Or not?

17 MR. MATTHEWS:we did have a discussion with
18 some ARCO representatives on what was possible with respects to
19 sub-sea wells and pipelines. It was our understanding that
20 they couldn't really do that. So you'd sort of have a singu-
21 larity point that if you hit it, you'd be in trouble. But if
22 you didn't bury that pipeline, you've got 40, 50 miles of
23 trouble just waiting. I mean, that was my understanding. I
24 don't know if they could bury the actual wellhead. That I
25 don't know.

1 MR. BOUDREAU: Yeah, I was just trying to get some
2 clarification on.....

3 MR. MATTHEWS: Right.

4 MR. BOUDREAU:your position on the sub-sea
5 wellhead completions versus the pipelines.

6 MR. MATTHEWS: Well.....

7 MR. BOUDREAU: Which you gave. Thank you.

8 MR. MATTHEWS: Okay. And I guess -- if you'd permit
9 me, Mr. Chairman, I.....

10 MR. BROCK: Sure. Go ahead.

11 BY MR. MATTHEWS (Resuming):

12 I failed to stress the importance of this geographic
13 area. I mean, it's sort of south of Kalgin Island, runs down
14 to the heart of Cook Inlet, and this is the primary fishing
15 grounds of the commercial drift salmon fishery from Anchor
16 Point north. And the position UCIDA took that I didn't make
17 clear is no surface entry, no platforms north of there.

18 I mean, we're not the experts on the non-salmon
19 fisheries south of there.

20 MR. BROCK: What was the line again?

21 MR. MATTHEWS: The Anchor Point latitude.....

22 MR. BROCK: Anchor Point.

23 MR. MATTHEWS:is our southern boundary.

24 (Pause)

25 MR. MATTHEWS: And that's all I had.

1 MR. BROCK: Any more questions?
2 (No audible response)
3 MR. MATTHEWS: Thank you.
4 MR. BROCK: Thank you, sir. We do appreciate those
5 comments.
6 (Pause)
7 MR. BROCK: Anybody else register, Dick?
8 MR. ROBERTS: Nobody else has registered to testify.
9 MR. BROCK: Is there anybody else here that would
10 like to testify that didn't register?
11 (No audible response)
12 MR. BROCK: Hearing none, I'll close the hearing at
13 this point in time. I will reopen again in 10 minutes in case
14 somebody comes in late. And if nobody comes in to testify in
15 10 minutes, I will close it for good. But I will recess, I
16 guess is the proper term here, for 10 minutes. Thank you.
17 (In recess)
18 (On record)
19 MR. BROCK: I'll reopen the public hearing. Just --
20 is there anybody that came in that would like to testify?
21 (No audible response)
22 MR. BROCK: You want to -- okay. Could we -- we've
23 got one more person to testify, so, Ray, could you.....
24 (Pause)
25 MR. BROCK: Go ahead, sir.

1 ends of the extreme, you know, in this world, but I think that
2 the majority of us fit somewhere in the middle. There has to
3 be a balance in there, and I like to think that I'm in that
4 balance.

5 You know, I heard several comments here tonight about
6 dis- -- trying to discourage oil development. I heard comments
7 about tug escorts and the risks of dragging anchors and hooking
8 into those pipelines. The possibilities of that are so remote,
9 as far as I'm concerned. And if you'd talk to the skippers out
10 here, I think you'll find the same opinion, that, you know,
11 it's almost an irrelevant, a moot issue, in my opinion.

12 I could walk out of this hotel tonight and get run
13 over by a Mack truck. That's not to say that I'm going to
14 spend the rest of my life in this hotel. I will walk out of
15 here, and I will take that risk because there's a better world
16 out there for me than there is in here, and I think we need to
17 keep things in perspective.

18 You know, I hear talk about zero discharge. And
19 let's face it: What we're talking is economics. We're talking
20 state economics and the livelihood of 85 percent of the people
21 in this state. And we start talking zero discharge, we're
22 talking significant economic disadvantage.

23 You've just completed a study out here, several years
24 and spent multi-millions of dollars doing studies that have
25 indicated that what we've done out there thus far hasn't

1 created a significant problem. At the same time, I think
2 you've discovered that the Cities of Soldotna, Anchorage,
3 Kenai, and other municipalities have contributed significantly
4 more waste products to the Cook Inlet than has the oil industry
5 in the Cook Inlet.

6 Why is it the oil industry is held to such, as is
7 suggested, that the oil and gas industry should stand as
8 responsible as they are being asked to stand when the munici-
9 palities, fishing industry, tourist industry, you name it, has
10 a much more lenient level of acceptance. Somewhere along the
11 line, that doesn't make sense to me.

12 You know, we've done these studies; we've found out
13 there's been no significant damage. Why don't we move on? You
14 know, another reason, you know, that I feel we should move on
15 is that we're discussing right now -- what we're discussing
16 right now will allow for lease sales and ultimate exploration
17 of the areas in question. Before development is allowed, there
18 will be further studies done, public hearings, and what have
19 you. What we need to do is get out there and find out what is
20 where? We may be talking about moot issues. There may be zero
21 oil in the primary fishing corridor that seems to be of signif-
22 icant concern.

23 And don't get me wrong. I'm not suggesting that, you
24 know, the fishing industry and the environmentalists should not
25 be recognized as viable interests. I'm not suggesting that at

1 all. What I'm saying is I think it can be worked out where
2 it's viable for all parties.

3 But what we're talking about right now is not devel-
4 opment and whether -- where the platforms are going to be or
5 not be, whether it's going to be sub-sea completion and elevate
6 the cost of production by 20 percent, 30 percent, 50 percent.
7 What we're talking about right now is let's find out what is
8 there. What is there to go after? Once we discover that and
9 find out what's there, then we can talk about how can we
10 develop this, this resource.

11 You know, all of us in this state benefit greatly
12 from what the oil and gas industry has brought to this state.
13 Every one of us. To my knowledge, I don't know one person in
14 this state who hasn't benefitted from what the oil and gas
15 industry have brought to this state. The infrastructure it's
16 built, the facilities it's attracted, the people it's
17 attracted, the K-Mart's, the WalMart's, the McDonald's, the oil
18 and gas supply stores up and down the street. We've all bene-
19 fitted from it.

20 If we had to bring our fuel in from Seattle, could we
21 be as lucrative in the fishing industry as we are today, or the
22 oil industry as we are today? As workers, not owners. If I
23 had to buy my gas for my car, or fuel for my truck, imported
24 from Seattle, could I have the lifestyle that I enjoy today? I
25 suggest not. Nor could anyone else in this state.

1 I think we need to move ahead, approve the explora-
2 tion -- the lease sales and the exploration. There's going to
3 be another opportunity, you know, to look at the development
4 stage and how we develop downstream. But let's find out what's
5 there. Maybe we're fighting over nothing. But if there's
6 something there, maybe we can figure out how we can develop it
7 so we can all continue to benefit.

8 Thank you.

9 MR. BROCK: Thank you, sir. Any comments, any
10 questions?

11 MR. BOUDREAU: I have no questions.

12 MR. BROCK: Thank you. Appreciate it.

13 Is there anybody else that would like to testify?

14 (No audible response)

15 MR. BROCK: You got anybody else registered, Dick?

16 (No audible response)

17 MR. BROCK: Okay. With that, it's five after 8:00.
18 We'll close the public hearing here in Kenai. I want to thank
19 you all for attending.

20
21 (Whereupon, the proceedings in the above-entitled
22 matter were concluded at 8:05 p.m.)
23
24
25

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C E R T I F I C A T I O N

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.
_____)

I, **CINDY S. CARL**, do hereby certify:

(1) That the foregoing pages contain a full, true, and correct transcript of proceedings in the above-entitled matter, transcribed by me, or at my direction and supervision, to the best of my knowledge and ability.

(2) That I have been certified for transcript services by the United States Courts.

(3) That I was certified for transcript services by the Alaska Court System prior to January 1, 1993.

SIGNED AND CERTIFIED:

BY: Cindy S. Carl
Cindy S. Carl
Certified Court Reporter

DATE: 3/22/95

