

1  
2 PUBLIC MEETING

3 ON

4 DRAFT ENVIRONMENTAL IMPACT STATEMENT ON PROPOSED  
5 OCS LEASE SALE 60 (LOWER COOK INLET/SHELIKOF STRAIT)  
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9

10 The above-cited hearing was held in the Oceanside Conference  
11 Room, 620 East 10th Avenue, Anchorage, Alaska, 99501 on October 16, 1980.  
12

13 The hearing was conducted by Ms. Esther Wunnicke, Manager, Alaska  
14 OCS Office, Anchorage, Alaska.  
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376-2449

C E R T I F I C A T E

THIS IS TO CERTIFY:

That the Public Hearing in the matter of:  
DRAFT ENVIRONMENTAL IMPACT STATEMENT ON  
PROPOSED OCS LEASE SALE 60 (LOWER COOK/  
INLET/SHELIKOF STRAIT)

was held as herein appears and this is the  
original verbatim transcript thereof.

THE WORKSHOP

Kathy A. Hensel, Reporter

PANEL MEMBERS

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ESTHER WUNNICKE	MANAGER, ALASKA OUTER CONTINENTAL SHELF OFFICE
CHRIS ONES	OFFICE OF OCS COORDINATION, WASHINGTON D.C.
PATRICIA HARVEY	LAND AND WATER RESOURCES, WASHINGTON D.C.
JERRY REED	OCS COORDINATOR, FISH AND WILDLIFE SERVICE, ALASKA
JOE JONES	REGIONAL MANAGER, CONSERVATION OF THE U.S. GEOLOGICAL SURVEY
DAVID PAGE	DEPUTY ASSISTANT SECRETARY FOR ENERGY AND MINERALS, WASHINGTON, D.C.

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PUBLIC TESTIMONY

<u>NAME</u>	<u>ASSOCIATION</u>
DIETER WUERTH	ALASKA RESOURCES INTERNATIONAL
ROBERT RASMUSSEN	PILE DRIVERS AND DIVERS UNION LOCAL 2520
DAVID HOOPES	KODIAK ISLAND BOROUGH
JAMES SUMNER	PRIVATE CITIZEN
MARGIE SIBSON	FRIENDS OF THE EARTH
RON ZOBEL	TRUSTEES FOR ALASKA
PEG TILESTON	ALASKA CENTER FOR THE ENVIRONMENT
MARY ELLEN SPENCER	PRIVATE CITIZEN
WILLIAM MEYERS	ATTORNEY FOR AOGA
THOMAS COOK	CHEVRON U.S.A.
LEONARD DARSOW	ALASKA OIL AND GAS ASSOCIATION
LOREN GORDON	CIRO
LEE STRATON	THE NORTH PACIFIC RIM
PATRICIA PETROVELLI	RURAL CAP
DON GILLMAN	MAYOR, KENAI PENINSULA BOROUGH
PAUL LOWE	CHAIRMAN, ALASKA CHAPTER OF THE SIERRA CLUB
DAVID BENTON	FRIENDS OF THE EARTH
EDWARD MERTONS	CHEVRON, U.S.A.

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1 this proposed sale which has been prepared by the Bureau of  
2 Land Management in accordance with the National Environmental  
3 Policy Act. The hearing provides an opportunity to receive  
4 comments from the public in order to fully evaluate the poten-  
5 tial affects of the proposed sale on human, marine and coastal  
6 environments, and the domestic supply of mineral resources.  
7 The official reporter for the hearing will be making a verbatim  
8 transcript. She's Miss Kathy Hensel from the Workshop Court  
9 Reporting Service, and if you wish transcripts of the hearing,  
10 you may make arrangements with her. Everything that is spoken  
11 at the hearing will be recorded and reported, and I would ask  
12 that if you indicate geographic areas, and we seem to be kind  
13 of mapless.....

14 UNIDENTIFIED PERSON: We're searching for a map.

15 MS. ESTHER WUNNICKE: Okay. There will be some maps up  
16 and if you do indicate geographic areas, please also describe  
17 what you're indicating so that she can properly get it for the  
18 transcript. I'm sure, as you know, this is not an adversary  
19 proceeding, so there will be no necessity to place any of the  
20 witnesses under oath, but we do ask that your presentations  
21 be relevant and be supported by pertinent data. The speakers  
22 will be questioned only in the event that a member of the hear-  
23 ing panel wishes to clarify facts, or to obtain additional in-  
24 formation. Any questions that might be asked by the panel mem-  
25 bers should not be construed as indicating any predetermined

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1 position. The purpose of the hearing is to receive information  
2 and not to exchange views. It's not a debate or a colloquy  
3 back and forth between the members of the panel and the witnesses.  
4 The speakers will be called in the order that they have regis-  
5 tered according to the list that has been supplied me. If a  
6 speaker is not present when his or her name is called, the name  
7 will be placed at the end of the list. But anyone wishing to  
8 speak who's not already registered for that purpose should regis-  
9 ter with Joan at the door, and after the hearing, when we've  
10 heard from all of the persons who have registered, I'll give  
11 an opportunity to anyone else in the audience who would like  
12 to be heard. I would like to ask of you to begin by stating  
13 your name, and providing your address, and if you choose, your  
14 occupation, and whom you represent, if you're speaking for an  
15 organization. If available, you're requested to provide at  
16 least one copy of any prepared testimony to the reporter to  
17 assist her, and as we suggested in the news release, if you  
18 have brought other copies of your testimony, we'd appreciate  
19 receiving four copies. We will accept written comments, either  
20 to extend the remarks that you make here today, or if you prefer  
21 to make written comments instead of testifying here today, you  
22 may do so, until October 31st of this year. And you may do  
23 so by sending those written comments to the Alaska OCS office,  
24 Bureau of Land Management at Post Office Box 1159, Anchorage,  
25 zip 99510, or by delivering them here to our offices at 620

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1 East 10th Avenue here in Anchorage. Equal attention will be  
2 given to written comments as to oral comments, and all of the  
3 comments will be considered in the redraft of the Draft Environ-  
4 mental Impact Statement as a final environmental impact statement.  
5 The first person I have listed to testify this morning is Mr.  
6 Dieter Wuerth, W--U--E--R--T--H. Is Mr. Wuerth here? And you're  
7 representing Alaska Resources International. Thank you!

8 UNIDENTIFIED PERSON: Jerry Gilliland can't be here.

9 MS. ESTHER WUNNICKE: Okay, Mr. Gilliland is not going  
10 to be on the panel. Come over. Okay. Alright. Okay Mr. Wuerth.

11 MR. DIETER WUERTH: As she said my name is Dieter Wuerth.  
12 I represent Alaska Resources International. I'm the executive  
13 director. The address is P. O. Box 1112, area code ..ah..zip  
14 code 99511. If we were given a hypothetical research project  
15 which had at its objective a projection of the reaction of BLM  
16 sponsored panel members to an oral and written critique of the  
17 pub...by the public of the research results of an environmental  
18 impact study whose methodology and execution they had designed  
19 and supervised, we would begin by first ask and pose and formu-  
20 late a research question that defines the relationship between  
21 critique and response. Whether or not we are dealing in applied  
22 or pure science, the formulation of the research question is  
23 perhaps the single most important step in organizing scientific  
24 research. Centrally, it entails generally the formulation of  
25 a hypothesis defining the direction and relationship of the

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1 independent variable X to the dependent variable Y. In our  
2 hypothetical example for example, X would represent the public  
3 critique of DEIS, and Y the projected response or reaction of  
4 the panel members. Precise formulation of a hypothesis would  
5 require clarification and definition of constructs and concepts,  
6 such as critique and response, the generation of the quantifiable  
7 working definitions and instruments of measurement. Finally,  
8 the entire research design, in order to clarify the causal re-  
9 lationships between X and Y would have to identify sufficient,  
10 necessary, contributory, or alternative conditions, as the case  
11 may be. Having identified such conditions the hypothesis may  
12 well have to be redefined. The determination of such conditions,  
13 as well as the selection of indicators are derived from the  
14 study and analysis of related literature and studies, and the  
15 scrutiny of relevant occurrences and experiences in the past.  
16 Finally the instruments of measurement, which may call for the  
17 inclusion of control groups, must be judged to be both reliable  
18 and valid, which means that the researcher must be certain that  
19 the instruments measures precisely that which it ought to mea-  
20 sure and not incidental factors, and that repeated measurements  
21 generate similar results. All instruments must have a precise  
22 bearing on the research problem. The more sharp and the more  
23 responsive the measurement in terms of the requirements of the  
24 independent variable the greater our confidence in the predicted  
25 behaviour of the dependent variable. Throughout, economy in

1 research or procedure is desirable. In terms of our hypothe-  
2 tical project all of this would mean that first we would have  
3 to draw up a research question and hypothesis linking and de-  
4 lineating the relationship between X, the critique, and Y, the  
5 response of the panel members. That next we would have to de-  
6 fine and quantify such concepts as critique and response, that  
7 we would have to define the context of the relationship such  
8 as public hearing (as this is now) or closed hearings, and then  
9 identify which conditions explain causal relationships. Further-  
10 more we would be required to research the personal histories  
11 and experiences of panel members, probe their personalities  
12 and idiosyncrasies, even consider their physical appearances  
13 in order to identify those variables or indicators which in  
14 relationship to our independent variable would offer a great  
15 deal of predictive value. What we should try to avoid would  
16 be the rendition of general accounts of the lives and experiences  
17 of the people involved, and titillating or curious facts that  
18 have no stated and specific bearing on the research question  
19 and no specifically defined predictive value in terms of the  
20 relationship of X and Y. The fact, for example, that one of  
21 the panel members might wear a shoe size 14 is not worth mention-  
22 ing, unless his shoes play an integral role in his response  
23 pattern. To repeat only those facts that have a clear and mea-  
24 surable significance in clarifying the relationship between  
25 X and Y should be identified and described. Alas, the Draft

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1 Environmental Impact Statement suffers precisely on this score,  
2 and in our opinion, adds very little to our understanding in  
3 terms of its stated objectives. The research design employed  
4 by the authors of the DEIS suffers from at least two major short  
5 comings: one - the lack of clearly stated hypotheses (plural),  
6 and two - the lack of clearly defined variables or inda... in-  
7 dicators with a high predictive value. Implicit in the<sup>9</sup> research  
8 question which calls for an assessment of the potential impact  
9 of oil and gas related activities in the lower Cook Inlet and  
10 Shelikof Straits on the human and non-human environment, there  
11 is a hypothesis with a clear causal relationship, although it  
12 is not necessarily stated. After all, the very title of the  
13 study under review projects an impact on the environment. It  
14 suggests that oil and gas explorations (the independent vari-  
15 able X) will "cause" (in quotation marks) an impact on the eco-  
16 logy of the affected area (dependent variable Y). (see for  
17 example page 109 in the study) In addition, the introduction  
18 to the DEIS makes it amply clear that this impact is thought  
19 to be adverse, not benign, at least to a limited degree. More-  
20 over there seems to be a direct relationship between the magni-  
21 tude of oil related activity and the severity of the impacts.  
22 Thus, what is implied is a directional hypothesis which expli-  
23 citly may be stated in the following terms: (quote) Oil re-  
24 lated activities in the area under study will adversely affect  
25 the environment. The magnitude of these affects vary directly

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1 in relation to the magno....magnitude of the exploratory acti-  
2 vities. (unquote) Better yet, since adverse impacts are pre-  
3 supposed by the researchers, the hypothesis may be stated in  
4 terms of a null-hypothesis. Such a hypothesis would pose the  
5 proposition that no adverse impacts are associated with oil  
6 exploration, a proposition that would probably be rejected on  
7 the basis of the research results. Still its formulation would  
8 impose a stricter discipline on the execution of the research.  
9 At any rate, the statement of a clear hypothesis would focus  
10 the research, generate more responsive variables and make the  
11 relationship between X and Y more explicit. Moreover it would  
12 force greater attention on the part of the researcher to the  
13 independent variable, that leads a rather shadowy existence  
14 throughout the study and permit the research of more effective  
15 manipulation of this variable. Finally it would provide the  
16 entire research project with a far more meaningful and concise  
17 organization and direction. Secondly, the research, partly  
18 as a result of the absence of clearly stated relationships,  
19 profoundly lacks in carefully delineated working definitions,  
20 concepts or variables that are demonstratively causally linked  
21 to the supposed impacts under study. Moreover the instruments  
22 of measurement are frequently imprecise or rather unreliable.  
23 A careful study of the data readily reveals these shortcomings.  
24 For example, while the great bulk of the research does not at  
25 all deal with the independent variable and the projected impact

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1 on the dependent variable, but rather with background or ante-  
2 cedent material, there is very little attempt to cull from all  
3 of this wealth of information the types of indicators which  
4 could effectively be measured and quantified as indicators for  
5 future changes. The prudent researcher must use the sieve of  
6 well-formulated research questions to sift his material for  
7 valid indicators. But while the<sup>3</sup> researchers involved with the  
8 DEIS pay lip-service to these requirements time and again, and  
9 speak of the necessity of discovering valid generalization of  
10 the causal relationship in order to predict future change  
11 (Technical Report No. 47, page 10 for example), they make little  
12 attempt to generate and identify such valid generalizations.  
13 One might justifiably ask what do statistics of student enroll-  
14 ment, health records, criminal records, tax records, population  
15 records, occupational records, public debt records, hospital  
16 patient load records, etc., have to do with the subject at hand?  
17 How does all of this descriptive background data elucidate the  
18 future in terms of the independent variable? The answer is  
19 really very little unless a clear relationship can be drawn.  
20 In part the paucity of valid generalizations is the result of  
21 improper research methods. Generally speaking, valid generali-  
22 zations or powerful indicators are generated by the study of  
23 technical literature dealing with similar topics or events or  
24 related material. To find highly relevant indicators about  
25 community response to issues, a host of excellent urban and

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1 community studies may be scrutinized (and by the way, these  
2 studies are readily available anywhere). Incidentally, these  
3 studies indicate that the political behaviour of the community,  
4 for instance, why and for whom and on what people vote, is a  
5 highly sensitive barometer of the community's disposition on  
6 any given issue, and a relatively reliable indicator of future  
7 behaviour. Unfortunately, this variable has almost been totally  
8 ignored. Furthermore, in order to discover generalization re-  
9 garding the impact of oil developments or oil spills on community  
10 life or marine life, one may have researched the records...the  
11 recorded accounts of the oil spills of such ships as the Argo  
12 Merchant (and a book has been recently written on the effects  
13 of that oil spill), or on the oils...impact of oil spills in  
14 the North Sea, and off the Texas coast, et cetera. Alas, aside  
15 from two short comments regarding the Arrow and the Metula tanker  
16 there is little effort to exploit these incidents. Nor is there  
17 an attempt to study control groups. Certainly a comparative  
18 study of native communities affected by oil exploration, and  
19 of native communities not directly affected by oil exploration  
20 may have yielded valuable insight and may possibly have led  
21 to the dismissal of certain assumptions. Finally the DEIS is  
22 in dire need of sharper definitions of concepts and more re-  
23 liable measurement. It does not do to employ unstructured and  
24 informal interviews (those interviews cannot be repeated or  
25 verified), or to speak of the changes for example, in the

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1 quality of life of the community. What is the quality of life?  
2 Such terms must be quantified. Nor will it do to rely heavily  
3 on key measurement such that are now rendered highly suspect.  
4 For example, one of the key indicators of social change accord-  
5 ing to the authors, is population growth and population projec-  
6 tion according to the study (Technical Report page 47...ah 47,  
7 page 12). Yet the degree of error in the forecast of the popu-  
8 lations for Kenai, Soldotna, and Homer, according to the latest  
9 census data now exceeds 14 percent. A 14 percent error in only  
10 two years casts serious doubt on the predictive value of the  
11 demographic statistics and the methodology employed by the Alaska  
12 consultants in arriving at these statistics (Technical Report  
13 46, Volume 1, pages A3 to A12). Given these problems, it should  
14 not come as a surprise to find the DEIS a document of relatively  
15 little value in predicting the potential impact of oil and gas  
16 related activities. By necessity the conclusions are so ten-  
17 tative and so vague as to permit almost any conclusion and ac-  
18 comodate almost any interpretations as to the dimension or lack  
19 of dimensions of the impacts. To illustrate, speaking of the  
20 impact on historic resources (page 208), and the proposal by  
21 government agencies to ensure a degree of protection, the DEIS  
22 statement reads as follows: (quote) If the proposal is im-  
23 plemented, some cultural resources building may be subjected to change.  
24 The probability of these impacts occurring ranges from very  
25 likely to very unlikely. However, impacts on cultural resources

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1 in the lower Cook Inlet are expected to be minimal.

2 MS. ESTHER WUNNICKE: Thank you Mr. Wuerth. Do you mind  
3 telling me your own credentials? That's a very impressive testi-  
4 mony.

5 MR. DIETER WUERTH: I have a doctor's degree in Economic  
6 and Social Research from the University of Wisconsin, and did  
7 my research in community life.

8 MS. ESTHER WUNNICKE: Thank you! Any questions or comments  
9 to Dr. Wuerth? Thank you very much!

10 MR. DIETER WUERTH: I could give you also..supply you a  
11 copy of this statement.

12 MS. ESTHER WUNNICKE: Would you please? We'd appreciate  
13 having it. Thank you! The next person scheduled to testify  
14 is Mr. Robert Rasmussen, representing the Pile Drivers and Divers  
15 Union, Local 2520. Welcome!

16 MR. ROBERT RASMUSSEN: My name is Robert Rasmussen. I'm  
17 the union executive for Pile Drivers and Divers Local 2520,  
18 stationed here in Alaska, and my remarks are on the 60...No.  
19 60 Shelikof Strait, lower Cook Inlet lease sale are as follows:  
20 Having lived in the vicinity of Cook Inlet for the past twenty-  
21 five years, I'm concerned for the well-being socially, environ-  
22 mentally for this area. In the remote possibility that an oil  
23 spill did occur, it doesn't seem prudent to have most of the  
24 drilling crew and diving personnel living in California, Texas  
25 and Louisiana. These crews are exchanged every two or three

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1 weeks on a regular basis. The problem with this is that these  
2 men are at least twenty-four hours or longer away from the job.  
3 By the time they are located and flown up here, in the case  
4 of an emergency, twenty-four hours is a very long time, especi-  
5 ally in the diving aspect, as there are only four tide stops  
6 in twenty-four hours. Divers can only work in Cook Inlet and  
7 Shelikof Strait when the tide stops and that's every six hours.  
8 The exploratory drill rigs do not have an excess of living quar-  
9 ters, so most times after initial diving is done for the spudding-  
10 in purposes, the divers are sent back to California or Texas.  
11 This is too...this is too far away. Why aren't all these divers  
12 kept in Alaska, either in Homer or Anchorage, or some place  
13 in the vicinity of Cook Inlet? The same goes for the drilling  
14 crews. If they were kept in the Cook Inlet area, they would  
15 only be one hour away by helicopter in case extra hands were  
16 needed in an emergency on the drill rigs. It is well known  
17 that anyone is a resident of the area in which he or she works,  
18 is a lot more concerned with the environment and the quality  
19 of the work they do. Nobody wants to mess up their front yard.  
20 But if this work force lives two or three thousand miles away,  
21 would they care as much? There are plenty of qualified personnel  
22 living here in Alaska. We are not the frontier we were ten  
23 years ago. Drilling and diving personnel are in abundance and  
24 are presently mostly unemployed. That's all I have. Thank  
25 you!

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1        MS. ESTHER WUNNICKE: Thank you Mr. Rasmussen. Any ques-  
2 tions of Mr. Rasmussen? Thank you very much! The next person  
3 is Mr. David Hoopes representing the Kodiak Island Borough.  
4 Good morning again!

5        MR. DAVID HOOPES: Distinguished panel members, ladies  
6 and gentlemen, good morning! My name is David Hoopes. I am  
7 here today to represent the Kodiak Island Borough as their OCS  
8 Consultant, and to present oral testimony on behalf of the bor-  
9 ough. Earlier borough testimony presented during these hear-  
10 ings has dealt with the borough's position regarding this pro-  
11 posed sale and in a more general context, with some of our con-  
12 cerns regarding deficiencies in the Draft Environmental Statement.  
13 We shall take this final hearing opportunity to focus on what  
14 we believe may be substantial areas of non-compliance with Fed-  
15 eral acts and regulations. Principal among these is the National  
16 Environmental Policy Act of 1969 and Current Council on En-  
17 vironmental Quality regulations implementing NEPA procedures.  
18 NEPA requires that an EIS include consideration of alternatives  
19 to a proposed action. The responsible agency must go beyond  
20 simply enumerating alternatives and discuss those elements re-  
21 quired by sections 102 (2) (C) I, II, IV and V of NEPA that  
22 are within the scope of this statement. The statement must  
23 include a discussion of as much of section 102 (2) (C), III  
24 as is necessary to thoroughly alert the reviewer to all the  
25 environmental consequences of all reasonable alternatives

1 (NRDC versus Callaway; NRDC versus Morton). NEPA requires that  
2 the EIS include information sufficient to permit a reasoned  
3 choice of alternatives so far as environmental aspects are con-  
4 cerned. It is crucial that the EIS provide decision makers  
5 with enough information to make that reasoned choice. The dis-  
6 cussion of alternatives has been described as (quote) The linch-  
7 pin of the<sup>9</sup> entire impact statement (unquote). (Alaska versus  
8 Andrus; Monroe County Conservation Council, Inc. versus Volpe)  
9 This draft statement contains no substantive discussion of en-  
10 ergy sources alternative to exploitation of OCS lands proposed  
11 by this sale. Specifically, there is no meaningful discussion  
12 of alternative sources of oil and gas, particularly sources  
13 offering lesser chances of environmental damage. Nor are other  
14 fossil fuel technologies explore. Alternatives offered here  
15 are only variations of a single proposal and do not encompass  
16 a range of reasonable and available alternatives. The need  
17 for an EIS to clearly identify distinct alternatives has been  
18 expressed on several occasions (Alaska versus Andrus; NRDC versus  
19 Callaway; Monroe County Conservation Council, Inc. versus Volpe;  
20 Calvert Cliffs' Coordinating Committee versus AEC). The alter-  
21 natives section of this draft fails to adequately analyze the  
22 no action alternative or alternatives outside the jurisdiction  
23 and control of BLM. CEQ regulations direct the responsible  
24 agency to: "Rigorously explore and objectively evaluate all  
25 reasonable alternatives, and for alternatives which were elimi-

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1 nated from detailed study, briefly discuss the reasons for their  
2 having been eliminated. Devote substantial treatment to each  
3 alternative considered in detail, including the proposed action  
4 so that reviewers may evaluate their comparative merits, and  
5 include reasonable alternatives not within the jurisdiction  
6 of the lead agency." The EIS should include sufficient analysis  
7 of such alternatives and their costs and environmental impacts  
8 so as to not prematurely foreclose options that might have less  
9 detrimental effects. An environmental statement should describe  
10 these alternatives in such a manner that reviewers can indepen-  
11 dently judge if the environmental impacts stem from trying to  
12 maximize economic return or are inherent to the entire project.  
13 This description not only requires complete alternatives that  
14 would accomplish the objective with less impact, but also should  
15 cover non-structural alternatives and those that include elimi-  
16 nation of high environmental impact aspects of the proposed  
17 action. The range of impacts that must be considered cannot  
18 be limited to the traditional area of agency jurisdiction or  
19 expertise. The statement must develop an environmental awareness  
20 for the full range of impacts inherent to the proposed action.  
21 By failing to discuss reasonably foreseeable alternatives and  
22 impacts or by discussing those alternatives and impacts in a  
23 perfunctory manner, an agency defeats the purpose of the state-  
24 ment and lays itself open to the charge of non-compliance with  
25 the act (NRDC versus Morton). Section 1502.14(b) of the CEQ

1 regulations specifically charges the lead agency to: (quote)  
2 Devote substantial treatment to each alternative considered  
3 in detail, including the proposed action so that reviewers may  
4 evaluate their comparative merits (end quote). The statements  
5 that impacts are (quote) reduced substantially (unquote), or  
6 moderated by an (quote) unquantifiable extent (unquote) with  
7 alternatives contributing only an (quote) indeterminable incre-  
8 mental risk (unquote) hardly provide the reviewer with the ex-  
9 actness required to place alternatives in proper perspective.  
10 The following passage confirms our contention that the alter-  
11 natives presented in this draft environmental statement fail  
12 to meet the intent of NEPA and that this draft environmental  
13 statement does not conform to current CEQ regulations regarding  
14 the consideration and presentation of alternative courses of  
15 action. We quote from page 131, paragraph 3: "In comparing  
16 the development phase of the proposal with those of the alter-  
17 natives, it is apparent that the scenarios for the alternatives  
18 are, for the most part, variations on the scenario established  
19 for the proposal. Alternatives 4 and 5 are essentially the  
20 Cook Inlet portions of the proposal's scenario. Alternative  
21 6 is essentially the southern half of the proposal, but differs  
22 from it in that extracted gas will be reinjected into the forma-  
23 tion. The maximum scenario is exactly that of the proposed  
24 action." (end quote) We contend that this totally inadequate  
25 treatment of alternatives represents a blatant circumvention

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1 of the intent of NEPA and current CEQ regulations and renders  
2 this draft environmental statement both technically and sub-  
3 stantively deficient. In addition to the lower Cook Inlet,  
4 Shelikof Strait lease sale, other significant federal and state  
5 energy development projects are in progress, or planned for  
6 the western Gulf of Alaska region. Principal among these is  
7<sup>3</sup> OCS lease sale No. 61 for which nominations are due in November,  
8 1980, and a draft environmental statement by March, 1982, less  
9 than a year and a half from now. These developments taken as  
10 a whole can be expected to have significant cumulative effects  
11 on the marine environment surrounding the Kodiak archipelago  
12 far in excess of the impact that would be expected from any  
13 one project standing alone. If there are several projects that  
14 will have cumulative effects upon a region such that the environ-  
15 mental consequences of a particular project cannot be considered  
16 in isolation, the decision maker must be alerted to those cumu-  
17 lative impacts (Kleppe versus Sierra Club). In this draft en-  
18 vironmental statement, consideration of cumulative impacts is  
19 essential if the decision maker is to be alerted to realistic  
20 possible consequences of the proposed action. The discussion  
21 must furnish such information as appears reasonably necessary  
22 under the circumstances for project evaluation (NRDC versus  
23 Callaway). The cumulative effects of other projects that can  
24 be expected to have similar impacts must be acknowledged. On  
25 page 127, paragraph 3 of the draft the statement is made that

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1 the discussion of cumulative effects will be based on the inter-  
2 relationship of the proposed action and (quote) other major,  
3 current, and proposed projects (end quote). The reader is re-  
4 ferred to section 4 (a) 1 (h), for a list of projects considered  
5 in preparation of the cumulative impact section of the draft  
6 environmental statement. Here on page 148, section (h), we  
7 find the draft lists other major<sup>3</sup> projects (quote) which may  
8 occur in the near future, within or close to the sale area (end  
9 quote), that have been (quote) considered in the cumulative  
10 effects sections of this document (end quote). We find that  
11 we might expect cumulative effects from such projects as the  
12 Beluga coal field and the Bradley Lake Hydroelectric project  
13 but that this DEIS will not include an evaluation of cumulative  
14 effects in regard to lease sale 61. Lease sale 61 is not in-  
15 cluded because: (quote) For such an evaluation to be made,  
16 at minimum, the Alaska OCS office would have to know what the  
17 sale 61 resource estimates will be, what the areas of particular  
18 interest will be to industry, government and special interest  
19 groups, and finally, what the area selected for further study  
20 (that is the proposal) will be. As none of this information  
21 is presently available, there is no basis on which to make an  
22 environmental assessment of the sale 61 area; hence no viable  
23 assessment of the interrelationship of the two sales is at this  
24 moment possible (end quote). A cumulative impact is defined  
25 by CEQ as: (quote)...the impact on the environment which results

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1 from the incremental impact to the action when added to other  
2 past, present, and reasonably foreseeable future actions regard-  
3 less of what agency (federal or non-federal) or person undertakes  
4 such other actions (end quote). (40CFR 1508.7). We hold that  
5 a substantive nexus exists between lease sales 60 and 61 in  
6 respect to potential cumulative impacts that simply cannot be  
7 ignored. Despite the declaration that no cumulative<sup>9</sup> effects  
8 can be determined at this time between lease sale 60 and 61,  
9 cumulative effects of the two sales are mentioned either direc-  
10 tly or indirectly elsewhere in the text of this draft environ-  
11 mental statement on pages 4, 18, 127, 170, 185, 199, and 245.  
12 We believe this draft environmental statement fails to consider  
13 the cumulative impacts lease sales 60 and 61 will have upon  
14 the natural and human environments of Kodiak Island. Further-  
15 more, stating that an evaluation of cumulative effects will  
16 appear in the draft environmental statement for sale 61 means  
17 that the BLM will only consider the cumulative effects of the  
18 two sales after a decision has already been reached regarding  
19 the first; hardly the time for looking at cumulative effects!  
20 Not more than 6 months ago, the Alaska OCS...OCS office held  
21 hearings on the second draft environmental statement for the  
22 area encompassed by the now canceled sale 46. Merely changing  
23 the sale number cannot change the fact that hundreds of hours  
24 and thousands of dollars have literally been poured into the  
25 sale 61 area in a research effort that has spanned years. If

1 we do not know enough about that area today to estimate cumu-  
2 lative effects in conjunction with lease sale 60, how did we  
3 know enough about it 6 months ago to prepare a draft environ-  
4 mental statement for lease sale 46? We submit that BLM has  
5 failed to assess its proposed action for its cumulative effects  
6 on the environment in direct violation of NEPA, section 102  
7 (2) (C) (4). We further submit that the BLM has, in an in-  
8 tentional and premeditated manner, avoided addressing such cumu-  
9 lative effects and further, in doing so has rendered this draft  
10 environmental statement deficient and inadequate. Any treat-  
11 ment of the environmental consequences of a proposed action  
12 must include discussions of the energy requirements and con-  
13 servation potential of various alternatives and mitigation mea-  
14 sures (40 CFR 1502.16 (e) of the CEQ regulations). Section  
15 1506...1502.16 (f) calls for discussions of the natural or de-  
16 pletable resource requirements and conservation potential of  
17 various alternatives and mitigation measure as well. The par-  
18 ticular economic and technical benefits of any planned action  
19 must be assessed and then weighed against the environmental  
20 costs; alternatives must be considered that would affect the  
21 balance of values (Calvert Cliffs' Coordinating Committee versus  
22 AEC). This draft environmental statement contains no such assess-  
23 ment and is, therefore, deficient under existing CEQ regulations.  
24 The Migratory Bird Treaty Act of 1918 has been held applicable  
25 to non-hunting commercial practices, creating criminal liability

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1 for negligent conduct that causes the death of birds (United  
2 States versus Corbin Farm Services; United States versus FMC  
3 Corporation). From the description of possible impacts on marine  
4 bird populations, including migratory waterfowl, found on pages  
5 170 through 176, we must conclude that the development of OCS  
6 resources in the lower Cook Inlet, Shelikof Strait sale area  
7 would inevitably result in violations of the Migratory Bird  
8 Treaty Act. The conclusion is reached in the draft environ-  
9 mental statement on page 183 that oil spills, noise and dis-  
10 turbance accompanying OCS development could result in (quote)  
11 Acute (unquote) direct or indirect effects on marine mammals.  
12 This discussion indicates that activities proposed in this draft  
13 environmental statement can also result in violations of the  
14 Marine Mammal Protection Act of 1972. In summary, it is our  
15 opinion that the draft environmental statement for lease sale  
16 60 contains major deficiencies in regard to its compliance with  
17 a number of federal laws and regulations. We are hopeful that  
18 these shortcomings will be adequately addressed and rectified  
19 in the final environmental statement. We believe that bringing  
20 these deficiencies to your attention at this time may preclude  
21 their becoming the subject of further debate in the months ahead.  
22 Thank you!

23 MR. CHRIS ONES: Thanks for your statement..uh.. I wanted  
24 to clarify one thing that you were talking about in terms of  
25 the examination of other alterns (ph) whether related to BLM

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1 as an agency or another agency or other sources of energy as  
2 opposed to this lease sale. Uh..my understanding of the CEQ  
3 reg's also is that there is specific provision for a concept  
4 called "tiering"; I was wondering if you're familiar with that.  
5 Tiering - would you not agree that the concept of tiering in  
6 terms of doing any environmental impact statement for a larger  
7 scale of action, in this case a five-year schedule a company  
8 bought (ph) 36 OCS sales of which this sale is only one which  
9 considers these other types of alternatives both energy related  
10 or other agency related that would satisfy the NEPA require-  
11 ments. Would you consider that has satisfied those requirements?

12 MR. DAVID HOOPES: The court history of NEPA would indicate  
13 that this is not necessarily so.

14 MR. CHRIS ONES: I'm not familiar with those kinds of cases  
15 you're talking about. Uh...Would you comment on the adequacy  
16 of the treatment of those kinds of alternatives in the five-  
17 year program? What I'm trying to do is find out if we didn't  
18 treat it enough (ph) in the five-year program for the five-  
19 year leasing schedule to what degree we would need to treat  
20 it on the individual sale basis. This is a problem that you  
21 raised which would effect not only this sale, but any sale that  
22 is individually composed. So I'm trying to get at a more generic  
23 vowel (ph) here and find out...

24 MR. DAVID HOOPES: I understand! Uh...I have studied the  
25 five-year environmental schedule...sale schedule..and I suspect

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1 if push came to show, those discussions might be inadequate.

2 MR. CHRIS ONES: Fine. Thank you!

3 MS. ESTHER WUNNICKE: Any other questions for Mr. Hoopes?  
4 Thank you very much! Mr. James Sumner. I might say to you  
5 that there is coffee available or will be soon I...ah...We'll  
6 not be taking a coffee break so if you want to help yourself  
7 to coffee, please feel free to do so. Welcome Mr. Sumner.

8 MR. JAMES SUMNER: Okay. My name is Jim Sumner. I am  
9 testifying for myself. I live at Indian, Alaska. I have some  
10 concerns that the impact statement has not apparently addressed,  
11 or at least I could not find it, the information on shellfish  
12 as to the sensitivity of shellfish, the concentration of raring  
13 (ph) areas. Many of the things on shellfish seem to be extremely  
14 lacking. This was a problem in 1976 when the other statement  
15 on lower Cook Inlet was first put out. I addressed it at that  
16 point. Apparently the research has not been done on that yet.  
17 I realize that life cycles of animals, and knowing something  
18 about this cycling pattern does not just..you know, you don't  
19 get that information just right away, but there's some things  
20 that could be done that have not. Oil Bay is an area over in  
21 Katchemac Bay that has since people can remember, an oil slick.  
22 There's a natural seep. No research that I can find has yet  
23 been done to find out if the larval stage of crab, shrimp, the  
24 rest of the shellfish are present in that area, or even identi-  
25 fied whether the habitat was suitable for them. There are other

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1 areas similar to this that could be investigated. That infor-  
2 mation should be made available before any sale occurs. This  
3 would also effect the timing of exploratory activity and that  
4 was not addressed as one of the alternatives or one of the miti-  
5 gating measures. If the shellfish are sensitive as some of  
6 the reports indicate, which as is twice as sensitive as shellfish  
7 outside especially again, the larval stage, then we may have  
8 to stop exploratory drilling during the months that those larval  
9 stage are present. The sensitivity is not such that it would  
10 just be a large oil spill that would effect them, but the endemic  
11 spills. The ones which, in talking to pilots that fly over  
12 Cook Inlet regularly say occur regularly. I've only been over  
13 three times in an airplane; all three times I've identified  
14 oil slicks in Cook Inlet. Now, this addresses some of the  
15 questions about your prototype wells, looking at the drilling  
16 that's been done in Cook Inlet before. No one has identified  
17 where the slicks come from, and apparently many of them are  
18 not recorded. Okay, that is going to make some difference.  
19 We need baseline data to determine what effect it really is  
20 going to have on those industries and on those species. There  
21 are also some social effects that we're going to feel, and I  
22 think those have to be addressed in the terms of in the leasing  
23 stipulations not only putting in such things as requirements  
24 of drilling a curb, only at the time of larval stages are not  
25 present, but also money being taken from the drilling to pay

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1 for the cost of hospitals, schools, the rest of the things that  
2 will be necessary to support the people who will be carrying  
3 on the drilling activity, and then be gone later and not be  
4 there to finish paying for these on a twenty-year basis. I  
5 don't believe that was adequately addressed also. I agree with  
6 Mr. Wuerth that the impact statement was poorly constructed  
7 this time. In the past the OCS office has done a pretty good  
8 job of putting together impact statements you could read, get  
9 the information out of. I've worked with these impact statements  
10 in classrooms, with university students, with high school stu-  
11 dents. They've been able to read them. This one is not that  
12 way. It's poorly constructed and I would hope you go back to  
13 a form that's a little more useable. Thank you!

14 MS. ESTHER WUNNICKE: Mr. Reed.

15 MR. JERRY REED: Might you..might you suggest when you  
16 mentioned that it's poorly constructed, could you give us kind  
17 of an example of..of the difference between this one and the  
18 former one that you noticed?

19 MR. JAMES SUMNER: Yes! Basically, if you can outline  
20 your basic proposal without putting it in with three other pro-  
21 posals, or five other proposals as you did, calling those al-  
22 ternatives, and then indicate where you can find your basic  
23 data besides on the back of those maps. That..you know, I know  
24 the people don't read the maps. And maybe that was what you  
25 were trying to accomplish with that. It didn't work! In watch-

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1 ing the students work with these and trying to work with them  
2 myself I found the maps very difficult to read the data off  
3 the back of. Now I know that that's a problem in working with  
4 impactic statements in getting people to look at the graphics.  
5 But I think you'll find that it'll help you to put that in the  
6 impact statement and then explain where the map is at and point  
7 people that it is <sup>3</sup>necessary to read the maps and rather than  
8 trying to force them this way. It didn't work.

9 MR. JERRY REED: Thank you!

10 MS. ESTHER WUNNICKE: Okay. Thank you Mr. Sumner. That's  
11 constructive. Thank you! Uh...Margie Gibson or David Benton,  
12 representing Friends of the Earth.

13 MS. MARGIE GIBSON: I see you have all of us environmental  
14 groups lined up like little ducks on this schedule. I hope  
15 it isn't hunting season.

16 MS. ESTHER WUNNICKE: I assumed that everyone picked his  
17 or her own time. I plead...I plead innocent.

18 MS. MARGIE GIBSON: My name is Margie Gibson, and I'm the  
19 Alaskan representative for Friends of the Earth. I'd like to  
20 make several comments on the draft environmental statement and  
21 then present our general....uh...our general..uh..opinions on  
22 the proposed sale. We do not feel that cumulative impacts have  
23 been adequately addressed in the environmental impact statement  
24 nor that viable alternatives have been presented. We're also  
25 concerned about the bias of some of the data presented in the

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1 draft environmental impact statement, particularly in the sec-  
2 tion on the environmental impacts of the proposal on some of  
3 the conclusions reached in this section. In the section on  
4 the short term direct oil spill effects on marine mammals  
5 we feel the DEIS selectively cites information which tends to  
6 downplay the effects of oil on these species. For example:  
7 the statement knows a study that says oil did not effect the<sup>9</sup>  
8 mortality of gray seal pups. It fails to include such studies  
9 as those by Pierce which found apparent behavior in young gray  
10 seals from contact with oil. Pierce reported that after the  
11 Arrow spill in Nova Scotia young gray seals were found blunder-  
12 ing about in the woods one half mile from shore unable to find  
13 their way because of oil around eyes and nostrils. The EIS  
14 fails to note work by Kenyon, foremost researcher on sea otters.  
15 Kenyon found that a thin irredescent film of oil is sufficient to  
16 cause death due to exposure in sea otters. The EIS states that  
17 short term exposure to oil may yield relatively minor physio-  
18 logical effects such as eye irritation. It fails to follow  
19 the fact..informa...include information such that eye and nostril  
20 irritation and damage may prevent sea lions and seals from orien-  
21 ting themselves, or that parents might not be able to recognize  
22 the young, and would thus abandon them. Not much is known...

23 MS. ESTHER WUNNICKE: Excuse me Margie, would you spell  
24 the name of that research Kenyon?

25 MS. MARGIE GIBSON: Yeah! Kenyon! K-E-N-Y-O-N, Carl Kenyon!

1        MS. ESTHER WUNNICKE: Thank you, I'm sorry!

2        MS. MARGIE GIBSON: The research for odd sea lions and  
3 seals is done by Smith and Gerasy. Not much is known about  
4 the potential impact of the direct oil spill on Alaskan marine  
5 mammals, but if the DIS asks us to a fair evaluation of the  
6 impact of the proposal on these animals both sides of the data  
7 must be presented. The section on the possible effects of the  
8 on fish and shellfish has some good information on the possible  
9 adverse impacts on these species. For example, the EIS states  
10 the areas containing high populations of halibut along the north-  
11 east shore of Kodiak Island have a high probability of being  
12 impacted by a pollutant event because of the proposal. Streams  
13 on the west side of Kodiak Island could lose entire year classes  
14 of pink salmon. Larval stages are particularly sensitive accord-  
15 ing to the draft environmental statement and we would agree.  
16 Two parts per million (ppm) of oil cause the larvae of tanner  
17 crab and dungeness crab to die. The EIS goes on to talk about  
18 the impacts on commercial fishing. Deer could be lost, especially  
19 long-life halibut deer and crab pots. Fishing time could be  
20 lost. There could be competition for goods and services with  
21 the oil industry. After over twenty pages on the impacts on  
22 fisheries, resources, and...and commercial fishing, I was amazed  
23 to read the following conclusion in the section on commercial  
24 fisheries: The spill would have little or no effect on the Kodiak,  
25 Homer, Portline, Seldovia and Kenai commercial fisheries. We

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1 don't agree. We will have more detailed comments on the draft  
2 environmental statement in our written comments that we'll sub-  
3 mit by the 24th, but also want to talk just a little bit about  
4 the proposal in general. Commercial fisheries in lower Cook  
5 Inlet, Shelikof Strait area have a wholesale market value of  
6 sixty-million dollars annually. Another forty-million dollars  
7 worth of fisheries re....resources migrate through the area.  
8 The proposed lease sale provides habitat for about 130 species  
9 of birds associated with the marine environment. Northern fur  
10 seals, harbor seals, sea lions, sea otters, and several species  
11 of the endangered great whales are also found here. Of particu-  
12 lar concern to Friends of the Earth are the resources of Shelikof  
13 Strait. Adequate baseline studies have not been conducted on  
14 marine mammals and birds in this area, but the strait holds  
15 a variety of both. More studies must be conducted prior to  
16 consideration of leasing, particularly on the Alaska Peninsula  
17 side of the strait. We do know that Shelikof Strait has key  
18 fishing areas for a variety of commercial fish and shellfish.  
19 Major harvest areas for salmon are found along both sides of  
20 the strait. Vital areas for herring are found in the bays along  
21 the west side of Kodiak and the Kukach (ph) Bay area on the  
22 west side of Shelikof Strait. Both sides have major harvest  
23 areas for all three species of crab and for shrimp. Another  
24 fishery which is only beginning to be utilized in Shelikof Strait  
25 is that for bottom fish. Trawl fishermen working the strait

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1 from the line of bays off the Chirikof Island (ph) often re-  
2 ported catches of up to 3,960 pounds per hour. A story on the  
3 front page of the Daily News last April reported a school of  
4 pollack in the strait that was seventy miles long and five miles  
5 wide. Shelikof Strait may have the largest single concentration  
6 of pollack in the Gulf of Alaska. Because the eggs of these  
7 species of bottom fish.. many <sup>3</sup> species of bottom fish including  
8 pollack float near the surface they would be extremely vulnerable  
9 to a surface oil spill. Due to our concern about the living  
10 marine resources of Shelikof Strait the people who depend on  
11 these resources for subsistence and economic gain, the lack  
12 of adequate baseline data and the lack of effective oil spill  
13 clean-up capabilities, we do not feel oil and gas leasing should  
14 take place in Shelikof Strait at this time. In our written  
15 comments we will also recommend specific tract deletions in  
16 lower Cook Inlet to minimize potential adverse impacts of living  
17 marine sources..re..living marine resources in that area. Thank  
18 you.

19 MS. ESTHER WUNNICKE: Thank you! Any questions of Miss  
20 Gibson?

21 MR. DAVE PAGE: I have a couple of questions.

22 MS. ESTHER WUNNICKE: Mr. Page

23 MR. DAVE PAGE: Earlier in your testimony I noticed that  
24 uh..or I listened while you cited several studies about the  
25 effect of oil on sea lions and other specie and during your

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1 testimony you noted several symptoms of..uh..

2 MS. MARGIE GIBSON: You're right!

3 MR. DAVE PAGE: ...they're making contact with oil, such  
4 as appearing to be disoriented...

5 MS. MARGIE GIBSON: Uh-hum.

6 MR. DAVE PAGE: ...inflamed (ph) eyes and you speculated  
7 on what might happen, or either the research speculated on what  
8 might happen because of these symptoms. You didn't mention  
9 any conclusions..ah.. did that research say any conclusions  
10 about the effect of the contact of the oil, or..uh..in other  
11 words, did they abandon their pups, or was there death or (ph)

12 MS. MARGIE GIBSON: At this time there hasn't been enough  
13 research to draw conclusions as to what the actual effects would  
14 be, say eye irritation, it's speculation.

15 MS. ESTHER WUNNICKE: Any other questions of Ms. Gibson?  
16 Thank you!

17 MS. MARGIE GIBSON: Thank you!

18 MS. ESTHER WUNNICKE: The next person I have listed is  
19 Peg Tileston representing the Alaska Center for the Environment.  
20 Has Mrs. Tileston come in? Robert Minz representing Trustees  
21 for Alaska.

22 RON ZOBEL: My name is Ron Zobel. I'm an attorney for  
23 Trustees for Alaska, and I'm substituting for Mr. Minz.

24 MS. ESTHER WUNNICKE: ..for Mr. Minz. Your reputation  
25 precedes you.

1        MR. RON ZOBEL: I don't know if I'm very happy about that.  
2 Uh...Trustees for Alaska is a non-profit public interest law  
3 firm, concerned with the wise management of Alaska's natural  
4 resources. We would first like to make some general comments  
5 concerning OCS development, and then some more specific appli-  
6 cation of those principals to sale No. 60. In general we com-  
7 pliment the Outer Continental Shelf Office on what is a rather  
8 sober look at the risks that America's search for oil poses  
9 to Alaska's rich coastal and marine resources. Now that doesn't  
10 mean we disagree with some of the specific comments that have  
11 been made today about the EIS. We think the EIS does take a  
12 hard look, and that Alaska should face up to that hard look.  
13 For example, page 154 of the draft states that (quote) four  
14 additional major spills are most likely to occur as a result  
15 of the proposed leasing. These spills have a ninety-four per-  
16 cent chance of impacting the coastal habitat and infantile organ-  
17 isms which almost entirely surround this particular OCS area.  
18 (unquote). The statement goes on to say that (quote) the exist-  
19 ing and the proposed activities are most likely to result in  
20 eleven major oil spills which have over a ninety-nine point  
21 five percent chance of impacting surrounding coastal habitat  
22 and infantile organisms (unquote). In other words it is nearly  
23 a statistical certainty that this technological venture into  
24 Alaska's Outer Continental Shelf will leave some coastal habitat  
25 stained with oil and some of Alaska's fisheries damaged. Now

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1 against that unhappy prospect we must balance the need to find  
2 energy for the American economy. No Americans, conservationists  
3 included, want to see our country a hostage to foreign oil mono-  
4 polies. Trustees for Alaska recognizes that OCS development  
5 is an integral part of the national energy strategy. But it  
6 is essential that OCS development take place in the appropriate  
7 locations, and under stringent environmental safeguards. Each  
8 sale will and must be evaluated thoroughly on a case by case  
9 basis to make sure that happens. We think it is essential that  
10 planning efforts such as the coastal zone management program  
11 guide basic oil development decisions rather than plans being  
12 written after the fact to reflect oil development decisions  
13 previously made. We also think it is essential that oil develop-  
14 ment not seriously threaten existing renewable resource economic  
15 activity or foreclose the potential of future economic growth  
16 in renewable resources. Some day the oil will run out, and  
17 Alaska's traditional industry such as fishing cannot be allowed  
18 to be destroyed during Alaska's period of oil exploitation.  
19 Now keeping these general principles in mind, let's look at  
20 sale No. 60. The oil spill analysis in the draft shows that  
21 additional leasing in Cook Inlet might increase greatly the  
22 potential threat from oil spills in the inlet. Existing leases  
23 and tanker routes already present us substantial risk to those  
24 waters and coastal habitats. The Kenai Peninsula borough local  
25 district plan under the coastal zone management program is much

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1 further along than similar planning on Kodiak Island. Also  
2 the Kenai borough is much better equipped to cope with oil devel-  
3 opment because of its' past planning efforts, and its' experience  
4 with the petroleum industry. If coastal zone planning in the  
5 Kenai borough moves ahead expeditiously, and the appropriate  
6 safeguards and mitigating measures are applied, the lower Cook  
7 Inlet portion of this sale appears considerably lower. The  
8 risks from the lower Cook Inlet portion of the sale appears  
9 considerably lower than in many frontier areas. On the basis  
10 of the information presented in the draft, we would not object  
11 to this portion of the sale but we would recommend that the  
12 OCS office pay heed to any..sp..specific tract deletions recom-  
13 mended by the Alaska Department of Fish and Game. The Shelikof  
14 Strait portion of the sale presents many more problems, when  
15 we consider the present state of coastal zone planning, and  
16 the potential threat to Alaska's embryonic bottom fishing in-  
17 dustry. Our organization has an on-going program to monitor  
18 the Alast..laska coastal management program. Both the Congress  
19 and the State Legislature have declared it to be the objective  
20 of both the state and the nation to plan, in the words of the  
21 Ala...laska coastal management act were the (quote) orderly  
22 balanced utilization and protection of the resources of the  
23 coastal area consistent with sound conservation and to sustain  
24 old (ph) principles. To do this, the federal and state acts  
25 establish a planning process which will identify resources in

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1 the coastal zone that must be protected. This process will  
2 eventually result in a local district plan implemented by zoning  
3 to protect those resources. The authors of these statutes en-  
4 visioned that this program amount more...amount to more than  
5 a high volume of after-the-fact paper shuffling. It was intended  
6 that these local district plans would guide oil development  
7 and not that oil development would dictate what would be put  
8 in those plans. Both federal and state law requires that oil  
9 development be consistent with the coastal zone management pro-  
10 gram, including both statewide standards and local district  
11 plans. It is becoming increasingly clear that unless local  
12 district plans are in place these consistency determinations  
13 will be meaningless. This was well illustrated in the Beaufort  
14 Sea case in the Alaska courts. In the Beaufort Sea, Commissioner  
15 of Natural Resources Loesche had found in a one-sentence con-  
16 sory statement that leasing in that area was consistent with  
17 the state coastal zone management program. In the litigation  
18 that ensued the North Slope villages contended that the leasing  
19 decision was inconsistent with the numerous state CZM standards  
20 protecting subsistence in other coastal resources. In response  
21 the state argued that the state standards were so general that  
22 the consistency determination could not be called arbitrary  
23 or capricious. This kind of approach to coastal zone manage-  
24 ment means that we must have local district programs before  
25 the CZM program will have any meaningful affect on the decisions

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1 being made. The logical conclusion of this analysis is that  
2 either leasing decisions will have to wait for a local district  
3 plan, or coastal planning will simply be a reflection of major  
4 development decisions already made. That is not what was intended  
5 by the coastal management statutes. We believe that draft does  
6 not emphasize the problems created by the timing of leasing  
7 in the Shelikof<sup>9</sup> Strait, and the pace of coastal planning on  
8 Kodiak Island. The Kodiak Island borough has only recently  
9 commenced a coastal planning effort. In addition, areas that  
10 merit special attention under the coastal zone program have  
11 not been identified. In fact proposals only now being made  
12 by state agencies under th....are only now being made under  
13 the special area designation program. For example, a recent  
14 publication of the state office of coastal man.....management  
15 shows numerous areas on Kodiak Island that should be considered  
16 for such designation. For example, the Alaska Department of  
17 Fish and Game has proposed a k...Kodiak coastal marine sanctuary,  
18 including the coastal zone area on Shelikof Strait. This proposal  
19 and others can only have an effect on the decision to lease  
20 if the coastal zone planning process is much further ahead of  
21 leasing than is true in the case of the Shelikof Strait tracts.  
22 The draft also seems to make statements that are inconsistent.  
23 For example on page 229 it states that (quote) the proposal  
24 would not adversely affect the proposed Kenai Peninsula borough  
25 coastal management program, and the Kodiak Island borough coastal

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1 management program (unquote). On the same page it is said that  
2 (quote) cumulative affects on the state ACMP are difficult to  
3 identify because of the orientation of the state program, and  
4 the absence of an approved district coastal management program  
5 for either the Kenai Peninsula borough or the Kodiak Island  
6 borough. The statement goes on to say that a determination  
7 of cumulative affect on the Kodiak<sup>9</sup> Island coastal zone program  
8 is beyond the scope and authority of this leasing action. Now  
9 we understand the difficulty of assessing the affect of a leasing  
10 decision on a non-existant local district coastal zone plan.  
11 But that difficulty only emphasizes the need to allow coastal  
12 zone planning efforts to proceed further before leasing decisions  
13 in the Shelikof Strait are made. The draft admits that portions  
14 of the development scenario for Talnik Point are already in-  
15 consistent with Kodiak Island goals and objectives on OCS facility  
16 siting. So how can it be said that this leasing decision will  
17 not have an adverse affect on Kodiak Island's coastal zone pro-  
18 gram. Too many of the draft statements on coastal zone planning  
19 are merely hypothetical placed upon hypothetical. We believe  
20 we need more real planning and much less speculation. A delay  
21 of at least two years for leasing in Shelikof Strait would allow  
22 the Kodiak Island borough to move ahead with its coastal planning  
23 efforts, so they can have an affect on the leasing decision.  
24 Now at several places in the draft it is said that the lack  
25 of a local coastal zone plan doesn't matter because those plans

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1 will exist before the decision to commercially produce oil is  
2 made. We think it's naive to think that a leasing decision  
3 is not a defacto decision to produce oil if it is found. While  
4 the legal power may exist to make a decision later on production,  
5 the political impact of an oil discovery in Shelikof Strait  
6 will guarantee that the oil be produced without regard to coastal  
7 zone planning efforts. For this reason, the coastal zone plan  
8 must play a meaningful role in the original decision to lease.  
9 We think that's what the authors of the coastal zone management  
10 acts had in mind, and we think that that intent should be carried  
11 out. There's also one technical legal error in the draft con-  
12 cerning the coastal zone management program. It is stated that  
13 a local district plan becomes effective when the legislature  
14 approves it. A recent decision of the Alaska Supreme Court,  
15 state versus a live voluntary, and two Alaska Attorney-General  
16 opinions indicate that the legistive approval provision in the  
17 Alaska coastal management act is unconstitutional, and that  
18 a local district plan goes into affect when the coastal policy  
19 council approves it. We will submit copies of those Attorney-  
20 General opinions so that those statements can be corrected.  
21 As the draft points out and as others here have pointed out,  
22 the waters of Shelikof Strait are an extremely productive source  
23 of shrimps...of shrimp, king crab, tanner crab, dungeness crab,  
24 five species of salmon, herring, and halibut. The oil spill  
25 risk to these existing renewable resource industries is of great

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1 present concern. The recent statewide conference on oil spills  
2 indicated that present oil spill containment planning and tech-  
3 nology are hardly up to the challenge of an oil spill in Alaskan  
4 waters. The recent experience with such spills is the Lingwa....  
5 Lee Wang Zin should not instill much confidence in the ability  
6 of the industry to contain a spill in a place such as Shelikof  
7 Strait. Numerous federal and state agencies, native corporations  
8 and other segments of the private sector are making great legal  
9 and financial efforts to make bottom fishing a part of the post  
10 oil Alaska renewable resource economy. In April of this year,  
11 the press reported that the National Marine Fishery Service  
12 was studying a school of pollack in the Shelikof Strait, that  
13 was seventy miles long and five miles wide. In other words  
14 we've only begun to learn about the bottom fish resources in  
15 Shelikof Strait, and the potential of an Alaska bottopy.....  
16 Alaskan bottom fishery. The draft states that (quote) because  
17 of the number of predicted spills the probability of a spill  
18 effecting these bottom fish species is high. Bottom fish species  
19 except Halibut, may be more adversely effected by this proposal  
20 than the other species, because of their widespread distribution  
21 in Shelikof Strait, and their presence in a high-probability-  
22 of-risk area (unquote). We should not foreclose the future  
23 economic opportunities in bottom fishery until we have fully  
24 appreciate...until we fully appreciate the magnitude of those  
25 opportunities. A delay of at least two years on leasing in

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1 Shelikof Strait would allow for a better assessment of its bottom  
2 fish and other marine resources. This draft...draft often reveals  
3 gaps in our knowledge of what we are trading off for the oil  
4 in Shelikof Strait. We believe the draft is inadequate in its  
5 treatment of bottom fish resources, and the potential of such  
6 a fishery to the future of Alaska. In conclusion, based on  
7 a need for proper planning, especially in<sup>3</sup> the coastal zone,  
8 an adequate assessment of the potential fishery in Shelikof  
9 Strait, Trustees for Alaska urges that BLM give serious considera-  
10 tion to the alternative action of delaying the Shelikof portion  
11 of the lease sale for a minimum of two years. Thank you!

12 MS. ESTHER WUNNICKE: Thank you Mr. Zobel! Any questions  
13 or comments Mr. Ones?

14 MR. CHRIS ONES: Excuse me! I have just a couple of ques-  
15 tions. When you ask for a two year delay, how does that time  
16 frame coincide or not coincide with the progress that's been  
17 the progress of the various CZM plans?

18 MR. RON ZOBEL: That would allow Kodiak Island borough  
19 to get much further down the road to having a local district  
20 plan ah..proved ah... that's very speculative. Ah..in fact  
21 we think that's one of the problems..uh..predicting when we'll  
22 have a plan is..uh..is difficult. We don't know what the coastal  
23 zone policy council's going to do, and if the legislature once  
24 again asserts its authority..ah..in a constitutional manner,  
25 we don't know what's going to happen in the legislature. Our

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1 point is that if coastal zone planning is going to be meaningful  
2 and if it's going to control the oil development decisions,  
3 then those have to be in place first. Otherwise...otherwise  
4 we're just shuffling paper. We're just writing down on the  
5 plans what's already happened.

6 MR. CHRIS ONES: Let me ask you this. From speculant (sic)  
7 national energy policy which sale (ph) is designed to..uh..impart  
8 of..uh..does it make sense for..uh..sales to be delayed say  
9 two years or in your statement here..uh..possibility of even  
10 longer while communities..uh..so to speak, get their act to-  
11 gether when the national energy picture assuming grant that  
12 proposition we use the energy in the..uh..nearer term. In effect  
13 what is..where is the line? Where do we draw the line..what  
14 is..uh..giving people time to..uh..get their house in order  
15 and at the same time meeting national energy needs.

16 MR. RON ZOBEL: Well, first of all we don't have just a  
17 national energy policy. We also have a policy with regard  
18 to the protection of the coastal zone. And we have to balance  
19 those two policies. And we don't think that two years is an  
20 inordinate length of time to make sure that..uh..those coastal  
21 habitats are prodec...protected and that we have real plan.  
22 I would say that..uh..the federal government and the state govern-  
23 ment and in conjunction with the Kodiak Island borough and the  
24 Kenai borough should put more money and more personnel into  
25 getting these plans done, so that they're in place before you

1 people start to lease in frontier areas. Uh..that's the answer.  
2 Two years, and then expedite that planning so at least..uh..the  
3 first part of it can be completed. We realize that planning  
4 is an ongoing process, that the plans are never, in a sense,  
5 finished. Uh..they have to take into consideration..uh..more..  
6 more details about what is going to happen out there. We're..  
7 we're not talking about holding it out...off until we have some  
8 kind of a..a total plan for the area, but we think a local dis-  
9 trict plan that identifies, for example, such things as special  
10 areas that merit attention. We're..we're just speculating about  
11 it now, but those things should be in place. Two years is not  
12 too long. Uh..we think that that would balance the two congress-  
13 ional policies of coastal zone planning and OCS development.

14 MR. CHRIS ONES: Let me pursue one of the things you men-  
15 tioned that..uh..to wait until development of these.....uh..and  
16 as the CZM plans finalize at that point, was still too late.  
17 Why is it still too late? At that point..let me elaborate...at  
18 that point, it seemed to me the only thing that is..uh..set  
19 in motion at that point is that you have a discovery on a given  
20 tract or a given set of tracts. You have no set in concrete  
21 as to where that oil or gas will be brought ashore and..uh..what  
22 facilities would..would be constructed where.

23 MR. RON ZOBEL: We think that coastal zone planning and  
24 the identification of..of valuable habitats should play a..a  
25 place in whether..in deciding whether there's going to be any

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1 oil activity out there at all.

2 MR. CHRIS ONES: Well then do you view the CZM planning  
3 as..uh..uh..local zoning to keep oil out?

4 MR. RON ZOBEL: In some respects it's going to be that.  
5 In some respects, not totally. I realize that there are national  
6 and state concerns that will override local decisions often.  
7 That's why these plans have to be approved at many different levels.  
8 But certainly..uh..even the..the federal agencies and state agen-  
9 cies could make a decision, if for example we're looking at a  
10 wetlands area, or a..uh..an area that is vital to shrimp repro-  
11 duction, and we see that a particular..uh..group of leases is go-  
12 ing to be right off of that and is going to pose a danger to it,  
13 then the presence of that area, and the protection that should  
14 be given it should play a part in the original decision to lease.

15 MR. CHRIS ONES: How is that not brought in the draft EIS  
16 now, as an example with the shrimp areas. Don't we identify that  
17 with the draft DIS?

18 MR. RON ZOBEL: There..as we've said there are many gaps in  
19 the information..uh..concerning what resources are in Shelikof  
20 Strait. I think you'd have to admit, that there's a great deal  
21 we don't know about that area yet.

22 MR. CHRIS ONES: No..I..my point is that..uh..you're..you  
23 seem to come down to the bottom line of information base as op-  
24 posed to your earlier planning. If we have an information base,  
25 DIS would be adequate in those areas which seems (ph) would an-

1 swer your question.

2 MR. RON ZOBEL: No, it's not just information, it's also  
3 the decisions that are going to be made through that planning pro-  
4 cess as to the type of protection that will be given those re-  
5 sources once they've been identified. It's both information and  
6 th..the planning process. You're not supposed to do that coastal  
7 zone planning. The local government in conjunction with the state  
8 and federal governments are, through those agencies.

9 MS. ESTHER WUNNICKE: Thank you Mr. Zobel. Will you give  
10 the recorder a copy of your remarks. Thank you! Uhm..I..we have  
11 time for one more witness..uh..and when we..uh..come back this  
12 afternoon, we have a..a panel that wishes to testify together.  
13 Uh...oh! Miss Tileston, you're right on time!

14 MS. PEG TILESTON: Surprise!

15 MS. ESTHER WUNNICKE: Yes! We have just time to..to hear you  
16 before we break for lunch.

17 MS. PEG TILESTON: It's a pleasant surprise to be.. that I'm  
18 on time and that you're on time, nor you're a little ahead of time  
19 in fact.

20 MS. ESTHER WUNNICKE: We were a little ahead of time. That's  
21 right!

22 MS. PEG TILESTON: Very good! I am indeed Peg Tileston, and  
23 I do represent the Alaska Center for the Environment. The center  
24 is a non-profit organization with members located throughout  
25 Alaska, including on Kodiak and the Kenai Peninsula. We appre-

1 ciate this opportunity to express our views On OCS sale No.60 at  
2 this hearing, and trust the information and concerns voiced will  
3 become an inter...integral part of the decisions to be made re-  
4 garding this lease sale. We support the tract deletions that have  
5 been listed..uh..in the written testimony of Friends of the Earth  
6 ..uh..regarding those parts in the..uh..lower Cook Inlet part of  
7 this sale. we wish now to concentrate our attention upon the  
8 Shelikof Strait. We request this portion of the lease sale be  
9 withdrawn. In other words, the area south of the Cape Douglas to  
10 Barren Islands should be completely with....completely deleted.  
11 The potential cost to the limited potential benefits speak as re..  
12 as against the potential hazards speak strongly to this decision.  
13 The seismic and meteorological hazards of the Shelikof are awe-  
14 some. In fact I would think that reading your own EIS and asso-  
15 ciated materials would give you considerable heartburn at the  
16 thought of putting people and oil rigs in such a treacherous area.  
17 I would also like to point to the potential impact upon the Katmai  
18 National Monument, or park, as the case might be. This area is  
19 important for its scenic and wildlife values and its increasing  
20 visitor usage. Current patterns could capture and hold spilled  
21 oil or other flotsam and jetsom in the Katchemak..or pardon me..  
22 in the..uh..Katmai Bay area, thus having a negative impact upon  
23 both the..the visitor usage and the..uh..other extremely important  
24 values. It is important that the Kodi..that Kodiak have suffi-  
25 cient time to complete their coastal management plan. Shelikof

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1 Straits should be considered, if at all, as part of the Kodiak  
2 lease sale instead of the Lower Cook Inlet. The cumulative im-  
3 pacts both on offshore and offshore..pardon me....onshore and  
4 offshore, argue strongly against a piece meal approach. We should  
5 like to propose an additional factor in the bidding process for  
6 and OCS lease. Some companies have a much better environmental  
7 and safety record than others. Some mechanisms should be em-  
8 ployed to reflect these records, these positive records in the  
9 bidding. Penalizing those companies whose track record is strewn  
10 with carelessness toward both worker and environment makes good  
11 sense. Why not incorporate it into the bid consideration? To  
12 summarize, we support the Cook Inlet tract deletions recommended  
13 by Friends of the Earth, and we strongly urge the withdrawal of  
14 all tracts in Shelikof Straits. Thank you!

15 MS. ESTHER WUNNICKE: Thank you! Any questions? Mr. Jones.

16 MR. JOE JONES: I have..I have a question. U..Peg..uh..  
17 you talk about the environmental track record of the operators...  
18 ah...do you have some..do you have some measurement that's already  
19 been made of the operators in Alaska on the OCS..uh..operations  
20 and..uh..state leases as to..uh..which are good and which are bad?  
21 Have..has anybody done any..uh..any of that type of..uh..of grad-  
22 ing or classifying of...

23 MS. PEG TILESTON: I'm not..I'm not sure that a..a..a chart  
24 has been drawn up, but I..it doesn't seem, at least from the in-  
25 formation that I've been able to gather, which is..is very rudi-

1 mentary at this point, that such a..a..uh..listing..uh..would be  
2 impossible. I think it's a very real..uh..they're real figures  
3 and...and..uh..information there to bear that out.

4 MS. ESTHER WUNNICKE: Mr. Ones.

5 MR. CHRIS ONES: Pursuing that a little bit, assuming that we  
6 could construct such a list of good guys verses bad guys, how  
7 would you reconcile that with the interior department's responsi-  
8 bility under the statute that we work under if you would give the  
9 lead to the highest responsible, qualified bidder?

10 MS. PEG TILESTON: Well, responsible, qualified, is where I  
11 would put it.

12 MR. CHRIS ONES: Would you suggest then we would have a via-  
13 ble case to be made that if one company X bid twenty-five million  
14 dollars for a lease and that was otherwise an acceptable bid, but  
15 it was on the bad company list, and another company bid ten mil-  
16 lion dollars and we'd award it to the ten million dollar bid?  
17 Would that make sound public policy too?

18 MS. PEG TILESTON: It would..it would certainly would be a  
19 factor involved, certainly with that grade of disparity in bids  
20 obviously there would have to be some consideration of th...of the  
21 monetary weight there, but on the other hand, if we're going to  
22 see..uh..a great deal of..uh..environmental damage which ultima-  
23 tely the coast guard or some other body will have to clean up, or  
24 the..or the..the body of the oil companies would have to clean up  
25 uh..along with the other damage which cannot be cleaned up and

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1 uh..and potential work..uh..uh..worker force..uh..lost. I think  
2 it needs..I think there's strong arguments at least for some  
3 kind of consideration along this line. After all most of the...  
4 most of the problems, or a good many of the problems..uh..with  
5 everything from North Sea on up and down have..have been.uh..  
6 either because of..of..well basically, human error. And part of  
7 that goes along with training, and, in some cases, safety.

8 MR. CHRIS ONES: Wouldn't it be better to focus on making  
9 all the companies perform up to an acceptable level rather than...

10 MS. PEG TILESTON: Well I think this is one way of doing it.

11 MR. CHRIS ONES: So in other words we wouldn't necessarily  
12 have to exclude any company.

13 MRS. PEG TILESTON: Right! Right!

14 MRS. CHRIS ONES: We could approach it the other direction.

15 MRS. PEG TILESTON: In fact it could be a bonus..uh..uh..  
16 bonus, rather than a..than a..uh..uh..a penalty kind of..of uh  
17 structure. This is a rudimentary idea, but I'm throwing it out  
18 for consideration. I think it has merit for at least bouncing  
19 around in people's heads and seeing what..uh..what possible carrot  
20 and stick approach we can do on it. I think it's in everybodys  
21 benefit.

22 MS. ESTHER WUNNICKE: Thank you! We have time to hear one  
23 more witness before we break for lunch...uh...Let me ask if Mary  
24 Ellen Spencer who is scheduled for this afternoon is..uh..is in  
25 the room. Would you..uh..like to testify now? Alright! And then

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1 I..uh..may I have from Joan the list of people who have signed  
2 up since..uh..this list was given me. Welcome!

3 MS. MARY ELLEN SPENCER: Hi! My name is Mary Ellen Spencer,  
4 and during the summer and fall of 1979 I co-authored a synthesis  
5 report on the information available for marine mammals and birds  
6 in the Shelikof Strait, lower Cook Inlet, and recommendations for  
7 lease sale 60.

8 MS. ESTHER WUNNICKE: Before you begin, can you tell me  
9 your address?

10 MS. MARY ELLEN SPENCER: Oh! Uhm..it's..I'm..it's maileable  
11 at Friends of the Earth, 10069..

12 MS. ESTHER WUNNICKE: Kierf (ph)

13 MS. MARY ELLEN SPENCER: Yeah! 1069, not 10069, West 6th.

14 MS. ESTHER WUNNICKE: Okay! Thank you!

15 MS. MARY ELLEN SPENCER: Anchorage. Our document was cited  
16 several times in the draft EIS but was incorrectly referenced in  
17 the bibliography as a publication of Alaska Department Fish and  
18 Game. To make a correction, our report was written for the  
19 University of California, Santa Cruz, sponsored by Friends of  
20 the Earth in Anchorage and funded by the National Sea Grant  
21 Foundation. Our purpose was to survey the existing biological  
22 information available for the lease area, and then identify data  
23 gaps, and make recommendations for studies to be done prior to  
24 leasing. Our major concern was the extreme lack of baseline data  
25 for Shelikof Strait especially for the endangered species. It's

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1 imperative de..it obtain this information prior to leasing in  
2 order to assess the appropriateness of the lease sale. There are  
3 two key biological issues; marine mammal and marine birds; that  
4 lack adequate information to make intelligent decisions regarding  
5 development impacts. In particular there are no statistical in-  
6 forma...there is no statistical information on population size,  
7 migration, habitat and breeding of the whale specie,<sup>9</sup> even though  
8 there have been sightings of thirteen species of whale of which  
9 seven are listed as endangered. More substantial information is  
10 available on the populations of sea lions, harbor seals, and sea  
11 otters. It indicates major populations in the lease area, parti-  
12 cularly near the Barren Islands and North Kodiak Island. There  
13 have been frequent sightings of resident populations of Dall por-  
14 poise, harbor porpoise, beluga whale and minke whale. It's im-  
15 portant to re-emphasize the fact that these sightings are inciden-  
16 tal sightings and not conducted by research teams, and so they are  
17 biased by observer effort and differences in the observer's abili-  
18 ty to identify species. Also the geographical and seasonal vari-  
19 ations of the sightings limit the understanding of such data.  
20 It's important to gain this baseline information because these  
21 animals can be severely affected by this type of development.  
22 Again there is a large gap of information of the impact of de-  
23 velopment activities on marine mammals. The government would be  
24 acting irresponsibly to proceed with the sale with this lack of  
25 information. The same type of situation exists for marine birds.

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1 This lease area hosts up to a hundred and thirty species of birds  
2 (including one endangered specie) with numbers of waterfowl and  
3 shore birds exceeding four million. Data is lacking for loca-  
4 tions of..location and sizes of breeding colonies, wintering and  
5 migration populations, as well as feeding and possible impacts  
6 from oil spills or development associated activities. There are  
7 many reasons why a lease sale in Shelikof Strait is inappropriate  
8 at this time. Two important ones are: the possibility that eight  
9 endangered species (seven species of whale, and one species of  
10 bird) could be affected by OCS development in Shelikof Strait.  
11 Because of the lack of data on potential impacts to endangered  
12 species, proceeding with the sale could jeopardize their survival.  
13 Second, this region was not first included in the EIS on the fed-  
14 eral OC..EIS on the federal OCS program in 1975, and so baseline  
15 studies have not been conducted. Consequently Shelikof Strait  
16 lacks baseline and impact date. Our report was primarily focused  
17 on these biological concerns; however there are several major is-  
18 sues that I'm sure others will bring to your attention, or have  
19 already. These include the effect on fisheries resources, pro-  
20 blems associated with harsh weather conditions, cumulative impacts  
21 from adjacent lease sales, compliance with the not yet adopted  
22 Kodiak Coastal Zone Management program, and the low probability  
23 of discovering marketable quantities of oil. In light of these  
24 concerns, I recommend that Shelikof Strait be deleted entirely,  
25 and that lease sale 60 be delayed until further information can be

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1 required.

2 MS. ESTHER WUNNICKE: Questions. Chris.

3 MR. CHRIS ONES: I'd like to ask one clarifying question.  
4 Do you have any information as to whether national re-fishery  
5 service has somewhere conclusions regarding the lack of data or  
6 lack of adequate data on these eight endangered species in this  
7 area?

8 MS. MARY ELLEN SPENCER: Uhm...No..I..and I was looking over  
9 the graphic that came out in the EIS and they..I tried to get  
10 ahold of some way to verify some information that was cited  
11 inside of the strait, and I haven't talked to anybody yet, but  
12 there were sightings included on the graphics, but there was no  
13 sighting of a report. So I don't know. I mean there was sight-  
14 ings I mean, by indications of a sighting. And so I'm not sure  
15 where they got the information but there have....our report..uh..  
16 last October a year ago, and so I don't..I don't know of any re-  
17 ports that have done since then, any studies, but...

18 MS. ESTHER WUNNICKE: Jerry Reed has a question.

19 MR. JERRY REED: Ah, yes! I was wondering..uh..and I've  
20 asked this question of others before, you mentioned that you feel  
21 that the..uh..some of it the data are inadequate, and I wondered  
22 if..uh..you or the organization you represent..uh..has a perhaps  
23 a listing of the kinds of studies that they think might be perti-  
24 nent to provide the data for intelligent decision making.

25 MS. MARY ELLEN SPENCER: Uh..yeah! As a matter of fact we

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1 listed studies in our report that would be..uh..pertinent to mak-  
2 ing a decision on this kind of development. I can supply you  
3 with the list if you want.

4 MR. JERRY REED: I would appreciate that.

5 MS. ESTHER WUNNICKE: Would you do one other thing. I only  
6 see one staff person visible. Would you talk to Larry Albert be-  
7 fore you leave and give him the cōrrect citation on your study.

8 MS. MARY ELLEN SPENCER: Oh, okay!

9 MS. ESTHER WUNNICKE: Okay! Any other questions of Miss  
10 Spencer. Okay, Thank you very much! We'll stand and recess un-  
11 til one o'clock, and reconvene here at that time.

12 OFF RECORD

13 ON RECORD

14 MS. ESTHER WUNNICKE: The first person listed for this  
15 afternoon is Mr. L. James Anderson, representing the Cook Inlet  
16 Response Organization.

17 UNIDENTIFIED PERSON: He's not going to testify.

18 MS. ESTHER WUNNICKE: Oh, he's not! Oh!

19 UNIDENTIFIED PERSON: We have enough representative (ph),  
20 he'll be a part of our panel.

21 MS. ESTHER WUNNICKE: ..as a part of your panel. Alright,  
22 then we'll begin with the Alaska Oil and Gas Association panel.  
23 There are four of you?

24 UNIDENTIFIED PERSON: Yes

25 MS. ESTHER WUNNICKE: Yes, we'll need another chair brought

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1 up.

2 UNIDENTIFIED PERSON: Well, we'll just let one of them sit  
3 back here until we (ph)...

4 MS. ESTHER WUNNICKE: Alright! Fine! If you will introduce  
5 the members of the panel then Mr. Meyers.

6 MR. WILLIAM MEYERS: Members of the hearing panel, I am  
7 William Meyers, representing the Alaska Oil and Gas Association,  
8 known as AOGA. Many of the AOGA'S members are directly interes-  
9 ted in the exploration of oil and gas in the Alaska OCS. And I  
10 might say that all the members would strive to be on the good  
11 guys' side of Miss Tileston's list, and I don't say that face-  
12 tiously. AOGA has requested and obtained permission to make a  
13 multiple witness presentation and we hope that this appearance  
14 will expedite the hearing process, because most of the AOGA mem-  
15 bers will forego individual presentations at these hearings.  
16 Before proceeding with the first AOGA spokesman, I might make a  
17 few brief comments. Recent events in the Persian Gulf once again  
18 bring us to the realization, better realization, that America is  
19 not in control of it's own destiny, and will not be until we have  
20 an assured and adequate supply of energy. Once again we are made  
21 to realize that our national security and economic well-being are  
22 dependent upon an unstable and uncertain supply of foreign crude.  
23 A tenuous thread at best. Indeed if an environmental impact  
24 statement were to be written relative to the effects of an ex-  
25 tended interruption of our petroleum supply from the Middle East,

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1 a worse case scenario would be the most realistic. It would have  
2 to deal with the effects of severe economic disruptions in this  
3 country with attendant social upheavals. The least of our pro-  
4 blems might be long lines at gas stations. These events of  
5 course increase the importance of this hearing. As stated in  
6 the draft environmental impact statement, the proposed oil and  
7 gas<sup>3</sup> sale no. 60 is part of the overall effort to reduce our de-  
8 pendency on foreign sources of petroleum. The DEIS properly  
9 recognizes that a commercial discovery in the proposed lease sale  
10 area would contribute to the goals of ensuring uninterrupted ener-  
11 gy supplies and reducing the balance of payments deficit result-  
12 ing from petroleum imports. The impact statement recognizes also  
13 that our ability to reduce the importation of foreign oil, or  
14 even to prevent its increase, depends heavily on Alaskan produc-  
15 tion. The general accounting office has estimated that for the  
16 period 1985 to the year 2000 Alaska will supply sixteen to nine-  
17 teen percent of all U.S. crude production and that by the year  
18 2000 Alaska will supply over eighteen percent of all U.S. natural  
19 gas production. If these predictions are to be realized, then it  
20 is imperative that the proposed lease sale and other Alaskan OCS  
21 lease sales be held on schedule. And I noted today that one of  
22 the witnesses, I think it was for the Trustees for Alaska, asked  
23 for a further delay. And of course this has been the history of  
24 Alaska. We have many years of delay for the initial Gulf of  
25 Alaska lease sale; we had a delay in the first Cook Inlet lease

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1 sale; we've now had the Kodiak sale postponed or cancelled twice.  
2 It should be borne in mind that the impact, particularly on-shore  
3 from the exploration phase, is mental, and there's at least a five  
4 year minimum lapse before there could be any realistic production  
5 from the sale 60 area even if we are fortunate enough to dis-  
6 cover oil or gas in commercial quantities. Until that time we  
7 don't know where the production or development will be, and at  
8 that time it will be necessary to file development and produc-  
9 tion plans, and I assume that the BLM will probably prepare ano-  
10 ther impact statement and that there will be further hearings  
11 and people will have their say again, and further that the pro-  
12 duction development plans would have to be in conformity and in  
13 compliance with the coastal zone scene then in existance. As yet  
14 we don't know what that will be. Now, some of the people here,  
15 and a..and a..who are interested in this sale may say that a rea-  
16 son for not holding this sale is the fact that exploration efforts  
17 in the so-called OCS frontier areas, such as the lower Cook Inlet  
18 in the Gulf of Alaska, have not to date met with significant suc-  
19 cess. But we should remember that exploration is a continuing  
20 effort. Early failures have, on occasion resulted in the appli-  
21 cation of new ideas leading to substantial discoveries when pros-  
22 pects for success were dim. A prime example of course, is the  
23 Prudhoe Bay field where one more well led to the development of  
24 the field which is now our most prolific producer. In any event,  
25 in order for our nation to properly plan for the future, the do-

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1 mestic energy sources available to us must be determined without  
2 unreasonable delay. All areas having potential for petroleum  
3 production must be properly and adequately assessed. This in-  
4 cludes the sale no. 60 area and other Alaskan OCS areas. Each  
5 is important to the overall effort. The industry is confident  
6 that it can conduct that assessment in the proposed lease sale  
7 area safely and without significant adverse environmental effects.  
8 While it respects the harsh physical conditions of the lower  
9 Cook Inlet and the Shelikof Strait, it has the demonstrated abili-  
10 ty to operate safely in that area. For those who may have en-  
11 vironmental concerns relative to the proposed sale, I would call  
12 attention to the fact that the first federal off-shore sale in  
13 the lower Cook Inlet three years ago, since that time there have  
14 been drastic revisions in the Outer Continental Shelf Lands Act  
15 and the regulations governing OCS operations. These revisions  
16 include virtually all of the protective measures deemed necessary  
17 by those who have opposed off-shore petroleum operations in the  
18 past. A comment made last year by James A. Joseph, Under Sec-  
19 retary of the Interior, is still pertinent today. In affect Sec-  
20 retary Joseph said: Even with the best technology, the best  
21 training, and the strongest precautionary measures, the environ-  
22 mental risk of energy development of any type cannot be reduced  
23 to zero. However, the costs and risks of not pursuing an aggres-  
24 sive development program, both on the OCS and on-shore, are clear-  
25 ly going to be increasingly unacceptable economically, politi-

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1 cally, environmentally, and socially. Now at this point I would  
2 to introduce the first AOGA spokesman, Mr. Thomas Cook.

3 MR. THOMAS COOK: Thank you Mr. Meyers. Good afternoon  
4 madam chairman and panel. My name is Thomas Cook. I'm employed  
5 by Chevron, U.S.A as exploration representative for Alaska. I  
6 appreciate the opportunity to appear before this distinguished  
7 panel this afternoon on behalf of the Alaska Oil and Gas Associa-  
8 tion. By way of background, I have an under-graduate degree in  
9 geology from the Massachusetts Institute of Technology, and a  
10 graduate degree in business administration from the University  
11 of North Carolina. I have worked for over fifteen years as an  
12 exploration and as a business manager within the exploration sec-  
13 tor. More recently I've worker, or served as executive director  
14 of the Alaska Pipeline Commission, and as director for the  
15 state's Division of Minerals and Energy Management. My comments  
16 concerning the proposed OCS lease sale no. 60 will be limited to  
17 our nation's need for increased domestic oil and gas production,  
18 the need to proceed with this sale as presently scheduled, and  
19 the importance of implementing the recently adopted OCS schedule  
20 without undue delay. The draft environmental impact statement  
21 for sale no. 60 acknowledges the critical need for additional  
22 domestic supplies of oil and gas. Since the principal reason  
23 for holding sale no. 60 or any other OCS sale is to provide addi-  
24 tional domestic petroleum resources, I would like to offer the  
25 following observations: Our nation presently consumes in excess

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1 of seventeen billion barrels of petroleum per day. Nearly half  
2 of our country's oil requirements are presently met by imports.  
3 During recent months spot market prices for crude oil have  
4 reached a high of forty dollars per barrel in the world market.  
5 Forty dollars per barrel..excuse me. On average, crude oil is  
6 selling at approximately thirty dollars per barrel in internatio-  
7 nal trade. <sup>3</sup> Based on a conservative estimate of thirty dollars  
8 per barrel for imported oil the drain on our nation's economy is  
9 approximately two hundred and forty million dollars per day, or  
10 eighty-eight million dollars..billion dollars per year. To put  
11 that number in perspective we should recognize that this re-  
12 presents an expenditure or a cost of over a dollar a day for  
13 every man, woman and child in this country, and the cost is going  
14 up. The Department of Energy's estimate of our 1980 oil import  
15 costs, recently cited by Secretary Duncan, is eighty-three bil-  
16 lion dollars, again a number that's very close to estimates which  
17 I have cited. This cash outflow places an intolerable strain on  
18 our nation's economy. It erodes the value of the dollar, in-  
19 creases our international trade deficit, threatens our national  
20 economic stability, and places our standard of living in jeopardy.  
21 President Carter has stated that each five billion dollars spent  
22 for imported oil means a loss to the U.S. economy of two hundred  
23 thousand domestic jobs. Furthermore our heavy dependence on un-  
24 reliable foreign crude oil supplies, as exemplified by the con-  
25 tinued strife and political instability of the Persian Gulf re-

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1 gion, constitutes a threat to our national security which is de-  
2 pendent upon assured supplies of petroleum. Although the DEIS  
3 for sale 60 does not provide an explicit forecast of the U.S. oil  
4 consumption, the final environmental impact statement for sale  
5 no. 55 recently issued does set forth the projection, following  
6 page two of that document. This chart forecasts U.S. consumption  
7 in 1990 at approximately twenty-four million<sup>3</sup> barrels per day, of  
8 which only ten million barrels per day are predicted from domes-  
9 tic production. If we assume a rather conservative increase in  
10 price to forty dollars per barrel, then by 1990, our cost to im-  
11 port fourteen million barrels per day would be five hundred and  
12 sixty million dollars per day, or two hundred and four billion  
13 dollars per year. These figures should amply emphasize the ur-  
14 gent need to accelerate domestic exploration and development,  
15 thereby curtailing as much as possible our nation's dependency  
16 upon foreign petroleum. The U. S. Outer Continental Shelf offers  
17 one of the few remaining frontier areas from which substantial  
18 new petroleum reserves may be developed. Unfortunately our na-  
19 tion has not yet demonstrated a sufficient commitment to explore  
20 and develop its vast off-shore regions. Only two to three per-  
21 cent of the U.S. Outer Continental Shelf is currently under lease,  
22 whereas about forty-two percent of the Free-World's outer conti-  
23 nental shelf lands are under lease or exploration agreement. With  
24 hundreds of millions of acres of our onshore public lands being  
25 closed to resource development it is increasingly important to

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1 proceed with a vigorous, ongoing schedule of OCS sales. Only by  
2 drilling in every potentially prospective area can we evaluate  
3 our remaining potential and properly design future plans to meet  
4 our national energy needs. Since it takes from seven to twelve  
5 years to bring a new OCS frontier discovery to the point of pro-  
6 duction, we must proceed to make OCS areas available for explor-  
7 ation without delay. We have lost precious time debating OCS  
8 programs and policies. The need for immediate and ongoing OCS  
9 sales is of foremost importance to the national interest. The  
10 resource estimates given in the draft environmental impact state-  
11 ment for sale no. 60 are quite properly characterized as being  
12 inherently speculative. Any such estimates, whether by govern-  
13 ment or industry, should be viewed in light of historic experi-  
14 ence. The long record of grossly erroneous forecasts in areas  
15 such as the North Slope, the North Sea, Bay Marchand of the Gulf  
16 of Mexico, Rocky Mountain Thrust Belt, where great discoveries  
17 followed pesimistic predictions, should be considered along with  
18 the negative experiences of the Destin Anticline, the Gulf of  
19 Alaska, and the Tanner-Cortes Banks, off Southern California. I  
20 want to emphasize that we cannot let our pre-sale guesses turn us  
21 aside from any region offering potential for new discoveries. It  
22 is only by the evaluation of all such areas that we can be cer-  
23 tain that we are not passing up another Prudhoe Bay or another  
24 great oil and gas province such as now is developing in the Rocky  
25 Mountain Thrust Belt. There are other very important reasons for

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1 proceeding with this sale and other scheduled sales. We must al-  
2 ways be conscious of the fact that our total domestic petroleum  
3 supply is made up of some twenty-two thousand fields, which pro-  
4 duce an average of about three hundred and fifty barrels per day.  
5 The average U.S. well, which there are more than five hundred  
6 thousand, produces on the order of sixteen barrels per day. In  
7 other words, our total domestic supply is the sum of many small  
8 increments, and each is no less important than the other. We  
9 should also remember that oil and gas exploration is a building  
10 process. Each additional bit of information and data leads to-  
11 wards the unraveling of those geologic puzzles, the solution of  
12 which leads to further discoveries and improved exploration  
13 techniques. Even though a particular sale, and the subsequent  
14 of the exploratory effort, may not result in a commercial dis-  
15 covery, it may provide new knowledge which becomes the basis for  
16 future discoveries. But continuity of effort is required to in-  
17 sure productive utilization of capital and personnel. In a very  
18 real sense, this is exactly what happened in the provinces..in  
19 provinces such as the North Slope, the North Sea, Rocky Mountain  
20 Thrust Belt, and elsewhere. Early drilling failures in these  
21 regions provided critical data leading to the conceptional under-  
22 standing which ultimately brought about the great discoveries.  
23 Finally, we must all face an uncomfortable, but very fundamental  
24 and important fact. It is just as important to find out what  
25 petroleum resources we do not have, as it is to discover those

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1 which we have, but which have not yet been found. Only by an  
2 expeditious and thorough evaluation of our domestic petroleum  
3 potential can we make sound decisions with respect to our national  
4 commitment to the development of alternative energy sources such  
5 as coal, nuclear, solar, and synthetic fuels, and a host of other  
6 advanced technologies. The capital generated by successful  
7 petroleum exploration will enable the private sector to expand  
8 and intensify its efforts to research and develop these alter-  
9 native energy sources. Petroleum resources are the bridge to a  
10 new energy future. The additional resources which may be dis-  
11 covered in this and other sale areas are extremely necessary, if  
12 our society is to make a successful transition from dependence  
13 upon petroleum to yet-to-be-developed energy alternatives.

14 With these thoughts in mind, sale no. 60 should be regarded  
15 as being just as important as any other sale. Two-thirds of the  
16 Outer Continental Shelf lies seaward of state submerged lands out  
17 to the two hundred meter isobath is within Alaska. The importance  
18 of expeditiously exploring this vast region of some five hundred  
19 and sixty thousand square miles cannot be over-emphasized. Sale  
20 no. 60 would be only the fifth OCS sale in Alaskan waters assuming  
21 that the Yakutat sale is held next week as scheduled. Although  
22 it is difficult to estimate the size of proposed sales in the  
23 Department's five-year schedule, it appears that something on the  
24 order of eight to ten million acres will be offered in the Alaska  
25 OCS during the next five years. This represents only two point

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1 two to two point eight percent of the five hundred and sixty  
2 thousand square miles of the Alaska OCS.

3 At this rate, it will take many sales and many exploratory  
4 wells to even partially evaluate the Alaska Outer Continental  
5 Shelf. Therefore sale no. 60 constitutes an important link in  
6 the chain of events, and certainly should be conducted as sche-  
7 duled. Thank you very much!

8 MR. WILLIAM MEYERS: If you have any...if there are any  
9 questions that you'd like to ask any members of the panel.

10 MS. ESTHER WUNNICKE: As..as we go along, are there any  
11 questions of Mr. Cook or Mr. Meyer?

12 MR. WILLIAM MEYERS: Our next spokesman is Mr. Leonard Dar-  
13 sow.

14 MR. LEONARD DARSOW: Thank you Mr. Meyers. Mr. Meyers  
15 pointed out, my name is Leonard A. Darsow. My testimony today is  
16 being given as a representative of the Alaska Oil and Gas Asso-  
17 ciation whose address is 505 West Northern Lights Boulevard,  
18 Anchorage, Alaska. I am an Anchorage District Superintendent  
19 for Amoco Production Company, and I'm responsible for Amoco's  
20 operations in Alaska. Following my graduation from Montana  
21 School of Mines in 1958 with a Bachelor of Science degree in  
22 Petroleum Engineering, I've worked in a wide variety of engineer-  
23 ing and supervisory positions during my twenty-three years with  
24 Amoco. My experience includes oil and gas producing operations,  
25 drilling operations, workover operations, reservoir engineering

1 and management. During the late 1960's, I worked as a reservoir  
2 engineer on Amoco's upper Cook Inlet fields, and became very  
3 familiar with the vast amount of research and the extensive  
4 technology that was utilized in successfully developing and pro-  
5 ducing those offshore fields. Approximately four years ago, I  
6 moved to Anchorage to supervise and manage Amoco's operations  
7 within the state which includes the operation of four offshore  
8 platforms in the upper Cook Inlet.

9 The purpose of my testimony today is to reaffirm the oil and  
10 gas industry's capability to successfully drill for, hopefully  
11 discover commercial quantities of oil or gas, and then operate  
12 from the offshore tracts which are scheduled for offering from..  
13 in the proposed OCS lease sale no. 60, lower Cook Inlet, Shelikof  
14 Straits, Alaska. To achieve my purpose, I will make brief but  
15 significant comparisons between the proposed sale area, the pre-  
16 vious Lower Cook Inlet sale area of October, 1977, and the upper  
17 Cook Inlet area.

18 One way to analyze whether an idea or a program may be suc-  
19 cessful is to determine if a similar project has been accomplish-  
20 ed. We do have successful existing producing oil and gas opera-  
21 tions in the Upper Cook Inlet, and have also successfully con-  
22 ducted exploratory drilling in the Lower Cook Inlet. The proxi-  
23 mity of these past and ongoing activities to the proposed lease  
24 sale area provides an excellent opportunity for comparison.

25 I realize that similar testimony has been presented at pre-

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1 vious hearings involving the prior Lower Cook Inlet lease sale  
2 and that the draft environmental impact statement for sale no. 60  
3 clearly describes the accomplishments of the oil and gas industry  
4 in the Upper Cook Inlet. However, I believe it is important  
5 to recap the comparisons of some of the physical conditions be-  
6 tween the areas as well as to review the successful sequence of  
7 events as they have occurred in both the Upper and the Lower Cook<sup>2</sup>  
8 Inlet.

9 Data that is readily available for many sources confirm that  
10 the physical conditions of the Upper Cook Inlet are generally  
11 more hostile to most offshore operations than the Lower Cook In-  
12 let. The best examples are ice conditions and tidal velocity.  
13 Ice is not expected to occur within the proposed sale area. Yet  
14 the Upper Cook Inlet may experience ice thicknesses in excess of  
15 four feet. Obviously, the ice, if it exists, moves back and  
16 forth with the tide, exerting enormous crushing pressures on all  
17 objects in its path. Tides in the Upper Cook Inlet are among  
18 the highest in the world, sometimes exceeding thirty-five foot  
19 change. These tides generate a current velocity up to eight to  
20 ten miles per hour, compared to four to five miles per hour in the  
21 Lower Cook Inlet. These two factors of ice conditions and tidal  
22 velocity definitely show the proposed sale area to be a much  
23 easier area to operate within when compared to existing Upper  
24 Cook Inlet operations. Drilling experiences that we've had in  
25 the Lower Cook Inlet have confirmed improvement in ice and tide

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1 conditions, but also have pointed out that wind velocities are  
2 much higher in Lower Cook Inlet than had previously been anti-  
3 cipated. Even though the high wind velocities and resulting  
4 seas were encountered, exploratory drilling was successfully  
5 accomplished.

6 Some of the more significant events as they occurred in  
7 the Upper Cook Inlet operations were:

- 8 1. Exploratory drilling began in the summer of 1962.  
9 Drill ships, jack-ups and temporary platforms were  
10 used.
- 11 2. The first permanent drilling and production platform  
12 was installed in 1964.
- 13 3. Oil and gas production commenced in 1965.
- 14 4. (and very significant) Fourteen platforms installed  
15 between 1964 and 1968 are all producing oil and/or  
16 gas today.

17 The design and installation of the permanent drilling-  
18 production platforms and the submarine pipelines in Upper Cook  
19 Inlet was a tremendous engineering accomplishment. The oil and  
20 gas industry very clearly has demonstrated its ability to suc-  
21 cessfully and satisfactorily perform under adverse natural con-  
22 ditions. Through the years of offshore production the Upper Cook  
23 Inlet operations continue to illustrate the harmonious and effec-  
24 tive ways that man, the elements, and the environment can work  
25 together.

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1 Looking at the Lower Cook Inlet, ten exploratory wells, in-  
2 cluding the COST well, have been drilled to date within the Lower  
3 Cook Inlet sale area of October 1977. Five wells have been  
4 drilled using large semi-submersible rigs, two wells have been  
5 drilled with a jack-up type rig, and three wells were drilled  
6 from a floating drill ship. All operations were successfully  
7 conducted even though, as I previously stated, wind velocities  
8 were encountered at a much higher level than anticipated. As you  
9 are aware, the type of drilling rig to be used in the proposed  
10 sale area will depend upon the specific location and the water  
11 depth as has been the case in the Lower Cook Inlet.

12 To illustrate, I have attached a small scale map of the pro-  
13 posed sale area, which shows in significance the hashed or  
14 shaded area which was the Lower Cook Inlet sale of October 1977,  
15 and it depicts the tracts proposed for sale no. 60. On that map  
16 I have located in red all of the tracts that were subject to the  
17 successful drilling program that I just mentioned.

18 MS. ESTHER WUNNICKE: Where..where the wells were located.

19 MR. LEONARD DARSOW: Right! Those are the tracts where we  
20 drilled with either the jack-ups, the large semi-submersibles or  
21 the drill ships. The cross-hashed, red tract represents the  
22 location of the COST well. The significance is to show the wide  
23 areal extent of the ten exploratory efforts made and how it covers  
24 a large area from north to south of the Lower Cook Inlet.

25 In conclusion, the oil and gas industry has proven its capa-

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1 bility in both the Upper and the Lower Cook Inlet to safely ex-  
2 plore, develop, and produce offshore tracts under pyhsical con-  
3 ditions more severe than the conditions to be encountered in the  
4 proposed Lower Cook Inlet, Shelikof Strait sale area. Our in-  
5 dustry has the technical knowledge, the equipment and the ex-  
6 pertise to proceed with operations within the OCS sale no. 60  
7 area now. Thank you very much!

8 MS. ESTHER WUNNICKE: Any questions of Mr. Darsow? Okay!  
9 Oh! Okay Mr. Page has a question.

10 MR. DAVE PAGE: You referred several times to the condi-  
11 tions in Lower Cook Inlet being consistent with what you found  
12 in Upper Cook Inlet or more. Do the same observations hold for  
13 the Shelikof Strait or do you consider Shelikof Strait to be a  
14 part of Cook Inlet?

15 MR. LEONARD DARSOW: I think it's obviously further south  
16 and it's not identical, but yes, from the data that we have the  
17 tidal velocities and..uh..ice conditions.. the statements I made  
18 apply to the Shelikof Strait also.

19 MR. JERRY REED: I might make an observation. We heard a  
20 testimony yesterday..uh..from another representative of industry  
21 that one of the concerns which perhaps has not been tested was  
22 structural icing which is a real concern in Shelikof Strait, and  
23 I wonder, and not to put you on the spot or anything, but I..I'm  
24 just wondering if..if there are some programs that you might have  
25 in mind to look at that particular situation, because that...that

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1 really is a problem in Shelikof.

2 MR. LEONARD DARSOW: I would answer that as saying that  
3 certainly the research departments of a variety of the com-  
4 panies would be looking at that similarly as they did to the  
5 design of the Upper Cook Inlet platforms, designing them to  
6 where they could withstand the crushing ice forces that I men-  
7 tioned there. So yes, I'm confident that..uh..research programs  
8 are underway for that type of ice-loading.

9 MR. JOE JONES: We've heard quite a bit of testimony in  
10 Homer and Kodiak about the concerns of the fishermen for damage  
11 to gear, fishing gear and..uh..other equipment that they might  
12 have..uh..Do you know of any claims or any..uh..legal cases that  
13 are pending in connection with any damages such as..as..a..as  
14 they describe in the operational area here?

15 MR. LEONARD DARSOW: I could describe a little bit of that  
16 in generalities. I can't cite anything, cite specific..uh..in  
17 that initial problems where gear was maybe..uh..encountered with  
18 supply boats. This type of thing was resolved through efforts  
19 of the coast guard and the various agencies involved and..uh..  
20 fairways were established, transportation fairways, so there was  
21 ..was no further problem that I'm aware of.

22 MR. WILLIAM MEYERS: I'd like to make one brief comment on  
23 that Mr. Jones and...uh..having been involved in the Gulf of  
24 Mexico for the last thirty years..uh..I cannot recall one law-  
25 suit which involved a claim by fishermen against an oil company

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1 for damage or lost gear. Now that doesn't mean that there haven't  
2 been claims, but apparently I would say that the claims there have  
3 been have been settled without the..uh..the necessity for liti-  
4 gation or..I would say this, we have represented..uh..a number  
5 of oil companies in that area for many years, and I can't remem-  
6 ber us ever having a lawsuit involving fishermen gear. And of  
7 course with the contingency fund, I think that the fisherman<sup>s</sup> does  
8 have more protection than he did.

9 MR. JOE JONES: Well, my question was directed to..uh..trying  
10 to pinpoint something that might have happened in here and that  
11 we were unaware of. Thank you!

12 MR. LOREN GORDON: Ladies and gentlemen, I am Commander  
13 Loren Gordon, U. S. Coast Guard, retired. Ten years of my Coast  
14 Guard career has been associated with Marine Environmental Pro-  
15 tection, concluded by my last three years here in Anchorage as  
16 executive officer for the Coast Guard Marine Safety Office. I  
17 have a Bachelor of Arts degree in Education and Biology. I am  
18 presently manager of the Cook Inlet Response Organization. Our  
19 address out there is 6700 Arctic Spur Road, Anchorage, Alaska,  
20 99502.

21 The purpose of this presentation and the submission of a  
22 written statement is to supplement information set forth in the  
23 draft EIS for OCS lease sale area no. 60, and to bring to your  
24 attention the industry's continued and conscientious effort to  
25 protect the marine environment.

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1 The idea is based upon an industry response team capability.  
2 Personnel are selected from participating industry members and  
3 familiarized with cleanup equipment and its operation. In the  
4 event of an emergency, these personnel will be called upon to  
5 mobilize and to operate equipment located in their local area,  
6 until such time as a responsible company can assume full control  
7 of cleanup operations. The idea is one of mutual aid, available  
8 to any CIRO participant. The concept enhances response time be-  
9 cause the teams are selected in the same area where the equipment  
10 is maintained.

11 During the past summer, forty-six indi...industry represen-  
12 tatives underwent training on CIRO equipment and response require-  
13 ments. From these personnel Cook Inlet Response Teams have been  
14 selected for Anchorage, Kenai and Homer. A training program will  
15 continue throughout the year to increase their efficiency and to  
16 train new personnel.

17 In addition to the industry teams, CIRO has sponsored a  
18 training program for selected contractors. Training for con-  
19 tractor personnel includes the maintenance and operation of CIRO  
20 equipment. This provides the opportunity for a company suffering  
21 a spill to hire a cleanup contractor who is familiar with the  
22 CIRO and GOACO equipment. This also provides a greater depth  
23 of personnel to supervise cleanup operations. Contractor person-  
24 nel are also used to train industry personnel in the techniques  
25 of oil spill cleanup and removal.

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1 Each spill organization has its contingency plan for its  
2 area of interest. In addition to containing equipment list of  
3 the respective organization, each plan lists equipment and mater-  
4 ials maintained by other response organizations, the U. S. Coast  
5 Guard and local contractors.

6 In addition to these cooperative efforts, I would like to  
7 emphasize that the industry takes extreme safety measures in off-  
8 shore drilling and production operations to prevent oil spills.  
9 These measures include intensive training to reduce human error,  
10 installation of safety and pollution control equipment and opera-  
11 ting and inspection procedures to insure the proper functioning  
12 of on-site equipment.

13 The exacting industry safety programs and systems have con-  
14 siderably reduced the number and volume of spills. Records for  
15 Cook Inlet reflect over the past ten years. A total of only two  
16 hundred and thirty six barrels of oil has been reported from all  
17 sources including drilling, production, pipeline and tankering.  
18 Exhibit 3 is a table of dispilled data. No matter..however, no  
19 matter what safe guards are taken the possibility of a spill can-  
20 not be eliminated entirely. For that reason the industry has  
21 designed these various Alaskan oil spill response organizations  
22 to provide the offshore petroleum operators with the capability  
23 of responding rapidly to a spill. Our immediate objective in  
24 event of a spill is to commence containment and cleanup operations  
25 as expeditiously and as efficiently as possible.

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1 the water more rapidly. However I'm sure that if the quantity is  
2 large enough that we would be concerned then with a..uh..beach  
3 cleanup pronto.

4 MS. ESTHER WUNNICKE: Mr. Page.

5 MR. DAVE PAGE: How long does it take..uh..well, I guess I  
6 don't clearly understand..I haven't read enough to know where this  
7 equipment's located, for instance, a highseas skimmer. How long  
8 would that take to get the Shelikof Straits for instance once it  
9 were dispatched?

10 MR. LEONARD GORDON: Our..uh..presently we have a Cycle net  
11 one-twenty which is considered a very effective high seas skimmer  
12 is located at..uh..the rig-tenders dock in the Kiski. It is..the  
13 ..uh..rig tending vessel rig engineer has been modified to accept  
14 it. It's a matter of about two or three hours of putting it on  
15 the boat and the boat underway at that time. I might point out  
16 also that all of our equipment that I've mentioned here is trail-  
17 ered, highway trailerable, and is stored on trailers for rapid  
18 movement.

19 MR. DAVE PAGE: How..how long will it take it to get from  
20 there to..say..Kodiak? or the Shelikof Straits?

21 MR. LEONARD GORDON: I would have to...I think the rig en-  
22 gineer makes about fourteen knots, so I think we're talking ten,  
23 twelve hours underway time, plus a three hour loading time.

24 MR. WILLIAM MEYERS: There's also impalement of (ph) equip-  
25 ment required by OCS orders that would be available on the par-

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1 ticular..uh..installation or rig out there too.

2 MS. ESTHER WUNNICKE: Any other questions of Mr. Gordon?

3 Do you have anything further Mr. Meyers?

4 MR. WILLIAM MEYERS: No! Thank you very much!

5 MS. ESTHER WUNNICKE: Okay. Thank you. Oh.

6 MR. CHRIS ONES: I might..I might come back to one (ph) of  
7 the...I should have made a question earlier. I (ph) to Mr. Cook.  
8 You made a statement regarding the..uh..how long you have to wait  
9 for development stage of the lease. You mentioned five to seven  
10 years...

11 MS. ESTHER WUNNICKE: Five to twelve.

12 MR. THOMAS COOK: Seven to twelve..an estimate.

13 MR. CHRIS ONES: ..and what are the charges attached to the  
14 AMOCO presentation in the Upper Cook Inlet..he indicated that from  
15 the time of the exploratory drilling to the time of production be-  
16 ginning was about three years. I was wondering if there was con-  
17 ditions in Lower Cook Inlet where in Shelikof Straits that would  
18 extend this time or would we have possibly a comparable time in  
19 the Shelikof Straits....how long does it take to develop it.

20 MR. THOMAS COOK: I gotta be sharp (ph) when I want to re-  
21 spond to this..I..certainly the..the..uh..process, the presale  
22 process that we face now, both with the respect to state leasing  
23 and the federal program, I would contribute to this estimate, and  
24 I think that would..uh..cause you to <sup>(exploration phase)</sup> to maybe anticipate a little  
25 longer than we experienced in Cook Inlet. And I might..uh..cite

1 Prudhoe Bay, where in fact, exploration goes back to the late  
2 fifties and early sixties. And some of the initial leases, and  
3 that was certainly the one date that you could cite as a bench  
4 mark <sup>in win</sup> exploration when the process started. In reality we  
5 had a fifteen or sixteen year process there, so I'm considering  
6 all aspects of a frontier area. I don't think there's anything  
7 about..uh?. Lower Cook Inlet that would cause you to say from a  
8 technical standpoint that it would take you longer to get it on  
9 stream than Upper Cook Inlet. But..but..uh..times are certainly  
10 different.

11 MR. CHRIS ONES: Related to that, go back to the presentation  
12 we had this morning about the CZM process, and when the develop-  
13 ment impacts and when you should start planning for those. The  
14 comment from that gentleman, I believe Trustees for Alaska was..  
15 and I think he was talking from the D..Draft EIS that we antici-  
16 pated a possible..possibility of five years would transpire before  
17 we would get to the development stage. Is that a number you're  
18 comfortable with. As an example your citation of seven to twelve  
19 years says of frontier areas, but that could be a much more harsh  
20 environment where we're talking about (ph) times, or are you com-  
21 fortable with seven to twelve years in Shelikof Straits?

22 MR. WILLIAM MEYERS: Well, I talked to Leonard Darsow, and  
23 he may amplify on this, but I think we're talking about at least  
24 five years, and then you don't know where it's going to be. And  
25 to..uh..start elaborate planning now when you don't know where

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1 the discovery will be..will be and what..uh..where the onshore  
2 impacts will be, it seems to be rather premature, and when you  
3 say production commences in five years that may be initial pro-  
4 duction. But in order for..uh..if there is going to be signi-  
5 ficant production out there for it to reach a..uh..you know..a  
6 maximum volume, well I think take longer than that. So to start  
7 planning now..uh..we don't know whether the production be in the  
8 northern part or the southern part or the middle part..uh..might  
9 as well be..uh..spending..uh..money on..whether be any production  
10 at all..spending money uselessly. This has come up many times in  
11 many places and I..and the..think that the..uh..the comment has  
12 always been pra..in the final statement to the effect that there  
13 ample time once you have a discovery and start your development  
14 program to..to know what you're impact's going to be, and the  
15 people are going to be more completely informed on the development  
16 of...in..in production plans. And they're still going to have to  
17 go through their CZM procedure. And you're probably going to have  
18 another hearing, you're probably going to have another impact  
19 statement. I think on the act you have to have one..at least one  
20 in each frontier area for development.

21 MR. CHRIS ONES: Question to Mr. Darsow and probably also to  
22 Mr. Cook. You mentioned successful exploratory efforts despite  
23 the weather conditions, seas and wind, and I was wondering if you  
24 had to ever wait for weather window before you continue those  
25 operations.

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1           MR. LEONARD DARSOW: Yes! By all means! Weather's moni-  
2           tored in those operations and there are occasions when you get  
3           into adverse snatchalls (sic) wind conditions that you would wait  
4           for weatherly. You bet!

5           MS. ESTHER WUNNICKE: Any other questions? Thank you very  
6           much! Very helpful! Miss Lee Stratton from North Pacific Rim.  
7           Hello again!

8           MS. LEE STRATTON: Hi! My name is Lee Stratton. My address  
9           is 903 West Northern Lights Boulevard, Suite 203, Anchorage,  
10          Alaska, 99503. I've not changed hats since I last spoke to you.  
11          I'm here to speak again on behalf of the villages of English Bay  
12          and Port Graham. When I signed the card I mailed in to testify  
13          I put down the North Pacific Rim for whom I work; however my tes-  
14          timony does in no way reflect a North Pacific Rim position. They  
15          do not have one. I'm here on behalf of the villages.

16          A...just to pick up on various other issues that I didn't  
17          have a chance to raise Tuesday, a major concern that the villages  
18          had when they saw the Draft Environmental Impact Statement was  
19          regarding what it had to say about tourism and recreation. On  
20          page a hundred and nineteen, it says (quote)"the tourism and re-  
21          creation sector within the Kenai, Cook Inlet area is seen re-  
22          sponding to the increased potential by providing the facilities  
23          and services necessary to support increased tourism and recrea-  
24          tion."

25          To support increased tourism and recreation, we assume that

1 that means more charter boats, more charter flights for sport  
2 fishermen, among other things. The DEIS also says that to com-  
3 pensate for the greater demands on the resources, that there will  
4 be (quote) "more intensive management in areas of fish and wild-  
5 life. Additional state employees will be required to protect the  
6 productive fish streams, rivers and beaches of the area."

7 What will be the effect on the villages if there are even  
8 more sport fishermen and recreationists? Technical Report No. 47  
9 talks about stress in the community. It also says that outsiders  
10 are generally not welcome in the villages, which is marvelous un-  
11 derstatement.

12 I wish I had taken a tape recorder with me when I was in the  
13 two villages last week and the early part of this week, so that I  
14 could have brought back word for word the feelings of the vil-  
15 lagers. To the best of my ability I'll try to convey to you the  
16 response of the villages, especially the village of English Bay,  
17 although people in Port Graham express similar feelings. I sin-  
18 cerely hope that you will not dismiss the miss (ph) emotionalism  
19 The DEIS Technical Report 47 made an effort to address socio-  
20 cultural impacts on the villages. Increased tourism and recrea-  
21 tion will result in very significant socio-cultural impacts and  
22 these are not adequately addressed. I'm neither a sociologist,  
23 nor an anthropologist, and neither any of the villagers who were  
24 telling me how it was going to effect them. Uh..I gue..I hope  
25 this does not invalidate their response.

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1 The Cook Inlet Response Organization (CIRO) and the Gulf  
2 of Alaska Cleanup Organization (GOACO) were developed to provide  
3 emergency oil spill recovery equipment and to maintain a trained  
4 cadre of personnel to operate this equipment.

5 GOACO, formed in 1975 to provide..to provide emergency  
6 response equipment during exploratory drilling in the OCS lease  
7 sale area no. 39 in the Gulf of Alaska, has recently<sup>3</sup> extended  
8 their area of responsibility to include those proposed lease sale  
9 areas on the Kodiak shelf. This new area of interest does not  
10 include the Lower Cook Inlet, Shelikof Strait areas proposed in  
11 this lease sale.

12 CIRO, officially formed in June, 1978, was the re-organiza-  
13 tion of the Cook Inlet Oil Spill Cooperative which had existed  
14 many years. This formation, under charter agreement is a demon-  
15 stration of the petroleum's indu...petroleum industry's sincere  
16 concern for providing an effective cleanup capability should an  
17 oil spill occur.

18 CIRO's area of responsibility presently includes all of  
19 Cook Inlet from the headwaters near Palmer, Alaska south to the  
20 Barren Islands. With advent of this lease sale, CIRO is the logi-  
21 cal organization to extend its area of interest to include those  
22 additional areas of lease sale no. 60, not presently within CIRO's  
23 area of responsibility. A map showing new areas of interest and  
24 its coordination with the GOACO areas of interest is included as  
25 Exhibit 1 to this statement. Notable is the fact that all waters

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1 When more people, more outsiders, come to the village, there  
2 is more to worry about. You have to worry about the kids. Eng-  
3 lish Bay's a safe place to live right now. They don't have any  
4 police officers. They don't need them. The children can go  
5 around the village and up the river to go fishing or swimming.  
6 If more people start coming in, they have to start keeping the  
7 kids in. They have to start watching them. Uh..they have to  
8 start teaching them to be cautious about strangers. That may be  
9 a way of life for those of us accustomed to urban life, but in a  
10 village of roughly twenty-five households, that's not a way of  
11 life. Uh..you pick up a CB and you can find out where your kid  
12 is in with about thirty seconds. Uh..They'll have to worry about  
13 locking doors. I'm not sure that any of the doors have locks. I  
14 wouldn't commit myself. Locking smokehouses. Worry about skiffs  
15 sitting out. They want their village to be a safe place to live.  
16 A place where the children can play without having dozens of  
17 strangers around all the time. And when you talk about Homer get-  
18 ting bigger and bigger, you're talking about more people travel-  
19 ing out to the village area, wanting to get back to nature. Want-  
20 ing to go sport fishing, which brings up another concern.

21 The DEIS says that there would have to more intensive manage-  
22 ment. English Bay has been living off of the same resources for  
23 over a century. Their use of the fishery resources strikes a very  
24 delicate balance between the fish caught to be put up for winter  
25 and the fish caught and sold commercially. The data that Arnold

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1 Melsheimer and I presented in Homer on the villages' subsistence  
2 usage of the resources and the employment and income levels I  
3 feel strongly documented this. People depend on the fish they  
4 put up, and they count on that cache from the commercial catch to  
5 pay for the electricity, oil for stoves and furnaces, and gro-  
6 ceries to supplement their subsistence diet. The money from the  
7 commercial catch has to last through the whole winter for<sup>3</sup> most of  
8 the people. If more sport fishermen come in, any fisheries bi-  
9 ologist is going to tell you that something has to give. We're  
10 already..uh..discussing intensely..uh..subsistence fishery there  
11 in..and..they want to cut down the commercial catch just so they  
12 can..the fisheries biologists want to cut down the allowed com-  
13 mercial catch because of subsistence fishing. Uh..unless the  
14 sport fisherman..uh..are in some way regulated out, which I..as it  
15 stands now, I see no regulation or potential for that, it is going  
16 to effect the village. And the effect is obviously not going to  
17 be good. Either there will be less fish to put up for winter,  
18 or there will be smaller commercial catches. And that may mean  
19 running out of money to pay for the electricity, groceries and  
20 the one village telephone. Uh..I could tell you from spending a  
21 great deal of time in the villages that by March and April and  
22 May, even if it's been a good year the year before, it's getting  
23 very tight on money.

24 So what are their alternatives? They could post No Tres-  
25 passing signs on all their property. I'm not sure what the pre-

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1 cise regulations are, but I believe it something to the effect of  
2 every fifty feet, or maybe even something like ever twenty-five  
3 feet. That would look real nice among other things all around the  
4 village, all along the English Bay river, around the lakes, along  
5 the Port Graham river. And then they would have to figure out a  
6 way to enforce it. People joke about going out there with shot  
7 guns, but they haven't done it yet. Still that would not stop  
8 people. Uh..float planes can, and already do land on the lake,  
9 there are easments all around the lake and all along the river,  
10 so I guess that there's like a twenty-five foot span on either  
11 side where they can fish. Uh..English Bay tells me that during  
12 high peak times that there could be as many fifty..fifty sport  
13 fishermen around the waterfalls. There's no room for the English  
14 Bay villagers to get in there. Uh.. and they're talking about  
15 it getting worse. Or perhaps they could go fishing somewhere  
16 else. Or can they? Most of the fishermen in English Bay are set  
17 netters. There are two seiners in the entire village. Most of  
18 fishing is done very close to English Bay. Uh..and then again,  
19 it's done with skiffs. They don't have the equipment, the boats,  
20 the nets, the entry permits to go to other places. Besides if  
21 there are more people coming into English Bay, chances are pretty  
22 darn good that they will be everywhere else too.

23 What does this all have to do with the DEIS? It has to do  
24 with what is going to happen to two villages, and to the resources  
25 that they depend on. In a village the size of English Bay,

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1 approximately a hundred and twenty people, even another twenty  
2 or thirty people coming in makes a big difference. Anchorage,  
3 Kenai, and Homer are used to tourists, used to recreationists.  
4 That is business for them. But English Bay is not used to them.  
5 Uh..they pose a very real threat to their sense of community and  
6 to the resources which are so very important to them.

7       There are two areas where I feel that the DEIS does not  
8 measure up to the NEPA standards. First of all, it is surprising  
9 that English Bay was not included in the scoping process. No one  
10 in the village was contacted, and the North Pacific Rim was not  
11 contacted until the EIS was being written. The regional Kodiak  
12 Corporations were consulted, both the non-profit and profit  
13 making. It is particularly amazing to me that no one talked to  
14 English Bay people in light of the fact that English Bay Corpora-  
15 tion filed a law suit during a Sale CI process, which would some-  
16 what indicate a... a different set of interests than had been  
17 addressed in that process. Kenai Peninsula borough has admitted  
18 in the past that their views on oil development do not reflect  
19 the concerns of English Bay. Certainly the village of English  
20 Bay is an affected party which should have been contacted as a  
21 part of the scoping process.

22       Secondly, the NEPA requirements of public involvement were  
23 not implemented with regard to both villages. The call for  
24 nominations for Sale 60 was not sent to either village as far  
25 as I know. English Bay received copies of the DEIS only after

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1 I requested that they be sent out, having been to the village  
2 and discovered that they had not seen it, knew that it was out,  
3 even heard of it. It was probably last March when Sale 60 was  
4 brought to my attention, and I traveled down to the villages and  
5 asked them how they felt about the proposed sale. The response  
6 in both villages was, "What sale?"

7 What this suggests is that even if the call for nomination<sup>3</sup>  
8 had been sent to the villages, they would not have known what it  
9 meant or what they could possibly do about it. They do not have  
10 salaried people running the village government. They do not have  
11 village planners, village managers, consultants and executive  
12 secretaries to look after things. They have village councils  
13 who are not salaried, and someone who answers the phone and tries  
14 to keep the tribal office open and hopefully a few bills paid.  
15 Public involvement is not simply printing notices and mailing out  
16 documents. Not when you're dealing with villages.

17 I'm not fond of simply criticizing. Uh..I realize that the  
18 BLM-OCS office, like all of us, has a tight budget. Still, per-  
19 haps you could create a local government liaison position, some-  
20 one who could travel to affected rural communities at least twice  
21 during the course of a lease sale, once to explain the Call for  
22 Nominations and a second time to help local governments deal with  
23 the DEIS.

24 There are also some environmental impacts which do not appear  
25 to be addressed in this document. Nowhere in here did I see any

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1 evidence of studies having been done which assess the long term  
2 and chronic effects of oil development activities and possible  
3 oil spills. It does not tell us what twenty years, or even ten  
4 years of discharges from tankers and platforms will do to the re-  
5 sources and the environment. It does not tell us what the long  
6 term effects of the four major oil spills would be. It does not  
7 tell us how that will effect the various levels of food chain. It  
8 took a long time to discover that DDT led to new strains of in-  
9 sects impervious to its effects. What will oil on the beaches,  
10 around the villages and in the water do over a longer period of  
11 time to micro-organisma, to the shellfish, to the birds, to the  
12 fish, to all the things that these people eat? And what will that  
13 do to people in English Bay and Port Graham who count on natural  
14 resources for over half of what they eat? What are the long  
15 term effects of the various chemicals used in oil spill cleanup?  
16 What..what do these...chemicals uh..how do they effect the or-  
17 ganisms? The Environmental Impact Statement must address these  
18 questions.

19 Another area which does not appear to be adequately addressed  
20 or at least noticeable addressed, is the effect proposed tanker-  
21 ing from Anchor Point will have on the fishing stocks, on commer-  
22 cial fishing, and what the probabilities are of an oil spill from  
23 the additional tankering activity. In Alternative VI, the effects  
24 of the combined tract deletion and the tankering are considered,  
25 but they are never looked at separately. It seems that these two

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1 events, leasing of the Lower Cook Inlet tracts and the tankering  
2 line from Anchor Point should be addressed separately, and al-  
3 ternatives to the Anchor Point oil terminal considered.

4 The term "Cumulative Impacts" with regards to the Lower Cook  
5 Inlet is potentially very misleading. According to the DEIS,  
6 Sale 60 has a very small, incremental impact on the resources, and  
7 the people, because of the preceeding Sale CI effects<sup>3</sup>. However,  
8 in all instances the base case assumes full development. The ex-  
9 ploratory phase for Sale CI has for the time being come to a halt,  
10 and so far as I know, no further plans have been made. The base  
11 case might not truly reflect the impacts to the villages of the  
12 Sale CI activities. While the tankering is an existing, continu-  
13 ing threat when it comes to oil spills, it could be that the other  
14 factors considered in the base case do not currently pose real  
15 oil spill threats. This would lower the CI related oil spill  
16 probabilities, and therefore potentially substantially increase  
17 the impacts of Sale 60. Taken from this perspective, Sale 60  
18 impacts must be reassessed. It is simply not accurate to quote  
19 the impact of Sale 60 as minimal when added on to the possibly  
20 erroneous base case assumptions. Sale 60 might in fact pose much  
21 more of a threat to the villages of English Bay and Port Graham  
22 than the DEIS suggests. A re-evaluation must be made based on  
23 an exploratory-only base case from Sale CI.

24 I've been told that the current process does not require  
25 anything other than this uh...established worst case or base case

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1 assumption. As the number of sales in areas having previously  
2 experienced an oil and gas lease sale is going to increase in the  
3 future, there is a critical need to take a closer look at the  
4 status of the development activities in each area in order to  
5 present more realistic base case assumptions and cumulative  
6 impact assessments.

7 In the section on Oil Spill Preparedness, I had some con-  
8 cerns. Uh..I do not dispute the preparedness described in the  
9 DEIS; however unless there are recent developments of which I am  
10 not aware, it remains true that the best available technology  
11 comes no where near to being adequate for oil spill containment  
12 in the Cook Inlet in typical wind and wave conditions. It sounds  
13 like you've already heard a bit about that, so I won't go into it.

14 Also, perhaps the new...uh..new char..er list that you've  
15 been given..uh.. addresses this, but something not even mentioned  
16 in the DEIS is the effect of oil dispersants on the resources in  
17 the environment. Griffiths and Morita did a study reported in the  
18 OGSEAP Annual Reports of 1979. They discovered that..uh..I hope  
19 my correction..er..pronunciation is close, COREXIT 9527, the most  
20 common dispersant and the one stockpiled for use in the Cook In-  
21 let, has the same adverse effects on heterotrophic activity as  
22 crude oil does when applied in some concentrations. In higher  
23 concentrations, the effects of the dis...the effects of Corexit  
24 are even worse than crude oil. The combined effects of the dis-  
25 persant and the crude oil have the worst effect of all. If the

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1 dispersant has been demonstrated to be as toxic or, in some in-  
2 stances, even more toxic than the oil itself, either another dis-  
3 persant should be stocked, or else no dispersant at all included  
4 in the oil spill response program.

5 Uh..I have to second Mr. Sumner's evaluation that the DEIS  
6 is poorly constructed with particular emphasis on the printing  
7 on the back<sup>3</sup> of the graphics. This foremat did not make it in any  
8 way easily readable. Uh..What I came into contact with the vil-  
9 lages was that locating the socio-cultural section and referring  
10 to it became an annoyance of trying to pull out the ...

11 (Indiscernible - Mechanical Malfunction)

12 .....Arnold Melsheimer already addressed coastal zone manage-  
13 ment somewhat. I would emphasize that it is highly unlikely that  
14 the Kenai Peninsula borough coastal development program will be  
15 out by late 1981 which is I believe when they anticipate lease  
16 going on the borough ballot. There second draft is due out in  
17 January, 1981. They have not yet made the first draft available  
18 to the public. There are copies I hear in small quantities if you  
19 can find one. Their public meetings in the communities were a  
20 mockery of public input. The Kenai Peninsula borough has not be-  
21 gun to address English Bay and Port Graham concerns. It would be  
22 impossible at this time for the DEIS to knowledgeably state that  
23 there are no problems with going ahead, that there are no con-  
24 flicts between the coastal zone management program and the pro-  
25 posed activities, because it's simply not known what the villagers

1 do and what their concerns are.

2 I would close by reiterating that the village councils and  
3 the village corporations of English Bay and Port Graham are op-  
4 posed to the leasing of any more tracts in the Lower Cook Inlet  
5 and the Shelikof Strait area. The people in these villages de-  
6 pend on the resources in the OCS area and the resources effected  
7 by the OCS area...effected by the OCS area for their very survi-  
8 val. They depend on the renewable resources, which if properly  
9 managed and protected, will continue to sustain them many...to..  
10 to sustain them and many others for decades to come, long after  
11 non-renewable resources are vanished from the face of the earth.  
12 I thank you for your very kind attention! I know you've had a  
13 lot of days of listening. Are there any questions?

14 MS. ESTHER WUNNICKE: Let me ask you one question. In your  
15 comments about Contex..Contacs in English Bay on the Call for  
16 Nominations and on scoping, did that also include Port Graham?  
17 Were they not contacted?

18 MS. LEE STRATTON : I was informed of Mr. Tremont that they  
19 were at least sent to DEIS. I do not know about the Call for  
20 Nominations. If it arrived, it never came to Walter's attention.

21 MR. CHRIS ONES: I have one other question. Would it be fair  
22 to characterize the way you described the subsistence living pat-  
23 tern of the two bays, or I'm sorry, the two villages as very close  
24 to marginal already? In a sense that somewhat precarious?

25 MS. LEE STRATTON: If you recalled both what Arnold and I

1 said Tuesday, English Bay, ..over eighty-eight percent of the  
2 village relies on more than fifty percent, and that's..uh..that's  
3 guarded. I mean, I'm saying that ..there's..I didn't even break  
4 down in his report I don't recall what the percentage is that said  
5 they used ..uh..more than seventy-five percent. Subsistence food.  
6 And Port Graham I believe the percentage was roughly sixty per-  
7 cent. It's..and when you're talking about the incomes again as  
8 I mentioned Tuesday, you were talking about somewhere between  
9 ten thousand, fifteen thousand dollars a year, being your stan-  
10 dard income for the village, and that is reflecting what average  
11 household sizes of four people plus. There's no way that you  
12 can say that subsistence is marginal for them. The fish, the  
13 seal, the waterfowl, crab are all essential to their diet.

14 MR. CHRIS ONES: Would you also say that it's fair to say  
15 that the..uh..pressures on that lifestyle are already existant  
16 in the sense that there are perhaps a few more people moving into  
17 the area recently and that that's likely to continue.

18 MS. LEE STRATTON: Moving into the area..no! People that fly  
19 into the area for their little day trips, or maybe an overnight  
20 camping thing..yes! The villages populations have grown but the  
21 ...the uh..non-native population, as far as I know, has not grown.  
22 It's been largely a matter of kids, coming in incredible numbers,  
23 and the kids stay.

24 MR. JOE JONES: I have a question. I note that on the map  
25 that English Bay and Port Graham are probably closest two villages

1 to the present leases..leases that exist in Lower Cook Inlet now  
2 and it's been three years and we've had, I believe they testified  
3 ten wells, including COST well. Have you..briefly, do you know  
4 of any adverse impacts that have come from that drilling activity  
5 out there on the two villages?

6 MS. LEE STRATTON: Direct adverse impacts, no! They've been  
7 very careful about it as far as any oil people coming into the  
8 villages. Uh..and most of what I've addressed as far as long  
9 range has been either oil spill or the indirect effects through  
10 the Homer area.

11 MR. JOE JONES: How about employment? Did they get any  
12 position?

13 MS. LEE STRATTON: No! And I would also say that the Rim has  
14 an employment and JOM and SETA finds them..we..work very hard at  
15 getting high school youth and anyone interested into say Seward  
16 Skill Center and training programs if they're at all interested,  
17 and there's just not been the interest in leaving the village  
18 for training and for living away from the village, either village.

19 MR. JOE JONES: Then you say that you know of no adverse im-  
20 pacts from drilling.

21 MS. LEE STRATTON: From the exploratory activities thus far,  
22 no!

23 MR. JOE JONES: Thank you!

24 MS. ESTHER WUNNICKE: Thank you, Miss Stratton. The next  
25 person is Patricia Petrovelli.

1        MS. PATRICIA PETROVELLI: My name's Pat Petrovelli, I'm  
2 sort of glad Lee went before me, cause I'm pretty much talking  
3 about the same thing, and you asked her all the questions. As a  
4 Program Associate in the Subsistence Department of the Rural  
5 Alaska Community Action Program, I would like to first express  
6 my opportunity to make these comments, or my appreciation for the  
7 opportunity. Okay, Rural<sup>3</sup> CAP is a private, non-profit corporation  
8 chartered by the laws of the State of Alaska. Beyond that it is  
9 likewise a community action agency, whose existence is authorized  
10 and whose corporate mandate is established by the Economic Oppor-  
11 tunity Act of 1954, or 64, as amended. Rural CAP is an anti-  
12 poverty agency responsible to a board of directors representing  
13 virtually every region in the state and all levels of government  
14 which impact on Alaska's verious regions and villages.

15        I provide this background so that you might understand where  
16 we are coming from on this important issue of Outer Continental  
17 Shelf Development. For some time we have been closely involved  
18 in the state-wide imperative of protecting the subsistence life-  
19 style of rural Alaskan people. More recently we have become  
20 specifically involved in the OCS question, primarily because rural  
21 residents have identified OCS impact as significant and most  
22 probably negative influence upon their life-styles and cultures.

23        Last November, we co-hosted along with the Alaska Federation  
24 of Natives and various other organizations a major conference  
25 on OCS development. Delegates to that conference represented

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1 every region of the state in which the proposed five-year leasing  
2 schedule would have an effect. After three days of delibera-  
3 tions on the issues, the delegates voted unanimously to call for  
4 postponement of the five-year OCS leasing schedule. And I put  
5 in a copy of the resolution before and I forgot to bring it today,  
6 but I'll bring it by later. And it deals specifically with  
7 forty-six and sixty at the end asking for..or mainly cause they're  
8 coastal zone management program. The basic thrust to the Rural  
9 CAPS subsistence program is to allow for the greatest possible  
10 participation by local people in both the program itself and in  
11 larger public policy issues. As with the proposed lease sale  
12 No. 46 and now sale No. 60 the wishes of the people of Kodiak  
13 Island and also of the Lower Cook Inlet are our main concern.  
14 From the testimony you have heard in Homer, Kodiak and here, it  
15 is evident that No Sale option alternative is the most appro-  
16 priate. We fully endorse the position of Kodiak Island and Lower  
17 Cook Inlet resident on this issue.

18 Through our program we've been involved with villages on  
19 Kodiak Island, Port Graham and English Bay. The people in these  
20 villages have carefully considered the question of oil and gas  
21 development. For most of them this is the second time they've  
22 gone over the issue. In making a stand they have considered  
23 their present lifestyle and the future of their children. They  
24 have major concerns about the impacts on their region, of which  
25 I'm sure you've heard in the past few days. The DEIS acknow-

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1 ledges the high degree of subsistence use of marine resources  
2 in the villages and by others in the region.

3 Still there is a proposed lease sale in the area. And in  
4 an area where the probability of finding commercial oil and gas  
5 quantities is five percent. In an area where there exists a  
6 wealth of marine renewable resources, where the people are de-  
7 pendent on those resources for their livelihood. Proceeding with  
8 this sale would endanger those resources.

9 Of equal concern is the human resources in the area. Cul-  
10 tures dependent upon the sea and its living resources are at  
11 stake. The cultural, nutritional, economic and social imperative  
12 of subsistence is at stake. A lifestyle and unique relationship  
13 with nature is at stake, and yet it is your intention to proceed.  
14 For what? The DEIS is quite candid about the low probability of  
15 finding commercial quantities of oil and gas in the proposed lease  
16 sale area. With the inevitability of damage to lifestyle, culture  
17 and environment, this tradeoff just doesn't make sense. We ask  
18 that you recognize that people are a part of the ecosystem, that  
19 living and growing things are more precious to the national in-  
20 terest than short term and high risk resource development and  
21 carefully consider the concerns raised by the people during these  
22 hearings.

23 MS. ESTHER WUNNICKE: Thank you Miss Petrovelli. Any ques-  
24 tions? Okay, thank you. Mayor Don Gillman from the Kenai Penin-  
25 sula Borough.

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1        MR. DON GILLMAN: Thank you Esther. For the record, my name  
2 is Don Gillman, and I am the Mayor of the Kenai Peninsula Borough.  
3 Box 850, Soldotna, Alaska 99669. And I'm not sure who's on trial  
4 here today. Whether it's the borough or the BLM, OCS activities.  
5 I might digress from my written statements just a little bit to  
6 say to you that I'm not only the Mayor of the borough and have  
7 been during the entire Lower Cook Inlet lease sale process, not  
8 the lawsuit that went between the state and the federal govern-  
9 ment over who owned it. But I'm also the co-chairman of the  
10 Alaska Coastal Policy Council, and for a very short time, I served  
11 as ..on the regional technical working group. And I am one of the  
12 four people who attend the scoping meeting in Homer on this par-  
13 ticular sale last spring, early summer of last year.

14        The Kenai Peninsula borough government, and that's who I'm  
15 speaking for today, has always supported lease sales. Both the  
16 state lease sales and the federal lease sales. We supported the  
17 five-year programs with both the state and the federal govern-  
18 ment, and I can't remember when that was, but sometime last winter  
19 we had quite a large television production statewide hookup where  
20 various communities testified as well as individuals. We do take  
21 the position that the federal government should proceed with these  
22 lease sales. We found in the twenty years of experience with oil  
23 and gas activities within the boundary of the borough, that the  
24 pluses of oil and gas development both onshore and offshore far  
25 out-weigh the minuses. There are some minuses. We're all aware

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1 of what they are. And we have no adverse comments on the tracts.  
2 It's kind of interesting to note that no one has approached the  
3 local government to my knowledge anyway, about any of the lease  
4 tracts that are nominated to be deleted from the Lower Cook Inlet.  
5 Now I'm referring to Lower Cook Inlet as that area from Cape  
6 Douglas north. I do not know very much about the Shelikof Strait  
7 and I think it's much more appropriate for the officials of the  
8 Kodiak Island boroughs to be speaking to them as far as the local  
9 government is concerned. We do not have any expertise environ-  
10 mentally, and biologically to comment on the tracts and therefore  
11 we don't have any comments. We do not have any reason to disagree  
12 with your finding that the proposed sale would have little or no  
13 effect on the Homer, Seldovia, and Kenai commercial fisheries.  
14 As a whole, we're talking about in context of exploration. Explo-  
15 ration and development are two different things. We do feel  
16 though that even though we agree with that statement, that the  
17 contingency planning and operational effectiveness of oil spill  
18 containment and those measures must be continuously evaluated,  
19 and I personally had an opportunity to set through some exercises  
20 of practices in the Kachemac Bay area, and that activity is in-  
21 creasing in efficiency all the time. In fact, the borough govern-  
22 ment had an oil spill in the village of English Bay from village  
23 tanks and school tanks that got into the water, into the lagoon  
24 last winter, last spring and we had a need for the activities  
25 and equipment that was available, and it was available in quick

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1 notice, and we were able to divert what could have been a very  
2 serious situation. The proposed mechanisms to resolve the local-  
3 ized and multiple use conflicts between oil and gas, commercial  
4 fishing must be put in effect, those that you've identified in the  
5 DEIS. Particularly activities that deal with movement into the  
6 Kachemac Bay area. For several years fishing organizations have  
7 been looking at the possibility of some type of corridor..a  
8 designated corridor so that there could be some reasonable ex-  
9 pectation that fishing gear outside the corridor was not going  
10 to be affected. Now I know what the arguments are for and  
11 against that. I also know that the establishment of the corridor  
12 is involved very deeply in the coast guard regulations and it  
13 might be one of the cases that after it happened the cure would  
14 be worse than the disease. There is a..there is a good deal of  
15 dialogue but most of the people I've talked to in the fishing  
16 community feel that eventually there will have to be some kind of  
17 a corridor. As a development activities, which result from oil  
18 and gas finds, no onshore facility impacts of communities and  
19 we're talking Homer primarily, the advance notice of industry and  
20 the development plans which are required for onshore facilities,  
21 is really still a high priority. And a community needs to have  
22 the way, and do have the way to anticipate the demands on their  
23 facilities and services. The development plan requirement that  
24 is now in flesh, should effectively rectify, that concern in the  
25 first lease sale hearings, that was one of the items that all of

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1 local officials within our area really kind of drummed for, was  
2 that stipulation in the lease sale, in a lease sale stipulations.  
3 I made some other notes as I've listened to people go before me  
4 and some of those I want to now digress to a little bit, put on  
5 my hat as a co-chairman of the coastal policy council, although  
6 by no means am I speaking for the council. There are some ques-  
7 tions, legal questions, maybe even constitutional questions about  
8 what the Alaska Coastal Management Act and what that is going to  
9 become over a period of years. There's a question of how far sea-  
10 ward that act can be extended by local jurisdiction, you know..  
11 whether it's three miles, twenty miles, two hundred miles, what..  
12 no, where is it? Another factor that's involved is the local  
13 community planning and preparedness. There is and has been a  
14 good deal of money spent by the state and federal and local com-  
15 munities in becoming prepared for population increase should  
16 there be a product developed out of not only the Lower Cook Inlet  
17 but now we're seeing into the communities of Nome and out into  
18 the real frontier areas. And in our case as far as the borough  
19 all the cities have now an adopted comprehensive plan. They have  
20 a sewer-water system plan. Some of this has been expanded al-  
21 ready. A community facilities plans, the zoning is in place.  
22 When I'm talking of the zoning I'm talking about inside the city  
23 boundaries. There is a concern, and there's a concern - yes?  
24 MS. ESTHER WUNNICKE: May I ask, when you say all of the  
25 cities, you mean within the Kenai borough.

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1           MR. DON GILLMAN: Seldovis, Homer, Soldotna, Kenai and  
2 Seward. Yes. Course Seward was involved with the lower, I mean  
3 with the Gulf sale. We're kind of surrounded by lease sales.  
4 There is a concern on the coastal policy council, that the coastal  
5 zone management act is becoming a cop-out. For communities to  
6 say we do not have our coastal plan together therefore we request  
7 extensions, we request time to be set aside. There is a deadline  
8 in the act at this point that coastal plans are supposed to be  
9 in place. At least submitted by December 4, 1981. I don't know  
10 where other communities stand. We will meet that deadline. But  
11 what it appears is liable to happen is that while the coastal  
12 management act will federal and state, was to somewhat expedite  
13 and set into place plans so that an orderly development in the  
14 balanced use of the coastal resources will go forward. It  
15 appears that that is possibly going to work just in the opposite  
16 direction. This environmental impact statement is far superior  
17 to the first Lower Cook Inlet environmental impact statement.  
18 Even ..no..it's certainly a lot shorter, and it is easier to read,  
19 it is easier to go through and capsule. The data's more ac-  
20 curate and I'm only speaking now from the data that we work with  
21 as far as the borough government. The community analysis are  
22 better. I'm sure there's still lots of questions that..you know..  
23 it's one of those documents that inevitably raises more questions  
24 than it gives answers. Maybe I could answer some questions on  
25 any of that but that would conclude my testimony. We are and do

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1 support the sale, and we feel that those concerns that we've  
2 expressed before have been addressed.

3 MS. ESTHER WUNNICKE: Thank you Mayor Gillman! Questions?  
4 I would just ask, with respect to the smaller communities in the  
5 borough, like Ninilcik and English Bay, Port Graham, and so forth,  
6 how do they work into your coastal zone management plan?

7 MR. DON GILLMAN: In the first place, Kenai borough is not  
8 a heck of a lot different than a lot of other of the local com-  
9 munities in this area, in this state. Kodiak Island borough's  
10 a good example. There is no zoning, or land use regulation out-  
11 side of the first class of home-rule cities. That's true in the  
12 Mat-Su borough, it's true in the Kenai borough, and it's true in  
13 Kodiak. And when you begin to talk about coastal management act,  
14 or coastal zone management, that means that this is the first land  
15 use plan that will be adopted in a community. And as you can ex-  
16 pect, that causes a great deal of consternation as far as what is  
17 it going to mean to me, what am I going to be able to do with my  
18 land, am I going to lose control, et cetera. And in the villages  
19 it's kind of just the opposite. They feel they have control now,  
20 simply because they own the land, and the villages own the land.  
21 Our answer to that has been simply that we've requested each vil-  
22 lage to have one person to set on a advisory group for coastal  
23 management to our planning commission. We've offered to fund that  
24 group for transportation and the cost. We have had public hear-  
25 ings in each one of the villages in the last month on the coastal

1 management act. I don't remember which village it was... three  
2 people showed up. We have sent in newsletters, to each village  
3 trying to explain what we're trying to accomplish. I believe the  
4 borough government is going to allow the villages to pretty much  
5 write that portion of the coastal management act in their area.  
6 In other words, if they feel strongly about the guidelines and  
7 standards, and they wish to, as you know in the guidelines and  
8 standards of the coastal state act, if they wish to set areas  
9 aside for subsistence, that has a high priority. Not only legally  
10 for fish..fish...fishing by villagers or anywhere else, but  
11 nothing can happen in that zone that's incompatible with the sub-  
12 sistence. But that's for the villagers to decide. And they will  
13 have the opportunity to write that stuff for that portion of their  
14 ...but the question here is I'm not sure that the local coastal  
15 management plan really has a damned thing to do what happens out  
16 side the three mile limit.

17 MS. ESTHER WUNNICKE: Oh, Yah, You mentioned that.

18 MR. DON GILLMAN: And I'm not sure that everybody under-  
19 stands that. I just don't think that the local governments can  
20 exercise beyond that three mi...I'm not sure that they can even  
21 go beyond the high tide mark with the state owning the tidelands.

22 MS. ESTHER WUNNICKE: Thank you. That's helpful! Any other  
23 questions of Mayor Gillman?

24 (Indiscernible - Mechanical Malfunction)

25 MR. DON GILLMAN: I didn't get on the list and..uh..and I

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1 think I would have fifty-seventh or something there.

2 CHRIS ONES: May I ask one question. I've heard lots of  
3 comments in Homer about we don't want our area to go the way of  
4 Kenai with the state leasing and development. And I wonder if you  
5 might have some reflection about what happened there and if it was  
6 bad and ...

7 MR. DON GILLMAN: That's in the eyes of the beholder. You  
8 know....go the way of Kenai..I'm not sure exactly what they mean,  
9 if they mean that there's population increase, my reaction to that  
10 is it wouldn't make any difference whether there was a Lower Cook  
11 Inlet sale or not, what we see in this state, and the borough's  
12 no exception, as energy activities increase, the population in  
13 most of that energy activity is in remote areas, and it doesn't  
14 make any difference where people live, and where they work, there  
15 is no relationship. There are a lot of people, and I would cite  
16 some very recent statistics in the Homer News about how many  
17 people in Homer work on the North Slope. They live in Homer be-  
18 cause they like to live in Homer, and my reaction to some of that  
19 is simply that is once I get established, I don't want anybody  
20 else to down here. And we hear a lot of that, on the peninsula,  
21 and we've had some reasons for that. Our population doubles  
22 everytime that we have a good clam tide and it happens to be  
23 during King season.

24 MR. CHRIS ONES: Could you touch on the other aspect of that,  
25 not the people who seek work for far away and live in Homer by

1 choice, but those who have subsistence living pattern. What hap-  
2 pened to them?

3 MR. DON GILLMAN: Well....1960 the city of Kenai had seven  
4 hundred and fifty people. 1970, there was about thirty-five  
5 hundred inside the city limits, and now there's about five thou-  
6 sand, (forty-five hundred, something like that). And those  
7 people have pretty much been pushed to the wayside. No, truth-  
8 fully, while...comparing 1960, what was happening. The Kenai  
9 River is a tremendous fishery. And many, many, many years ago,  
10 in the twenties and thirties and maybe even earlier than that,  
11 there were large canneries that were established in the mouth  
12 of the Kenai River. And most of the people that lived there could  
13 fish commercially, and that included the native people, et cetera.  
14 That hasn't changed. There are more fish now being caught in the  
15 general area of the Kenai River caught commercially, than there  
16 were in 1960, so there hasn't been, there is no correlation that  
17 can be shown, between the increase of population, the oil and  
18 gas industry location there, and the number of fish. There is  
19 none whatsoever. Because there's more fish now than there were  
20 twenty years ago, or even ten years ago. But the people that  
21 lived there themselves, yes, there lifestyle disappeared. It  
22 went from a fishing village to an oil boom town.

23 MR. CHRIS ONES: Would you say those people changed their  
24 lifestyle, or would they move on?

25 MR. DON GILLMAN: Well no, they didn't move on, they changed

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1 their lifestyle to a certain degree. I..I..think that you would  
2 talk to those people and some of them would say, uh...you know...  
3 everything's that's happened has been bad. We have lost our cul-  
4 tural activities, we've lost our socio cultural identity, some-  
5 how I think that's true, but we're talking about really kind  
6 of apples and oranges. You have to realize the city of Kenai,  
7 city...village, if you want, wish..was on the shore oil boom.  
8 There were no..there was no interest structure anywhere on the  
9 Kenai Peninsula, and it is estab...it was established there. As  
10 a result, that interest structure there is supplying all the Lower  
11 Cook Inlet, with a very few exceptions of a few boats that go  
12 into Homer for water and..and maybe some other supplies, but all  
13 the mud activities pipe, et cetera, et cetera, comes out of that  
14 established interest structure. In fact, I think..the uh..supply  
15 ..that was the supply base for the stratagraphic test in the Nor-  
16 ton Sound this summer..from Kenai, from that area. But your point  
17 of..of what happened to the people that lived there, they have  
18 been shoved aside as far as..certainly as far as the influence  
19 they have what happens within a community, the influence that they  
20 have politically, et cetera, et cetera.

21 MS. ESTHER WUNNICKE: Thank you Mayor Gillman! Are there  
22 other people present who would like to testify..uh..at this time?  
23 So would you please come forward.

24 MR. PAUL LOWE: Members of the panel, my name is Paul Lowe,  
25 I'm the Chairman of the Alaska Chapter of the Sierra Club. You

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1 have a copy of the written remarks and I'll try to keep them  
2 brief. I'd like to share with....What did I give you?

3 MS. ESTHER WUNNICKE: Comments by Paul Lowe.

4 MR. PAUL LOWE: That's fine! I've got the wrong people.

5 MS. ESTHER WUNNICKE: What did you give me? What did you  
6 intend to give me?

7 MR. PAUL LOWE: No, I gave you this. As long as it wasn't  
8 a pound of baloney and two dozen eggs. That looks better. This  
9 isn't grocery store price increases.

10 There's seems to be little justification for any OCS leasing  
11 in area identified as Sale No. 60, with the possible exception  
12 of tracts in central Cook Inlet within the region already leased  
13 in 1977. By way of clarification, what I mean by that is the  
14 central checkerboard padding that remains following lease CI of  
15 four..three years ago. The chances of finding significant amounts  
16 of petroleum are small; the economic and environmental value of  
17 resources endangered by this activity are great. This combination  
18 argues against all but minimal leasing in the area.

19 The extent of fishery, wildlife and other resources impacted  
20 by lease activity, and the potential for economic damage that  
21 could result, have been mentioned repeatedly by others. We fully  
22 agree with these concerns, and see no reason to go over them  
23 again and again. I'd like to focus on three specific concerns:  
24 First, the documented seismic wind and wave conditions in the  
25 lease area, particularly the southern portion, are without pre-

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1 cedent to the best of my knowledge, and OCS lease areas around  
2 the world. There is no indication that technology exists to han-  
3 dle routine natural conditions, to say nothing of severe circum-  
4 stances...impacts of magnitude eight point five earthquakes,  
5 weather and wave conditions associated with one hundred mile..one  
6 hour...one hundred knot plus winds, and so on. Assurances of  
7 "can do" from the oil industry while admirable, must be supported  
8 by demonstrations to have credibility. If the federal government  
9 proceeds with leases under these conditions, and the obvious ex-  
10 ample are those that are common in Shelikof Strait, it will be  
11 ignoring its obligations of stewardship for the total natural  
12 resources of this country in this area in particular.

13 Second, the Department of the Interior's approach to oil  
14 spill prevention and cleanup is unacceptable. The (quote) best  
15 available technology (unquote) system might better be called  
16 (quote) head in the sand approach. No one suggests that avail-  
17 able spill control systems function with waves much in excess of  
18 six feet; there is some indication of poor effectiveness at even  
19 calmer situations. Everyone agrees that wave conditions, par-  
20 ticularly in the Shelikof Strait areas seldom are as low as six  
21 feet. I would add by way of reference here that I have lived in  
22 Port Lyons, and I'm familiar with the fishing community there, and  
23 of the stories they tell about the weather that is standard oper-  
24 ating procedure within the ar..within that region. This means  
25 that, in general and barring major breakthroughs, it will be im-

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1 possible to control an oil spill under typical weather and ocean  
2 conditions, in at least the southern part of the lease area.

3 I use that as an example that's most extreme. I am skeptical as  
4 to whether adequate control technology exists for even the middle  
5 Cook Inlet.

6 Given the documented sensitivity of marine life, particularly  
7 larvae and fry, to minimal oil concentrations, and the absence  
8 of spill control capability, there should be no leasing in this  
9 area until after there is a demonstrated capability to control  
10 oil spills under at least moderately severe conditions as locally  
11 defined. I am not suggesting, as has occasionally been done, that  
12 you must have a totally risk-free circumstance before you do  
13 anything. I mean that's the philosophy that leads someone to  
14 stay in bed because they might fall over the curbstone when they  
15 got up in the morning. However I think that even leaving a worse  
16 possible case analysis aside, it is only prudent to make sure  
17 that the capability to address reasonably bad, six or seven on the  
18 scale of ten, type circumstances. And as far as I know, from  
19 what I've been able to find by reading and talking with people  
20 the capability in terms of oil spill cleanup doesn't exist now  
21 for two or three in ten type situations in Shelikof Strait.

22 The responsibility of the U. S. Geological Survey to enforce  
23 spill cleanup on the lease tracts should include this requirement.  
24 USGS reliance on operator plans, rather than demonstrated ability  
25 is not adequate.

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1 The third consideration is that we're concerned about In-  
2 terior's entire approach to OCS leasing in Cook Inlet. At the  
3 time of the 1977 sale, certain tracts were deleted, at the re-  
4 quest of the State of Alaska, other governmental agencies and  
5 private individuals and groups, because of excessive environ-  
6 mental risks. These included bio..were based on both biological  
7 and geophysical data. In several cases these same tracts are  
8 being offered again in the present sale. I'm quite sure that  
9 the biological and geophysical data that led to the deletion  
10 three years ago haven't changed significantly. There's no less  
11 danger of earthquakes in certain areas, and not probability sig-  
12 nificantly a greater fish population or lower significantly fish  
13 population. And unless tremendous improvements in exploration  
14 development technology since 1977 can be demonstrated, the re-  
15 offering of these tracts speaks of bad faith at somewhere in the  
16 system. It makes it very difficult to maintain a credible im-  
17 age toward the general public in asking for comment and respond-  
18 ing to that comment if deletions that are made, steps that are  
19 made to supposedly mitigate a circumstance at one point in time  
20 ...I'll just run right around again three years later.. there's  
21 the impression that a merry-go-round is going by.

22 In conclusion, leasing in most of this area makes no sense  
23 economically, environmentally, or for energy reasons. The pro-  
24 bable gains do not outweigh the risks. If the department insists  
25 on carrying through with the sale, we recommend deletion of (a)

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1 all tracts south of Tract No. 132 which is slightly north of  
2 Cape Douglas, and (b) all tracts in western Cook Inlet south of  
3 No. 615 which is just north of Augustine Island. This action  
4 should best protect the most vulnerable region, Shelikof Strait  
5 and vicinity, from direct or current related impacts from oil ex-  
6 ploration development. I believe that this...I offer this sug-  
7 gession from the fear that, as I've told OCS panel hearings be-  
8 fore, the request for "no sale" won't accomplish anything, and  
9 that some sale will go forward, I offer this suggestion with the  
10 knowledge that it does very little to mitigate whatever impacts  
11 might occur to the villages on the eastern side of Cook Inlet.  
12 My conviction, as I said, is that politically I'm very skeptical  
13 that the "no sale" option is viable, regardless of the amount of  
14 oil anybody's going to find, and so we offer this as uh...the  
15 famous middle ground.

16 The Lower Cook, Shelikof lease sale is in many ways typical  
17 of the current OCS process. Leasing in this area will endanger  
18 resources with proven economical and environmental value, while  
19 providing little chance of helping this country's short-term  
20 energy needs, and none whatsoever over the long term. The myth  
21 of (quote) Energy Independence (unquote) through increased pro-  
22 duction, while perhaps gratifying, has no place in an objective  
23 national energy policy. That idea, and spinoffs from it such as  
24 this sale, should be put out of their misery permanently, before  
25 they do lasting damage.

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1 Appreciate the opportunity to testify and I'll be glad  
2 to answer questions.

3 MR. CHRIS ONES: Just a couple of questions. Earlier in the  
4 day we heard a testimony by the industry dealing with the analy-  
5 sis that we expect each of these developments of oil production  
6 in the country is built upon piece by piece many, many wells.  
7 From that kind of observation your last comment about the Cook  
8 Inlet, Shelikof Strait sale does not contribute very much. Do  
9 you think that that's a wise perspective to have? Their comment  
10 was that each of the elements that goes into what is the national  
11 production in terms of domestic supply of oil and gas is an indi-  
12 vidual action, that takes place on a tract, or a piece of land,  
13 that comes from a well, they mentioned on the order of five  
14 hundred thousand wells, and your comment was that because of the  
15 low resource probabilities in the sale area that we should leave  
16 that sale area alone. From that kind of vantage point that they  
17 offer, that this is one more of the contributors to the national  
18 energy supply, wouldn't it still make sense to consider leasing  
19 in this area? Obviously you have other concerns, but just on  
20 that point alone.

21 MR. PAUL LOWE: Let me try to answer, and tell me if I'm  
22 not speaking to the question you asked, 'cause I'm not sure I  
23 understand it. One thing that comes up here is the, what you  
24 might call the uh..the jail or the dump syndrome, that is, every-  
25 one acknowledges that it's necessary, but no one wants it next

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1 door to them, which Mayor Gillman spoke to of and it is very  
2 obvious, I mean it's a necessary evil that has to be somewhere  
3 so..tough luck..it's in your back yard. Having worked on a plan-  
4 ning and zoning commission I'm fairly acquainted with that. That  
5 is one syndrome that I think bears upon...at least I think bears  
6 upon the question you brought up. The other one is a larger  
7 issue of the overall national energy policy and where increased  
8 production of any kind fits into that. Unless one accepts the  
9 view and, the last I heard, no one was putting it forward, that  
10 there were essentially unlimited petroleum resources to be found  
11 in the United Sta....or offshore of the United States let alone  
12 the world, a policy which postpones decisions based upon de-  
13 creasing oil supplies in favor of looking for new ones, is bur-  
14 dening people down the road, our descendants, with decisions that  
15 are going to be much more difficult because they have much smaller  
16 cushion than we have now, so that I do not see that because our..  
17 ...if this is speaking to your question..it..because our petro-  
18 leum supply is indeed the sum total of thousands, if not millions  
19 of independent wells, that writing off one area that has low po-  
20 tential will damage the overall policy. The overall policy must  
21 take note of certain patterns of consumption, and certain probable  
22 patterns of supply, and certain probable sources of energy across  
23 the board, and see how these can best be meshed, and when in the  
24 absence of a policy, and from the best of my knowledge I can't  
25 find one at the national level.

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1           When a..we have various stop-gap hit or miss things which  
2 I am perfectly aware leaves those of you saddled with implement-  
3 ing, or turning around in circles as fast as it does anyone else.  
4 Where..you..well let's go look at these OCS areas. Let's look  
5 at breeder reactors, let's look at solar, let's do a number of  
6 things. Until all those dispirit parts are brought together into  
7 some kind of coherent whole that acknowledges certain realities  
8 that I haven't heard very many people question in terms of ul-  
9 timate supply of energy, of various types, you're, I'm afraid  
10 going to creating more problems than you solve, given the analyses  
11 that occurred in the DEIS as to chances of finding significant  
12 oil deposits, I think that this sale is quite typical of the  
13 situation where there are unquestioned non-petroleum resources,  
14 and I..for the sake of argument, will not go into the intangible  
15 ones which I think are quite legitimate, the ones that supposedly  
16 environmentalists always deal with, but just in terms of economic  
17 and ..and..and social type resources..fish, if nothing else,  
18 leave aside the marine mammals, leave aside the birds, leave aside  
19 the scenery, leave aside the recreation, you have demonstrable  
20 financial values in terms of fish alone that are going to go on  
21 producing indefinitely and you are to some extent risking those  
22 for unlikely short-term small petroleum returns. Is that..is  
23 that (ph).

24           MR. CHRIS ONES: Yeah! That..that deals with part of the  
25 question. What it comes down to is part of this is a question

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1 of national energy policy of which the sale is a part.

2 MR. PAUL LOWE: Is it? I mean...I'd love to know if it  
3 were.

4 MR. CHRIS ONES: Well, I think the secretary would convey  
5 to that it is a part of the guideline plan and that the ful-  
6 fillment of the Department of Energy's production goals assigned  
7 for OCS production, but..in any event that's not to get argument  
8 here. One of the other things I would like you to also to com-  
9 ment on..sort of in this..uh..somewhat of the same thing is back  
10 again to the possibility of what is in this area in terms of uh..  
11 petroleum resources. The other comment the industry made was  
12 that we shouldn't necessarily write off an area before we have  
13 drilled any wells in the area. As an example the estimate upon  
14 which the EI..draft EIS is constructed uses a mean estimate of  
15 what the resource might be there. There is also a maximum, there  
16 is also a minimum. The maximum is something on the order of  
17 twice what the mean is, so as an example there might be twice as  
18 much resource there, and in terms of that kind possiblility and  
19 perhaps even more in terms of uh..what we find if once we drill  
20 some wells, isn't that argue also for a possibility not of nece-  
21 ssarily writing off an area simply because we think now upon the  
22 basis of no wells drilled that the area has very little resource  
23 potential.

24 MR. PAUL LOWE: I have two responses. The first is that...  
25 I don't want to lose tract of either one of them...the first is

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1 that when you decide where you want to explore for oil or any-  
2 thing else, and when, the two are separate questions insofar as  
3 hope presumably mitigation technology will improve with time, you  
4 must look at the total resource array in the impacted area, and  
5 I think that I can produce reams of evidence to suggest that the  
6 present time the petroleum type resources be given far greater  
7 priority than our others which have both definable economic and  
8 non-economic values. And if those other non-petroleum resources  
9 are given equal waiting, particularly a renewable basis I'm not  
10 sure it makes any difference in some areas, and I think it's  
11 better in this case to generalize than to speak specifically, but  
12 I'll speak specifically if you want to, as to whether you have a  
13 mean estimate of so many barrels and an accurate estimate of so  
14 many barrels, there has to be decisions made. The way I see  
15 these decisions being made is that..yeah, there might be oil  
16 there so we better go look. I mean it's uh..Dewey in Mobile Bay  
17 or Faragut in Mobile Bay, damn the torpedoes, full speed ahead.  
18 The second issue is specifically one of timing. Most of my com-  
19 ments here, not all of our comments, but I..I saw no reason to go  
20 over what has been..to beat dead horses further. We're regarding  
21 basically timing. That is the presence of adequate technology.  
22 And we could go around and around as to what's adequate. And I  
23 have a very simple suggested acid test, prove that it works under  
24 (ph) conditions. Because I would have far lower..less objec-  
25 tion to exploration in any area if it were demonstrated that you

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1 could accomplish it with a..given a reasonable chance of taking  
2 care of any accidents that could have occurred. Not a perfect  
3 chance. I'm not asking for a risk-free environment, but for a  
4 reasonable risk, and the point then is that, why do it now? So  
5 I would...I'm..I'm try..I think I am speaking to your question...  
6 I would..I would..I offered...I am truly not ducking the issue.  
7 I just strongly disagree with the total preeminence the petroleum  
8 resources have in the way these systems are developed. And I  
9 think that the question of timing is too often ignored.

10 MR. CHRIS ONES: I have one other question. Somebody else  
11 has...

12 MS. ESTHER WUNNICKE: Anybody else have a question? Okay.  
13 One more if you please.

14 MR. CHRIS ONES: The other thing is to go back way to the  
15 earlier part of your testimony (ph) would be the oil spill  
16 containment capabilities. Considering the generally higher  
17 rougher seas out there say in excess of six foot which is in ex-  
18 cess of the capabilities as the industry seems to have available  
19 now. One of the other concerns we've heard at the hearing, are  
20 not concerned with explanations given at the hearing as when deal-  
21 in with the oil mixing it in the water (ph) , assuming that we  
22 had a spill to begin with. Would you comment as to whether or not  
23 the presence of hydro-carbons in that type of uh..of uh accumula-  
24 tion or common content would still pose a...

25 MR. PAUL LOWE: I don't ..I don't have the biological and

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1 chemical..the biochemical background to offer a specific first  
2 hand information on it. The data I know would suggest that de-  
3 pending upon how immediate toxic effects you're looking for, cer-  
4 tainly two PPM and maybe far lower than that are adequate to  
5 cause damage to larvae. (ph) shellfish larvae, is why I mentioned  
6 it specifically in my testimony. Ah..Now..so I can't..I don't  
7 know about the actual mixing models that will incur in the event  
8 of a spill in Shelikof Strait to know what the concentration of  
9 oil that an individual larva is going to see on the bottom. Ah...  
10 I'm a little concerned over the argument that says: well, we can  
11 cleanup anything that is in shallow water or is in calm water,  
12 and if its in rough water, well it'll all be disbursed anyway.  
13 Lacks a little bit of rigour, from my liking..uhm..that is to  
14 say there's really no problem. And again, until there is gen-  
15 erally agreed upon information as to just what levels of..of con-  
16 centrations are toxic and as to what the impacts are going to  
17 be given a variety of current and wind structures within the  
18 target area. I don't feel that we ought to go taking chances  
19 with known resources for the sake of finding possible, an apparen-  
20 tly unlikely, unknown ones. Is that..am I speaking to your  
21 question? I mean I'd..I just don't..you know..if you'd like, I  
22 could probably wheel in five or six PHD's, if you....(ph)...

23 MR. CHRIS ONES: I..I..the reason...(ph)....if it is beyond  
24 capability but at the same time it was acknowledging that some  
25 degree of dilution or diminution of the effect or the toxic

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1 nature of the oil curds, one of the things we have to answer is  
2 what is the more likely condition that then exists and therefore  
3 in view of the sensitivity of the organisms whether it be in terms  
4 of natural larvae or anything else what is the likely impact.  
5 We're talking about something different than oil in a big slick  
6 on top of the water.

7 MR. PAUL LOWE: You are! I agree! And you..somebody..in  
8 Interior or wherever has to make a judgement at some point that  
9 yes, we now have enough impartial and objective data to show that  
10 at certain wind and wave conditions and certain volume of spills  
11 over certain expansion area that the concentrations will not be  
12 sufficient to hurt the critters.

13 MR. CHRIS ONES: One final thing on that is you know, not to  
14 pick on you as opposed to the other people that have testified,  
15 but if you have some information, additional information, that  
16 would help the draft EIS or render the final EIS, dealing with  
17 that kind of issue, I think we'd appreciate it.

18 MR. PAUL LOWE: All I'm basing my comments on are the type  
19 of materials they referenced in such documents as your..as the  
20 draft. I mean I'm at the mercy of the second-hand information  
21 like everybody else.

22 MS. ESTHER WUNNICKE: Thank you Paul. Does anyone else wish  
23 to testify? Mr. Benton.

24 MR. DAVID BENTON: For the record, my name is David Benton.  
25 I work for Friends of the Earth, 1069 West 6th, Anchorage, 99501.

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1 I wasn't going to say anything today, but I thought I'd follow  
2 up on this gentleman's question about..uh..that you just asked  
3 Paul. First off, the situation where oil gets...gets disbursed  
4 in the water and you have soluble fractions in your oil could be  
5 fairly lethal to larvae and..and uh..eggs. That would be probably  
6 in the low parts per billion range and I don't..I don't see my  
7 citation here, but I uh..I will give you a copy of a fact sheet  
8 that we put together that talks about... What I wanted to bring  
9 out was that it would depend primarily on the time of year. For  
10 example in Shelikof Strait in the spring last year, April I be-  
11 lieve it was, there was a..uh...this was in the Daily News. In  
12 fact it was this year, April 4th 1980, there was a seventy mile  
13 long, five mile wide school of spawning pollock in the strait.  
14 Trawl surveys in the strait have showed that the uh..the amount  
15 of eggs in..in larval stages at that time are exceptional and if  
16 you had a spill which did get mixed into the water column because  
17 of..of turbulence or perhaps sedimentation, something like that,  
18 it could be a extremely severe situation on those resources. The  
19 other think I wanted to follow up on was that Mayor Gillman was  
20 stating that there were some questions about CZM management, and  
21 I believe that he was factually incorrect when he said that...  
22 that there is some problem with uh..with uh..local governments  
23 trying to exert influence over the OCS in terms of beyond three  
24 miles. To my knowledge, no local government in Alaska tried to  
25 do that except through the consistency clause which is provided

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1 for in the federal act and that would include such organizations  
2 as the North Slope borough. But the state act which is based  
3 largely on local authority and puts its emphasis on local autho-  
4 rity and promoting local control, does give specifically local  
5 control to..control to local government, out to the three mile  
6 limit to the non-territorial sea, that the state controls. Yah!  
7 Now I just wanted to clarify those two points.

8 MS. ESTHER WUNNICKE: It should be noted by the panel that  
9 Mr. Benton is also a member of the Regional Technical Working  
10 Group ...(ph). Thank you Dave. Does anyone else wish to testify  
11 at this time? Mr. Merton.

12 MR. EDWARD MERTONS: I'm Edward Mertons, I appeared before  
13 you yesterday. There is a part of my presentation yesterday that  
14 I did not read and in consideration of time, but it does apply to  
15 the question that's been raised here: what happens to the oil  
16 when it gets into the water column? And how important a..uh..im-  
17 pairment does it have upon marine life if it does so. So if I  
18 may just read a paragraph or so here, and then discuss it a little  
19 bit more.

20 In my testimony, which you have copies, I say that in most  
21 instances oil spills have no more than an extremely modest im-  
22 pact upon marine life. Indeed, the bottom line for most spills  
23 is that the health of the marine ecosystem has suffered at most  
24 a negligible impact. Oil spills can be severely toxic, but nor-  
25 mally, if only three conditions prevail simultaneously. These

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1 conditions are (1) the oil is a refined product, such as number  
2 two fuel oil, and I want to point out that we're producing crude  
3 oil, not fuel oil. And if this is spilled into the shallow con-  
4 fined body of water, such as a small bay, during or immediately  
5 preceding a storm or heavy surf conditions, so that the underlying  
6 bottom or sediment becomes saturated with the oil. Now we're  
7 probably not going to have that kind of a condition anywhere in  
8 the Lower Cook Inlet or the Shelikof Straits. We have had some  
9 experiences in industry in spilling oil particularly like in the  
10 Gulf of Mexico. Chevron had his spill there in 1970 in twenty-  
11 eight feet of water. And we could determine no impact upon the  
12 oil upon the bottom life such as shrimp and whatever inhabits  
13 that area. I might point out also that the experience of the  
14 Argo Merchant, and I read this yesterday: spills occurring well  
15 off shore or on the open ocean have at most minimal impact upon  
16 marine life regardless of whether the oil is a crude oil or a  
17 refined product. Such for example was the conclusion of the  
18 search conducted by the National Oceanic and Atmospheric Adminis-  
19 tration on the effects of the Argo-Merchant's seven point six  
20 million gallons spill that occurred off the coast of Massachusetts  
21 in December, 1976. The NOAA team spent quite a considerable  
22 effort trying to determine whether there was an impact, and this  
23 was the best overall conclusion that they could come to. They  
24 did find that in some cases there seemed to be some impairment  
25 of the larvae that existed in the area. There was a considerable

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1 concern that this would relate to a diminution of the catch for  
2 that year class, which would be in about three or four years.  
3 Which would be about now. And at this point, we have had no evi-  
4 dence whatsoever that there has been such a diminution. So,  
5 even though perhaps there may have been some impact upon the  
6 larvae at the time, the year class has not been effected. At  
7 least that's the data so far that we have. Now we may be in the  
8 critical time period, maybe we need another year, but so far, so  
9 good.

10 MS. ESTHER WUNNICKE: Would you be following up on this  
11 year class at this time?

12 MR. EDWARD MERTONS: Precisely! We'll be making...

13 MS. ESTHER WUNNICKE: Would you give us the...the uh results  
14 that you find?

15 MR. EDWARD MERTONS: As we develop them, that's correct!  
16 This will have to be developed through..uh..probably we'll be  
17 looking at fish landings for example..fish catches, to determine  
18 whether this has been an impact.

19 MS. ESTHER WUNNICKE: That would be helpful. Thank you Mr.  
20 Merton. I'm glad you had an opportunity. We appreciate the fact  
21 you shortened your testimony yesterday, but I'm glad you had  
22 another opportunity today. Is there anyone else here who wishes  
23 to testify at this time. If not these hearings are adjourned  
24 and I thank you all very much for coming. I'd like to thank the  
25 panel members for their interest and patience and bravery. Thank

1 you all for coming! It's been very constructive, helpful  
2 testimony and I hope we can put it to good use.

3 HEARING ADJOURNED AT 3:10 O'CLOCK  
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