

1 Bureau of Ocean Management Regulation and Enforcement

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Public Hearing
Environmental Impact Supplemental Statement
Relating to Chukchi Sea Sale 193

November 9, 2010
BOEM Multi-Purpose Room
Anchorage, Alaska

VOICE CHECKED/CORRECTED

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- Michael Haller, Community Liaison
- Michael Routhier, NEPA Coordinator
- Bob Peterson, Senior Geologist
- John Callahan, Public Affairs Officer
- Mary Cody, Wildlife Biologist
- Sharon Warren, Program Analysis Officer

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(On record at 7:06 p.m.)

MR. LOMAN: My good friend from Point Hope has entered the room, so we can get started. Hi, Earl.

Good evening and thank you very much for taking your time to come attend this Public Hearing. This is the sixth and final Public Hearing that we've held.

My name is Jeffery Loman. I am the Deputy Regional Director for the Bureau of Ocean Energy Management Regulation and Enforcement, formerly known as MMS.

The purpose of this hearing is pretty straightforward. As most of you know, our Agency prepared an Environmental Impact Statement back in 2007. And the purpose of this Environmental Impact Statement was to analyze the effects to the human environment under the National Environmental Policy Act for an oil and gas lease sale in the Chukchi Sea, Sale 193. This map describes the results of that sale, because the Agency held that sale in February of 2008. And a total of 487 leases were issued for almost \$2.7 billion. Can you hear me back there? Okay, good. Somebody was trying to send me a message.

We were challenged by a number of parties. And the case went to the Alaska District Court. And the Court, in July of this year, issued an Order and remanded the Agency to do a couple of things. Analyze the effects of natural gas production, because the Agency did not do that. And these

1 leases have incentives associated with natural gas.

2 The other thing the Court wanted us to do was to address
3 about 40 pages, in the Plaintiffs' Exhibit 129, of missing
4 information or uncertainty, try to address the context of that
5 information in the context of informing the decision maker, the
6 decision to hold this oil and gas Lease Sale. This missing
7 information is something the Court said, find out if it's
8 obtainable and if the cost of obtaining it is exorbitant.

9 And, so, when we got that remand, like any National
10 Environmental Policy Act litigation, a court will say, do your
11 environmental assessment right, or do more. And we prepared a
12 Supplemental Environmental Impact Statement to address this
13 court remand.

14 And the purpose of this hearing is driven by this Federal
15 law called NEPA, is the acronym, and it's a Sunshine Law. It
16 requires us to do everything out in the open to produce a draft
17 document, which is here tonight, if you haven't seen it. We
18 still have copies available.

19 By the standing room only attendance, and I apologize for
20 that, we weren't expecting to have standing room only attendance
21 tonight. We're not so sure what drove that, but it doesn't make
22 any difference, we're delighted and inspired that you've taken
23 an interest and, obviously, share our passion for protecting the
24 ocean and enhancing our country's energy. It is a extremely
25 important aspect of Alaska's economy. And it's an extremely

1 important issue to the Alaska Natives who live in the Arctic.

2 We were there all week last week, starting in Kotzebue,
3 continuing on to Point Hope, Point Lay, Wainwright and Barrow.
4 And we met with folks in each one of those communities at public
5 hearings. And we held government to government consultation
6 meetings, as well. So, I have pretty much explained what the
7 Court asked us to do. Sharon, do you have anything to add to
8 that?

9 MS. WARREN: Just that the timeframe, as Jeffery said,
10 what the Court asked us to do. There's also -- copies out
11 there. There's a September 2nd Order from the Court outlining
12 the deadline. And the District Court Judge thought it would be
13 reasonable for us to make the effort to have this final EIS
14 completed by January 21, 2011. And, after that date, it would
15 be filed with the Court. The Administrative Record would be
16 filed with the Court on that date. The Plaintiffs will have an
17 opportunity to review the final EIS, as well as the
18 Administrative Record and file briefs with the U.S. District
19 Court on March 21, 2011. So far, that is the schedule that was
20 outlined in the September 2nd Court Order by Judge Beistline.
21 So, that's all.

22 MR. LOMAN: Thank you Sharon. Mike Routhier is our
23 colleague who worked extensively on the draft Supplemental
24 Environmental Impact Statement. Mike, could you tell our
25 attendees about that document?

1 MR. ROUTHIER: Sure thing. The Judge's remand was
2 specific in what he wanted us to do, a little bit of more NEPA.

3 UNIDENTIFIED MALE: Could you speak a little bit louder?

4 MR. ROUTHIER: Oh, I'm sorry. The Judge's remand was
5 fairly specific in what he wanted us to do. He wanted a little
6 bit more NEPA and there were bits that he wanted done correctly.
7 He found deficiencies in some of the parts. In order to
8 accomplish what the remand required, we elected to do a
9 Supplemental Environmental Impact Statement, which allowed us to
10 do a pretty thorough analysis of the issues. And, also
11 incorporate some public process. It let us go out to visit the
12 communities on the North Slope. It let us have this meeting
13 here tonight.

14 As Jeffery stated, there were a couple different
15 components of the Judge's remand. The first component was the
16 requirement to analyze the potential environmental impacts of
17 natural gas development and production.

18 Now, in asking the analysts who work with us, the
19 scientists who do our analysis, we couldn't just ask them to
20 analyze development and production generally, we needed some
21 more specific information from them to analyze. What we needed
22 was a feasible scenario, a reasonable scenario that talked about
23 what kinds of developments would be necessary. How things would
24 actually work. So, to get guidance on what the natural gas
25 development and production would entail, we consulted with our

1 Resource and Economic Analysis Section. These are Geologists
2 and experts in the oil and gas field. And they helped us --
3 they provided us with a scenario that the analysts could then
4 take and analyze. And I'm going to introduce Bob here, from
5 that Section, to speak a little bit more on that.

6 MR. PETERSON: Thanks. Hi, I'm Bob Peterson, Chief of the
7 Resource and Economic Analysis Section. As Mike pointed out,
8 one of the key things that their group needed was something
9 specific -- can you hear me okay?

10 AUDIENCE: No.

11 MR. PETERSON: What they needed was something specific to
12 analyze. And, again, when the Judge came back, he said, we
13 hadn't analyzed. But keep in mind, this was put together in
14 2006-2007. At that time, we didn't see gas as reasonably
15 foreseeable. But in our leasing instrument, we did give an
16 incentive in barrels of oil equivalent, which could be either
17 oil or gas. And so the Judge wanted to see an analysis of gas.

18 In our final Environmental Impact Statement that we had
19 completed, we looked at a scenario of an oilfield of
20 approximately a billion barrels in size. Well, what we did is,
21 added to that accumulation, we certainly see possibilities of
22 this in the Chukchi Sea of a billion barrels of oil and an
23 associated accumulation with that of two and one-half trillion
24 cubic feet of gas.

25 We thought this was the most reasonable scenario to begin

1 our development. Oil is a much more valuable commodity than
2 gas. We did not feel it was reasonable for a gas only
3 accumulation to be economically viable. But in the case where
4 you had oil that could be developed, and that provide a lot of
5 the infrastructure in place then for then a gas development, we
6 thought that was the most reasonable scenario to have both -- to
7 analyze both an oil and a gas case on the environment.

8 So the first stage in our first EIS, we looked at an oil
9 development of a billion barrels in the Chukchi Sea, a bottom
10 grounded -- sea floor grounded structure, a oil pipeline to the
11 shore. From that point at the shore, taking off across NPRA on
12 an onshore oil pipeline to the Trans-Alaska Pipeline over near
13 Prudhoe Bay.

14 It's important to note that this oil would probably begin
15 about 12 to 15 years from today, assuming drilling would take
16 place tomorrow. This would be, still, a number of years out
17 before oil production began. Sometime during that period of
18 time, the infrastructure for gas production would begin to be
19 developed. And that would include the gas pipeline to the
20 shore, gas facilities at the shoreline. And then along the same
21 right-of-ways as the oil pipeline, a parallel gas pipeline
22 across NPRA that then would connect to, well, maybe Denali,
23 maybe AGIA. We don't really know. But it would be something
24 coming from the Prudhoe Bay area to the south. This would take
25 place after about 15 years of oil development. So there would

1 be a transition stage where we had both oil and gas, with ever
2 decreasing oil. And then for the last 10 years of the field
3 development, you would have only gas coming off of this offshore
4 Chukchi Sea development. And you could be looking at a project
5 that would have, maybe, a 35 year lifetime.

6 It is important to, I think, mention, of course, the
7 offshore oil and gas pays royalties to the U.S. Government. But
8 also, a lot of the -- in fact, all of the onshore facilities
9 could be \$4 billion worth of onshore infrastructure would be
10 taxable by the State. with a percentage of that going to the
11 North Slope Borough in property tax. And this does add up.
12 Currently the North Slope Borough's getting about \$250 million a
13 year in property tax income from existing infrastructure in the
14 Prudhoe Bay area. So we did now have a concrete scenario that
15 could be analyzed by the people up in the Environmental Group
16 and the staff that Mike was working with.

17 MR. ROUTHIER: Yeah, that's correct. So, basically, we
18 passed around a scenario that Bob's office provided us with.
19 And this was reviewed by BOEMRE's team of scientists and
20 analysts. Scientists included Marine Biologists, Economists,
21 Cultural Anthropologists, a variety of disciplines. And each
22 analyzed the potential impacts of the natural gas development
23 and production to those various resources. And that's contained
24 in the heart of the document.

25 Basically, you break it down into -- well, first we

1 summarized what the original EIS said about the oil development
2 and production, just to give people context. Then we
3 specifically addressed the natural gas development, so
4 installation of pipelines and things of that nature. And then
5 in a separate section we had analysis of production activities.
6 And we just organized that for clarity, basically. But that
7 basically took care of the first item of the Judge's remand.

8 And that brings us to the second and third concerns in the
9 remand which, both, basically pertained to his holding that we
10 were deficient in our dealing with incomplete information.

11 Within NEPA and its implementing regulations, there's
12 certain protocol that Agencies must follow if incomplete
13 information exists or is identified. We didn't do a good enough
14 job of that the first time. So, we do it again and we try to do
15 it the right way. To ensure that we did it the right way, we
16 developed a pretty systematic logically progressing analytical
17 tool that, basically focused our analysis on the precise words
18 of the regulations.

19 For instance, the first step was asked whether the missing
20 -- or the incomplete information was relevant to reasonably
21 foreseeable significant adverse affects on human environment.
22 So, we worked with our analysts to determine what was relevant
23 to these types of impacts. If a particular item identified in
24 the Plaintiffs' exhibit or during our subsequent review,
25 indicated that an item was not relevant to that type of impacts,

1 we simply noted that and moved on to the next item. If we found
2 that the item was relevant to that specific type of impacts,
3 then we'd progress through the next step in the analysis. That
4 asked whether the incomplete information is, quote, essential to
5 a reasoned choice among alternatives. And, basically, our
6 scientists and our management got together and we tried to hash
7 out what was really essential and what wasn't.

8 All the findings are memorialized in Appendix A of the
9 Supplemental EIS. And that's the type of thing that we
10 appreciate your comments on, whether we did a sufficient job of
11 doing that analysis.

12 MR. LOMAN: Thank you, Mike. In our meetings with the
13 communities along the Arctic Coast and in Kotzebue, we did get
14 some good constructive comments that will help us put together a
15 better, final Supplemental Environmental Impact Statement. We
16 also got some good suggestions from Tribal Leaders, leaders of
17 the Native villages on how to improve our Agency. Because we
18 are in the process of going through a major reorganization,
19 which is the impetus for the name change. And we expect to have
20 yet another Agency created here in the next couple of months,
21 the Bureau of Safety and Environmental Enforcement, with the
22 goal -- to the primary over-arching goal to restore the public's
23 trust in what we do.

24 So, are there any questions about anything we've talked
25 about, the reason we're here tonight about this environmental

1 law or any kind of question that I can answer before we get to
2 the public comment period? Yes sir.

3 TOM: Who are the Plaintiffs?

4 MR. LOMAN: The Plaintiffs are the Native Village of Point
5 Hope, the Inupiat Community of the Arctic Slope, and a number of
6 environmental advocacy groups. Sharon has, I believe, an Order
7 that lists all the Plaintiffs. Can you give it?

8 MS. WARREN: Yes. The Plaintiffs in the case, Native
9 Village of Point Hope, the City of Point Hope, the Inupiat of
10 Arctic Slope, Red Oil, Alaska Wilderness League, Center for
11 Biological Diversity, National Audubon Society, Natural
12 Resources Defense Council, Northern Alaska Environmental Center,
13 Oceania, Pacific Environment, Sierra Club and the Wilderness
14 Society.

15 And the Defendants in this case is the Bureau of Ocean
16 Energy Management Regulation and Enforcement, previously
17 Minerals Management Service, the Secretary of the Interior. And
18 the U.S. Fish and Wildlife Service was sued concerning the
19 Dangerous Species Act, but that claim, through the Court, was
20 moot, because the Fish and Wildlife Service redid -- updated the
21 biological opinion was a subject to the litigation, so that --.
22 The Interveners in the case is Shell Gulf of Mexico,
23 Incorporated, Conoco Phillips Company and the State of Alaska.

24 MR. LOMAN: Any other questions? Tom?

25 TOM: Yeah, did you try and incorporate any of the lessons

1 learned or was this -- from the Gulf spill? Or, was this just
2 strictly addressing court actions?

3 MR. LOMAN: It sets out to address the remand, court
4 actions.

5 TOM: So is there going to be any subsequent change to the
6 analysis regarding, you know, the ability to mitigate -- as we
7 saw, with such a miserable failure in the Gulf?

8 MR. LOMAN: Well, here's the beauty of our system. It is
9 multi-step, multi-phased. And the environmental analysis, in
10 this case, was to hold an oil and gas lease sale. And some of
11 the things that would happen after a lease sale are seismic
12 exploration. That requires additional environmental analysis or
13 exploratory drilling. More environmental analysis if a viable,
14 economically and recoverable resource was found. And they went
15 into a development scenario and production scenario, more
16 environmental analysis would be required for each and every step
17 of the process.

18 There are long lists of things that have already taken
19 place. Some of these things are voluntary. Industry has made
20 changes on their own, because of the Deepwater Horizon spill.
21 And some things are being mandated by other authorities that the
22 Department of Interior has. So, the long and short of it is --.

23 TOM: There will be a whole new set of EISs required down
24 the road.

25 MR. LOMAN: More environmental assessments, or

1 Environmental Impact Statements and other authorities that, in
2 the addition to, the creation of a stand-alone, regulatory
3 Agency to oversee industry's activities that we have been
4 involved with making recommendations we believe will be
5 successful in full measure at restoring the trust of the
6 American people in what we do. Any other questions? Yes,
7 Michael.

8 MICHAEL: You said that, in your documentation, that
9 nearly \$140 million has been spent on pre-leasing studies. Do
10 you have a handle on how much money in total has been spent to
11 this point on studying?

12 MR. LOMAN: Environmental studies in the Arctic is
13 probably approaching about \$400 million by our Agency alone.
14 Industry spends tens of millions of dollars, just in the short
15 time that I've been with the Agency, to do their own science in
16 developing baseline information and monitoring of what
17 activities have taken place.

18 Most recently, Shell and the North Slope Borough entered
19 into an agreement by which they will work collectively to do
20 even more baseline science. And, the posters on the wall, with
21 the little chart on an easel back there -- when the meeting is
22 over, I invite anyone who's intellectually curious about the
23 amount of scientific information that we base our decisions on,
24 to take a look at this list of environmental studies that have
25 been conducted and that are currently being worked on. So there

1 is a substantial amount of information, scientific information
2 to base these kinds of decisions on. And, I can tell you very
3 briefly that in the case of the decision to hold a sale in the
4 Chukchi Sea, the decision maker did ask some hard questions.
5 The decision maker wanted to know if the people in the
6 communities along the Arctic were confident in industry's
7 ability to clean up an oil spill. And whether or not industry
8 could clean up an oil spill. These are questions that are a
9 little different than the norm, inside the Beltway. They
10 require answers that someone might not like. But, this process
11 under the National Environmental Policy Act and this meeting
12 that we're having right now are all part of informing the
13 decision maker. And, so, when and if the decision maker asks
14 how people view certain things, it's our job, as employees of
15 this Agency, to tell them the truth. And so that's our job, and
16 we're proud to do it. Tom.

17 TOM: Jeffery, can you comment on whether, and if so, when
18 the Agency would submit to the State of Alaska revised Coastal
19 Consistency Determination, under the State's Coastal Management
20 Program?

21 MR. LOMAN: For this particular Supplemental Environmental
22 Impact Statement?

23 TOM: Right.

24 MR. LOMAN: We talked about that this past week. we have
25 not, because we just got back.

1 UNIDENTIFIED MALE: What's the question?

2 MR. LOMAN: Question is, whether or not we will consult
3 with the State, under the Coastal Zone Management Act and get,
4 would essentially be, a confirmation or re-confirmation of
5 consistency. We have not had the chance to hold those
6 discussions with the State because we just got on the ground the
7 other day. And, we had to prepare for this meeting. But we
8 will. And we will get back to the North Slope Borough with
9 that. Yes, ma'am.

10 UNIDENTIFIED FEMALE: How long will public comments be
11 accepted for the EIS statement?

12 MR. LOMAN: November the 30th. Apparently, it was --
13 November 29th is the date. But somebody sent somebody something
14 that said, it was November the 30th, so, with the great powers
15 bestowed on me, I have extended the comment date one whole day.
16 And hopefully that will work for you. This is a
17 straightforward, easy to comprehend document and matter. And
18 that should do it. Jeff, yes.

19 JEFF: You mentioned several times the decision maker.
20 Who's going to be the decision maker on this, on this EIS?

21 MR. LOMAN: Well, you know, that -- it's the Secretary's
22 shot to call. And the Secretary has he ability to delegate
23 down. I can tell you this, since the Deepwater Horizon
24 incident, decisions on doing things in the Arctic with respect
25 to oil and gas exploration, seem to be of great interest to the

1 Secretary, and even the President, as one could easily
2 understand. So, at a minimum, it will be made by the Secretary
3 of Interior unless he decides to delegate it to the Assistant
4 Secretary of Land and Minerals Management. Yes.

5 MR. HARBOUR: Question on process. It looks like we may
6 have several score of people here interested in testifying.
7 What are your rules? Are we going to have a certain time limit?
8 And how long are you going to allocate? Or are we going to stay
9 here as long as it takes for everybody to be heard? Or are you
10 going to put a limit on tonight?

11 MR. LOMAN: He's moving me along. Yeah, let's get into
12 that. Because we do have a long list. Thank you sir. A long
13 list of people that do want to testify. And so, I counted that
14 list and did the math. We have 'til 10 p.m. and that gives the
15 78 people about two minutes each. I know how these work,
16 because I do this for a living. Some people will change their
17 mind because somebody's already said something that they said.
18 And that's okay.

19 What I'm going to do is, I'm going to call the names in
20 the order of the sign-in sheet. Just to let you know, so you
21 can get in the batter's box, we're going to start with Mr. Taft,
22 and on deck will be Mr. Gilbert. So, if you could move that
23 way, we can get started straight away.

24 And then I would ask that everyone, insomuch as possible,
25 that you summarize what you want to say. And if you have it in

1 writing, I will take it from you and make it part of the record.
2 The only real rules that we have is that we respect each other
3 and be courteous. We talk just loud enough for our Court
4 Reporter, Judy, to understand you. There's no sense to let our
5 emotions get the best of us.

6 So, without further ado, I know we have more questions,
7 but I'm not going to take them because we do have to get into
8 the testimony. I'd be happy to answer any questions, burning
9 questions that you have, after the hearing is closed. Mr. Taft,
10 you have the floor.

11 MR. TAFT: Thank you sir. Thanks to you and your
12 organization for all the hard and good work that you do for this
13 State

14 UNIDENTIFIED MALE: Can't hear back here.

15 MR. TAFT: Is that okay?

16 MR. LOMAN: That will be picked up by the Court Reporter,
17 loud and clear. You may not be able to hear the person.

18 MR. TAFT: I'll do my best.

19 MR. LOMAN: Okay, do your best.

20 MR. TAFT: Yeah, --.

21 REPORTER: Could I just ask that you tell me your name so
22 I can put it on the record?

23 MR. TAFT: Yeah, that's my first line. My name is Maynard
24 Taft. I'm a Partner in a small business, Hawk Consultants. We
25 provide supplemental personnel to the oil and gas industry here

1 in Alaska. We're an Alaskan company, founded here in 1985.
2 Last year we lost 50 employees due to the state of the oil
3 industry at this time. We also are a member of the Alaska
4 Support Industry Alliance, which is an organization representing
5 500 member companies, and their 35,000 employees.

6 We believe the OCS should be made available for oil and
7 gas exploration and development for these following reasons.
8 The United States is in a vulnerable position related to oil
9 energy consumption. Oil imports have risen about 20 percent in
10 the last few years and the U.S. local production has declined by
11 14 to 16 percent. We import over 59 percent of our energy as
12 reflected in oil. Where and what is our energy policy?
13 Opposition to oil and gas exploration and production here in
14 Alaska impacts here in Alaska, the Lower 48 and is a threat to
15 nation's security.

16 Even if we were to get approved tomorrow, OCS production
17 may not be available for some 6 to 10 years, when you consider
18 the permitting and contingency plans and different
19 (indiscernible). Can we accept a vulnerable and subservient
20 position relative to our energy needs? Do you think that the
21 American people will accept a damaged economy, stand by while
22 their elders freeze up in New England? Wars have started over
23 problems less than this. We must be always in a position of
24 strength, energy independence, flexibility, sustainability, when
25 it comes to our national security. Energy is the foundation of

1 our independence and the strength of the world.

2 Seventy percent of Alaskans, including the Alaskan Native
3 community, support environmentally, responsible development.
4 Shell is working closely with the local community in Barrow and
5 understands -- and incorporates concerns of the Indigenous
6 Alaskan people. We are citizens of this State, all of us in the
7 oil industry. We care deeply about the environment and its
8 citizens. Remember, even oil companies are made up of people.

9 I recall an experience when I was working in Barrow in
10 1972 to '74. We were doing a cleanup project at Umiat. And
11 workers came back and said, they expressed their amazement at
12 the amount of oil seeping out, just naturally seeping out under
13 the tundra, up there. And I commented to them, the oil
14 companies have a more stringent oil policy than Mother Nature.
15 Alaska needs the jobs, revenues and oil production. And the
16 U.S. needs its energy sources for our nation's security.
17 Exploration and production is a win, win, win -- revenues for
18 the government, energy independence for the nation and jobs for
19 a stagnant economy. Thank you.

20 MR. LOMAN: Thank you Mr. Taft. I have your written
21 statement. I appreciate your comments. Mr. Gilbert you're up
22 next. And, for the Mayor of Anchorage, Ms. Schubert, I hope
23 you're still here? Yes. Ms. Schubert -- Stacey, you're on
24 deck. Mr. Gilbert, you have the floor.

25 MR. GILBERT: My name is James Gilbert. I'm the President

1 of Udelhoven Oilfield Systems Services. We're a 40 year Alaskan
2 company.

3 The goal of Lease Sale 193 was to produce oil from the
4 Alaska OCS and boost domestic production from potential world-
5 class energy deposits. OCS production has the potential to
6 refill the Alaska pipeline which is now operating at one-third
7 of its 1988 peak flow.

8 Oil and gas production resulting from Sale 193 will occur
9 under the world's highest safety and environmental standards.
10 Activities will be governed by stringent lease stipulations
11 identified in the environmental impact studies. Numerous
12 mitigation measures, including seasonal operating restrictions,
13 will minimize potential impacts. There has never been a blowout
14 in the Alaskan or Canadian Arctic that resulted in a oil spill.
15 Thirty wells have been drilled in the Beaufort and five in the
16 Chukchi, all without incident. And these wells were drilled
17 utilizing 1980s technology, which is far behind what's used
18 today.

19 According to a University of Alaska study, new OCS
20 production in Alaska would provide an annual average of 35,000
21 jobs in Alaska, with a total payroll of more than \$72 billion
22 over 50 years. And that's over \$18 billion in income tax
23 dollars, alone.

24 Demand for energy is continuing to rise and the U.S.
25 requires continued development of America's oil and gas

1 resources, as the nation transitions to new energy sources for
2 the future.

3 I urge you to move forward with development of the 193
4 lease area. Our nation needs it. Alaska needs it. And we, as
5 Americans, need it also. Thank you very much.

6 MR. LOMAN: Thank you Mr. Gilbert. I have had a couple of
7 requests here to -- thank you -- ask that the speakers face,
8 stand and face the audience. And I think our Recorder will be
9 able to hear.

10 UNIDENTIFIED MALE: Can they sit and turn around?

11 MR. LOMAN: If you really want to hear, they have to stand.
12 Do you mind?

13 UNIDENTIFIED FEMALE: No.

14 MR. LOMAN: Thank you. Thank you Stacey.

15 MS. SCHUBERT: Good evening, and thank you for allowing me
16 the opportunity to testify. For the record, my name is Stacey
17 Shubert. And I am the Inter-governmental Affairs Director for
18 Anchorage Mayor Dan Sullivan. He asked me to apologize that
19 he's not with you tonight in person. But it's because he's
20 currently occupied at our Assembly Meeting where our lawmakers
21 are addressing the 2011 City budget. As Mayor Sullivan's
22 jurisdiction spans nearly 2,000 square miles and almost 300,000
23 people. I am testifying on his behalf to oppose any further
24 delay of development of Alaska's offshore oil and gas resources,
25 and to encourage you to affirm expeditiously, Lease Sale 193, as

1 held by the U.S. District Court for Alaska in 2008.

2 The economic security of our nation is in peril,
3 jeopardized further by the potential significant loss of jobs
4 and local, State and Federal revenues that the de-facto Arctic
5 offshore moratorium is imposing.

6 Your Agency has estimated that Alaska's OCS has up to 29
7 billion barrels of oil, compared to the 16 billion barrels of
8 oil already produced on the North Slope since 1977. The Trans-
9 Alaska Pipeline system has the capacity to ship more oil to the
10 domestic market. It is currently operating at only one-third of
11 its peak flow. And Alaskans need the jobs that will be created
12 by the development of offshore oil and gas. Further, Alaska's
13 OCS may hold 209 trillion cubic feet of natural gas, further
14 positioning, both our State and this nation for reduction in
15 internationally imported supplies of these resources.

16 As an Alaskan who understands the Arctic's extreme
17 temperatures and remoteness, and the importance of this industry
18 to our State, Mayor Sullivan has personally met with Shell
19 Alaska Vice President, Pete Slayby (ph). The Mayor appreciates
20 the company's need for a decision by your Agency in the next few
21 weeks to move forward with its 2011 plans that involve moving a
22 drilling ship and other infrastructure into place.

23 Surely, there will be opponents to drilling in Alaska's
24 OCS who refer to the Deepwater Horizon incident in the Gulf of
25 Mexico. The last time Mayor Sullivan testified before your

1 Agency on August 26, 2010, in front of Director Michael
2 Bromwich, he said, quote, The action to suspend drilling
3 announced by Interior Secretary Ken Salazar on July 12, 2010,
4 was likely a prudent move, given what we did not know about the
5 Deepwater accident. However, now is the time to move forward.
6 Mayor Sullivan also said, nearly four months ago, quote, We
7 must, as a nation responsibly move forward with domestic
8 offshore energy production to meet our needs by building a
9 robust and inclusive OCS leasing program that includes both the
10 Beaufort and Chukchi Seas. He urged BOEM to continue its work
11 to evaluate regulatory structures that improve safety and spill
12 response, while simultaneously making sure any changes are
13 appropriate to make certain that offshore energy production can
14 be done responsibly, taking heed to protect the environment,
15 workers, American consumers and our economy.

16 Again, now is the time to move this leasing program
17 forward. We have learned much from the Deepwater incident, and
18 we know that drilling in the shallow Arctic is far different
19 from drilling in the deep Gulf, including overall geology, well
20 design and pressure. More than 250 studies have been funded in
21 the Arctic in the past decade, with the bulk focused on the
22 Chukchi and Beaufort Seas. We know that there's never been a
23 blowout in Alaska, or the Canadian Arctic that resulted in an
24 oil spill. Five wells have been drilled in the Chukchi and 30
25 wells have been drilled in the Beaufort, and all without

1 incident. What's more is that these wells were drilled in the
2 1980s when technology was not nearly as advanced, as it is
3 today.

4 One tenant of Alaska's Constitution that we hold dear is
5 that we will control our own destiny. Article 8, Section 1,
6 establishes the policy of the State to develop our resources by
7 making them available for maximum use consistent with public
8 interest. Access to Alaska's assets is fundamental to our
9 national security interests. If the U.S. Government doesn't
10 provide a reasonable, regulatory environment, the multi-national
11 companies who are in a position to invest, will do so outside
12 our country and, therefore, funneling hundreds of millions, even
13 billions of dollars to outside economies that likely do not have
14 the stringent regulatory framework to support America's
15 interests.

16 Through our actions with Shell, including a steadfast
17 commitment to prevention, and a rigorous review of Alaska Spill
18 Response Plans during recent legislative hearings,
19 Mayor Sullivan has the confidence that now is the time to move
20 forward with OCS drilling. We have, for too long, delayed our
21 country, of Alaska's available resources. Our economy will
22 benefit from an annual average of 35,000 jobs with a total
23 payroll of more than \$72 billion in the next 50 years. Other
24 States will benefit from enhanced private sector demands made
25 possible by exporting Alaska's high volume of oil and gas

1 resources.

2 What if that risk is more delay and overburdens and
3 regulation, significant market disruptions that are likely to
4 lead to price volatility and higher prices for American energy
5 consumers and for Alaskans who are so dependent on oil and gas
6 revenues to make our economy tick. To that end, Mayor Sullivan
7 encourages action by Congress to provide States with a fair
8 share of revenues derived from production (indiscernible) to
9 drive revenue and help direct a more responsive path forward.

10 I'd like to reiterate Mayor Sullivan's opposition to any
11 further delay to development of Alaska's offshore oil and gas
12 resources, and to encourage you to expeditiously affirm Lease
13 Sale 193.

14 MR. LOMAN: Thank you.

15 UNIDENTIFIED MALE: Point of order.

16 MR. LOMAN: Ms.Beardsley. Sit down sir.

17 UNIDENTIFIED MALE: No, point of order.

18 MR. LOMAN: No, sit down sir. No, sit down sir. Sit
19 down.

20 UNIDENTIFIED MALE: I am sitting down. But I feel I'm
21 obligated (indiscernible).

22 MR. LOMAN: You will sit, please, thank you. Ms.
23 Beardsley. And Mr. Danson on deck. Again, please, in the
24 effort to allow people enough time to speak, please summarize
25 your statements, if you can. We appreciate it.

1 MS. BEARDSLEY: My name is Betsy Beardsley. I'm the
2 Environmental Justice Program Director for Alaska Wilderness
3 League. For the record, I'm a life long Alaskan, born and
4 raised here, deeply rooted in this State. I have a child and my
5 mother-in-law is here in the audience to support me, so I'm not
6 an Outside Environmental Extremist.

7 We're at an important crossroads right now to the Arctic
8 Ocean. And while I'm glad to see that BOEMRE is here, holding
9 this public meeting to learn about the issues at hand, I am for
10 the Agency to listen local voices, to improve its process in
11 working with the community, and to gather the necessary
12 scientific data and make decisions based upon sound science.

13 The process, so far, has been bureaucratic, rushed and
14 technical, to the detriment of capturing local voices on these
15 issues. These voices do not only have the most knowledge about
16 this pristine wondrous place, but also stand to lose the most,
17 if the risky aggressive development proposed by Shell Oil and
18 others is allowed to move forward.

19 For example, BOEMRE needs to improve outreach to the
20 community. In October BOEMRE released a 300 page document on
21 its draft FEIS for the Chukchi Sea and an (indiscernible)
22 community hearing was ten days after releasing this document.
23 This timeline does not give communities adequate enough time to
24 digest the hundreds of pages of vital information affecting
25 their communities. BOEMRE can do a better job in engaging

1 communities in a transparent and fair process.

2 Also, very little is known about the icy waters of our
3 Arctic Oceans. And the necessary science is still being
4 gathered. For this reason, the Obama Administration and two
5 Federal Judges suspended all drilling activities in the Arctic
6 earlier this summer, with the requests for necessary and missing
7 scientific information. The draft FEIS for the Chukchi should
8 address the missing scientific information. Instead, the Agency
9 dismissed the need to collect missing science and, at this time,
10 its potential negative impact on entire species of Arctic
11 wildlife.

12 We hope that the process could be similar in the Beaufort
13 where Agency would release a new draft FEIS that would base
14 decisions on sound science, such as the research that your
15 sister Agency, the U.S. Geological Survey, is currently working
16 on. And, also, that you take into account the lessons learned
17 from the BP oil spill.

18 We learned through the tragedy in the Gulf of Mexico that
19 there were significant problems with the way that oil and gas
20 development in our nation is managed. In fact, BP's massive
21 mistakes in the Gulf have shown the spotlight on something we,
22 in Alaska, have known for years, that the oil industry cannot be
23 trusted with our precious natural resources. BP's track record
24 on Alaska's North Slope has been terrible, averaging more than a
25 spill a day over the past 15 years. Just last week, the

1 independent investigative news group, Pro Publica, released
2 BP's internal report that found that some pipeline walls in
3 Alaska's North Slope are 80 percent corroded and could rupture.

4 And while Shell has not yet build a track record in the
5 Arctic Ocean, the gross inadequacies in their plans for drilling
6 have been exposed by Federal Court after Federal Court and don't
7 do much to build our confidence that they will be any different.
8 What's more, there is extremely limited response capacity to
9 deal with a spill in the Arctic Ocean. Simply put, there's no
10 way to clean up a spill in the Arctic icy waters.

11 Bottom line is that, until we feel confident with the oil
12 industry's ability to drill safely and responsibly, no drilling
13 should be allowed to move forward in the Arctic Ocean. This is
14 a great time to have a time-out, a pause so we can wait for this
15 necessary scientific data to be collected, so that, if we are
16 going to drill in the Arctic Ocean, that it's done right and
17 that local communities are involved, from the beginning.

18 This lawsuit, that's brought us here today, was filed by
19 the Inupiat Community of the Arctic Slope, among others. The
20 Inupiat Community of the Arctic Slope is the Regional Tribal
21 government for the entire North Slope, representing eight
22 villages along the North Slope and then 1,000 of Inupiat Tribal
23 members that live there. I think we need to listen to them and
24 their concerns. Thank you.

25 MR. LOMAN: Thank you Betsy. Mr. Danson. And, on deck,

1 Mr. Steiner.

2 MR. DANSON: I am not from Alaska and I am an
3 Environmentalist but I hope I'm not an extremist. My name is
4 Ted Danson. I'm on the Board of Directors of Oceana which is an
5 International Ocean Advocacy Group, conservation group, with
6 offices in Juneau, Alaska.

7 I went to Prudhoe Bay, at the invitation of oil companies,
8 about 20 years ago because, I was on the opposite side of the
9 fence, trying to keep Occidental Petroleum from drilling in
10 Santa Monica Bay. We became friends and they flew me and a
11 friend of mine up there. And we agreed to disagree. But we did
12 find ways to keep oil out of the system by creating a recycled
13 used motor oil program. So I firmly believe in working with oil
14 companies, when you can.

15 I was also able to go to Barrow about five days ago. And
16 I met with Mayor Itta and saw somebody in the middle of this
17 conversation. Somebody's whose entire -- the people he
18 represents have been lifted up economically oil money into a
19 place where they can live in a much more sustainable way. And
20 at the same time, their spiritual and cultural life depends on
21 whaling, the bowhead whale. And they feel that that may or may
22 not be in jeopardy from this drilling. But they feel that the
23 science -- well, let me now speak for them.

24 Oceana now feels that, what you need to do with so much at
25 risk, is make sure that the planning and the science is accurate

1 so that you are not putting these people at risk.

2 We feel like draft that's come out is, actually, basically
3 saying, yes we know we don't know this certain amount of
4 science. But it's okay that we don't know that science to go
5 ahead and start drilling. We disagree. We feel that that would
6 be a mistake. I also feel that it's a bit of a mistake that the
7 train has left the station and -- before you've done the basic,
8 the base science. And by that I mean, really knowing how the
9 entire ecosystem works, and is dependent on all, you know, on
10 the food chain. That you start leasing things and then say,
11 you'll do the science, as you go along the way, each step of the
12 way. Whereas, if you'd done the science to begin with, maybe
13 you would have said, you know, don't drill here, drill there.
14 It has, you know, less impact on the environment. And you can
15 still get your oil but you can do it in a safer way over here.

16 So our suggestion is, to stop this draft. Do the real
17 science, the base science. And it would take, maybe four or
18 five years to do that at \$20 million a year, but would well be
19 worth that effort. And, we also have many pages of comments and
20 suggestions that will be submitted later. Thank you for this
21 opportunity.

22 MR. LOMAN: Thank you Mr. Danson. Mr. Steiner. And
23 coming up after Mr. Steiner, Doris Hugo? Yes.

24 MR. STEINER: Thank you very much to son of MMS for
25 holding the hearing. I also want to thank Mr. Danson. This

1 guy's the real deal. He's not just a Hollywood celeb that steps
2 into an issue and then walks back to Hollywood. He's been
3 involved in ocean conservation issues for decades. And I
4 certainly commend him for that. Thank you.

5 There were hearings like this prior to TAPS in which
6 people said, it's important for jobs, for energy and don't
7 worry, there will not be one drop of oil spilled in the Prince
8 William Sound. We all know that the -- what's wrong about that,
9 at this point. There were hearings like this in the Gulf of
10 Mexico prior to deepwater drilling. Obviously, we know what the
11 fallacy in that logic as well, right now.

12 This is a high risk gamble. I realize that politics are
13 against us in Alaska. Most of the people in this room and
14 probably, most of the people in Alaska want OCS drilling. We
15 get that. The problem is, who shoulders the risk and who gets
16 the benefit? The people of the Arctic Slope certainly shoulder
17 the majority of the risk. And the environment of the Arctic
18 Ocean has most of the risk. So we have to be conscious about
19 that.

20 My suggestion would be, Alternative II in the FEIS, which
21 is, no action. But realizing the political realities, might not
22 line up with that. I would suggest, then, an Alternative III-A.
23 And Alternative III is the 60 mile deferral corridor one against
24 the beach. And would ask that it be suspended for a year while
25 further risk analysis and risk assessment is conducted.

1 We don't even really know the full causes of the Deepwater
2 Horizon at this point. And it's ludicrous, one, to lift the
3 moratorium. The Federal Court just suspended the rules that
4 were issued by the Department of Interior. And now it's a
5 complete free-for-all in the Gulf of Mexico.

6 I don't think the industry has it together. The Agency,
7 with all due respect, has shown that it does not have it
8 together, providing Federal oversight. So we're all, you know,
9 we're all on the same team here, I think. We all need to have
10 responsible energy. But the way we've been doing it, obviously,
11 has been chaotic and hasn't worked, so we need to drop back for
12 a year or two, do the risk assessment. Do the blowout
13 prevention systems that are much better than what we have right
14 now. And do the response planning.

15 We know that oil spill response doesn't work. It has
16 never, ever, ever worked anywhere, period. We need to disabuse
17 ourselves of that notion, period. And, particularly, in broken
18 ice situations in the Arctic. If an oil spill were to happen
19 right up against -- freeze up, there'd be virtually nothing that
20 could be done about it under the ice.

21 Should the Alternatives go forward, which I suspect they
22 will, regardless of what we say here tonight, I'd ask that an
23 Arctic Regional Citizens Advisory Council be a stipulation, and
24 a legitimate, independent fully funded one that includes the
25 Village and Tribal governments, not necessarily the Regional

1 Corporations. That's the latest draft of the Bill reads. And I
2 would also ask that real time drilling monitoring be conducted
3 by Federal Engineers and better inspections be conducted on the
4 rigs.

5 And lastly, I guess I'd just like to say that I and many
6 of my colleagues in the conservation and scientific community
7 have been somewhat disappointed so far in the Obama
8 Administration. 00 I'm sure a number of people in here have been
9 disappointed, as well, for different reasons. But I think it's
10 time for the Administration to start governing and stop
11 campaigning. And the same for Congress. The gridlock can't --
12 is not helping anyone.

13 So, we need a sustainable energy policy. I don't think
14 this is where we're going to get there.

15 MR. LOMAN: Thank you -- Doris you're next.

16 MS. HUGO-SHAVIGNS: Good evening I am Doris Hugo-Shavigns.
17 I am a Tribal Member of Barrow and the Arctic Slope. I am
18 submitting my written testimony for the public hearing regarding
19 confirmation of the Chukchi Sea Lease Sale 193.

20 SEIS provides ample information and analysis to support an
21 educated decision for support of Lease Sale 193. Chukchi Basin
22 holds enormously massive amounts of oil and natural gas which
23 our nation, State and local residents need now. We must stop
24 relying on foreign oil. Onshore oil and gas exploration and
25 development has afforded many benefits to my people of the

1 Arctic Slope region and we're in an economic crisis. Revenues
2 are dwindling with the decline of TAPS and fewer companies
3 investing in on shore exploration.

4 There is no alternative to off shore exploration for the
5 people of the North Slope in terms of economic development and
6 stability. Good paying jobs are on vast decline and families in
7 rural Alaska are at the forefront of the nation's economic
8 crisis. Many residents, including some in the North Slope, live
9 in third world conditions in inadequate homes not suitable for
10 the Arctic.

11 Oil and gas revenues has provided education, health and
12 social services and numerous other facilities such as proper
13 sanitation services, roads, bridges, airstrips and other
14 critical infrastructure needed for the well-being of our
15 communities.

16 I personally had my higher education paid for and
17 graduated from the University of Alaska Anchorage with a
18 Bachelor's degree thanks to oil and gas dollars provided to my
19 region. This also includes the hundreds of other North Slope
20 Inupiat that continue to receive scholarships through endowments
21 and foundations established with oil and gas dollars. It is not
22 a handout, it is a hand up to help our people live in the ever
23 changing world. Even subsistence hunting costs money, money
24 that comes from jobs that are on the decline. Offshore
25 exploration and subsistence hunting co-exist.

1 It would be a major disservice to my people and to the
2 State of Alaska if BOEM rescinds the leases allowing a de facto
3 moratorium to continue, which will do more harm than good. I
4 strongly urge you to affirm Lease Sale 193 and commence with
5 necessary permits to allow development of these important energy
6 resources without delay.

7 MR. LOMAN: Thank you. Mr. Banks for the Governor of
8 Alaska. And Ms. St. John on deck.

9 MR. BANKS: Thank you. My name is Kevin Banks. I am the
10 Director of Oil and Gas at the Department of Natural Resources.
11 And I'm here on behalf of Governor Parnell and I thank you all
12 for this opportunity to testify.

13 The State of Alaska supports Alternative IV in the
14 Supplemental Environmental Impact Statement on oil and gas Lease
15 Sale 193 in the Chukchi Sea. And affirming the Sale 193 as it
16 was held in February 6, 2008. As all are aware, that Sale
17 yielded \$2.6 billion in successful bonus bids from some of the
18 most experienced offshore oil companies in the world. Bidding
19 behavior such as this is undeniably a huge endorsement of the
20 scientific opinion by both BOEMRE and the USGS in their
21 assessments of the resource potential in the Chukchi Sea. I'll
22 try to be brief for you all.

23 Now, almost three years after that sale, in which time
24 these companies would have had the opportunity under less
25 litigious circumstances, to begin exploration in earnest, the

1 Secretary must revisit this decision. We're here today because
2 the U.S. District Court in Anchorage remanded the Sale 193
3 decision to BOEMRE. The Court asked the Agency only to revisit
4 three aspects of the original decision.

5 Now, while the State would have hoped for a ruling from
6 the Court that would have upheld the Lease Sale, Judge Beistline
7 certainly did not deliver a complete victory to those who would
8 want to bar any oil and gas activity in the Chukchi Sea. He
9 said, quote, This does not necessarily require the Agency to
10 completely redo the permitting process. In all other respects
11 the Court finds Defendants, that is BOEMRE, have complied with
12 NEPA.

13 As for natural gas development, the first of the three
14 issues raised by the Court, there can be little doubt that this
15 will occur in association with and incrementally to oil
16 development. BOEMRE correctly concludes the natural gas
17 development would merely extend the life of existing plays and
18 infrastructure and build new facilities within the previously
19 disturbed areas. For this reason, environmental impacts are
20 described with words as localized, temporary, minor.

21 Should there be a large-scale gas release into the
22 environment, the environment would be affected temporary to
23 short term and at a negligible to minor level. While impacts
24 may occur because of direct operations, over-flights, marine
25 transits, pipelines, et cetera, the Agency says that these may

1 be avoidable through avoidance and mitigation. And the impacts
2 on the human environment from natural gas development are
3 described with the comments in the SEIS as, no major impacts are
4 expected for Alaska Inupiat Natives.

5 These conclusions about the environmental impacts of
6 incremental natural gas development, combined with the
7 conclusions already made by the BOEMRE and essentially affirmed
8 by the District Court in the original Sale 193 FEIS means the
9 decision to go ahead with the lease sale has met the
10 requirements of NEPA.

11 The Agency's analysis of the second and third issues
12 identified by the Court is encyclopedic and rigorous. It was
13 our impression that the number of instances in the original Sale
14 193 FEIS where BOEMRE identified incomplete or unavailable
15 information, indicated that the care of the scientist at the
16 Alaska OCS Region took to avoid exaggerated and polemic
17 statements. On the other hand, the Plaintiffs, before the U.S.
18 District Court, presumed that, in spite of exercising an
19 abundance of caution that the Agency had somehow erred in
20 pressing forward with a lease sale, as if it were completely
21 ignorant of the environmental impacts.

22 The Court didn't go so far as the Plaintiffs. Instead the
23 court recognized that the Agency be given deference in meeting
24 the requirement, and we believe that they have done so
25 comprehensively.

1 Lacking a crystal ball or the prescience of our Creator
2 should not condemn all human endeavors. Obviously at this stage
3 in the process, we can be sufficiently informed about the likely
4 impacts of selling oil and gas leases in the Chukchi Sea. Later
5 we can address what we need to know to authorize exploration
6 activities. When uncertainties exist, everyone understands that
7 we must act with caution. The State of Alaska believes we need
8 to act now.

9 To wrap up, in deference to all of you, State of Alaska
10 has consistently argued that oil and gas development in the
11 Arctic OCS is an essential component of the future of our
12 industry and our State economy. It will contribute to
13 sustaining our livelihoods and our varied cultures. Often lost
14 in the debate about OCS development, it's a simple fact that
15 when we fail to develop our own resources, we export our
16 nation's wealth through deeper trade imbalances and costs to
17 maintain our international energy security.

18 Failure to develop our domestic resources exacerbates the
19 impacts on the environment and other parts of the world where
20 values about environmental protection and the laws that minimize
21 the impact of industrial activity are non-existent.

22 We compliment BOEMRE for the work they've put into this
23 SEIS. And we believe that it provides more than sufficient
24 support for the decision to affirm the February 6, 2008 Sale
25 193. Thank you very much.

1 MR. LOMAN: Thank you, Kevin. Okay, I sense the
2 frustration. So I'm going to ask one more time to please keep
3 your statements down to two minutes. It's appreciated by a lot
4 of people. Thank you.

5 MS. ST. JOHN: For the record, my name is Jeanine St.
6 John. And I'm here representing an Alaska company that many of
7 you now, Lynden. We represent a privately held company that has
8 over 500 employees in the State Alaska.

9 And I'm going to keep my comments extremely brief. I'll
10 leave my written comments. What I'd like to say is that we have
11 testified at all of these public hearings on everything related
12 to this lease sale. It's gone on and on and on. You can see
13 all the studies, the scientific studies that have been done. I
14 believe -- we believe that people understand that oil and gas
15 Development has to be done responsibly. And we appreciate the
16 fact that companies have had the patience to go through this
17 process. However, it's disheartening to go on and on and on
18 through this process.

19 So we urge quick expeditious activity. And let's move
20 forward. We want to keep our employees employed. And we know
21 that you guys all want a good Alaska economy.

22 So, that's it. .

23 MR. LOMAN: Thank you. Thank you very much. Mr. Kendall.
24 Mr. Pratt right after Mr. Kendall. Mr. Kendall. Well, Mr.
25 Pratt, we have an empty seat for those that are up next.

1 UNIDENTIFIED MALE: Well, I see the same faces in different
2 places. Earlier tonight I rose in the back to call a point of
3 order, a point of inquiry to Mr. Loman, here. Again, I see one
4 injustice, one inconsistency, one contradiction, one hypocrisy
5 after another, to limit us to two minutes. But those people
6 that are special, get a longer time. It appears to me that your
7 society is decaying. It is unraveling. It is aberating (ph) at
8 a scope and scale the likes of which I have never seen before.
9 It almost appears to be an insect high colony like design, which
10 if you take the money out of the picture, it appears to be a
11 natural formulation of revolution.

12 My concern is this, you can do all the oil you want. But
13 we deserve an equal amount of time for us to evolve as a
14 society. Alaska's a very, very special place, ladies and
15 gentlemen. It is an intersection of the likes I have never seen
16 before. And to put that into some criteria as opposed to a
17 philosophical and theoretical position, a ten by ten by ten
18 block of water, which is really a hydrogen body, they use water
19 as a tricked up term, so that it disconnects you from some
20 greater understanding, irrelevancy. But that body of water
21 weighs 31 tons, a ten by ten by ten block of water, 31 tons.

22 You have the Cook Inlet out here, the Knik Arm area. You
23 have one of the world's highest tide flows. You have three
24 incoming rivers. You have the capacity to go into that Inlet
25 overnight and generate huge amounts of clean energy called in-

1 harmony energy. You have the chance to make your residential
2 sector in the Valley, in Anchorage and Girdwood to be all
3 electrical residential, one of the first areas in the world.
4 You have a chance, if you do that, to literally launch the new
5 age which is going to be energy based.

6 And instead of sharing that moment with some of these
7 companies which were some of the most influential in the world,
8 to bring (indiscernible) to Mr. Loman to be able to hold over a
9 hearing for two minutes at a time, instead of being able to have
10 a three or five day, these companies portend levels of influence
11 I've never seen the likes of before.

12 And what happens is this. Instead of them joining us to
13 make this a very special place to evolve our society, to show
14 that two paradigms can exist simultaneously, and win out, you
15 now, in a fair mode, they continue to evade accountability.
16 There is not going to be anymore (indiscernible) Alaska ladies
17 and gentlemen. And if you look at the rational factors and all
18 the data outside of those people who want to mindset you, by
19 occupation, you will realize that technology is coming unleashed
20 like I have never seen before in my lifetime.

21 Carbon and the fossil fuel distribution network system of
22 associates, they have so maligned, they have so connived and
23 contrived the markets across, just not America, but the planet
24 in all reality. That all sectors are now looking to fail. The
25 only way to come back is for the true free market enterprise to

1 push back with new and in-harmony designs.

2 These oil companies know this. And let me give you an
3 example. I'm going to do a little something here that hopes to
4 connect you or unfold you. There is no such thing as water. It
5 is an ancient archaic and distracting term. When you send that
6 child over to get you a glass. If you do water, you may as well
7 put that child in a cardboard box and bury him. You need to
8 send him over to get you a glass of hydrogen with oxygen.

9 And when he says to you, mom or dad, what is hydrogen, you
10 can explain to him that the ocean is a complex hydrogen body, a
11 compound of various particulates and partnerships and life
12 forms. It's almost another dimension and to reach into it.

13 A river is a hydrogen body. A lake is a hydrogen body.
14 When you drink that hydrogen, your body makes electricity and
15 sends you a synaptic impulse. When you have two synaptic
16 impulses there about, you have what we call a State of Being
17 because you can contrast data. You are maintained by a State of
18 Being by hydrogen, ladies and gentlemen.

19 It is oxygen under which you die -- pardon me? I didn't
20 see a timepiece. But out of respect for your distinguished
21 guests, here I will do that.

22 I'm not sure how you summarize it in a moment of such
23 wonders. Well, I am angry at those companies who now, having
24 pursued the almost Biblical proportions of greed to feed on
25 money that which, no longer has value. Or insect mentality,

1 insect mentality is like, I need a job. What is a job get you?
2 I missed that one. But, my point -- men like me is like
3 kryptonite to Superman. You put me in a time block, fine, but
4 I'm down. Really falls off a branch.

5 Complex problems ladies and gentlemen requires slower
6 thought process at a greater body. And just as you're having
7 here tonight, it is an injustice. He should have reconvened
8 this meeting. He should have made a three day meeting, brought
9 cameras in so that men could rise and challenge other men and
10 probe, interrogate and then sit down. And rise again. You are
11 in a very special place ladies and gentlemen. You have a chance
12 in summary for a moment. You have a chance for your children to
13 lead the rest of the world. Within the next two to eight years,
14 you could make this transition. The oil companies would be
15 there with you. Quite frankly I think they're occupying their -
16 they're about to desert you. But the point is, it is my outrage
17 and sense of anger and disposition here is because you see a
18 great moment, instead of your children. Which are the ones we're
19 supposed to be about, to be a more free people. Instead of
20 bringing them to that new day and age, by having these
21 discussions that expand us all, we're having these Dodge City,
22 Kansas moments which are just simply influenced by bullying or
23 intimidation. And I'm sad by this.

24 Ten seconds. I thank you for the opportunity. And it is
25 a special place that I can sit with such a distinguished crowd

1 in opposition and not hear weapons being cocked and loaded.

2 MR. LOMAN: Thank you.

3 MR. PRATT: I've served on Mayor Sullivan's Council. So,
4 I am speaking on behalf of myself and my family who moved here
5 30 years ago. Alaska is where we chose to raise our family.
6 We've had great adventures and hope to continue to do so.

7 Alaska economics needs to heal. Sale 193 should be
8 affirmed. This is critical to the nation. It would have
9 benefits to homes, families and business. It has an economical
10 value. Sale 193 has the potential to add domestic supplies, at
11 least equal to what has been produced on the North Slope. We
12 have a moral imperative to develop and use domestic energy
13 supplies.

14 Additional onshore and offshore oil development production
15 is necessary to extend the useful life of TAPS. An early
16 shutdown, due to either physical or economical constraints would
17 be devastating to Alaska and America. It was mentioned earlier
18 that OCS production in Alaska would provide about 35,000 new
19 jobs and \$72 billion worth of payroll over the next 50 years.
20 It would also generate thousands of new high paying jobs
21 throughout all 50 States in manufacturing, computer technology,
22 construction, maintenance, et cetera, et cetera.

23 Responsible development of Alaska's onshore and offshore
24 resources is critical to the advancement of Alaska's economic
25 engine. We are a young State. Population wise, we are a small

1 State. We know each other. With fewer than 700,000 residents
2 and barely 50 years of Statehood under our belt, we need all the
3 economic development we can muster to be a self sustaining,
4 envisioned by the Statehood Act. Unless we commercialize our
5 natural resources, we have little hope of surviving
6 economically.

7 Please allow us to continue to live in this thriving
8 healthy, pristine, magical place we call Alaska. This is the
9 right thing to do for America. This is the right thing to do
10 for Alaska families. Affirm Sale 193. Thank you.

11 MR. LOMAN: Thank you, sir. And, Kate Williams, next.
12 Sir, the floor is yours.

13 MR. MALONEY: Thank you. My name is Sam Maloney. My
14 father, Tom, is delivering my testimony this evening as I have
15 English and math classes Tuesday and Thursday evenings at UAA
16 that I cannot afford to miss. I agree with him.

17 A few months ago I had the opportunity to personally
18 testify on the OCS and importance to Alaska and the country's
19 situation with Secretary of the Interior Salazar.

20 This has been a big year for me. High school graduation
21 in May from South High School. I attended KCC in the morning
22 for their welding program. This great technical program led me
23 to major in welding and non-destructive testing at UAA. My goal
24 is to become a certified Welding Inspector in the next few
25 years. By working very hard I already have four welding certs.

1 It cost a lot of money to attend a university and take
2 these kind of programs. The welding supplies, books, materials
3 are all very expensive. I and my fellow students need to pay
4 the piper and not expect anyone else to foot the bill. I worked
5 60 hours a week all summer to help pay my way.

6 A few years ago the Federal government accepted almost \$3
7 billion for lease sales from oil companies. So far, it appears
8 that not much is happening to create future employment
9 opportunities for Alaskans, like myself. Many of my fellow
10 students who are willing to work and obtain the necessary
11 education and technical skills are concerned that we will not
12 have an oil industry in Alaska a few years from now. Isn't
13 there a few trillion dollars worth of oil and gas reserves in
14 the OCS that the Federal Treasury may need to pay its debt?

15 When my Dad came here about 20 years ago, the Trans-Alaska
16 Pipeline had over two million barrels a day. Now we have less
17 than a third of that. Will the pipeline shut down when it's
18 only one third of what it is now? Will the oil industry, which
19 provides almost all of our State revenues, be forced to leave
20 Alaska to pursue opportunities overseas? Can I get a job
21 related to the oil industry, which is in rapid decline in
22 Alaska? Will I be able to pay my student loans and other debts?

23 Several of my friends' parents have relocated to places
24 like China, Australia, Canada and Germany to develop new oil and
25 gas projects in these foreign locations. We are exporting

1 Alaskan expertise to other countries that are developing their
2 own resources. Why not develop our Alaskan resources to benefit
3 Alaskans and Americans?

4 We need to develop America's own resources especially
5 those here in Alaska. People like me need good paying jobs to
6 support families. The oil industry has been good for my family
7 and thousands of others. We need to keep it going. I do not
8 want to move out of Alaska or maybe the entire United States to
9 work as a Welding Inspector.

10 Let's get Alaska and America working again. It would be
11 nice to see some of my friends return to Alaska with their
12 families instead of communication through Facebook, Twitter,
13 MySpace and phone calls.

14 Thanks for listening and feel free to call or email. Sam
15 Maloney.

16 MR. LOMAN: Thank you.

17 MS. WILLIAMS: My name is Kate Williams and I am the
18 Regulatory Affairs Representative for the Alaska Oil and Gas
19 Association, AOGA. AOGA is a private, nonprofit trade
20 association whose member companies account for the majority of
21 oil and gas exploration, development, production,
22 transportation, refining and marketing activities in Alaska.

23 We appreciate this opportunity to provide comments on the
24 draft Supplemental Environmental Impact Statement, for the
25 Chukchi Sea Lease Sale 193.

1 Lease Sale 193 should be affirmed as held in 2008 and in a
2 timeframe that does not further delay exploration and
3 development in the Chukchi. As stated by BOEM, the purpose of
4 the SEIS is to provide new analysis as directed by the U.S.
5 District Court for Alaska in a July 2010 Order. This Order
6 instructed BOEM to address only three concerns. The SEIS
7 addresses those concerns and recommends the sale be affirmed as
8 held. AOGA urges the Secretary to accept the conclusions of the
9 SEIS and expeditiously affirm Sale 193.

10 Lease Sale 193 is the most successful oil and gas lease
11 sale in Alaska's history, and at the time in U.S. history,
12 generating \$2.7 billion in high bids for 487 leases. The time
13 required to get from lease sale to first production is estimated
14 to be 20 years. Yet, to date, not even one exploratory well
15 associated with Sale 193 has been drilled.

16 Development of Alaska's Outer Continental Shelf is vital,
17 not only to Alaska's economy, but the nation's energy
18 independence. According to conservative Department of Interior
19 estimates, Alaska's OCS holds 27 billion barrels of oil and 132
20 trillion cubic feet of natural gas. By comparison, total
21 production from the North Slope has been approximately 16
22 billion barrels of oil. If access to Alaska's OCS resources is
23 allowed, Alaska would have the ninth largest oil resources in
24 the world, ahead of Nigeria, Libya, Russia and Norway.

25 Access to these resources is critical to the continued

1 operation of the Trans-Alaska Pipeline system, which is
2 currently operating at about one-third of its capacity and could
3 be uneconomic to operate after 2020 without additional
4 throughput. Access is also a key component to the economic
5 feasibility of the proposed natural gas pipeline from the North
6 Slope to the Lower 48. OCS oil and gas development would also
7 benefit Alaska's economy by providing thousands of high paying
8 jobs over a long-term period.

9 To reiterate earlier testimony, a study by the University
10 of Alaska's Institute of Social and Economic Research and
11 Northern Economics found that new offshore energy production in
12 Alaska would create an annual average of 35,000 new jobs in the
13 State with a total payroll of approximately \$72 billion over the
14 50 year life of the project. New offshore development in Alaska
15 would also generate thousands of new high paying jobs throughout
16 the country across a variety of industries.

17 Alaska's North Slope and OCS are now perhaps the most
18 studied energy basins in the U.S. In the past decade alone over
19 250 studies have been funded in the Arctic with the majority
20 focused on the Beaufort and Chukchi Seas. All told over \$500
21 million have been spent on more than 5,000 independent studies
22 since 1973.

23 AOGA strongly urges the Secretary to affirm Chukchi Sea
24 Lease Sale 193 as recommended by the SEIS. The leases issued
25 under Sale 193 were sold only after an exhaustive environmental

1 analysis. And the specific concerns the District Court raised
2 about the original lease sale in its July 2010 Order are
3 sufficiently addressed in the SEIS. Failure to affirm the sale
4 would allow a moratorium on exploration and development of
5 Alaska's OCS to continue, harming Alaska's economy and the
6 nation's energy security, without a corresponding benefit to the
7 environment. Thank you.

8 MR. LOMAN: You made it, thank you. It is now 8:30 p.m.
9 and at a couple of requests. The temperature in this room is no
10 longer fit. We'll take a five minute break. Go outside and
11 cool off and save your seats. Five minutes. Thank you.

12 (Off record at 8:30 p.m.)

13 (On record at 8:40 p.m.)

14 MR. LOMAN: All right we're going to get started. Mr.
15 Hendrix. Mr. Harbour is up next. Okay please be seated. In
16 five seconds -- four -- three - two. Thank you.

17 MR. HENDRIX: Good evening, my name is Tom Hendrix. I'm
18 Vice President of Governmental Affairs for the Alliance. And
19 testifying on behalf of the Alaska Support Industry Alliance.
20 The Alliance is a nonprofit trade organization representing
21 almost 500 members -- organizations and more than 40,000 Alaskan
22 employees that provide goods and services to Alaska's oil and
23 gas and mining industries. Our livelihoods depend on a healthy
24 Alaska oil and gas industry and investment climate. OCS
25 exploration and development is critical to our future.

1 Unfortunately, as a result of a depressed business
2 activity in Alaska's oil patch, hundreds of Alaska oilfield
3 workers and professionals have lost their job. On behalf of the
4 Alliance and its members, I first want to thank the MMS and the
5 EIS that you've done, to date. And I have one simple request
6 tonight. Please submit your Supplemental Environmental Impact
7 Statement to the Court immediately.

8 Thirty-five thousand Alaska jobs are at stake. Alaskans
9 are ready to go to work. It's time for the Bureau of Ocean
10 Energy Management Regulation and Enforcement to do the same, and
11 fulfill their obligation to properly develop Alaska's Federal
12 resources and create business opportunities for Alaska's oil
13 field contractors and suppliers and their employees. Thank you.

14 MR. LOMAN: Thank you very much. Mr. Lakosh, two minutes.

15 MR. LAKOSH: Thank you for accommodating my disability. My
16 name is Tom Lakosh. I'm an Oil Spill Researcher. I've been
17 involved in assessing the legal and technical requirements of
18 affected oil spill prevention and mitigation.

19 I'd like to say -- start -- I admit that I'm not entirely
20 prepared to produce comments on the EIS. But it's apparent that
21 certain questions need to be addressed because of the concerns
22 of the citizenry. I'd like to remind all of those that are
23 interested in development that, because of scrutiny, there has
24 been half a billion dollars already invested in studying
25 environmental impacts.

1 If the conservation community and support industries would
2 get together, I think you'd find that we could probably do this
3 job right and provide much more -- provide for the rights of
4 Alaskans to superior public uses of their resources.

5 By the way, oil spills are illegal so they could never be
6 a superior public use. But we could provide for more jobs and
7 more investments here in Alaska, if we do the job right. Right
8 now we find that the regulatory system does not properly account
9 for effective planning.

10 In the Gulf of Mexico, you'll see that BP planned for a
11 491,000 barrel per day spill. They said they had the capability
12 of recovering that amount of oil. They would cover an average
13 of 1,800 barrels per day. So the methodology called the
14 estimated daily recovery capacity was 273 times off of the mark,
15 and what it could realistically be recovered. The technology is
16 available to do it a lot better, if the industry put as much
17 time and effort into developing those technologies as they did
18 in extraction equipment.

19 They spend billion dollars on floating production and
20 offshore storage platforms. They could spend the money on the
21 technology and do it. Shell has contributed to the oil skimmer
22 X-Prize (ph) but they're not going to study for Arctic skimmers.
23 Their present skimmer systems are not -- cannot be used in
24 broken ice, because they are not designed to process ice. They
25 will break. The boom will bust, will sink, will be floated out

1 of the oil area. They will not be able to concentrate the oil
2 to get to the skimmers that produce the recovery rates that they
3 profess.

4 They have not -- nobody has studied the effects of burning
5 oil. A recent symposium on that this spring showed pictures of
6 the soot coming right back down, due to temperature inversions,
7 spreading the oil soot all over the place where bears and fox
8 and seals will all roll around in it. They plan to leave the
9 oil in the winter, which is against the law. They're supposed
10 to recover it in a set period of time. They need to develop the
11 technology that can advance in broken ice. They need, to
12 Shell's credit, they need those ice breakers, the first that
13 have been brought up to the North Slope for recovery purposes.
14 And so they're sort of in the right way. They need to spend
15 more money. BOEMRE really needs to put some of that \$2.7
16 billion into an Arctic skimmer X-Prize (ph). Shell needs to
17 cough up a little bit more.

18 We could find the solutions, create more jobs and protect
19 the rights of the citizens to use the natural resources, if we
20 work together. Thank you.

21 MR. LOMAN: Thank you. June Childress.

22 MS. CHILDRESS: My name is June Childress. I live in
23 Wainwright, Alaska, and also the President of the Village
24 Corporation. And I live right smack dab in the middle of the
25 Chukchi Sea. So, this comes from our community as well as our

1 Board of Directors of Olgoonik Corporation, our Tribal
2 organization and the City of Wainwright.

3 For generations we have followed a subsistence lifestyle.
4 While the waters of the Chukchi Sea provide many basic food
5 sources, it is important to consider the fact that we also must
6 rely on jobs to support subsistence. The cost to buy gas for
7 our boats, snow machines and 4-wheelers is high. In addition,
8 we must pay for the modern community conveniences we enjoy,
9 public water, electricity, telecommunications services. Without
10 the means of buying supplies, we cannot practice our way of life
11 as Inupiat people, let alone pass along cultural values to our
12 young people.

13 To meet this need for income, we are keenly aware of the
14 value of economic development in our community. For that
15 reason, the Village of Wainwright sees oil exploration in the
16 Chukchi Sea as one of the most important opportunities we have
17 for creating jobs. That is why we took the initiative in 2007
18 to make some preliminary investments in the local facilities,
19 equipment and training needed to support oil company operations
20 in the area.

21 Over the past four years, Olgoonik has invested in excess
22 of \$5.5 million in this effort. This business decision has made
23 it possible for Olgoonik to supply oil industry activities with
24 Marine Mammal Observers. a Communications Center that helps
25 avoid conflict between oil operations and whalers, a crew change

1 and supply support operation for companies conducting science
2 studies in the region and shore-based logistics and camp
3 facilities.

4 Let me emphasize that the Olgoonik Corporation is not
5 doing this alone. We are working as a team with the City of
6 Wainwright, the Tribal Council and the Whaling Captains. You
7 heard statements from these groups during testimony in
8 Wainwright on November 4th. It is also worth mentioning that
9 it's not only Wainwright that supplies properly managed oil
10 explorations in the Chukchi. Despite what a few social critics
11 say, and the media's focus on this minority, a great many
12 residents throughout the North Slope understand that a realistic
13 balance between subsistence lifestyle and exploration can be
14 maintained. Given the need to bring more jobs to these remote
15 villages, we urge the Federal government allow exploration to go
16 forward.

17 Thank you for your time.

18 MR. LOMAN: Dave Harbour.

19 MR. HARBOUR: I'll leave you with my written testimony,
20 which will be more succinct than the verbal. But I'll offer the
21 verbal in view of the time constraint.

22 MR. LOMAN: Thank you.

23 MR. HARBOUR: And maybe, after hearing the other witnesses
24 talk a little bit about things that maybe the panel has not
25 heard.

1 The State of Alaska, when it was formed 51 years ago, was
2 formed really via a triumvirate of actions. One was a publicite
3 (ph) of the people of Alaska. Second, was the formation of the
4 Constitution of the State. And third, was enactment by Congress
5 of the Statehood Act. All three, to one degree or another,
6 recognized the fact that Alaska should not become a ward of the
7 Federal government ever again, that it should be able to sustain
8 itself based upon its significant array of natural resources.

9 Since Statehood, we've seen a gradual erosion of the
10 ability of this State to make a living based on its natural
11 resources. And were there more time and if anybody in the
12 audience who's shaking a head, wishes to explore that matter we
13 could explore it with specific examples at great length.

14 At this point, let's look at current actions leading up to
15 the present. First of all, Judge Beistline, in effect blessed
16 the good work of the MMS, BOEM with the exceptions of some
17 remedies that he sought and remanded the work to the BOEM.
18 Thanks to conversations that you shared with me before the
19 meeting, I learned that you did not have to construct an SEIS
20 which is part of NEPA required public hearings like we're having
21 around the State now. Rather, you could have submitted the
22 remedies more directly to the Court as the Court ordered. But
23 out of abundance of caution, you didn't. You went through this
24 process. I respect that.

25 At this point, as a former regulator in the State of

1 Alaska, my advice would be, that because of the delays that have
2 been incurred over a long period of time, at a cost to the
3 lessees of several billion dollars, about a billion more than
4 was originally bid. We're at the point, I believe, where Alaska
5 is on the cusp of losing OCS development. If we lose OCS
6 development due to further delay, and that delay could be a BOEM
7 decision and a Secretary Salazar decision not to provide the
8 approvals necessary by the end of this year -- if that doesn't
9 happen, we could see the ability of the industry to mobilize for
10 the next summer season lost.

11 If that happens, we may see a loss of OCS altogether.
12 That could result in an inability of the State to sustain the
13 Trans-Alaska Pipeline. A previous witness estimated that it
14 could be in 20 years that that pipeline could be -- to fall into
15 disuse. But if at three-quarters empty, at this point, between
16 500,000 and 600,000 barrels a day declining, at a rate of about
17 six percent per year -- you do the math. In a cold winter day,
18 out of an abundance of caution, the owners of the pipeline may
19 well decide to surplus that pipeline well before that time,
20 perhaps as soon as seven years from now.

21 Since 90 percent of the State operating budget is based on
22 that, and since one-third of the entire State economy is based
23 on the throughput of that pipeline, the Chukchi Sea with a
24 potential of over twice the productivity of Prudhoe Bay, and
25 perhaps five times the reserves of natural gas than exists now

1 on the Slope, could provide the ability of the State of Alaska
2 not to again become a ward of the Federal government.

3 In addition, the provision of Federal income taxes and
4 royalties as well as the ability of the State and the local
5 governments to achieve property taxes and sustain the dwindling
6 throughput of the Trans-Alaska Pipeline, could enable the State
7 to continue to function. Thank you for the opportunity.

8 MR. LOMAN: Thank you. Mr. Thompson. Rachael Daniel.
9 That was donated by a member of our audience, to help. And Kirk
10 Jackson after Rachael. Kirk -- Rachael, the floor is yours.

11 MS. DANIEL: My name is Rachael Daniel and I was born and
12 raised in Alaska in a family dependent on a subsistence
13 lifestyle. And, tonight I'm speaking on behalf of the PUGH (ph)
14 Environment Group and we will be submitting comments, written
15 comments. So as we have limited time, I will only have enough
16 time to focus on one point tonight. Unfortunately, I can't
17 cover all the points I'd like to make. And so I'm going to
18 focus on one that's important to me and, that's science.

19 As a scientist, I would like to say that while there has
20 been a great -- well there has been and there continues to be
21 really good research conducted in the Chukchi Sea. There
22 remains a great deal of unknowns such as those acknowledged by
23 BOEMRE in the original Lease Sale 193, both on the lack of
24 information about species and habitats, as well as on the
25 effects of oil and gas activity on species and habitats.

1 The U.S. Geological Survey office in DOI is currently
2 conducting an initial review on science gaps related to Outer
3 Continental Shelf oil and gas Development in the Arctic,
4 Beaufort and Chukchi Seas. This review, under the direction of
5 Secretary, was to identify gaps in knowledge about the Arctic
6 Ocean with the results are to be viewed -- to be public in April
7 of 2011. And this information obtained in the USGS review would
8 likely have provided relevant information of data gaps, and the
9 means by which to address those gaps as related to OCS oil and
10 gas activity.

11 Furthermore, Secretarial Order Number 3305 on Scientific
12 Integrity signed by Secretary Salazar on September 29, 2010,
13 provides policy and direction that any decision from DOI will be
14 based on the best available science.

15 We do not believe that the review of the gaps in the
16 Chukchi Sea EIS was consistent with that policy. And we believe
17 that the BOEMRE should coordinate its lease 193 remand analysis
18 with the ongoing USGS analysis.

19 And related to science, one other point that I'd like to
20 make is that missing information could also be incorporated with
21 the use of traditional knowledge. And this traditional
22 knowledge should accompany research to aid western scientific
23 understanding of the Arctic marine environment. In the
24 documentation of existing knowledge and gathering of new
25 information, those who have the knowledge should be involved

1 throughout the research and management continue to help analyze.
2 Interpret and apply that knowledge appropriately, in conjunction
3 with western scientific findings and other relevant information.
4 Thank you.

5 MR. LOMAN: Thank you Rachael.

6 MR. JACKSON: My name is Kirk Jackson. I'm a Business
7 Agent for Local 375, the Plumbers and Pipefitters of Fairbanks,
8 Alaska. I'm also an instructor at the Pipeline Training
9 Facility in Fairbanks. I'll be extremely brief. A lot of the
10 points I was going to talk about have been hit multiple times
11 this evening from the strongest support the Sale of the Lease
12 193 in the Chukchi and, similarly, the Beaufort.

13 The decline of Prudhoe Bay and, of course, TAPS at one
14 third and the continued decline of that over the next eight to
15 ten years, the development of the Chukchi is vital to Alaskans
16 and Alaskans' families and the economy of Alaska. Thanks for
17 your time, appreciate it.

18 MR. LOMAN: Rick Braun, then Kimberly Howard.

19 MR. BRAUN: I'll try to be short. I'm one of the few
20 people probably here that doesn't have some sort of financial
21 interest in all of this. I'm just a guy who lives here and
22 wants to keep living here. And want my kids to keep living
23 here. That requires a functioning economy. And I can see with
24 the rope-a-dope that's been going on with this lease sale, the
25 endless delays, the endless studies -- pretty soon you're going

1 to have to have charts that go over the horizon to list the
2 studies I think -- or else go to a smaller font, I don't know.

3 That will never be enough. They'll want more. They'll
4 want another study of this, another delay for that. This is a
5 resource State as Mr. Harbour pointed out. We became a State
6 because we have resources sufficient to supposedly allow us to
7 be a functioning State. We're being strangled with our
8 resources, to the point where maybe we won't function anymore
9 and we'll be a welfare society State. And I don't know if the
10 government's got enough money left to make us a welfare society
11 State.

12 Instead of going with the Chicken Little scenarios of
13 worrying about what about this and what about that, and let's
14 study it some more. And that study is two days old so we got to
15 do another one because that one is out of date. Let's just get
16 on with it. Let's approve the EIS, the Supplemental EIS, the
17 whatever EIS you come up with. And let's go do something.
18 Because that's the best way to learn what you need to do, how to
19 do it, just like in the Gulf. In the McCondo (ph) well,
20 everybody had ideas, plans, you name it, theories. Well,
21 something went wrong. It didn't all work. And they've learned
22 a heck of a lot, I'm sure. That's a 5,000 foot and below well.
23 We're talking 150 feet. I think the pressure differential is
24 just a little bit different. And maybe we won't have a McCondo
25 (ph).

1 It's amazing to see in your study that you're trying to
2 calculate CO2 and CH3 releases when, isn't the idea of drilling
3 a well -- to pull something out and burn it? And you're going
4 to worry about how much CO2 and CH3 is -- might be released
5 while you're drilling for it? That's a waste of time. The lady
6 from Wainwright, I'm sure and other villages, would love some
7 natural gas just like this city is starving for natural gas.
8 Because even though -- I don't know what the barrels per
9 equivalent is of 75 bodies in here, but this is pretty warm.
10 But if you shut the gas off, it's not going to be that warm. I
11 lived in North Pole for 20 years. Man, when it gets 40 below,
12 man I love my heating oil. You just can't make it without it.
13 So let's get on with it.

14 You keep calling for basing it on sound science. That's
15 just a rope-a-dope trick of, we need one more study. We need
16 one more study. We need one more, one more -- we'll never get
17 to the actual thing.

18 Mr. Danson left, and his recycling motor oil thing, well
19 we do that over here at the Transfer facility. I don't think
20 that'll heat this building, let alone the City of Anchorage.
21 Ideas like that might be nice, feel good but that isn't it. We
22 need to drill some holes, get some oil, get some gas so we can
23 keep on living like we are. Thank you.

24 MR. LOMAN: Thank you sir. Kimberly Howard. Mindy
25 Houston. Possibly Bill Stoltz. And then Carl Portman. Then

1 Mr. Portman, Mr. Portman.

2 MR. STOLTZ: Bill Stoltz. Just got another two year
3 contract renewal, the fifth one in the Legislature. But I'm
4 speaking for myself. The Legislature has also affirmed support
5 for this and other developments. Wish I could have been here a
6 week ago. Everybody was pro-development a week ago, at least
7 the folks who were running against it.

8 I support forwarding the Lease 192 (sic), that's EIS. I
9 look at one of my grade school friends I wasn't expecting to see
10 here. I know his -- he doesn't want his legacy project on
11 another study. He's going to -- Colville River to be his legacy
12 project. He'd like to be building some things and pointing to
13 dams and other projects, not saying well this is my 15 years, I
14 got an EIS through. But I'll leave it at that, and I'll supply
15 written testimony later.

16 MR. LOMAN: Thank you sir. Mr. Portman then Rebecca.

17 MR. PORTMAN: Good evening. My name is Carl Portman. I'm
18 the Deputy Director of the Resource Development Council here in
19 Anchorage. RDC urges the Bureau of Ocean Energy Management to
20 confirm Lease Sale 193. We believe the SEIS provides sufficient
21 information and analysis to support a decision affirming this
22 sale.

23 OCS oil and gas production is absolutely critical to
24 Alaska's future economy. With the Trans-Alaska Pipeline now
25 running at one-third capacity. exploration blocked in ANWR, and

1 non-development activists working toward wilderness designations
2 in the National Petroleum Reserve, nothing less than Alaska's
3 future economy is at stake. The responsible development of
4 potentially immense oil and gas deposits in the Chukchi Sea
5 would significantly boost the economy and extend the life of our
6 oil pipeline. Without new Federal oil production, TAPS could be
7 uneconomic to operate sometime in the next decade as we have
8 heard here this evening.

9 Between ANWR, the Alaska OCS, and NPRA there could be
10 nearly 40 billion barrels of oil in place. The sustainability
11 of TAPS in our economy will largely depend on some combination
12 of oil production from these Federal areas. Yet there are
13 forces working hard to prevent development in these areas which
14 represent the nation's best onshore and offshore oil and gas
15 prospects. If there is no oil and gas development in ANWR or in
16 the Chukchi Sea, and the best prospects in NPRA are ultimately
17 taken off the table, the Federal government must then accept the
18 consequences, including heavier reliance on foreign oil, soaring
19 trade deficits, a weaker and more vulnerable national economy
20 and compromised national and energy security. For Alaska, our
21 future will be bleak with the State losing 90 percent of its
22 revenue base.

23 Not developing Federal oil in Alaska makes no sense from
24 an economic and energy security standpoint, especially given the
25 facts that America imports over 60 percent of the oil and at a

1 great cost. OCS development in Alaska would generate hundreds
2 of billions of dollars in royalty and tax revenues and aid the
3 nation's economic recovery by reducing the trade deficit and
4 creating tens of thousands of new jobs.

5 In addition, OCS gas discoveries would significantly
6 improve the long-term economic viability of the proposed gas
7 pipeline from the North Slope to the Lower 48, a clean energy
8 priority of the Obama Administration.

9 In concluding, RDC has a high level of confidence that
10 exploration development can occur safely in the Arctic. Alaska
11 does have a bright future and has much to contribute to the
12 nation with this abundant natural resources. All that is
13 required are policies and key decisions from Washington
14 encouraging development of these resources. Thank you.

15 MR. LOMAN: Thank you Mr. Portman. Rebecca and then
16 Colleen.

17 MS. NOBLIN: Hi, my name is Rebecca Noblin, and I'm the
18 Alaska Director of the Center for Biological Diversity. And I'm
19 also an Alaska resident and a big fan of the Arctic. As you
20 know the Arctic is in trouble. It's warming at twice the rate
21 of the rest of the world. And Arctic summer sea ice is
22 disappearing more rapidly than any of the climate models
23 predicted. Chukchi species including, polar bears and Pacific
24 walrus are already showing signs of stress from this
25 unprecedented loss of their sea ice habitat. This fall Pacific

1 walrus are already showing signs of stress from this
2 unprecedented loss of their sea ice habitat. This fall Pacific
3 walrus congregated on the shore near Pt. Lay in the tens of
4 thousands, an absolutely unheard of number, because there was no
5 suitable sea ice for them. The climate change isn't the only
6 thing threatening these Arctic animals with extinction. They're
7 also threatened with increasing industrial oil and gas drilling
8 in the Chukchi and Beaufort Seas.

9 The Agency formerly, known as MMS, and still acting like
10 MMS, has determined that despite huge gaps in information about
11 bowhead whales, polar bears, walrus, and pretty much all living
12 things in the Arctic, it was not a mistake to sell the Chukchi
13 Sea off to the highest bidders in 2008.

14 MMS, I'm here to urge you -- or I'm here to tell you
15 something that you should already know. You cannot
16 realistically claim that drilling in the Arctic is safe. People
17 from Alaska Native communities have been telling you that for
18 years. Scientists have been telling you that for years. Courts
19 have been telling you that for years. But I'll say it one more
20 time. Drilling in the Arctic is too risky.

21 No one has the technology to clean up oil in broken ice
22 conditions. There is no way to mobilize even a fraction of the
23 response required for the Gulf disaster in the remote Arctic.
24 And the truth is, that a large oil spill could mean the
25 difference between survival and extinction for struggling Arctic

1 species.

2 Unfortunately, your draft Supplemental Environmental
3 Impact Statement doesn't come anywhere near addressing these
4 problems of critical importance. Your draft EIS doesn't satisfy
5 your obligation to protect America's Arctic and it does not
6 comply with the law. In order to comply with the law, you must
7 analyze the substantial gaps in scientific information in the
8 current EIS, and make a good faith effort at obtaining that
9 information that's realistically attainable. And most
10 importantly, you must not allow drilling to go forward unless
11 you have the scientific knowledge to say, truthfully, that
12 drilling in the Arctic is safe.

13 MR. LOMAN: Thank you, Rebecca. Colleen Keane and then
14 Barbara Huff.

15 MS. KEANE: My name is Colleen Keane, and I'm the Alaska
16 Program Associate with Pacific Environment. Thank you for the
17 opportunity to provide comments tonight. I would like to urge
18 the Alaska Region of the Bureau of Ocean Energy Management
19 Regulation and Enforcement to issue a new draft SEIS after it
20 has reviewed relevant reports from the U.S. Geological Survey
21 covering Arctic Ocean science, and from the National Commission
22 on the BP Deepwater Horizon oil spill and offshore drilling
23 covering BOEMRE shortcomings.

24 This new draft Supplemental Environmental Impact Statement
25 needs to include information from these upcoming reports and

1 reassess which scientific information in Appendix A of the
2 current draft SEIS is obtainable at a cost that is not
3 exorbitant, rather than dismissing the need to gather such
4 information as was done in the current draft SEIS.

5 By dismissing the need to gather such information, the
6 Bureau under President Obama, after the Deepwater Horizon spill
7 is saying the same thing as the former MMS. That is, that no
8 matter what the impacts will be, it would allow drilling to
9 proceed. As example, the draft SEIS says that if a large oil
10 spill occurs, significant impacts could follow. And it is well
11 understood that the environmental impacts associated with a
12 large oil spill could be quite severe. Yet the Agency still
13 chooses to proceed with drilling.

14 The hastily issued draft SEIS runs counter to the law and
15 to the Department of Interior's recent commitments to the
16 American public to ensure scientific integrity and to improve
17 the Agency's leasing decisions and regulatory oversight.

18 The consequences of rushing through offshore oil and gas
19 drilling approvals, without understanding and disclosing to the
20 public the potential impacts, were tragically displayed in the
21 Gulf of Mexico. The Bureau should not allow the Arctic Ocean,
22 its wildlife or its people to experience a similar disaster.
23 Responsible development means not proceeding faster than can be
24 justified. Thank you again for the opportunity to comment.

25 MR. LOMAN: Barbara and then Vince Beltrami.

1 MS. HUFF TUCKNESS: Thank you for the opportunity to
2 testify this evening. I am not going to bore you with a lot of
3 written testimony. We are going to submit more detailed
4 information directly to the Bureau. For the record, my name is
5 Barbara Huff Tuckness. I'm the Director of Governmental and
6 Legislative Affairs for Teamsters, Local 959. And I'm here
7 tonight to speak on behalf of Ken Coleman who, unfortunately, is
8 out of town.

9 We represent approximately 6,000 employees, members of our
10 institution, of which we've had hundreds that have worked on the
11 Slope. Just for the record, we also represent workers in the
12 mining industry. We also represent workers in the film
13 industry. So, we have a pretty broad gambit of members that we
14 represent across the State. And, fortunately, we believe that
15 the industry does have opportunities out there. We also believe
16 that the industry can do so in a safe and responsible manner.

17 We've talked about the Gulf of Mexico. There's also been
18 discussion about the Exxon oil spill. Those are all unfortunate
19 situations that did occur. I do believe that a lot of us have
20 learned from those particular experiences. And that, just
21 looking at the studies that have been done, and we do believe
22 that the Bureau has been tasked to continue to make sure that
23 the environment is protected, as the industry moves forward with
24 the particular job opportunities as well as -- not only on
25 offshore but onshore, as well.

1 And with that I appreciate the work and the effort that
2 you've done. And hopefully you move forward with this. Thank
3 you.

4 MR. LOMAN: Vince and then Bob Scheidemann.

5 MR. BELTRAMI: Thank you and thank you for the opportunity
6 to testify. My name's Vince Beltrami. I'm President of the
7 Alaska AFL-CIO, representing about 60,000 working families in
8 the State of Alaska. And I've also heard from a lot of my
9 affiliates in the building trades from Fairbanks who didn't have
10 an opportunity to testify, in person, so I carry their message
11 as well.

12 And with all due respects to my friends in the
13 environmental movement who are in opposition to these leases, I
14 strongly encourage you to affirm the decision made on Lease Sale
15 193 in 2008. And there's nothing in the SEIS that I've seen
16 that should derail this process.

17 If these leases are rescinded, I think one of the greatest
18 opportunities in our nation to create jobs, contribute to the
19 reduction of our massive Federal deficit, and wean ourselves as
20 a nation away from the grip that foreign oil has on our country,
21 will be lost. To be able to produce roughly 29 billion barrels,
22 another possible 200 trillion cubic feet of natural gas, the
23 Chukchi may well hold the key to helping us solve a significant
24 part of our country's energy woes. To rescind these leases
25 would be to remove the potential of 35,000 year-round jobs and a

1 payroll of more than \$70 billion.

2 Obviously, concerns about the safety of the environment
3 are paramount. And Shell should and, I'm sure, will be held to
4 the highest safety accountability standards possible. And as
5 everyone knows, we can ill afford a Gulf Coast style catastrophe
6 in our Arctic waters. But this company's got an excellent track
7 record in Alaska. They've got a robust safety plan. They've
8 been safely drilling in Alaska for 50 years. And as long as the
9 company can meet all environmental and regulatory benchmarks,
10 they should be allowed to proceed towards development.

11 As it's been said, dozens of wells have been drilled in
12 the Beaufort and Chukchi, all without incident and all with
13 older technologies. I'm confident and appreciative in knowing
14 that the Obama Administration trusts and values the concerns
15 expressed by the hard-working men and women of the Alaska labor
16 movement. The ability to safely explore and produce oil in
17 Alaska is among the highest priority of Alaska's building and
18 construction trades unions.

19 And thank you again for the opportunity.

20 MR. LOMAN: Thank you sir. Bob Scheidemann and then
21 Robert Foster.

22 MR. SCHEIDEMANN: I'm Bob Scheidemann. I'm a scientist.
23 A lot of the points supporting exploration, I agree with. And
24 I'd like to concur with those people and recommend that we
25 proceed with exploration in the Chukchi. Over 60 wells have

1 been drilled in the Alaska OCS since 1980, all without
2 significant incident or any incident, whatsoever. And I think
3 it's prudent to move forward at this time and ask for the SEIS
4 to let them move forward.

5 MR. LOMAN: Thank you sir. Mr. Foster.

6 MR. FOSTER: My name is Robert Foster. I work for Shell
7 Oil Company. I'm a Geophysicist. I think most of my points
8 have already been covered. I just want to say that I urge the
9 Department to affirm its previous lease sale decision and allow
10 exploration Sale 193 to proceed.

11 MR. LOMAN: Thank you sir. John Shepherd and then Mr.
12 Grafe.

13 MR. SHEPHERD: Well, I'm John Shepherd. I'm a scientist
14 and taxpayer. And my main points in support of Sale 193
15 exploration have already been made by others. So to allow more
16 time for others, all I need to say is that the Environmental
17 Impact Statement and the Supplemental Environmental Impact
18 Statement do provide sound scientific basis to allow exploration
19 to begin in the Chukchi. And so I urge the Department of the
20 Interior to affirm its previous lease sale decision and let's
21 get started with exploration. Thank you.

22 MR. LOMAN: Thank you, sir. Mr. Grafe. And then it looks
23 like after Mr. Grafe, Craig Johnson.

24 MR. GRAFE: My name is Erik Grafe and I am here on behalf
25 of Earthjustice. It's an environmental law firm. And broadly,

1 it's our position that offshore oil and gas leasing and drilling
2 in the Arctic Ocean should not occur until we have a basic
3 scientific understanding of the region, and duly obtain adequate
4 spill clean-up capability. Neither exists now. And the
5 Deepwater Horizon tragedy shows us that offshore oil and gas
6 drilling is terribly risky business. We need to understand and
7 fully disclose those risks before making decisions to commit the
8 Arctic's people and its wildlife to those risks.

9 Specifically, we believe that BOEMRE's Alaska Region has
10 failed to meet the obligations of NEPA and the District Court's
11 Order in its draft Supplemental EIS here. In the original EIS
12 and in the Supplemental EIS, the Agency admits that much
13 information -- here it's over 100 pages of admissions of missing
14 information is not known. And that a lot this information is
15 relevant to significant effects from oil and gas activity.

16 Yet, amazingly, in this document BOEMRE concludes that
17 none -- not a single piece of that missing information is
18 essential to a decision about whether -- where, how, if,
19 (indiscernible) in the Chukchi Sea. To take one example, the
20 original EIS and the draft Supplement says, we don't know enough
21 about marine mammals. And that's a lot of things in the Chukchi
22 Sea. We don't know enough so, at this time, we're not able to
23 determine whether or not there would be significant effects from
24 oil and gas activity on marine mammals.

25 Yet, the Agency concludes this isn't essential to our

1 choice about where or whether to allow this to happen. This is
2 just -- it's simply not credible. The BOEMRE, you owe an
3 obligation to the American public so people, to everybody, to do
4 your job and figure out what is the information that's missing.
5 That it's essential to the lease sale choice and not just paper
6 over with -- not just paper the problem over, but do an honest
7 effort, a big and honest effort to identify what's missing.

8 There are other parts of the government that are doing
9 this now. The USGS is conducting a survey about what are the
10 important missing information. NOAA says there's important
11 missing information. They closed the fisheries up there because
12 they need to get more information before you make management
13 decisions. This is simply the first step. And doing proper
14 management and ensuring that we know it's there. So we know how
15 to manage oil and gas in the region and whether it can go
16 forward and whether it's a good idea to do so.

17 So we urge BOEMRE not to finalize this draft Supplemental
18 EIS, but rather to go back, take another look and do an honest -
19 - take an honest crack at identifying the missing information.
20 And finding out, which of it can be gotten, not at an exorbitant
21 expense rather than concluding that, simply none of it, not any
22 of the hundreds of missing pieces of information is essential to
23 the lease sale choice.

24 Thank you very much for this opportunity to testify.

25 MR. LOMAN: Thank you.

1 MR. JOHNSON: My name is Craig Johnson. I'm the sitting
2 Chair of Natural Resources Co-Chair in the House of
3 Representatives. I'm here today to, hopefully, bring this
4 conversation back to why we're here. We've heard about polar
5 bears. We've heard about shrinking ice. We've heard about, yes
6 we should, no we shouldn't.

7 What we're here today for, is to decide whether or not --
8 and your charge is to decide whether or not to return something
9 that a Judge has asked you for. That's the bottom line. If
10 you've done your job, and I believe you have. I've looked
11 through the document. Then I encourage you tonight, put a stamp
12 on it. Send it to the Judge. And then he'll be the person that
13 determines whether or not you did a good job. That's where it's
14 going to end up. It's not going to end up in this group. It's
15 not going to end up with you. It's going to end up in the hands
16 of the Judge who's going to say, yes you did, or no you didn't.
17 If you did, we're done. If you didn't, we'll be back here in
18 three weeks doing this all over again.

19 We just had a President go to India. And he's saying,
20 35,000 jobs, boy, look what we did. We could provide 35,000
21 jobs here starting quickly. And we don't even want a seat on
22 the Security Council. We don't even want to be in the U.N. We
23 just want our jobs. We want our resources. You've done your
24 job. Finish it up. Put a stamp on it. Do it tonight.

25 MR. LOMAN: Thank you very much. Mr. Pastos, Nikos

1 Patstos, Center for Water Advocacy. Jeff Jones. Jeff Jones?

2 MR. JONES: Thank you. For the record, my name is Jeff
3 Jones. I want to thank the Bureau for the opportunity to speak
4 tonight.

5 I think it's clear to a lot of people who live here. I've
6 lived here for ten years -- that the topic under discussion
7 tonight is vital to the future economy of the State of Alaska.
8 Our economy has been and will continue to be, in large part,
9 tied to the Trans-Alaska Pipeline. And OCS plays an integral
10 role in, hopefully, putting some additional oil, potentially a
11 large amount of oil, into that pipeline and keeping it going,
12 and keeping people working in this State.

13 But I think that it goes much beyond our borders and
14 affects what is taking place in the rest of our country and in
15 North America. The energy needs in North America and all over
16 the world are going to continue to increase drastically in the
17 next decades. Alaska can play a vital role in helping to
18 provide the energy that is needed, not only in our country, but
19 throughout the world. There are a lot of positives. It creates
20 jobs. Development of OCS creates wealth. It helps to offset
21 our huge negative imbalance with our trades overseas. And it
22 also keeps us from sending a lot of money overseas to countries
23 like Venezuela and Iran. So I would just like to strongly
24 affirm the moving forward with the Lease Sale of 193.

25 MR. LOMAN: Thank you sir. Nikos, one last time. Carl

1 Wassilie? Andrew Hartsig, Andrew? Nikos?

2 MR. WASSILIE: No, Carl Wassilie.

3 MR. LOMAN: Carl. Going down a long list. Carl, it's all
4 yours.

5 MR. WASSILIE: Hello, my name is Carl Wassilie, born and
6 raised in Alaska. Come from a strong subsistence family, as
7 well as a family that's been involved in safety, pipeline
8 safety, as well as safety of workers. And I'm really concerned
9 about the -- about drilling in the Arctic Ocean, not only
10 because of the lack of infrastructure, but the current Bureau of
11 Ocean Energy Management. I'm sorry, you used to be called the
12 Minerals Management Service, so I keep pausing on that. So the
13 Bureau of Ocean Energy Management and Regulation and Enforcement
14 is still learning from the Gulf of Mexico, Deepwater Horizon
15 catastrophe.

16 There's definitely shown that technology and engineering
17 for drilling is rapidly outpacing the technology for safety of
18 spill prevention. And so the risks are not adequate for the
19 pace of development, particularly in the Chukchi Sea and the
20 Arctic. Under the current conditions, weather patterns -- and
21 so, that's just something that needs to be addressed, as more
22 information develops from the hearings that are currently
23 happening in D.C., with the Presidential Commission.

24 The Arctic is one of the most complex and dynamic
25 ecosystems on the earth, at this point in time. It is rapidly

1 changing but there's still hadn't been a whole lot of
2 information regarding species. And there's a -- the diversity
3 of interlocking oceans connected up to the Arctic around the
4 planet. So, there's still questionable process of allowing the
5 193 Sale to continue without the baseline studies on --
6 particularly with the scientific information of indigenous
7 science when including traditional ecological knowledge.

8 A lot of the basis of long term knowledge of changes, as
9 well as species, resides with the indigenous observers that have
10 been here for thousands of years. And incorporating this
11 knowledge into various systems that are in the culture, that are
12 in the indigenous societies that live in the environment that
13 are being discussed here today in the Chukchi Sea.

14 So the message is clear from the communities that live
15 there and subsist off the wildlife and the marine mammals, that
16 they want to protect that. And so, got to make sure that all
17 the information is there, including that we bring up to speed
18 the technology of safety for the environment, for the benefit of
19 all the people. But this is -- so I'm opposed to the offshore
20 drilling, at this point in time, until there is adequate science
21 on oil spill cleanup and technology that catches up to the
22 drilling technology, as noticed in the Gulf of Mexico. Thank
23 you very much.

24 MR. LOMAN: Thank you sir. Keith Silver, then Susan Childs

25 MR. PASTOS: Sir, my name is Nikos Pastos.

1 MR. LOMAN: Yeah, I called your name. Keith Silver is
2 next.

3 UNIDENTIFIED MALE: What about Andrew Hartsig would he be
4 next?

5 MR. LOMAN: Okay I didn't know you were here. Okay,
6 sorry. Andrew, Keith, Susan Childs, then you sir.

7 UNIDENTIFIED MALE: All right thank you.

8 MR. HARTSIG: My name is Andrew Hartsig. And I'm a
9 Director of Ocean Conservancy's Arctic Program. In preparing
10 the draft SEIS the Alaska Region should have reviewed the
11 information gaps in the original EIS and taken a fresh look at
12 the decision to hold a lease sale. Instead, the draft SEIS
13 ignores important information gaps in an improper attempt to
14 justify a previously made decision. So, despite all these
15 charts on the wall and all these studies, the original EIS
16 identified hundreds of instances of missing information.

17 The draft SEIS concluded that not a single piece of that -
18 - those missing information was essential to the Agency's
19 decision. That conclusion is not plausible. It's not supported
20 by the record. And it's inconsistent with the Obama
21 Administration's commitment to science-based decision making.
22 So the Agency needs to go back to the drawing board and it
23 should satisfy this flawed draft SEIS, undertake a more serious
24 attempt to identify essential missing information.

25 And to do that, the new analysis should be based in part

1 on the data generated by the ongoing USGS analysis. Once that
2 missing information is identified, the Agency should obtain that
3 information, ideally through a comprehensive scientific research
4 and monitoring program. And then, finally, the Agency should
5 prepare a revised draft SEIS and re-evaluate the lease sale in
6 light of the new information. Thanks.

7 MR. LOMAN: Thank you, sir.

8 MR. SILVER: Good evening. My name is Keith Silver and
9 I'm a resident of Anchorage. We must move forward with Lease
10 Sale 193 -- opportunities for employment for those in the area
11 as well as other parts of Alaska. Although I realize that the
12 U.S. District Court sent this back to you, it is vitally
13 important that the EIS be approved. I'm an unemployed oilfield
14 service worker. I worked in -- previously, just recently worked
15 in Anchorage. It's a lack of activity in the oilfield,
16 including that of the Chukchi Sea and the Beaufort Sea, caused
17 my firm to downsize. I am one of thousands idle. How do I pay
18 for my mortgage or feed my family is the question being asked by
19 many of those displaced persons.

20 The Trans-Alaska Pipeline is only one-third full and needs
21 additional sources of oil to keep it operating. This is the
22 sixth or seventh time I have testified on OCS leasing issues. I
23 will continue to advocate for environmentally responsible oil
24 development, as long as necessary. Thank you for your time.

25 MR. LOMAN: Thank you. Susan Childs and then Michael

1 Droege.

2 MS. CHILDS: Good evening. So my name is Susan Childs and
3 I'm the Alaska Venture Support Integrator for Shell here in
4 Alaska. So there have been lots of comments made that I hope I
5 don't repeat. But, the one thing I would ask is that the Agency
6 continue with the process that you're on. It's a legal NEPA
7 process to go through the draft, to collect these comments, to
8 take the comments from the North Slope and from Kotzebue, to
9 incorporate those comments into your final report and then on to
10 a record of decision. So that's the process that you go through
11 in NEPA. And so I support that process and I just encourage you
12 to expedite that process.

13 So, if you'll indulge me, I'd like to go back to February
14 of 2008. It was when the Chukchi Sea Lease Sale 193 signaled
15 for all in attendance that the offshore was clearly the next
16 chapter in this State's oil and gas history. There were audible
17 gasps that day when the bids were opened, and with good reason
18 because there was \$2.7 billion committed in bonus bids. The
19 leases in the Chukchi Sea, which made it the largest lease sale
20 in Alaska's history.

21 Shell's \$2.1 billion in successful bids also solidified
22 our standing as the major leaseholder in the Alaska offshore,
23 including in the Beaufort Sea where Shell first started
24 purchasing leases again in 2005. So, since we have re-entered
25 Alaska, we have spent over \$3.5 billion in pursuit of Arctic

1 exploration. And we will commit to many billions more if we are
2 able to go forward to a development program. I would like to
3 repeat that sentence to you. This company has spent over \$3.5
4 billion in pursuit of an exploration program. Not a development
5 program, but to drill a well. So for those opposed to OCS
6 development, this comment period is another bite at the apple,
7 and to take your course.

8 But I will tell you there many that understand the issues
9 and they are stark and here they are. America depends on oil to
10 drive our economy. We will import all oil we do not produce in
11 this country. America continues to expand its percentage of
12 imported oil today. Alaska depends upon energy development for
13 vast portions of our economy. TAPS through-put continues to
14 diminish and currently flows at a third of capacity. Alaska's
15 OCS could be, and we believe it will be, the new heartland for
16 energy and for Alaska and for this country.

17 We are ready to go. We have been ready to pursue a
18 drilling program since 2007. And yet we wait. We wait upon an
19 Administration to establish an Arctic policy to allow the
20 permitting process to proceed. We wait upon courts to review an
21 incessant number of litigation. We wait for Agencies to review
22 and assess more rounds of comments and submissions. And we know
23 what's at stake. We've been to over 450 stakeholder engagement
24 processes over the last four years on the North Slope. So we
25 have engaged with the community. Ae have engaged a great deal

1 with the people on the North Slope.

2 We just signed a North Slope Borough Science Agreement
3 with the mayor and his staff. So that was a long awaited
4 collaborative effort. And we look very much forward to making
5 sure that we do that, and that we get more studies done.
6 Because, I will tell you, the North Slope and the Arctic
7 offshore are now perhaps the most studied energy basins in this
8 country. In the past decade, over 250 studies have been funded
9 in the Arctic with the majority focused on the Beaufort and the
10 Chukchi Seas. You can argue with that, but those are the stats.

11 Since 1973, more stats -- the Federal agencies and
12 industry have performed more than 5,000 environmental
13 assessments, studies to better understand the Alaska Outer
14 Continental Shelf and coastal environment, because that's very
15 important to understand the coastal environment, as well.

16 So we've been ready to explore Alaska's OCS. And I do
17 thank you for this opportunity to express our wishes for this
18 NEPA process to go forward expeditiously.

19 MR. LOMAN: Thank you.

20 MR. DROEGE: Hi, I'm Michael Droege. I'm the President
21 Elect of the Anchorage Board of Realtors. I sit on the State
22 Board of Realtors and I'm the Realtor Political Action
23 Committee, one of our -- the three Trustees in this state.

24 I was born and raised in Alaska. I moved out of the State
25 once for six months to L.A. where all of our supposed

1 opposition, or a lot of it, comes from. The point of my
2 comments are first, personal, and then professional.

3 Growing up in the State of Alaska, I've seen industry
4 after industry after industry being shut down because the answer
5 to most developmental questions from environmental groups is not
6 maybe, but no. In this particular project, doing the simple
7 math, we've spent nearly \$400 million, at this point, studying
8 on a lease sale that generated \$2.7 billion, nearly 17 percent,
9 somewhere in that, just going off the top of my head, in
10 studying. We studied our way out of the timber industry. We've
11 studied our way out of all kinds of economic activity.

12 Now the realtors are a very diverse group of people, as
13 you can imagine. And we have a lot of different opinions on
14 social issues, on environmental issues. But the one issue that
15 we coalesce around is economy. If it works, we're for it in a
16 responsible way. If it doesn't work, then we'll sit back and
17 assess it but the last answer to the question cannot always be
18 no, it must be maybe.

19 The studies have been completed. With all due respect to
20 the people that come here to advocate on behalf of the
21 environment, the group of people that you see in front of you
22 that are for it, a lot of us are hunters, fishers. We've spent
23 time in Prince William Sound. We spend time on the tundras out
24 in Western Alaska. We're up in the Arctic Slope. We've been up
25 to the Wrangell Mountains, hunting.

1 There's no more environmentally conscious or conservation
2 minded people than the people that live here, want to work here,
3 want to continue to have our children do the same as we've been
4 privileged to do. So I encourage you, Jeff, keep rolling.
5 Thank you.

6 MR. LOMAN: Thank you. Cathy Giessel, Representative
7 Cathy Giessel? Doug Smith?

8 UNIDENTIFIED MALE: He's gone. Doug Smith is gone.

9 MR. LOMAN: Michael. Nikos I'm sorry.

10 MR. PASTOS: I'll make it quick.

11 UNIDENTIFIED MALE: Thank you.

12 MR. LOMAN: Thank you. Sorry about that.

13 MR. PASTOS: My name is Nikos Pastos and I was born here
14 in Anchorage, didn't come here to get rich. I'm an
15 Environmental Sociologist, so I study technological disasters
16 and the social impacts of technological disasters of the oil
17 spills.

18 My comments here are on behalf of the Center for Water
19 Advocacy. I'm on the Board of Directors for a nonprofit public
20 interest law firm. And simply, our comments are focused at --
21 there's three natural resource trusts in the United States.
22 There's the State, the Federal government, which is Federal
23 Agencies, and Tribal governments. And our comments will
24 incorporate a lot of the aspects of conversancy. And there will
25 be an extensive written form. All I want to do is simply

1 summarize a couple of points.

2 We also are completely aligned with the Alaska Inter-
3 Tribal Council's Resolution 200508 which opposes Outer
4 Continental Shelf drilling and drilling in the Arctic National
5 Wildlife Refuge. There is a Federal trust responsibility, it's
6 an Executive Order that government Agencies have to consult on a
7 government to government on par basis with Tribal governments.
8 I think it's legally questionable whether Tribal governments
9 have been included in the original scoping process for the EIS
10 that we're talking about in the Sale 193.

11 Furthermore, we completely support the Native village of
12 Point Hope and their Resolutions against the offenses to the
13 peace and dignity of humankind. Which, I may be paraphrasing
14 the title of it, but there's a -- Point Hope has a Resolution
15 opposing Outer Continental Shelf oil development and drilling in
16 the Arctic National Wildlife Refuge.

17 So, given the Gulf of Mexico Deepwater Horizon tragedy
18 which, again in the news today, there's absolutely no scientific
19 proof that we can adequately clean up spilled oil in broken ice
20 conditions. It's -- environmentally that's too big a risk to
21 take in the Arctic Ocean. Arctic Ocean is much more complex
22 than the studies that we've spent so much money on.

23 As far as Shell Oil spending so much money, good. We're
24 going to hold your feet to the fire and get you to get, you
25 know, the best valid peer review -- science available. Beyond

1 that, the Tribal governments have the only valid claim in the
2 Arctic. The State of Alaska has a fraudulent claim and the
3 United States' claim is not fully substantiated when it comes to
4 who owns our Outer Continental Shelf.

5 So, in the summary, Center of Water Advocacy is in support
6 of Resolutions that are standing through the Alaska Inter-Tribal
7 Council, and especially with the Native Village of Point Hope.
8 This is not just about billions of dollars, it's about the
9 health of the oceans and the future of customary and traditional
10 life ways of indigenous peoples who have lived in the Arctic
11 since time immemorial.

12 This is just no simple quick rush oil lease. And so we
13 can afford to do a fair and decent and adequate process of
14 looking at this. Thank you.

15 MR. LOMAN: Thank you. Geoff.

16 MR. HADDAD: All right. It's kind of funny talking to
17 this mic. I'm not sure it works. All right, I'll talk into it.
18 My name is Geoff Haddad and I'm the Alaska Exploration Manager
19 for Conoco Phillips. Thank you for the opportunity to speak
20 here tonight at this public meeting.

21 Conoco Phillips favors developing all forms of energy,
22 conventional, renewable and alternative. However, we recognize
23 that even with aggressive alternative energy research and
24 development, most sources estimate that fossil fuels will still
25 represent more than 80 percent of the world's total energy

1 supply, even by 2030.

2 In addition, the United States currently produces only
3 approximately 40 percent of the oil it uses each day. So the
4 majority of our oil must be imported. Given this background in
5 the analysis and studies that support the decision to lease in
6 the Chukchi Sea, Conoco Phillips strongly encourages the Bureau
7 of Ocean Energy Management to firm the leases as issued in 2008.

8 Conoco Phillips sees great potential in the Chukchi Sea as
9 evidenced by our investment to \$506 million on 98 OCS leases.
10 And Conoco Phillips has also invested tens of millions of
11 dollars on environmental studies, working with other offshore
12 operators, universities, research institutions and local
13 stakeholders on a multi-year program collecting biological,
14 oceanographic and air quality data in the Chukchi Sea. This
15 program has been well received by the North Slope communities
16 and several environmental groups.

17 As one of the largest owners of State and Federal leases
18 in Alaska, a major owner in the three largest oilfields on the
19 Alaska North Slope, operator of both Kuparuk and Alpine
20 Oilfields, and operator in the Alaska Cook Inlet, Conoco
21 Phillips has over 40 years of safe and environmentally
22 responsible operating experience in Arctic conditions. We bring
23 decades of experience in preparing our permit applications and
24 operational plans for activities in the Arctic.

25 Alaska's North Slope production continues to decline with

1 TAPS currently flowing at a third of the pipeline capacity.
2 Persistent onshore exploration in Alaska has not resulted in oil
3 discoveries sufficient to fully extend the decline and supply to
4 TAPS. The Arctic OCS waters, particularly the Chukchi Sea, have
5 potential to significantly extend the life of TAPS.

6 So Conoco Phillips believes progress is needed on
7 exploring the lease to that acreage in the OCS, including the
8 Chukchi Sea. We are committed to explore the Chukchi Sea lands
9 responsibly with respect for the environment, and in a manner
10 that also respects the subsistence way of life of the residents
11 of the Alaska's North Slope.

12 We believe the Supplemental EIS addresses the three issues
13 raised by the U.S. District Court of Alaska and that the leases
14 awarded in 2008 should be affirmed. We intend to provide more
15 comprehensive written comments by the November 30th deadline.
16 Thank you.

17 MR. LOMAN: Joseph Liska. And then Christine Klein.
18 Christine in here? You're next. Followed by Len Horst.

19 MR. LISKA: Good evening my name is Joe Liska. I'm a 40
20 year resident of Alaska. Never thought I'd be here this long,
21 but I have to say that I'm probably as environmentally conscious
22 and as environmentally conservative as anybody in this room.
23 I've worked for BP Alaska for -- for BP for 24 years and now I
24 work for a Native Corporation, so I've built a livelihood here.
25 I've built family here, and I'll probably going to be buried in

1 this State.

2 And I've heard a lot of pros and cons about development
3 but the big idea is this. When the Pilgrims came over here, if
4 they would have had to complete an EIS comparable to what Shell
5 is going through, we would never have developed America. And
6 the big idea is even this, we are a country of doers and
7 explorers and producers. And we've always been that way. But
8 in the last two decades, this country has taken a turn to the
9 left. A turn, which I believe, is prejudicial to the future of
10 this country as a world leader, give that whatever you want it
11 to be.

12 Certainly, scientific studies are important. But we have
13 studied this to death. Also what's not -- I haven't heard here
14 -- there are Arctic countries which could be threatened by --
15 more by an oil spill than our own coastline could be threatened
16 in the Arctic, because of the distances from where these leases
17 actually exist. And these wells are going to be drilled from an
18 exploration standpoint in open water. Yes, there are threats
19 for ice. There's always threats. But what's missing in all of
20 this is the thread that Americans are doers. They are creators.
21 We wouldn't have gone to the moon, we wouldn't have done other
22 creative things if we would just -- if we would have let people
23 with that whisper say to us, we can't do it. You can't do it.
24 You'll never be able to do this. That is a big problem.

25 Obviously, I'm pro-development. Thank you.

1 MS. KLEIN: For the record, my name is Christine Klein.
2 I'm the COO of Calista Native Corporation. We are one of the
3 largest Native Corporations in Alaska but, unfortunately, one of
4 the poorest socio-economically, and one of the poorest regions
5 actually in the United States.

6 I want to bring up that our Corporation represents more
7 than 13,000 direct shareholders and 20,000 descendants of Yupik,
8 Cupik and the Athabascan heritage. And that is 56 villages in
9 Alaska and the Yukon Kuskokwim Bering Sea coast. Our
10 shareholders, the cheapest airfare to get here was \$600, the
11 average was \$1,200, and due to the large distances in our Region
12 and the lack of infrastructure, basic infrastructure.

13 Many of our shareholders continue to live in remote
14 villages, which experience higher costs of living than you can
15 imagine. Especially, when it comes to fuel and heating oil
16 which, due to the lack of transportation infrastructure, people
17 have to travel by boat up the rivers, by aircraft and airports
18 in the State and snow machines in winter. Fuel is currently
19 three to five times higher than you're seeing at the pump here
20 in Anchorage. And, of course, much higher than the rest of the
21 United States. Heating fuel often costs \$13 a gallon right now
22 in our Region.

23 I would like to remind you here, my fellow citizens in
24 Alaska as well as others, that the people in Emmonak had to
25 choose between fuel and staying warm and food in the Village of

1 Emmonak last winter. And that will probably happen again this
2 winter. We are tired of being forgotten, treated like a colony
3 and being used. Imagine if this would happen to you, here in
4 Anchorage even, \$13 a gallon, let alone the rest of the United
5 States. If that were to happen to you, do you think we would be
6 here having these questions asked of us?

7 Calista supports OCS development in an environmentally
8 safe drilling manner. We want to see MMS, BOEM, I'm sorry,
9 Lease Sale 193 affirmed as intended in 2008 for the purposes of
10 producing oil and boosting domestic oil production from our
11 existing resources and energy here in Alaska, as well as helping
12 the economy of the United States.

13 We have many points. I'm not going to go through them. I
14 know everyone is very tired and it's extremely hot in here. But
15 the second two points are that, we have confidence in the
16 existing regulatory and scientific community of Alaska. Those
17 regulators and scientists have risen to the challenges of
18 responsibly overseeing offshore oil and gas development. And we
19 are comfortable that they will ensure the protection of vital
20 wildlife and water resources.

21 I also wanted to point out that the State of Alaska,
22 having been a former regulator and I worked for the State in the
23 past, has one of the first and only Pipeline Petroleum
24 Inspection and Oversight Programs in the United States. So
25 while we're the youngest State and Department in the U.S., or

1 one of the few, we do have programs. And so we are very pro-
2 active in the State.

3 The petroleum industry, third, has demonstrated that it
4 can, in fact, operate safely in Arctic and sub-Arctic
5 conditions. All of these things, along with the intense
6 scrutiny that occurs in Alaska, case in point here, and the
7 tough permitting processes in our State give us confidence in
8 our Region that the exploration and development can occur in the
9 OCS safely to all creatures, great and small. Thank you.

10 MR. LOMAN: Thank you.

11 MR. HORST: I'm not sure if I should say good evening or
12 good morning, the way the clock is going here. But for the
13 record, my name is Leonard Horst.

14 I wanted to speak to the issue of Lease 193 from three
15 perspectives tonight and strongly encourage the Bureau to move
16 forward quickly so we can get on with development here in
17 Alaska.

18 First of all, I want to speak as an Alaskan. I'm a
19 relative newcomer here. I've only been here since 1977, but I
20 am privileged to be married to a third generation Alaskan. Our
21 kids we call fourth generation, and looking forward to the fifth
22 coming on soon.

23 I've been privileged to travel to every corner of this
24 State. I have, through work, had the chance to -- many of the
25 things that Michael talked about, hunting and fishing, all

1 across the State. And having done business in many, many
2 places. I'm excited about Alaska's future. But I'm also really
3 concerned about the message that we're sending right now with
4 the delays that we have undertaken on this project, in
5 particular.

6 Secondly, I have the privilege of serving as a Senior Vice
7 President of Northrim Bank and manage their commercial and
8 industrial banking across the State. As a banker and as an
9 economist, I got to tell you, I'm extremely concerned about
10 where we are right now. We have not suffered like our friends
11 and neighbors in the Lower 48 have. But believe me when I say
12 it, we are on the verge. It is absolutely time for us to move
13 forward with development in this State. We were founded as a
14 State based on our ability to stand upon our own resource base.
15 And that is what we need to do, and we need to do it now.

16 Finally, I have also the privilege of serving on the
17 Resource Development Council's Executive Committee and Board of
18 Directors. And I joined that group simply because of their
19 mission which is to responsibility develop the natural resources
20 of the State of Alaska. I believe we've proven we can do it. I
21 think it is again, time for us to do it again, and do it now.

22 I again urge you, as the Bureau, to move forward as
23 quickly as possible and affirm Lease Sale 193. Thank you.

24 MR. LOMAN: Lois Epstein.

25 MS. EPSTEIN: There are actually a few things that haven't

1 been said today, so far, so I'll try and hit on those. My name
2 is Lois Epstein and I am Arctic Program Director for the
3 Wilderness Society. I'm a Licensed Engineer in Alaska. I've
4 spent over 20 years working on oil and gas technical and policy
5 issues as a private consultant and as an employee of nonprofit
6 organizations. I served on Federal Advisory Committees for U.S.
7 DOT on pipeline safety and for U.S. EPA on refining. And I was
8 a Technical Advisor on the report to the President in May 2010
9 which contained recommendations on increasing offshore drilling
10 safety.

11 In September I served on a Bureau of Ocean Energy
12 Management panel in Houston on safety. My message was that,
13 business as usual is unacceptable to the public. And that
14 significant regulatory inspection and enforcement changes are
15 needed, as well as transparent performance reporting by industry
16 and government.

17 With respect to the Arctic, I focused on the fact that a
18 key safety concern is going to be related to human factors, a
19 major cause of accidents. Because of the cold and the darkness
20 in the Arctic, which we're all familiar with, human factors
21 likely would be a greater concern than elsewhere. Moreover,
22 frontier and pristine areas always require extra precautions and
23 extra safety factors.

24 The Wilderness Society's position is that the Bureau needs
25 to take the time needed to make scientifically justified

1 decisions before allowing drilling in the Chukchi. This
2 includes reassessing which scientific information in Appendix A
3 of the draft SEIS is obtainable, at a cost that is not
4 exorbitant, rather than the Bureau dismissing the need to gather
5 such information all together. In effect, the Bureau states in
6 the draft SEIS, that it has decided to allow drilling regardless
7 of the impacts. The public needs to know those impacts and in
8 as specific detail as possible, for rational decision making.

9 I was hired on to improve oil and gas operations. I'm not
10 opposed to them in Alaska. They just have to be as good as
11 possible and made in a rational way, the decisions. If there is
12 any doubt about blowouts and other offshore problems in the
13 Arctic, consider the following events which also occurred in
14 Alaska's shallow offshore areas in Cook Inlet.

15 1985. There was a gas blowout, contrary to what we've
16 heard earlier, that we had no blowouts in the State, at the
17 Grayling Offshore Platform, which shut down production.

18 1987-1988. A gas blowout at the Steelhead Offshore
19 Platform occurred while drilling an oil production well. Fire
20 burned for one week. While drilling the relief well, another
21 blowout occurred. The relief well was finally completed in
22 August of 1988.

23 1989. Amoco's Anna Offshore Platform caused a spill of
24 over 20,000 gallons of crude. Clean-up was not attempted due to
25 80 to 90 percent moving ice flows in Cook Inlet.

1 As some of you, possibly Jeff may have done, I woke up at
2 five a.m. yesterday and today to watch the Oil Spill
3 Commissions, two days of hearings in D.C., the causes of the
4 Deepwater Horizon tragedy. Director Bromwich from the Bureau
5 today noted the extreme sensitivity of the Arctic environment
6 and its marine resources and their importance to subsistence, as
7 well as the region's spill clean-up challenges.

8 On a technical level, the two days of hearings may clear
9 how well-financed drilling companies nevertheless could,

10 One, misinterpret data from a key integrity test.

11 Two, decide not to utilize potentially critical well
12 components known as centralizers, because they would take too
13 long to arrive. And imagine that kind of situation occurring in
14 the Arctic where it'd be much worse in terms of timing.

15 Three, the companies decided not to take actions that
16 would have mitigated much of the tragedy, possibly because it
17 all occurred so quickly. For example, using the platform's
18 divert-a-system (ph) to mitigate some of the damage.

19 What the hearings, these past two days, demonstrate is
20 that no matter how good the regulatory oversight, and everyone
21 acknowledges that the Bureau needs regulatory improvements,
22 there will be infrequent but highly tragic spill events. This
23 information, combined with a clear need for collection analysis
24 of scientific data on the Arctic's natural resources which was
25 recognized by the Court, demonstrates that the Bureau is not

1 ready, at this time, to proceed with offshore drilling in the
2 Chukchi. The Bureau should not rush through the EIS process
3 like a student rushing to complete a term paper, as quickly as
4 possible. Thank you for this opportunity.

5 MR. LOMAN: Thank you. So tomorrow morning I have a press
6 interview that I have to give. And here's what I'm going to
7 say.

8 That at 10:00 p.m. we had to close this hearing. I
9 apologize to those that we didn't get to hear from. Here's what
10 I'm going to tell them. They didn't come because Ted Danson was
11 here. They didn't come because they wanted get some movie
12 star's autograph or get on TV. They came because they care
13 about Alaska, about the economy, about the environment.

14 Whatever your passion and position is, I appreciate the
15 fact that everyone of you left in this room is, sat here and
16 listened to this testimony. And I apologize to those that we
17 didn't get to hear from tonight. We will take your written
18 comments and we will, by law, respond to those in the final
19 document.

20 Thank you and good night.

21 (off record at 10:00 p.m.)

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TRANSCRIBER'S CERTIFICATE

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I, Judy Bradshaw, hereby certify that the foregoing pages numbered 4 through 100 are a true, accurate and complete transcript of the Bureau of Ocean Energy Management Regulation and Enforcement Public Hearing regarding the Environmental Impact Supplemental Statement Relating to Chukchi Sea Sale 193 held in Anchorage, Alaska on November 9, 2010, created by me from log notes plus typed presentations, as well as a copy of the electronic sound recording, to the best of my knowledge and ability.

Date Judy Bradshaw

1

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