

UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE
OFFICIAL TRANSCRIPT -- PUBLIC HEARING
DRAFT ENVIRONMENTAL IMPACT STATEMENT
BEAUFORT SEA MULTIPLE SALE PROPOSED OIL AND GAS LEASE SALES
(SALES 186, 195, AND 202)

Anchorage, Alaska
Minerals Management Service
3rd Floor Conference Room
Tuesday, July 30, 2002
4:00 p.m.

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MMS PUBLIC MEETING

July 30, 2002

Anchorage, Alaska

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P R O C E E D I N G S
(Anchorage, Alaska - 7/30/02)
MR. STANG: A couple more people have
signed up, but haven't arrived, but that's okay. My name
is Paul Stang, I'm the regional supervisor for Leasing
Environment here in the Alaska region of Minerals
Management Service. The purpose of our meeting today is
a public hearing on the -- what we call the multiple sale
EIS for three lease sales in the Beaufort Sea that are
proposed for the years 2003, 2005, and 2007. Our team
here also consists of Fred King on my right, who's head
of our Environmental Assessment Section, and Paul Lowrey
on my left, also in the Environmental Assessment Section,
who's the lead o the preparation of this EIS. And we
have with us Salena Hile who's doing the recording, and
she'll make a transcript of this. We also have with us
some members of our staff in the back, as well as our
regional director, John Gull.
MR. KING: And there's Angela.
MR. STANG: And Angela Mazzullo here
who's with the budget shop in -- with our budget folks in
our headquarters in Herson, Virginia, so if you're in
need of money, see Angela, and we'll see what she's made
out of here.
We're just starting. Come on in and grab

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1 a seat.

2 UNIDENTIFIED VOICE: Thank you.

3 MR. STANG: We're here to get your
4 comments on this document, this environmental impact
5 statement, and we also -- I would like to keep the
6 meeting a little informal, so if you have questions that
7 you would like to ask, or you need some clarification or
8 whatever have you, please feel free, and I'll do my best
9 to answer them. If we can't -- or Fred or Paul, and if
10 we can't answer them, we will then take them down in
11 writing and get back to you.

12 Just so you know, and I pointed out the
13 map here on the left, the area we're talking about
14 extends from about three miles from shore, which is the
15 beginning of state waters, and the division between state
16 and federal waters, beginning of federal waters basically
17 out to six nautical miles in depth. And we are ranging
18 out to 60 nautical miles. And the depth ranges from
19 about 25 to 200 feet. It's about 9.9 million acres, and
20 it goes from the Canadian border on the east to Barrow on
21 the west.

22 The basic reason we're preparing a
23 multiple sale EIS instead of an EIS for each of the three
24 sales is that we're -- the proposal that we have, which
25 was formulated by the Secretary of Interior in her five-

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1 year program which was just approved this past June at
2 the -- actually just at the end of June, proposes that
3 basically the same area be offered in all three sales,
4 and to do three EIS's that essentially repeat themselves
5 doesn't seem prudent, nor is it seem -- envisioned by
6 NEPA, so what we're going to do is this multiple sale
7 EIS, we'll hold the first sale, assuming it's -- that the
8 sale is held, and then between the first and the second
9 sale what we'll do is do an environmental assessment to
10 determine if we need to do a supplemental EIS. And we'll
11 do the same thing between the second and third sales. We
12 will do a consistency determination for each of the three
13 sales. By the way, on those environmental assessment, we
14 will ask for public input.

15 This is one of a series of public
16 hearings we've been having. We met last week in Nuiqsut
17 and Kaktovik, and had originally scheduled a meeting for
18 Barrow, but due to bad weather that was canceled, and
19 we'll be meeting in Barrow on Thursday, the first of
20 August.

21 We have held seven sales in the Beaufort
22 Sea starting in 1979, and we've issued 690 leases, and 54
23 of those are still active. The lease area extends
24 basically from three to 12 miles offshore or off the
25 barrier islands, and we drilled 30 exploratory wells.

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1 But to date the only production has come from the Liberty
2 project.

3 MR. KING: No, Northstar.

4 MR. LOWREY: Northstar.

5 MR. STANG: Excuse me, the Northstar
6 project. Indeed that's a dream if it's the Liberty
7 project. The Northstar project is in state waters and
8 has a few downhole locations in federal waters, and
9 that's how that production's occurring.

10 Speaking of the Liberty project, the
11 Liberty project was -- the environmental impact statement
12 was essentially finished when BP notified us that they
13 were putting that project on hold to rethink it based on
14 its location and economics, and they have since withdrawn
15 their development and production plan, and they may
16 within a year or so come in with a modified plan.

17 These comments that we get here at this
18 public hearing and the other public hearings will be used
19 by the Secretary of Interior in making her decision on
20 the proposed sale, on each of these three proposed sales.

21 When we -- when you testify, if you would
22 please state your name before you testify, and the place
23 to be testifying will be right here. And if someone else
24 has a comment to add in the process, we need to get the
25 microphone in front of you, because otherwise it won't be

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1 in the transcript.

2 I think that's a brief introduction that
3 I wanted to give. Anything else that we're missing here
4 as far as you two are concerned?

5 MR. KING: I don't think so.

6 MR. STANG: And is there -- yes?

7 MR. KING: Do we have a time limit?

8 MR. STANG: I'm not going to set a time
9 limit for people giving testimony at this point, but if
10 you go on much more than 15 minutes or so, I may take the
11 privilege of setting a time limit, so we'll see how we go
12 on that. Does anyone, before we start, have any
13 questions or points they would like to make in general,
14 that's of general interest to people? Okay. Well, I
15 think Jeremy was the first one in, if you'd like to
16 start. Again, state your name and organization if you
17 would, and speak clearly into that, and you're on.

18 MR. MILLEN: Okay. My name is Jeremy
19 Millen, I represent the Alaska region office of the Ocean
20 Conservancy. And -- set to go? All right.

21 UNIDENTIFIED VOICE: Ready to go.

22 MR. MILLEN: First and foremost, thanks
23 for the opportunity to comment on the OCS oil
24 and gas leasing program for the Beaufort Planning Area
25 Draft Environmental Impact Statement.

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1 Alaska's Beaufort Sea OCS waters host
2 endangered species, productive marine life and vibrant
3 coastal communities. These proposed lease sales threaten
4 these sensitive marine, coastal, and social environments,
5 including the Arctic National Wildlife Refuge and areas
6 near Teshekpuk Lake.

7 Secretary Norton's proposed leasing
8 program is a major federal action requiring the
9 preparation of an EIS, as mandated by the National
10 Environmental Policy Act. NEPA's purpose is to promote
11 efforts which will prevent or eliminate damage to the
12 environment, to inform the public of environmental
13 consequences, and to help public officials take actions
14 that protect, restore, and enhance the environment. To
15 be sufficient under the law, and EIS must address the
16 direct and -- the direct, indirect and cumulative impacts
17 of the project and its alternatives.

18 The Beaufort Sea DEIS fails to satisfy
19 the above-listed requirements of NEPA. The proposed oil
20 and gas lease sales endanger the fragile marine
21 environment off the coast of northern Alaska. Productive
22 marine ecosystems, marine mammals, sea birds, and coastal
23 communities are all at risk from potential blowouts and
24 pipeline oil spills. Additionally, marine life is
25 threatened by toxic sediments and cuttings disposed at

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1 sea during exploratory drilling, noise pollution
2 generated by vessel traffic, drilling, platform work, and
3 seismic testing, and the laying of miles of pipelines in
4 or on the sea floor. Even small amounts of oil can
5 negatively affect marine life. Oil pollution increases
6 susceptibility to diseases in fish, inhibits
7 phytoplankton productivity, and interferes with
8 reproduction, development, growth and behavior of many
9 species.

10 And in -- the inclusion of all of the
11 Beaufort lease sale area prominently ignores the ability
12 to respond to an oil spill in ice conditions. Fierce
13 climatic conditions, high winds and seas, sea ice, and
14 cold temperatures challenge offshore technologies and
15 spill cleanup far beyond present capabilities. Recent
16 oil spill drills both by oil companies and contractors
17 have confirmed their inability to in effect -- to
18 effectively respond to a spill in broken ice and open
19 water conditions that prevail for most of the year in the
20 Beaufort Sea. The Exxon Valdez oil spill of 1989 taught
21 Alaskans and the world harsh lessons about the ability to
22 clean up a significant oil spill. Scientific studies of
23 the Exxon Valdez oil spill show long-lasting and
24 significant damage to fish, wildlife and subsistence.

25 Apart from large spills, smaller

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1 persistent spills can have a dramatic impact to the
2 marine environment. For example, based on current sub-
3 sea buried pipeline technology, persistent leaks of up to
4 100 barrels a day could go unnoticed, particularly if
5 under the ice where sheening wouldn't be noticed.

6 The DEIS asserts that this offshore
7 drilling is necessary to satisfy U.S. energy demands and
8 to reduce reliance on oil imports. However, MMS fails to
9 mention that the U.S. only has three percent of the
10 global oil reserves, therefore the U.S. will never drill
11 its way to energy security and independence, even if
12 every last drop of oil is drilled from federal waters off
13 the coast of Alaska.

14 Oil development off the coast of the ANWR
15 poses risks to the Porcupine caribou herd, bowhead
16 shales, fish, polar bears, and migratory birds using the
17 refuge coastline, lagoons, and barrier islands. Offshore
18 exploration and development would cause pollution,
19 aircraft and vessel noise and related industrial
20 activity, and oil spills degrading the refuge, even if
21 there were no construction of infrastructure within its
22 boundaries. In the future, there would be intense
23 pressure to construct sprawling onshore airports,
24 pipelines, roads, docks and other support facilities in
25 the refuge. In light of these threats to our national

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1 treasure, MMS should do more than what is indicated by
2 the eastern deferral, which only provides a thin margin
3 of protection and assumes oil could be cleaned up before
4 it travels a mere 20 miles into the Arctic Refuge from
5 the Beaufort planning area.

6 Internationally significant brant molting
7 areas are located along the Beaufort Sea coast in the
8 Teshekpuk Lake areas of the National Petroleum Reserve.
9 This area is sensitive to aircraft and other disturbances
10 caused by industrial activities and infrastructure, as
11 well as oil spills. We strongly support the exclusion of
12 tracts in the spring bowhead lead zone around Barrow, but
13 because of the above-listed concerns, we also urge the
14 MMS to pursue a no sale alternative for the entire
15 Beaufort Sea planning area.

16 In conclusion, Alaska's Beaufort Sea is
17 too productive, sensi -- and sensitive to threaten with
18 OCS oil, gas and development. Alaska is the only state
19 in the nation where large portions of coastal residents
20 depend on marine resources for subsistence. The fierce
21 climatic conditions, high winds and seas, sea ice and
22 cold temperatures challenge offshore technologies far
23 beyond their present capabilities. These conditions make
24 ecosystems more vulnerable and less resilient to
25 disturbance and perturbations. Because of the

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1 inhospitable climate, challenging spill response and
2 extreme productivity/ sensitivity of the marine
3 ecosystems off Alaska, this is the last place in the
4 world OCS exploration and development should be allowed.
5 If moratoria are in place along the remainder of the U.S.
6 coastline, except for the Gulf of Mexico, then logic
7 would dictate that at the very least Alaska should be
8 similarly exempted from leasing. Alaska shoulders more
9 risk than any other state in the U.S., and the Beaufort
10 sale areas constitute some of the riskiest acreage for
11 proposing lease -- for proposed leasing. This is both
12 unacceptable and dangerous to Alaska's unique
13 environment. Please don't place our environment at such
14 risk and add these -- and add this lease sale areas to
15 the moratoria that is appropriate.

16 I want to thank you for your opportunity
17 to comment, and these comments supplement prior letters
18 and testimony we have submitted on the five-year program
19 on three Beaufort Sea sales, and during the five-year
20 program DEIS public hearing. Thank you very much.

21 MR. STANG: Okay. Thank you, Jeremy. Who
22 would like to testify next? Please, Jim.

23 MR. SYKES: Thank you, Mr. Stang, members
24 of the MMS. My name is Jim Sykes, S-Y-K-E-S, P.O. Box
25 696, Palmer, Alaska. I'm one of the founders of Oil

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1 Watch Alaska, which is a group that watches for our
2 resources and oil companies and bureaucracies to make
3 sure Alaskans are getting a fair share in whatever
4 decisions are made. In the interest of full disclosure,
5 I'm also a candidate for U.S. Senate, and so I've
6 testified here before. Whether I get elected or not,
7 I'll continue to follow these very important issues.

8 I'm speaking today in support of no
9 action, no sale, which I believe is alternative number 2.
10 I think there are compelling reasons not to go forward
11 with this lease sale, or any of the three for that
12 matter. Moratoria have been declared in most other
13 offshore areas on the coast of the United States, and for
14 good reasons. I find it incredible, and in fact
15 reprehensible that there is a proposed sale for the
16 Beaufort Sea. This is some of the most sensitive, most
17 risky coast land that could possibly be considered for
18 oil development, and if it's not good for California, if
19 it's not good for Florida, it shouldn't be good for
20 Alaska. It also is offshore from the Arctic National
21 Wildlife Refuge, which is the only intact ecosystem in
22 the Arctic under the jurisdiction of the United States.

23 It has already been proven that oil
24 cannot be recovered from cold, icy water, and that's one
25 of the questions I have for you. If you've come up with

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1 any proof that it can, I'd like to know about it. It
2 cannot be cleaned up, and for this reason it's a great
3 risk. The Inupiat people's that are dependent on
4 subsistence resources all across the North Slope are at
5 risk, and it's a risk we don't have to take. We ought to
6 learn from our past. If you will recall, and I think
7 it's been about 20 years now, leases were let by both the
8 state and federal governments in Bristol Bay. It's a
9 world renowned fishing area. The leases were bid, they
10 were let, and what ended up happening was that the state
11 and federal government ended up buying them back, because
12 it was evident that even a small risk was not worth
13 taking for the resources in Bristol Bay. And I think
14 that we should save the taxpayers of this country, save
15 the Inupiat people the fear of losing their cultural
16 resources, and Alaskans of losing a very important part,
17 and simply not to do the sales, because I don't -- I
18 think that we'll end up buying them back if you do the
19 sales, and I don't think that's necessary to do.

20 I've been following the leasing for quite
21 a long time, and it's very clear to me that it's driven
22 by industry. They simply want control over an oil
23 supply, and they don't really care if they start offshore
24 or onshore, and unfortunately they view this as a wedge
25 between the two indigenous peoples, the Gwichen and the

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1 Inupiat of the North Slope, and we have to ask why? Why
2 is this going forward? The oil is not needed. Whether
3 you use federal estimates, state estimates or industry
4 estimates, that little yellow area there in the middle of
5 the map between the Canning and Colville Rivers has 30 to
6 40 years worth of oil, that we intend to help supply our
7 nation's energy needs with. And as was pointed out by
8 the previous speaker, we cannot drill our way out of the
9 energy problem. The only thing that we can do is shift
10 to alternative fuels, and we actually have an opportunity
11 here -- the only way that we can achieve that energy
12 security is by using natural gas is the most obvious
13 choice for bridging fuel, developing renewal resources
14 including hydrogen, which Alaska has the greatest
15 potential for.

16 The figure that was not spoken of, the
17 United States uses 25 percent of the world's daily oil
18 production, and yet we have less than three percent left.
19 If you think about that for just a couple of seconds, if
20 we were to drill all of the oil available within the
21 borders of the United States, it would only hasten the
22 day where we would have no oil, and therefore be much
23 more dependent, in fact completely dependent on foreign
24 oil in the future. So it's a lose/lose situation.

25 I would like to also mention the fact

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1 that there is no way to get oil offshore of the Arctic
2 Refuge to the current distribution system unless you keep
3 offshore pipelines or allow pipelines within the refuge,
4 which is currently not allowed, and I hope never is
5 allowed. So unless we can start transporting oil through
6 the air like we do telephone signals, I think that's a
7 real bad deal, and there's no proven technology for the
8 ice pad drilling that has been proposed. There's no
9 proven technology to deal with a spill, and it's simply
10 not worth the risk.

11 I would like to say a word about natural
12 gas. There's 60 trillion cubic feet estimated on the
13 North Slope. All we need to do is get a pipeline to
14 tidewater to help the energy-starved West Coast which was
15 never previously a market for liquified natural gas. The
16 U.S. would have control of the supply, there would be no
17 opportunity for the Canadians to stuff their gas into a
18 Trans Alaska Highway line, and there would be no
19 opportunity for the Canadians to strip the gas liquids,
20 which they've threatened to do if we run a line through
21 Canada. Of that 60 trillion feet, only 7 trillion feet
22 is within the Arctic Refuge or offshore from the Arctic
23 Refuge, so the gas resources, which is the next step in
24 energy policy I hope in this country, are not even a
25 factor in these areas. It's almost nothing.

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1 The lease to me looks like perhaps
2 Washington Bureaucrats are hoping that a relatively small
3 number of Inupiat people who are dependent on subsistence
4 hunting and other Alaskans will be easy to steamroll by
5 the industry. That's the problem with this lease sale
6 proposal, that's the problem with our lack of national
7 energy policy, which is now controlled by the oil
8 industry. We have to get it out of the control of the
9 oil industry, and here's a real good place to stop and
10 say, look, all you want is control over a supply of oil.
11 There's plenty of other oil, and we've already got plenty
12 of oil in Alaska to help our nation's energy needs. This
13 is one area that we're not going to lease in. And that's
14 where I'm coming from on it, because I know -- I fully
15 understand, I have sympathy for the Minerals Management
16 Service, because as these moratoria occur across the
17 United States for very good reasons, the Minerals
18 Management Service has less to do. Well, I think that
19 you should concentrate on some other minerals, or
20 concentrate on some renewable energy, because it looks
21 like an excuse to keep this bureaucracy in motion that
22 probably doesn't have any reason to exist. And this is
23 the last area of the United States that should be
24 considered for oil development. It's not needed, and if
25 it's not good for the coast of California or coastal

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1 Florida because of environmental concerns or the risks
2 there, it should be less good here, and there's just
3 simply no excuse for it.

4 So I do have those two questions if
5 somebody would like to address them. Is there actually
6 any proof that the proposed ice islands that some of the
7 offshore developments have proposed will actually work?
8 Is there documentation to this? And is there any
9 documentation that exists that demonstrates that oil can
10 be cleaned up in ice-filled waters?

11 MR. STANG: Well, on the first question,
12 to my knowledge right now, there isn't a proposal for an
13 ice island in front of the Minerals Management Service.
14 John?

15 MR. GULL: John Gull, the regional
16 director with MMS. There have been a number of ice
17 islands that have been used off the Beaufort Sea and in
18 Canadian.....

19 MR. STANG: Maybe you take that to
20 the.....

21 MR. GULL: Pardon me. And in Canadian
22 waters, so we could have you talk to some of our
23 engineers.....

24 MR. SYKES: Okay.

25 MR. GULL:at some time. And with

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1 regard to cleanup within -- primarily the problem is more
2 in the ice -- broken ice conditions, and there are
3 methods that can be used in addition to mechanical
4 cleanup, such as in situ burning, also allowing the oil
5 to be encapsulated into the ice. Other countries have
6 done things like this. You'll never get absolutely
7 everything cleaned up, of course, and there was a test
8 done two weeks ago where within the broken ice during the
9 springtime where they maneuvered the smaller vessels, and
10 they were able to maneuver and be used, the mop ropes
11 system. That seemed to work well. Again, they were able
12 to maneuver. Again, it's -- nothing is perfect, but
13 there are tactics that can be -- that, you know, can be
14 used in response. And again we could talk about that
15 more also.

16 MR. SYKES: Okay. Well, I would simply
17 suggest to you that this DEIS talks about mitigating
18 circumstances and effects for routine permit and
19 activities, and I think it's not a question of whether
20 oil will be spilled. I think it's only a question of
21 when. And when you weigh the risks of development
22 against possible mitigation of what could happen, it's
23 simply not worth taking the risk. Thank you.

24 MR. STANG: Thank you, Jim. Who would
25 like to testify next?

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1 MR. WIENHOLD: I would.
2 MR. STANG: Okay, Bob.
3 MR. WIENHOLD: My name is Bob Wienhold,
4 W-I-E-N-H-O-L-D. I'm testifying as a private citizen.
5 I'm a retired fishery biologist.
6 I haven't had a chance to go through this
7 in depth. I think as usual, there's too much verbiage in
8 these documents. Some of these pages I think could very
9 well become paragraphs without loss of any, shall se say,
10 thread along the way.
11 I note that in one of the documents you
12 have all of the reference points on the beach marked
13 quite well, maybe to the point where it's cluttered, but
14 on this map you do not. For instance, it would be -- it
15 would make things -- make the reader understand a little
16 bit more. You're talking about the Colville River, why
17 not put the Colville River on this map? Let's have an
18 Urtok (ph) River, why not put it on the map? The same
19 thing with the Canning River. That will be only three
20 reference points you have to put in there. It wouldn't
21 cost you a nickel's worth of nothing to do it. Do it.
22 Okay. The last -- as I said, I haven't
23 really had a chance to go through this thing in detail,
24 but I think if you were to increase and improve your
25 graphics, you could cut down on cutting down trees to

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1 publish these things. In other words, they don't have to
2 be this big.
3 Last. Camden Bay. I think Camden is
4 within the lease sale area, but it's on state land. And
5 that's not marked on here at all. Nor is Flaxman Island,
6 the abandoned DEW Line site. Camden Bay has a beached
7 LST, landing ship tank, from World War II. It's been
8 there since 1965 or '66 when they were building the DEW
9 Line sites along the Arctic coast. They were using this
10 particular LST as a floating warehouse for construction
11 purposes. They were towing it up the beach toward
12 Kaktovik, which at that time was called Barter Island I
13 think. It's a good idea to put down some of the
14 Anglicized names as well as the native names for these
15 things. It wouldn't hurt a bit. Anyway, the tow line
16 broke, the LST went up on the beach in Camden Beach. If
17 I'm correct, that particular LST has petroleum products
18 in it yet. If I am correct, it's still there. Now, you
19 can say, okay, that ain't my department, because we're
20 the federal MMS, but oil that goes -- it's in state
21 waters, of course, on the beach. Oil that goes onshore
22 can also go offshore into federal waters. I would ask
23 that perhaps the oil industry or someone determine or
24 ascertain the status of that LST. I know it has not been
25 salvaged. I don't think it's salvageable. but it would

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1 be a good idea I think to determine what happened to it
2 and where it is.

3 Conversely -- or also, a number of other
4 -- by the way, I started working up there in January 1969
5 when Prudhoe Bay consisted of ATCO trailers full of
6 disgruntled Texan drillers that wanted to get the hell
7 out of there. But anyway -- and I also flew this
8 particular area. We lost a couple of biologists up there
9 in August of 1969. I went up on the search, and I flew
10 everything from Atigrew Point down Demarcation Point in a
11 Cessna 180 on floats, out to the edge of the ice pack,
12 back and back, back and back, looking for these people.
13 We never found a trace of them. So I know a little bit
14 about the area. Or did know a little bit about the area.
15

16 The other thing I think would be handy
17 perhaps on this map would be for you to put the
18 boundaries of the present development on here, just, you
19 know, even dotted lines or block diagrams or something
20 like that, so the general public knows what you are
21 talking about. These things are paid for by the general
22 public. They should be understandable by the general
23 public. And if you can't get them down to where the
24 general public can understand them, then you probably
25 ought to go to another type of format I think.

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1 That's all I have to say. If you have
2 any questions, I'll try and answer them. I've not --
3 like I say, I haven't had a chance -- I just picked this
4 thing up about a half hour ago, so this is pretty much
5 extemporaneous. But I want to reiterate that LST needs
6 to be looked into.

7 MR. STANG: Okay. Thank you very much,
8 Bob.

9 MR. WIENHOLD: Thank you.

10 MR. STANG: Appreciate your testimony.

11 MR. KING: Was that a Navy.....

12 MR. WIENHOLD: It's a landing ship tank.
13 It's ocean-going, shallow draft vessel that was used in
14 our invasions in World War II. As I said, it's an ocean-

15 going vessel. It's a big one. And I'll bet you dollars
16 to donuts that there's oil aboard that thing yet as well
17 as other things. See, and it's very difficult for people
18 to get on board, because there's a -- you've got to climb
19 to really get up on that thing.

20 MR. KING: So it's military in origin?

21 MR. WIENHOLD: It's military in origin,
22 that's right, and it was -- I've seen photographs of it.
23 I've flown over it, I've seen it. I know it was there
24 when I flew over it in '69 and '70, and there were
25 photographs of it taken in 1966, I think, and I think

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1 that there's probably of a photograph of it in the MMS
2 library some place if you want to go back and take a look
3 through it. But it's against the beach in Camden Bay,
4 and ice may have broken it up, but there still should be
5 traces of it. I know it was -- I'm reasonably sure that
6 it was not salvages. Reasonably sure. Okay. That's all
7 I have. Thank you.

8 MR. STANG: Thank you.

9 MR. KING: It's probably a historic site
10 by now.

11 MR. STANG: Yeah.

12 MR. KING: Thanks, Bob.

13 MR. STANG: Pam, would you like to
14 testify next?

15 MS. MILLER: Sure. Well, my name is
16 Pamela A. Miller. I'm with Arctic Connections.

17 Secretary Norton's proposal to have three
18 lease sales in the Beaufort Sea and five others off
19 Alaska's coast for the next five years is a return to the
20 massive sales with millions and millions of acres off
21 Alaska as was first launched in the 1980 by Interior
22 Secretary James Watt. These proposed leasing plans
23 sharply contrast with the leasing moratoria that were
24 rightly imposed elsewhere in the nature off sensitive
25 coastlines due to citizens pressure.

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1 For over 25 years the local citizens of
2 Alaska have opposed offshore drilling in these areas now
3 at stake. These three lease sales in the Beaufort Sea
4 stretch from the Canadian border nearly to Barrow. At
5 about 10 million acres apiece, this is ten times the size
6 of the last lease sale held in this region. Secretary
7 Norton is further short-circuiting the public review with
8 one impact statement covering all three lease sales. One
9 public hearing on a beautiful summer's day in Anchorage
10 for three lease sales. There are no maps in the EIS, in
11 the main body of it, nor in the executive summary that's
12 a special stand-alone document, where you can see the
13 size of the past lease sales, nor even the current
14 proposed alternatives. The three proposed lease sales as
15 I said are 10 times as big as the last one.

16 Public relations experts say something
17 like you have to hear it eight times before you really
18 hear it. Well, this is the eighth MMS has tried to do a
19 lease sale in the Beaufort Sea. Perhaps now listen and
20 hear what the public has had to say all these times.
21 Perhaps now we can have a moratorium on new lease sales
22 off Alaska.

23 When people hear about the Arctic Ocean,
24 they think it's flat like the water in an ice cube tray
25 that freezes. They think the ocean bottom is empty sand,

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1 but hear the coast the Beaufort Sea is an estuary. It's
2 like Chesapeake Bay. It's like Puget Sound. It's even
3 like Prince William Sound. The waters are very different
4 than what people think they're like. This is a very rich
5 zone. It's called Arctic Ring of Life. That was the
6 name given to it by a polar bear biologist from Russia.
7 It's a bountiful zone with endangered whales, the
8 bowheads and beluga whales that migrate through there,
9 millions of migratory birds that come from many
10 continents. And it supports the local Inupiat residents
11 as it has for thousands of years with the bowhead whales,
12 the fish, and the other subsistence resources.

13 In the last week or so I visited this
14 area again. I stood along the coast off Kaktovik. I saw
15 the huge ice bergs. I saw flocks of migratory birds. I
16 even saw polar bear tracks. I turned around at that
17 point.

18 Unlike the last Beaufort Sea sale, which
19 was considerably smaller, Secretary Norton plans on
20 leasing the area of the coast of the Arctic Wildlife
21 Refuge, as well as the Teshekpuk Lake area of the
22 National Petroleum Reserve. This is a roll-back of
23 incremental steps that the Interior Department had taken
24 where they had done some leasing deferrals or deletions.
25 At this point, Secretary Norton is ignoring the public

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1 request that the area off the coast of the Refuge, the
2 Teshekpuk Lake Special Area, and the spring bowhead whale
3 migration path in the lead zone be deleted from these
4 sales. This specific request was made by seven Alaskan
5 and national environmental organizations representing
6 local Alaskans along the coast as well as millions of
7 Americans, as well as the City of Kaktovik and the North
8 Slope Borough requested that the entire area off the
9 coast of the Arctic Refuge be deleted. Yet this deletion
10 or deferral was not one of the alternatives. It would be
11 far more preferable as an alternative than any of the
12 deferrals you have proposed.

13 What's been proposed are small teeny-
14 weeny, meaningless and confusing deferrals. Whether
15 inadvertent or intentionally deceptive, these options
16 would not achieve their named goal. They're called
17 things like the Kaktovik subsistence well deferral, the
18 Barrow subsistence well deferral. It looks to me like
19 somebody took a little GIS program and drew a line around
20 some points on a map and came up with some little
21 squares. They have nothing to do with avoiding the
22 resources that subsistence depends on. The bowhead whale
23 feeding grounds located off the shore of the Arctic
24 Refuge, the whale fall migration corridor along the
25 entire coast, the spring whale migration route, nor the

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1 area where oil spills or noise from exploration and
2 production would occur and could harm the whales habitat
3 and the migration route.

4 I also note that in the sale 170 final
5 impact statement there was what was called the Kaktovik
6 deferral. This was a different beast than what is shown
7 in this new document. It went from 35 miles west of
8 Kaktovik, and then all the way to Canada. The new so-
9 called Kaktovik subsistence well deferral goes from about
10 Kaktovik east for 30 miles and then it stops. So if you
11 chose that alternative, it would stop and you could lease
12 east of there. It doesn't make any sense.

13 I'll talk about two other topics. The
14 first is with respect to the Arctic Refuge, there are
15 tremendous potential impacts not only from the chance of
16 an oil spill hitting the beach, but also from the
17 potential that there would be onshore infrastructure to
18 support offshore activities. While this is not currently

19 allowed under the conservation plan that is governing the
20 refuge, and the Arctic Refuge is rightly closed to oil
21 and gas development and exploration, there would be
22 pressure in the future if this area is leased and
23 developed, to put pipelines to shore. If not, then
24 you're going to run up to 100-mile long subsea pipeline
25 to reach areas that are proposed for leasing. That just

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1 doesn't make sense. We don't have a record, and at the
2 time of the last lease sale, 170, a precedent was set of
3 not leasing off the coast of the Arctic Refuge. At that
4 time the Interior Department cited among many reasons the
5 lack of information on cumulative impacts to the
6 resources of the refuge, the lack of emergency response
7 plans for oil spills, and the risky new technology of
8 subsea pipelines. We don't have a track record for these
9 subsea pipelines. Only one exists, Northstar. It just
10 started operating. It's too soon to tell what the true
11 risk is.

12 I was out there on a series of three or
13 four spill drills that showed industry's inability to
14 contain and clean up an oil spill in Arctic waters during
15 most of the year. Like I was just up in Kaktovik in
16 July, the ice is to the shore. That's the part of the
17 year when oil spills couldn't be cleaned up. These four
18 field tests were very revealing. In one of them, popcorn
19 couldn't be picked up. In one of them, the barge
20 couldn't get out of -- away from the beach. In one of
21 them, the ice had frozen in, the drill hadn't been done
22 soon enough, and so you couldn't put anything in there.

23 I'm sorry that the public wasn't invited
24 to observe this most recent drill that may have occurred,
25 but when I saw these little rope mops dumped into the

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1 Beaufort Sea, I took a picture of them. I showed a
2 friend of mine the pictures. She said, those look like
3 little dental floss. That's about what it's like putting
4 these rope mops into a major spill in the Beaufort Sea.
5 Imagine some real dental floss out there. That's the
6 nature of what you're going to clean up. And not dental
7 floss in the sense of being a preventative tool, but just
8 this skinny strand of rope mop.

9 Also, this concept of oil being
10 encapsulated into the ice, how are you ever going to
11 catch it? The shipwreck of the Karluk, a research
12 vessel, occurred in August 12th, 1913. It was abandoned
13 by the great explorer Stephanson on a pretty cowardly
14 move. It was in Camden Bay near Flaxman Island. Over
15 the next five months it drifted hundreds of miles to the
16 west in the pack ice until it sank north of the Wrangell
17 Island, Russia on January 10th, 1914. That's where oil
18 could go. There's polar bears denning in Wrangell
19 Island. That's where oil could go. But the oil spill
20 trajectory studies for the open water season use in

21 supporting this environmental impact statement only look
22 at a 30-day period for the open-way season. August is
23 open-water season. We don't have a clue where that oil
24 is going to go, how it's going to hit the bowhead whale
25 migration and so on.

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1 The impact statement downplays the number
2 of polar bears that could be oiled in an Arctic spill.
3 The modeling done for the Northstar and Liberty
4 development projects estimated that up to 78, 108, 61
5 polar bears could be oiled. 108 polar bears. Maybe it's
6 not a high chance, but there is a chance, and that's what
7 the biologist's modeling showed could be oiled from an
8 oil spill from a production platform in the Beaufort Sea.
9 But this environmental impact statement says that an
10 estimated 50 to 30 bears could be harmed. So it's not
11 even listening to the science that might be out there.

12 I'll mention one other thing about the
13 fuzzy math. The chance of an oil spill. I looked up the
14 Interior Department's final impact statement for the
15 five-year plan published just in April. And it assumed
16 that there would be one large platform spill and one
17 large pipeline spill due to OCS activity from these
18 Beaufort Sea sales, and they calculated the chance of a
19 spill greater than or equal to 21,000 gallons being 81 to
20 94 percent chance. What do we read now? Well, up to 10
21 percent chance. Just since April, the Minerals
22 Management Service has changed its tune. What's this
23 based on? There's a new study, it's in press, it hasn't
24 been reviewed. But we looked back at the Northstar
25 field, the Army Corps of Engineers projected 24 percent

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1 chance of a major spill just from that one project alone.
2 And in fact the last lease sale environmental impact
3 statement projected a 46 to 70 percent.

4 You could say, oh, this is a bunch of
5 numbers. But where's the credibility in a change by the
6 same agency from April to August? At any rate, we know
7 that accidents do happen, they will happen, and that if a
8 spill does occur, it would be devastating.

9 In conclusion, alternative 2 is the only
10 alternative you've proposed that addresses my concerns
11 about oil spill risks and the impacts to the Arctic
12 National Wildlife Refuge and the coast of the Teshekpuk
13 Lake Special Area. Areas that were deferred or deleted
14 from past Beaufort Sea sales, including the area north of
15 the of the coast of the Arctic National Wildlife Refuge
16 and the National Petroleum Reserve, as well as the spring
17 lead system should be permanently removed from the lease
18 sales.

19 Finally, there should be a full
20 environmental impact statement process complete with
21 hearings for each lease sale that is had, that is held.
22 Thank you for this opportunity to comment.

23 MR. STANG: Thank you, Pam. Would anyone
24 else like to comment?

25 MS. MILLER: I do have testimony to read

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1 from Sylvia Ward, but if there's somebody else in
2 between, that might be a nice break.

3 MR. STANG: I think maybe you're on, Pam.

4 MS. MILLER: Okay. Deb Moore from the
5 Northern Alaska Environmental Center requested that I
6 read her testimony into the record. So if that's fine,
7 I'll go ahead do it.

8 MR. STANG: Sure.

9 MS. MILLER: This is the testimony of Deb
10 Moore, Arctic Coordinator, Northern Alaska Environmental
11 Center.

12 Good evening and thank you for this
13 opportunity to comment on the draft environmental impact
14 statement for the three Beaufort Sea lease sales. My
15 name is Deb Moore and I am the Arctic Coordinator for the
16 Northern Alaska Environmental Center. The Northern
17 Center is the Nation's most northerly, broad-spectrum
18 environmental advocacy organization, based in Fairbanks.
19 Our mission is to conserve Alaska's stunning natural
20 resources, by advocating management and stewardship
21 policies that promote sustainable, responsible practices.

22 The Northern Center opposes leasing the
23 Beaufort Sea, particularly off the shore of the Arctic
24 National Wildlife Refuge or Teshekpuk Lake in the
25 National Petroleum Reserve of Alaska. Our reasons for

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1 this opposition are many. The potential impacts from oil
2 spill risks are too great to risk in these sensitive
3 wilderness and wildlife areas. Previous Beaufort Sea
4 lease sales have deferred or deleted the areas off the
5 Arctic Refuge and Teshekpuk Lake from leasing due to this
6 high risk, thereby setting a precedent that we believe
7 should be continued; and the United States should be
8 focusing on ways to decrease our dependence on oil, not
9 encouraging that dependence by developing in frontier
10 areas.

11 The Beaufort Sea is home to polar bear,
12 walrus, seal, migratory birds, including the Pacific
13 black brant, threatened spectacled and Steller's eiders
14 and the endangered bowhead whale. Oil spills in this
15 harsh ice-dominated environment would have a severe
16 impact on many of these species, particularly on the
17 bowhead whales during migration east of Barrow and
18 offshore the Arctic National Wildlife Refuge, and on
19 black brant during molting along the coast in the
20 Teshekpuk Lake area of the NPRA. Considering the
21 industry's proven lack of ability to read -- to clean up
22 oil spills in the Beaufort Sea during most of the year,
23 as well as the maximum of 10 to 15 percent of spilled oil
24 that is ever, quote, cleaned up even in these much less
25 severe climates, the risks to these species and sensitive

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1 areas are too great to allow new lease sales to go
2 forward.

3 The Minerals Management Service has
4 developed a recent history of not leasing or of deferring
5 the sale of lease tracts off the coasts of the Arctic
6 National Wildlife Refuge and the Teshekpuk Lake area of
7 the NPR-A. It is our understanding that these deferrals
8 have occurred due to the sensitive nature of the areas,
9 the high environmental risks associated with development
10 of these areas, and the overwhelming public opposition to
11 these leases. For these reasons, we request that these
12 areas not only be deferred, but permanently deleted from
13 the current and future sales.

14 While the Northern Center agrees that the
15 United States should decrease its reliance on oil it
16 imports, we believe that domestic offshore drilling is
17 not the correct way to accomplish this. The U.S. has
18 only three percent of global oil reserves while
19 accounting for 25 percent of the world's oil consumption.
20 Therefore, the U.S. will never drill its way to energy
21 security and independence, even if every last drop of oil
22 is drilled from federal waters off the coast of Alaska.
23 In fact, the expansion of development into frontier areas
24 such as the Beaufort Sea encourages this dependence.
25 Instead, to decrease our reliance on all oil, not just

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1 imported oil, the United States should halt offshore
2 leasing and focus its efforts on improving energy
3 conservation and energy efficiency and shifting toward
4 the use of more alternative, renewable energies.

5 Finally, we would like to make two
6 comments about public process. The Northern Center is
7 disappointed that the Minerals Management Service chose
8 not to hold a hearing in the Fairbanks area. As the
9 second largest community in Alaska, it is very likely
10 that numerous individuals would have been interested in
11 attending and commenting at such a hearing. However, by
12 excluding Fairbanks, you have excluded these people, many
13 of whom cannot take the time to travel to Anchorage or
14 find another person to speak for them as I have. We
15 encourage you not to overlook Fairbanks in the future.

16 In addition, we are concerned with MMS'
17 efforts to lump three lease sales into one environmental
18 impact statement process covering approximately 10
19 million acres. As these three sales are expected to be
20 held sequentially, not simultaneously, so there should be
21 three full public EIS processes held sequentially. In
22 this way, each EIS will reflect the most current
23 knowledge, experience and technology at the time, not
24 reflect outdated information, as may be the case when
25 using this current EIS process for a lease sale not set

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1 to begin for five years. In addition, by holding
2 separate EIS's sequentially, the public will be a more
3 active and informed part of the process, focusing their
4 attention of each individually and basing their comments
5 on the immediate situation for each sales.

6 Once again, thank you for the opportunity
7 to comment.

8 MR. STANG: Thank you for reading that,
9 Pam. Appreciate that. Anyone else that would like to
10 testify at this point? Or make any observations? Okay.
11 Well, what we're going to do is we're going to be here
12 until 7:00, but unless someone else comes in or someone
13 gets inspired to say something else, then we'll just be
14 rather quiet here in the room.

15 MR. GULL: Just go off the record until
16 somebody else comes.

17 MR. STANG: We can do that.

18 (Off record)

19 (On record)

20 MR. STANG: We're ready to roll.

21 MS. APP: Great. My name is Jenna App,
22 and I'm with Trustees for Alaska. First I guess I'd like
23 to say that, of course, we will be submitting written
24 comments, and so these are just sort of the brief initial
25 comments that I have from reading through the draft

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1 environmental impact statement.

2 As you know, these proposed sales extend
3 from Barrow to the Canadian border, from approximately
4 three to 60 miles, nautical miles, and water depth from
5 26 feet to 200 feet. And the area consists of 1,877
6 whole and partial leasing blocks, or about 9.8 million
7 acres, an area very unprecedented in terms of actually
8 proceeding with the OCS lease sale in the Beaufort Sea.
9 It's nearly six times the size of the proposed 1998 sale
10 170 which was to encompass 1.7 million acres, and
11 although the -- I guess it was the 2000 proposed sale 176
12 encompassed approximately 9.9 million acres, it was
13 deferred by Secretary Babbitt for lack of available
14 information.

15 Trustees for Alaska opposes the proposed
16 lease sales due to the irretrievable adverse impacts oil
17 and gas development on marine mammals, fish, coastal
18 birds, and other wildlife. Our opposition is also due to
19 the fact that direct and cumulative effects of
20 exploration, development and production will result in
21 permanent harm to the Arctic in general, and the unique
22 wildlife and wilderness values of the Arctic National
23 Wildlife Refuge and Teshekpuk Lake Special Area in
24 particular.

25 We therefore have -- we therefore

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1 recommend that MMS select alternative 2, the no action
2 alternative. I'm sure you're all not surprised with
3 that, and we have several particular concerns.

4 First, the protected areas and species
5 are likely to be impacted by the three separate sales.
6 Although the areas proposed -- although the areas
7 proposed to be part of sales 186, 195, and 2020 are all
8 offshore, the lease sale will have unacceptable impacts
9 on onshore protected areas. Transportation of oil from
10 the sale areas would presumably involve some combination

11 of subsea pipelines, tankering, or onshore pipelines.
12 Each of these alternatives would have permanent adverse
13 effects on valuable onshore areas, such as the Teshekpuk
14 Lake Special Area and the Arctic National Wildlife
15 Refuge.

16 The area around Teshekpuk Lake, inside
17 the NPR-A has been designated a special area. A special
18 area is one that is identified by the Secretary of
19 Interior as having significant subsistence recreational,
20 fish and wildlife or historical and scenic value, and,
21 therefore, warranting maximum protection of such values
22 to the extent consistent with the requirements of the Act
23 for the exploration of the Reserve.

24 The Teshekpuk Lake area has extraordinary
25 wildlife. It is the home of the Teshekpuk Lake caribou

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1 herd, and this herd calves on the land around the lake
2 and provides subsistence food for the North Slope
3 villagers. There are large numbers of waterfowl,
4 including more than 20 percent of the world's black brant
5 population, which molt along the shores of the lake and
6 east of Teshekpuk. Spectacled and Steller's eiders, both
7 listed under the federal Endangered Species Act, also use
8 this area.

9 This area remains off limits to oil and
10 gas leasing, and support for oil and gas activities from
11 development outside of the area under recent decision by
12 the Secretary of Interior. The former Secretary of
13 Interior, Secretary Babbitt.

14 The three sales are also offshore of the
15 entire expanse of the Arctic National Wildlife Refuge's
16 northern boundary.

17 The coastal plane of the Refuge provides
18 important insect-relief habitat for tens of thousands of
19 caribou from the Porcupine caribou herd. Other wildlife
20 species found in great abundance include musk ox and
21 grizzly bears, wolves and Arctic foxes. Wolverine,
22 marmot, voles, lemmings, weasels and dozens of other
23 mammal special joint in the tapestry of wildlife that
24 make the coastal plain of the Refuge the highly valued
25 wildlife preserve on the continent.

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1 Oil from the lease sales would presumably
2 reach the Trans-Alaska Pipeline System, or TAPS, by
3 either subsea pipelines, tankers, and/or other onshore
4 pipeline infrastructure. If oil transportation by
5 hundred-mile-long subsea pipelines is unacceptably
6 dangerous, and if tankering is unacceptable under the
7 local government's Coastal Zone Management Programs, then
8 that puts tremendous pressure to transport oil in
9 pipelines across the Arctic National Wildlife Refuge and
10 the Teshekpuk Lake Special Area. This would result in
11 long-term habitat loss and disturbance to calving and
12 post-calving habitats of the Porcupine and Teshekpuk Lake
13 caribou herds, migratory bird nesting, molting, staging
14 habitats, and prime polar bear denning areas. Such
15 infrastructure would not only be compatible -- would not
16 be compatible with the purposes of the Arctic National
17 Wildlife Refuge. If MMS considers leasing off the
18 Refuge, then it must provide adequate analysis for the
19 potential effects of such onshore pipelines and other
20 support infrastructure in order to comply with NEPA's
21 requirement to analyze all reasonably foreseeable actions
22 resulting from the sales.

23 Permanent deletion of the sale area would
24 best protect the full spectrum of the Refuge and special
25 area ecosystems from the direct, indirect, and cumulative

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1 effects of outer continental shelf development. It would
2 also reduce certain impacts to the sensitive marine
3 ecosystems in this region by feeding -- used by feeding
4 and migrating bowhead whales, denning and feeding polar
5 bears and other marine mammals, migratory birds, and
6 wildlife and their habitat -- and other wildlife and
7 their habitats.

8 Because there is no legal or
9 environmentally and technically acceptable means of
10 transporting oil from the lease sale areas to off -- off
11 the coast of these protected areas, we do not believe
12 that it is in the public interest for these sales to go
13 forward, particularly offshore of the Teshekpuk Lake
14 Special Area and the Arctic National Wildlife Refuge.

15 Second, there are unacceptable problems
16 associated with oil transportation, oil spills, and oil
17 spill clean up.

18 As you know, no roads or docking
19 connecting to areas outside of the planning area of NPR-A
20 are allowed, without exception. Further, no pipelines are
21 permitted with the Teshekpuk Lake -- within the Teshekpuk
22 Lake Special Area. The same is true of the coastal plain
23 of the Arctic National Wildlife Refuge.

24 Consequently, to move oil from the
25 western edge of the proposed lease sale, a subsea

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1 pipeline or other transportation method would have to run
2 parallel to shore for nearly 160 miles before it would
3 reach existing onshore infrastructure. On the eastern
4 edge of the proposed sale, an 80-mile subsea pipeline or
5 other method will be necessary. This does not take into
6 consideration the distance the pipeline would need to
7 span in order to reach shore. This alone could be 60
8 miles or more.

9 And as you know, the Northstar Project
10 was the first offshore development project in America's
11 Arctic that relies solely on a subsea pipeline to
12 transport the oil to market. It is located approximately
13 six miles offshore of the existing oil field development
14 on the North Slope.

15 And in the final EIS for the Northstar
16 Project, the Corps specifically said that the challenges
17 for oil spill response were significant, and that given
18 the -- given present oil spill response technology,
19 broken ice, unstable ice, rough seas or high wind
20 conditions could hamper the ability or prevent any
21 cleanup response for over 50 percent of the year. As far
22 as I know, there has been no consideration of different
23 technologies that are available now that have not been
24 yet available at Northstar, so we still face the same
25 restrictions in oil spill cleanup.

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1 Additionally, when MMS and the Corps were
2 selecting -- were helping to select the route for the
3 Northstar pipeline, the agencies made a strong argument
4 for the shortest pipeline possible, because the shortest
5 pipeline possible, the one directly to shore, would
6 probably or potentially have the smallest risk in terms
7 of spill, whereas the Fish and Wildlife Service preferred
8 a longer pipeline that would go outside the barrier
9 islands.

10 What we're talking about here is an
11 extremely long potential for a pipeline, 150 miles or so,
12 and MMS and the Corps both recognize that a long pipeline
13 is a risky pipeline. So even the relatively short
14 pipelines are fraught with risk, but as I've said, that
15 risk is multiplied many times over for a 100-mile long
16 pipeline. This level of spill risk combined with the
17 inability to clean up spills is unacceptable. And as MMS
18 found in combination with DEC during the 1999 and 2000
19 oil spill response drills for Northstar, that response
20 technology isn't in place yet. And until it is, we
21 should not be leasing those land -- those offshore areas.

22 Third, sale 170 and 176 precedent should
23 stand.

24 In the spring of 1998, the Interior
25 Department deferred lease sale 170 tracts offshore of the

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1 Refuge. And in January of 2001, the Interior Department
2 again deferred the sale out of a concern about the lack
3 of knowledge of potential impacts. These deferrals
4 established an important precedent on several fronts.
5 First, they recognized that offshore from the Arctic
6 Refuge is the last place where untested oil
7 transportation technologies, such as subsea bed
8 pipelines, especially long ones, should be deployed.
9 Secondly, they confirm the inherent difficulties
10 associated with oil spill response in Arctic conditions.
11 Third and most importantly, they acknowledge the need to
12 safeguard the full range of intact ecosystems of the
13 Arctic Refuge, including its lagoons, barrier islands,
14 river mouths and shorelines. In the year and a half or
15 so since the sale 176 deferral, these concerns have not
16 be addressed.

17 Fourth, the cumulative effects of sale
18 176 are -- or not 176, 1 -- I get all the numbers
19 confused, 186, 195 and 202 are significant.

20 These cumulative effects -- the
21 cumulative effects analysis for the three sales must
22 consider the impacts from all the state and federal
23 activities in the Beaufort Sea. Offshore oil development
24 is progressing at an ever-increasing rate with little
25 analysis of the possible cumulative effects of such

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1 development. The State Beaufort Sea areawide lease
2 sales, the Northstar and possibly someday the Liberty
3 project, the McCovey project, the proposed Armstrong
4 Resources exploration projects in Harrison Bay, and now
5 the three proposed lease sales reflect just a small
6 sample of the aggressive future offshore development in
7 the Beaufort Sea. So far no one project has meaningfully
8 examined the cumulative effects, the impacts of offshore
9 development. And this trend has continued in this draft
10 environmental impact statement. This failure can't help
11 but result in an under-assessment of significant
12 environmental impacts, including cumulative air, noise
13 and water pollution associated with normal operations and
14 infrastructure requirements as well as catastrophic oil
15 spills. A cumulative impacts analysis for the sales must
16 include the incremental expansion of oil field roads and
17 pipelines, onshore processing facilities, increased
18 potential tanker traffic out of Valdez, and increased
19 offshore supply vessels, including boats, fixed-wing
20 planes and helicopters, and other development associated
21 with oil and gas leasing in this area.

22 Further, we encourage that MMS supply
23 information regarding human health risks associated with
24 the sales. Given the high rate of consumption of fish
25 and wildlife by North Slope communities potentially

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1 affected by the sale, MMS must identify the risks of this
2 consumption and communicate those risks to the public, in
3 conjunction with the existing and future risks of impacts
4 from other offshore development.

5 Yet another environmental justice issue
6 is implicated in the proposed sales, is the consideration
7 of cumulative effects of the sale on several caribou
8 herds. Onshore support for offshore sales may well
9 threaten the herds' ability to thrive, especially given
10 the insect relief necessary in the barrier islands
11 offshore of the Arctic Refuge. This would in term harm
12 subsistence livelihoods of many Alaska Natives and
13 Canadian Nations -- First Nations people.

14 In addition to the direct cumulative
15 effects from offshore development and offshore pipelines,
16 like threats to subsistence-based cultures, there will be
17 indirect effects related to offshore development,
18 including global warming. As you know, and as you've
19 probably read in the paper, Anchorage Daily News and the
20 New York Times lately, Alaska is warming at a rate three
21 to five times higher and faster than the global average,
22 resulting in melting permafrost and glaciers, and changes
23 in the thickness and the extent of sea ice. Additional
24 fossil fuel extraction will only serve to increase this
25 greenhouse effect.

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1 The impacts on the ice edge environment
2 are already documented, with thinning ice and warmer
3 temperatures, which create particularly dangerous
4 conditions for whaling crews, as well as threats to
5 Arctic -- as well as threats to the Arctic environment in
6 general.

7 MMS just consider the impacts of climate
8 change on the Arctic marine ecosystem in a cumulative
9 assessment of the impacts of the OCS lease sales. By
10 perpetuating the industry's access to the frontier areas
11 in Arctic OCS, the MMS permits unnecessary destruction of
12 a unique and fragile environment, as well as the cultures
13 that dependent on healthy marine and coastal ecosystems
14 for their survival.

15 Fifth, the sales may be inconsistent with
16 potentially applicable laws.

17 There are several potential conflicts
18 between the lease sales and state and federal law. A
19 lease sale of such enormity, 9.8 million acres, may well
20 be inconsistent with Alaska's Coastal Management Plan,
21 applicable district plans, and the broader goals of the
22 Coastal Zone Management Act.

23 Additionally, these sales will affect
24 several threatened or endangered species, and will
25 undoubtedly raise concerns under the Endangered Species

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1 Act. The sale's size, the presence of endangered species
2 and threatened species, the recognized inability to clean
3 up spills, the State's proximity -- and the sale's
4 proximity to protected areas, and the potential use of
5 extremely long subsea bed pipelines may all serve to
6 invoke a wide range of relevant laws including, but not
7 limited to, the Outer Continental Shelf Lands Act, the
8 National Environmental Policy Act, and the Oil Pollution
9 -- and the Oil Spill Prevention Act of -- Pollution Act
10 of 1990. Additionally MMS makes the rather dubious claim
11 that one EIS is preferable under NEPA regulations.
12 However, impacts associated with the first sale must be
13 fully assessed prior to later sales in an EIS document,
14 or an EIS-type document.

15 So, in conclusion, the oil industry does
16 not have the technology to respond safely and develop
17 safely the offshore oil resources in the Beaufort Sea.

18 We urge you to cancel these three sales
19 because of the high risk associated with the high risk
20 associated with the offshore development to bowhead
21 whales, polar bears, threatened and endangered species,
22 ringed seals, migratory birds, fish, sensitive habitat,
23 and the people of the North Slope who depend on these
24 resources for survival. Should MMS decide to proceed
25 with these sales, we would urge MMS to delete the entire

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1 area off the coast of the Arctic National Wildlife Refuge
2 from being considered for these lease sale processes in
3 this five-year plan in order to safeguard the full range

4 of intact ecosystems of the Arctic Refuge, including its
5 lagoons, barrier islands, river mouths, and shorelines
6 from inevitable industrial intrusions.

7 And I thank you all for the opportunity
8 to comment.

9 MR. STANG: Good. Thank you.

10 MS. APP: Thanks.

11 MS. APP: You can turn it off.

12 (Off record)

13 (On record)

14 MS. OBERMEYER:Obermeyer, and I, of
15 course, looked over the little ad that was in the
16 newspaper, I have it here.....

17 UNIDENTIFIED VOICE: Actually that's.....

18 MS. OBERMEYER:and what the -- or
19 did I leave it there. Yeah. Do you know how much these
20 ads cost these days?

21 MR. STANG: Uh-huh. (Affirmative)

22 MS. OBERMEYER: Just these little ads. I
23 mean, I don't, but I find this newspaper just
24 unbelievable, because, of course, I am running for office
25 and you wouldn't even know it. My opponent gets hard

00050

1 news stories almost every other day, with colored
2 pictures, and my name hasn't even been printed in the
3 newspaper. I think it was in the Ear once. And as Judge
4 Karen Hunt said to me, Theresa, you've got to get out of
5 the Ear and onto the hard news stories. But, I don't
6 know, I mean, it's as if there isn't even a race.

7 And, you know, what I'd like to talk
8 about just momentarily is, and I think I've said, I would
9 like to take your documents and read them over, but I
10 just think you people are the experts on what's going on
11 in the Beaufort Sea. I don't even go to the Beaufort
12 Sea. I've never been there. And so is this the
13 document?

14 MR. KING: Part of it.

15 MR. STANG: That's -- here, this is
16 the.....

17 MS. OBERMEYER: Is this the main one?

18 MR. STANG:this is the whole
19 document.

20 MS. OBERMEYER: Oh, sure.

21 MR. STANG: That's the main section, yes.

22 MR. KING: There's three volumes to the
23 document.

24 MS. OBERMEYER: Is this -- this is the
25 main one?

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1 MR. STANG: That's the main section.

2 MS. OBERMEYER: Okay. Well, I'd like to
3 look that over when I have time, but I just consider you
4 people are the experts about all this.

5 What I'd like to talk about briefly is
6 nepotism, and I'd like to talk about our Congressional
7 Delegation. Now, of course, what we've tried to do is we
8 have tried to put a smattering of documents, of what has
9 gone on for about a 25-year period on a website. It is
10 tobermeyer, O-B-E-R-M-E-Y-E-R, dot-info, I-N-F-O. That's
11 a domain. And what we -- but we could never be complete.
12 This has been going on for -- well, it's really been
13 going on for almost 25 years. It started when I sued the
14 University of Alaska, and it's all very long. I'd like
15 you to understand that, but I'm not sure if you can,
16 because as I say, you'd have to look at like how the
17 files interrelate.

18 But if I could get back just briefly to
19 nepotism, I'd like to talk about each one of the three
20 members of our Congressional Delegation, and how they
21 have each gotten their family members in influential
22 positions, and my theme here is I live in a place where
23 we have term limits, recalls and run-offs of our
24 neighbors, the school board and the assembly. And U.S.
25 Senators are in office for life. We have never even met

00052

1 them. They have both put their own children in the state
2 legislature, and I would start with Lisa Murkowski who
3 never even has had an opponent. I guess she does have an
4 opponent this time, and the name is Nancy Dahlstrom, D-A-
5 H-L-S-T-R-O-M, whom I don't know, but I support her
6 unequivocally. And then -- but you see, my point would
7 be, it's very educational to have an opponent in a
8 political campaign. Then you remember who you're really
9 working for. Lisa only is working for her father. And
10 just to mention, when Lisa did run in 1998, and I go to
11 church with Terry Martin. I remember how he wired that
12 seat for Lisa. And then there was another man, his name
13 was Rick Helms who runs a traffic school that had put his
14 name in. And I called him and he hung up on me. That's
15 how much competition Lisa Murkowski had. So now Lisa is
16 running for her third term, and, of course, we know that
17 her father is running for governor, and I am positive,
18 and let's see how the whole thing goes, that blood is
19 thicker is water, and I just -- I know that -- and I put
20 if on my website that Frank Murkowski got a veto override
21 through the state legislature on January 16th, that he
22 gets to appoint his successor to the U.S. Senate within
23 five days of him being sworn in.

24 And then I really started thinking about
25 all this, because then there's also this man that's 77

00053

1 years old, that's the 34-year incumbent who put his son
2 in the state senate. Now, just to mention, and I'm not
3 sure if you people even follow all this, there's another
4 Stevens named Gary Stevens that's from Kodiak. He's not
5 related to those people.

6 And, of course, I don't know how it will
7 go, because if Frank Murkowski should get elected, it
8 could be possible that they would both put their children
9 in the U.S. Senate. I don't know what they're going to
10 do. I have no idea. I only know my theme is, not only
11 nepotism, but the blood is thicker than water.

12 Then let's go on to Don Young, because I
13 have just recently learned that his son-in-law is running
14 against Terry Crawford. His son-in-law's name is Art
15 Nelson.

16 But before I finish all this, I also
17 wanted to mention that I learned only in May of 2002 that
18 Frank Murkowski's middle name is Hughes, H-U-G-H-E-S, and
19 then the whole thing really became very clear to me,
20 because, of course, John Hughes is Hughes Thorsness, the
21 law firm, and Mary Hughes has been Municipal Attorney
22 from 1994 until 2000, and so, of course, she was
23 appointed by Rick Mystrom, but really Rick Mystrom worked
24 for her instead of the other way around, because she was
25 John Hughes' daughter. She is Frank Murkowski's cousin.

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1 And I've learned all this, and it's just
2 scary, because also know, and, you know, just in looking
3 at my website, it will become clear to you what I'm
4 really talking about, that the governor of Alaska has so
5 much power that one law firm are the attorneys for the
6 Pension Investment Board, the Public Employees Retirement
7 System, the Teachers Retirement System, the Alaska
8 Housing & Finance Corporation, the Alaska Industrial
9 Development & Export Authority, and then Eric Wohlforth
10 is the former chair and the current vice chair of the
11 Alaska Permanent Fund Board. They only have \$25 billion.
12 And it was in the newspaper on Sunday that he was
13 reappointed. I mean, that's so ridiculous. I don't know
14 how -- I don't know what to say. They don't have terms
15 of office. All of a sudden these people evaporate and
16 they put somebody else on. There are four attorneys on
17 it. There's Bruce Botelho, who's Attorney General, and
18 Bruce isn't elected. He is only investing in Exxon as he
19 uses his position on the Permanent Fund Board. And I
20 have these signatures on my website, I hope you'll check
21 their signatures. Then we have Eric Wohlforth, Clark
22 Gruening, and then we have Wilson Condon, who is
23 Commissioner of Revenue for the state, and past Attorney
24 General I believe. I think Wilson has been. I mean, he
25 has probably, what would you say, 700 employees working

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1 for him? This is Wilson. I don't know how many, but,
2 you know, those are all public employees, so they're all
3 trying to get their retirement from Eric. It's scary,
4 when you really sort, start sorting all this out.

5 But if you would allow me to must briefly
6 mention the Hughes family, and what I've learned, but I
7 have run for mayor of Anchorage in 2000, and I ran for
8 school board in 2002. Now, in 2000, and I have this on
9 my website, it says manipulation of mayoral election
10 2000-slash-AIDEA, Alaska Industrial Development and
11 Export Authority. And what I know, just to laugh with
12 you, because it's scary, it's so funny, see, Wilson
13 Hughes chairs AIDEA, and he is not related to the
14 Hugheses. Wilson Hughes works for GCI. He's a vice
15 president of GCI. I'm not sure if you know these people.
16 We live in such a small town though, you might. And I
17 have kidded Wilson, I said, Wilson, if you don't like
18 what I've got on my website, just pull the plug, because
19 I have my website through GCI.

20 But anyway, I know that when I went to
21 the AIDEA meeting on April 26th, 2000, I watched Andy
22 Eaker (ph) who is Mary Hughes' husband, he owns all the
23 Alaska Clubs, get a refinance of his Alaska Clubs for
24 \$13,300,000, and then, you know, I really reflectively
25 said -- just to mention, I have always been around

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1 politics. I don't even think of myself as a politician,
2 but I got 1.9 percent of the vote, not -- I'm absolutely
3 positive I couldn't have gotten that few votes. I'm not
4 necessarily saying I would have won, but I made a joke
5 out of it, because I'm Irish. And I said, couldn't Andy
6 and Mary have had enough brains to give me 20 percent?
7 Well, guess what I got in the school board election? I
8 mean, it's -- and of course, then going on to the school
9 board election, I was required to run against to licensed
10 attorneys, and my husband still isn't licensed. Now, I
11 consider that demented. I know that Jeff Friedman was
12 going to run, and then when I filed, John Steiner filed.
13 And John, of course, is working as one of the almost 500
14 of 2266 state -- you know, attorneys that are licensed in
15 our state. We live in a state that has about 2266
16 attorneys. We have more oil development than the State
17 of Texas, and they have 64,000 attorneys. Now, can we
18 start figuring this out? I think you people are very
19 bright, and you probably figured all this out. I don't
20 know.

21 I only know what I've learned, and I'm
22 going to read over what you've learned and I truly wish
23 you well, but, you see, I know we didn't even have the
24 last two Municipal elections were not fair, and it's all
25 these things.

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1 If you would allow me to just go over
2 what I've given you. I gave you a press release when I
3 filed for the U.S. Senate that's date June 3rd, 2002, and
4 then I gave you on the same letterhead what I wrote as a
5 press release after I got out of jail when I ran six
6 years ago. And at the time we had filed -- I had the
7 Federal Public Defenders as my attorneys, and we filed
8 lengthy briefs. We did not get anywhere in any of that.
9 It was just dropped and dissolved, so my husband and I
10 filed a civil suit, and that also was dropped and didn't
11 go anywhere. You see, we've tried to do these things for
12 many, many years.

13 Then just briefly I'd mention the other
14 documents, and that is that I have sent to the 60-member
15 legislature. We've been doing this now since about 1992.
16 We mail lengthy documents. We do not even get a
17 response. And this -- these are just, let's see, a total
18 of three public opinion messages. One is my husband's
19 and the date is almost cut off. From February 16th,
20 1998. You know, we just said that since there is
21 absolutely no level of accountability, we thought the
22 legislature would simply license my husband, and, of
23 course, not only has he not been licensed, but I have
24 been prosecuted now for 12 years. And then Tony Knowles
25 and AIDEA have paid out \$37 million when I've run for

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1 office. I mean, really sort this out yourselves. I
2 would really like for you to understand it. I consider
3 you very bright people. I'm trying just for us as
4 neighbors to know what I really believe is true, and that
5 I can prove.

6 And, you know, reflectively in terms of
7 the Hughes family and the thing that is so appalling,
8 they're supposed to be attorneys? And I absolutely am
9 positive that about six weeks before I have actually been
10 knocked out cold, waking up in a pool of blood and having
11 to have seven stitches in the back of my head. That was
12 on February 20th, 1998, when I was invited to the Hilton
13 Hotel by the general manager. I was warned that that was
14 going to happen by John Thorsness, who is one -- is the
15 son of the partner David Thorsness, who is now deceased.
16 I was warned. I mean, all these things really have --
17 fit together now that I know that Frank Murkowski is
18 really related to these people. It's unbelievable. They
19 commit criminal acts in the name of American law. And so
20 just to finish up here, because I didn't want to take
21 your time, because you're tired, and, oh, my gosh, it's
22 after 7:00. You know, we live in the only state in the
23 United States that does not have a law school. I am
24 positive that is why all of this could have happened.
25 And so all I can do is explain it to you, hope that we

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1 all speak English. I don't know. I mean, you know, I'd
2 like you to just look at this yourself, and sort it out.
3 Of course, I have given issues about fair
4 elections to the U.S. Attorney, Tim Burgess. He does not
5 follow up with me. He's my neighbor. He used to be my
6 chil -- my daughter's basketball coach. We live in such
7 a small town.

8 And so I'd really like for you to read
9 this over and look at it, and understand it, and then I
10 would be glad to field questions. You're probably tired
11 and want to go. And would you forgive me for coming
12 late? I should have come earlier, and I wanted to, but I
13 just didn't get over here until right now. So I'm sorry
14 to -- I hope I'm not keeping you.

15 Did anyone have a question about anything
16 I've said?

17 MR. STANG: Maybe after we go off the
18 record. I just had something to ask about the school
19 board, but.....

20 MS. OBERMEYER: Oh, sure.

21 MR. STANG:maybe separate.

22 MS. OBERMEYER: Would you want to go off
23 the record?

24 MR. STANG: Are you done?

25 MS. OBERMEYER: Yes, of course. Unless

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1 you have -- any of you have a question. I'd be glad to
2 field questions.

3 MR. STANG: Okay.

4 MS. OBERMEYER: And thank you to Mrs.
5 Hile for tape recording.

6 (END OF PROCEEDINGS)

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1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)

3)ss.

4 STATE OF ALASKA)

5 I, Joseph P. Kolasinski, Notary Public in and for
6 the state of Alaska, and reporter for Computer Matrix
7 Court Reporters, LLC, do hereby certify:

8 THAT the foregoing Mineral Management Service
9 Hearing was electronically recorded by Salena Hile on the
10 30th day of July 2002, at Anchorage, Alaska;

11 That this hearing was recorded electronically and
12 thereafter transcribed under my direction and reduced to
13 print;

14 That the foregoing is a full, complete, and true
15 record of said testimony.

16 I further certify that I am not a relative, nor
17 employee, nor attorney, nor of counsel of any of the
18 parties to the foregoing matter, nor in any way
19 interested in the outcome of the matter therein named.

20 IN WITNESS WHEREOF, I have hereunto set my hand and
21 affixed my seal this 29th day of August 2002.

22

23 _____
Joseph P. Kolasinski

24 Notary Public in and for Alaska

25 My Commission Expires: 4/17/04 ☐

UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE
OFFICIAL TRANSCRIPT -- PUBLIC HEARING
DRAFT ENVIRONMENTAL IMPACT STATEMENT
BEAUFORT SEA MULTIPLE SALE PROPOSED OIL AND GAS LEASE SALES
(SALES 186, 195, AND 202)

Barrow, Alaska
Inupiat Heritage Center
Thursday, August 1, 2002
7:00 p.m.

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MMS PUBLIC MEETING

August 1, 2002

Barrow, Alaska

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P R O C E E D I N G S
(Barrow, Alaska - 8/1/02)
MR. STANG: We're going to go ahead and
start, even though we -- there are only a couple here,
that's fine. And we can -- if more come later, we can
add to our discussion at that time. My name is Paul
Stang. I'm the regional supervisor for Leasing
Environment of Mineral Management Service, and we have
some other people here today, too. On my left is Fred
King who's the section head of our section called
Environmental Assessment, and on my right is Angela
Mazzullo, without an i. Back there is Albert Barros.
Angela is with the budget group of MMS in Herson,
Virginia, and Albert Barros is our community liaison in
Anchorage.

What we're here to talk about is this
document here which is the environmental impact statement
for multiple sales, three sales. The sales will occur, or
are planned to occur in 2003, 2005 and 2007. The area
that's represented is on the map back there, the pink
area which runs basically from the Canadian border on the
east to Barrow on the west, from about 3 to 60 nautical
miles, three miles from shore out 60 nautical miles from
shore. About 9.9 million acres are covered, and the
particular sale numbers are sale 186, which is for 2003,

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1 195 is 2005, and 202 is 2007.

2 These three sales were selected by
3 Interior Secretary Norton, and published in final in late
4 June of this year, and that -- there's a blue document
5 back there that has a description of that program. And
6 this EIS covers each of those sales, and it's a little
7 different than what we normally do. Normally we have one
8 EIS for each sale, but because the area covered by all
9 three sales is essentially identical, that pink area, and
10 the alternatives considered are those areas on the other
11 map, the subsistence whaling deferral off Barrow, the one
12 off Cross Island, and one off Kaktovik, are the -- three
13 of the four areas deferral areas, and the one, the
14 eastern deferral, the reddish color is the fourth. These
15 will apply for all three sales.

16 However, because we may gain new
17 information and new insight, we will do an environmental
18 assessment before we begin the second sale, and if need
19 be, we will do a supplemental EIS. We will also do the
20 same thing, and environmental assessment, and if need be
21 a supplemental EIS for the third sale.

22 The State of Alaska and the North Slope
23 Borough have coastal zone management programs, and we're
24 obliged to do a consistency determination to see if our
25 program is consistent to the maximum extent practicable

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1 with the enforceable policies of those programs, and we
2 will do that consistency determination for all three
3 sales.

4 So the documents we've got are this three
5 volume EIS here, the -- this blue document is a Inupiat
6 translation of the executive summary of the EIS. This is
7 just a reproduction of the executive summary in English.
8 And we have the EIS on a CD, you need Adobe Acrobat in
9 order to be able to use the CD. There's also coffee in
10 the back you're welcome to have, and there are some
11 pencils that you can feel free to pick up.

12 The normal way most people hold hearings
13 is they just go ahead and sit and listen to what people
14 have to say, but we are most willing and interested in
15 engaging in any discussion or answering any questions, of
16 if they -- if you have questions, please feel free to ask
17 them.

18 There are three ways you can submit
19 comments, and it's on one of those sheets back there.
20 There's a fax number, there's an address, and the other
21 is here at these public hearings. We're fortunate to
22 have Salena Hile with us, who's doing the court
23 recording, and so she'll make a transcript of everything
24 that's said. The comment due date is September 20th, so
25 any written comments need to be submitted by then.

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1 I can tell you just a little bit about
2 the area we're talking about here from an oil and gas
3 perspective. We have been issuing or holding lease sales
4 in the Beaufort Sea since about 1979, and we have held
5 seven lease sales so far. And in that period of time
6 during those seven lease sales, we've issued 690 leases,
7 and currently there 54 of those that are remaining
8 active. We've drilled about 30 exploratory wells, and
9 yet to date the only production from the Outer
10 Continental Shelf comes from a few of the down hole
11 locations from wells drilled from Liberty Island,
12 which.....

13 MR. KING: North Star.

14 MR. STANG: Excuse me, I did it again.
15 From North Star Island, which is in, just inside state
16 waters. It's out near the three-mile line, but just
17 inside waters, so the North Star Island drills mainly
18 into state reserves for oil, or state resources, but some
19 into federal.

20 And speaking of Liberty, Liberty was a
21 proposal that we -- was just about wrapped up and ready
22 to go for final decision. We had completed the EIS and
23 BP decided that it looked like it was too expensive after
24 their experience with North Star, so they pulled back and
25 asked us to hold off for a while, put the project on the

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1 shelf, and they withdrew their exploration -- I mean,
2 their development and production plan and are currently
3 rethinking the project to see if they can develop it in a
4 way that would be less expensive.

5 MR. HOPSON: Do you the right to
6 encourage industry to go drill after you tell them?

7 MR. STANG: Well, that's a good question.
8 There's.....

9 MR. HOPSON: I don't see after you -- if
10 something goes wrong, you know, (indiscernible).

11 MR. STANG: Could I ask you please to
12 come and sit over at that microphone, Charles, because
13 that way we can get your question on the record. Would
14 you be willing to do that for us? Thank you.

15 MR. HOPSON: I was just asking you a
16 question.

17 MR. STANG: I will answer it, if we can
18 get it on the record.

19 MR. HOPSON: (Indiscernible)

20 MR. STANG: Or, wait a minute. Here.
21 Here, she'll bring a microphone right to you.

22 UNIDENTIFIED VOICE: We'll get more
23 answers if you keep asking.

24 MR. STANG: You can sit down, that's
25 easiest. Okay. The question was can we encourage

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1 companies to drill. I guess we could verbally, but we
2 have no legal mechanism to encourage them to drill. The
3 way it works, is that once a lease is issued, the pri --
4 let's say the primary term is 10 years. We have some
5 ability to determine what that primary term is and set it
6 as part of the lease term, but let's say it's 10 years.
7 And the company then has no obligation to do anything for
8 ten years. They can hold that lease, but at the end of
9 the 10th year, they have to relinquish that lease. That
10 is, they've paid money for it, they've paid a rental, but
11 all that ends. So there's no -- at the end of 10 years.
12 Now, if on the other hand they are progressing in efforts
13 to find oil through exploration and seismic work and
14 whatever have you, and they continue that, at the end of
15 the 10 years, we can extend their lease as long as
16 they're actively pursuing. So in a sense the lease has a
17 built-in incentive to encourage them to do something.

18 MR. HOPSON: Do they pay additional money
19 after your 10 are up? Do they pay additional money to
20 hold those leases?

21 MR. STANG: They pay a rental rate during
22 the duration of the lease, and that continues on after
23 the 10th year. So as long as they hold a lease, they
24 keep paying a rental rate. The bonus money is an up
25 front payment.

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1 MR. HOPSON: If I get a lease for a
2 million dollars, and then you'd encourage me to rent this
3 place, were -- like you say rent? Lease it?

4 MR. STANG: No, you -- if you get -- if
5 you pay a million dollars for a lease.....

6 MR. HOPSON: Okay.

7 MR. STANG: You have to pay an annual --
8 I think it's annual rental?

9 MR. KING: It's an annual rental.

10 MS. MAZZULLO: Yes.

11 MR. STANG: Yeah. You have to pay an
12 annual rental rate to hold that lease. That's an
13 obligation you have.

14 MR. HOPSON: How much?

15 MR. KING: That's.....

16 MR. STANG: \$25 a.....

17 MR. KING: No, it's -- the rental is \$8
18 per hectare.

19 MR. STANG: That's \$8 per hectare,
20 which.....

21 MR. KING: Per year.

22 MR. HOPSON:comes out to, what is
23 it.....

24 MR. KING: It's about three.....

25 MR. STANG:\$8.....

00009

1 MR. KING:\$3 per acre per year is
2 what they have to pay rental.
3 MR. STANG: Right. Right. The.....
4 MR. KING: And.....
5 MR. STANG:\$25 per acre is a
6 minimum bid typically, is the minimum bid is \$25 per
7 acre, but the rental is \$3.....
8 MR. KING: Is \$8 per hectare, and \$3 per
9 acre.
10 MR. STANG: Right.
11 MR. KING: And then in addition, there's
12 a royalty rate on that. If they discover oil, then they
13 have to pay a percent of the royalty on top.
14 MR. STANG: They pay you.
15 MR. KING: Yeah, they pay the Federal
16 Government.....
17 MR. STANG: They pay the Federal
18 Government.
19 MR. KING:on top of that.
20 MR. STANG: That's correct.
21 MR. KING: Any money that's received from
22 this goes directly into the OCS treasury, so any receipts
23 go directly there. They don't come back to the agency.
24 The agency doesn't get anything from issuing more or less
25 leases. Any money received from the leases goes directly

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1 into the treasury.
2 MR. STANG: And.....
3 MR. HOPSON: So after 10 years the
4 industry is literally getting a lot of this land for
5 free.
6 MR. STANG: No, no, it's not.....
7 MR. KING: No, they either turn it back
8 over or they're doing something with the land.
9 MR. STANG: The industry gets only --
10 when they buy a lease, all they get is the right to
11 explore.....
12 MR. HOPSON: To explore?
13 MR. STANG:for and drill for.....
14 MR. HOPSON: Okay.
15 MR. STANG:oil. They have no other
16 rights on that leasehold. They don't own the tract.
17 They don't own any of the other resources on it. They
18 don't -- if there was gold under that lease, they have no
19 right to that gold. They have right to only to explore
20 for and develop oil.
21 MR. HOPSON: So actually if there's --
22 you know, if someone was exploring, have a blow-out then
23 I have the right to sue?
24 MR. STANG: If a company has a lease.....
25 MR. HOPSON: Or selling these leases.

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1 This is your -- you say this is your land.

2 MR. STANG: Okay. Well, in a sense.

3 It's a question about right to sue. We are the agency
4 that administers the Outer Continental Shelf Act. We
5 issue the leases. If a company had a blow-out let's say,
6 we have a provision under the law to how that will be
7 dealt with with respect to liability for oil spills.
8 There was an act passed in 1990, the Oil Pollution Act of
9 1990 which specifies how an oil spill must be cleaned up.
10 It specifies the bonding required of companies to operate
11 on the OCS.

12 MR. HOPSON: So at the same time if
13 you're going to lease these lands over there, I'm going
14 to hold you responsible, so I'm going to require you, if
15 you're going to lease those, I'm going to require you, me
16 and my whaling crew, there's 15 of them, we're going to
17 require you to put a one billion dollar bonding on
18 whatever happens on those leases. Me and my 15 crew
19 members will do that. We have the right to do that,
20 right?

21 MR. STANG: I can't answer that question,
22 that you have the right to do that. I can tell you.....

23 MR. HOPSON: What right do I have?

24 MR. STANG: Well, I can tell you this,
25 the OPA, the Oil Spill Pollution Act of 1990 specifies

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1 that companies, depending on what the project is, can be
2 required to have a bond up to \$150 million before they
3 operate, and with respect to what happens if there's a
4 spill, the law.....

5 MR. HOPSON: You're the responsible
6 party.....

7 MR. STANG: Yes, the.....

8 MR. HOPSON:you're selling leases.

9 MR. STANG: The primary responsible party
10 is the oil company under the Oil Pollution Act of 1990,
11 so the company doing the spilling is the primary
12 responsible party. Clearly the Department of Interior
13 has a role, and I would say if we were negligent in
14 carrying out our responsibilities under the Outer
15 Continental Shelf Lands Act, or the under --
16 responsibilities under the Oil Pollution Act, and we were
17 brought into court, and those -- and negligence on our
18 part of not conducting the activities we're obliged to
19 under the Act was proven, then I would say we'd be
20 liable. But it would be hard for me to tell you
21 precisely what your rights are with respect to suing the
22 Department of Interior, because it would probably depend
23 on the specific charge and issue at hand.

24 MR. HOPSON: Before you give out these
25 leases, are you willing to sign a piece of paper saying

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1 that me and my 15 crew members, plus their wives and
2 kids, have the right to do that? You know, we're willing
3 to collect only \$1 billion from you just for my crew. I
4 don't know how many other captains would do that. You
5 know, I have the right.

6 MR. STANG: I can't answer the question.
7 I don't know. I doubt if my -- I can give you a guess,
8 that is, I doubt if the Secretary of Interior or the
9 Director of the Minerals Management Service would sign a
10 contract between you and them.....

11 MR. HOPSON: This is -- I'm not talking
12 for AEW. I'm talking about myself as a whaling captain,
13 plus my crew.

14 MR. STANG: Right.

15 MR. HOPSON: You know, so I'm not getting
16 anybody involved. He's a captain over there, too.

17 MR. STANG: Right. I'm speaking
18 specifically.....

19 MR. HOPSON: Yeah.

20 MR. STANG:of that. My guess is
21 that neither the Secretary of Interior nor the Director
22 of the Minerals Management Service would sign a contract
23 with you and your crew with respect to the oil and gas
24 leases and how operations would occur.

25 MR. HOPSON: The reason why I said that,

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1 you know, who did the studies on there? There's a
2 deferral.....

3 MR. STANG: Yes.

4 MR. HOPSON:on those three.

5 MR. STANG: Yes.

6 MR. HOPSON: You know, I notice the
7 deferral, because there's the Barrow, then there for
8 that.....

9 MR. STANG: Yes.

10 MR. HOPSON:and Kaktovik.

11 MR. STANG: Yes.

12 MR. HOPSON: Who did those studies?

13 MR. STANG: Okay. I can answer that. We
14 requested data from AEW on whale strikes.

15 MR. HOPSON: The problem with those
16 deferrals, you know, they're just -- you know, you're --
17 the pink area is the route of the migration of the whales
18 whether going down or up, you know.

19 MR. STANG: Yes.

20 MR. HOPSON: Why, you know, you put a
21 little -- you know, one for Barrow, one for Nuiqsut.
22 It's not right. The whole thing should be that, you
23 know, that's -- you know. And during the whaling season,
24 you know, they do something. They're way off in the
25 water. There's no, you know, -- I thought the American

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1 people were my -- our friends. Now we have Japanese
2 working on our whaling. Now you, you know. What's going
3 to happen next to us, you know? It looks like there's no
4 stopping the industry. And -- but the whales migration,
5 you know, the deferral should be all the pink. You keep
6 away from that pink, we'll be okay.

7 MR. STANG: I hear you.

8 MR. HOPSON: You know, that's -- well,
9 that's the truth. That's the migration route of the, you
10 know, the bowhead, you know.....

11 MR. KING: Yeah.

12 MR. HOPSON:why you decided Barrow,
13 just a little spot over there, and then Nuiqsut, you
14 know.

15 MR. STANG: Those are the -- that's the
16 strike data.

17 MR. KING: Yeah. To a certain extent
18 what you're saying is the no action alternative, which
19 is, one of the things we look at in the EIS is what
20 happens if we don't do any leasing, which is a no action
21 alternative, is -- it's one of the things that we're
22 required by NEPA and which we evaluate in the EIS.

23 MR. HOPSON: Uh-huh.

24 MR. KING: And then the other is these
25 other deferrals as options for the Secretary to consider.

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1 MR. HOPSON: What -- before you wrote
2 these proposal, was there any ice studies on the 20-30
3 miles out before, you know, you're going to lease it out,
4 was there any ice studies, you know, on that in your
5 thing? I didn't get a chance to read the thing.

6 MR. STANG: I can't.....

7 MR. HOPSON: The reason why I said that,
8 you know, the 40-mile limit or, you know, 30, 40 miles
9 out, that is the base of the -- you know, the moving ice,
10 outer shelf where, you know, it's kind of vicious. A lot
11 of ice activity, and there's about three or four currents
12 that happens. And I don't think anybody with an
13 icebreaker have gotten into trouble, because -- and these
14 are, you know, made to take this kind of thing. The
15 American people always say, hey, we've got the top notch,
16 you know, ice breakers to do this, you know, then they go
17 home cripple. The same thing is going to happen. We
18 have a top notch island we're going to build, or thing,
19 and something happens, you know. We're -- you know,
20 we'll be in a heap of trouble.

21 MR. STANG: I understand.

22 MR. HOPSON: You know, like anybody else,
23 I spent a total of 11 years in the Arctic Ocean, the --
24 six of the 11 years, I spent six years floating around.
25 I passed by that area three times coming in from the

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1 Barter Island, you know, on the -- that other side going
2 to there, you know, and the further north you go is not
3 too bad, but, you know, the further closer you get to the
4 mainland, you're going to pressure cooking (ph), the
5 inside ice is so big that you just -- momentum keep going
6 there, you know, it just pushes you right out. And this
7 island that I was in was four and a half miles wide,
8 eight and a half miles long, 115 feet thick, you know,
9 it's part of a glacier from by Osmere, by Greenland, and
10 when we got close, within 200 (ph) miles, we started
11 moving, you know, 15 miles on a good, windy day. Fifteen
12 miles, three knots, sometimes we just sit there. But
13 it's kind of vicious, you know, but people need to do
14 study before they start putting out leases, especially in
15 the, you know, 30, 40 miles. You know, that's vicious
16 country out there.

17 MR. STANG: I understand.

18 MR. KING: There's probably a couple of
19 things that we acknowledge in the EIS, and that is, is
20 you've got the ice conditions out there. You've also got
21 water depth. Both of those in addition to what you're
22 saying also translate into economic costs for the
23 company. I think if you read the EIS you'll notice in
24 there that we acknowledge that we think it's very
25 unlikely companies would be interested out there because

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1 of the economics and what you've spoken about. We don't
2 think there's a high degree of chance somebody's going to
3 go out there and buy up a lot of land.

4 MR. STANG: That far offshore.

5 MR. KING: Yeah. We're not saying.....

6 MR. HOPSON: Well, then.....

7 MR. KING:that's a very likely

8 thing.

9 MR. HOPSON:let's not do it. We
10 all know it.

11 MR. KING: But we're not saying that's
12 very likely to happen, but the other thing, the other
13 problem you've got is oil is where oil is, and if a
14 company wanted to buy a lease and then try to come in
15 with proposals to show how they could do it safely, they
16 can do that, and we would have to look at it further, and
17 we'd have to have a lot more information like you're
18 saying before we could approve a plan to go out there and
19 operate.

20 MR. STANG: And we have to make an
21 assessment that their proposal, should they make one,
22 meets the technological and safety requirements under the
23 Outer Continental Shelf Lands Act, so the environmental
24 safety and also technical capability has to be
25 demonstrated by the company before we'd go ahead and

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1 approve an exploration or development plan in that.....

2 MR. HOPSON: Anyway.....

3 MR. STANG:kind of a situation.

4 MR. HOPSON: Anyway, before you put any
5 more leases out there, you know, we need to make
6 improvement on the oil recovery system that they have.
7 You know, they say they have it. No, they don't. These
8 are some of the things that bother me, you know, the
9 court (ph) -- the industry keep going this and that, you
10 know. Maybe North Star was not a very good idea. We
11 backed it, but, you know, they were going to spell a few
12 hundred million. Yeah, they're approaching a billion
13 dollars, you know, and, you know, and oil is starting to
14 trickle a little bit, you know, maybe it -- you know,
15 maybe further out, you know, you're going to talk about,
16 you know, more money for the industry, maybe not worth
17 the risk of, you know, having these lease sales, you
18 know. I don't know. But.....

19 MR. STANG: Industry will have to make
20 that judgment as to whether there's tracts out there that
21 they think are developable and would produce enough oil
22 to justify the costs associated with that development.
23 And if they don't see that, they.....

24 MR. HOPSON: Well, that do you -- how
25 much is justifiable?

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1 MR. STANG: Well, no, I meant -- what I'm
2 saying is, before they buy a tract, they -- you know, as
3 a sensible businessman, before they buy a tract, they
4 have to look at the potential oil source that they think
5 they could find, how much oil could they find if they did
6 discover it, what their costs would be to produce it and
7 bring it to shore and do a cost analysis of all that to
8 decide even if.....

9 MR. HOPSON: I thought you were going to
10 sell these things before they do anything, you know.

11 MR. STANG: Well, we.....

12 MR. HOPSON: Like you said, you know, the
13 -- you're going to say, industry, give me your money, and
14 we'll take it, let's do this. Under the table?

15 MR. STANG: No. No, there's no
16 incentive. Here's the deal, and it's really kind of how
17 the Outer Continental Shelf Lands Act is written. We
18 make these tracts available for companies to bid on.
19 Whether they bid or not is their option. It's their
20 choice whether to bid or not to bid. If they're the high
21 bidder, then that up front money that they put on the
22 table will stay with the Federal Government. It won't go
23 back to them. that money is spent. They don't get to
24 recover it. And their judgment as to whether they want
25 to proceed with exploration and development, they have to

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1 make. The great majority of tracts are purchased and
2 relinquished without any exploration or development
3 taking place. And we have in the Department of Interior
4 gathered many billions of dollars and -- that have gone
5 into the treasury, and to date the only thing which the
6 oil companies have to show for that are some more
7 knowledge that they've gained, but the only production is
8 North Star. So companies have to make the judgment,
9 should I buy a lease, and if so, can I develop it in a
10 way that meets all the requirements and still make a
11 profit. The company's obligation is to figure that out.
12 We offer the leases as required by the Outer Continental
13 Shelf Lands Act, and they have a choice to buy them or
14 not to buy them. But to buy them, they have to bid on
15 them, and they have to be the high bidder, and they have
16 to meet all the requirements.

17 MR. HOPSON: Seismic boats, how do they
18 -- are you on top of the seismic boats? How do you --
19 how do you go about, you know, going out with a seismic
20 and to do these things? Who gives them the right?

21 MR. STANG: Okay. Two points here. One,
22 at the moment to the best of my knowledge, there are no
23 seismic boats on the North Slope.

24 MR. HOPSON: I mean actually that -- I
25 didn't ask about the seismic boat, now who give the

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1 seismic crew the right to go out there at any time? I
2 know there's none right now.

3 MR. STANG: Okay.

4 MR. HOPSON: Who -- do you give them a go
5 ahead? Who gives them the permit to do that?

6 MR. STANG: They need to apply to us for
7 a permit to do seismic work. They don't need a lease to
8 do that. They just need a permit to shoot seismic. And
9 basically what happens is companies shoot seismic on
10 speculation. That is, they get a permit, shoot seismic
11 on a whole bunch of tracts and then try to sell the data
12 to oil companies who would subsequently want to bid on
13 leases. So it's a totally speculative venture on their
14 part. Now, obviously a company can contract for a
15 seismic vessel to go shoot seismic, but basically the
16 seismic work is done on speculation.

17 MR. HOPSON: And you issue the permits,
18 right?

19 MR. STANG: We issue permits, correct,
20 for them to.....

21 MR. HOPSON: Do they have to get a permit
22 from the Borough, too?

23 MR. STANG: I imagine they do, but I
24 can't be certain.

25 MR. KING: I don't know if they have to

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1 get a permit from the Borough for offshore for Federal,
2 but I don't know at what point when they're shooting
3 seismic, a lot of them move between federal and state,
4 and in which case they were doing they'd have to -- I
5 think as soon as they come under state, then it comes
6 under your Borough jurisdiction.

7 MR. HOPSON: So the AEWEC can control the
8 seismic people, right, during whaling?

9 MS. LORD: Yes.

10 MR. STANG: There are agreements that are
11 written, conflict avoidance agreements between the AEWEC
12 and the companies who are working the seismic boats, so
13 that they have that very issue to avoid problems that
14 would occur between seismic noise and the migration of
15 the whale.

16 MR. HOPSON: On the leases, who determine
17 over deferral areas in the maps? Who was the expert?

18 MR. STANG: Okay. The data on whale
19 strikes we got from the AEWEC.

20 MR. HOPSON: You know, when you make
21 deferral, you don't do this on whale strike, you know,
22 you're looking at the migrations of bowhead.

23 MR. STANG: Right. I understand your
24 point. I'm trying to answer.....

25 MR. HOPSON: You know.

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1 MR. STANG:your specific question
2 of who made that judgment, that we got data from AEWEC,
3 the regional director with staff from our office looked
4 at that data and configured those candidate deferral
5 areas, the Secretary of Interior has the job to make a
6 decision of which, if any, of those she will select as
7 candidate deferrals, and to actually defer them from a
8 lease sale if we're to hold a lease sale.

9 MR. HOPSON: Did -- on any of the
10 deferral, did they ever consider the feeding ground of
11 these whales? The feeding area?

12 MR. STANG: We.....

13 MR. HOPSON: Those need -- if you're
14 going to do that, you need to defer them also in there,
15 maybe quadruple the size of the deferral area from Barrow
16 north to Kaktovik.

17 MR. STANG: We.....

18 MR. HOPSON: Also in the feeding areas,
19 you know, whales have to eat.....

20 MR. STANG: We got.....

21 MR. HOPSON:and.....

22 MR. STANG:other recommendations
23 which we considered and looked at. We believe that the
24 combination of these deferrals and the stipulations and
25 information to lessees that we put out will provide

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1 protections needed for any conflicts that arise between
2 the whaling issue and the development, and in particular,
3 one stipulation, called stipulation 5, requires the
4 companies who would purchase leases to have a conflict
5 resolution agreement if conflicts arise between
6 themselves and the AEWC, to resolve conflicts about
7 exploration and development, much like the conflict
8 resolution agreements that occur regarding seismic work.

9 MR. HOPSON: So we need -- so you guys
10 need more ice studies in there?

11 MR. STANG: We.....

12 MR. HOPSON: Who does those, you know?
13 Who does the ice studies?

14 MR. STANG: Well, it depends on the
15 situation. Companies do some of their own ice studies.
16 We at the Minerals Management Service have a science
17 budget of several million dollars a year that we have to
18 use for all of the science needs, be they ice studies, be
19 they water quality issues, be they birds, part of our
20 whale -- our BWASP (ph) program, the aerial overflight of
21 the whale migration, comes all out of those budgets, so
22 it's -- each year a priority is set up as to what's the
23 highest priority. And studies are among those that we
24 consider.

25 MR. HOPSON: You know, for years we've

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1 been talking about putting Arctic Res -- we had an Arctic
2 Resource Lab out there for years, you know. Now so much
3 activities are happening, we do need a science lab like
4 we had NARL way back, so from the lease here, I think MMS
5 have enough money, let's put up a good lab out there on
6 UIC land and where MMS can use it, the -- you know, the
7 onshore, ANWR can use it or -- and the NPR-A can use it.
8 We need a lab that we can trust, you know. We have --
9 we're losing -- we are losing trust to the people that go
10 there and study and never come back with the study that
11 they did, you know. It's happening too much where, you
12 know, you send up to do -- someone to do the study, and
13 then they make a comment and they go home, then you never
14 see that study again. We need some place to store it, so
15 if we had a lab, we can now look at it, hey, look, this
16 is what happened, you know. This has got to stop, you
17 know. We need to, you know, we need to start doing these
18 things here. I think you have enough money to help put
19 up a good lab. Why don't you put in maybe \$50 million,
20 you know, will be a smoother meeting next time we have,
21 you know, because we'll know, hey, we can look, remember
22 this, we need to do this. We need to start helping each
23 other. You need to start keeping some of the money here
24 that you take off from our land, you know. That's all
25 you want is take, take, take, you know, and here we are,

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1 you know, again. I've met you how many times through
2 these meetings. Did I see any money from your last sale?
3 No.

4 MR. KING: You didn't notice the.....

5 MR. HOPSON: I want a little bit, too.

6 I'm getting old, you know.

7 MR. KING: You didn't notice your lower
8 taxes after that sale?

9 MR. HOPSON: You know, well, we need to
10 see some of that money, too, you know. Invest on a big
11 lab out there at UIC. We can trust you better that way,
12 you know. You made a bunch, a billion dollars, you know,
13 then you take it home, you know, and here we are, still
14 in the same situation we were 20 years ago, we're still
15 arguing with you, don't do it, but you ignore us.

16 MR. STANG: Well.....

17 MR. HOPSON: We need to help each other.

18 You need to help us whalers, you know. You're talking
19 about my lifestyle, you're talking about my whaling crew
20 and their kids. You know, we need to do something.

21 MR. STANG: Okay. Well, Angela's here
22 from the budget shop and headquarters, and we're going to
23 make sure.....

24 MR. HOPSON: I want to put in a
25 request.....

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1 MR. STANG:she takes that back with
2 her.

3 MR. HOPSON:for 50 million for a
4 research.....

5 MR. STANG: Right. Okay.

6 MR. HOPSON:lab out there so you
7 can put it out there, you know.

8 MS. MAZZULLO: Yeah. Well, I would like
9 to address a couple of statements that were made earlier.
10 You asked some questions about where the money goes from
11 the lease sales, and actually we have two different
12 rental rates. There's one rental rate for what's
13 considered to be shallow water, and I think that's 7.50 a
14 hectare, then there's 12.50 for deep water, but I think
15 the majority of the proposed lease area is in shallow
16 water, so.....

17 MR. STANG: Yeah.

18 MS. MAZZULLO:it would be at the
19 lower amount.

20 MR. KING: Yeah, we don't have any deep
21 water.

22 MS. MAZZULLO: Okay. And MMS actually
23 does.....

24 MR. HOPSON: What do you call deep water?

25 MR. STANG: Gulf of Mexico. She's.....

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1 MR. KING: It's over 400.....
2 MR. STANG: referring to the Gulf of
3 Mexico.
4 MR. KING:meters is what they
5 consider.....
6 MR. HOPSON: How many?
7 MR. KING: Over 400 meters, so it's over
8 1,000 feet is what they consider deep water where they
9 change the royalty rates.
10 MS. MAZZULLO: But also MMS does keep --
11 is permitted to keep some of the money from the rentals,
12 from the lease sales to use as part of its budget.
13 MR. HOPSON: That's peanuts.
14 MS. MAZZULLO: And so part of that money
15 is kept for use by MMS to operate.
16 MR. STANG: But let me just say that any
17 money that comes from those receipts gets backed out of
18 the appropriations bill.
19 MS. MAZZULLO: That's right.
20 MR. STANG: The Congress doesn't give us
21 any extra.
22 MS. MAZZULLO: No.
23 MR. STANG: It's just -- if we take in
24 money directly, then they give us less of an
25 appropriation for that year, so.....

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1 MS. MAZZULLO: In fact, that's happened
2 the last two years. We haven't gotten the amount from
3 rental rates that we had in the past, and so they
4 increased what they gave us out of the appropriated
5 money.
6 MR. STANG: So it's a bit of a balancing
7 act with funds.
8 MR. HOPSON: I think you guys need to
9 take it more seriously when we testify this and that, you
10 know, and -- I mean, you guys are going to be here next
11 year, and, you know, we'll be talking about the same
12 thing. You're going to ignore what I said today, a
13 year.....
14 MR. STANG: Well.....
15 MR. HOPSON:and no money for a lab
16 still, you know.
17 MR. STANG: Charles, we make sure that
18 all of these comments get transmitted up to our bosses,
19 and up to the director of MMS and to the Secretary, so
20 she is aware of the comments that occur. And she keeps
21 -- her job is to be -- understand those comments and the
22 essence of them when she makes her decisions.
23 MR. HOPSON: Anyway, if you're going to
24 ignore us and go ahead and put this out, I would
25 quadruple the size of those deferrals for Barrow and

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1 Nuiqsut and Kaktovik, you know, 'cause, you know, it will
2 give the whales more time to get back their path if
3 they're ever, you know, deflected away, give them, you
4 know, if there's any development out there, but these are
5 the things that you need to consider, you know.

6 MR. STANG: Okay.

7 MR. HOPSON: That is too small, you know,
8 where -- but I -- you know, if you ever do that, if you
9 ever have these sales -- I know you're going to have the
10 sale, but I would -- I'm opposed to these lease sales,
11 you know, that -- you know, most of all I'm opposed to
12 these lease sales in water out of our, you know, hunting
13 areas for the villages. Maybe these guys have something
14 to say, but I'll stand by for pretty much anything, and
15 the comment of all.

16 MR. STANG: All right. Thank you.....

17 MR. KING: Thank you.

18 MR. STANG:very much, Charles.

19 MR. BROWER: I wasn't even going to say
20 anything, all right.

21 MR. STANG: By the way, it's important
22 that you state your name.....

23 MR. BROWER: Uh-huh.

24 MR. STANG:full name for the
25 record, if you would, please?

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1 MR. BROWER: Yeah, Thomas Brower III,
2 average (ph) Barrow employee. And, yes, I have reviewed
3 your EIS on this environment -- on the project here, what
4 not. And I've read one of your documents which is
5 published by MMS which is called Sea Ice and Ocean
6 Current Study, a Scientific Research, and I was kind of
7 surprised to see that this scientific research study was
8 a short-term study, but I was in with one of the
9 conferences in Anchorage relating to ice current, ice
10 movement and ocean current studies, and there was an
11 individual from Japan that did a presentation there, but
12 his English was pretty somewhat limited, but -- and one
13 other request was -- by this -- some individual was to
14 have this scientific research by this individual that did
15 the Arctic Ocean study for over 40 plus years, but it
16 would have taken somebody to translate it for X-number of
17 years to translate it, because -- and his comment was
18 that he stated that there was two type of currents in --
19 which provided in cycle terms, you know, anti-cyclonic
20 and cyclonic system within the Arctic Circle, within the
21 Arctic Ocean. And when I was reading the document that
22 was put a contract by some firm or what not on this ice
23 current and ocean current study, it was just a short-term
24 study. And I was just kind of curious if MMS is going to
25 look at or obtain this document from this Japanese

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1 scientific research program with data for 40 plus years
2 or by a Russian scientist, which I guess they were pretty
3 interesting. I talked to them when they did their
4 presentation in Anchorage about a year and a half ago,
5 when I sat in on it.

6 MR. STANG: I'm not familiar with that
7 particular study, but I can check with our science staff
8 if they have that. The conference was a year and a half
9 ago, is that what you.....

10 MR. BROWER: Yeah, it was in Anchorage.
11 It was called informational conference, which there was
12 at least 40 -- I'm not sure, there were a good number of
13 attendants there, so.....

14 MR. STANG: Specifically focused on ice,
15 the whole conference, or.....

16 MR. BROWER: No, it was basically on the
17 whole -- there was various -- I seen projects relating
18 to, I think 40 some other projects having by contractors
19 to MMS for.....

20 MR. STANG: It was an MMS meeting
21 fundamentally?

22 MR. BROWER: Right. Uh-huh.

23 MR. STANG: It was an information
24 transfer meeting?

25 MR. BROWER: Right.

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1 MR. STANG: Okay. I will check with our
2 -- Cleve Coles, who's head of our section on
3 Environmental Studies to see if we've got that copy.
4 It's a Japanese study in 40.....

5 MR. BROWER: Yeah, and the Russian
6 scientist also did that study, too, for 40 plus years on
7 it.

8 MR. STANG: And the Russian scientist
9 did.....

10 MR. BROWER: Uh-huh.

11 MR. STANG:the 40-year study?

12 MR. BROWER: Right.

13 MR. STANG: Okay.

14 MR. BROWER: I think the Japanese
15 scientist did the ocean bottom, ocean currents -- ocean
16 current study on there on the -- that.....

17 MR. STANG: Uh-huh.

18 MR. KING: One of the things we have is a
19 scientific committee as -- do you remember how many
20 members that is?

21 MR. STANG: It's 10 or so, 10 or 12.

22 MR. KING: Ten or 12 that includes all
23 the different sciences and we rely heavily on them as an
24 agency to help us say where, you know, how good the
25 science is we're based on. They review stuff and help us

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1 with direction as well, so that's one of the things that
2 we use, and I think there were some of those, or any time
3 we have an ITM, we usually have a bunch of those coming
4 to attend also to hear this, we'll have to get back.
5 Right now I'm unaware of any proposed further studies on
6 that is the best I can tell you, but we'll have to look
7 into it.

8 MR. BROWER: I think just -- the study
9 wouldn't have been conducted or what not, but then they
10 was talking from the Russian scientist, and then
11 translating it to English term would be very beneficial
12 or what not.

13 MR. STANG: Okay. Good. We'll check on
14 that, Thomas.

15 MR. BROWER: I think I've got the minutes
16 in my office some place. I mean, I think I must have the
17 individual's name on it, relating to that.....

18 MR. STANG: Good.

19 MR. BROWER:Russian scientist.

20 MR. STANG: If you could provide them to
21 us, we'd sure appreciate it.

22 MR. BROWER: I think you guys should have
23 it on record, too, on that.

24 MR. KING: We've probably got it on
25 record where it's an ITM.

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1 MR. STANG: Right.

2 MR. BROWER: Yep, it was.

3 MR. STANG: Okay. Good. Thank you very
4 much, Thomas.

5 MR. HOPSON: I've got one more issue.

6 MR. STANG: Certainly, would you mind
7 coming up, Charles, please?

8 MR. HOPSON: One other thing that I
9 forgot to mention, my name is Charlie Hopson, you know,
10 one of the Barrow whaling captains. I think the Barrow
11 whaling captains has expressed that, you know, the
12 endangered species of bowhead. You know, the government
13 really put forward what they have on endangered species,
14 whale, you know, you're breaking your own law of
15 endangered species, selling, you know, leases to where
16 the endangered species travel. The government, you know,
17 just about literally stop us from whaling a long time
18 ago, because they say it would endanger species. Aren't
19 you harming the endangered species more putting the
20 leases over there? You know what I'm saying, you know?

21 MR. STANG: Yes, I know what you're
22 saying.

23 MR. HOPSON: Because of the Barrow Eskimo
24 -- AEWC, you know, the whale is almost out of endangered
25 species because of the good job they have done counting

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1 the whale, this and that. It's going to devastate, you
2 know, the population if something ever goes wrong and
3 everything, and the government is backing us up, and then
4 you turn around and give out leases where the passes of
5 whales are, you know. You're breaking your own law that
6 you made, you know, about endangered species, you know,
7 forget them.

8 MR. STANG: We are obliged when we have
9 an issue that affects or has a potential effect on
10 endangered species, we're obliged to work with the
11 National Marine Fisheries Service or the Fish and
12 Wildlife Service, depending on which species, to provide
13 them information about the activity and it's potential
14 effects on that species. Then they have the
15 obligation.....

16 MR. HOPSON: Do we get a chance to read
17 it and see if it's right or wrong and.....

18 MR. STANG: I believe they -- well.....

19 MR. HOPSON: It's there?

20 MR. KING: Well, our assessment.....

21 MR. STANG: Right.

22 MR. KING:of the effects to, for
23 example, the endangered species that would be involved
24 here, and there's eiders as well as bowhead whales.....

25 MR. HOPSON: Uh-huh.

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1 MR. KING:is in this document, and
2 that's.....

3 MR. STANG: Right.

4 MR. KING:part of the value of
5 having it out for the review we've got now would be to
6 have people read that, and if we've made what people
7 consider to be a bad assessment or made some mistakes or
8 anything in there for people to comment on them. That's
9 part of the process we're in. So that assessment is part
10 of this document.

11 MR. STANG: And I believe -- what I was
12 going to say, is that the National Marine Fisheries
13 Service in the case of bowhead whales has an obligation
14 to write a biological opinion about that activity and the
15 National Marine Fisheries Service assessment as to
16 whether that activity would be a problem with respect to
17 the particular endangered species, in this case, bowhead
18 whale. And they're obliged to do that. I believe that
19 they send that draft biological opinion to the North
20 Slope, to -- and I can't tell you their mailing list, but
21 I think they send it to the North Slope Borough and they
22 -- I think they also sent it to AEWC.....

23 MR. KING: Yes, they send it to AEWC.

24 MR. STANG:to assure that the
25 whalers have an opportunity to provide input into that

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1 before they make a judgement.
2 MR. HOPSON: Alfrieda?
3 MS. LORD: Uh-huh.
4 MR. HOPSON: We did make comments on
5 those?
6 MS. LORD: Yes.
7 MR. HOPSON: Okay. I still have to read
8 my thing. That's.....
9 MS. LORD: Yes.
10 MR. HOPSON:why I ask. I don't
11 want to cross over to their stuff, too, you know, so.....
12 MR. STANG: Right.
13 MR. HOPSON: But I didn't want to -- you
14 know, in case they haven't, I didn't want to, you know,
15 you know, let it go if they haven't. I guess they did,
16 but that was one of my concerns, too, is the endangered
17 species.
18 MR. STANG: Certainly. And we have -- a
19 good substantial part of this document deals with the
20 effects on endangered species, and it's that information
21 that the National Marine Fisheries Service and the Fish
22 and Wildlife Services uses in writing their biological
23 opinions.
24 MR. HOPSON: Okay. That was one of the
25 ones that.....

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1 MR. STANG: Thanks very much, Charles.
2 (Whispered conversation)
3 MR. STANG: Would anybody else like to
4 testify at this point? Or to provide comments, or ask
5 questions or what have you?
6 MR. HOPSON: Take a break until you get
7 more people.
8 MR. STANG: We can do that, and in a
9 minute if somebody doesn't just up and.....
10 MR. HOPSON: (Indiscernible)
11 (Whispered conversations)
12 MR. STANG: Well, what we're going to do
13 is take a break for about five or 10 minutes, because I
14 think some people might not have gotten the word that we
15 started at five, that they think we're starting at 7:00
16 and some people said they would be here at 7:00, so we'll
17 take a break for a little bit here. Let's go off the
18 record for a few minutes here.
19 (Off record - 6:57 p.m.)
20 (On record - 7:25 p.m.)
21 MR. STANG: We're going to go back on the
22 record, and Alfrieda, you have some statement to make, if
23 you would please state your name and who you're with, and
24 then go ahead and make your statement? Thank you.
25 MS. LORD: My name is Alfrieda Lord. I'm

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1 with Alaska Eskimo Whaling Commission, and I'm here to
2 official present Maggie Ahmaogak's, who is the executive
3 director of Alaska Eskimo Whaling Commission, her
4 comments on the Beaufort Sea Planning Areas Lease Sales
5 186, 195 and 202.

6 MR. STANG: Okay. We -- thank you,
7 Alfrieda. We will take that testimony that you handed to
8 Selena and make sure that that's part of the record
9 verbatim.

10 TESTIMONY OF MS. MAGGIE AHMAOGAK:

11 The Alaska Eskimo Whaling Commission
12 (AEWC) appreciates the opportunity to submit these
13 preliminary comments, and reserves the right to submit
14 additional comments on the DEIS for Oil and Gas Lease
15 Sales 186, 195 and 202 by the U.S. Minerals Management
16 Service by the deadline date in September of 2002.

17 The AEWC hereby endorses and incorporates
18 by reference the comments submitted on this matter by the
19 North Slope Borough.

20 Summary.

21 The draft Environmental Impact Statement
22 (DEIS) prepared by the U.S. Minerals Management Service
23 (MMS) for its proposed Oil and Gas Lease Sales 186, 195
24 and 202 in the Beaufort Sea Planning Area still fall
25 short of the standards of review and analysis set under

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1 the National Environmental Police Act (NEPA). Important
2 research results and other information from ongoing
3 programs that could be used are still disregarded
4 throughout the document. The AEWC applauds the MMS in
5 its statements that it provided information from the
6 consultation of the North Slope residents and the AEWC
7 and this DEIS document. Unfortunately, one of the most
8 important components of the DEIS, the cumulative
9 effects/impacts analysis, contains only conclusive
10 statements and entirely neglects any discussion of the
11 past, present and reasonably foreseeable future
12 activities whose impacts might interact with those of the
13 proposed sale/action in federal activities.

14 Furthermore, this DEIS continues MMS'
15 tradition of ignoring the dictates of federal law and
16 Executive Order by continuing to refuse impact mitigation
17 funding to our community. The DEIS responds to our
18 request for impact assistance by refusing to acknowledge
19 the possibility of pushing the administration to include
20 mitigation impact assistance in the President's budget,
21 or asking the Administration to put a request for impact
22 assistance for North Slope communities in an energy bill.
23 This is a fundamental flaw. We have heard agency
24 officials claim that they would like to help us, but
25 complain that MMS has no authority to fund impact

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1 assistance. We do not agree with the agency's legal
2 opinion and we wonder whether MMS really wants to help us
3 since we see no sign that you have ever asked for clearer
4 legal authority to do what you say you want to do.

5 AEWC believes that MMS most certainly has
6 the authority to budget for impact assistance. The one
7 year allocation of funds to coastal states is evidence
8 that Congress recognizes that coastal impacts from
9 offshore oil development are a real problem. If MMS
10 believes it does not have authority for funding, MMS
11 needs to ask for it. This is part of MMS' responsibility
12 to balance the orderly development of the OCS with
13 protection of the human and marine environment.

14 Finally, AEWC believes that MMS has not
15 performed or provided accurate and substantial analysis
16 of the mitigation stipulations for this particular DEIS.
17 A list of mitigation measures without analysis does not
18 qualify as a "reasoned discussion" or a "hard look" as
19 NEPA requires.

20 Requests from previous EIS to the 5-year
21 leasing program.

22 On January 24, 2002, the AEWC submitted
23 its comments on the DEIS for the OCS Oil and Gas Leasing
24 Program: 2002-2007. In those comments, the AEWC noted a
25 number of items that need to be addressed by the MMS

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1 before Lease Sales 826, 195 and 202 can be held. In
2 particular, the AEWC requested that MMS acknowledge
3 recent research results on the adverse industrial impacts
4 of OCS development. MMS' failure to fully address these
5 findings, especially given the participation of MMS
6 representatives in hearings and meetings addressing these
7 matters is extremely disappointing.

8 Again, the AEWC insists that MMS fully
9 revise the sections of the DEIS in which it purports to
10 address the "effects of accidental oil spills" and the
11 "cumulative effects of past, present and future
12 activities on the people and environment of Alaska's
13 North Slope," as well as its conclusions within the
14 Executive Summary on pages EXSUM 2, 3, 4, and 5. MMS had
15 not performed or provided an accurate and substantial
16 analysis of the mitigation stipulations for this
17 particular DEIS. A list of mitigation measures without
18 analysis does not qualify as a "reasoned discussion" or a
19 "hard look" as NEPA requires.

20 For instance, the DEIS contains a
21 stipulation prohibiting permanent facilities within a 10-
22 mile zone around Cross Island unless the lessee can
23 demonstrate that their placement in the zone will not
24 have a significant impact on the subsistence harvest of
25 whales. The DEIS claims that AEWC agreed to this, but we

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1 never did and do not now. The 10-mile figure is someone
2 else's arbitrary and inaccurate invention. The document
3 is dishonest in claiming our support. Our judgment now
4 is the same as it has been. The exclusion zone should be
5 expanded to include an area based on the real Nuiqsut
6 traditional bowhead harvest area (which lies more to the
7 north and east) and production noise effects on bowhead
8 whales. The new zone should be defined in consultation
9 with the AEWC and Nuiqsut and refined as noise monitoring
10 studies produce more accurate information on impacts on
11 whales.

12 In addition, we object to MMS' absurd
13 characterization of an 8-10 percent chance of a major oil
14 spill as "highly unlikely." Compared to what? What odds
15 would you consider acceptable if your culture and your
16 community were at stake? A risk of 8 percent to 10
17 percent is particularly unacceptable to AEWC and
18 especially without an offer of impact assistance. We
19 believe that the approach taken to risk evaluation and
20 assignment in the DEIS violates the principles of
21 environmental justice embodied in current executive order
22 and other law.

23 Furthermore, given the vital importance
24 of the analysis of oil spill and cumulative impacts to
25 our community as a basis for understanding the impacts to

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1 our community from OCS industrial activity in the Arctic
2 OCS, including the proposed lease sales, the AEWC insists
3 that MMS revise the sections indicated above and make the
4 revised DEIS available for review by the AEWC, the NSB
5 and ICAS, and the consulting agencies including the
6 National Marine Fisheries Service, the EPA, and the
7 Marine Mammal Commission.

8 In addition to the above, in its comments
9 on the DEIS for the OCS Oil and Gas Leasing Program:
10 2002-2007, the AEWC also requested that the MMS prepare a
11 revised discussion on sociocultural impacts and
12 environmental justice, including a balanced account of
13 the "socioeconomic environment" for the North Slope, with
14 a reasoned discussion of mitigation measures. the MMS
15 has yet to provide this revised discussion.

16 In 1994, the National Research Council
17 published a review of MMS' Environmental Studies Program
18 in Alaska. The AEWC has pointed MMS to the conclusions
19 and recommendations of this review on numerous occasions
20 in recent years. These conclusions and recommendations
21 remain relevant as MMS has yet to incorporate or
22 otherwise address them. Notably, the NRC Committee
23 conducting the 1994 review pointed out that, just as it
24 does in the current DEIS, MMS in the past has devoted
25 considerable attention the "amount and kind of

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1 subsistence activities, the importance of these
2 subsistence activities for the maintenance of
3 traditional cultures, and at least the potential for
4 these activities to be disrupted in the case of
5 catastrophic damage to the physical environment" without
6 providing measures to protect against this potential
7 disruptions.

8 In the first paragraph of Section
9 4.3.3.15. "Environmental Justice" within the 5-Year
10 Leasing Program, it is noted that Executive Order 12898
11 alls for the development of mitigation measures to
12 address "all identified effects." Agencies are also
13 directed in the executive order to integrate those
14 mitigation measures into the level of NEPA review
15 required, in this case, into the environmental impact
16 statement (EIS).

17 The AEWC hereby makes the statement that
18 the MMS has failed to provide a clear analysis and
19 reasoned discussion of all of the effects likely to
20 result from the Lease Sales 186, 195 and 202.

21 Therefore, MMS has placed itself in a
22 position where it cannot adequately identify mitigation
23 measures necessary to address the "Environmental Justice"
24 concerns raised by the proposed lease sales.

25 For these and other reasons, the present

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1 DEIS is in violation of the Outer Continental Shelf Lands
2 Act and the regulations promulgated under the National
3 Environmental Policy Act, which requires that the
4 Secretary of the Interior provide "information needed for
5 assessment and management of environmental impacts on
6 human, marine, and coastal environments of the Outer
7 Continental Shelf and the coastal areas which may be

8 affected by oil and gas development." Furthermore, as
9 noted before, the Council on Environmental Quality
10 requires that MMS ensure the "professional integrity,
11 including scientific integrity" of the analyses in the
12 draft EIS.

13 The AEWC believes that preparation of a
14 single EIS for three incremental lease sales is
15 inappropriate.

16 The AEWC recognizes MMS' desire to
17 expedite permitting of energy projects, but the agency's
18 proposed "tiering" is not appropriate in Alaska's OCS for
19 several reasons.

20 MMS approach inevitably will short-
21 circuit the chance for thorough environmental review of
22 the three lease sales. Indeed, we believe that your
23 proposed approach is not "tiering" but is in fact
24 impermissible "segmentation" because the projects will be
25 carried out in changing circumstances and may have

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1 different impacts.

2 In a stable, low-risk environment, MMS'
3 approach might have merit, but not here. Weather, ice,
4 and other environmental conditions in the Beaufort Sea
5 are shifting, both year-to-year and over the long term
6 with climate change. Three days ago the Washington Post
7 ran a story about glacial melting and the rapidity of
8 change in the ice of the Arctic. Now more than ever is
9 the time to fulfill NEPA's mandate to take a hard look at
10 the impacts of these projects. A hard look means one EIS
11 per lease sale. We cannot afford to do less. Every year
12 we learn more about and change our understanding of the
13 Beaufort Sea environment, the habitat needs of the
14 whales, and the scale and pace of change in those things
15 resulting from shifts in the global climate. Moreover,
16 on almost a daily basis the Nation's policies and
17 attitude toward energy production and consumption are
18 themselves changing. NEPA requires an informed
19 evaluation and weighing of facts, legal requirements, and
20 social concerns to strike a "productive harmony between
21 man and the environment." The projects must be evaluated
22 pursuant to the most up-to-date information and
23 perspectives.

24 MMS cannot continue to ignore the fiscal
25 crisis its ongoing actions are creating for the North

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1 Slope communities.

2 When congress passed the OCS Lands Act,
3 it recognized, in its declaration of policy, "the
4 national interest in the effective management of the
5 marine, coastal, and human environments." (43 US
6 1332(4)) In order to accomplish this goal, Congress
7 recognized that affected states and local governments are
8 likely to "require assistance" in dealing with adverse
9 impacts from OCS development.

10 Congress then went on to give the
11 Secretary of the Interior a very broad grant of authority
12 to administer the leasing of the OCS for the development
13 of non-renewable resources, directing the Secretary to
14 "prescribe such rules and regulations as may be necessary
15 to carry out" the provisions of the OCSLA. (43 USC
16 1334(a)) Congress further authorized the Secretary to:

17 At any time prescribe and amend such rules and
18 regulations as he determines to be necessary and
19 proper in order to provide for the protection of
20 correlative rights.

21 The AEWC was formed in 1977 for the
22 purpose of representing the 10 bowhead whale subsistence
23 hunting villages on issues related to the quota system
24 imposed on our communities by the International Whaling
25 Commission and for managing the bowhead whale subsistence

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1 hunt in compliance with that quota system. The Federal
2 Government provides the AEWC a small grant through the
3 U.S. Department of Commerce for these purposes. However,
4 because of the aggressive leasing program administered by
5 the MMS in the Beaufort Sea, and soon the Chukchi Sea,
6 the AEWC has been forced to take on representation of our
7 bowhead subsistence community in dealing with OCS oil and
8 gas operators to try to protect our bowhead subsistence
9 hunt from adverse impacts of OCS oil and gas activities.

10 Furthermore, the amount of work on OCS-
11 related matters in recent years has grown to the point
12 that it dominates the AEWC's staff time, again with no
13 funding through the agency responsible for these impacts.
14 Despite repeated requests, both formal and informal from
15 the AEWC and residents of the NSB, MMS has yet to act to
16 fulfill this statutory obligation.

17 As is the tradition of our community, we
18 have taken whatever steps we can to protect ourselves.
19 One of the most important mitigation measures in place at
20 this time to protect our bowhead hunting is the annual
21 "Open Water Season Conflict Avoidance Agreement". This
22 agreement is the result of the extensive negotiations
23 between the AEWC and oil and gas operators over more than
24 15 years, with no support from the U.S. Department of the
25 Interior or the MMS. In recent years, the AEWC, along

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1 with the NSB and the Inupiat Community of the Arctic
2 Slope (ICAS) has undertaken negotiations with oil and gas
3 operators to try to address adverse impacts of North
4 Slope oil and gas development, especially the OCS
5 activities, on our traditional subsistence culture and on
6 the physical and psychological well-being of our people.
7 This is work that falls squarely within the Secretary's
8 responsibility to protect "correlative rights) in the
9 natural resources of the Outer Continental Shelf. Not
10 withstanding this statutory responsibility and despite
11 repeated requests, MMS continues to refuse to provide
12 meaningful assistance to the AEWC, either through its
13 regulatory or its funding authority.

14 In fact, in AEWC's September 21, 2001
15 comments on MMS's Draft Proposed Oil and Gas Leasing
16 Program for 2002-2007, the AEWC specifically requested
17 that MMS include mitigation funding in its agency budget
18 to cover local mitigation costs under the new five-year
19 OCS leasing plan. MMS has informed AEWC that the agency
20 cannot do this. Furthermore, MMS representatives have
21 indicated that the agency considers itself to be "unable"
22 to provide this kind of support.

23 However, the Secretary has statutory
24 responsibility for protecting our people's interests in
25 our Beaufort Sea subsistence resources and for mitigating

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1 impacts to our community as a result of the OCS Leasing
2 Program. Furthermore, the Secretary has been instructed
3 by Congress to provide whatever measures "may be
4 necessary" to protect our interests and mitigate impacts
5 to our communities. Therefore, MMS is placing the
6 Secretary of the Interior in direct violation of the OCS
7 Lands Act by refusing to provide support for our
8 community and to work with us to address and mitigate the
9 adverse impacts of Beaufort Sea OCS oil and gas leasing
10 and permitting.

11 Conclusion.

12 The Alaska Eskimo Whaling Commission,
13 representing the bowhead whale subsistence whaling
14 captains from ten villages of Kaktovik, Nuiqsut, Barrow,
15 Wainwright, Point Hope, Kivalina, Wales, Little Diomede,
16 Savoonga and Gambell, opposes OCS Lease Sales 186, 195,
17 and 202 within the Beaufort Sea Planning Area due to the
18 current and potential adverse impacts to our bowhead
19 resource and our subsistence hunting. The AEWEC continues
20 to advise the MMS to heed the advice of the National OCS
21 Policy Committee with respect to the need to address the
22 fiscal issues raised and faced by our community.

23 Furthermore, the AEWEC insists that the
24 MMS to prepare a revised DEIS or a supplemental EIS to
25 address the issues raised in these comments and in the

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1 comments submitted by the north Slope Borough.

2 Finally, let me share a general
3 observation. MMS has an extensive environmental, social
4 and economic studies program. MMS interviews our people.
5 We see our traditional knowledge repeated in this and
6 other MMS environmental studies.

7 But even with all that dialogue and all
8 that purported understanding, MMS' decisions invariably
9 run counter to our interests. We are gratified to see a
10 cumulative effects analysis that pays attention to the
11 long-term harmful effects of OCS development on our
12 sociocultural systems, but we ask for meaningful
13 mitigation, not more words and studies, to address it.

14 We have shown that we need coastal impact
15 assistance. But MMS has not requested OCS mitigation
16 funding in its agency budget, though the agency assures
17 us that it has studied our way of life and needs.

18 MS combines three lease sales in one EIS,
19 allowing an expedited and inevitably less accurate review
20 of the impacts of these OCS lease sales on our hunt. It
21 does not comfort us to know that there are thousands of
22 pages of data on our culture when MMS sets up a process
23 calculated to expedite damage to our interests.

24 The message you have delivered is that
25 MMS, while claiming to know us by heart, chooses to

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1 refrain from making decisions that protect our way of
2 life.

3 Thank you for this opportunity to express
4 the views of the AEWC. I'd be happy to answer any
5 questions you may have.

6 MR. STANG: Okay. And Robert?

7 MR. SNYDAM: Good evening. My name is
8 Robert Snyder, I'm a wildlife biologist with the North
9 Slope Borough, Department of Wildlife Management. First
10 I'd like to say thank you to MMS for coming here today to
11 hear testimony about the Beaufort Sea lease sales. This
12 evening I would like to briefly talk about the mayor --
13 Mayor Ahmaogak's written testimony. I have a few
14 comments I would like to pass on to you from Craig
15 George, who's also a wildlife biologist with the North
16 Slope Borough, and then I have a few comments as well.

17 First of all, I won't read the Mayor's
18 testimony into the record, but I would certainly like to
19 reference it and make sure that it gets typed into the
20 record. You -- I understand you do have copies of his
21 testimony?

22 MR. KING: Yes, we do.

23 MR. STANG: We will assure you that that
24 will now become part of the record.

25 WRITTEN TESTIMONY BY MAYOR AHMAOGAK:

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1 I'd like to welcome the federal Minerals
2 Management Service officials who have traveled to Barrow
3 this evening. They have come to hear testimony from our
4 North Slope residents on their agency's draft
5 environmental impact statement for three proposed
6 Beaufort Sea Outer Continental Shelf oil and gas lease
7 sales. They will be traveling to Nuiqsut for a hearing
8 on Wednesday evening and to Kaktovik for a hearing on
9 Friday evening. MMS wants to hold one lease sale in
10 2003, one in 2005, and one in 2007. Each of the sales
11 would offer all unleased blocks in the same planning
12 area. Seven federal lease sales have been held in the
13 Beaufort Sea since 1979. This is the first time MMS has
14 published a single EIS covering more than one Beaufort
15 Sea sale. We appreciate the chance to once again tell
16 you what's on our minds, though if you've been paying
17 attention for the last 25 years, you would have a pretty
18 good idea of what you're going to hear tonight. You have
19 heard from us many times before, and from our people in
20 the affected villages. My comments tonight will be
21 somewhat general, and preliminary to more detailed
22 written comments we will submit by the close of the
23 comment period on September 20th. Our review of the
24 draft EIS is continuing, and we will consult with our
25 villages, the AEWC, tribes and others before finalizing

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1 our comments.

2 I'll be honest and say that I'm not
3 optimistic about our chances of convincing you to do the
4 right thing from our perspective concerning oil and gas
5 leasing in our Beaufort Sea. I've been mayor too long
6 and testified at too many of these hearings over the
7 years to expect that. You should not be leasing here, or
8 in the neighboring Chukchi Sea. While in many ways this
9 draft EIS seems better organized and more clearly written
10 than similar documents we have reviewed in the past, it
11 also seems in other alarming ways a step backward. MMS
12 appears ready to roll back some of the hard-fought
13 incremental positive steps we've taken during the
14 planning of the seven previous sales. I'll touch on
15 those points later. My comments tonight will be in two
16 general areas: First, I'll again highlight some general
17 process and policy concerns we have commented on before.
18 Second, I will address the failure of the draft EIS to
19 adequately respond to several points we raised during the
20 scoping phase of this review. I'll hold off pointing out
21 most specific concerns with the language and conclusions
22 of the document until we finish our analysis and provide
23 you with written comments.

24 Process and policy concerns. Leasing of
25 Arctic Waters.

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1 Our concerns have been the same ever
2 since the federal and state governments first considered
3 offshore oil and gas leasing in the Beaufort and Chukchi
4 Seas. We don't like it. We think it's a bad idea for
5 all kinds of reasons. Offshore leasing leads to offshore
6 exploration. Offshore exploration with minimal
7 environmental impacts is perhaps possible in many cases
8 with seasonal and other restrictions, but it leads to
9 offshore development and production,. Even if there are
10 no oil spills, production causes year-round impacts.
11 Industrial noise in the marine environment has altered
12 the distribution of bowhead whales and other subsistence
13 resources in the past. The subsistence harvest of
14 bowheads has defined our Inupiat culture forever. Our
15 communities have known hardship in the recent past when
16 industrial operations have put the whales out of the safe
17 reach of our hunters. Protection of the opportunity for
18 the Inupiat people to safely engage in the subsistence
19 hunt of bowhead whales and other marine species should
20 have the highest priority when governments are deciding
21 on the best use of the Beaufort and Chukchi Seas.

22 We are frustrated that most OCS planning
23 areas offshore of the Lower 48 states remain withdrawn
24 from consideration for leasing by Executive Order or
25 under a congressional moratorium. We do not think that

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1 these areas should be leased, but question why they are
2 off limits while the Beaufort Sea is not. MMS has
3 explained that several factors contribute to decisions
4 about offering areas for leasing. The final EIS for the
5 2002-2007 OCS Oil and Gas Leasing Program was published
6 in April. It says that these factors include not only
7 environmental concerns, but also oil and gas potential,
8 industry interest, and the views of the governors of
9 coastal states. (Page 5-12) Other factors that we
10 consider critical were not mentioned. Shouldn't it
11 matter that the prevailing conditions of an area limit
12 the ability to mitigate the potential risks of oil and
13 gas operations? And shouldn't a primary factor be the
14 views of the local residents who live adjacent to the
15 planning area and who will feel 100 percent of the
16 impacts of leasing? MMS continues to aggressively lease
17 in remote, highly sensitive, challenging, and vulnerable
18 arctic waters over the loud and continuous objections of
19 the local Native Inupiat population. We are the
20 population which bears all of the risks, and receives
21 very little of the benefit. At the same time all other
22 OCS planning areas except certain areas within the Gulf
23 of Mexico are withdrawn or deferred from leasing. This
24 raises significant questions of fundamental fairness and
25 environmental justice.

00060

1 These questions have not been adequately
2 addressed in the draft EIS or the five-year program final
3 EIS. All OCS planning areas should be considered in an
4 analysis of the equitable sharing of the benefits and
5 environmental risks of leasing, development, and
6 production. It is unfair that states adjacent to waters
7 under a moratorium from leasing still receive federal
8 8(g) payments from OCS revenues, while the Borough and
9 other local governments receive no direct payments, but
10 suffer the greatest impact from ongoing leasing and
11 industrial activity. Not weighing the potential
12 environmental and cultural risks against the potential
13 benefits of nationwide leasing choices is clear
14 environmental injustice.

15 And the unfairness keeps getting worse.
16 Adding insult to our ongoing injury was the President's
17 announcement at the end of May that the federal
18 government would spend \$235 million to buy back oil and
19 gas rights in the Everglades and in federal waters in the
20 eastern Gulf of Mexico off the Florida coast. Of the
21 total, \$120 million would go to three oil companies to
22 buy out offshore leases. Though not fully explored, the
23 offshore unit is believed to contain at least 700 billion
24 cubic feet of economically producible natural gas. The
25 President announced the deal with his brother , the

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1 Florida Governor, at his side. It's no surprise that the
2 popular moves to prevent oil and gas drilling are sure to
3 help Governor Bush's standing with environmentalists as
4 he seeks reelection this year. They also just happen to
5 boost support for the President in the state, which
6 decided his 2000 election. Speaking at the announcement,
7 Interior Secretary Norton said, "When it comes to energy
8 development on federal lands, each case must be evaluated
9 individually in cooperation with the people who live in

10 the area. IN this case, the amount of oil was relatively
11 small compared to the nation's overall energy needs, the
12 impact of development could be significant, and the
13 government and people of Florida supported this action."

14 All I can say is, where's the justice in
15 spending federal money to buy back Gulf of Mexico leases
16 containing 700 billion cubic feet of producible gas, and
17 continuing to offer oil leases in the Beaufort Sea?
18 We're the people who live in this area, and for more than
19 25 years we have told you that you shouldn't be leasing
20 here.

21 EIS process for Beaufort Sea Sales.
22 We are frustrated with MMS over the way
23 you deal with public input in your reviews. We are
24 always told that our concerns will be fully addressed
25 during some later review. We review the five-year

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1 leasing program, and are told that addressing our
2 concerns is premature at the program level. We review
3 individual lease sales under the five-year program, and
4 are told things will get worked out during a specific
5 project review because a lease stipulation requires
6 consultation. The Borough commented several times before
7 publication of the final EIS for the 2002-2007 OCS Oil
8 and Gas Leasing Program in April. At each step in the
9 process it seemed that MMS ignored the comments we
10 submitted at the preceding stage. These Beaufort Sea
11 sales will fall under the 2002-2007 Leasing Program, but
12 their review was started long before the leasing program
13 was finalized. In our comments on both the leasing
14 program and on this Beaufort Sea leasing proposal, the
15 North Slope Borough has strongly objected to the new
16 multiple sale review process. We believe that there
17 should be a full public process associated with each of
18 the three proposed sales. The public process and
19 consultation with the Borough, the AEWG, and the affected
20 communities, interested organizations, and general public
21 has improved with each of the past Beaufort Sea sales.
22 Improvement in the process has been slow over the years,
23 but has led to stronger mitigation measures and
24 appropriate area deferrals, and has stimulated necessary
25 scientific study.

00063

1 We continue to believe that any marginal
2 benefits in efficiency and reduction in burnout among MMS
3 authors realized by consolidating three sales in a single
4 EIS is outweighed by the reduction in public engagement
5 and MMS interaction with the directly affected North
6 Slope community. An EIS should be developed and a
7 Coastal Management Program Consistency Analysis should be
8 conducted for each sales. Both processes are valuable.
9 MMS officials should not find it burdensome to visit the
10 three most directly impacted communities of Barrow,
11 Nuiqsut, and Kaktovik for scoping meetings and for public
12 hearings for three lease sales in five years. And it
13 should be the highest MMS officials in Alaska who should
14 make those visits along with their staff to hear the
15 concerns of the community.

16 The draft EIS does not adequately answer
17 our concerns over this new process. It only says that
18 multiple-sale EIS's have been used for other areas. It
19 mentions the Gulf of Mexico and the NPR-A. There are
20 differences between those areas and the Beaufort Sea.
21 The Gulf of Mexico was highly industrialized long before
22 MMS used a multiple-sale EIS process for the region under
23 the last two five-year oil and gas leasing programs. The
24 2002-2007 Final EIS notes that "the Western and Central
25 Gulf of Mexico Planning Areas...are two of the most

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1 active offshore oil and gas areas in the world." (Page
2 3-42) Production has occurred there for many years, and
3 the issues raised during the public planning process are
4 fairly well understood. The Beaufort Sea is a frontier
5 area for the oil industry. The first production island
6 was just constructed, and oil only began flowing at the
7 end of October last year. Many issues remain unresolved,
8 and new pipeline, spill response, and other technologies
9 must be developed to cope with arctic conditions. Many
10 information gaps exist, and traditional knowledge and
11 western science do not always agree. The relationship of
12 Inupiat subsistence users to our marine environment and
13 our cultural, nutritional, and spiritual dependence on
14 its resources is very different from the commercial and
15 recreational relationship which the many Gulf of Mexico
16 users share with that environment, no matter how deep
17 their ties.

18 In the same way, onshore activities in
19 the NPR-A are following long-established patterns
20 developed and refined over three decades at Prudhoe Bay.
21 Still, because it was essentially a newly leased area
22 that had not been offered for many years, 79 mitigating
23 measures were attached to the Northeast NPR-A sale in
24 1999. You now want to cover three Beaufort Sea sales
25 with a single EIS, and only five assumed standard

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1 stipulations and 16 purely advisory clauses when there
2 continue to be many unknowns about the Beaufort Sea and
3 broad disagreements over potential impacts to many
4 resources and uses. The reasons and justifications given
5 for using a multiple-sale EIS for the Beaufort Sea just
6 aren't good enough.

7 Inadequate response to previous comments.
8 Area deferrals.

9 The North Slope Borough believes that
10 areas around Barrow, Kaktovik, and Cross Island
11 sufficient to protect vulnerable resources and the
12 subsistence harvest of bowhead whales and other species
13 should be deferred from leasing. The deferral
14 alternatives developed for the draft EIS don't get the
15 job done. They are inadequate and you have to some
16 extent issued data we provided to define them. At a
17 meeting with MMS Alaska Region Director John Goll in my
18 Barrow office in November, I agreed to work with the
19 Borough's Department of Wildlife Management and the AEWC
20 to release to MMS bowhead whale subsistence harvest
21 locations for the three Beaufort Sea whaling communities.
22 It was made very clear to MMS in subsequent written and
23 e-mail correspondence with members of my staff, and
24 acknowledged by Director Goll, that it would be
25 absolutely inappropriate to use the harvest locations

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1 alone to define either subsistence whaling zones or
2 appropriate deferral areas intended to protect
3 subsistence whaling opportunities. That, however, is
4 exactly what MMS has done in this draft EIS.

5 The data are primarily provided as one
6 tool to assist MMS in determining the appropriate extent
7 of an offshore area around the Nuiqsut subsistence
8 whaling base of Cross Island which should be considered
9 for exclusion or heightened protection in future Beaufort
10 Sea OCS oil and gas lease sales. Data were also provided
11 to help in refining previously identified deferral areas
12 offshore of Barrow and Kaktovik. I thought we had made
13 it clear to MMS prior to release of the information that
14 harvest data alone do not provide a true picture of the
15 entire zone utilized by and essential to subsistence
16 hunters in the successful harvest of bowhead whales
17 include staging areas for crews, supplies and harvested
18 product, areas of pursuit, routes used for the
19 transportation of crews, supplies and harvested whales
20 and whale product, and areas used for the processing of
21 harvested whales. Harvest data alone also do not define
22 the area east, or upstream of the full area utilized by
23 subsistence crews from Barrow, Nuiqsut, and Kaktovik
24 within which industrial disturbance would adversely
25 impact subsistence efforts. This distinction is

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1 important. To provide a reasonable chance of a
2 successful bowhead whale subsistence harvest, protection
3 must be provided to a combination of two areas. First,
4 there is clearly the area utilized directly by
5 subsistence whalers for all related purposes. Let's call
6 this the subsistence use area. Next, there's the area
7 east of the subsistence use area we can call the area of
8 influence. That's the area within which migrating whales
9 could be affected significantly enough by industrial
10 activities so that they are deflected beyond the
11 subsistence use area of are made more difficult to
12 harvest within the subsistence use area. These
13 qualifications must accompany any publication and use of
14 the harvest location data, and any conclusions drawn from
15 the data.

16 Let's start with the Barrow area.
17 Everyone should accept by now that the spring lead system
18 concentrates wildlife resources and is too valuable and
19 vulnerable to offer for lease and potential development.
20 The area is also a critical year-round subsistence use
21 area which extends farther offshore and to the east than
22 the spring lead system alone. It reaches at least to Cape
23 Halkett. Your own Stipulation 5 describes the timing and
24 area utilized by Barrow hunters for subsistence whaling
25 in the fall. It recognizes that occasional use may

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1 extend to Cape Halkett. As we have repeatedly stated,
2 this area should never be lease, and the Borough will
3 oppose the siting of any permanent industrial facilities
4 in the vicinity of the spring lead system, and within the
5 Barrow subsistence use area and area of influence east of
6 that. The permitting of any permanent facility or non-
7 winter exploratory operations in this area would be
8 inconsistent with the Borough's Land Management
9 Regulations (LMRs) and North Slope Borough Coastal
10 Management Program (NSBCMP).

11 The eastern Beaufort Sea is a similar
12 case. It is a feeding area for bowhead whales migrating
13 westward in the fall, and a use area for subsistence
14 hunters from the community of Kaktovik, Kaktovik hunters
15 take whales as they move westward through the waters
16 offshore of their community. In the past, fall
17 exploratory drilling operations occurring to the east of
18 that harvest zone have deflected whales beyond the reach
19 of subsistence hunters. The community suffered great
20 hardship, stress, anxiety, and depression when no whales
21 were taken for two consecutive seasons. That experience
22 would be evidence to support our opposition to any
23 drilling operation within Kaktovik's subsistence use area
24 or upstream area of influence proposed during the fall
25 whaling season. Such a proposal would be inconsistent

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1 with those provisions of our LMRs and the NSBCMP that
2 explicitly prohibit development which prevents
3 subsistence user access to a subsistence resource. You
4 have included two eastern Beaufort Sea deferrals as
5 Alternatives V and VI in the draft EIS. You did not
6 include as an alternative a deferral of all waters
7 offshore of ANWR. We believe you should have, and that
8 such an alternative would be preferable to Alternative
9 IV, Alternative V, or any combination of the two. Sale
10 170 did not offer the waters offshore of ANWR. In doing
11 that, MMS noted the lack of information on cumulative
12 impacts on the Refuge, insufficient information on
13 emergency response plans, and the inability to make
14 direct landfall with a subsea production pipeline. Those
15 problems still exist, and the deferral of all waters
16 offshore of ANWR is appropriate.

17 Nuiqsut's subsistence whaling base of
18 Cross Island presents a somewhat different case. A
19 deferral area should be established for the protection of
20 subsistence uses alone. The lease stipulation included
21 in Beaufort Sea Sale 170 prohibits the placement of
22 permanent facilities within a 10-mile zone around Cross
23 Island unless the lessee can demonstrate that such
24 facilities placed within the zone will not have a
25 significant impact on the subsistence harvest of bowhead

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1 whales. The 10-mile distance was chosen somewhat
2 arbitrarily after the community of Nuiqsut had requested
3 a zone 50 miles in radius. You've played with that
4 stipulation by breaking it into two parts in the draft
5 EIS. You've also included a Nuiqsut Subsistence Deferral
6 Area as Alternative IV. We acknowledge that a zone of 60
7 miles in all directions from Cross Island is perhaps too
8 large. WE also believe, however, that there should be
9 acceptance by all parties that 10 miles north and east of
10 Cross Island does not accurately define the full extent
11 of the area within which impacts on fall migrating
12 bowhead whales can disrupt the Nuiqsut subsistence hunt.
13 Again, your Stipulation 5 recognizes that Nuiqsut whalers
14 use an area extending east to Flaxman Island.

15 The Borough was pleased by the adoption
16 of the current lease stipulation. We believe MMS should
17 now be willing to consider the available harvest data as
18 a starting point in defining the actual extent of a zone
19 around Cross Island requiring heightened protection. A
20 new zone which includes the full subsistence use area
21 plus the upstream area of influence should be defined in
22 consultation with the AEWC, Nuiqsut, and the National
23 Marine Fisheries Service, and refined as noise monitoring
24 studies, including those associated with the British
25 Petroleum's Northstar Development Project, produce more

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1 accurate information on noise impacts to migrating
2 whales.

3 Potential effects.

4 The analysis of the potential effects of
5 leasing, exploration, and development in the EIS is
6 driven largely by the development scenarios used. What
7 makes no sense is the way MMS deals with the effects of
8 the various deferral alternatives within those scenarios.
9 MMS reaches a conclusion concerning the Barrow and two
10 Eastern Beaufort deferrals that really defies logic. The
11 draft EIS first finds that because these are far from
12 existing infrastructure, they are less likely to be
13 leased and developed. We agree. MMS then goes on to say
14 that because these areas are less likely to be leased and
15 developed, the consequences to resources and subsistence
16 harvest patterns with or without the deferrals would be
17 essentially the same. That's where we part company. The
18 implication of that analysis is that if there would
19 likely be no reduction in effects, but would be a
20 reduction in resource potential, why defer the areas?
21 That reasoning avoids the most critical question of what
22 effects there could be if the deferrals are not adopted
23 and leasing and development occurs in those areas. At
24 the heart of our desire to see these areas deferred is
25 the belief that if activities occur in these areas,

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1 impacts will be greatest compared with other blocks
2 within the Beaufort Sea planning area. A reduced
3 likelihood of activities
4 occurring in the far eastern or western portions of the
5 planning area does not mean that the effects would be
6 insignificant if exploration and development do take
7 place there.

8 A general flaw in the development
9 scenarios applied in the draft EIS is that they do not
10 consider the specific potential effects if one of the
11 projects predicted is located in a particularly sensitive
12 area. The very reason deferral areas are being discussed
13 is that all areas within the Beaufort Sea planning area
14 are not the same. Some contain resources which are more
15 concentrated or sensitive. In many cases, these areas
16 are also critical for subsistence. MMS should do impact
17 analyses of alternatives using scenarios, which place one
18 or more developments squarely within proposed deferral
19 areas. Then you will get at the issues most important to
20 the affected North Slope Inupiat community.

21 Cumulative Impacts.

22 The draft EIS significantly understands
23 the current and potential levels of cumulative impacts of
24 oil and gas activities on North Slope resources and
25 community residents. These proposed Beaufort Sea sales

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1 and the offshore and onshore operations that would follow
2 will not occur in isolation. More onshore exploration
3 took place on the North Slope this past winter than at
4 any time in decades. Development in the near term is
5 likely from Point Thomson on the border of ANWR in the
6 east to the National Petroleum Reserve-Alaska (NPR-A) in
7 the west. Companies are looking south to the foothills
8 of the Brooks Range. The Bureau of Land Management has
9 held a second northeast NPR-A lease sale, and expects to
10 offer a northwest area twice that size next year. MMS
11 and other state and federal leasing agencies are moving
12 ahead with their plans without a good handle on the
13 cumulative impacts of all of this on the environment,
14 wildlife resources, and residents of the North Slope.
15 Serious cumulative impacts have already occurred, and are
16 certain to increase. MMS should acknowledge and describe
17 that.

18 The issue of cumulative impacts of oil
19 and gas activities on the North Slope is being studied by
20 a committee of the National Research Council. Its report
21 due out this year. MMS should acknowledge the importance
22 of the committee's work and agree to put forth
23 appropriate effort and funds to see that any
24 recommendations offered in its report are acted upon.
25 This EIS should be modified as appropriate to reflect the

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1 Committee's findings.

2 The Borough and the people of the North
3 Slope are the only ones now dealing with and paying for
4 these impacts. We believe that through past Beaufort Sea
5 lease sales, and continuing today, MMS has failed to
6 meaningfully follow the intent of the OCS Lands Act with
7 respect to the study of all effects of OCS leasing,
8 exploration and development on the social, economic and
9 cultural systems of the North Slope. We provide
10 subsistence abuse treatment, counseling, public
11 assistance, crisis lines and shelters, and other social
12 service programs. We provide the search and rescue
13 services, which must respond when hunters put themselves
14 at risk in the pursuit of scarce or less accessible game
15 deflected from normal migration paths. We provide the
16 police force, which must respond to all of the kinds of
17 unfortunate situations which arise when people and entire
18 communities are subjected to long-term and persistent
19 stress. We provide the biologists, planners, and other
20 specialists who review and offer recommendations on the
21 staggering volume of lease sale, exploration plan, and
22 development project documents which are produced and
23 distributed each year. We must absorb the ever-
24 increasing expense of travel to Fairbanks, Anchorage,
25 Juneau, Seattle, and Washington, D.C. where the agencies

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1 conduct most of their work and make most of their
2 decisions. Travel to our own remote villages has greatly
3 increased as areas under oil and gas leasing continue to
4 expand. We again ask that the EIS provide a detailed
5 description of ongoing costs borne by the Borough and
6 other local entities as a direct or indirect result of
7 OCS leasing, exploration, and development. That analysis
8 should include the budgetary effects on the Borough,
9 community, and tribal governments of attempting to fully
10 participate in OCS review and planning processes. That
11 information should be a necessary component of your
12 impact assessment, and would serve as a means of
13 identifying an appropriate level of impact assistance,
14 which should accompany any continued OCS leasing.

15 Conclusion

16 In conclusion, I'll add that even at this
17 early point in our review of the DEIS, we have noticed
18 many of the same problems we have seen in previous MMS
19 documents. Analysis seems biased in favor of leasing.
20 Impacts, and especially cumulative impacts, are
21 understated. The potential impacts of vessel and
22 aircraft traffic are all but dismissed. Figures given
23 for "trips" should really be doubled to reflect that they
24 are actually round trips and involve two passes between
25 shore and drilling structures. The issue of increased

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1 skittishness of bowhead whales following exposure to
2 industrial noise is not adequately addressed. The
3 difficulties and delays due to weather, distance, and
4 other factors in responding to oil spills in the more
5 remote reaches of the planning area are not adequately
6 discussed. The significance, value, and vulnerability of
7 the traditional subsistence culture is not given
8 appropriate weight in balancing its protection against
9 the risks of leasing. After all these years of listening
10 to us, MMS just doesn't seem to fully understand how hard
11 it is to be successful at subsistence in this
12 environment; how many things you have to do right, how
13 many things out of your control have to go right, and how
14 little it takes to cost you your harvest of your safety.
15 Once again, it seems that traditional knowledge is
16 included in the document, but does not contribute to your
17 analysis or conclusions.

18 I thank you for coming tonight, and
19 encourage you to listen closely to what you hear in
20 Barrow and when you travel to the villages. We will
21 provide more detailed written comments at a later date.
22 You are going to have your lease sale I think. But I
23 also think you should defer the areas most important to
24 the people who will be most impacted, honestly talk about
25 the impacts which have occurred and will occur, and use

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1 strong mitigating measures to protect resources in the
2 areas you do lease.

3 MR. SNYDAM: Thank you very much. I
4 would like to highlight a couple things that the Mayor
5 has written in his testimony. First of all, again his
6 thanks for coming here to hold a public hearing, to hear
7 testimony about the lease sales in the Beaufort Sea.
8 Probably the most important thing I would like to pass on
9 from the Mayor's testimony though is the North Slope
10 Borough's position that there shouldn't be any lease
11 sales that are occurring in the Beaufort Sea, that it's
12 an inappropriate place to lease. It's an inappropriate
13 place to explore for oil, and it's an inappropriate place
14 to develop oil fields.

15 And there are lots of different reasons
16 for this that the Mayor has highlighted in his testimony.
17 Among the important ones is that if an oil spill were to
18 occur in the Beaufort Sea, the ability of Industry and
19 agencies to clean up the oil spills is very low, that the
20 technology isn't there to clean up an oil spill. And
21 there are other issues related to noise and disturbance
22 to bowhead whales and to other marine animals that are
23 also of great concern to the people of the North Slope
24 Borough.

25 Another issue that the Mayor points out

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1 has to do with something that recently has happened in
2 Florida where the Federal Government has purchased, has
3 bought back lease sales occurring in the Gulf of Mexico,
4 off the Florida coast. And during that buy-back process,
5 Interior Secretary Gail Norton is quoted as saying, when
6 it comes to energy development and federal lands, each
7 case must be evaluated individually in cooperation with
8 the people who live in the area. In this case, the
9 amount of oil was relatively small compared to the
10 Nation's, excuse me, overall energy needs. The impact of
11 development could be significant, and the Government and
12 people of Florida supported this action.

13 That applies much more so to the Beaufort
14 Sea than to the Florida coast. For years and years and
15 years, maybe decades now, the people here have been
16 saying the Beaufort Sea and the Chukchi Seas are
17 inappropriate places to lease, that the technology isn't
18 there to clean it up, the habitats are very -- are at
19 risk because of noise and because of oil. And if the
20 federal government is taking this approach in Florida,
21 then they sure should be taking that same approach here
22 in Alaska as well. The people here do not want
23 development, do not want exploration in the Beaufort Sea.

24 There are many other topics in the
25 Mayor's letter that I won't read, but I'm glad that it

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1 will be entered into the record and we look forward to
2 the response by MMS in the final EIS.

3 Craig George is a wildlife biologist with
4 the North Slope Borough. One of his primary
5 responsibilities is to study bowhead whales, and Craig
6 has been involved in bowhead whale studies since the late
7 1970s, and so he's certainly one of the world's leading
8 experts, one of the most knowledgeable people on bowhead
9 whales in the world. And he has a couple of comments
10 about leasing in the Beaufort Sea related to bowhead
11 whales.

12 One of the first comments that both he
13 and I would like to make have to do with the hunting
14 deferral areas that were put into the lease sale, into
15 the draft EIS. Several years ago, a year and a half, two
16 years ago, there was discussions of the North Slope
17 Borough and Alaska Eskimo Whaling Commission providing
18 the locations of strikes and landed whales in the
19 Beaufort, particularly for Kaktovik, Nuiqsut and Barrow.
20 When those data were handed over to the MMS, we asked
21 that the data be used with great caution, that the
22 deferral area shouldn't be just where those points --
23 where those whales were hunted, but the hunting area was
24 much, much greater than that. The area around those
25 landed whales was as important as the area where the

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1 whale was caught, so there was a great need to interpret
2 those data with great caution. Unfortunately MMS used
3 the data exactly like we feared they would, that a line
4 was drawn around the points where whales were landed and
5 saying these are the areas that should be deferred. And
6 again, the areas are much, much greater that are
7 important. The areas that are important for the whaling
8 crews in Barrow, Nuiqsut, and Kaktovik and the area
9 that's used to catch whales is as important as the areas
10 where actually the whales are landed. So we hope that
11 these data can be changed and the interpretation of the
12 data changed, and that the hunting areas can be used as
13 deferral areas for these lease sales. That's again the
14 areas that the hunters use are as important as the
15 locations where the whales are actually caught.

16 Seismic activity has always been a
17 concern with oil and gas exploration in the Beaufort Sea.
18 Many years hunters here, elders here has told the MMS,
19 those people have told the MMS that seismic activity and
20 noise in the ocean creates a great disturbance to whales.
21 The distance at which whales are disturbed by this noise,
22 at first we were saying, oh, it's only a short distance,
23 and the hunters and the elders said, no, no, it's much,
24 much greater. It took years and years and years for the
25 science to finally tell -- to say the same thing that the

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1 elders were saying. And so we're pleased that the
2 elders' knowledge has finally been verified by science.
3 But there's some additional science that
4 has recently been reported on from Russia that also talks
5 about seismic activity and how seismic activity displaces
6 whales, and Craig asked me to talk a little bit about
7 that this evening. Some recent work by an individual
8 named David Weller and his colleagues on the Western
9 Pacific stock of grey whales near Sahklene Island
10 suggests that whales can be displaced from important and
11 preferred feeding areas, and that this -- that they can
12 be disturbed by seismic, and they can be moved away from

13 areas. So David Weller's work showed that whales
14 occurred in an area and fed in this area heavily, and
15 then as soon as seismic ships moved in and seismic work
16 occurred, that the whales moved away 30 kilometers and
17 fed in another area, or attempted to feed in another area
18 while the seismic activity was occurring. After the
19 seismic activity stopped, the whales returned to this
20 area that they preferred for feeding. So this is just
21 additional data to show that whales are disturbed
22 dramatically by seismic activity. We hope that this
23 study will be used by MMS again to show that seismic
24 activity has a big impact on bowhead whales -- has a big
25 impact on whales, and likely bowhead whales are

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1 responding similarly to grey whales.
2 The next topic that Craig asked me to
3 talk about was the Science Advisory Committee of the
4 North Slope Borough is in the process of planning a
5 thorough review of the statistical techniques and data
6 basis that have been used to estimate oil spill
7 probabilities, that we don't have great confidence in the
8 oil spill probabilities that have been presented to us by
9 the Federal Government, and so we feel like it's
10 important to evaluate both the data sets that are being
11 used as well as the statistical techniques that are used
12 to estimate what the probabilities of oil spills will be.
13 So that review will be ongoing, and hopefully will be
14 available in the not too distant future for MMS to
15 evaluate and hopefully incorporate into lease sales in
16 the future.

17 The next topic that Craig asked me to
18 talk about was a similar species to bowhead whales, and
19 that's the right whales. The North Atlantic right whales
20 are critically endangered. There's only a few hundred of
21 them, probably 300 of them. They occur in an area where
22 there's a considerable amount of industrial activity,
23 lots of boat traffic. There's also a considerable amount
24 of fishing activity and tourist traffic. One of the
25 greatest threats to the North Atlantic right whale are

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1 these vessels in their habitat. Boats striking adults,
2 boats are striking calves. Fishing gear is -- the whales
3 are becoming entangled in fishing gear and this group of
4 whales, this population of whales isn't growing, and in
5 fact it's probably declining. We feel that this is a
6 good model for what could occur here in the Beaufort Sea,
7 or in the habitat of bowhead whales as well. If ice
8 continues to shrink, and if traffic, vessel traffic
9 increases, we've seen a dramatic increase in vessel
10 traffic here in the last few years. There are many
11 icebreakers here, industrial activity boats, tourist
12 ships, fishing ships potentially, and if this continues,
13 bowhead whales could be in a very similar place to right
14 whales, but this activity could definitely negatively
15 impact -- negatively impact bowhead whales.

16 The last topic Craig asked me to talk
17 about was about habitat protection. Craig says as all
18 good hunters know and understand, hunting removals or the
19 animals that are taken by hunters are sustainable only if
20 the habitat remains intact. That the habitat must be in
21 good shape in order for whales to continue to live
22 successfully, to continue to reproduce, continue to be
23 here for the people that have relied on them for
24 centuries, and so we ask that the habitat be protected in
25 the Beaufort Sea. The Beaufort Sea is an important area

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1 for bowhead whales for feeding, and, of course, they
2 migrate through the Beaufort Sea two times a year, and
3 thus are vulnerable to impacts from oil exploration and
4 oil development within the Beaufort Sea.

5 And, finally, as my responsibility, or
6 some of my responsibilities with the North Slope Borough
7 include the study of birds and beluga whales, and so I
8 would like to briefly make a few comments on birds and
9 belugas. The draft EIS I don't feel does an adequate job
10 of dealing with birds in particular. And of the
11 waterfowl species that are important up here, eiders is
12 especially an issue that the EIS does not deal with
13 appropriately. Eiders are an important subsistence
14 resource for the people here in the North Slope. They're
15 hunted in the springtime during spring migration, and
16 then they're hunted again in the falltime during the molt
17 or the fall migration. The two species of eiders that
18 are most important here are the king and the common
19 eider, and both of these populations have declined by
20 about 50 percent in the last 20 or 25 years.

21 The EIS, the draft EIS, deals with eiders
22 not from a migration standpoint typically, but more from
23 a resident's standpoint. It often says that eider
24 populations are in low densities, and that's probably
25 true during most of the season, but when the eiders are

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1 migrating through, they're in extremely high densities.
2 As an example, migration account occurred -- a migration
3 count that occurred here in Barrow back in the 1970s, the
4 two researches that were counting the birds estimated
5 that 360,000 eiders passed in the 10-hour period with the
6 peak passage within that 10 hours of 113,000 eiders in a
7 half an hour. You can see that the densities of birds
8 during migration isn't low. I mean, it's exceedingly
9 high, so if oil exploration, if oil development occurs in
10 an area where the peak passages of eiders occur, a large
11 number of eiders risk more -- risk being killed or
12 injured by this activity. Now, how could that occur?
13 One way is through collisions with structures. The draft
14 EIS says that mortality from collisions with structures
15 is likely low, because eiders and other seabirds, sea
16 ducks are at low density. Like I just stated, that
17 that's not true. They can be at incredibly high
18 densities. As is seen in North Star, and the
19 development's already in offshore areas and OCS areas as
20 well as state offshore, eiders have been seen -- eiders
21 have hit the structures and died. So with more
22 structures in the Beaufort Sea, this adds an incredible
23 risk to the eiders. A large number of eiders could be
24 killed in a short period of time just by physically
25 striking structures. So the draft EIS has again not

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1 adequately evaluated the potential impacts of structures
2 to migrating eiders or other seabirds.
3 The draft EIS also states that there is
4 likely sufficient time between lease sales for regional
5 bird populations to recover from the minor effects that
6 may result from each sale. And I would like to state
7 that this is absolutely not true, that eider populations
8 in particular are declining. If there's any added
9 mortality at all, it means that it steepens the decline.
10 So no matter how much time may occur between sales, it's
11 impossible for eider populations to recover because of a
12 lease sale, no matter how much time occurs. Okay. There
13 cannot be enough time for recovery if the population is
14 declining anyway.
15 Additionally, eiders live long lives, and
16 they have low reproductive success on an annual basis,
17 and so they're adapted for the arctic environment to live
18 long and produce very few young, which means that if a
19 population declines, it takes a long time to recover. So
20 again the EIS doesn't do a satisfactory job of dealing
21 with recoveries for eiders, especially because the eider
22 populations are declining.
23 I'd also like to say that eiders are at
24 great risk to oil spills and other discharges within the
25 Beaufort Sea. The draft EIS says staging and migrating

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1 flocks are generally dispersed, and thus would not
2 necessarily occur in the vicinity of clean-up activity in
3 the event of a spill. But on the same page of the draft
4 EIS, the MMS states that migrating birds can occur in
5 relatively large densities and that losses could be
6 substantial. So on one hand it's saying there's not an
7 impact, and then on the other hand it's saying it could
8 be a huge impact, and I would agree with the latter
9 statement that an oil spill has a potential to kill lots
10 of eiders in a short period of time.

11 And finally I'd like to make a couple of
12 comments about beluga whales, that there are two stocks
13 of beluga whales that occur within the Beaufort Sea.
14 There's a population of belugas that migrates in the
15 springtime past western Alaska, past Barrow and across
16 northern Alaska to Canada, the eastern Beaufort Sea
17 stock. That stock is doing really -- relatively well,
18 really well. It probably numbers 100,000 animals, even
19 though scientists now say there's probably only about
20 30,000 animals, that many people off the record say that
21 there are probably 100,000 animals in that stock. So
22 it's doing well. But all of those belugas, almost all
23 those belugas migrate across the shelf break when they
24 return to the Bering Sea for wintertime, so those belugas
25 are at risk, and the draft EIS recognizes that stock.

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1 There's another group of belugas however
2 that the draft EIS doesn't do a very good job of
3 recognizing exists, and that's the eastern Chukchi Sea
4 stock. Over the last six or seven years, we've attached
5 satellite transmitters to these belugas, and we've
6 learned a great deal about their movements and their
7 distribution. And we were actually quite surprised when
8 many of the belugas that we've tagged ended up in the
9 Beaufort Sea and spent the summer in the Beaufort Sea,
10 some as far east as Canada. So the eastern Chukchi Sea
11 stock is also at risk to offshore oil exploration and
12 development. And those belugas from the eastern Chukchi
13 Sea, there are many people that depend upon those
14 belugas, and so any activity in the Beaufort Sea could
15 negatively impact people in Point Lay that depend on
16 these belugas in particular, and potentially the people
17 in Kotzebue as well.

18 Also the draft EIS makes a statement
19 about beluga whales and helicopter traffic. The
20 statement in the draft EIS says some beluga and grey
21 whales might be diverted by helicopter noise up to 100
22 meters away, and it cites Richardson, et al., 1995. It's
23 not exactly clear what this means. What does it mean,
24 helicopter noise up to 100 meters away. Is that a 100
25 meters laterally? Is it 100 vertically? It's not clear.

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1 But when I went back and read Richardson, et al., they
2 actually state the belugas are often disturbed by
3 helicopter noise when the helicopter is less than 250
4 meters laterally, and 460 meters in elevation. Okay. So
5 it's not belugas might be diverted with helicopter noise
6 up to 100 meters away, but it's a lot greater distance
7 than that. So the EIS way understates what the data say.
8 There could be a huge and likely would be a huge
9 disturbance to belugas.

10 The other thing that I'd like to point
11 out is that when Richardson did his study, he did it here
12 in Barrow, and he was looking at bowhead and beluga
13 whales. There are no grey whales within a long distance
14 of where he was doing the study. So I'm not sure how the
15 draft EIS came up to say that grey whales may be diverted
16 by helicopter noise at that certain level. So the draft

17 EIS again in this case needs to be cleaned up
18 tremendously to reflect actually what the reference says.

19 We have only begun to review the draft
20 EIS, and the North Slope Borough will definitely provide
21 extensive written comments on many aspects of the EIS,
22 and we will have those to you by the deadline I believe
23 is September sometime, is.....

24 MR. STANG: The 20th.

25 MR. KING: 20th.

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1 MR. SNYDAM: So thank you again for the
2 opportunity to comment tonight, and I hope that the
3 comments that you receive, both testimony in public
4 hearings here and in the other villages, as well as the
5 written comments that you receive from the North Slope
6 Borough as well as other residents of the North Slope.
7 We hope that MMS can adequately address those and adjust
8 the EIS accordingly. Thank you again.

9 MR. STANG: Okay. Thank you, Robert.
10 Todd, you had mentioned you wanted to testify. Would
11 this be a good time for you?

12 MR. O'HARA: Sure. I kind of think I'm
13 the youngest in the crowd, so I (indiscernible, away from
14 microphone) elderly (indiscernible - away from
15 microphone). That's really a microphone?

16 REPORTER: It is.

17 MR. O'HARA: Wow. My name is Todd
18 O'Hara. I'm a resident of Barrow, Alaska, and I also
19 work for the Department of Wildlife Management. I'm
20 speaking both I guess on behalf of the North Slope
21 Borough, and as myself. Robert gave you a good
22 introduction to some of the concerns we have related to
23 wildlife and their habitat, so I'll just second what he
24 said for Craig and on his behalf, too. We feel very
25 strongly about that.

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1 So I'll follow up with some comments
2 about the bowhead whale and the feeding areas, and the
3 known feeding areas that exist within the lease sale
4 area. We have overwhelming evidence in our opinion
5 that's published as well as in reports and based on
6 observations of scientists and hunters, that when we look
7 at stomach contents, tissue chemistry, direct observation
8 of the whales, and just basic common sense, this is an
9 important feeding area between the border with Canada and
10 Barrow. And the fact that this seems to enter some kind
11 of debate is always interesting for us when it's so
12 apparent. And so if it's ever confusing to you, please
13 contact us. We'll be glad to share the reports with you.
14 It's in the published literature as well as in a variety
15 of reports that have been produced by federal agencies as
16 well as the Borough, so I would encourage you to be more
17 careful in describing it as a feeding area.

18 So then if we acknowledge it as a feeding
19 area, which it is, how will the noise and the increased
20 traffic that Robert was talking about affect the use of
21 this area when it comes to feeding? We're very concerned
22 about that. We know that MMS sponsored a study off of
23 Kaktovik to address this, but I would encourage you that
24 there's probably feeding areas equally or if not more
25 important to the west of Kaktovik as well, and

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1 displacement from the feeding area, or changes in
2 behavior in the feeding area, whether it's residence
3 time, actual time feeding, we think it's very important,
4 because the bottom line is we think the whales in the
5 fall are in better condition than they are in the spring.
6 We have evidence for this working with various
7 universities on looking at the body condition of whales.
8 This has been recently put out in a report of a workshop
9 we held here in October of last year, so I would hope and
10 encourage you to contact us about that. So the feeding
11 area I think is something that you have addressed, but
12 unfortunately it's probably very focal, and doesn't
13 include the whole lease sale area, and I understand your
14 spatial problems, especially with the massiveness of this
15 area, and I think we need to be more aware of the feeding
16 areas along that entire lease sale area.

17 Now I'd like to talk to you about
18 hydrocarbons. I'm a toxicologist and I'll approach this
19 from a variety of perspectives, that a lot of people talk
20 about spills, and, of course, we're interested in the
21 spill, because it can affect the health of the animal,
22 but also it can affect the quality and palatability of
23 food. And I think the last component there, palatability
24 of food is often missed. So I had a question for MMS, is
25 do we know current background concentrations in the many

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1 subsistence species from Canada to Barrow? In other
2 words, do we know before they start producing oil, which
3 they already are, what the levels, concentrations are in
4 the various tissues and body components we'd be
5 interested in? Those that are edible, for instance, for
6 subsistence users, and also those components that would
7 be important to the animal like their stomach contents or
8 what they're exposed to in their eyes or in their lungs.
9 The answer is no. And there is a program trying to
10 address this, but it's not accomplishing its mission, and
11 we can talk about that later.

12 Without the proper background data, I'm
13 wondering how we'll be able to defend ourselves in court
14 if it comes to a damage assessment. I don't think we
15 will be able to. I think right now we're crippled in
16 that regard, that we don't have the proper data, if there
17 is a spill, to go and show that levels have changed if
18 they actually have, because the proper background doesn't
19 exist.

20 So if a spill occurs, what can we expect
21 from the communities as far as response? One that
22 worries me is unwarranted avoidance of subsistence foods
23 due to fear or poor taste, that palatability issue. I'm
24 afraid that this has already been documented in Alaska
25 with other spills, and I think this is something that is

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1 usually understated in these EIS's or the concerns about
2 what would happen in the face of a spill, is that the
3 community response can be rather large when there's maybe
4 an unwarranted reason. And if we were planning ahead, we
5 might be able to offset that unfortunate avoidance
6 response. This has been documented in many native
7 communities in North America, Canada and U.S.

8 And then we already mentioned the concern
9 about the health and -- of the wildlife, and, of course,
10 this is direct toxicoses, and the information on that is
11 practically nonexistent for arctic species. However,
12 that lack seems to always translate into no effect in
13 many of these EIS's, and I'd urge you to say in the
14 absence of data, not to be so flippant with no effects in
15 many of these species, especially when the studies have
16 been conducted on animal models that are not ice-adapted
17 species. We do not know how these animals will respond
18 to an oil spill. And we know that one of the responses
19 could be very dramatic, and as Robert pointed out, many
20 of these animals are endangered, and that heightens our
21 concerns.

22 So I would appreciate it in the absence
23 of data that we're careful in extrapolations and flippant
24 comments in EIS's about no effect on the animals.

25 Then if there is a spill, which we hope

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1 won't occur, my next major concern is how will we collect
2 data from these potentially impacted wildlife in the
3 legal context of the response. That is, now there will
4 be higher scrutiny because it will become a legal issue,
5 and data collection becomes extremely difficult. Just to
6 conduct good science up here is logistically difficult,
7 now to face the requirements of lawyers and judges, it
8 would probably be impossible to accomplish, and I refer
9 you to things like chain of custody. How in the world
10 will we be able to respond to stranded animals whether
11 alive or dead and maintain the rigors of sampling and
12 datum quality here in the arctic? I don't think that's
13 been properly addressed. And to be quite honest, we sit
14 on some of the MMS boards that review studies, and the
15 scientists there have great difficulty with quality
16 assurance, quality control and chain of custody working
17 in the arctic, so I think that's something we need to be
18 very serious -- think very seriously about is how will we
19 compete, or how will we be well represented in the legal
20 system if a spill was to occur and we wanted to determine
21 if damages were apparent or not. And I also advise you
22 to think about these would be live and dead animals.
23 There are no rehabilitation centers up here. There's no
24 skilled volunteer group to go out and work with live
25 animals like you might have in California, for instance.

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1 We do have skilled hunters, so examining some of these
2 animals, if we had that in place, might work for the dead
3 animals.

4 So with respect to hydrocarbons, I've
5 mentioned many concerns that I think are legitimate if
6 there's going to be much more activity offshore with
7 production of oil.

8 We are aware of the ANIMIDA Program, and
9 we've talked to some of you about it before, and
10 unfortunately we feel it's not adequately addressing many
11 of these issues. Some of the issues they are addressing
12 in a rather good, scientific manner, but other components
13 of the ANIMIDA Program have fallen well short of their
14 goal, and quite frankly it left a void in your program.
15 And we hope that that can be remedied, but right now here
16 you are with an EIS, and this void exists. And we've
17 been giving comments to you about ANIMIDA for the past
18 two or three years, and unfortunately we think that the
19 MMS and the contractors have fell short on the objectives
20 of that ANIMIDA Program.

21 I also want to thank you for coming up
22 here and for taking our comments seriously, and we very
23 much want to help you in the process, and as has been
24 pointed out by others, we are overwhelmed by the number
25 of EIS's and responsibilities placed on the Borough

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1 Government, and when you think about impacts, think about
2 the meeting as an impact, and the demand on our resources
3 here, whether it's personnel, financial and data, and how
4 much that is actually worth, and that that's mostly being
5 supported by the Borough. And we do get some federal
6 funding from various federal programs and agencies, but
7 the majority of this is the responsibility and only would
8 result from the Borough. Thank you for coming up, and I
9 hope you understand how important wildlife are here
10 between Barrow and Canada. Thank you.

11 MR. STANG: Thank you, Todd. Thank you
12 very much. If I make one comment here, part of the
13 reason for -- on your last point, part of the reason for
14 a single environmental impact statement for the three
15 sales is that very issue you raise with having to review
16 environmental impact statements when one would be very
17 similar to the next, and so that's why we're doing one
18 multiple sale EIS for the three sales, and then we will
19 do environmental assessments, and if necessary
20 supplemental EIS's for the second and third sales. Thank
21 you. Charles?

22 MR. HOPSON: Yeah, Charles Hopson again
23 from Barrow. I had testimony earlier, I just want to add
24 on that what the doctor said. I had mentioned the
25 feeding area earlier on your map up there, and we need to

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1 also -- you need to also plot where the feeding area on
2 the pink might be, like the deferral for the Barrow,
3 Nuiqsut, Kaktovik. You need to identify those, because,
4 you know, those are some of the -- you know, the feeding
5 areas for the whales that Doc had mentioned. I had
6 mentioned that earlier, too. You need to plot those on
7 there. I think when you look at the map up there that
8 would be about maybe 50 to 70 percent of the pink area
9 that you have up there. I don't know. We need to
10 identify those and put them on there, not just, you know,
11 leave the whole thing, you know. That was just some
12 follow-up that I had mentioned earlier.

13 MR. STANG: Okay. Thank you very much.
14 Okay. Would anybody else like to provide some testimony
15 at this time? Or anybody have any questions or
16 observations that they'd like to make or ask?

17 UNIDENTIFIED VOICE: How big or what is
18 the 30 kilo -- I had a question for one of you scientist.
19 30 kilometers is how many miles? What is that?

20 UNIDENTIFIED VOICE: About 17 or 18
21 miles.

22 UNIDENTIFIED VOICE: Seventeen or 18
23 miles, okay.

24 MR. STANG: Okay. Please.

25 MR. TEGOSEAK: Good evening. My name is

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1 Bill Tegoseak. I'm a life-long resident of the Village
2 of Barrow. This evening I came to represent myself
3 rather than any organizations that I either worked with
4 or have had any association with, and I see right now I'm
5 somewhat in a precarious situation, because we met in
6 similar or identical situations so often that, Paul, you
7 and I know each other, and Albert, and we've become
8 pretty good friends over the years.

9 I'm sure that you've -- if you met with
10 members of the whaling crews from Barrow this afternoon,
11 that gives you a pretty good indication of the mood of
12 the native people here in terms of their association with
13 the Arctic Ocean. The native people here are
14 historically tied to this ocean. They've lived in this
15 region, we have, for a minimum of 5,000 years. We've
16 seen many changes, but until the most recent past, we
17 have always depended on the resources of the land and the
18 ocean for survival.

19 I feel somewhat ill at ease to be talking
20 with you on so many different occasions, particularly
21 when the Minerals Management Service has already heard
22 the mood of the native people, the interest that they
23 have in the health of the land and the ocean, the natural
24 resources we have always depended on for survival.
25 Tonight I certainly wish that all of you representing the

00100

1 United States Government realized that this land, this
2 ocean where you're at, or where you propose to drill is
3 the last battlefield for American Indian environmental
4 justice. There's been many wrong things that have
5 happened in the history of the United States in terms of
6 the treatment the American Indian has endured from the
7 East Coast to the West. And you also realize the change
8 in the lifestyles, the health of the lands and the air as
9 America from the East Coast began industrialization to
10 the West Coast, and then you are finally here at the top
11 of the world.

12 The intent of the industry is to withdraw
13 from the oceans fossil fuels to continue to provide the
14 resources necessary for industrialization to continue,
15 and in doing so, there's always been an increase in
16 environmental health wherever industry has turned to
17 fossil fuels for the sake of gaining a few dollars.

18 Today I came here to speak to each of you
19 as an individual as I mentioned, because there has been
20 so much decimation of Indian lands in the Lower 48, not
21 only Indian lands, but also the American Indian. Here
22 you cannot say at this point in time with your intent to
23 industrialize the Arctic Ocean that you have in any way
24 improved the lifestyles of those people and those tribal
25 governments which have been here for the 5,000 years of

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1 our history. Other people have gained. Other
2 organizations here in Barrow have gained, but our people
3 continue to suffer poor health, poor housing, poor
4 education. These things must be addressed if our
5 relationship is to improve at all, because you have not
6 given one red cent to the people that lived here before
7 anybody else was here. My people's lives are changing,
8 and for once if drilling in the Arctic Ocean, out here in
9 front of this village occurs, there is a catastrophe.
10 You have no proven clean-up technology to stop a major
11 catastrophe, nor does oil industry or the United States
12 Government have any type of monetary agreement for the
13 damage that will eventually occur simply because anything
14 that's manmade is bound to fail. And industrialization
15 out in this ocean causes a tremendous amount of jeopardy,
16 not only to the natural resources we depend on, but also
17 the culture of those that depend on the natural resource.

18

19 I know I could sit here and speak for a
20 length of time, but this is the message I want to bring
21 across. You are making changes to the lifestyles of the
22 native people here already, but not at one point have you
23 offered anything in return for the natural resources that
24 you have taken from underground from this place where we
25 have lived and depended on the marine mammals, the land

00102

1 fast animals, the ducks and the fish. There will be
2 damage, but I don't see how in the major -- in the event
3 of a major spill that you will be able to respond and say
4 that because we have a permit, it's okay, and maybe we'll
5 clean up some of this stuff that might come up on the
6 shores. You see what's happened with the Prince William
7 Sound. The only cleanup happened there was the topsoil.
8 The damage is still right under the beaches of Prince
9 William Sound. We need to take a closer look, at least
10 the United States Government needs to take a closer look
11 as to whether or not technology exists to be able to
12 respond to a catastrophe here which is bound to occur.
13 Thank you.

14 MR. STANG: Thank you very much, Bill, I
15 appreciate that. Okay. Anyone else who would like to
16 make a statement or anybody else have a question or
17 something they'd like to bring up?

18 MR. HOPSON: Bill just mentioned money
19 earlier, can we get our \$50 million for a research lab up
20 here? They don't mention (indiscernible) taking money,
21 (indiscernible) would be a good time to (indiscernible).

22 MR. STANG: Okay. We'll keep that as a
23 note and the tie between those two testimonies. Anyone
24 else who would like to make a statement of say something?

25 MR. KING: Go ahead.

00103

1 MR. STANG: Yes, please.
2 MR. BJORNSTED: Thank you.
3 MR. STANG: Just be sure to give your
4 name and affiliation if you would, please?
5 MR. BJORNSTED: My name is Neil
6 Bjornsted. I'm with the Native Village of Barrow. I'm
7 the grant administrator. Again, Paul and Fred, I wanted
8 to thank you on behalf of our tribe for showing the
9 respect to our organization, to come by, and spend your
10 valuable time explaining in a very brief way what your
11 intentions are and to seek our input on what we feel.
12 I'd like to reiterate and put on record a
13 concern that we have as a tribe in terms of our
14 cooperation with natural resource development both on
15 land and offshore, and how negative impacts are
16 mitigated, and federal assistance that is intended to
17 come to the tribe to help offset some of those damages is
18 being denied the tribe, and I'd like to explain a little
19 bit our concerns there, too.
20 For quite a bit of time now the
21 Department of Interior has recognized the inherent right
22 of the village, the Native Village of Barrow in its
23 stewardship of many environmental aspects of the land and
24 its people in the area around Barrow. And we appreciate
25 many of the ongoing programs that our departments, such

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1 as Environment, have with you. A concern that we have
2 however, is that the intent of certain programs declared
3 by Congress that end up being administered by the State
4 of Alaska are designed with very restrictive eligibility
5 rules that we believe by intent preclude the
6 participation of all natives tribes in the area.
7 Specifically when legislation is passed in Congress, such
8 as the NPR-A program, I believe it's called the Impact
9 Program Grants, are passed into law, and where
10 substantial amounts of money are set aside to help local
11 people with present and future impacts, negative impacts
12 from oil development, that we think as a tribe that we
13 have been egregiously harmed by not being able to
14 directly participate in and benefit from these programs.
15 And this happens because of a process that we don't
16 understand, and we wish we had the wisdom and financial
17 resources to better understand. What we in our hearts
18 wish to have the money and legal ability to do is
19 basically to question federal law and it's application to
20 state law, specifically with what authority does the
21 State of Alaska have, if they indeed are the ones driving
22 and determining such things as eligibility rules? Do the
23 restrictive rules that they come up; with which shut out
24 direct participation by all native villages come about
25 through their own legislative processes, or are these

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1 issues to which the DOI perhaps through BLM gave some
2 guidance to? Or if program rules and the administrative
3 details were left up to the state, we would like to find
4 a way to challenge those, because we believe those are
5 unjust.

6 Obviously I'm not of this land, but in
7 the time I have been here, I have become very involved
8 with and empathetic for the concerns of the traditional
9 way of life here. You can walk along the beach any
10 evening, you look at people's homes. It's a very simple,
11 very blessed way of life, and I can speak on behalf of
12 our tribe, that I believe we're being asked to provide
13 opinion on impacts of things to which the potential
14 perceived dangers are very troubling to people, yet we
15 lack the resources to properly understand them and to
16 contemplate them properly. As has been more eloquently
17 mentioned by our organization of the Borough here this
18 evening, we're very hesitant to believe that in a process
19 that is laid out which conducts lease sales every two
20 years to which there's one EIS done, that the process
21 that is established, actually would give enough
22 deliberation between the lease sales to actually review
23 and consolid -- not consolidate, but to hold dialogue
24 with the affected people to make sure that we understand
25 the process and if we see change on the land, that we

00106

1 have some resources by which to study it and to properly
2 defend our interest in the land.

3 But again, in many ways we as a tribe
4 view the government of the United States as being
5 empathetic to our needs. We're delighted to have you
6 here. We wish you can help us right the wrong of being
7 excluded from programs which originated by the United
8 States Government for the direct mitigation of impacts to
9 which we as a native tribe are denied access to. I'd
10 like to thank you for coming, and we wish to work with
11 you on these issues.

12 MR. STANG: Thank you very much, I
13 appreciate your coming and presenting that information.
14 I guess, Neil, that on your request, I don't now exactly
15 which programs, but it would seem to me that you could,
16 to any federal agency, write a letter from a tribe,
17 probably better to come from a tribe rather than come
18 from an individual, to the federal agencies that
19 administers program grants or whatever have you, which
20 you say come through the state, and ask those very
21 specific questions, and ask for a specific reply to how
22 that's formulated so that you can -- certainly the
23 Federal Government can answer half of that question, can
24 answer these are the restrictions that we place on the
25 grants. They probably would have a more difficult time

00107

1 answering as a matter of policy or a matter of
2 information about what the state does, but at least you
3 could build the groundwork for knowing that the specifics
4 are that the federal agency adds, or the criteria that
5 the federal agency gives to the state. You could do
6 that. And.....

7 MR. BJORNSTED: (indiscernible - away
8 from microphone) depends on this program.

9 REPORTER: Wait. You have to come up a
10 little closer.

11 MR. BJORNSTED: I'm sorry.

12 MR. STANG: If you could just come up and
13 rephrase that?

14 REPORTER: While you're getting in your
15 dialogue. Thanks.

16 MR. BJORNSTED: And thank you, Paul. I
17 appreciate your concern. We would like to know exactly
18 on policies such as this, which are to help people, what
19 the intent of Congress is so that we can use those
20 guiding spirits to follow through the various legislative
21 procedures to compare the current programs, as to whether
22 they meet the intent of Congress or not.

23 I'd like to add one more thought on this
24 whole process, and it's a troubling one from our
25 viewpoint. A year and a half ago the Native Tribe of

00108

1 Barrow was one of the first tribes to sign the Millennium
2 Agreement with the State of Alaska. Our tribe did so in
3 good faith and in anticipation that the State would add
4 some actual substance to self-governance rather than just
5 platitudes and promises of cooperation and dialogue. We
6 approached the Office of the Governor last Friday on this
7 issue of being denied access to grants, and we're
8 reminded within two hours that in effect, by signing the
9 Millennium Agreement, we had compelled ourselves to
10 respecting state law, and that the only way that we could
11 attempt to gain inclusion as a participant in programs to
12 help remedy the impacts, the adverse impacts of oil and
13 gas development is either to petition Congress or go
14 about a lengthy process through the State of Alaska's
15 Legislature to seek amendment to existing rules.

16 We are extremely troubled by underfunding
17 at the state level to such organizations as the American
18 Inter Tribal Council, which as of yesterday no longer has
19 an executive director, and concerns in the short-term
20 political horizon in the state that we hear from many
21 sources that the State of Alaska are in essence trying to
22 move all native tribes to the side, and on all issues
23 that impact land, and specifically when subsurface rights
24 are involved, that the State of Alaska intends to
25 recognize and deal only with the 13 native corporations.

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1 So we're very concerned that through our
2 good faith efforts in trying to cooperate, except in many
3 cases where we don't understand, we actually see that in
4 the end it is only money that counts, it is not jobs for
5 us, it's not justice, and that the program administrators
6 that we have to deal with to try to seek benefit are
7 pushing us aside. Thank you.

8 MR. STANG: Thank you again for that
9 additional information, Neil. Good. Please, Charles.

10 MR. HOPSON: Yeah, Charles Hopson again.

11 On the proposed final Outer Continental Shelf Oil and Gas
12 Leasing Program, on page 91 it says most of the ocean off
13 northern Alaska is ice most of the year and cannot be
14 fished. This is incorrect. We do a lot of our fishing
15 from on top of the ice. So on page 91 it said it cannot
16 be fished. It's incorrect.

17 MR. STANG: Okay. Thank you. And that's
18 the -- let me look at the front of that document? Okay.
19 That's the five-year program. Okay. It's too bad that a
20 fellow who was on our team last week couldn't be here
21 today. He was going to be here had we held the meeting
22 last Monday, because he's intimately involved with that
23 documents, so we would -- but we will pass that
24 information back to him that that's incorrect. Anyone
25 else have a statement or a question? An observation?

00110

1 Yes, please, May.

2 MS. AKPIK: One of my questions would be
3 if you were to do some drilling down, you know, the --
4 for oil in the ocean, and if it's going to be have an
5 impact and destroy the area where the -- not only the
6 fish, but -- not only the birds and the whales, I'm
7 wondering, a lot of the people in the community go
8 subsistence hunting up this way, not in the ocean, but a
9 lot of us are hunting down there. And if there was to be
10 a spill down there, what would be the -- the problem
11 would be, there wouldn't be any more animals that are
12 surviving right now, because a lot of the people are not
13 only eating the animal that -- which we hunt, and a lot
14 of people do not eat hamburger or the chicken, or, you
15 know, go to store, because it is very expensive, or they
16 -- that's not their diet. And there would be a big
17 impact on the waterfowl as well as the fish, if it's
18 really in a bad condition where there was a spill for
19 instance. Because right now everyone is living under the
20 animal we're getting, and it's not fair for people to go
21 ahead and starve maybe in the future, because we
22 understand that whale is an animal that is an animal that
23 is living 100 years maybe, over 100 years. They've
24 studied that. They've learned that. And I wish you
25 would take care of the people themselves as well as the

00111

1 animals and the drilling the ocean. That's what I'm
2 really afraid of, because once this is gone, what is the
3 problem? There will be a big problem there, and I wish
4 like all the years we've been here, we hunt a lot. We
5 don't go out and do any other thing, except stay home.
6 Because if you're here, you're here to work, you're here
7 to see what's the problem. You're looking at it. And
8 you're not here all the time. You have to live to
9 understand what would be the problem if this is gone. I
10 wish everybody would have a say-so about it, because you
11 have to feel it, you have to know it, and once you don't
12 eat it, who cares about it? That's what people will say,
13 bit it's for the safety of our people, our culture. And
14 I just thought about, you know, many things, because this
15 isn't the only place where the hunting is done. We have
16 the outlying villages.

17 I was wondering also, is there a number
18 to call for more -- you know, because I'm sure there's
19 more people that would like to involve and have a say-so
20 about situations like this and be heard.

21 MR. STANG: Certainly there is. We have
22 -- back there actually there's a sheet of paper. Could
23 you -- would you mind bringing me up a copy of that,
24 Albert, please? We have a sheet of paper as a handout,
25 and I think Albert's going to give you one directly, and

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1 let me just go over what's on it, because you can pick a
2 copy up. The one -- and in fact, you have this copy,
3 I'll give you the one piece of information you asked for,
4 which is the 800 number to call. You have here how to
5 submit comments on this document, through the mail,
6 through e-mail or fax, but the 800 number to call for
7 information at any time for MMS in Alaska is 1-800-764-
8 2627. That's 1-800-764-2627. And during business hours,
9 somebody will pick up that phone, and if you have a
10 question about a particular species or an event, or a
11 question about the EIS or whatever have you, we'll make
12 sure you're routed to the correct person. If not, I
13 believe it goes on answering machine if no one's there to
14 answer that, and then we'll get back to you. We take
15 that 800 number seriously, so if you do have any
16 questions at any point anything to do with MMS's
17 processes, whether it's our lease sale processes, whether
18 it has to do with the document that Charles cited, which
19 is the five-year program document, or any questions about
20 what's going on with McCovey or with North Star, any
21 questions about what's going on with our science program,
22 please call that number and we'll get you a response, so
23 I appreciate what you had said, May, and your points that
24 you had made a moment or two ago.

25 Anyone else who would like to say

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1 something?

2 MS. GISH: My name is Diana Gish, I'll
3 speaking representing myself. I didn't come here to
4 speak, I came to listen, but someone asked me to speak,
5 and I feel like I owe a debt of gratitude, so I'm going
6 to try to get some words out here.

7 On the official seal of the Department of
8 Interior, there's a buffalo, and I think that's very
9 symbolic of what we're discussing today, because we know
10 at one time it was federal policy to eliminate the
11 buffalo, to get rid of the native people populations that
12 were considered to be an obstacle in the western
13 expansion of our country. And I guess I would like to
14 address this comment to Secretary Norton and the Congress
15 and the President, and I would just like to ask them to
16 consider how they would like to be recorded in history,
17 and I think this is a critical moment and a crucial
18 opportunity to protect one of the rarest cultures in our
19 country. And the Inupiat people are one of the only
20 groups left that are integrated and connected with their
21 lands, and so this hearing was supposed to be about the
22 environmental impact statement, but there's no way you
23 can talk about the environment here without talking about
24 the people who's lives are completely integrated with
25 that environment.

00114

1 And as I mentioned, I think this is a
2 rare opportunity to either do incredible damage or
3 incredible good, and people who have lived, no one's
4 really sure, 8,000 years here? Have so much to teach the
5 rest of us who don't have that kind of connection to the
6 land and the sea and to life itself. And what lessons
7 will we lose? What will be lost if this culture is lost?

8
9 And when I first saw the map of the lease
10 sale, proposed lease sales, I was pretty much shocked,
11 because to me it looked like a picture of the end of the
12 Inupiat culture, because it looked like a picture of the
13 end of whaling. Back to the buffalo, we know the serious
14 social, economic problems that Native Americans are still
15 facing hundreds of years after that western expansion
16 began. One of the problems in approaching this issue is
17 that Inupiat culture and whaling can't be assigned a
18 monetary value. It's value goes way beyond money, and it
19 would be so much easier if it could be assigned a number
20 and then perhaps could look at it and say, well, there's
21 too much to be lost here, because this is worth this many
22 dollars, but whaling isn't about money. Whaling is about
23 something -- is about sharing, and it's about life, and
24 all these wonderful things that I've learned since I
25 moved here in 1994. And it's because I owe -- I'm so

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1 grateful to be able to learn these lessons that I'm up
2 here speaking, even though I wasn't prepared to do that.

3

4 I guess the last thing I would say is
5 that I think it's common sense to listen and learn to the
6 people who are experts in an area, and after thousands of
7 years of life on the ice, there are no greater experts
8 than the aboriginal people that live here, and I think it
9 would be very foolish not to put their knowledge up front
10 as the highest level of expertise when dealing with these
11 issues.

12 And I would like to say that working at
13 the radio station, I'm very aware that Minerals
14 Management Service goes to a great deal of effort to
15 make sure that the public is aware of what's going on.
16 There's a lot of advance notice about these meetings, and
17 I see the effort that goes into the communication process
18 with the public. So I will -- would like to say thank

19 you for that effort.

20 MR. STANG: Thank you. And thank you
21 very much for your words you shared with us. Anyone else
22 who would like to say a word? Well, I thank you for
23 coming. We're going to be here until 9:00 o'clock, so
24 feel free between now and then to come back and share
25 your thoughts.

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1 (Off record - 8:34 p.m.)
2 (END OF PROCEEDINGS)

00117

1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)

3)ss.

4 STATE OF ALASKA)

5 I, Joseph P. Kolasinski, Notary Public in and for
6 the state of Alaska, and reporter for Computer Matrix
7 Court Reporters, LLC, do hereby certify:

8 THAT the foregoing Mineral Management Service
9 Hearing was electronically recorded by Nathan Hile on the
10 1st day of August 2002, at Barrow, Alaska;

11 That this hearing was recorded electronically and
12 thereafter transcribed under my direction and reduced to
13 print;

14 That the foregoing is a full, complete, and true
15 record of said testimony.

16 I further certify that I am not a relative, nor
17 employee, nor attorney, nor of counsel of any of the
18 parties to the foregoing matter, nor in any way
19 interested in the outcome of the matter therein named.

20 IN WITNESS WHEREOF, I have hereunto set my hand and
21 affixed my seal this 29th day of August 2002.

22

23 _____
24 Joseph P. Kolasinski
Notary Public in and for Alaska

My Commission Expires: 4/17/04

UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

OFFICIAL TRANSCRIPT -- PUBLIC HEARING

DRAFT ENVIRONMENTAL IMPACT STATEMENT
BEAUFORT SEA MULTIPLE SALE PROPOSED OIL AND GAS LEASE SALES
(SALES 186, 195, AND 202)

Kaktovik, Alaska
Quargi Community Center
Friday, July 26, 2002
7:00 p.m.

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MMS PUBLIC MEETING

July 26, 2002

Kaktovik, Alaska

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P R O C E E D I N G S
(On record)

MR. STANG: Maybe this is a good time to start. First I'd like to thank you all for coming. We don't need to translate I trust, and if you do need translation, Suzie's here to help when, and if you do. The purpose here is to have a meeting to discuss and to hear your testimony on a lease/sale EIS, Environmental Impact Statement, Draft Environmental Impact Statement for three lease/sales. One schedule for 2003, one scheduled for 2005, and one scheduled for 2007. We are from the Minerals Management Service in Anchorage and in Herndon, Virginia, which is our Minerals Management Service headquarters. My name is Paul Stang, S-T-A-N-G. I'm the regional supervisor for leasing and environment here in Alaska. On my left is George Valiulis, who is the key person in headquarters for the environmental impact issues and statements and assessments for Alaska. On my right is the head of the leasing division in headquarters. Why don't you say a few words, Renee, and then we'll introduce the other people.

MS. ORR: Okay. I'd just like to say what an honor and pleasure it is for me to be here tonight to actually hear from you what your questions and concerns are about the proposal. It's quite a different thing to be able to actually hear from you all personally and see

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1 Kaktovik, rather than sitting at my desk in Washington,
2 D.C. and reading about it in documents like that, so I'm

3 very pleased to be here tonight.

4 MR. STANG: We also have, in back, who
5 greeted you coming in, Albert Barros, who is our community
6 liaison and Angela Mazzulo, who is in the budget shop in
7 headquarters and she wanted to get some idea about what
8 goes on here in Alaska. Nathan Hile is our court reporter
9 and he's going to be transcribing everything that you say
10 -- everything that is said here tonight. As I said, the
11 purpose is to get your comments on this Draft Environmental
12 Impact Statement. Now what you have in your hands is
13 either an English or an Inupiat version of the executive
14 summary of that Environmental Impact Statement. We sent a
15 bunch of those up. Did they arrive here Lon?

16 MR. SONSALLA: Yes, (indiscernible)

17 MR. STANG: Okay. The environmental.....

18 MR. SONSALLA: (Indiscernible)

19 MR. STANG: Good. And we have it both in
20 hard copy, which is a document here. George has a copy
21 right here. Three volumes. And they're also there on CD.
22 If you have a CD you need to have internet access or you
23 need Adobe Acrobat in order to pull it up on the CD. The
24 area that we're talking about I can show you on the map and
25 Agnela gave you a brief description of it. It's that pink

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1 area on the map on the right there on the wall. That
2 extends from three miles offshore to about 60 miles
3 offshore. Of course, the first three miles of ocean water
4 is State waters, and so Federal waters start from three
5 miles and go on out. The depth range from about 25 feet to
6 200 feet and we're talking about an area that's about 9.9
7 million acres. It goes from the Canadian border on the
8 east to Barrow on the west.

9 And then on the left map, there's an
10 outline that shows the same area as the pink area, but we
11 also have four candidates for deferral. What we mean by
12 deferral is these are alternatives that are in the EIS that
13 could be selected by the Secretary of Interior where
14 leasing would not occur. So she has those for her
15 consideration so she could propose leasing the whole pink
16 area. Have no leasing at all or she could lease like the
17 whole area except for one of those areas. So, if you take,
18 let's say the green area right off Kaktovik, she could say
19 well, I'll propose leasing in the whole pink area except
20 for the green area. Okay? If you follow what I'm saying.
21 Those are candidates for her consideration.

22 The three on the left, the one related to
23 Barrow, the one related to Nuiqsut, and the one related to
24 Kaktovik are there for whaling deferral. The one on the
25 east is there because some people have indicated that

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1 that's a bow head whale feeding area. So those are what we
2 call deferral options.

3 One of the things that we are trying to do
4 here is to consider your comments, and we consider them
5 both in and of themselves, and consider them in light of
6 the executive order on environmental justice, so we
7 consider it in both those ways. The information we gather
8 will be shared with the State of Alaska and other Federal
9 agencies. We also have had a series of government to
10 government meetings up here on the North Slope concerning
11 leasing, and we will continue to have those. To date, we
12 have held seven lease/sale in the Beaufort Sea starting in
13 1979, and in total in those sales we leased 690 blocks.
14 Those are basically three mile by three mile areas. A
15 number of those have expired. The primary term has expired
16 and those leases have been relinquished. There are still
17 54 that are active. So while there's been a lot of
18 leasing, that many tracts leased, there hasn't been a lot
19 of activity that has occurred.

20 To date, only 30 exploration wells have
21 been drilled. We have, so far, only produced oil from the
22 Northstar facility. Northstar, as you may know, is right
23 just shy of three miles from land. Most of the wells being
24 drilled from Northstar are from State waters. There are a
25 few of the wells, the bottom hole location of those wells

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1 are in Federal waters. That's to date the only Federal oil
2 that is being produced.

3 You might recall we came here and talked
4 about the Liberty Project. Well, in January we had
5 finished the Environmental Impact Statement and were about
6 ready to issue it and BP decided that they had to re-think
7 that project, so they said let's hold up for the time
8 being. And then in June they formally withdrew their
9 proposal. But they have indicated to us that they intend
10 to resubmit a new configuration for the Liberty Project
11 sometime within the next year. Now, of course, I guess we
12 hear them, but we're not sure what we're going to get until
13 we get it. When we get it then we'll look at it and see
14 what goes from there. That's a possible thing on the
15 horizon.

16 The only other thing that is active at the
17 moment, is called the McCovey Prospect. Phillips and
18 ANTANA, which is the new name for Alberta Energy is, this
19 winter, planning to do an exploration at the McCovey
20 Prospect which is a little northwest, maybe about six miles
21 northwest of Cross Island. They will see whether they find
22 any oil or they don't. The timing on the first sale is
23 scheduled for about September of 2003. We will, this fall,
24 produce a -- or I guess it's in February, will produce a
25 Final Environmental Impact Statement, and then there will

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1 ultimately be a decision by the Secretary and the sale will
2 occur a little more than a year from now.

3 The EIS will cover all three sales. But
4 before we start the process for the sale in 2005, we're
5 going to do a check to make sure that that document is
6 still up to date. So, we'll do what we call an
7 Environmental Assessment and that we'll make that publicly
8 available. And then we'll decide then if we need to do a
9 supplemental Environmental Impact Statement or whether this
10 one will serve as adequate for the 2005 sale. We'll do the
11 same thing again for the 2007 sale. We'll do also a
12 consistency determination with the State, of course in
13 consideration there of the North Slope Borough's Land Use
14 Plan for Coastal Zone, Coastal Zone Plan. We have to do a
15 consistency determination to say that the sale is
16 consistent with that and demonstrate that for all three of
17 these sales. Part of the reason to do one Environmental
18 Impact Statement for three sales is because those are
19 expensive to produce. They cost about \$1,000,000 to
20 produce this document. That's the government producing it.
21 The one for Northstar cost \$7,000,000 to produce. We
22 understand the one for the TAPS pipeline renewal that
23 they're talking about now, that one costs \$6,000,000 to
24 produce. They're expensive things and to a large degree
25 things don't change that rapidly. So it doesn't make sense

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1 for us to do three of these things where one would be
2 hardly different than the next, unless we find that we need
3 to do a supplemental. Then we would do a supplemental. So
4 that's the story behind it.

5 The decision, as I said, is made by the
6 secretary of the Department of Interior, Secretary Norton.
7 She's the decision-maker for these sales. But the person
8 to your right here -- to my right, has a little to say
9 about it and we, in our office have a little to say about
10 it too. We write a recommendation to the Secretary and
11 then that's taken by Renee Orr's office and they modify it
12 or shape it or add their own viewpoint and send a decision
13 memo, which they prepare then for the Secretary to make a
14 decision.

15 We want to indicate that the sign-in sheets
16 are a public record and can be released under the freedom
17 of information. So that information that you have on there
18 could be released to the public. If that gives you a
19 problem, we could strike your address, but we still need to
20 keep the names of the people who appeared here. That's a
21 kind of for your information piece of information.

22 These proceedings here will be transcribed,
23 and that transcript will be available upon request, but the
24 comments that you make in there will be responded to in the
25 Final Environmental Impact Statement. So, that's kind of

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1 the background that we wanted to present to you briefly.
2 At this point, we can do one of two things,
3 because I'd like to keep this as informal as possible. If
4 you have questions that you want to ask about what we're
5 doing or why we're doing it or anything like that, feel
6 free. If you have testimony you want to give, we ask you
7 to sit up here at the table and make sure you state your
8 full name first for the record so Nathan will know and
9 whoever does the typing will actually know who did the
10 speaking. So, let's keep it that way. If somebody would
11 like to testify first, jump right up. If you have
12 questions, let me know.

13 SUSAN: I have a question on that Liberty?

14 MR. STANG: Susan, yes.

15 SUSAN: BP was going to and they decided
16 not to go through with it. What make them want to.....

17 MR. STANG: Hold off?

18 MS. S. AKOOTCHOOK:no, what made them
19 want to reopen it again?

20 MR. STANG: Okay. Well, they didn't decide
21 not to do it. They decided that it was -- the
22 configuration and the approach they were using, according
23 to them was too expensive. The cost that they projected
24 would be higher than they felt reasonable given their
25 assessment of how much oil was there. Part of that, I

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1 think, was based on their experience with Northstar.
2 Northstar cost -- the construction and initial operating
3 cost of Northstar turned out to be much higher than they
4 anticipated. And I think that BP, as a corporation, in
5 London looked at this project and they said, your
6 projected costs are too high. So, what they are doing is
7 they're looking at this project again to see if there's a
8 way that it can be produced more economically. We've heard
9 various ideas about what they may do, but I think the best
10 thing to do is wait until they actually submit a plan for
11 development and production and then you know what they're
12 actually proposing, or if they ever do submit a plan for
13 development and production. We don't know. I mean, they --
14 from all we can tell, there's 140,000,000 barrels of oil
15 sitting there and they just need to find a way that they
16 can produce it economically. As you know, costs up here
17 are very high compared to the Lower 48 for instance, and so
18 they have to make sure that it's an economic prospect.

19 SUSAN: (Indiscernible) Are they going to
20 make a barge ship or something to go out to the ocean here?

21 MR. STANG: Yes. Yes.

22 SUSAN: (Indiscernible)

23 MR. STANG: Here's the deal. They were --
24 this SDC is the name, Steel Drilling Cason, I think is the
25 correct interpretation. It's basically a vessel that can

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1 be sunk, that's basically how, and stuck onto the bottom.
2 That's where it was over near Nome, sitting there kind of
3 in storage in the ocean. A week and one half or so ago,
4 they fueled it up and made sure it was in operating
5 condition and blew the ballast and floated it and they're
6 steaming around. I don't know exactly where it is at the
7 moment, but apparently it's somewhere past Barrow but I'm
8 not sure how far. It probably depends basically on the
9 ice, as to what the ice conditions are so they can get it
10 the McCovey site. Then what they'll do is they'll just
11 drop it right down on the sea floor. Just flood the
12 ballast tanks and it will submerge right on the sea floor.
13 They will start preliminary work on it but wait until
14 winter and it's locked in before they do their exploration.
15 They'll be locked in the ice.

16 MS. ORR: Nathan's saying if we want the
17 questions on the transcript they need to come to the
18 microphone.

19 MR. STANG: Okay. Right. We can do one of
20 two things. Let me see how long the cords are. Well we
21 can't really. We'll need any questions -- unfortunately we
22 have to have them on the microphone in order to record
23 them. So if you have a question, you've got to go to the
24 microphone, otherwise it'll be missed. I think in your two
25 questions we can figure out what they were by the answers

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1 I gave, but for subsequent questions we ought to come to
2 the microphone.

3 Okay. So any other questions or who would
4 like to provide some testimony? Please, Marilyn.

5 MS. TRAYNOR: My name is Merylin Traynor
6 and I have two or three questions. Could you show us where
7 the 54 existing leases are? Are those leases that are near
8 Kaktovik that are now existing and how they relate to
9 looking at a map?

10 MR. STANG: Let me see. We've got two maps
11 here. Let's see if we've got ones that have existing
12 leases. I'm afraid we don't. Is there one in the EIS,
13 George, do you think? We can show you generally where
14 they are on this map here. George will look and see if he
15 can find one.

16 MS. TRAYNOR: Also, it would be interesting
17 to see the one you're talking about, McCovey right, where
18 it relates to Liberty.

19 MR. STANG: McCovey is there. Liberty is
20 here. Northstar is there. Now on this map, it's kind of a
21 small map. That map is kind of a small map, but basically
22 that is the general area where the leases are. There are
23 a couple of leases off the National Petroleum Reserve, but
24 I don't know if there are any leases east of the Canning.
25 I don't think there are leases east of the Canning.

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1 MS. TRAYNOR: Well what I see on this map
2 here, it only goes to this side of the Stains River,
3 Flaxman Island, so it doesn't even come over here. So
4 there are no existing leases off of Kaktovik then?
5 MR. STANG: See, those aren't leases, those
6 are prospects.
7 MS. TRAYNOR: Oh, okay. Those are.....
8 MR. STANG: Or as they call them new
9 discoveries or fields, or whatever have you. But, we're
10 trying to find a chart that shows you the exiting leases.
11 The difficulty is on these graphics for existing leases is
12 that they change frequently because these leases get
13 relinquished along the way, either at the end of the lease
14 term or if the company decides they just don't want to
15 pursue it any more. They're paying a rental on those
16 leases and they.....
17 MS. TRAYNOR: So how long are these leases?
18 MR. STANG: The leases are 10, aren't they
19 here? We use 10 year leases basically in Alaska. Some
20 leases elsewhere are five or eight years.
21 MS. TRAYNOR: I guess what I'm asking is
22 outside of this pink and green zone of Barter Island is
23 there any existing leases out there?
24 MR. STANG: No. No. Just in the area
25 where you see what we call these, well, just what the title

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1 says, "Fields, New Discoveries, Proposed Activities", the
2 leases are in there with one exception which I think is
3 about six tracts that are out there off NPR-A that they
4 haven't done anything about. One thing that -- just so you
5 understand. Since 1979, there has been leasing all around
6 Alaska. There has been leasing in the Chukchi, in Prince
7 William Sound. There's been leasing in a whole bunch of
8 places way out in Naverin. Way out 300 miles from shore.
9 But, none of those leases resulted in any development.
10 Some were drilled. They drilled some holes out there, but
11 they didn't find enough oil or gas to produce. They found
12 a whole load of gas in Chukchi, but it's not economic
13 around Prudhoe Bay, so, therefore, it's not going to be
14 economic in Chukchi.
15 MS. TRAYNOR: Okay. I guess I had one
16 question of drilling, sound pollution on mammals.
17 MR. STANG: Sound from drilling?
18 MS. TRAYNOR: We have new questions down in
19 the Gulf of Mexico about maybe sounds that they're
20 producing down there and proof that it's damaged and killed
21 some of the sea mammals.
22 MR. STANG: Correct. One of the activities
23 in the Gulf of Mexico that has produced mortality is when,
24 at the end of the life of a platform, they were using
25 explosive charges to blow the legs of the platform clear

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1 and they were killing a lot of animals due to the pressure
2 wave in the immediate vicinity. So they made an assessment
3 of that. So there was mortality from that. The main
4 issues that we've had here in Alaskan waters with respect
5 to noise has related to seismic exploration. We have had
6 whole series of ongoing studies. What's interesting, of
7 course, is the Inupiat whalers were saying, we can tell you
8 what happens when the sound comes. We can see what happens
9 to the whales and that there's a deflection that the whales
10 in the migratory path seismic noise goes off, they deflect
11 out away and, of course, that's been a big concern.

12 Our initial science indicated that the
13 deflection wasn't particularly -- the whales didn't deflect
14 that far. The whalers were saying yes it does. In fact,
15 what's happened as more and more data -- we've gathered
16 more and more data and we've listened a little more
17 carefully, is I think we're closer to agreement about the
18 nature of that deflection. With respect to drilling noise
19 and noise related to operations, we literally don't have
20 any facility on the outer continental shelf yet. As I
21 said, we have Northstar, which is right on the edge of
22 State waters just close to Federal waters. We are doing a
23 series of measurements to try to assess the amount of sound
24 and the effects of sound on species from the Northstar
25 operations. This is for development drilling.

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1 Now, what we've done for Northstar is that
2 there is a window when drilling will not be taking place
3 and it's during the migration. So in a sense, we don't
4 have much data on the effects of drilling on the whales
5 because we haven't been drilling when the whales are there.
6 The Annaninna Project, which basically is a project on
7 monitoring, not only sound but the quality of the water and
8 other aspects is a project that we initiated as a first
9 priority of our science program based on information that
10 we got here in Nuiqsut and Kaktovik and Barrow. People
11 were saying we need you to monitor what's going on in the
12 water before you build any of these islands and before you
13 have any production. So, if there's a problem, we'll have
14 a baseline from which to measure the problem that occurred.
15 We've had that program ongoing from early in the beginning
16 of Northstar and well before Liberty was scheduled to go.
17 Now we have a lot of data on the Liberty area but we don't
18 have a Liberty project yet. So, we're doing our best to
19 keep track of the effects of these projects and what
20 effects they may have. Then we can use that information to
21 make any modifications that are appropriate to how drilling
22 is done or how production is done.

23 MS. TRAYNOR: With all the wells that have
24 been drilled in the Gulf of Mexico and off the Pacific
25 Coast, do you have data on all the sounds and does the

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1 temperature of the water -- I don't know how it effects the
2 sound.

3 MR. STANG: It does. Sound propagates in
4 the ocean and it propagates differently at different
5 temperatures. In fact, if you have a thermoclimb, which is
6 one temperature here and another temperature there, the
7 sound basically bounces off of that, doesn't go up through
8 that thermoclimb. Yes, there's a lot of data in the Gulf
9 of Mexico and some in the Pacific about the affects, but
10 they may relate and give us a first approximation, but we
11 have a different situation here. We have shallower water.
12 We have ice over the top of it. We have a bottom that may
13 be different for the most part here than there. We have
14 water temperature that's much colder. So, all of those
15 things affect the environment.

16 MS. TRAYNOR: So we must know what colder
17 water does to sound. Does it make it higher or lower?
18 What does ice do? Does it hold it down in the water?

19 MR. STANG: One of the things that ice does
20 because of the very ragged underside of the ice -- the
21 underside of the ice is quite uneven and the top, a lot of
22 the ice is quite uneven, too. That's a baffle. That tends
23 to baffle the sound to some degree. The temperature, and
24 I can't remember my physics that well as to the speed, but
25 I think it's a relatively minor affect on the speed of

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1 sound through water, whether it's cold water or hot. It's
2 not a major affect. There's some change but not enough.
3 But the key is that we don't have data from the Gulf of
4 Mexico that indicates that we have an alarming problem that
5 we have to deal with. But it's what happens here in the
6 Arctic. We get a first approximation from what happens
7 elsewhere, but what we really need to know is what happens
8 here in the Arctic.

9 MS. TRAYNOR: We have seals out here, I
10 assume, all winter and they're under the ice and on top of
11 the ice and you saw them today so.....

12 MR. STANG: Right. Exactly. But remember
13 again, so far we haven't had any, except Northstar -- this
14 is out three miles from shore and it's going to be a big
15 difference if you're in the very shallow water versus if
16 you're out that far. But it's something we're very much
17 attuned to and will remain attuned to. We do have a fairly
18 decent science effort. Our whole purpose of that is to
19 identify problems which we get here. We take information
20 and questions like that and questions that we have
21 ourselves back to our science group and we say, look, what
22 are the most important key issues we need to work on.
23 Let's devote the immediate funds to that and then we have
24 a priority system. We have a whole series of issues like,
25 for instance, Nuiqsut had been quite concerned about the

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1 Arctic Sisco and they haven't been catching much in the
2 last four years. So we are directing one of our studies in
3 2003 to that very issue. So we try to, and that's what I
4 said on the Annaninna Project, the monitoring project, is
5 one in which we have refocused our priorities to look at
6 monitoring those specific sites where we expect, well in
7 the case of Northstar and where we thought Liberty was
8 going to go.

9 MR. VALIULIS: Can I add to that?

10 MR. STANG: Sure. Please.

11 MR. VALIULIS: This is George Valiolis. In
12 this document, we treat noise as a very important element.
13 I don't remember and I can't tell you exactly what our
14 findings were, but I do know that they're in this document.
15 I can tell you that it did not reach the level of concern
16 that it would be a significant impact in the view of our
17 analysis. But, again, we have a large section devoted to
18 answering some of the things that you mentioned.

19 MS. TRAYNOR: Thank you.

20 MR. STANG: Thank you, Merylin. Suzie.

21 MS. S. AKOOTCHOOK: Good evening. My name
22 is Suzie from right here. Just listening to Merylin's
23 questions and your answers on noise and acoustics or noises
24 down underwater. I was very fortunate to work with North
25 Slope Borough when they were counting the whales and

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1 observing the whales. They had an acoustic crew and I was
2 very fortunate to be on the acoustic crew. I can tell you
3 that the noise from the ice, you can hear it. We had
4 radios going all the way from 25 feet, 75 feet, 50 feet, to
5 100 feet, 150 feet from the ice. That's how deep we had
6 those.....

7 MR. STANG: Hydrophones.

8 MS. S. AKOOTCHOOK: Yeah. When people are
9 walking over the ice, 100 feet below you can hear them
10 walking on the ice. The whales are very sensitive to
11 noise. There was an airplane, a small airplane. I don't
12 know if it was 160, 175 or 189 plane but anyway, I'm not
13 sure how high it was flying, but I could hear that, the
14 sound of the airplane in the water.

15 MR. STANG: Through the hydrophones 100
16 feet down.

17 MS. S. AKOOTCHOOK: Yes, I could do that,
18 and all that is recorded.

19 MR. STANG: Yes.

20 MS. S. AKOOTCHOOK: How closely have you
21 guys worked with North Slope Borough on getting the
22 information about that? You guys are talking about your
23 guys own crew, right?

24 MR. STANG: Right.

25 MS. S. AKOOTCHOOK: How much information

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1 have you gotten from the North Slope?

2 MR. STANG: I can't answer you specifically
3 on the amount of information we've gotten from the North
4 Slope, but I can tell you this. The scientists for the
5 North Slope Borough and our scientists are in daily, or not
6 daily, but frequent communication. The fisheries people
7 talk to the fisheries people. The oceanographers talk to
8 the oceanographers. The acoustic people talk to the
9 acoustic people at the staff level. We also, when we have
10 our studies planned as to what should be studied. That's
11 the question. What should we be studying? We request that
12 information from the North Slope Borough, in particular, as
13 well as a variety of other sources. We send out these
14 requests. What's the most important thing to be studying?
15 They tell us and we factor those in. We
16 then do our priorities. Then we send out that list of our
17 priorities. When you know the way it's going to work
18 you're going to fund the first, second, third, fourth,
19 fifth maybe with the amount of funds you get until you
20 don't have anymore funds. You got to stop and then try
21 again next year. We send that list out to them so we have
22 a constant communication on what data we have and what data
23 we need. We share data. We share data with them, they
24 share data with us. So we work closely with them. It's a
25 very important element.

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1 MS. S. AKOOTCHOOK: So you're talking about
2 the constituency on offshore. You guys are working with
3 North Slope Borough right, on the costal planning, Coastal
4 Plan management?

5 MR. STANG: Yes. That's correct.

6 MS. S. AKOOTCHOOK: Also on the deferral.
7 You guys were talking like if one area is -- when you said
8 there's -- I know we had our deferral, right? Lon, was
9 this in the State waters or was that off the State waters?

10 MR. SONSALLA: The last time there was a
11 deferral, I think it was within 50 miles of (indiscernible)
12 a 50 mile radius. That's what we have.

13 MS. S. AKOOTCHOOK: And it's still in
14 effect to this day, right?

15 MR. SONSALLA: I don't know. I think it's
16 lapses (indiscernible).

17 MS. S. AKOOTCHOOK: So we'll have to
18 testify about what areas we want deferred?

19 MR. STANG: That's a very legitimate area
20 to testify on. It certainly is.

21 MS. S. AKOOTCHOOK: I would like to testify
22 then. Our area from Demarkation Point all the way to --
23 well actually, as far as we can travel that we have a
24 deferral -- a request for a deferral in our area, as the
25 whaling captains, when they go out whaling in falltime

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1 depending on what the ice condition is. We don't know how
2 the ice condition is until when the month comes. Cold
3 weather is out there, 12 miles, 15 miles. What miles is it
4 the most last year? Was it 14 miles out or was it 15 miles
5 out?

6 MR. SONSALLA: Twenty-two or 23 miles.

7 MS. S. AKOOTCHOOK: Twenty-two or 23 miles
8 up they were last year, last fall. So our whaling crew
9 goes quite a ways out to go and get their whales. I will
10 continue to request that there be a deferral in our area
11 because that's a feeding area for the whales and it's been
12 on record for many years.

13 MR. STANG: Okay.

14 MS. S. AKOOTCHOOK: We live off the ocean.
15 We've got people that are out there that are fishing right
16 now. We've got people out there going after seals or
17 oruuks (ph) because we need to harvest.

18 MR. STANG: Seals and oruuk?

19 MS. S. AKOOTCHOOK: Yeah. Harvest for
20 winter and also harvest for the whaling season so that the
21 whaling crew can have food out there when they're out there
22 all day. They take off like sometimes six in the morning
23 and they're out there until it gets almost dark. So it's
24 what, like, about 12 hours or almost that many hours out
25 there in the ocean. And they need, you know -- I prefer to

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1 have our area deferred. I request that. Because we live
2 off -- they get real serious in their whaling. I know you
3 don't see much of them here, but those of us that care are
4 here prefer to continue to see it be deferred in our area
5 as far as 50 miles out like it was. And if there should be
6 anything in writing. I believe so. I believe that the
7 entities here can get together to agree on what areas they
8 want deferred, like the city, KRC and Tribal government.

9 MR. STANG: Okay. Speaking of that,
10 there's something I didn't mention, and I should have.
11 That is that September 20th, is the last day for written
12 comments to be received by the Minerals Management Service.
13 On the table over there is this sheet of paper, which
14 basically converts into a mailer if you want. It has an
15 address on it. It has a place for your return address and
16 a place for a stamp and a place on the inside to write what
17 you want. So a simple way to submit a comment in writing
18 is just to take this, fill it in, fold it in half and tape
19 it and put it in the mail. That's the simple way. Any
20 way you want to write it is fine. As I said, this
21 testimony here is taken as testimony and comments on the
22 document. So what you just said is recorded verbatim and
23 also understood as a specific comment.

24 MS. S. AKOOTCHOOK: Another question on
25 that deferral, that deferral that the city had at one time.

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1 Is that still active or do we have to re-do it?
2 MR. STANG: Right. The way a -- let me
3 tell you in a nutshell the way that system works. This
4 document is the five-year plan for 2002 to 2007. It was
5 approved at the very end of June by the Secretary herself.
6 She had sent out three preliminary versions of this over
7 the last 18 months or so for comment. So this is her
8 approved five-year program. This is the one that has those
9 three sales that I mentioned, the three sales here in the
10 Beaufort in it. The way the law is written, Suzie, is that
11 for each five-year period, the Secretary is to look at the
12 entire Outer Continental Shelf, and make an assessment of
13 one area relative to the next on a whole bunch of criteria.
14 So, in a sense, she is supposed to start with a clean slate
15 when we're talking not about what people have said in the
16 past, but when we're talking about what areas to be
17 included. So she looks at those and makes her judgement.
18 Obviously, any Secretary who is worth her or his salt would
19 consider what people have said in the past. I think Gail
20 Norton has done that.
21 Literally though, she is obliged to start
22 afresh. Then the pink area is the area that she chose to
23 be considered for leasing. Then when we started
24 structuring these three sales, after she did her thing, we
25 started structuring these three sales, we considered and we

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1 added consideration of these four candidate deferral areas.
2 Basically, the three on the left there, the one by Barrow,
3 the one by Nuiqsut, and the green one by Kaktovik, were
4 based on the actual whaler strike data, where strikes were
5 made. That was the basis for that. So in a sense, yes,
6 you start afresh for each five-year program.
7 MS. S. AKOOTCHOOK: Okay. Thanks.
8 MR. STANG: Sure. George and Renee chime
9 in and Albert and Angela if you have anything to add or
10 whatever, please, please just jump right in.
11 MR. THOMPSON: Yeah, my name is Robert
12 Thompson.
13 MR. STANG: Yes.
14 MR. THOMPSON: I have a question. Has the
15 ability to clean up an oil spill in broken ice conditions
16 ever been demonstrated adequately to the government or to
17 anybody?
18 MR. STANG: That's a good question. There
19 is capability of dealing with oil in broken ice. There are
20 a variety of ways to deal with it. The one that they've
21 been working on, and it's partly because of the way the
22 state's laws are written and the way they're interpreted,
23 is they are looking at mechanical clean up. Clearly, they
24 had some difficulties in their tests for mechanical clean
25 up in broken ice. Another way to deal with oil in broken

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1 ice is by burning. That is a viable way and has been
2 tested and we are, in fact, continuing to pursue efforts in
3 that testing. The MMS itself and through contract. The
4 jury hasn't concluded on what and how best to do
5 everything. That's an ongoing process. But, I'll
6 acknowledge that some of the tests they ran on mechanical
7 clean up of oil in broken ice were less than optimal,
8 that's for sure.

9 MR. THOMPSON: So would it be fair to say
10 that the government has never demonstrated the ability to
11 clean up?

12 MR. STANG: I would say if you are speaking
13 mechanically, for mechanical clean up, that's probably
14 correct. For burning, I think that's probably a different
15 story. You probably have -- and there's some conditions
16 that are needed in order to do burning of oil. You need a
17 certain thickness of oil and you have to get access to it.
18 So there are situations that you can't assure you're going
19 to be able to burn your broken ice under any conditions.
20 You have to be able to get access to it and it has to be
21 thick enough to ignite.

22 MR. THOMPSON: Has it ever been
23 demonstrated that the burning is possible?

24 MR. STANG: Yes. I wouldn't say that we're
25 done with our investigations, but we do know and we have

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1 been working with the Norwegians and we've been working
2 with some others who, as you may know in the United States,

3 we may not put oil in the water in order to do a test. We
4 can't do that. That's not allowed. But the Canadians can
5 do it and the folks from Norway can do it. So we've been
6 relying and working with them on these tests of burning oil

7 and we've funded and helped participate with those and
8 we're continuing to do so.

9 MR. THOMPSON: Okay. What percentage of the
10 oil is being able to be burned.

11 MR. STANG: I can't answer that specific
12 question, but I can get you documentation if I have your
13 address. We can give you the best information we have on
14 what success rate, what were some of the conditions, what
15 were some of the problems they ran into, what were some of
16 the successes?

17 MR. THOMPSON: The reason I ask this, I
18 believe in the Exxon Valdez oil spill, more than 80 percent
19 of the oil was never ever recovered.

20 MR. STANG: Correct.

21 MR. THOMPSON: Most of it isn't at the
22 surface, It goes throughout the water level where it would
23 not be accessible to be burned.

24 MR. STANG: Yes. Clearly, any oil that
25 gets into the water column, burning obviously is not a

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1 choice. Burning typically has got to occur very early in
2 a spill. For two reasons. One, the oil is thicker and
3 two, it has more of the volatile components that make it
4 susceptible to burning. The longer it goes, the more of it
5 is mixed into the water column and the more of the volatile
6 components evaporate and you're left with the ones that
7 aren't as volatile and hence, not as subject to burning.
8 So, you're right.

9 MR. THOMPSON: Does this Environmental
10 Impact Statement reflect the latest findings of the Clean
11 Water Act in regards to how toxic the oil is on
12 environments? Specifically on fish?

13 MR. STANG: I'm going to have to defer to
14 George on that because I read parts, but I don't remember
15 literally what we've got there.

16 MR. VALIULIS: It's considered in two
17 parts. It's considered under water quality and then it's
18 considered under the organisms that are affected, primarily
19 fish has been the concern, fish eggs and that sort of
20 thing. It reflects the latest knowledge that we have on
21 the topic.

22 MR. THOMPSON: Were any of these tests on
23 how toxic the oil is done in cold water conditions, Arctic
24 conditions?

25 MR. VALIOLIS: I'd have to look at the

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1 section.

2 MR. STANG: I'm fairly certain we have in
3 our science studies program a fair amount of data on the
4 toxicity of oil to fish, but again, if you'd like me to get
5 a specific answer to that question I'll do so and mail it
6 to you.

7 MR. THOMPSON: Yeah, I would like an answer
8 on that.

9 MR. STANG: Okay. So, we want success in
10 burning in broken ice.

11 MR. THOMPSON: Or clean up of any type.

12 MR. STANG: Okay. Well, okay. Let's
13 say.....

14 MR. THOMPSON: Mechanical or burning.

15 MR. STANG:mechanical and burning. I
16 don't know that we've done others, but those tow. And then
17 you want the toxicity of fish in cold water.

18 MR. THOMPSON: Toxicity of the oil in cold
19 water.

20 MR. STANG: Toxicity of the oil on fish.

21 MR. THOMPSON: Or wildlife.

22 MR. STANG: Any wildlife.

23 MR. THOMPSON: Because I understand it
24 takes a lot longer to break down in cold water. It may not
25 break down at all.

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1 MR. STANG: I know one thing. There's a
2 lot of data on toxicity of oil on wildlife in general just
3 because of all the research that happened on Exxon Valdez.
4 There's a load of it there. That's cold water too. Now,
5 if you're talking about Arctic water, are you
6 differentiating between Exxon Valdez data from Prince
7 William Sound and Arctic?
8 MR. THOMPSON: Yes.
9 MR. STANG: You're looking at Arctic
10 specifically?
11 MR. THOMPSON: Yeah like 28 degree water or
12 how ever cold it is here.
13 MR. STANG: Right. Arctic water. Okay.
14 All right. We will -- did you have a chance to put your
15 address down?
16 MR. THOMPSON: Yes.
17 MR. STANG: We'll make sure you get that
18 information?
19 MR. THOMPSON: Does this Environmental
20 Impact Statement reflect any impacts outside of the lease
21 area?
22 MR. STANG: Well.....
23 MR. THOMPSON: And if not, why not?
24 MR. STANG:yes and no. The majority,
25 and George fill in here, the majority of the focus is in

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1 the specific area that we're talking about. The primary
2 focus is what's happening here in the lease area. We do,
3 however, when we address cumulative effects, we look at the
4 species that are affected by -- potentially affected by
5 development that would occur in the pink area. But we look
6 at, also, what other affects they would receive in the rest
7 of their migratory path. So, for instance, if we're
8 talking about birds that could be affected here, birds
9 migrate down to South America, so we look at along their
10 migratory route to see what affects there could be on
11 those. We also look to see if any of the affects, whether
12 it be from the actual development itself or from the
13 potential of spilled oil would have beyond the borders of
14 that pink area. But I can give you a general statement
15 that, by and large, we don't see much affect that proceeds
16 out of, let's call it the pink area, of oil or of noise or
17 of sediments or whatever have you. The reason being, is by
18 the time oil would transport itself that far, it would be
19 so dissolved and diluted in the ocean water that you
20 probably couldn't perceive affects let's say around from
21 the northwest of Alaska or east over into Canada. They
22 would be so diminished that you wouldn't be able to measure
23 any difference between that and the natural phenomena that
24 occur.
25 MR. THOMPSON: Well, has there been studies

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1 to verify that?

2 MR. STANG: I think our analysts look at
3 those specific issues and they make their best judgement
4 based on the data that they've got available. After you get
5 to certain dilution -- you know, we have studies that
6 indicate you can't differentiate any effect. It's kind of
7 like the same concept with the EPA where EPA sets water
8 quality standards and they say if the parts per million
9 fall below an area that we presume it's safe because we
10 can't find any health affects based on that.

11 MR. THOMPSON: So then you would say that
12 the studies have been done in cold water to verify what
13 you're saying?

14 MR. STANG: To some degree. There's no
15 absolute.....

16 MR. THOMPSON: Either the studies have been
17 done or they haven't.

18 MR. STANG: Well there have been some
19 studies done.....

20 MR. THOMPSON: In cold water?

21 MR. STANG: Huh?

22 MR. THOMPSON: In cold water, ice
23 conditions? I mean Arctic conditions?

24 MR. STANG: There have been studies done in
25 cold water in Arctic conditions on the -- well, let me be

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1 careful here. One of the difficulties we've got is that we
2 have laboratory tests in cold water, but one problem is,
3 one of the benefits, as well as an issue here, is we don't
4 have a lot of data on spills in the Beaufort Sea because we
5 haven't had spills in the Beaufort Sea. You've got to have
6 an oil spill in order to measure its affects. So, we
7 haven't had spills of any substance in the Beaufort Sea
8 from offshore oil that we have been able to measure. Until
9 you -- in a sense you don't want to ever have that, but
10 until you do, you can't measure everything that you would
11 need to answer the question as definitively as you would
12 like.

13 We can use foreign studies and laboratory
14 studies to make judgements as to how dilute an affect where
15 you would see an affect and where you wouldn't see an
16 affect depending on the pollutant.

17 MR. THOMPSON: Have any studies been done
18 to determine the affects that this additional amount of oil
19 that's anticipated will have on the existing pipeline and
20 have you incorporated any of this data with the pipeline
21 renewal permit?

22 MR. STANG: Your last question I don't know
23 the answer to, but we can certainly find out. The real key
24 here is the pipeline is well below its capacity. It's
25 pumping, I think, at about half the rate that it was at its

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1 peak. Any of the discoveries that we anticipate from any
2 of these three sales, individually or collectively, is not
3 sufficient to over extend the capacity of that pipeline.
4 In fact, it's almost the other way.

5 MR. THOMPSON: My understanding is there is
6 a known reserve of about 30 years from this existing
7 pipeline and additional permitting will cover that life
8 span, so if this area is to develop at a later time, have
9 you taken that into consideration?

10 MR. STANG: It's a kind of yes, but,
11 answer. My understanding is that they are producing oil at
12 a rate that's about half the rate that they used to produce
13 here on the North Slope. Yes, there is, and I don't know
14 if it's 30 years or how many years worth of oil that they
15 will be producing, but it's the rate of production. The
16 rate of production has dropped precipitously in Alaska --
17 in the North Slope in recent years. So while they still
18 could be pumping for 30 years, the rate keeps dropping
19 down. So any oil that would be produced related to this
20 sale, that we envision and obviously you never know until
21 you find it, would not in any sense of the word exceed the
22 capacity of the pipeline.

23 MR. VALIULIS: If I could also interject.
24 Your questions, to a degree, are on what we call cumulative
25 impact. This activity along with others. We've made a

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1 best estimate of what we think other activities or future
2 activities are going to be and we have a scenario for that
3 and we've -- doing cumulative the proper way, we've
4 considered what the actions here would be to that and then
5 come up with a total. Plus we also evaluate what
6 contribution this present project would have to the overall
7 in that. In doing that, we also go beyond the bounds of
8 the lease area. We're looking at the oil being transported
9 down and even being tankered out. So I think our
10 cumulative section is pretty thorough and, although I can't
11 tell you off the top of my head some of the answers, I can
12 tell you that it's in this document.

13 MR. STANG: That was George Valiulis
14 speaking.

15 MR. THOMPSON: Okay. I'm concerned about
16 the clean up costs. Who would be responsible for that?

17 MR. STANG: Good question. The cost of
18 clean up falls on the companies. It's their obligation and
19 responsibility to clean up. There was an act passed by the
20 Congress in 1990 regarding oil spill liability. Companies
21 can be under that act, required to have bonds up to
22 \$150,000,000 for this very issue of who is responsible for
23 the clean up. The way, and I'm going to give you an
24 approximation of the way the system works, and either Renee
25 or George can fill in if I miscategorized. The way the

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1 system works is that the Coast Guard is the on-scene
2 commander. They are the ones who are in charge of making
3 sure that that clean up is done in the optimal way. So,
4 you don't say, okay, before we clean up BP or Phillips,
5 cough up the money to spend. The government steps in
6 immediately, takes over and runs the operation and incurs
7 whatever costs are necessary. Those costs then are passed
8 to the company to clean up and the bonding, this up to
9 \$150,000,000 bonding, is to ensure that these guys don't
10 claim bankruptcy and bail out on us. All right? So, there
11 is the responsibility under the law. There are penalties
12 under the law if they attempt to avoid these costs. I
13 think the OPA, Oil Pollution Act, I'm not sure if I got the
14 exact name correct of 1990, is a pretty tough piece of
15 legislation. We have a whole group in our headquarters
16 office whose responsibility it is to make sure that that is
17 operating correctly with our permittees and licensees.
18 That's the obligation for the financial obligation.

19 The Coast Guard has training exercises for
20 oil spill contingency. Each company has to have an Oil
21 Spill Contingency Plan and then there's some broad overall
22 Oil Spill Contingency Plans. Then there are these drills.
23 You were referring to the clean up in broken ice. That was
24 one of the drills that they undertake to test the
25 capabilities and obviously they didn't meet the

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1 expectations that we would have liked to have seen on that.
2 But I remember attending a meeting in Barrow where a bunch
3 of folks from the North Slope and the Coast Guard and our
4 people and the companies all got together to meet, to help
5 assure the maximum and most efficient clean up scenario.

6 Furthermore, companies have equipment
7 stationed at various places and, of course it depends to
8 some degree on where the action is, where the activity is
9 as to where that would be stationed.

10 MR. THOMPSON: Okay. Before these
11 lease/sale are put out for bid, I understand there's
12 supposed to be a need for the development. How do you have
13 the need for development if you have known reserves for
14 Prudhoe Bay?

15 MR. STANG: Okay. The Secretary of
16 Interior in developing a five-year program is looking at
17 that program from the prospective of the nation as a whole.
18 So what the Secretary is doing is looking at what are the
19 needs of the nation as a whole and where are the prospects
20 for oil and gas around the nation. Now, as you may know,
21 the Congress has set aside certain areas of the Outer
22 Continental Shelf by a device called an annual moratoria,
23 which they've placed on a bunch of areas where the Congress
24 has kind of intervened relative to what the Outer
25 Continental Shelf Act says. They have taken off the whole

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1 East Coast and they've taken off the whole West Coast for
2 new leasing, as well as the eastern Gulf of Mexico. So,
3 they've removed a good portion of the Outer Continental
4 Shelf through their acts of Congress.

5 Yet, the Secretary has still to meet the
6 mandate of finding and producing oil in an environmentally
7 sound manner. So it's a judgement that she makes about
8 what's the need for the nation as a whole. Now, obviously
9 if you're in the central and western Gulf of Mexico, or if
10 you're in Alaska, you're in the area where this production
11 is occurring, and to a small degree in Southern California.
12 While on one hand you say there's a 30-year supply of oil
13 in tracts -- already discovered oil that will take 30 years
14 to produce out. That's a diminishing rate and she sees the
15 need for additional exploration and development to find
16 sources to replenish those as they diminish.

17 MR. THOMPSON: Okay. Have there been
18 studies on ocean currents and to determine where exactly
19 this oil will go if it gets away?

20 MR. STANG: There certainly have. This is
21 one area I have a little familiarity with and we have
22 expended a lot of resources on those assessments. We have
23 a modeling group in Herndon who are specifically devoting
24 their careers to modeling where oil would go based on the
25 best information we have on currents. So one, we do have

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1 information on currents, some of which we generated, some
2 of which we get from the National Oceanic and Atmospheric
3 Administration. Some of which are picked up from
4 satellite. We do know how the currents flow pretty well
5 and it depends on the season. We know that there are a lot
6 of shifts in those currents. They have statistical models
7 that are very rigorous models that take a lot of computer
8 horsepower to run to project where oil spills would flow,
9 how they would flow and where they would hit shore and how
10 they would hit shore, and what would happen to the oil as
11 it degrades over time. Those models are fairly
12 sophisticated. The summary of the results of that does
13 appear in the EIS.

14 MR. THOMPSON: And does it, the EIS reflect
15 ability to clean up outside of the immediate area in the
16 under ice conditions?

17 MR. STANG: The clean up under ice and on
18 ice is viewed, generally speaking, to be pretty good as
19 long as that spill occurs sometime from the early formation
20 of the ice to, and I'm guessing now, about a month before
21 break-up. Basically what they can do is mine the ice.
22 Just literally mine the ice to get the oil because it gets
23 encapsulated. If there was a spill let's say in November
24 or December, the ice would form underneath it. The oil
25 would be encapsulated. That oil we understand does not

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1 change in composition. You made note of that earlier.
2 Because of the cold water there is no degradation. Well,
3 because it's locked in the ice there's even less
4 degradation. As long as you can mine that ice before
5 break-up, you're in good shape. However, if a spill
6 occurred under ice just before break-up and you weren't
7 able to mine it, then it would release into the water as
8 break-up occurred in the slow fashion. That would be a
9 more complicated clean up issue.

10 MR. THOMPSON: How large of an area would
11 people be able to mine?

12 MR. STANG: It depends on how many bucks
13 and how many pieces of equipment you have, I would imagine.

14 MR. THOMPSON: I mean, if the oil happened
15 to go 100 miles?

16 MR. STANG: Obviously, if it would have to
17 go 100 miles it would take a lot of equipment to mine it.
18 One of the advantages of the underside of ice is it really
19 tends to trap oil because of its uneven nature. If the ice
20 were perfectly flat, the oil would flow great distances,
21 but the underside of ice is pretty porous and jagged and
22 therefore, it would tend to, in itself, arrest the flow of
23 that oil. So I doubt it would go a couple hundred miles.

24 MR. THOMPSON: In areas of open leads in
25 the winter time and new formed ice in open leads it could

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1 go a long distance.

2 MR. STANG: In leads it probably would. I
3 agree.

4 MR. THOMPSON: So there's no studies to
5 determine how far it might go in those conditions?

6 MR. STANG: I have to look at -- I know
7 they model not only in open water, but they do model in ice
8 and in spring break-up. Whether or not they have an
9 element of the model that deals with spring leads, I don't
10 know. But we can find out. I'd be pleased to find that
11 out for you too if you'd like.

12 MR. VALIULIS: If I could add to perhaps
13 this discussion. This is George Valiulis. The oil spill
14 aspect -- the large oil spill aspect is the number one
15 concern in addition to the noise affect on whale migration.
16 The Environmental Impact Statement almost goes ad-nauseam
17 in trying to reflect that. We do it two ways. We assume
18 conservatively if there was no ability to clean up the oil
19 spill. We analyze it that way then we superimpose what the
20 effectiveness of the oil spill clean up would be to the
21 degree we can, so that's something else that's being done.
22 So, we are doing that.

23 As far as the spill under ice and so forth,
24 we consider that too. That's the 180-day spill and the
25 idea is, yeah, it would go so far it would probably be

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1 trapped and we'd probably have to drill through the ice to
2 suck it out and so forth. Those are some thoughts on that.

3 MR. THOMPSON: Okay. Does this
4 Environmental Impact Statement reflect changes in the
5 environment due to global warming and will you incorporate
6 the studies that the government is now funding into Arctic
7 global warming.

8 MR. STANG: George will take a crack at
9 that.

10 MR. VALIULIS: We look at global warming
11 very carefully especially at the five-year environmental
12 impact statement, because that's an overall concern.
13 Global warming is a large geography type of concern over a
14 great amount of time. That's the point at which we look at
15 it. We, in this document, go back to the five-year program
16 EIS and indicate our thoughts, our best knowledge on global
17 warming. I don't think we're addressing global warming
18 within specifically to the lease period we're talking about
19 for these actions, but on broad.....

20 MR. THOMPSON: If the government funded
21 studies do, in fact, prove there is global warming, will
22 you incorporate findings that the government is.....

23 MR. VALIULIS: We have been incorporating.
24 Our air quality people, especially a person in Washington
25 who sits next to me. That's his job. We incorporate and

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1 update for all our OCS program areas.

2 MR. STANG: I'd like to add to what George
3 said a little bit. The reason for doing it at the five-
4 year program stage rather than the individual lease/sale
5 stage, is because global warming is a long-term trend issue
6 that affects not just the Beaufort, but the world. The
7 globe obviously. We felt issues such as that would be more
8 appropriately dealt with at the five-year program stage
9 than at the individual lease/sale stage. Not that the
10 individual lease/sales aren't -- that's not a relevant
11 issue for that, but in a sense it's more relevant to cover
12 it at the programmatic stage where the Secretary has in
13 front of her the overall decisions for the program. The
14 global warming, to the degree we understand it, is related
15 to the burning of emissions rather than, for instance, the
16 leasing and exploration and development of oil on the North
17 Slope. It's related primarily to burning of hydrocarbons.
18 Most of that doesn't occur on the North Slope. Most of
19 that occurs down below.

20 MR. THOMPSON: Yeah. What I'm talking
21 about is lessening the depth of the ice and the possible
22 change in ocean currents.

23 MR. STANG: Our science group -- I've got
24 a science group in Anchorage that are looking at changes in
25 the environment here in Alaska and trying to make

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1 assessment of it. Now, one of the challenges is to
2 understand exactly what changes relate to global change,
3 global warming, and what changes are natural variations.
4 Whether we -- we don't know everything there is to know
5 about the cause and nature of global change. We do know
6 it's happening but we don't know all the answers to exactly
7 why it's happening.

8 MR. THOMPSON: Okay. Is the clean up
9 equipment going to be in place before the activity is
10 permitted? I mean adequate clean up equipment, not just
11 this ConEx you have down here at the airport. I mean
12 enough to clean up whatever happens.

13 MR. STANG: The -- let's take -- we've got
14 three phases. We have the leasing stage, the exploration
15 stage and the development/production stage. Basically, at
16 the leasing stage we talk about the need for clean up but
17 companies aren't doing anything yet. They're just
18 acquiring leases at the leasing stage. At the exploration
19 stage where, generally speaking, I think there's general
20 agreement that the risk of a severe accident is relatively
21 low compared to exploration/production stage. So there is
22 oil spill contingency plans needed for the exploration
23 phase, but typically the big concern is development and
24 production, for instance Northstar. So Northstar has to
25 have a specific contingency plan to show how and what oil

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1 they would clean up. That has to meet, because it's in
2 State waters, the State requirements. The State says you
3 need to clean up so much of that oil in so many days and so
4 on and you have to show us in a contingency plan how that
5 would be done. So if we had -- if the Liberty Project went
6 ahead or if we sold a lease here of McCovey goes ahead.
7 Those are in Federal waters. They have to have the same
8 thing. They have to have a contingency.....

9 MR. THOMPSON: On site and not.....

10 MR. STANG: On site.

11 MR. THOMPSON:civilian equipment
12 halfway across the state?

13 MR. STANG: That's right. That's right.
14 We're talking about this project right here, you show us
15 how you clean up oil associated with this project on the
16 island from the pipeline to shore. And then, once you get
17 to shore and you're hooked into the network, then that's
18 part of a broader contingency plan for the pipeline system
19 and if there's a spill in the pipeline system on shore.

20 MR. THOMPSON: Are these studies that you
21 mentioned that will be ongoing, are they funded by the
22 United States government or are they funded by the oil
23 companies?

24 MR. STANG: Both. We have a budget that's,
25 I think, in the ballpark now in Anchorage of about three to

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1 five million bucks a year for scientific studies. We have
2 a group in Herndon, Virginia that has money to do
3 technological issues such as, we had a big issue on the
4 type of pipeline to use for Liberty. Should it be single
5 wall, should it be double wall, that sort of thing. In
6 addition -- and those studies as I mentioned earlier, are
7 all driven by our best assessment with the advice of the
8 North Slope Borough, with the advice of our Outer
9 Continental Shelf Scientific Committee, may of whom are
10 from the Alaska area, scientific experts in their field,
11 independent of MMS, independent of the government. Their
12 best advise as to what the priority should be on those
13 studies. And finally, the companies, when they submit
14 their exploration and development plans, they often include
15 with that plans they have for certain studies that they'll
16 do. In addition, as a condition of permits, the Corps of
17 Engineers, the Fish and Wildlife Service, National Marine
18 Fisheries Service, and our office can require other studies
19 of them that they need to fund. For instance, in Liberty
20 the Corps of Engineers required -- it was about a \$500,000
21 study on sediment plumes that would occur from dredging and
22 from laying the pipeline and how that sediment would flow,
23 in which direction and when. So it's both Federal money
24 and in State waters, State money. Less State money than
25 Federal generally, and then private companies have to pay

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1 a variety of studies themselves.

2 MR. THOMPSON: I've got a question about
3 the deferral area?

4 MR. STANG: Yes.

5 MR. THOMPSON: Is there any assurance that
6 no pipelines will traverse these areas?

7 MR. STANG: The deferral is related
8 strictly to leasing. That is, at this stage tracts --
9 let's say as a hypothetical, the Secretary decided to pick
10 one of the alternatives. Let's just say hypothetically the
11 Secretary decided to pick the Kaktovik green deferral and
12 say I won't have leasing there. Her decision is literally
13 about no leasing of that area. In itself, that kind of
14 removes, from this lease/sale anyway, the great likelihood
15 that there would be any pipelines or anything traversing
16 the area because you go from the green area to shore. You
17 don't go out to sea. Typically any infrastructure would
18 want to get to shore as quickly as they can and then
19 traverse over to Pump Station 1 on shore, typically.

20 But the technical answer to your question
21 is no. The deferral doesn't remove the possibility of
22 transiting that area with a pipeline, for instance. But by
23 removing those from leasing, the probability of having any
24 -- you'd literally have to have a tract out beyond it. It
25 would literally have to be a tremendous find to justify and

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1 then you'd have to prove to the Secretary that that's the
2 best route to come right through that, over through that
3 tract to get to shore. So the answer to your question is
4 no, but from a practical viewpoint I don't think you could
5 anticipate significant activity in the area.

6 MR. THOMPSON: So now if you have the oil
7 lease/sale outside the deferral area, is there any
8 possibility that they would consider oil pipeline under the
9 ocean to access the existing Trans-Alaska Pipeline?

10 MR. STANG: To bury the pipeline?

11 MR. THOMPSON: Under the water.

12 MR. STANG: Yeah. Yeah. In fact, the
13 pipeline from Northstar to shore is buried six to eight
14 feet under the sediments. The pipeline that was proposed
15 for Liberty was buried a similar depth. I, in fact, saw
16 the burying of the pipeline from Northstar to shore. What
17 we had included in the Northstar pipeline. There were
18 actually two pipes strapped together because they were
19 going to take gas from the Badami to go out to the
20 Northstar Isle to fire up all the equipment. And then the
21 other one was the oil pipeline flowing to shore. In
22 addition to that, there's a tube about this big in
23 diameter, which is the LIOS tube. What that LIOS tube is
24 a tube that can sense the presence of hydrocarbons at the
25 molecular level. So if there were a small leak in the

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1 pipeline, this LIOS tube would be able to detect it down to
2 a third of the barrel. But, I think their capability is
3 even more. They say a third of a barrel, but I think they
4 can detect even less oil coming out. That check is run
5 every 24 hours through the life of the project. It's a
6 pretty sophisticated device. It's a German device that's
7 been used under rivers and under land in Germany. Allbeit,
8 we haven't run it this distance in the ocean, but the
9 engineers tell us that technically they don't see much
10 difference. Furthermore, it's calibrated every 24 hours to
11 make sure it's working.

12 The proof of the pudding on the Northstar
13 pipeline is that they have zincs on the pipeline to prevent
14 rust from occurring on the pipeline and so when they do
15 this LIOS tube testing, every 40 feet, which is the length
16 of the pipeline, they're seeing the off gassing of the
17 zincs being generated. The hydrogen from the zincs is off
18 gassing and they're picking it up on this tube every 40
19 feet. They see this when they have the read-outs on this
20 thing. So they know that think is at least working that
21 way. But BP is being very conservative about that LIOS
22 tube and they're not saying we have definite proof this
23 works at this time. I think they will ultimately, but
24 they're being very conservative on how they make their
25 statements.

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1 MR. THOMPSON: Just one more question. The
2 State of Alaska is on record being in favor of a natural
3 gas pipeline along the existing pipeline. If these oil
4 lease/sales go into effect, would that allow the gas
5 producing companies to circumvent the wishes of Alaska and
6 go down through the gas pipeline into Canada?

7 MR. STANG: To that the -- they call it the
8 over the top route? Is that what you mean? To go along
9 the Beaufort Sea over into Canada?

10 MR. THOMPSON: Yeah. Could the leases
11 allow the gas producing companies to do that?

12 MR. STANG: No. These lease only allow
13 companies to develop and produce hydrocarbons and bring
14 them to market. It doesn't give them access to transport
15 a pipeline along the shore. That's a separate permit that
16 would have to be achieved. A right of way. Now we would
17 be involved in that. Our office would be involved in that
18 right of way if they wanted to go through the Outer
19 Continental Shelf in Federal waters over to Canada. We
20 would certainly be involved in it, but this lease doesn't
21 give them right to transport other hydrocarbons. It only
22 gives them the right to develop and produce hydrocarbons
23 from this particular lease.

24 MR. THOMPSON: The transportation would be
25 a separate hearing and separate lease?

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1 MR. STANG: The transportation of the
2 hydrocarbons from the particular lease would not be, but
3 the transportation of other hydrocarbons across the Outer
4 Continental Shelf would be. Now, I don't think it's
5 realistic to expect that they would discover so much gas on
6 a particular lease that they would then transport that to
7 Canada. Because we already have 30 years of gas reinjected
8 sitting there in Prudhoe Bay that no one has to drill for
9 it. It's there. All you have to do is produce it. All you
10 need is a pipeline and down it will go for 30 years. So,
11 you've already got a lot of the natural gas sitting there.
12 But these -- what we're doing here has nothing to do with
13 the ability to transport or decide where the pipeline would
14 go.

15 MR. THOMPSON: Okay. Well that's all the
16 questions I have for now. Thank you.

17 MR. STANG: Thank you, Robert. Your
18 questions were very appropriate. Yes, Albert.

19 MR. BARROS: This is Albert Barros.

20 MR. STANG: You'll need to come over here,
21 if you wouldn't mind.

22 MR. BARROS: This is Albert Barros. Just
23 two quick notes for Robert. About two or three weeks ago,
24 Alaska Clean Seas did conduct a spill drill with some of
25 their equipment on Prudhoe Bay and the results I got from

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1 Christy Bolt, one of our oil spill specialists, said that
2 it was encouraging from what they had the last time they
3 did it where it really didn't work in the broken ice. I
4 think it was either Johnny or Gordon Brower that was at the
5 drill and he was impressed with the equipment. So that is
6 more encouraging. We haven't got the results of that
7 officially yet from Christy, but we hopefully will be
8 getting the report.

9 Also in regards to global warming, the
10 Alaska Intertribal Council is convening a meeting on August
11 18 through 20 in Anchorage where they will be talking about
12 the Native perspective and signs that they've been getting
13 on global warming, especially here in Alaska. That's just
14 for your information.

15 MR. STANG: Thank you Albert. Lon?

16 MR. SONSALLA: My name is Lon Sonsalla and
17 I don't think I have too many questions but I'd like to
18 make a few comments. Basically they are just reinforcing
19 what has already been said tonight. I also don't believe
20 that we have seen any real demonstration of oil spill clean
21 up capacity in ice infested waters. Also the one that we
22 keep referring to because it's the one that's already in
23 place is Northstar. I believe that's in a more protected
24 area than a lot of these newer proposed leases that are
25 being offered or proposed at this time. And so that gives

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1 me concern that they would be in an area, possibly, that
2 wouldn't be as protected as where Northstar is at from the
3 ocean and the ice movements.

4 Also, as Suzie said, the noise had been
5 demonstrated fairly thoroughly that it disturbs the
6 migration patterns of the bow head whales, as well as the
7 other mammals that we rely upon. To me it seems really
8 silly to even be discussing possibilities of leases off of
9 the coast of the Arctic National Wildlife Refuge because
10 there is no way to make a landfall. I mean, these are
11 things that we've said before over and over again, so I
12 just would like to reiterate them for this time.

13 So at this point, I would recommend that we
14 have a deferral for the Kaktovik subsistence whale deferral
15 number five, and also number six, which is the eastern
16 deferral, which has been demonstrated to be a primary whale
17 feeding area. I don't even think that takes in enough
18 consideration like I said that the whole area off the shore
19 of ANWR should be deferral area. That's staying within the
20 confines of what is proposed here.

21 To get off a little bit on a tangent.
22 While I was looking through this, and I've commented on
23 this before in the past, that, and you've mentioned it
24 tonight that in the Lower 48 there is a moratorium on the
25 new leasing on the East Coast, as well as the West Coast.

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1 Because of that, I'm assuming that the folks that live in
2 those areas do not have to contribute their comments. It
3 seems like we're always on the defensive here. This is
4 something that happens over and over that these are
5 proposed and we say no, we don't want them and then once
6 again, there's another proposed lease/sale and we've all
7 done individual lease/sales and I'm not sure if this five-
8 year plan would preclude individual lease/sale commentaries
9 or if this is a one time.

10 MR. STANG: Well, let me jump, if I could,
11 Lon, on that. Paul Stang here. This program was approved
12 in late June by the Secretary, developed by Renee's office
13 and approved in late June. It specifically includes the
14 three sales we're talking about. The sale in 2003, 2005,
15 and 2007 showing that pink area. That's the starting place
16 for the individual lease/sale. You start with the pink
17 area and then you raise issues just like we're raising here
18 today about these three sales. So that's how it works.

19 MR. SONSALLA: The way we've done it in the
20 past is there was a five-year proposal.....

21 MR. STANG: Right.

22 MR. SONSALLA:and then each
23 lease/sale would come up and we'd also comment on each
24 lease/sale.....

25 MR. STANG: And that's.....

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1 MR. SONSALLA:it would be the same
2 way?

3 MR. STANG: And that's what we're doing
4 right now.

5 MR. SONSALLA: Okay.

6 MR. STANG: But instead of commenting for
7 an EIS for each lease/sale, we have an EIS for all three
8 lease/sales. Just like we had an EIS for this whole
9 program.

10 MR. SONSALLA: Okay. That makes it a
11 little bit easier. So anyway, what I would like to
12 propose, besides saying that we should have a deferral, is
13 that we should have a moratorium as same as the East Coast
14 and the West Coast. We're not interested in offshore
15 leasing here off the coast of ANWR, especially if ANWR is
16 not developed and there's no possibility of making
17 landfall, it just seems like a waste of time for us. And
18 yet, as you can see, we're still willing to come here and
19 comment and, as glad as we are to see you Paul and Albert
20 once again, well you know we've become acquaintances over
21 time.

22 MR. STANG: Right.

23 MR. SONSALLA: It does have an impact.
24 This is a beautiful evening tonight and we're willing to
25 give up some of our time to come here and make the comments

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1 that we've done in the past. So a moratorium would mean
2 that we wouldn't have to keep doing this, at least not as
3 long as the moratorium was in effect. So, like I say, it
4 does have an impact. One thing that we keep asking for and
5 there hasn't really been a reply, but I'll bring it up
6 again. We need an impact office to help us deal with these
7 outside forces. It would be, and I'm asking that it would
8 be a federally funded office located locally here that
9 people could come in contact with and give their thoughts
10 and feelings. Not everybody is here as you can see. I
11 think a central gathering place, as well as a type of
12 spokesperson for the rest of the folks who aren't here. So
13 once again I'd like to ask that would be considered that we
14 have some type of impact office to help us deal with these
15 impacts that we seem to be constantly incurring.

16 MR. STANG: Understand.

17 MR. SONSALLA: So that's all I have.

18 MR. STANG: Thank you for your testimony.

19 I appreciate that and we appreciate your coming to the
20 hearing. Merylin.

21 MS. TRAYNOR: Hi. This is Merylin Traynor
22 again. I had some questions Robert brought up as he was
23 talking. You were talking that the Coast Guard is the
24 commander on site for the spill. Is that what you said?

25 MR. STANG: I believe there is an on-site

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1 commander who is up here on the North Slope. I believe I
2 am correct. I can't guarantee it but I certainly can find
3 out rather quickly and let you know if you'd like.

4 MS. TRAYNOR: Okay. Yeah, I've never heard
5 of a Coast Guard person around Kaktovik.

6 MR. STANG: Oh, okay. You're talking about
7 Kaktovik.

8 MS. TRAYNOR: Well, the North Slope.

9 MR. STANG: Okay.

10 MS. TRAYNOR: Yeah. You talked about
11 Barrow but I -- west of Barrow or east of Barrow.

12 MR. STANG: Okay. Is there an on-scene
13 Coast Guard commander in charge of clean up? I'll check it
14 and let you know.

15 MS. TRAYNOR: And with the new offices
16 being set up, the Coast Guard is being pulled into the
17 homeland security, what happens if the Coast Guard at that
18 point? That's a question they're asking in Congress.

19 MR. STANG: That's a question a lot of
20 people are asking. You're right.

21 MS. TRAYNOR: Well what are we going to do
22 for the next year or two where people are trying to figure
23 out their jobs who are now sitting with.....

24 MR. VALIULIS: I can add to that question.
25 George Valiulis. There will be an on-scene coordinator.

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1 I am not 100 percent sure that will be the Coast Guard, but
2 we know that would occur. We can check where the Coast
3 Guard comes in, but.....

4 MS. TRAYNOR: And how long will it take for
5 that person to get here.

6 MR. VALIULIS: Immediately. That person
7 becomes -- no, that person becomes -- somebody has to take
8 charge of a spill immediately. There are protocols and all
9 that worked out and it will become more obvious if a
10 project develops. But this is not just for here, it's for
11 everywhere. Some cases it's the Coast Guard. Some cases
12 it could be EPA. It may even be us. But the reason for
13 having an on-scene coordinator in charge is to get to it
14 real quickly and organize things. So.....

15 MS. TRAYNOR: Knowing weather and
16 conditions, I can see a possible delay.

17 MR. VALIULIS: Yes. I participated in such
18 drills and it's very structured.

19 MS. TRAYNOR: Okay. I want to -- Lon said
20 it, but I also want to say that I don't see a pipeline
21 coming on shore in ANWR under the current conditions that
22 ANWR is under. So, they shouldn't be drilling anywhere
23 north of ANWR, because I don't know where you're going to
24 get your pipeline on the land until you get over to the
25 Canning River there.

00060

1 I also have a question on the pollution of
2 the air around the oil fields of Prudhoe Bay. I understand
3 that it's some of the -- some very high pollution just from
4 drilling oil over there. But -- and I'm not a scientist so
5 I don't.....

6 MR. VALIULIS: The studies that we have
7 done, and it's one of the requirements we have and EPA has
8 to approve the permits for that. We know that the action
9 we propose would be from these leases, based on what we
10 know so far and the scenarios that we've adopted would not
11 be significantly detrimental.

12 MS. TRAYNOR: What is the actual pollution
13 from the oil if, say, a well were to be developed? What's
14 the pollution factors there?

15 MR. VALIULIS: I'm not an air quality
16 specialist and I do know that we cover this in the
17 Environmental Impact Statement but I can tell you that it's
18 a very limited affect.

19 MR. STANG: In fact, just reading while
20 I've been up on this trip, the air quality for Cook Inlet,
21 in that document -- and I'm presuming it's just as precise
22 in this -- is they're quite specific about the amount of
23 pollutants they would expect and what affect there would be
24 on air quality. I think -- in fact, it's fairly easy to
25 find in here. Did you get a copy of this baby?

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1 MS. TRAYNOR: The big one?
2 MR. STANG: Yeah.
3 MS. TRAYNOR: No.
4 MR. STANG: You've got some copies here,
5 Lon, I think. Okay. I mean, we can show you exactly where
6 it is if you'd like to see. Probably the easiest thing to
7 read is the one for the proposal itself because the
8 alternatives are only slight variations from that. The air
9 quality section in the proposal itself in section four will
10 be pretty informative to you and help you answer that
11 question.
12 That question with respect to development
13 that would occur on the Outer Continental Shelf. Not as
14 informative about the situation of pollutants in Prudhoe
15 Bay.
16 MS. TRAYNOR: I understand that the
17 situation of the air quality in Prudhoe Bay suffers greatly
18 from just bringing oil out of the ground. I don't know
19 that that's a fact because, strictly somebody said that.
20 MR. STANG: I don't know the answer.
21 MS. TRAYNOR: Okay.
22 MR. VALIULIS: I do know it's covered in
23 the Environmental Impact Statement.
24 MR. STANG: Yeah. But how extensively for
25 Prudhoe Bay, I'm not sure. Certainly it's covered fairly

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1 extensively for our proposals.
2 MR. VALIULIS: This is George Valiulis.
3 We're not guessing at this. We've modeled this and we have
4 the information. There are very strict requirements. Now
5 when you're dealing with an area as large as this,
6 obviously you can't be as precise as when you have a
7 particular development. Then it gets -- the criteria and
8 such that have to be applied are much more strict. But
9 given the whole area and our assumptions of how much may be
10 developed, I can say that we don't see a problem.
11 MR. STANG: A good way to see that for a
12 specific development is for us to look at the Liberty Final
13 Environmental Impact Statement, which would talk about air
14 quality associated with some specific project to get you
15 some feeling about that.
16 MS. TRAYNOR: Oh, okay, a single project.
17 Okay. Thank you.
18 MR. STANG: Thank you. Isaac.
19 MR. AKOOTCHOOK: My name is Isaac
20 Akootchook, raised here in Kaktovik. I've been here 80
21 years and I've look at the -- having many times this
22 hearing, a hearing in our land and we talk about oil
23 development in the Beaufort Sea. Many times we opposing.
24 I'm always saying we oppose it. The oil development in our
25 area, oceans is our living. We're fishing and seal and all

00063

1 already we testimony about all those things already. But
2 this is still happening. Same old things that coming back
3 to us and play more -- something else to give you more
4 testimony, but -- I have a lot of big books as to how many
5 boxes is coming in to us. I've not really read it because
6 I don't know how to read much about it. But big things
7 arrive and I just set them up in my floor and that's it.
8 But one of the things is we're always saying that, is still
9 there, we oppose oil development in the ocean because our
10 life, living, we pass it on to our generations and
11 generations.

12 And one of the things I'd questions, always
13 is make it answer. It happened to the pipeline oil spill
14 drill, whatever, did Kaktoviks people have a benefit from
15 that? Happen to use the money for all his life? I don't
16 know. I don't think you will have answer that. I don't
17 think we will get any benefit. Happen to our yards, in the
18 oceans spill. That's how -- I'm always listening to that
19 because we are government, we pay the taxes, you know.
20 Anything -- there's always a government doing it, we pay.
21 Everything -- the income, you konw, all of that income
22 through taxes. Same thing with the North Slope government.
23 We'd like to know sometime if you come back
24 maybe you get answer for that because it's not going to
25 stop. We're going to oppose [sic] the oceans and the

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1 inland and we always favor to ANWR and make plans, we
2 always favor about it, but not in the ocean.

3 That's all I have to say. Thank you very
4 much.

5 MR. STANG: Thank you, Isaac. Anyone else
6 would like to provide some testimony? Good. Thank you.
7 Lilly.

8 MS. L. AKOOTCHOOK: Lillian Akootchook.
9 I'd like to say that ocean is our garden. Just like you
10 white people. You have your garden in springtime, plant it
11 and harvest. We depend on baby seal, seal, whale and fish
12 and if there's ever a spill that's going to be the end of
13 it, you know. And it's going to be a big mess. So I'm
14 against that ocean drill, you know, but otherwise that's
15 our livelihood in relation to our generation.

16 Thank you.

17 MR. STANG: Thank you, Lilly. Anyone else?
18 Yes, Merylin.

19 MS. TRAYNOR: While I was sitting and
20 listened to Isaac and I realized how many years, you know,
21 they've dealt with this and dealt with this, and I've had
22 the luck to get to fly along the coast a little bit this
23 year and to see that ice move and to see that ocean move,
24 I know what can happen out there if an oil spill should
25 occur. I've seen it over the last three weeks with storms

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1 and it just changes constantly. It would be devastating if
2 we had a spill. Exxon Valdez was bad. It would be very
3 bad here. It would affect Canada depending on the weather
4 conditions. The weather conditions change just constantly.
5 We need to really think about what we're doing if we're
6 going to drill in this ocean.

7 MR. STANG: Thank you, Merylin. Anyone
8 else who would like to make a statement or ask a question?

9 (No audible responses)

10 MR. STANG: Well, I want to -- would you
11 like to make another.....

12 UNIDENTIFIED VOICE: No.

13 MR. STANG: Okay. I would like to thank
14 you all for coming. I really appreciate your coming. It
15 certainly is a gorgeous evening to be inside and, as
16 Merylin said, you better enjoy it while you can because the
17 weather can change very quickly. But I want to thank you
18 for spending your time and for coming and giving us your
19 thoughts and your inner feelings. I really appreciate
20 that.

21 We've made a record. We've taken notes to
22 talk about it as soon as we get back to the office what
23 you've said and we have a transcript that Nathan will have
24 word for word. So, thank you very much.

25 What we would like to do is leave these

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1 maps if you'd like, with you and we have some extra copies
2 which I have back at the hotel. I can leave you with
3 those, too, or I can take them back and we'll leave these
4 extra documents. I think you may have the final Liberty
5 EIS still here, copies of that. If you'd like one,
6 Merilyn, and we have copies of this document.

7 (Off record)

8 (On record)

9 MR. STANG: If I could. This was the first
10 time that we translated the executive summary into Inupiat
11 and we would like to know if this is a good idea for us to
12 do this. Generally speaking, if you could kind of give me
13 your views from the audience.

14 UNIDENTIFIED FEMALE: Well, I take it home
15 and (indiscernible) trying to read this. An Inupiat
16 reader. (Indiscernible)

17 MR. STANG: Okay. So I take that as a yes.
18 You like the idea and that we should do this in subsequent
19 documents. Is that correct?

20 MS. S. AKOOTCHOOK: Yeah. And then send
21 them to the school, Inupiat.

22 MR. STANG: And send them to the school?

23 MS. S. AKOOTCHOOK: Yeah (indiscernible)

24 MR. STANG: Okay. Good. Here or where?

25 MS. S. AKOOTCHOOK: (Indiscernible)

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1 MR. STANG: Well, maybe what we ought to do
2 is have Albert make -- well, leave those for sure and leave
3 the one I've got here -- but maybe what we ought to do for
4 the final, we ought to look to see how many we should
5 deliver to the North Slope because I think, you know -- on
6 these things, once you go through the cost of translation
7 and the cost of printing the first batch, the subsequent
8 copies are pretty cheap. So, that might be a really good
9 idea for the schools. Good idea, Suzie. We'll look
10 forward to doing that.

11 UNIDENTIFIED FEMALE: Who was the
12 translator?

13 UNIDENTIFIED FEMALE #2: Mabel Hobson.

14 UNIDENTIFIED FEMALE: Mabel Hobson.

15 MR. STANG: Yes. Yes. Good. Again, thank
16 you all for coming very much. We appreciate it. We always
17 love to come to Kaktovik and visit your beautiful village.

18 MS. ORR: Especially when the weather is
19 like this.

20 (Off record)

21 (END OF PROCEEDINGS)

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1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)

3)ss.

4 STATE OF ALASKA)

5 I, Joseph P. Kolasinski, Notary Public in and for the
6 state of Alaska, and reporter for Computer Matrix Court
7 Reporters, LLC, do hereby certify:

8 THAT the foregoing Mineral Management Service Hearing
9 was electronically recorded by Nathan Hile on the 29th day
10 of July 2002, at Kaktovik, Alaska;

11 That this hearing was recorded electronically and
12 thereafter transcribed under my direction and reduced to
13 print;

14 That the foregoing is a full, complete, and true
15 record of said testimony.

16 I further certify that I am not a relative, nor
17 employee, nor attorney, nor of counsel of any of the
18 parties to the foregoing matter, nor in any way interested
19 in the outcome of the matter therein named.

20 IN WITNESS WHEREOF, I have hereunto set my hand and
21 affixed my seal this 26th day of August 2002.

22

23 _____
Joseph P. Kolasinski

24 Notary Public in and for Alaska

25 My Commission Expires: 4/17/04 ☐

UNITED STATES DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE
OFFICIAL TRANSCRIPT -- PUBLIC HEARING
DRAFT ENVIRONMENTAL IMPACT STATEMENT
BEAUFORT SEA MULTIPLE SALE PROPOSED OIL AND GAS LEASE SALES
(SALES 186, 195, AND 202)

Nuiqsut, Alaska
Kisik Community Center
Wednesday, July 24, 2002
7:00 p.m.

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MMS PUBLIC MEETING

July 24, 2002

Nuiqsut, Alaska

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P R O C E E D I N G S
MR. NUKAPIGAK: In Native.
MS. L. AHVAKANA: In Native.
MR. NUKAPIGAK: In Native.
MR. STANG: Emily, can you give us a quick
synopsis of what was said briefly.
INTERPRETER: Of what he was saying?
MR. STANG: Yes.
INTERPRETER: Okay. What Eli was saying
was the introduction to what, where you came from and where
you had specific instructions to go ahead and do with this
lease/sale, if it's possible, and he mentioned that some of
you came from Washington, D.C. and some of them from in
other areas, BIA, BLM. So, he was introducing about where
the lease/sale is going to be from Barrow to the border of
Kaktovik to Canadian side. And then he asked Lucy
Ahvankana to have an invocation.....
MR. STANG: Right.
INTERPRETER:and that's what she did.
MR. STANG: Okay. Thank you.
INTERPRETER: Yeah. That's what it was.
MR. STANG: Okay. Thank you. Well, good
evening. I'm glad you came this evening. My name is, as
Eli said, is Paul Stang with the Minerals Management
Service of Department of Interior.

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1 INTERPRETER: In Native.
2 MR. STANG: We are here this evening to get
3 your testimony and your statements and your expressions
4 about the Beaufort Sea multi-sale EIS, or Environmental
5 Impact Statement.
6 INTERPRETER: In Native.
7 MR. STANG: Thank you. We had a couple of
8 copies, maybe about six or so copies on the desk there.
9 This is the executive summary of that EIS. There is a
10 light blue one that is translated into Inupiat. There were
11 some copies of that and I believe some were sent out to
12 villages -- were sent up to the village, but we've run out
13 of copies in the back. I have one more here you're welcome
14 to have. And also up there -- I don't know if we'll run
15 out of these or not but -- we ran out of these? Yeah.
16 This is a copy of the five-year program. If you want
17 copies of these things, you can come up to us after the
18 meeting and we'll mail them to you, but there were some
19 sent to the village, so I guess Eli would be one who could
20 check on that for you to figure out where those extra
21 copies are. We also have the thick document, which George
22 has here, which is three volumes, which is the full EIS,
23 and that's what we're going to -- the focus of our
24 discussion will be tonight. Ah, Eli has just brought some
25 more out there.

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1 But first before we proceed, I'd like to
2 introduce the members of Minerals Management Service who
3 are here tonight. On my left is George Valiulis, who is in
4 the EIS or the Environmental Impact office in our
5 headquarters in Washington, D.C. area. On my right is
6 Renee Orr, who is the chief of the Leasing Branch in
7 Headquarters. And we also have Nathan, who is -- Hile --
8 who is doing our translation, and Albert Barros, right
9 here, who is our community liaison, and Angela Mazzulo who
10 helped you figure out what those maps were all about.
11 INTERPRETER: In Native
12 MR. STANG: Valiulis.
13 INTERPRETER: Valiolucas?
14 MR. STANG: Valiulis.
15 INTERPRETER: Valiulis.
16 MR. STANG: Good.
17 INTERPRETER: Okay. In Native.
18 MR. STANG: Angela Mazzulo.
19 INTERPRETER: Oh Angela. In Native.
20 MR. STANG: And Albert Barros.
21 INTERPRETER: Did I miss him? Albert
22 Barros, you want to raise your hand? In Native.
23 MR. STANG: Thank you. What I'd like to do
24 before anyone testifies is just to give you a little
25 information about the lease/sale and the EIS, just a little

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1 bit. Not long.

2 INTERPRETER: In Native

3 MR. STANG: Good. The area that we're
4 talking about, as Eli pointed out, is on the map in pink
5 color. And if there's not a map there, there's a map here.
6 In the pink color. And that area is the candidate area for
7 leasing, and it extends from about three miles from shore
8 out to 60 miles, nautical miles, from shore. And it is
9 from 25 feet depth of water to 200 feet depth of water,
10 generally speaking, and it is about 9.9 million acres. And
11 it goes from the Canadian border on the east to Barrow on
12 the west.

13 INTERPRETER: What was that, 25 feet, the
14 depth?

15 MR. STANG: From 25 to 200 feet depth.

16 INTERPRETER: Okay.

17 MR. STANG: About 9.9 million acres.

18 INTERPRETER: In Native

19 MR. STANG: Thanks. Now we're doing the
20 EIS a little differently this time. We have three sales
21 that the Secretary of Interior scheduled in this document
22 that was approved in June, and we are preparing one
23 Environmental Impact Statement to cover those three sales.
24 The first sale is in 2003. The second sale is in 2005.
25 The third sale is in 2007. These are proposed sales.

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1 INTERPRETER: In Native.

2 MR. STANG: Thank you. After we complete
3 the final version of this draft environmental impact
4 statement, then we will hold the sale in September or so of
5 2003, and the decision will be made to hold the sale or to
6 cancel the sale and to pick one alternative or the other.
7 We'll talk about more of that in a minute. But, after
8 that, before we hold the next sale, we'll do an
9 environmental assessment and make a decision whether we
10 need to a supplement to the EIS.

11 INTERPRETER: In Native.

12 MR. STANG: When we get any comments from
13 you tonight, and last night we met with the members of the
14 Tribe, and we got comments from them and we will meet on
15 Friday night in the village of Kaktovik and then we have to
16 come back on August 1st to meet with the village of Barrow.
17 Any comments we get from you here tonight verbally, or
18 these other meetings or in writing, we will consider in
19 preparation of the final Environmental Impact Statement,
20 and we will also consider them in light of the executive
21 order on environmental justice.

22 INTERPRETER: In Native.

23 MR. STANG: Good. Thanks. When you send in
24 your comments, or when you speak here, if you think this is
25 a good idea for us to translate this executive summary into

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1 Inupiat, please let us know, as I think it's the first time
2 we've done that, and if that's a benefit, we need to know
3 and then we could do it at future EIS'. Along with these
4 meetings, the public meetings, like this one, as I said,
5 we're meeting with the tribes, and that's on a government-
6 to-government basis.

7 INTERPRETER: In Native.

8 MR. STANG: Since 1979, we have held seven
9 sales in the Beaufort Sea and we have issued 690 leases,
10 and of those 54 are still active.

11 INTERPRETER: In Native.

12 MR. STANG: The lessees, the people who
13 were awarded those leases, the oil companies, drilled 30
14 exploratory wells, but as of today, the only oil that's
15 being produced from the Federal waters comes from
16 Northstar, because some of the bottom locations of the
17 wells are in Federal waters, even though the island of
18 Northstar is in State waters.

19 INTERPRETER: In Native.

20 MR. STANG: The only other thing I want to
21 say about your comments, and that is, you can give your
22 comments verbally tonight, you can write them to us, and we
23 have these sheets in the back. If you'd like to use these
24 or any letter, the address is right on here. The end date
25 for comments, we must receive comments by the 20th of

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1 September.

2 INTERPRETER: In Native.

3 MR. STANG: We are obviously making a
4 transcript of this -- of everything you say, so we're
5 having a record of that and will use that in our analysis,
6 but the important thing is, when you come up to sit down at
7 the table next to Emily, please state your name into the
8 microphone so that when Nathan does the transcript, he'll
9 know who was doing the speaking. So, with that, we can at
10 this point -- I'd like to keep this informal so if you have
11 questions of us, we'd be pleased to answer those, but our
12 basic purpose is to come here and listen to what you have
13 to say. So if anybody has any questions they'd like to
14 ask, do so. Otherwise, I'd like to know who would like to
15 testify first.

16 INTERPRETER: In Native.

17 MR. STANG: So who would like to testify
18 first?

19 MR. LONG: I'll go first.

20 MR. STANG: Please, could you come on up
21 Frank?

22 MR. LONG: I'm Frank Long, Jr., I'm member
23 of Native Village of Nuiqsut and the vice-president. I'm
24 also a member of the North Slope Borough Assembly and a
25 member of the Alaska NANA Commission. My testimony tonight

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1 will be in regards of the lease/sale, which I will oppose.
2 Due to the fact that we are the only people in the world
3 that has culture and tradition. In the Lower 48, it's a
4 big problem. They don't have culture. They don't have
5 tradition, but they got stock market. When that stock
6 market falls, I know a lot of you hurt. When you put
7 something like this in front of me, it hurts. It hurts the
8 heart. What if a drastic spill happen? Worse than Exxon
9 did with 11,000,000 gallons. It will -- it's already
10 affecting our seals, our fish our walrus. It may even have
11 affect on the whale, which we subsist on yearly.

12 Other countries have the harder time on
13 subsisting whales or any marine mammal. We have to go
14 through IWC, which is, as far as I'm concerned, a foreign
15 entity who tells me what the hell to do and I don't like
16 that. We don't go to a different country from Alaska and
17 tell them what to do, how to hunt, what to eat, where you
18 should sleep, and why you should wake up.

19 I'm really heavy on this right now because
20 I don't have a job. It indicates in there that there will
21 be 600 jobs, but will a Native get any of those jobs. As
22 of today, Natives have the hardest time of employing, when
23 you can see a lot of employment all along. And this has
24 been happening for years. We started very small in 1969
25 when we were inducted to the industry. I went in as a roust

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1 about. Came out a floor hand of a drilling rig, a chain
2 thrower. And now today they're so automated that they
3 hardly need anyone, even to make a connection on the
4 drilling rig. When a drill pipe busts, it gets stuck in
5 the bottom of the hole. You have to fish it out and it
6 takes days to fish one little pipe, sometimes a week.
7 Maybe they have a spill that will take longer.

8 If, today, Northstar has a drastic spill or
9 accident, or nature decides to move it a little, what will
10 the government do to help us? Are they going to give us
11 some of this 1.5 billion dollars?

12 Thank you.

13 MR. STANG: Thank you. Frank. Would you
14 like to translate?

15 INTERPRETER: In Native.

16 MR. STANG: Good. Thank you. Would anyone
17 else like to testify now, please. Eli?

18 MR. NUKAPIGAK: Hello, good evening. My
19 name is Eli Nukapigak from Nuiqsut, also representing city
20 and North Slope Borough. I am preparing a (In Native)
21 lease/sale for 2007. As the mayor and a council member for
22 the community of Nuiqsut, we are honored to officially
23 comment on behalf of the city office of Nuiqsut and the
24 community. This common letter is in response to the five-
25 year OCS leasing program that is currently in nomination of

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1 notice of intent to prepare an EIS and call for
2 information.

3 The area of Alaska shore of what we would
4 like to concentrate our input on and especially the area of
5 Alaska's northernmost shoreline and offshore region, the
6 Chukchi Sea and the Beaufort Sea. In contest, these waters
7 have sentimental value to the marine mammal and the human
8 environment coexistence continuously. Throughout, the
9 shoreline of the Beaufort Sea is the human environment of
10 Alaska Native and non-Native Alaskans who depend on the
11 very subsistence resources flourishing in this region. The
12 coexistence of the human environment and the marine mammal
13 environment is maintained with our utter most care. The
14 Native Alaskan population on the shoreline region of the
15 Beaufort Sea share a common responsibility to share
16 subsistence between the two environments.

17 As a result, our people exist with great
18 pride in their ability to effectively manage the marine
19 mammal and wildlife resources for generations to come. The
20 Beaufort Sea and Chukchi Sea support plenty of activity in
21 terms of subsistence hunting and fishing. The Native
22 people who traverse the open sea and ice pack have a
23 precious knowledge of an ever changing climate in the
24 offshore area. Having that knowledge, the people know when
25 it's safe to hunt and how best to travel the environment

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1 for a successful hunt. Just to know law and rule other
2 aspects of renewed knowledge our people have followed for
3 generations laws and rules which are observed and honored
4 among Inuit environment.

5 Today, the indigenous population maintain
6 these laws and rules in order to sustain the cleanliness of
7 the waters. The providence of these natural habitat and
8 the wildlife it supports and the human environment who are
9 dependent on the providence of the water. The climate is
10 predominantly cold and icy throughout the Beaufort Sea ad
11 Chukchi Sea and for a period of time the sea ice gave way
12 to very strong ocean water current. The Inuit people knew
13 the power of this expanse and when it moved, it moved
14 without any regard to anyone or anything. Whether it's
15 natural shoreline or the man-made installation, be assured
16 that the movement will damage and destroy when it
17 contracts. It is everything that placing unnatural
18 material into the sea does not hold very well, too well,
19 when the ice is on the move unpredictably.

20 The people who live their lives from that
21 expanse are the testament of this and we advise you to take
22 this into account when considering oil and gas prospects of
23 these shores. During the long winter months on the Arctic
24 Slope, wildlife is still present and surviving the
25 elements. The Inuit People of Alaska, Arctic Slope,

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1 customarily face each winter and summer on hunt in
2 accordance with the ever changing elements. And
3 traditional knowledge and rule obtained by our ancestors as
4 the short summer of Alaskan Arctic Slope Inuit subsistence
5 hunting.

6 Having to take advantage of this time and
7 year across the region of the Beaufort Sea. Summer in this
8 region is sufficiently for wildlife, whether they are land-
9 faring mammal or seafaring mammal or water fowl. The
10 ecosystem of the summer Arctic climate supplement the
11 different species of animals with dietary needs,
12 particularly, for each species. The Inuit people of Arctic
13 Alaska take every opportunity to have -- to fill their
14 winter cache during the short summer months as winter
15 approach. The Inuit people work lengthily to ensure that
16 their caches are full enough to last them most of the
17 winter. In the Arctic summer climate, wildlife is further
18 offshore than inland of the Beaufort Sea and Chukchi Sea.
19 Wildlife such as waterfowl, caribou, polar bear, brown
20 bear, moose, musk ox, reindeer, ground squirrel, fox, seal,
21 walrus, wolverine, wolf, beluga whale, (In Native) fish of
22 various choice, crab, clam, shrimp, bow head whale, and a
23 number of other species of wildlife. The Inuit people of
24 Alaska and the whole upper circle farther of Canada,
25 Greenland and Russia depend on all the animals.

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1 The animals in their habitat provide foot
2 to sustain life during the long cold winter season.
3 Coexistence of the marine and non-marine mammal in the
4 human environment in everything is vital to eat. And as we
5 depend on them, they depend on the care that we provide for
6 them and their habitat. It is our opinion, Inuit Eskimo,
7 to ensure the plenteous environment for mankind and for
8 wildlife. A clean, natural manner of maintaining the
9 environment is the Inuit Eskimo uttermost approach. The
10 clean and natural manner is the only way the Inupiat people
11 believe is effective. This kind of environment has proven
12 to be sure process in which all living beings benefit
13 without unnatural cost of this kind of conduct.

14 Marine mammals of the Beaufort Sea and
15 Chukchi Sea are especially important. Not only in their
16 own habitat, but also to the Inuit Eskimo population for as
17 long as it can be recalled. The Inuit Eskimos have hunted
18 for whales, seals, polar bear and fish, walruses, other
19 organic creatures since the people first journeyed over the
20 land bridge of the Beaufort Sea. Our marine mammals in
21 their habitat are vital to the folk of the Inuit. The
22 Northern Inuit of Alaska especially esteem the bow head
23 whale. The bow head whale, with its size, when it's
24 harvest right for the community the food necessary to
25 sustain the people traditional diet and nourishment.

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1 The arrival ice break up in the Beaufort
2 Sea and Chukchi Sea, the Inuit ready themselves and all
3 their traditional hunting tools for the harvest of the
4 mighty creatures. The careful work to prepare for
5 endurance is a combination of community corporation and our
6 selfish desire to move forward for the health of the
7 community. Our knowledge of oil and gas industry
8 settlement in these waters will undoubtedly disrupt the
9 percent of the cycle of each environment mentioned here.

10 Even though this other shares most of the
11 -- most on subsistence ecology. based on our traditional
12 knowledge, we encourage you to continue listening to the
13 Inuit people who exist here and keep this account. This
14 environment of the far north, during the EIS, on the
15 proposed lease/sale. As evident, we are not in favor of
16 lease/sale proposed for Beaufort Sea proposed 2002-2007.
17 Permitting oil and gas efforts in these waters would only
18 cause intense friction between the entity and the residents
19 of Arctic Alaska.

20 Thank you.

21 MR. STANG: Thank you Eli.

22 INTERPRETER: In Native.

23 MR. STANG: Thank you Emily. Thank you
24 very much and I appreciate your providing that testimony,
25 Eli. Who else would like to testify now? Please. And if

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1 you would state your name please?

2 MS. HELMS: Hi. My name is Sarah Helms.

3 Is this on?

4 MR. STANG: Yes. It turns out that's only
5 being heard by Nathan, so.....

6 MS. HELMS: Oh okay. My name is.....

7 MR. STANG:you'll have to either
8 speak up or use the microphone, whichever you prefer.

9 MS. HELMS: Okay. My name is Sarah Helms.

10 My maiden name is Taliak and I'm originally from here and
11 I work for Nanook, Incorporated, a subsidiary of Kuulpik
12 Corporation. I wanted to bring up a training program, you
13 know, that could be some good opportunities for the
14 communities. If you're going to have a bunch of jobs, you
15 can have the communities go through some training so where
16 they can actually be part of working for your company.
17 Look into something like that because most of the
18 communities, they don't have too much training -- go for
19 just laborers. You could have people go as technicians or
20 any kind of other long-term job. I think that would be
21 something really good to look into.

22 I do human resource for Nanook,
23 Incorporated and I try to find qualified people from the
24 villages and it's kind of hard when they don't have the
25 proper training and it's pretty frustrating when you're

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1 trying to get people to work. I think that would be a good
2 connection with the communities. We could work very
3 closely with the village corporations or the North Slope.

4 That's all. Thanks.

5 MR. STANG: Thank you. I would like to
6 mention and I think it was about two years ago, roughly,
7 that BP was here in Nuiqsut talking about the Liberty
8 Project, which has temporarily been put on hold. But they
9 committed to -- and I don't know the status of this at the
10 moment, but they committed to a \$3,000,000 training program
11 for North Slope residents. So it might be prudent for you
12 to contact BP and ask them how the program's going and how
13 you can get a little help here. That was a very clear
14 commitment on their part publicly.

15 INTERPRETER: In Native.

16 MR. STANG: Thank you, Emily. Who else
17 would like to testify please? Please. Thank you, Joseph.

18 MR. AKPIK: Good evening people of Nuiqsut.
19 My name is Joseph Akpik and I want to welcome Paul Stang
20 and your committee and George. Welcome to Alaska. Renee,
21 also your staff here. I wanted to thank you on stressing
22 and addressing the Environmental Justice Executive Order
23 12898 as ordered by President Clinton during his early era.
24 But anyway, I would like to thank you again for addressing
25 that. What I would like to see is to follow-up on that

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1 environmental justice in relating to this Beaufort Sea for
2 this proposed lease/sale. How are we going to follow-up on
3 that environmental justice, is one of my questions I would
4 like to see before the evening is over. What does it mean,
5 environmental justice?

6 And I do believe if we can follow-up that

7 then I would be pretty much agreeable with this proposed
8 sale, but right now I would strongly oppose any offshore
9 exploration due to the fact that the majority of our
10 people, I do believe, are opposed to the sale. I would
11 like to stress.

12 I wish to thank you again.

13 MR. STANG: Okay. Thank you.

14 UNIDENTIFIED MALE: In Native.

15 MR. STANG: Joseph, before you go, I will
16 try to give you a partial answer to your question, if you'd
17 like. Would you like that at this point?

18 MR. AKPIK: Yes, I would like to be
19 addressed to the public here with the interpretation. I'm
20 glad that Emily Wilson is here to interpret on some of
21 these vital issues that we need to hear before the evening
22 is over, especially to that environmental justice.

23 Thank you.

24 MR. STANG: Okay. In a nutshell, there's
25 kind of two parts to the environmental justice issue. The

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1 first part is, is the project going to effect a minority or
2 low income population in some disproportionate way? That's
3 the question. And the other part is, will these be high
4 adverse effects. So there's kind of two questions. I
5 think that we have agreed that if there are effects here
6 that Nuiqsut would be a minority and/or low income
7 population. I think the minority population. The Inupiat
8 are a minority population in the United States.

9 MR. AKPIK: Exactly.

10 MR. STANG: So, I think that, if you have,
11 there's kind of two parts to this. George is our resident
12 expert in headquarters, so he's going to correct me or add
13 to what I say. Then the next question -- so you have a
14 kind of yes to one of those. The next question then, is
15 the effect high and adverse? At this point, we don't think
16 that's the case as we see it in the Environmental Impact
17 Statement.

18 Now, I'll tell you the reason for that. We
19 have certain scenarios that we use when we do an
20 environmental impact statement about what affects might
21 occur. No one really knows until any development proceeds,
22 so you do the best educated estimate that you can make.
23 Let me stop right there for a minute to have Emily give
24 that piece and then I'll give you the second part of what
25 I'm going to say.

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1 INTERPRETER: I'll do my best. In Native.

2 MR. STANG: Okay. Thank you.

3 So, what we had was the question, do we
4 have disproportionate affects on a minority or low income
5 population and I said I believe that that's the case. The
6 next question is, would those disproportionate affects be
7 high and adverse. I don't think that's the case and I'll
8 tell you the rationale behind it. We see basically two
9 kinds of affects from offshore oil and gas. These are
10 affects from what we call permitted activities. For
11 instance, in the case of exploration, it's the drilling of
12 an exploration hole. In the case of development, it's the
13 building of an island and the drilling of the wells and
14 laying of pipeline to shore. Those are permitted
15 activities.

16 The company asks for a permit and the
17 Federal government, if it passes all the rules, gives a
18 permit. Same with the North Slope Borough. They issue a
19 permit. We don't believe those affects in themselves are
20 high and adverse. Now, question about an oil spill. If we
21 expected an oil spill to occur, then I would think then we
22 have an issue that we really need to deal with on
23 environmental justice. But when we look at it, the best
24 information that we have available and that we have
25 presented in the EIS, is that we think that the probability

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1 of a large oil spill, now, I'm not talking about a small
2 spill, but a large oil spill, the probability of that
3 occurring is fairly small. And, therefore, we've talked
4 with our lawyers about this particular provision of
5 environmental justice, and we think that it doesn't meet
6 the requirement of high adverse. That is, we don't expect
7 that to occur.

8 Now, personally, and this is not Department
9 of Interior speaking or MMS, but myself, personally if
10 there were a spill then we would have to re-look, in my
11 mind, at this provision. Let me ask George what, if
12 anything he'd like to add to that.

13 MR. VALIULIS: Environmental justice,
14 although it has been around since 1994, has really become
15 prominent in the last few years. Likewise, in our
16 environmental impact statement, especially in this one, you
17 would find that we treat that quite prominently. The
18 purpose of the Environmental Impact Statement is to provide
19 information to people and ultimately to the decision-maker,

20 so that person can make a proper decision. And what that
21 executive order says is, when you provide that information,
22 you have to specifically address environmental justice.
23 Environmental justice, simplistically, says everyone has to
24 be treated fairly and especially the minority and low
25 income folks. So, we have done our job in making the

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1 analysis. Paul has indicated what our findings are in the
2 draft EIS.

3 I think that's all I have to say so far.

4 MR. STANG: Okay. Let's let Emily.....

5 MR. AKPIK: Thank you very much,
6 Mr. George, Joseph again. I do believe I want to stress
7 strongly on this a little bit further that environmental
8 justice orders tends to identify subsistence consumption.

9 (In Native)

10 If you can correct me on that, George. It
11 says that executive order identifies subsistence
12 consumption.

13 MR. VALIULIS: Right. That's the key here.

14 MR. AKPIK: Whatever we eat is something
15 going to poison it?

16 (In Native)

17 That's all I have, thank you very much

18 MR. STANG: Thank you, Joseph. Can
19 you.....

20 INTERPRETER: I think he.....

21 MR. STANG: Did he.....

22 INTERPRETER:explained that in
23 Inupiat.

24 MR. STANG: He explained that.....

25 INTERPRETER: Yeah.

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1 MR. STANG: He explained what we said?
2 INTERPRETER: Yeah.
3 MR. STANG: Okay, good. Thank you.
4 INTERPRETER: Except for George's comments.
5 MR. STANG: Do you want to add those?
6 INTERPRETER: Yeah. Let me add them.
7 (In Native)
8 MR. STANG: Thank you. Thank you very
9 much. Ruth would you please address us?
10 MS. NUKAPIGAK: Yeah
11 MR. STANG: Thank you.
12 MS. NUKAPIGAK: In Native.
13 MR. STANG: Thank you, Ruth. Emily if you
14 could, for the record, give her first and last name.
15 INTERPRETER: Summary, yeah. My name is
16 Ruth Nukapigak and I would -- this has been talked over
17 several times before. The ones that have come here several
18 times before and how many times the oil companies have come
19 here to talk to us about this similar thing. The Inupiat
20 people subsist on wildlife animals and oil and gas is all
21 over here and they have had lease/sale before and where
22 does the money go and where do they spend it? She had a
23 question.
24 The ocean has plenty of wildlife that we
25 subsist on. Several years ago, even before our time, our

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1 people survived on animals and wildlife and they help each
2 other and this is how they survived within the environment.
3 There was no oil and gas. There was nobody to bother them
4 or anything like that. No lease/sale. When it comes to
5 lease/sale she watched T.V. and watch everything. She is
6 very curious about what they're going to do on how the oil
7 spill was that had been done in waters. It killed all the
8 wildlife and she has seen this on T.V. and the oil spills
9 has happened in the ocean and that all of these has
10 happened ad she had watched them on T.V. Now she knows
11 that the drill rig is coming to Cross Island with Thomas
12 Nukapigak, he's traveling with them and supposed to be
13 planning to go to Cross Island for this.
14 They're waiting for that. Seal Oil Island
15 [sic], they had visited several years ago and Seal Island
16 is so far away from the land. There were several of them
17 that went there. She looked at the pipes that were put
18 onto go to the depth of the sea and to the gravel down
19 below. It was about 30 feet deep where they were
20 excavating gravel from down below. And then the water and
21 onto the land at the bottom of the sea they were extracting
22 small gravel they had seen. It's very small. She wondered
23 how, you know, when you are excavating some gravel it
24 spreads all over, the gravel does. It spreads everywhere.
25 Maybe that's why there was so small proportion of it that

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1 came up. And then she knows that the gravel spreads a lot
2 when you are disrupting it from the bottom of the sea.
3 And then there was ice that was cracked
4 after they had done that. Then Nuiqsut experienced not
5 many fish that time. For the summer they didn't come in
6 very much and there was very small fishes that went
7 through. She thinks about how they worked on this. Seal
8 Island is small and they put a barrier off the -- to keep
9 off the ice pressure ridges and they put steel over that so
10 that it wouldn't hurt the island and it would block the ice
11 pressures that were crumbling up. They said they were sure
12 that was going to happen.

13 How is that effecting the hunting. How
14 does it effect the Inupiat people? It would have to have
15 an impact on the hunt -- the animals that they hunt. They
16 survive on seal oil and with no jobs Inupiat people can
17 survive on wildlife. However, when you try to buy
18 something from the store it's very expensive and the person
19 who is managing -- the manager or who is heading that, eats
20 very good from the store and their food is very
21 inexpensive. Here we have to get a lot of expensive food
22 brought in and it's very, very hard. It's kind of a
23 hardship buying the food from the store.

24 In lease/sale who is going to keep the
25 money and where did it go? Do the Alaskans have it? The

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1 different wildlife will change by lease/sale. They will
2 have to put pipes in and she mentioned again the T.V. and
3 killing off the animals and different kinds. The pipelines
4 are visible here at Nuiqsut. Several years ago they had no
5 experience with any pipelines but nowadays it's surrounding
6 Nuiqsut. She has one concern. She has a concern of the
7 two rivers when the fish did not come in. It was the Sisco
8 fish that they didn't catch very much of and that kind of
9 lacked fish for the winter.

10 When the seismic people do seismic in the
11 area and the environment, they spread wires all over
12 looking for oil, indication of where it would be.
13 Sometimes they have to pull all of these wires up to get to
14 their rooms where they were staying and that's how bad it
15 was.

16 And then she wants to mention the caribous
17 were killed off so many of them. How did they -- who
18 killed them? How did they die? Nobody knows about this.
19 And then she had seen the one caribou that curled up and
20 died. What happened to that? How did it die? We do not
21 have the luxuries of eating in the good place, nor can we
22 afford them. Oil and gas is surrounding us but, however,
23 the Inupiat have been patient and they're waiting and
24 sometimes they don't say anything. We value the jobs, but
25 we value more of the wildlife animals that we subsist on.

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1 I welcome all of you for coming to Nuiqsut.
2 I want to talk right, however, things are changing within
3 our lives. I am opposed to the lease/sale if it's going to
4 disrupt our Inupiat way of life.
5 MR. STANG: Thank you, Emily. Ruth, I
6 think -- is Ruth still here?
7 INTERPRETER: Yeah.
8 MR. STANG: Oh, there you are. I'm sorry.
9 I can answer one of your questions about the money and
10 where does it go. The money that comes from these
11 lease/sales, that we collect from the oil companies, for
12 the, what we call up front payment and if there is
13 subsequent royalties and there are rentals, that money goes
14 into the general treasury of the United States, and that
15 then can be appropriated as the Congress sees fit. If a
16 tract is between three and six miles from shore, then 27
17 percent of those receipts go to the State of Alaska, but as
18 I understand it, at this time, the State does not pass
19 through any of that 27 percent to the communities of the
20 North Slope, but uses it into their general receipts in the
21 state. So, that's, at least, what happens to the money
22 that comes to the Interior Department from the oil
23 companies.
24 INTERPRETER: What did you mention about
25 three miles?

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1 MR. STANG: Any tract that's between, I'll
2 show you. Any tract that's from this line, which is the
3 jurisdiction between State and Federal. State is on this
4 side, Federal waters are on that side. From that line out
5 three additional miles. So it's that band, the first three
6 miles of Federal waters. Any receipts that we get from
7 tracts in that area, 27 percent of that goes to the State.
8 But beyond that, so somewhere out here, all of that money
9 goes to the Federal government.
10 INTERPRETER: In Native.
11 MR. STANG: Thank you, Ruth. Anyone else
12 would like to testify at this point please?
13 INTERPRETER: Sarah.
14 MR. STANG: Oh, Sarah. Sitting right there
15 in front of me.
16 INTERPRETER: Yeah.
17 SARAH: My name is Sarah Kunaknana. In
18 Native.
19 INTERPRETER: My name is Sarah Kunaknana.
20 I would like to comment and I have made this comment before
21 and she thinks about these things. At the ocean, the
22 current is very strong and she has said this before. It
23 will destroy anything when it starts going and it starts
24 moving, it can destroy anything because the winds and
25 currents are now in control when it does that. Damage to

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1 some people, some animals, some -- it doesn't have any --
2 it can damage anything that is in the way or something.
3 The environment. It damages the environment and wildlife
4 and seeing dead seals after the wind storms and stuff like
5 that. They have seen seals that were beached to the shore
6 and she has seen this several times at Cross Island and
7 Flaxman Island is also where they had lived. Inneslaw
8 [sic] Island and we hunted in this area with parents. The
9 parents that they had, they prepared food, the meat that we
10 hunted and they make the seal and make pokes into them and
11 preserve the meat this way, with oil in it.

12 And only the boats come in only in the
13 summertime. The Inupiat hunt in land, at sea, and animals
14 and then they trade the furs when the boats come in
15 summertime and this is when they get some of their grubs
16 and stuff like that. They had this in the -- they had
17 experienced this about two times doing some trading.
18 Father bought a boat one time with a small engine and then
19 their food was plentiful then and then they were able to
20 come up with food for the winter.

21 Herding the reindeer for furs and meat was
22 preserved. During that time there was hardly and herds of
23 reindeer, but they do come around. They dry the seal skin,
24 they do it the hard way and then they make it into ropes
25 and then they use it for clothing and the seals have holes

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1 but they're not very big. They make nets and they put it
2 in the water and they catch seals this way. This way they
3 save some bullets for the guns. They didn't have to
4 purchase any bullets for when they are trapping or when
5 they are fishing this way with nets.

6 The meat is shared with the community and
7 whoever is in need and they use some of it for trading.
8 The first thing they do is feed the poor because there is
9 no way -- they might be poor because they were unable to go
10 or they might be sick or something and then they just don't
11 look at poor people. They share what they have. In spring
12 time the Arctic chars are very plentiful then. And this is
13 how they -- they have fish for those and they hang these
14 fish for drying after cleaning them and store them in ice
15 cellars. They're very easy to store. They store them in
16 the ice cellars. This is how they prepare for the winters.

17 And inland they do hunting but by trapping.
18 It's almost the same thing. They take care of everything
19 that they have caught by hunting. Her testimony is a

20 little bit different, but they are having a hard time at
21 present. No jobs and no meals to eat at the table. This
22 is very hard when the children are involved and they're
23 hungry. She is involved with children from eight years on
24 up and up to 17 years of age. They take them out camping
25 and then they try to continue with traditional -- how they

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1 can prepare. They teach them how to fish and how to take
2 care of them or any other animals they get. They teach
3 them how to cut it and how to preserve it. Where she was
4 in the tent was with girls. They have curfew at midnight.
5 They encourage them to speak Inupiat and how to take care
6 of the fish. At first they had a hard time but now they
7 learn a little bit and much better towards the end. But
8 this past year has been very hard. She has heard that the
9 children were hungry. Without jobs it is hard to try to
10 feed the children at present. She's trying to -- it's a
11 little bit different from what she had, but this is what
12 she has come up with. They survived by dog team several
13 years ago and they didn't have to try to fix up the snow
14 machine or anything like that. They don't have to buy
15 anything. They just feed the dogs and then they use them
16 for manpower in this way.

17 MR. STANG: Good. Thank you very much,
18 Sarah. I appreciate your testimony. Yes sir?

19 MR. KASAK: Yeah, my name is David Kasak,
20 Sr. They going to work on that drilling site on the
21 ocean.

22 In Native.

23 INTERPRETER: His name is David Kasak, Sr.
24 He has worked in a drill site, I mean on the drill site and
25 you guys are going to work on the drilling site on the

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1 ocean. He has worked for ARCO at Prudhoe Bay and the
2 caribou at that time were coming in and the truckers had to
3 stop to make them go on their way. On one of these routes,
4 one of the caribou had rabid and it became -- there was
5 nothing they could do but only the one that can kill that
6 was a policeman with guns. So this happened on land and
7 one of the caribou had contacted the rabid disease and
8 stuff like that. So, this was at the time when he was
9 working at least that they were there and now he says that
10 there won't be anybody down there to look out for these
11 kind of things when there's a drill site going on the
12 ocean.

13 He said that's all he has to say.

14 MR. STANG: Thank you, David. Thank you
15 very much. Anyone else would like to present some
16 testimony or viewpoints? Geoff?

17 MR. CARROLL: My name is Geoff Carroll. I
18 work for the Alaska Department for Fish and Game, but these
19 are just kind of my own comments. I didn't show up here
20 with a good organized presentation I just happened to be in
21 town for other reasons and came to listen in to the
22 meeting.

23 In past years I did attend a fair number of
24 these MMS meetings in relation to offshore development and
25 kind of my duties have changed and I work more with land

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1 mammals now and I haven't been attending them regularly.
2 But it sounds like things haven't changed dramatically
3 since the past years. I kind of hear the testimony that
4 people are very much afraid of oil spills and the impact
5 that that's going to have on marine mammals and their way
6 of life and for that reason they are quite opposed to
7 offshore development.

8 It's stated in the summary that -- it
9 almost discounts the chances of an oil spill. Chances of
10 an oil spill, because of current technology and everything,
11 are quite slight, but I don't know, we all still have vivid
12 memories in our minds of the Exxon Valdez oil spill and
13 what havoc that reaped and it's just a good illustration
14 that even though the chances are very slight of an oil
15 spill, it can very well happen. Just common sense tells us
16 that even though for any exploration or development
17 project, the chances of an oil spill are very slight when
18 you start having more and more and more of these, which
19 seems to be the direction we're going, we see more
20 development every year and more proposals for development,
21 that you start adding these up and eventually it adds up to
22 the point that at some point there is going to be an oil
23 spill out here.

24 I think it's quite clear to just about
25 everybody that there is really no method for cleaning up an

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1 oil spill in the Arctic at this time. Even under good
2 conditions, or relatively good conditions in Prince William
3 Sound it took a long time to clean that up and start the
4 recovery from that. In the Arctic, I don't think there is
5 any evidence that there would be any reasonable chance to
6 clean that up at all. So I feel that until there is a good
7 method of cleaning up an oil spill in the Arctic, or until
8 you can say that there's absolutely no chance for a spill
9 that the leasing and the following exploration and
10 development should not occur.

11 I know people have been saying this for
12 many years at almost every meeting I've attended, the great
13 majority of people get up and say that they don't want to
14 have the leases continue, but for economic reasons and
15 other things, they always do. So I assume that will be the
16 same situation here that this lease will go ahead. If it
17 does occur, I'd recommend that the Barrow, Nuiqsut,
18 Kaktovik, and the eastern deferrals be incorporated to
19 protect important hunting and feeding areas for bow head
20 whales.

21 As I said, I'm not much of a whale
22 biologist anymore, but I do spend a lot of time working
23 with caribou and I'd just like to disagree with one
24 statement that I saw in the summary concerning caribou,
25 about the effects on caribou. Basically it said that

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1 possibly small numbers of terrestrial animals could be
2 affected by offshore development. Like, last week, we had
3 some very warm weather and it was just about the entire
4 Central Arctic Caribou Herd and the Teshekpuk Caribou Herd
5 moved up to the coast, as they do during warm weather for
6 insect relief. I mean, many of them almost become marine
7 mammals. They're out there wading up to their chests in
8 water to get away from the bugs and they are just literally
9 lining the beaches. Certain circumstances, if there was a
10 big oil spill and it did end up along the beaches, I think
11 that there's a possibility that it could have a
12 considerable affect on a lot of caribou. I think that's
13 understated in the summary.

14 That's about all I have to say for now.
15 Thank you.

16 MR. STANG: Thank you, Jeff. Thank you
17 very much. I appreciate your coming.

18 INTERPRETER: In Native.

19 MR. STANG: Thanks again, Jeff. Does
20 anyone else have something they'd like to say at this
21 point?

22 (No audible responses)

23 MR. STANG: While you're thinking about
24 that, let me mention something that came up last night, and
25 came up here a couple of times today. And that is concern

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1 about the Arctic Sisco. I had asked, Keith Coles who heads
2 our science group in Anchorage to give me a little update
3 on what's going on with Arctic Sisco, so what I'd like to
4 do is read that to you because it's in partial answer to
5 what Bernice is was asking about last night. We understand
6 clearly that the Nuiqsut villagers are concerned that ice
7 roads affecting salinity, drilling mud spilled underground
8 during construction of alpine pipeline could be entering
9 the river or other activities that have effects on the
10 abundance of Arctic Sisco. Very low returns of fish the
11 past five years have accentuated these concerns. Other
12 factors that could affect Arctic Sisco populations include,
13 but are not limited to, factors effecting recruitment at
14 the McKenzie River, changes in the channel of the Colville
15 River, and hence the distribution of fish available for
16 subsistence use, fishing practices and harvest, and
17 possibly the cumulative affects of offshore and on shore
18 related development.

19 In light of that, and our understanding and
20 we're hearing from the villagers concerns about the Arctic
21 Sisco, we have had a study proposed, and it's been ranked
22 very highly by our office. The study's entitled "Analysis
23 of Variation in Abundance of Arctic Sisco in the Colville
24 River". We expect that to be funded for FY03. We don't
25 have a final decision yet, but we're pretty well expecting

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1 that to get funds. The first phase of that will include
2 meetings with individuals, meetings of individuals in
3 traditional and scientific knowledge about this species to
4 help further design the topics. In the first phase we'll
5 be talking with the Inupiat community about this issue to
6 help define it more closely. We expect that that could
7 start -- the fiscal '03 starts October first, so we would
8 be working in shortly thereafter on that.

9 There is also another study that is ranked
10 fairly highly and that's "Locating Overwintering Fish
11 Habitat in the Colville River and Beaufort Sea". Finally,
12 our region's fisheries oceanographer has been participating
13 in the North Slope Borough sponsored Arctic Sisco working
14 group and will continue working and coordinating the North
15 Slope Borough on this issue. So, I just wanted to let you
16 know that we heard what people have been saying here about
17 Arctic Sisco for some time, and I think we're going to
18 translate that into some studies that we hope will be
19 useful in trying to assess the nature of the problem with
20 Arctic Sisco.

21 INTERPRETER: Where is that?

22 MR. STANG: I have it here. I'll give it
23 to you. Just a second.

24 INTERPRETER: Thank you. In Native.

25 MR. STANG: Thank you, Emily. So, Eli, if

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1 you could pass that on to Bernice that information and also
2 apologize for me that, she was correct. We are in the
3 field now studying and she observed that we weren't. But
4 we hope to be in next fiscal year.

5 INTERPRETER: In Native.

6 MR. STANG: Thank you, Emily.

7 INTERPRETER: Uh-huh.

8 MR. STANG: Anyone else have any testimony
9 that they would like to give or questions or any issues
10 you'd like to raise?

11 (No audible responses)

12 MR. STANG: Well, hearing none, I want to
13 thank you all for coming, and I want to thank you, Emily
14 for doing such a wonderful job in your testimony. We
15 certainly appreciate it. It was a very valuable service
16 you provided tonight. We want to thank you.

17 INTERPRETER: You're welcome.

18 MR. STANG: Thank you, Mr. Mayor for
19 arranging the meeting and setting everything up for us. We
20 appreciate that. Thank you so much.

21 (Off record)

22 (END OF PROCEEDINGS)

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1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)

3)ss.

4 STATE OF ALASKA)

5 I, Joseph P. Kolasinski, Notary Public in and for the
6 state of Alaska, and reporter for Computer Matrix Court
7 Reporters, LLC, do hereby certify:

8 THAT the foregoing Mineral Management Service Hearing
9 was electronically recorded by Nathan Hile on the 24th day
10 of July 2002, at Nuiqsut, Alaska;

11 That this hearing was recorded electronically and
12 thereafter transcribed under my direction and reduced to
13 print;

14 That the foregoing is a full, complete, and true
15 record of said testimony.

16 I further certify that I am not a relative, nor
17 employee, nor attorney, nor of counsel of any of the
18 parties to the foregoing matter, nor in any way interested
19 in the outcome of the matter therein named.

20 IN WITNESS WHEREOF, I have hereunto set my hand and
21 affixed my seal this 26th day of August 2002.

22

23

24

25

Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 4/17/04