

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

Bureau of Ocean Management Regulation and Enforcement

Public Hearing

Environmental Impact Supplemental Statement

Relating to Chukchi Sea Sale 193

November 4, 2010

Wainwright School Library

Wainwright, Alaska

VOICE CHECKED/CORRECTED

BOEM TEAM MEMBERS:

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

INDEX OF SPEAKERS

	<u>Page</u>
1	
2	
3	
4	
5	
6	6
7	
8	8, 16, 36, 42
9	52, 53, 60, 65
10	69, 71, 73, 74
11	75, 77, 81
12	
13	7
14	
15	7
16	
17	7
18	
19	7
20	
21	7, 36, 37
22	
23	8
24	
25	8, 50, 52, 80
26	81
27	
28	8, 44, 45, 59
29	
30	8, 11, 45, 47
31	48, 66, 73, 74
32	75, 76, 81
33	
34	8, 48, 50
35	
36	8
37	
38	8, 57, 59, 65
39	68, 72, 73, 76
40	81
41	
42	8
43	
44	
45	
46	
47	
48	
49	
50	
51	

P R O C E E D I N G S

(On record at 7:20 p.m.)

MR. LOMAN: My name is Jeffery Loman, J-E-F-F-E-R-Y L-O-M-A-N. I'm the Deputy Regional Director with the Bureau of Ocean Energy Management Regulation and Enforcement, formerly MMS, in the Alaska Region. Thank you very much for coming. The reason I spelled my first and last name is we have a Court Reporter. Judy is going to be recording this.

This is a public hearing. It's a public hearing for the purpose of complying with the National Environmental Policy Act or NEPA. I'll -- we use that acronym NEPA frequently. National Environmental Policy Act, Federal environmental law signed into law by President Nixon requires a few things. Requires that the Federal Agency analyze a major federal action to see if it has the potential to affect the human environment. The major federal action in the case of tonight was the Chukchi Sea Sale 193 that took place in February of 2008. An EIS, Environmental Impact Statement, was prepared. And the Agency was -- decided to hold the oil and gas lease sale.

The Agency was sued, sued by ICAS, Native Village of Pont Hope, and a number of environmental advocacy groups. The case went to Federal court in the Alaska District. It was stalled for a while because there's another lawsuit in the courts in Washington D.C. I won't go into that very -- in detail, but the Alaska District Court withheld their decision until that case

1 was resolved, so that the Court could decide. And they did
2 decide. And, for the most part, they decided that our Agency
3 complied with NEPA. But there were a few things the Court found
4 that the Agency needed to address. And we'll talk about that.

5 But before I go any further, other than to say thank you
6 for taking the time tonight to come here. We want to hear what
7 your comments on the draft EIS, Supplemental EIS, if you have
8 any comments about it. Want to hear your comments about
9 offshore oil and gas in any context, as well, just because we
10 want to communicate with you. And we want to become a better
11 Agency and learn from your comments and ideas and concerns about
12 offshore oil and gas.

13 Real quick, starting with Tim who's -- we are now calling
14 Flying Tim -- we're going to introduce ourselves. And then
15 we'll have you introduce yourselves. And we'll all spell our
16 names for Judy the Court Reporter. Tim.

17 MR. HOLDER: Yeah, I'm Tim Holder, H-O-L-D-E-R. And I'm
18 with BOEMRE in our Washington D.C. offices, opposed to everybody
19 else who's in the Anchorage office. And I keep track of what's
20 going on with the affairs of the Alaska office.

21 MR. ROUTHIER: My name is Mike Routhier, that's R-O-U-T-H-
22 I-E-R. And I'm a NEPA Coordinator for the Agency, which means I
23 work on these National Environmental Policy Act documents.

24 MS. CODY: Mary Cody, C-O-D-Y and I'm a Wildlife Biologist
25 with the Anchorage office.

1 UNIDENTIFIED MALE: You're a what?

2 MS. CODY: A Wildlife Biologist with the Anchorage office.

3 UNIDENTIFIED MALE: Okay.

4 MS. WARREN: Sharon Warren, W-A-R-R-E-N. I'm the Program
5 Analysis Officer for the Agency in the Region.

6 MR. PETERSON: I'm Bob Peterson. I'm a Geologist and
7 Chief of the Resource and Economic Analysis Section. And that's
8 P-E-T-E-R-S-O-N.

9 MR. CALLAHAN: My name is John Callahan, C-A-L-L-A-H-A-N.
10 I'm the Public Affairs Officer for the Alaska Region. And I'm
11 taking a few photos tonight, if that's okay with you guys.

12 UNIDENTIFIED MALE: There's a \$4,000 donation that needs
13 to come to each of our pockets.

14 MR. CALLAHAN: Sure.

15 UNIDENTIFIED MALE: I'm kidding.

16 UNIDENTIFIED MALE: From you to him.

17 MR. LOMAN: We are the Bureau of Ocean Energy Management
18 Regulation and Enforcement. And we will no longer be showered
19 with any gifts. If we ever were.

20 UNIDENTIFIED MALE: They turned off the spigot.

21 MR. LOMAN: So we want to meet you folks.

22 UNIDENTIFIED FEMALE: Mike -- Jeffery.

23 UNIDENTIFIED MALE: Who's this?

24 UNIDENTIFIED MALE: Mike the Senior.

25 MR. LOMAN: Would you like to sit down?

1 UNIDENTIFIED MALE: Who's that?

2 MR. LOMAN: I'm sorry -- Mike.

3 MR. HALLER: Oh, I'm Mike Haller. I'm the Community
4 Liaison for the Bureau, M-U-D, no I'm kidding.

5 MR. LOMAN: Michael is our new Community Liaison. Many of
6 you knew Albert Barros. Albert retired, returned to the Nez
7 Pierce (ph) Indian Reservation where he's doing great. And
8 Michael came to us. His most recent job was as a Advisor to the
9 Minister of Foreign Affairs or Minister of Public Affairs,
10 rather. in Kabul, Afghanistan. So he's used to conflict and
11 competing interests.

12 So we want to meet you folks. And starting with you, sir,
13 if you would introduce yourself and spell your name for our
14 Reporter. Thank you.

15 MR. PICKETT: My name's Frank Pickett, P-I-C-K-E-T-T. I'm
16 in my third year as the science teacher here.

17 MR. HOPSON, JR.: John Hopson, Junior, Y-O-U-R N-A-M-E.
18 I'm here to speak on behalf of the Whaling Captains and myself.

19 REPORTER: What's your last name?

20 MR. HOPSON: N-A-M-E. He asked me to spell your name.

21 REPORTER: I need your last name, not the word, your name,
22 but your name.

23 MR. HOPSON: H-O-P-S-O-N.

24 REPORTER: Thank you.

25 UNIDENTIFIED MALE: Go on Herbert.

1 MR. LOMAN: Herbert?

2 MR. WAINWRIGHT: H-E-R-B-E-R-T.

3 REPORTER: Can you speak up?

4 MR. LOMAN: Wainwright, Herbert.

5 REPORTER: Herbert, no last name?

6 MR. LOMAN: I'm sorry?

7 MR. TAGAROOK: T-A-G-A-R-O-O-K.

8 MR. LOMAN: K-A?

9 MR. TAGAROOK: T-A-G-A-R-O-O-K

10 MS. AKPIK: This is Clyde Akpik, A-K-P-I-K, his last name.

11 And my name is Cora Akpik, from Wainwright.

12 MR. LOMAN: Thank you for coming.

13 MR. AKPIK SR.: Max Akpik, Senior.

14 REPORTER: I'm sorry, I couldn't hear.

15 MR. HOPSON: Max Akpik, A-K-P-I-K, Senior.

16 MR. MICHAEL TAGAROOK: Michael Tagorook, T-A-G-A-R-O-O-K.

17 REPORTER: Everybody's going to need to speak up. I can't

18 hear.

19 MR. LOMAN: Yeah, well it's hard hearing if you're back

20 there. Yeah, if you can, really shout it out.

21 UNIDENTIFIED MALE: Like Bing, I think.

22 MR. LOMAN: Yes sir, way in the back.

23 MR. PATKOTAK: Who me?

24 MR. LOMAN: Yes sir.

25 MR. BLAIR PATKOTAK: Blair Patkotak, P-A-T-A-O-T-A-K.

1 MR. LOMAN: Thank you.

2 MR. NEGOVANNA: Raymond Negovanna, N-E-G-O-V-A-N-N-A.

3 MR. TERRY TAGAROOK: Terry Tagarook, T-A-G-A-R-O-O-K.

4 MR. HOWARD PATKOGAK: Howard Patkogak, P-A-T-K-O-G-A-K.

5 MR. OKTOLLIK: Enoch Oktollik, E-N-O-C-H O-K-T-O-L-L-I-K.

6 MS. MAYER: Lucille Mayer, M-A-Y-E-R.

7 MS. NASHOOKPUK: Isabel Nashookpuk, N-A-S-H-O-O-K-P-U-K.

8 MR. LOMAN: Thank you.

9 MR. AGNASAGGA: Ransom Agnasagga.

10 MR. LOMAN: Spell your last name please.

11 MR. AGNASAGGGA: A-G-N-A-S-A-G-G-A.

12 MR. LOMAN: Thank you. Thank you very much.

13 UNIDENTIFIED FEMALE: Steve?

14 MR. SEGEVAN: And I'm Steve Segevan, S-E-G-E-V-A-N.

15 REPORTER: I'm sorry, could you say that again?

16 MR. SEGEVAN: Segevan, S-E-G-E-V-A-N.

17 MR. LOMAN: Are there any other participants we may have
18 missed? Yes sir.

19 UNIDENTIFIED MALE: Could you repeat what you said
20 earlier, to the people that just came?

21 MR. LOMAN: For the new people? Sure, you bet. I'm
22 Jeffery Loman. I'm the Deputy Regional Director of the Bureau
23 of Ocean Energy Management Regulation and Enforcement, formerly
24 known as the Minerals Management Service or MMS. And the reason
25 that we're here tonight is to hold a public hearing, because the

1 Agency has prepared a Supplemental, a draft Supplemental
2 Environmental Impact Statement, which is required under a Court
3 remand in a lawsuit, challenging the Agency's actions when it
4 did an Environmental Impact Statement for Chukchi Sea Sale 193,
5 that took place in February of 2008.

6 The Agency held that sale in 2008, issued 487 leases for a
7 total of about \$2.6 billion, with Shell Oil Company obtaining
8 \$2.1 billion of those leases. And the Agency was sued, sued by
9 the North -- the Native Village of Point Hope, ICAS, and a
10 number of environmental advocacy groups. And they challenged
11 the Agency's compliance with the Federal law called the National
12 Environmental Policy Act, or NEPA, asserting that we didn't
13 comply with NEPA.

14 The Court found that the Agency complied with NEPA, for
15 the most part. But there were a couple of provisions that the
16 Court found the Agency fell short. And those provisions are the
17 failure to analyze the effects of natural gas, and the
18 requirement to explain or analyze, evaluate under a Section of
19 NEPA called 1502, Section 1502.22, do an analysis under that
20 Section of about 40 pages of statements in the original EIS of
21 uncertainty or lacks of information.

22 For example, there's a statement in the original EIS that
23 says, there's uncertainty, scientific uncertainty concerning the
24 population structure of the bowhead whale. At that time, the
25 IWC, International Whaling Commission Scientific Committee, was

1 debating whether or not there were multiple populations,
2 multiple stocks, of the bowhead whale, like a Beaufort stock or
3 Bering stock. The IWC has since concluded that there is only
4 one stock.

5 So our job in that -- using that example, is to determine
6 whether or not there's any significance. Is there significance
7 to the Bowhead Whaler, which many of you are. Does it make a
8 difference if there's one or two or more stocks when you're
9 subsistence whaling? We think not. Whaling has taken place for
10 a long, long time, a lot longer than our Agency has existed, a
11 lot longer than, even than the use of oil and gas.

12 And the uncertainty regarding the stock, the population
13 structure has made little or no difference to the hunter. And
14 it makes little or no difference, we think, to the decision
15 maker who's got to decide on how to approve or not approve or
16 regulate offshore oil and gas activities. So, that's an
17 example, one example of the exercise that we have to go to --
18 through in this draft Supplemental Environmental Impact
19 Statement. And we think we have.

20 We're going to talk a little bit more about that, and
21 explain the legal action that took place. Explain a little bit
22 more about the document. And then we'll go to the important
23 part of this meeting. And that's to hear from you. And take
24 your comments on this draft document and talk together about
25 your concerns, ideas, comments that you may have about any

1 offshore oil and gas activity.

2 Because our Agency, as you know, is going through a
3 reorganization. And these are challenging times for us. And we
4 feel that we share the same challenges as the people in the
5 community of Wainwright.

6 Our work is as important to you as it is to us, really.
7 So we are facing together these uncertain times. And we need to
8 work together and communicate and talk and put our thinking caps
9 on and resolve conflicts and competing interests. And we look
10 forward to this conversation tonight. Sharon is going to talk a
11 little bit about this Court case before the Alaska District
12 Court. Sharon, you really will have to come over here unless
13 you can scream.

14 MR. OKTOLLIK: Before you go on, I didn't bring a pen.

15 MR. LOMAN: Need a pen? You probably need a book to write
16 on, too. But we have to return it. That paper's got my name
17 and phone number on it, in case you don't like what I say
18 tonight.

19 MR. OKTOLLIK: All right.

20 MR. LOMAN: Thank you Sharon.

21 MS. WARREN: Okay, thank you. As you know, what Jeffery
22 said, was that it went to the District Court in January of 2008.
23 And the sale was held in February of 2008. Also, the fact that
24 we have lease sales, based on a five year program. And the Sale
25 193 was in the five year program for 2007 through 2012. That

1 five year program was sued by the environmental organizations in
2 the D.C. Circuit Court. And so, that is why that this case just
3 kind of sat there in the District Court waiting to find out what
4 was going to happen with the D.C. Court. Because the D.C. Court
5 remanded back to the Secretary, his decision, on whether or not
6 to keep the Arctic Sales in that five year program.

7 So that was going back and forth with the D.C. Court. And
8 the Secretary had to do the Environmental Sensitivity Analysis,
9 is what it was called, part of the OCS Lands Act, the Outer
10 Continental Shelf Lands Act. So they had to meet that
11 requirement of the law. The Court, in that situation said,
12 Secretary, you didn't meet the requirement of the law. You need
13 to go back and meet the requirement of the law. So, that's what
14 happened to the sale. The sale was sitting in the District
15 Court because we had the lease sale.

16 So we had the five year program in the D.C. Circuit Court.
17 We had the lease sale in the District Court. A lot of
18 litigation going on during that time. So the D.C. -- so the
19 Secretary -- they finally decided, you know, we're making
20 progress on this. And let's start briefing again on this
21 District Court case on Sale 193. As you know, the Secretary
22 came out with a preliminary Advice (ph) Program in March 31st to
23 keep Sale 193 in the five year program. But did not keep the
24 remaining Arctic sales in the five year program. So there was
25 two Beaufort Sea Sales planned and two of the Chukchi Sea Sales

1 planned. And those were removed from the five year program. So
2 we only have one Arctic Sale that was held in this five year
3 program.

4 So the District Court began looking at all the briefs that
5 were filed. And there was a lot of allegations by the
6 Plaintiffs saying how we didn't follow NEPA. You know, we
7 failed to look at all these things that we should have been
8 looking at. So when the District Court Judge, Beistline, issued
9 his decision in July 21st of this summer, he said, I've looked at
10 all this. And I've looked at everything that you've alleged
11 that the Agency hasn't done. And for the most part, the Agency
12 did take a hard look. They looked at all these things. But you
13 need to go back, and like Jeffery had said earlier in his
14 opening, is you need to look at these three things. And these
15 were the only three concerns that the Judge had.

16 And that's why the document you'll see tonight, and Mike
17 will explain further about it, is focused because it's based on
18 the Court remand, because everything else in that litigation has
19 been decided by the Judge. So we're just left with these
20 concerns that the Judge had on the environmental impacts
21 concerning the natural gas and then the missing information and
22 the cost to get that missing information. We need to look at
23 that, as well.

24 What's going to happen next is that once the comment
25 period is closed, the comments are taken, the public hearings

1 held, we'll be doing a final Environmental Impact Statement.
2 And that final Impact Statement, after it's completed, will go
3 to the Court, because the Judge has kept the case before him.
4 So he'll look at our final Impact Statement. He'll also look at
5 the documents and any other documentation that we use to make
6 that decision on the final EIS. That will be filed with the
7 court. The Plaintiffs who sued us will also have that before
8 them. And there'll be briefs between the legal representation.
9 Then the Judge will decide whether or not that we will --
10 whether or not we met our NEPA obligations in this court case.

11 The Judge also later issued an Order and set a timetable
12 of what he thought would be the time sufficient to do this. And
13 he gave a timeframe, six months from July 21st. So January 21st
14 of 2011 he thought that would be a reasonable time for the
15 government to make a reasonable effort to comply with his Order.
16 And so that's why you see what we have today, the focus of the
17 document and then the timeline that we're working from is from
18 what the Court has said in his order.

19 MR. LOMAN: Sharon, we have till January 21st to submit a
20 final EIS before this Court. How long do these folks have to
21 make comments on this draft?

22 MS. WARREN: You have until November 29th. There's a 45
23 day comment period. So your comments is -- it's open until the
24 29th of November.

25 MR. LOMAN: How can they submit comments?

1 MS. WARREN: You can submit comments by -- in the EIS,
2 hopefully you have a copy, if not. But you can submit comments
3 to our Department by mail. You didn't get in --.

4 UNIDENTIFIED MALE: (Indiscernible) Supplemental EIS?

5 MS. WARREN: Yeah it's the Supplemental EIS. And in the
6 beginning of the document it says precisely how you need to
7 submit the comments. What it needs to say on the comments so
8 that we know when we get it in there. And I think it's the
9 first page. So -- I don't have one in front of me. But,
10 there's a email address that you can use. There's a specific
11 email address to use to submit your comments. You can mail them
12 in, as well. So if you don't have the EIS here, even though
13 they were FedExed here. But apparently FedEx doesn't deliver
14 next day service, it looks like.

15 MR. LOMAN: Has anybody spotted it in the library here,
16 because we did spot them in the library at Point Hope.

17 UNIDENTIFIED MALE: (Indiscernible).

18 MR. LOMAN: Somebody's got one.

19 MS. WARREN: You've got one?

20 UNIDENTIFIED MALE: I called the State and I got it
21 through the computers.

22 MR. LOMAN: Yeah, you can get it online.

23 MS. WARREN: Yes you can get it online. Our website has it
24 online so it's a -- you know -- you can read it online as well.

25 MR. LOMAN: Does anybody have an extra copy that they

1 brought to give away tonight?

2 MR. HALLER: Yeah.

3 MR. LOMAN: Mike did, so --.

4 MS. WARREN: Okay we have another -- an extra one.

5 MR. LOMAN: We'll hold a (indiscernible).

6 MS. WARREN: Yeah.

7 MR. CALLAHAN: I think I have two back at our hotel room.

8 MS. WARREN: Okay.

9 MR. LOMAN: Yeah we don't need to take any to Barrow. We
10 know they arrived in Barrow in large numbers.

11 MS. WARREN: Okay.

12 MR. CALLAHAN: If you want one of mine, please see me
13 afterwards.

14 MS. WARREN: Is there any other questions?

15 MR. HOPSON: Your State, right, State of Alaska Court
16 you're talking about?

17 MS. WARREN: No, Federal.

18 MR. HOPSON: Oh, Federal.

19 MS. WARREN: United States District Court for the District
20 of Alaska, Federal.

21 MR. HOPSON: Oh -- okay.

22 MS. WARREN: We're in the Federal. Yeah, this is the
23 Federal. Yeah, the State has a lot of stuff going on as well.
24 But, no, we're the Federal and so it goes to Federal Court.

25 MR. LOMAN: Thank you Sharon. Any questions about this

1 litigation?

2 UNIDENTIFIED MALE: Yeah, you stated earlier that the
3 Secretary of Interior or somebody (indiscernible) in the five
4 year program. And right now it's fit right into the five year
5 program?

6 MS. WARREN: Yeah, this is an interesting situation
7 because the five year program -- there was a preliminary revised
8 five year program that was done. That was out on the 31st of
9 March and then public comments were taken, okay. There is not
10 yet a final revised program, okay. So the Secretary still needs
11 to make a decision on that five year program, in addition to
12 doing this as well. So if the Secretary, you know, he's got to
13 decide that Sale 193 will be kept in the five year program. He
14 decided, at least at the preliminary stage, it would be. But
15 now they're reviewing those comments. And so he has to make a
16 decision, after reviewing those comments, whether or not it will
17 stay in the final five year program.

18 If it doesn't stay in the final five year program, then
19 this case is going to be -- not relevant anymore. Because it --
20 he removed it from the five year program, so --. So there's
21 several things that need to happen by the Secretary.

22 MR. LOMAN: Thank you Sharon. Any other questions for
23 Sharon? Mike can you come up and talk a little bit about the
24 preparation of this document? Mike was probably the principal
25 person that worked on this draft Supplemental Environmental

1 Impact Statement. And he can tell you what he did to try to
2 address this Court remand. Mike.

3 MR. ROUTHIER: Sure. I was actually on my third day of
4 work with the Agency that we got the remand so --.

5 MR. LOMAN: We put him right to work on this.

6 MR. ROUTHIER: Yeah. So it was pretty interesting, but
7 yeah. So we got the Judge's remand. He was pretty specific
8 about what he wanted. He didn't give us very specific
9 directions on how to do it, but we went with was a Supplemental
10 EIS. It's a pretty intensive amount of analysis. And it also
11 allows us the opportunity to have public comments and to go out
12 and meet the people that are going to be concerned about it. So
13 we're pretty happy with that process.

14 As to the analysis itself, as you probably remember, the
15 first bit of that remand, the Judge told us to do analysis of
16 the environmental impacts of natural gas development and
17 production. So we needed -- our Environmental Analysis Section
18 needed, like a scenario to analyze. We needed an idea of what
19 the natural gas development and production could entail, what
20 kind of development, what kind of production. So, for guidance
21 on those issues, we consulted with our Resource and Economic
22 Analysis Section. And Bob here leads that Section. So he can
23 fill you in a little bit on how they developed this scenario.

24 MR. PETERSON: So, we do the Resource and Economic
25 Analysis. So Mike's group, they needed something concrete to

1 analyze -- to study the effects of. My group is Geologists and
2 Engineers primarily. We had already, under the original
3 document, looked at the oil potential, came up with an oil
4 scenario that, one, given a successful case, would expect in the
5 Chukchi Sea.

6 The Judge also wanted to see a gas case. Part of our
7 determination was, yes, there were large quantities of gas
8 potential in the Chukchi. And one of those is that the gas was
9 going to be associated with the oil. Oil, really, is where the
10 big value is. You just didn't see a case where you're just
11 going to have a gas field on its own. So it's going to be an
12 oil field with gas, and this really drove our scenario. So we
13 were going to have, given a discovery, an oilfield with
14 development off shore, the drilling of the oil, a pipeline to
15 the shore, a shore base developed somewhere along the Chukchi
16 coast. And then an oil pipeline that would go across the NPRA
17 and hook into the existing TransAlaskan Pipeline.

18 The oil would be paying for a lot of the infrastructure.
19 After we had a reasonable estimate of about 10 years, we could
20 begin to see gas development. This would be from the same
21 offshore facility. There would be a second pipeline to shore,
22 more onshore infrastructure development at the coast, a second
23 gas -- a second pipeline built, this time a gas pipeline. And
24 it would run along the same right-of-way, both offshore and
25 onshore, across NPRA.

1 And this is a little leap of faith. But we had to assume
2 that either the Denali Pipeline or AIGA Pipeline or some gas
3 pipeline is going to be built from the North Slope. And this
4 gas pipeline from the Chukchi would hook into that somewhere in
5 the Prudhoe Bay area and take the gas somewhere south, wherever
6 that may be. So now, Mike's group would have a scenario of oil
7 development to begin with, that oil infrastructure built and
8 then a second pulse of activity which would be the gas
9 development.

10 We also looked at some of the economics. As you know, the
11 North Slope Borough gets almost \$240, \$250 million a year from
12 the property tax of onshore facilities around the Prudhoe Bay
13 area. We estimated that there could be \$2 to \$2.5 billion worth
14 of onshore development that would be taxable, property taxable,
15 due to the onshore landing, oil infrastructure, pipeline, roads,
16 oil compressors.

17 There would be, at a delayed time, because you're going to
18 produce the oil first and then later the gas. At a later time,
19 you would then produce or have to build the gas facilities
20 onshore and a gas pipeline. And that could be worth another
21 \$1.5 billion investment onshore for the gas facilities. You
22 might also think -- like to mention that this all is going to
23 take time.

24 First oil production could be 12 to 15 years in the
25 future. Of course nobody's drilled the first well yet or made

1 first discovery. But, from that date, you could expect 12 to 15
2 years before the first oil production. You could then, very
3 easily, look at another 10 years before the first gas production
4 came. So you'd have 10 years of oil production, roughly another
5 10 years of both oil and gas production with the oil production
6 headed down. And then the oil production would halt. And then
7 there'd be another period of time where you would only have gas
8 production.

9 So that was pretty much the scenario and the timeline that
10 we left Mike with. And, again, we looked at some of the
11 economic infrastructure that would be built onshore and realized
12 there would be the pulse of spending for oil. And then a second
13 pulse later on, spending for the gas facilities.

14 Any questions on how we envision this working? Sir.

15 UNIDENTIFIED MALE: On this lots of oil and gas you're
16 seeing out there, you're talking about 20 years. And yet I
17 can't follow you here because alternative energy there's -- our
18 world is coming where they look at the alternative energy.

19 MR. PETERSON: Yes.

20 UNIDENTIFIED MALE: Do you feel that we just get to rely
21 on oil and gas up here, all of us here or whatever,
22 (indiscernible) stuff like that? What will become of it -- if
23 it's not utilized and you find other source of alternative
24 energy.

25 MR. LOMAN: I think it's safe to say that with the most

1 heightened vision of the alternative energy development, given
2 the use and demand for energy, if Bob's scenario played out and
3 you started in on a production that soon, you would be looking
4 at taking all of the resources that we think may be, even at the
5 highest estimation out of the Arctic. That being said, we go
6 back to what the first Chairman of OPEC said, who was a sheik
7 from Saudi Arabia, when they asked him back in the 60s, I think
8 it was the 60s, how long he thought oil and gas would support
9 these countries in OPEC. And he said, the Stone Age didn't end
10 because they ran out of stones. And I think it's probably the
11 same thing in the case of oil and gas. There'll still be oil
12 and gas. When we move to other sources of energy -- going to
13 the last drop of oil and the last bit of gas before we really
14 move to other alternative energy is kind of a scary thought.

15 But we think that -- we think -- we don't know and won't
16 know until exploration occurs and confirms or negates what we
17 think, that the oil and gas resources in the Arctic could be
18 larger than the largest oilfield on earth. So it is a
19 substantial amount. But the demand is huge and the United
20 States is getting most of their oil and gas, by far, from abroad
21 now. Not at necessarily the right price, and not from people
22 who we're in love with. Or, they're not in love with us. We
23 have lots of love.

24 MR. PETERSON: Alternative energy, I think, has some
25 interesting, you know, additions to the whole nation's energy

1 needs. And yet, at the same time, you know, the companies and
2 its -- money that they're investing, are continuing to believe
3 that we are going to need more oil and gas and more coal. So I
4 don't think 15 or 20 years from now there's going to be any
5 reduced demand for oil and gas. And I guess, again, the only
6 support of that is, that many people are still very willing to
7 spend the amount of money it takes to find additional quantities
8 of oil and gas anywhere in the world and, certainly in the
9 Arctic.

10 UNIDENTIFIED MALE: Some of us, (indiscernible) would
11 probably be (indiscernible). I know they have done studies of
12 exploration of oil and gas probably. I didn't know what date
13 you all would go back. But, they have done studies before and
14 probably around the Bering Sea and along through the Chukchi Sea
15 and the Beaufort Sea. And I always want to try to see the broad
16 picture because most of our bodies of waters are the Outer
17 Continental Shelf, also?

18 MR. PETERSON: Yes.

19 UNIDENTIFIED MALE: How far has that research gone with
20 the whole Bering Sea, the Chukchi Sea and the Sea -- how much is
21 that potential of oil and gas?

22 MR. PETERSON: That's a very interesting -- intriguing
23 question. There's been a lot of work at different levels.
24 Currently, as we speak, every 10 years -- I'm sorry -- yeah
25 about every 10 years we do an updated oil and gas assessment for

1 the offshore. And in our case, for all of Alaska's offshore.
2 Some areas we know a little bit more about, because we have
3 seismic and -- two primary things -- are seismic and wells.

4 In the Arctic we have 35 wells, 30 offshore in the
5 Beaufort or the Beaufort Sea and five in the Chukchi. That's
6 not very many at all. So we have seismic where we can identify
7 tracts. And we have a few wells that say the key components for
8 oil and gas is there. That's what we base our estimate on.

9 Something we haven't, or I haven't mentioned yet today,
10 we're assuming in our scenario a success. We have basins like
11 St. George and Norton Sound where we have gone out -- or
12 companies have gone out and drilled where we had some very
13 optimistic estimates of oil and gas. They drilled them and
14 found nothing and the geology was bad. Reservoirs were missing
15 or there was no indication that oil was in the system at all.
16 So the result could be that after companies go out and drill
17 some wells, they'll all be negative. And they'll decide there
18 is no potential in Alaska.

19 So that's also, you know, a possibility. But the impacts
20 of that, of course, are very minimal. And we're looking for the
21 large impacts that could occur, or any impacts that could occur
22 given a successful case where you go to development. Did I sort
23 of answer your question?

24 UNIDENTIFIED MALE: Didn't our (indiscernible) you say
25 estimates? When you say estimates you do -- we don't really

1 know what's out there even from past oil and gas tests?

2 MR. PETERSON: I can tell you a little more in detail how
3 we do our estimates. We have seismic data. I don't know how
4 familiar you are with seismic data. But it allows us to map the
5 subsurface, what the surface of the earth looks like 5,000,
6 10,000, 15,000 feet deep.

7 We know to have an oilfield you have to have three things.
8 You have to have oil that's generated in the area. You have to
9 have a reservoir rock. Prudhoe Bay is the (indiscernible)
10 sandstone so you have to have a rock where the oil can be stored
11 and you have to have a trap. Oil is lighter than water. So if
12 you can see a -- those structures in the earth, oil could
13 potentially be trapped there. To have an oilfield you have to
14 have all three at the same place. You have to have a trap. You
15 have to have oil generated. And you have to have the reservoir.

16 We don't really know what we don't know. One of the
17 elements we do know is the trap. When the companies go out and
18 shoot the seismic data, they're now able to map traps in the
19 subsea and they've mapped many traps in the Chukchi Sea. So
20 that's very -- that's one good potential that they have. The
21 five wells that they have drilled say that there are sandstone
22 reservoirs there. So they know those, at least, exist out
23 there. And a number of them have oil and gas in them, not
24 enough to be economic but it indicates that there is oil and gas
25 in the area. That's what we base our estimates on.

1 We can look at the number of traps and we can kind of just
2 add them up and, you know, in some areas maybe we see 10 traps
3 every few hundred square miles. And we can assume it's like
4 that in places where we don't know as much. That's an estimate
5 of that potential. We can then say, well, we think the sands
6 will be there. It's a risk that they're there, but we think
7 maybe two out of 10 will have the sands there. And that's how
8 we kind of filled up our estimates. They're based on knowledge,
9 you know, the baseline knowledge that we know. And then we
10 estimate, you know, further up the lines to try and think how
11 much oil and gas is reasonable to be there.

12 We also make estimates of most optimistic, the most
13 pessimistic, to give our -- an idea of how big a range that our
14 estimates are. But we kind of work in the middle that we think
15 it's the most likely. Again, has that addressed?

16 UNIDENTIFIED MALE: Yeah, I think, yes.

17 MR. HOLDER: Another way to answer your question is that
18 in the '75 to '85 period in the last OCS, industry spent about
19 \$11 billion in the winning of bids. And, after that, in '86 the
20 price of oil crashed. And so, just about everybody went away
21 and the amount that industry spent on leases subsequently was
22 much smaller. It was like in the \$100 or \$200 million. And
23 they backed away.

24 MMS has a process where industry can express interest in
25 lease sales in any of the Outer Continental Shelf. And until

1 2005, industry -- well Shell had been interested in about 1990
2 and did some exploration. They backed away till 2005. They
3 said they're interested. And then, as Jeff pointed out, in 2008
4 there was about \$2.6 billion put down on those leases. So
5 that's kind of in a snapshot of -- they have been full of
6 industry interest.

7 UNIDENTIFIED MALE: Maybe I might ask you a question, all
8 right (indiscernible). They stated that Shell Oil spent \$2.1
9 billion?

10 MR. HOLDER: Yes. Right.

11 UNIDENTIFIED MALE: On a (indiscernible) of sea shelf?
12 And there's some \$2.7 billion from -- a lot of lease sales? To
13 myself -- maybe the others would know -- how is this money
14 spent? I mean, where does it go?

15 MR. LOMAN: To the Treasury, to the U.S. Treasury.

16 UNIDENTIFIED MALE: U.S. Treasury?

17 MR. LOMAN: Yes.

18 MR. HALLER: We don't get any of it.

19 MR. LOMAN: Yeah, you could say, I guess, because it
20 influenced the Coastal Impact Assessment Program funding about
21 \$35 million. In the Chukchi Sea Sale increased the amount of
22 Coastal Impact Assessment Program funding that went to Alaska,
23 \$35 million after that Chukchi Sea Sale. But right to the U.S.
24 Treasury it goes.

25 It's a federal resource. The Agency is second only to the

1 IRS in collecting money, money from lease sales, money from
2 royalties from oil and gas.

3 MR. PETERSON: I'll just finish up saying we do have these
4 estimates. But they remain estimates. That's why you now --
5 someone needs to prove it up. And that's why you drill the
6 well. It will always remain an estimate until someone actually
7 drills the structure out there, penetrates it and finds out
8 what's actually there.

9 UNIDENTIFIED MALE: And we -- if we find out the major
10 players, all the major players, if they all come out together we
11 will find out also that something's out there, have a large
12 amount?

13 MR. PETERSON: Well just the players that are out there.
14 And, you know, at this point there's really just a handful of
15 players out there. But, there are not a lot of people that can
16 spend that kind of money. So it's a pretty exclusive group of
17 companies. But, they would be the ones to go out and drill
18 those exploratory wells.

19 MR. LOMAN: Thank you Bob. Now, Mike is going to finish
20 up talking about the draft Supplemental Environmental Impact
21 Statement. Mike, Bob and his staff gave you this scenario. And
22 I read the document. Some of these folks might have too, or
23 they will. So, if you could answer the question, this scenario,
24 natural gas scenario, how much different is it, really, from the
25 effects of the oil production scenario? And how much more

1 analysis needed to be done? Kind of start there and then
2 continue on.

3 MR. ROUTHIER: Sure. It's -- the effects are pretty
4 similar. In fact, but, in a way they are a little bit less. In
5 fact, you might be able to view as a subset.

6 One important point was that no additional exploration
7 would be needed to find the gas. Because, if the gas is going
8 to piggyback off the existing oil infrastructure -- well, all
9 the stuffs already there. We don't need to go exploring for
10 more. We've already got the wells in here. We're getting into
11 the oil. We're using the gas to keep the pressure up. So, I
12 mean, we know where the gas is. We don't need to explore. So
13 all those impacts are not going to be duplicated.

14 What impacts there will be are basically from development
15 of an offshore pipeline. You know, we're not going to have a
16 pipeline in place to get the gas from the platform to shore. So
17 we'll need a gas pipeline. But we could use the same corridor
18 that the oil pipeline is currently using.

19 We need an onshore facility to help process the gas. And
20 then we'll need an overland pipeline. But, again, use the same
21 corridor that the pre-existing oil pipeline could, at that point
22 in time, be in. So, the effects were pretty similar to the
23 effects that we had already analyzed for the oil. And we tried
24 to organize it pretty logically in the document where we first
25 summarized the impacts from the oil. And then we summarized the

1 projected impacts from the gas development. And then summarized
2 the projected impacts from the gas production. So we tried to
3 organize it pretty logically in that manner.

4 And that was about it. We had our whole team of analysts
5 working on it, scientists like Mary here. A variety of
6 disciplines looked at Bob's scenario and gave their analysis on
7 it. So, and that takes care of that first part, the Judge's
8 remand.

9 The second and third concerns of the Judge's remand, both
10 pertain to that 1502.22 regulatory process. Basically, there's
11 provisions in the Federal regulations that say, when you have
12 incomplete or missing information in a NEPA document like this,
13 there's a certain process that you have to follow. And the
14 Judge found that the Agency did not do a good enough job the
15 first time around. He said, do it again. So we did it again.

16 We developed a more logical and sequential process to keep
17 everything objective and keep our analysis focused on the right
18 things. And we ran it through our analysts. They came out with
19 their conclusions. And we memorialized the conclusions for
20 every item of missing or incomplete information in Appendix A
21 here.

22 Basically, the Plaintiffs in the lawsuit we talked about
23 before submitted a large exhibit that included a variety of
24 statements pulled from our documents where it referred to
25 information that was incomplete or missing, stuff like that. A

1 lot of it was background information. So we catalogued all
2 those, plus we went back, reviewed our own documents, and just
3 to try to ensure that we had captured all the references that
4 the Plaintiffs may have missed some. So we reviewed it again
5 ourselves and tried to look for more. We found a few more,
6 maybe like 30. And we included those in this analysis, where a
7 few of our analysts used a sequential process and memorialized
8 all the analysis from Appendix A, which is there for your review
9 in this document. And that was it.

10 MR. LOMAN: Any questions about the draft Supplemental
11 Environmental Impact Statement?

12 UNIDENTIFIED MALE: I have a question. You said that a
13 lot of people had filed on (indiscernible) 2008 and the court
14 (indiscernible) the Court doesn't need to address three
15 concerns, right?

16 MR. LOMAN: Uh-huh (affirmative).

17 UNIDENTIFIED MALE: How close are you in addressing those
18 concerns before the Ninth Circuit Court can accept your EIS?

19 MR. LOMAN: Well, we're not in the Ninth Circuit Court
20 yet. We're still in the -- before the Alaska District Court.

21 UNIDENTIFIED MALE: Okay.

22 MR. LOMAN: We've got the draft Supplemental Environmental
23 Impact Statement. We're using the standard, pretty much
24 standard, NEPA guidelines to move that document along. Taking
25 public comments now. That will end on November 29th. Then we'll

1 move to address those comments, which is required under NEPA and
2 answer them, answer questions, explain things. Finalize the
3 draft Supplemental EIS, after taking these comments into
4 consideration. And then the next step is, file it with the
5 court and look for a record of decision.

6 Record of decision could be, reaffirm the sale. And the
7 Secretary would reaffirm the sale. Or the Secretary would not
8 reaffirm the sale. Given the draft Supplemental Environmental
9 Impact Statement, the document we have today, we're talking
10 about today, my recommendation to the Secretary of the Interior
11 would be to reaffirm the sale.

12 This exercise of analyzing natural gas, was it necessary
13 under NEPA? Yeah. And like Mike just explained, no extra
14 seismic activity, none -- no exploration activity. These are
15 all the activities that are right before us. And the
16 development activities, the effects from development are many,
17 many years away. In fact the effects of development of natural
18 gas are so far off into the future, this young man may be in
19 charge of that. I'll be dead, that's how long. I will be. I'm
20 going to be dead. I don't mean to be morbid. We're talking
21 many, many, many years down the road.

22 And so, not that, you know, we didn't have a requirement
23 to do it under NEPA, and now we have. And the 1502.22 analysis
24 speaks for itself. The methodical evaluation of each and every
25 one of those items has been done. So, given that, I'm ready to

1 say right now, not that I can't be, you know, persuaded that we
2 need to do additional things, during the middle of a public
3 comment period. We certainly can. We're hearing lots of good
4 ideas. And we're only about half way through our meeting with
5 the communities and the government to government consultations.
6 But none of them pertain to this particular issue, necessarily.

7 But we could do more. But right now -- if the Secretary
8 of the Interior walked through that door and said, where are we
9 headed with this, I would say reaffirm the sale. Don't think
10 that will change, but that's just a guesstimate at this point in
11 time.

12 By January 21st, which is in our time lifeline, extremely
13 fast, because it's just right around the corner, the Secretary
14 will have some decisions to make.

15 UNIDENTIFIED MALE: Now, you made a good point of that.
16 You're going to be dead when this all takes, you know, in the
17 future too. You know we got our grandkids that's going to grow
18 up, up here. I don't know where your family's from but, you
19 know, that's -- that's our backyard. Do not act dumb, but we
20 just ask, like you say. The future is going to be affected.

21 MR. LOMAN: I don't have any children. I don't have any
22 grandchildren so I have to worry about yours, I guess.

23 UNIDENTIFIED MALE: Well I do, you know.

24 MR. LOMAN: Yeah and that's part of our job. That's part
25 of our job is to worry about you, your children and your

1 grandchildren and so on.

2 UNIDENTIFIED MALE: And, in my opinion, as well, it's the
3 part of our job, like he said, to look after our children and
4 grandchildren. Well, I've got to also think about how are they
5 going to make a living, you know. The population's getting
6 bigger but the job status is that it's status quo. We don't
7 have jobs to provide our young people. They're going to have to
8 get up and leave town. That boy right there is going to have to
9 go to college and not come back because there'll be no jobs
10 here.

11 We have to be able to develop our community in a safe,
12 sound manner so that we -- our families can come back and work
13 and be at home. That's another aspect of looking at the
14 livelihood of our families. There's not enough jobs. There's
15 five of us in here who have had jobs the whole summer because of
16 oil and gas, right now, because of oil and gas. There was none
17 when we had these jobs. Thank you.

18 UNIDENTIFIED MALE: Another point I wanted to make. You
19 know, like you said, the Borough only tax, what \$250, how many
20 millions, last year -- \$250 million, right? What was the
21 profits of Shell last year? You know, there's a big difference
22 in the world. We're running this Borough, on not very much,
23 compared to the profits that you guys are making.

24 MR. LOMAN: Last night at the meeting, a lady said I
25 worked for the oil and gas company.

1 UNIDENTIFIED MALE: You guys say, yeah, we get the taxes.

2 MR. LOMAN: I don't work for the oil and gas company. I
3 work for the government. I serve you.

4 UNIDENTIFIED MALE: Yeah.

5 MR. LOMAN: But do the oil and gas companies -- and I
6 think your point sir, is well taken. The oil and gas companies
7 make a lot of money, a lot of money, a lot of money. That's
8 your point.

9 UNIDENTIFIED MALE: The market is shot.

10 MR. LOMAN: Go ahead. I'm sorry, I didn't mean to
11 interrupt.

12 UNIDENTIFIED MALE: But we're expected to take care of our
13 -- with that \$250 million, run everything up here with the costs
14 so high. And on top of that, try to create jobs and everything.
15 It's -- I don't know what it's like in the Borough but it's got
16 to be hard.

17 Just like with the federal government, you know. You're
18 running our government, leaving it without any money. That's
19 the truth, leaving a deficit. No China money you know -- we're
20 a slave to China for real.

21 UNIDENTIFIED MALE: The North Slope Borough gets its money
22 from tax and property tax and that is declining because of the
23 aging infrastructure. And creating a pipeline and creating
24 onshore infrastructure, the property tax will increase. And the
25 North Slope Borough will have more money to sustain itself. The

1 Borough is not running on a deficit. It's running at a break
2 even, with some funds being put away for future use. Not like
3 the Federal government, where there is so many trillion in the
4 hole and who knows what will happen.

5 UNIDENTIFIED MALE: The Federal government is the one that
6 (indiscernible), you know. Would it (indiscernible).

7 UNIDENTIFIED MALE: I don't know it's a lot deeper.

8 MR. LOMAN: What is your biggest concern? If there is one
9 thing that is -- bothers you the most with respect to offshore
10 oil and gas?

11 UNIDENTIFIED MALE: I notice (indiscernible) done correct.

12 MR. LOMAN: Safety?

13 UNIDENTIFIED MALE: If there is a correct way.

14 MR. BLAIR PAKTAOTAK: I feel like, I guess, for the
15 welfare and well being of our community like, no discussion of
16 natural gas heating their homes and there's a -- lot cheaper
17 than transporting diesel, what they're doing right now to heat
18 our homes. Our businesses are burned by diesel. And it's
19 transported to the barge. I read somewhere that -- looking to
20 the gas, analyze the gas, whatever to -- see if it's feasible,
21 for Wainwright to get that. You guys have no -- anything to do
22 with that except the oil companies who drill for that, right?

23 MR. LOMAN: You're talking about Alpine and the natural
24 gas?

25 MR. HOPSON: You're right, Blair. That gas issue in the

1 book that you're reading, would be between Wainwright and the
2 producer. It wouldn't -- the Federal government couldn't
3 mandate the oil companies to give us free gas or flat gas, or
4 whatever it would be, between the community and the development
5 -- the developer.

6 MR. BLAIR PAKTAOTAK: We'd have to talk to them too, to
7 see if we can go about that, getting heat to producing oil and
8 gas, right?

9 MR. LOMAN: That's -- it's a business deal where an
10 arrangement, a legal agreement or agreement between the
11 community, and the case in Nuiqsut, and the producer, yes. I
12 think what you're talking about, and John is certainly right --
13 we can't make a company give a community gas or anything else,
14 really.

15 Even the Conflict Avoidance Agreement in a recent court
16 decision which kind of exemplifies what I learned after working
17 for the Bureau of Indian Affairs for 10 years, a lot of times
18 you sue and you win, but you lose. And the lawsuit involving
19 the conflict avoidance -- it was actually challenging
20 exploration. But the issue of the Conflict Avoidance Agreement
21 -- the court found that neither than MMS, our Agency, or
22 National Marine Fisheries Service, is a party to the Conflict
23 Avoidance Agreement -- couldn't do anything to force anybody to
24 come to it if it wasn't reached. Couldn't do anything if it was
25 breached by either party. And so, in other words, the Federal

1 government, just two Agencies standing on the sidelines puffing
2 up their chest and walking around powerlessly.

3 And so that essentially means the Court found, and that
4 was the Ninth Circuit, that this agreement is between the Alaska
5 Eskimo Whaling Commission and the industry alone. Last night,
6 however, when we were talking about -- a little bit about the
7 reorganization of our Agency, I mentioned earlier. Everybody
8 may not have been here then. We're not done reorganizing.
9 We're going to change our name again. The Regulation and
10 Enforcement will go to a new Agency that's about to be created
11 called the Bureau of Safety and Environmental Enforcement. Our
12 inspection arm of the Agency will become a stand alone Agency.

13 The Bureau of Ocean Energy Management will move forward
14 and do environmental reviews, interface with the public.
15 Probably do everything but those enforcement activities. And
16 they don't know exactly, yet, because they're working on how to
17 create an Agency that regulates the industry that will do first,
18 one thing. You might be the most interested in this, since your
19 concern is safety -- most interested.

20 UNIDENTIFIED MALE: Thank you. (indiscernible) you're
21 already talking, the government's trying to expand, you know.

22 MR. LOMAN: Not necessarily expand. do something right for
23 a change. They want to create an Agency that restores public
24 trust, restores public trust.

25 UNIDENTIFIED MALE: Another thing I wanted -- just ask

1 before you going any further. You know, if Obama doesn't get
2 re-elected in 2012, is all this going to just keep going on the
3 way it started out? Like MMS spinning into these different
4 fields or is that going to -- is it go back to what is was
5 before?

6 MR. LOMAN: Well, look at history. MMS was, at one time -
7 - the activities that MMS did were done by BLM employees and
8 USGS employees. And then they created MMS. And that was -- I
9 don't remember, because I wasn't working for them at the time.
10 But there was either a Republican or a Democrat as President,
11 whoever it was, they were. And then they went to another one
12 and then they went -- so it continued on. Government continues
13 on. I'm not a political appointee. I'm not, one, an employee
14 of an oil company. I am not an employee of an oil company.

15 UNIDENTIFIED MALE: You thinking, like I was jacking you.

16 MR. LOMAN: I am not an employee of an oil company. You
17 can attack me all you want but you're attacking somebody that
18 serves you. I serve you.

19 UNIDENTIFIED MALE: Look and see what I'm feeling.

20 MR. LOMAN: I know how you feel. I know how you feel and
21 you know that's why --.

22 UNIDENTIFIED MALE: Want to see just --.

23 MR. LOMAN: That's why --.

24 UNIDENTIFIED MALE: Feel very, very bottom, zero, zero,
25 zero, zero, zero, whatever percent I'm (indiscernible).

1 MR. LOMAN: Well when I see somebody that thinks that, you
2 know, that I don't serve you, I'll come back pretty strong and
3 say. I serve you. I serve you just as much as I serve any oil
4 company. I serve them too, a part of my job.

5 But -- so this new Agency that they're going to create,
6 that they want to restore the public's trust, including yours --
7 they've asked for recommendations from us. And we've said,
8 well, we think you need to create an Agency that is feared and
9 respected by the industry. Feared and respected by the
10 industry. That doesn't mean the industry is afraid of them like
11 in the context. Feared because of their capability to regulate
12 them -- their respect and fear together that industry, in a real
13 strong way.

14 Last night, with the leaders in Point Lay, it was brought
15 up that the Agency's regulatory arm needs to have a component
16 that protects the Inupiat culture, protects subsistence whaling.
17 Protects other subsistence activities. Protects the culture,
18 the Inupiat culture, from all kinds of other activities that be
19 -- come from integration into the community, et cetera, et
20 cetera, insomuch as the law allows.

21 And I had recommended, already, a much broader set of
22 expertise than just drilling operations. And so, I'm going to
23 recommend, and I think other leaders from communities in the
24 Arctic will also recommend, that the Agency include a component
25 that has a person. It'll be a person, probably a person who has

1 experience like all leadership comes here -- comes first from
2 whaling. I have to believe it'll be leaders here, our leaders
3 in the whaling context first. Whaling first, and possibly
4 somebody who was also an MMO, worked in the industry, the oil
5 and gas industry. Regulated the oil and gas industry for the
6 Borough, or some other massive expertise that adds to this new
7 regulatory component that will restore public trust.

8 Restoring public trust in the Arctic is going to mean
9 doing those kinds of things that I can't do. I didn't grow up
10 here. I don't know about whaling. I can read about it. I can
11 talk to you about it. But I've never done it and I won't do it.
12 You do it. I'm not allowed. So it will have to be somebody
13 with that kind of expertise. And that might restore public
14 trust. Who knows, it might even restore your trust, I don't
15 know. We can hope. I can recommend, hard, as hard as I can to
16 these people who are in Washington D.C. Their lawyers, they
17 know nothing about this. So they'll listen to us. And a lot of
18 what I have to say comes from people in meetings like this. The
19 Lord knows all of my good ideas just get me out of the good
20 schools.

21 So that's where we're going as an Agency. And I think
22 this new regulatory Agency will be created as soon as -- just in
23 a few months, there'll be an announcement of a new Bureau of
24 Safety and Environmental Enforcement.

25 We want to take public comments this evening, comments

1 primarily on the draft Supplemental EIS prepared to address the
2 Court remand. John do you have comments?

3 MR. HOPSON: No.

4 MR. LOMAN: No -- thank you.

5 MR. HOPSON: Not yet.

6 MR. LOMAN: Okay. Let me know when you're ready. So I'm
7 going to turn it over to you all, and hear what you have to say.
8 Hear what's on your mind. Also, we have coffee and cookies,
9 quite a few cookies, so please feel free to help yourself.

10 UNIDENTIFIED MALE: So who's here representing the State -
11 - nobody? It's all feds here? All feds, huh?

12 MR. LOMAN: All from the three mile limit out to the 200
13 mile limit. But we do work with the State. Matter of fact,
14 we're working with the State collectively on developing a
15 process to do health impact assessments in conjunction with our
16 NEPA evaluations.

17 UNIDENTIFIED MALE: You need to ask them to step up there
18 so the Reporter --.

19 MR. LOMAN: Well it would be ideal.

20 REPORTER: If they're going to talk, they need to tell me
21 their name and spell it.

22 UNIDENTIFIED MALE: Do I need to come say what I said
23 earlier in the comments?

24 MR. LOMAN: No, no, no. If you've said it already, we have
25 it down. If there's additional -- people don't like to talk so

1 you have to encourage. Help me with this if you can. Encourage
2 people to come forward and say what's on their mind.

3 UNIDENTIFIED MALE: I don't even know the times that we
4 got.

5 MR. LOMAN: The draft Supplemental EIS? Well given all of
6 our environmental documents that we've produced, it's two
7 things. Easy to read because it's written in plain English.
8 And it's short, probably the smallest environmental document
9 we've produce just about, you know. Yes sir?

10 UNIDENTIFIED MALE: Are those the three, there's only 40
11 max (indiscernible), I believe in your EIS?

12 REPORTER: Can we get his name?

13 MR. LOMAN: I'm sorry?

14 UNIDENTIFIED MALE: The three concerns the Court gave you
15 -- are those the only three that you're looking at?

16 MR. LOMAN: Yes.

17 UNIDENTIFIED MALE: To fulfill your EIS?

18 MR. LOMAN: Yes. The impetus for preparing this
19 Supplemental Environmental Impact Statement is the Court remand,
20 and those three things that the Court said we needed to address.

21 UNIDENTIFIED MALE: Okay, (indiscernible).

22 MR. LOMAN: Hasn't been -- hasn't been submitted to the
23 court yet. Because the National Environmental Policy Act, in
24 addition to saying you must address the affects to the human
25 environment when you're taking a major Federal action like in

1 oil and gas lease sale, like we did in 193. Its other component
2 is to be transparent, open. It's a Sunshine Law, let the public
3 know. And then the other thing is, let the public and other
4 stakeholders, government Agencies that are interested, et
5 cetera, provide input to us, the Agency that's doing it. That's
6 why we're here tonight.

7 MR. PETERSON: But I think your question was, the Judge
8 read the original and --.

9 UNIDENTIFIED MALE: Yeah.

10 MR. PETERSON: -- and accepted everything in the original,
11 except these three issues.

12 UNIDENTIFIED MALE: Yeah.

13 MR. PETERSON: So he did. He found the other ones treated
14 the requirements thoroughly. So it's just these three that he
15 had an issue with.

16 UNIDENTIFIED MALE: Thank you.

17 MR. LOMAN: Yes sir? Our reporter will want to know who
18 you are.

19 MR. HOWARD PATKOGAK: I'm Howard Patkogak with the Hoonah
20 Corporation.

21 MR. LOMAN: Howard.

22 MR. PATKOGAK: I have a question on page 10 -- in this --
23 explain fourth paragraph. I need an explanation about that
24 first sentence with BOEM. What do you call a reasoned --
25 reasoned choice -- explain that.

1 MR. LOMAN: A reasoned choice? That it's reasonable.
2 Reasonable is something that is not far-fetched. It's
3 obtainable. It's possible. It's likely to happen.

4 MR. PATKOGAK: Thank you.

5 MR. ROUTHIER: And that that language is taken from that
6 Federal regulation that we discussed before, that 1502.22.
7 That's directly taken from the regulation.

8 UNIDENTIFIED MALE: You had a comment? You got a
9 microphone on?

10 MR. LOMAN: We have a microphone right in that thing right
11 there.

12 REPORTER: Could you state your name, please?

13 MR. OKTOLLIK: Thank you very much. My name is Sean (ph)
14 Enoch Oktollik, City Mayor of Wainwright. And my comment for
15 tonight is November 4, 2010 to the Regional Director Alaska OES
16 (sic) Bureau -- Bureau of Ocean Energy Management Regulation and
17 Enforcement. And your address. Wainwright, Alaska Public
18 Hearing today -- Chukchi Sea Draft SEIS, Lease Sale 193.
19 Today's date, November 4, 2010.

20 The Director: As Mayor of Wainwright, I would like to
21 thank you for this opportunity to give you our thoughts about
22 oil and gas activities in the Chukchi Sea. As the community
23 that stands to be impacted the most by activities in the Region,
24 we are paying close attention to a wide range of economic and
25 environmental issues. I had the pleasure of sharing these

1 issues with the Director Michael Bromwich, Tom Beaudreau and
2 John Groll here in Wainwright on October 27th. At that time, I
3 told him that the City supports a balanced approach of
4 exploration in the Chukchi Sea. That support is shown in a
5 Resolution we passed, adopted this year. I have a copy of the
6 Resolution for you that we would like put into the record.

7 By a balanced approach, we mean one that provides jobs and
8 business opportunities, but does not impact our subsistence
9 lifestyle. This balance is important to us because, while much
10 of our traditional food comes for the sea. In today's economy
11 we must also rely on jobs to pay the bills for the modern
12 services we have here.

13 One of those modern services is electric power. Today our
14 electricity is provided by diesel generators. The potential of
15 natural gas from our own backyard to power these generators
16 would be beneficial to us in two ways. It would provide us with
17 a consistent and less costly fuel. And it would help reduce the
18 greenhouse emissions burning diesel fuel products. This is an
19 advantage our neighbors in the village of Nuiqsut enjoys, thanks
20 to gas produced in the Alpine Oil Fields.

21 In a remote village like Wainwright, the number of jobs is
22 limited. This is why we support careful exploration in the
23 Chukchi. Because our community is so close to the exploration
24 area, we have an opportunity to create long-term jobs. That is
25 why we join the Olgoonik Corporation in support of exploration.

1 As the primary landowner and for profit organization in it will
2 be through their efforts that development will take place. That
3 is why we have identified Olgoonik Corporation as the point of
4 contact for local hire and their subsidiaries as preferred
5 contractors for operations on property owned or controlled by
6 the Corporation.

7 For Wainwright, to take advantage of this economic
8 benefits of oil and gas development in the Chukchi Sea, we urge
9 that exploration activity be approved and not delayed any
10 further. Thank you for this opportunity to provide you with our
11 comments.

12 Respectfully, Enoch Oktollik, Mayor of City of Wainwright.
13 I don't have Resolution right now, but I'll give it to you guys.
14 How long will you be here?

15 MR. LOMAN: Well we're going to Barrow tomorrow morning.
16 But we actually, I believe, have the resolution already.

17 MR. OKTOLLIK: All right.

18 MR. LOMAN: If you -- and we will submit as part of the
19 record. We will take comments until November the 29th if you
20 want to be double sure you can always just email them. Email
21 the resolution to us.

22 MR. OKTOLLIK: All right.

23 MR. LOMAN: And we will submit it, as part of the record.
24 We will take comments until November 29th, if you want to be
25 double sure, you can always just email them. Email the

1 Resolution to us. And we'll make it part of the record.

2 MR. OKTOLLIK: All right. And, I'll leave you a copy in
3 here and I never write a cc copy to the City of Wainwright.
4 Maybe I could write it down first before I turn it over to you?

5 MR. LOMAN: Sure.

6 MR. OKTOLLIK: We got the copy in Wainwright.

7 MR. LOMAN: Thank you very much for your comments and the
8 Resolution Mr. Mayor. We appreciate that.

9 MR. OKTOLLIK: Thank you for the opportunity to testify
10 tonight.

11 MR. LOMAN: Thank you Mr. Mayor. We need that note for
12 the record.

13 MS. MAYER: Good evening. For the record, Lucille Mayer.
14 Thank you for coming to Wainwright to hear our testimonies this
15 evening. And I'm sure there'll be others that will submit
16 testimonies or their comments to you by the 27th of this month.

17 My name is Lucille Mayer. I am a member of the Board of
18 Directors of Olgoonik Corporation, the Village Corporation of
19 Wainwright, Alaska. The Olgoonik Corporation was formed in 1973
20 by the Alaska Native Claims Settlement Act. In 1999 we formed
21 Olgoonik Development to create and manage for profit,
22 subsidiaries in government contracting.

23 During the past nine years, Olgoonik Development and its
24 growing number of successful subsidiaries have assembled a
25 record of proven performance in the area of construction

1 management, facility operation support services, design/build
2 services, logistics support, environmental remediation services
3 and technical security. While this growth has brought financial
4 and educational benefits to the community, the great majority of
5 the jobs created are outside of Alaska.

6 However, the Federal government's focus on reducing
7 reliance on contractors makes it necessary for the Olgoonik
8 Corporation to seek opportunities outside of the Federal market
9 place. For that reason, we made the strategic decision several
10 years ago to diversify into commercial operations. One of our
11 key business targets was the oil industry in Alaska. In advance
12 of potential exploration in the Chukchi Sea, we began investing
13 in the infrastructure and technology needed to support oil
14 company operations on the North Slope.

15 Our working relationship with the industry in the Chukchi
16 started in 2007. This was the year we began providing Marine
17 Mammal Observers, as well as crew change and supply support for
18 companies conducting science studies in the Region. This
19 support has grown over the past two seasons and made it
20 possible, train and hire local residents for several seasonal
21 jobs. During the past four years Olgoonik has invested in
22 excess of \$5.5 million developing and upgrading infrastructure -
23 - purchasing equipment and preparing residents for working with
24 the oil industry.

25 We have built good relationships with the companies who

1 have leases in the Chukchi. We have worked together to develop
2 the groundwork for important economic growth. In the forefront
3 of these efforts is our focus on what Mayor Oktorlik described
4 as balanced growth between economic and subsistence issues. The
5 jobs and economic development that will come from exploration in
6 the Chukchi Sea is important to the Olgoonik Corporation and the
7 people of Wainwright. We are confident that exploration can be
8 done in a manner that protects our subsistence traditions. Our
9 Board has passed a resolution in this regard. And we present a
10 copy for inclusion in the public record. Thank you for your
11 time. And I will be happy to answer any questions you may have.

12 MR. LOMAN: Thank you very much.

13 MS. MAYER: Un-huh (affirmative).

14 MR. TERRY TAGAROOK: Good evening. And before I start, my
15 cell phone accidentally pressed a number. And do you know who
16 that person was?

17 UNIDENTIFIED MALE: Your mom?

18 MR. TAGAROOK: No, Marie Tracey. And she send her
19 greetings to all of you. I know she -- you met with them
20 yesterday. Anyway, I'm glad you guys are here and speaking to
21 us about this, even though it might be on a short notice.

22 My name is Terry Tagarook. I am speaking today as a
23 member of the Wainwright Tribal Council. The Council also
24 believes we can achieve a balanced approach between our
25 traditional subsistence lifestyle. This is important because we

1 no longer function in an isolated barter economy or rely totally
2 on subsistence as our ancestors did.

3 But subsistence remains an important part of our way of
4 life. The Arctic Ocean subsistence resources not only feed us,
5 but are fundamental to our identities as Native Alaskans. While
6 these waters provide many of our basic food, it is important to
7 consider the fact that we also must rely on local jobs in
8 addition to subsistence.

9 Our households are caught in a changing world. We hold
10 strongly to traditional Inupiaq values, but must also adapt to
11 the reality of living in a cash based society. The limited
12 number of jobs available in the Village is found in public
13 services provided by the North Slope Borough, the City and the
14 Olgoonik Corporation. In the past, this has meant that many of
15 our young people have had to leave the Village to find work.

16 For that reason, we see oil operations in the Arctic Ocean
17 as one of the most important opportunities we have for
18 developing a local economy that could grow and support future
19 generations. We understand that exploration and development
20 activities in the area will bring challenges. By speaking with
21 us about our concerns and taking advantage of our traditional
22 knowledge, these challenges can be overcome.

23 We believe that our traditional way of life can be
24 balanced with responsible and environmentally safe oil and gas
25 development. We urge you to move forward with approval for

1 drilling in the Chukchi.

2 Like the City of Wainwright and the Olgoonik Corporation,
3 the Council has passed a Resolution supporting exploration in
4 the Chukchi. And I request that this document be added to the
5 record of this public hearing. Respectfully, Terry Tagarook,
6 Tribal Council, Wainwright, Alaska.

7 And I believe you have that copy of the Resolution.

8 MR. LOMAN: Thank you.

9 MR. TAGAROOK: Thank you.

10 MR. HOPSON: My turn?

11 MR. LOMAN: Always.

12 MR. HOPSON: Always, huh? John Hopson, for the record.

13 Good evening. I'm going to speak on behalf of the Whaling
14 Captains because our President is not here today.

15 My name is John Hopson, Jr. As one of the Whaling
16 Captains in Wainwright, I would like to thank your Agency for
17 this opportunity for us to express our opinion regarding oil and
18 gas in the Chukchi Sea.

19 Every whaler in our group is committed to support the
20 subsistence lifestyle in Wainwright. That is why we have paid
21 close attention the plans to explore for oil off our coast. We
22 understand that these activities can bring new jobs to
23 Wainwright. Those jobs are important, because every Captain
24 knows that it takes money to support subsistence whaling. We
25 need to pay for gas, supplies and equipment. That money comes

1 from local jobs.

2 For some time now, the Whaling Captains have supported
3 Olgoonik Corporation's effort in the oil industry. They have
4 been active in making certain the oil industry understands the
5 importance of whaling and other subsistence hunts. They have
6 led the discussion of what can be done to balance exploration
7 with our traditional lifestyles, our concern for the environment
8 and our need for local jobs.

9 As an example of this effort, Olgoonik runs a
10 Communication Center during the summer season to make certain
11 offshore science operations do not interfere with whaling. The
12 company also operates a small boat that supports the Science
13 Program. This fall they've used that vessel to help tow in that
14 whale, which was Wainwright's first fall whale.

15 We appreciate this leadership and join the Olgoonik
16 Corporation, the City of Wainwright and the Tribal Council in
17 their support for the Chukchi oil exploration that is done in a
18 safe and respectful manner. Thank you.

19 I've also got a copy of a letter dated January 7, 2010,
20 addressed to June Childress, our President of Olgoonik
21 Corporation from Walter Nayakik, Jr. our president of the
22 Wainwright Whaling Captains.

23 MR. LOMAN: Thank you very much.

24 MR. HOPSON: Thank you. I just want to ask this question.
25 It's probably the only community that has statements of this

1 sort, that pretty much supports the working relationship with
2 oil companies and the Federal government. One, because we
3 understand whether we fight you or not, oil exploration will
4 continue. So we've taken a proactive stance to work with the
5 industry and the Federal government to help balance the issues
6 and not fight in court.

7 What questions does the Federal government have of us in
8 that sort, or the State government for that matter?

9 MR. LOMAN: Well I don't know if I can speak for all of
10 the Federal government, but you are correct that -- and there is
11 a subtle difference. Wainwright and the statements that are
12 being presented tonight aren't the only statements that are
13 supportive of responsible exploration and subsequent
14 development. There's a fear. And it's understandable to me,
15 and I think to everyone in the Federal government, of a major
16 oil spill.

17 This spill that occurred in the Gulf of Mexico on April
18 20th -- because I work in Alaska. I've never worked in the Gulf
19 region. I've only worked for this Agency in Alaska. I will
20 only work for this Agency in Alaska. I came to this Agency
21 because, one, I wanted to live in Alaska first. And, so I said
22 to myself, what would I do and what would my colleagues do had
23 that occurred in the Arctic? But for that spill, Shell may have
24 conducted exploration activities in the Arctic. It was likely
25 that they would have. And I think that -- I know I would be

1 devastated, personal responsibility. I would take personal
2 responsibility for it because I am part of the senior leadership
3 in our organization. And I work closely with the managers that
4 would be overseeing the regulatory aspect of any drilling
5 operations. Ours would be -- our inspector, at least one, would
6 be there 24 hours a day during that exploration. But that's,
7 you know, what didn't happen.

8 What did happen is, this week we took statements and
9 listened to comments starting in Kotzebue, Point Hope, Point Lay
10 and now here. And then we continue to Barrow and then
11 Anchorage. And people say -- say this -- almost everywhere more
12 and more in the communities, that exploration and development is
13 inevitable. So if it's going to happen, then we demand certain
14 things. What is being demanded is pretty consistent, probably
15 consistent with your expectations. I think you have
16 expectations that's different than demands. But what gets done
17 is the same, stay out of the way of whaling. Don't interfere
18 with whaling and disrupt it like Shell did, by their own
19 admission, in 1985.

20 Shell admits to that. One time one of their leaders said
21 they were going to apologize for it. I hope they did. But it's
22 not my job to make people apologize. It's my job to regulate
23 that industry in a way so that they never have to apologize.
24 Because in our mind, this is not an experiment with respect to
25 regulating industry so they don't disrupt subsistence activities

1 and other culturally self-defining activities. It has to be
2 done and it can be done. We know it can be done. The Deepwater
3 Horizon spill, Exxon Valdez -- those are incidents that didn't
4 have to happen. They shouldn't have happened. And they didn't
5 have to happen.

6 One man could have made a turn and avoided, on time or
7 even close to on time, and avoided the Exxon-Valdez spill. One
8 turn, one course change, and it didn't happen. That's how
9 simple it is to avoid it. Given that, I say it doesn't have to
10 happen. The reason it happens, in my mind, and this is just me,
11 it's not about the Federal government, my Agency. It's because
12 people get too comfortable, so comfortable they don't get enough
13 sleep or don't stay awake when you have to. That comfort comes
14 through a lot of things. It comes through an industry that
15 says, we've got a wonderful safety record. It comes from a
16 regulatory Agency that says, we've got a wonderful safety
17 record. And they pat themselves on the back. And they get more
18 comfortable. Pretty soon they're asleep when they need to turn.

19 Safety environmental responsibility is accomplished
20 through endless demonstration. You don't need to talk about it
21 and brag about it. And, hopefully, the industry -- hopefully
22 the industry will start realizing that. In the frontier areas,
23 they won't make a dime unless they realize it. Despite what
24 they write in the magazines and say on TV, and even our highest
25 elected official and the person I ultimately serve, say -- we

1 have told industry that loud and clear. We had a conference in
2 March, oil platforms on photos that the Coast Guard put up.
3 Great, clear, sunny days and they're on fire and toppling over
4 in calm waters. And we've said, this industry has to avoid that
5 or you will never have a production platform in these frontier
6 areas like the Arctic.

7 And the room gets silent. I don't mean to rain on
8 people's parade. If there wasn't any exploration after the
9 Deepwater Horizon incident, and it's not going to make it any
10 easier. One thing it will do, is it will make it safer because
11 the regulatory Agency will do a better job. And hopefully
12 industry will at least get one huge giant step forward to
13 endless demonstration of safety and environmental
14 responsibility. It can be done safely. It can be done
15 responsibly. And it can be done in a way that treats what every
16 political appointee and elected official that I've seen in my
17 entire Federal service wants. They want to treat Native people
18 like our national treasure instead of the poster child for the
19 National Trash Campaign. They want to do it. And that's a good
20 starting point, because when you really want to do it, you'll
21 probably do the right thing. Probably. I'm with them on that.

22 MR. AGNASAGGA: For the record, Ransom Agnasagga,
23 Alternate Commissioner Alaska Eskimo Whaling Commission. Yeah,
24 I was not made aware of this meeting, you know, and I'm on the
25 AWC. I'm an Alternate Commissioner. I don't see Roscoe in

1 here, you know, he's our Commissioner, you know. I don't know
2 what kind of information he's got, if he's even seen this, you
3 know, because I haven't seen it, you know.

4 Just listening to what everybody said, our Directors, you
5 know -- our guess our corporate leaders, you know, they said it
6 all. You know, even in the Bible it says all traditions will
7 come to pass, you know. Eventually everything that we do now,
8 you know, it's not going to be done 30 years from now, 40 years
9 from now. We understand that. And I guess not even really
10 reading it, I'm going to have to stand behind them too and
11 support it. But I was not made aware of this meeting until I
12 saw it on the billboards around town. And I didn't know what to
13 expect, you know. But I'm glad John stood up for the Wainwright
14 Whaling Captains Association, you know, and I hope that the OC
15 will continue to support -- I hope, you know, this fall whaling
16 season.

17 I mean when I was for a discount on gas, you know, because
18 I didn't want to be considered a special interest group, you
19 know. What I heard from one of the meetings -- that kind of
20 hurt, you know, so that just shows where our traditions are
21 going, you know. It's corporate -- it's all about money.

22 I just want to make the comment that I hope it's done like
23 they say, responsibly, safely and with the future in mind, you
24 know. Because when the oil and gas is gone, there goes the
25 money with it. And what's left is what we're going to leave our

1 grandchildren, you know. And I just hope that it's done
2 responsibly and safely. I guess I have to stand behind
3 everybody else here in Wainwright or else I'll be the black
4 sheep. Go do it.

5 MR. LOMAN: Thank you.

6 MR. AGNASAGGA: I wasn't able to draft a letter to, you
7 know. I wasn't made of aware of it until --.

8 UNIDENTIFIED MALE: You still got time.

9 MR. LOMAN: Thank you.

10 MR. HOWARD PATKOGAK: For the record, I'm Howard Patkogak.
11 I'm the Cully Corporation Chairman. To me, as a whole, I've got
12 to think about not just me, not just my neighbor, but the whole
13 community. You know, I grew up watching our traditional whaling
14 subsistence, before all the electric stuff came around. You
15 know, I got to see part of that. I share Ransom's uncertainty
16 of these fears.

17 I have the same fears, you know, but I go out hunting out
18 there too. At the same time, you know, we're all dependent on
19 the oil that directly benefiting us for the past -- since the
20 70s, right?

21 MR. AGNASAGGA: (Indiscernible) They ain't going to come
22 out.

23 MR. PATKOGAK: Yeah, I share your fears. At the same time
24 I don't believe in living in fear. We as Native people, we're
25 strong willed. But at the same time, we have to deal with

1 what's going on around us. We can't stick our heads in the
2 sand. It benefits us. At the same time, I'd like to ask a
3 careful, balanced approach. And I'm in agreement with the City
4 and the Tribal. That's what I wanted to say. I don't have
5 anything else besides that. Thank you.

6 MR. LOMAN: Thank you very much sir.

7 MR. HOPSON: It got quiet.

8 MR. LOMAN: John I guess I would ask -- you asked it
9 earlier -- you had a question. Does your vision see a way to
10 explore, produce if there is an economically viable resource
11 benefit in a way that's positive through jobs and economics and
12 maintain the culturally self-defining part of the people of
13 these communities?

14 MR. HOPSON: I knew that was coming.

15 MR. LOMAN: Way down the road?

16 MR. HOPSON: Again, for the record, this is John Hopson.
17 You can hear me okay. Okay. Yes. If we -- when we listen to
18 the Native Village of Point Hope and ICAS and AWC when they file
19 for these lawsuits or join in each other's lawsuits, they talk
20 about the potential for losing our culture, our traditions and
21 our subsistence.

22 I imagine that we will lose them faster if we don't
23 develop our communities in a positive manner, by creating jobs.
24 I've never been in a skin boat. My parents have. I've never
25 driven a dog team. My parents have. At the time I was born and

1 raised, we had snow machines, aluminum boats and outboards. So
2 I could not tell anybody here how to do it. I don't know how.
3 I need to learn how. But because of the way I was brought up, I
4 need money to buy a new outboard. I need money to buy gas. I
5 need money to buy food for these trips that we take.

6 I believe we will lose our subsistence way of life faster
7 if we don't find a way to supply jobs. Because these kids had
8 not -- did a skin boat or drive a dog team nor -- it will be
9 pretty hard to learn how, with the mindset we have today. So I
10 need the money to continue this. I could not go whaling if I
11 didn't have money. I spent a lot of time up the river in the
12 summertime. And I couldn't do it without money, because I have
13 to buy gas and diesel to heat my cabin, to drive my boat. I
14 have to buy guns. I have to buy bullets to shoot these animals.

15 The Native village of Point Hope, ICAS or AWC is not
16 willing to buy me any of those items. Nor can they afford it
17 for every hunter on the Slope for their actions that they're
18 dealing with. They are stopping us from developing these
19 opportunities for the people today. More and more kids are
20 graduating from high school, but where do they go? They go to
21 college and they can't come back because there's no jobs. They
22 go to training. They can't come back. There's no jobs. So
23 they go live in a city. Then they lose their culture and their
24 traditions and their subsistence if they don't get the chance to
25 come back.

1 That's where I see this helping us in a positive manner.
2 The potential for an oil spill, I believe, and I'm not an
3 expert, is low. Based on the knowledge we've learned, and the
4 education we've gotten from the industry over the past five
5 years. I was probably the most vocal person against oil and gas
6 when Shell first came up here again in '05 to tell us they were
7 going to go develop. But because of the education that I've
8 received from them and the trips that I've taken around the
9 world -- polluting Norway and seeing operations of not just
10 Shell but Conoco and Standard Oil, made me believe we can do
11 this.

12 Our oceans are no more than 170 feet deep where they plan
13 on developing or exploring. The Deepwater Horizon was in a mile
14 of water, 5,000 feet of water, which is very hard to get to when
15 there's a catastrophe below. Ours is just a matter of hours
16 before we can get to it, not days or weeks or months like they
17 had. So I think we can get this done in a positive manner. But
18 that fear of an oil spill is still there.

19 But I have to find a way to buy these items so I can
20 continue our subsistence. We take kids out to our cabin that
21 when -- some kids that don't have family that goes up the river
22 -- we get to expose them to our traditions over a time period.
23 So I get that opportunity because of the job that I have. Now
24 it provides me money to buy this stuff. So it's a positive move
25 forward if we can get them to explore and develop.

1 Our schools are top notch. Our water and sewer is top
2 notch. Our Fire Departments are top notch. Our Public Works is
3 becoming top notch because the North Slope Borough has the
4 taxing authority to provide that. But because of the aging
5 facilities in Prudhoe, the money is at a status quo practically,
6 the taxation. So we can't build any more than what we already
7 have.

8 Yet our populations throughout the North Slope is growing.
9 It's not declining. So we got to think where are we going to
10 build our next school when we become over-populated? Where are
11 we going to build our next hospitable if we need one in a larger
12 community? We're going to need more fire trucks. We're going
13 to need another ambulance. We're going to need more police
14 departments. We're going to need more teachers. But the way
15 that the taxing is going, the properties at -- decline the
16 property tax by the status quo.

17 So we can't provide that unless we create more
18 infrastructure, building a pipeline, building infrastructure,
19 hotels. You know, support facilities for offshore oil. Is our
20 -- basically our only hope for the next 20 to 30 years when you
21 look at what is going to happen to us, if everybody just walks
22 away and does nothing. If the oil companies decide not to
23 develop, we have nothing. We're going to be stuck with what we
24 have today and try to come up with new ideas on how the world
25 will be able to provide the services that it's mandated.

1 So it is a positive move forward. You know I just -- I've
2 said this in numerous meetings. And you've heard me over and
3 over. We need this to happen because of this reason. ICAS,
4 Native Village of Point Hope, AWC executives, don't come to our
5 communities and tell us why they're doing this or when they're
6 going to do their lawsuits. You know, they don't get our
7 blessings. We may have members in some of those organizations,
8 but it's just a one member on a Board. And they don't come down
9 here and ask us for our opinions as to whether we want to do
10 this or not, whether we should get into a lawsuit or not over
11 oil and gas.

12 So they're not really representing, like ICAS says -- they
13 represent all of the Inupiats. I don't see that happening. I
14 don't see it working. It's an organization that just has a
15 mindset of no oil and gas whatsoever. And we have a problem
16 with that. I have a personal problem with that. And I've
17 expressed my concerns to George Edwardson. He is the President
18 of ICAS. But he won't listen to me. He won't even look at me
19 when I want to talk about oil and gas with him. He's a -- in my
20 opinion, a one eyed jerk. He's my uncle, for crying out loud,
21 but I have to call him that because he won't listen to me. He
22 won't reason with me. He just does not want to reason. And
23 he's the Executive CEO of ICAS. Yet he's supposed to represent
24 us all, 10,000 people. But he won't. Thank you.

25 MR. LOMAN: Thank you. It's the other question I have.

1 Oh, go ahead sir.

2 MR. AGNASAGGA: For the record, Ransom Agnasagga. I just
3 wanted to comment (indiscernible) ICAS, AWC. The reason AWC is
4 included in the lawsuit is because it was formed under ICAS and
5 that's what I -- if I remember right, we were the leading
6 support of trying to get behind that lawsuit during the meetings
7 in February.

8 MR. LOMAN: The other question I have for everybody here
9 is -- at least insomuch as what has happened, and these are
10 offshore activities -- offshore activities that we are
11 responsible for overseeing, facilitating, not promoting,
12 facilitating. Here in Wainwright, there's been some activities
13 that demonstrate that maybe there's the desire for integration
14 of the industry -- outside workers.

15 Prudhoe Bay has segregation. Is integration of outside
16 workers a concern for people in Wainwright?

17 UNIDENTIFIED MALE: I don't know, look at me.

18 MR. HOPSON: I think in my opinion we -- if I have local
19 trained people to do the job safely, ready to go, which we don't
20 have, because we haven't really gotten the population out there.
21 But if I had it in my hands here, saying we have these people
22 that can do the jobs, and the oil companies are not hiring us,
23 then we have a problem. But the way things are going, I think
24 integration is happening and I think it's working well, in my
25 opinion.

1 MR. LOMAN: Mr. Mayor.

2 MR. OKTOLLIK: Enoch Oktollik again, for the record. Oil
3 and gas development in the Chukchi and the Beaufort Sea I see
4 that a place that we could benefit ourselves in our community.
5 So I heard it along the lines that, from reading history books
6 and whatnot of our United States and our Federal government,
7 about mistakes in there when it could benefit the Federal, when
8 it could benefit the State, when it could benefit private
9 sectors and benefit most everybody, when it's essential.

10 That is, where ever the impact is, it could benefit us
11 here in this small community in Wainwright. I believe it could
12 be beneficial to us all -- of what is this happening now in --
13 close to Wainwright. These are by the ocean or by the land, we
14 are getting to be impacted. And we haven't seen the full impact
15 of it yet.

16 We're going to be impacted whether into the future as
17 probably Northwest Fisheries Service will probably come to the
18 Arctic. And we'll probably see the northwest manifestation of
19 routes opening to the future in offshore tourism. We can see
20 this as a little, even though it's oil and gas -- pocket.
21 There's other things that we going to see that will impact our
22 Arctic Ocean.

23 We're going to see -- we haven't seen the impacts of
24 what's going to be happening through the Bering Sea and through
25 the Chukchi Sea of ship trafficking. How are we going -- how

1 are we going to regulate trafficking from the Bering Sea, Bering
2 Straits into the Chukchi Sea? And how -- anyway when I heard
3 this gentleman here, I can't remember his name, they say this
4 essential way of running a pipeline and where it will be. And
5 through all those scenarios offshore, when development happens,
6 oil spill is essential.

7 Haven't seen where we could find funding -- relief funding
8 -- there are relief fundings -- what about in this Environmental
9 Impact Statement or the (indiscernible) that are impacted? I
10 would like to see these set in place. We have work -- we are
11 good with the NPRA from the City of Wainwright where we provide
12 almost over two jobs. And could we be able to work with the oil
13 companies and the Federal government in this State in providing
14 more programs like this?

15 Like I'll give you example how we get our NPRA funding and
16 what we provide -- we provide Boys and Girls Clubs. We provide
17 Elder programs. And also we operate our government of
18 operations and our recreations and others that we don't see
19 (indiscernible) funded to the North Slope Borough -- and
20 whatnot.

21 If we could set up a program of some sort with the oil
22 companies -- Outer Continental Shelf development of this
23 program, 30 years looks like a long ways and we could see for
24 probably -- like more jobs in our community.

25 But on the most strongest point I would probably see is

1 some way for our own community, us over here and try to develop
2 relief -- oil spill relief fund from the oil company before it
3 starts its production. I think it would be essential, even
4 though the Eskimo Whaling Commission -- I've heard they asked
5 for \$20 million aside for our subsistence way of living or what
6 you call it (indiscernible) village, kind of a funding. We need
7 that kind of funding for our own community. Wainwright would be
8 very impacted and most of our, probably 30 percent of our
9 community relies of subsistence food. Some rely on store bought
10 food. Thank you very much.

11 MR. LOMAN: Thank you.

12 MR. AGNASAGGA: I just want to say, Ranson Agnasagga, was
13 saying something like mitigation matters for the -- mainly the
14 Wainwright community. I don't know what we can do for that -- a
15 band-aid over it, but you said you can't tell them what to do.
16 That's kind of like what I understand.

17 MR. LOMAN: Well there is a huge issue of -- it's one of
18 Mayor Itta's -- a Ocean Claims Initiatives and it involves
19 revenue sharing rather than sharing to the local level. That
20 can mean different things to different people. The biggest to
21 the local level to the ground zero level. Certainly Wainwright
22 community and The Native Village of Wainwright are at ground
23 zero. Ground zero, as in one of the communities that would be
24 most affected because of the proximity to the Chukchi Sea.

25 Revenue sharing is a very difficult one for us bureaucrats

1 that work for a Federal agency. Because it's going to require
2 legislation. We don't have the authority to mandate it. But it
3 does exist in the Gulf of Mexico.

4 MR. HOPSON: You say that in a manner like, my opinion,
5 the Federal government doesn't want to deal with revenue sharing
6 yet. The amount of money and royalties that the Federal
7 government gets from the leases, the amount of money that the
8 Federal government will get from the sales and royalties, why
9 can't that be used as a part of the revenue sharing for the
10 impacted communities? I mean, you know, it's just common sense,
11 that's where it should come from. We all know the oil companies
12 are in it for the money. The Federal government is in it for
13 the money, as well. But if we -- it would make more sense if
14 the revenue sharing came from the Federal government's part of
15 its royalties. Or the State of Alaska, for that matter, when it
16 gets its royalties, you know. That might be the route to debate
17 rather than trying to find a way to make the oil companies come
18 up with a revenue sharing plan, which you can't even recommend.

19 MR. LOMAN: Well, in the case of the States in the Gulf of
20 Mexico it's the law and it goes to the State level. Senator
21 Begich has introduced some legislation. I know there's been
22 other legislation introduced that has gone nowhere.

23 MR. HOPSON: Because it was a bogus legislation.

24 MR. LOMAN: Well there's -- there are other people in
25 bodies such as the Senate, Senators. And their position is, the

1 royalties from these resources should go to all the people
2 because they belong to all the people. So the other counter
3 argument is, is all the people don't suffer the kinds of
4 affects.

5 I come from the Upper Peninsula of Michigan on Lake
6 Superior. It's pretty safe to say that my culturally self-
7 defining practices on the Lonts (ph) Indian Reservation will not
8 be affected by offshore oil and gas activities in the Arctic.
9 So it's easy for me to understand why communities in the Arctic
10 are most affected and others are not. So he logic is easy.

11 As far as an Agency goes, we can give administrative
12 support to certain legislation. We can say certain things. It
13 would be pretty safe to say that the Administration, no matter
14 which Administration, can support that kind of legislation,
15 revenue sharing, because it will resolve conflicts and competing
16 interests that are stumbling blocks to getting anything done so
17 that the nation can sell and benefit from its resources. It's a
18 stumbling block.

19 And we'll see what happens there. It's going to require
20 legislation to get any kind of thing that resembles revenue
21 sharing over and above the Coastal Impact Assistance program
22 funding. Yes sir.

23 MR. PATKOTAK: I am Blair Patkotak for the record. Do I
24 have to go up there to the mic to speak?

25 MR. LOMAN: It's easier for the Reporter to hear you.

1 REPORTER: There's a hum.

2 MR. LOMAN: There's a hum and there's a vent and it blocks
3 the sound.

4 MR. HOPSON: Next time you come you'll have the recorder
5 sitting in the audience so that the reporter can hear.

6 MR. PATKOTAK: For the record, my name is Blair Patkotak
7 and I'd like to say something from my heart. Because it's what
8 my dad wished. You know, that he wanted development to help our
9 people. So, from his heart to my heart, I'm happy for him to
10 say that. And thank you very much for coming. And my question
11 to you is, you said that you are in a reorganization -- you're
12 planning a reorg right? And there's another organization?

13 MR. LOMAN: They're planning it for us.

14 MR. PATKOTAK: Yeah. And you said that there is an
15 organization that's going to regulate the oil companies, right?
16 Would you pass that information on to them that, when you have
17 that reorg and that organization is set up, to please come into
18 the villages so that they can train us how to do what you guys
19 do. So that maybe we might even be able do what you guys do.
20 And thank you very much for coming down. And may God bless you.

21 My dad was -- considered a religious man but he had a
22 faith in the Lord Jesus Christ. So those that do pray, we need
23 to pray not just, you know, live in fear like my brother says --
24 he walked out the door. To live in fear is not what the word
25 says. I mean, what you speak can come to pass. You know, you

1 afraid of oil spill, will come to pass. You will always have
2 oil spills, plane crashes, car crashes, what kind of disasters
3 that are out there. But we can minimize that. We are learning
4 right? But I'm sure that if we do our part in lifting them up,
5 it can be done successfully. And I hope that our grandchildren
6 will reap the benefits.

7 Hopefully, if I ever get married and have kids, then
8 become a grandfather. But I'd to say thank you very much and
9 may God bless you and all those that came and attended. I speak
10 this from my dad's heart. From a couple of years ago, I heard a
11 lot of no, no, no development and whatnot. To come to a meeting
12 like this is kind of -- brings to mind my dad what he wanted in
13 a way. And I thank you very much for taking the time to come
14 here and come back again.

15 MR. LOMAN: Thank you very much.

16 MR. PATKOTAK: Thank you.

17 MR. LOMAN: We appreciate it. I think. Yes sir.

18 MR. AGNASAGGA: One more comment, Ramsom Agnasagga. This
19 is just like the -- there ain't going to be no socio-economic,
20 what you call it?

21 MR. LOMAN: Socio-economic study?

22 MR. AGNASAGGA: Yeah, like impact like that?

23 MR. LOMAN: We have socio-economic studies specific to the
24 Chukchi Sea under way.

25 MR. AGNASAGGA: You do?

1 MR. LOMAN: Yeah. Sharon has a list of our environmental
2 studies that --.

3 MR. AGNASAGGA: I was one of the people in the past, that
4 it said there's no baseline, you know. That's why they started
5 all that stuff, you know. Just wondering about that, too.
6 Because, the socio-economics of the North Slope and the people
7 in the villages, how it's going to impact, you know?

8 MR. HALLER: Right. In the EIS, the original EIS --
9 there's a socio-economic impact analysis and I know -- I used to
10 do some of that so I kind of know about that piece of it. And
11 it gets into the socio-cultural, the subsistence and then with
12 jobs.

13 MR. AGNASAGGA: And like I said, I haven't had a chance to
14 see that.

15 MR. HALLER: Yeah, well that --.

16 MR. AGNASAGGA: I wish I would have.

17 MR. HALLER: Right. The Chukchi EIS is a much bigger one
18 but the socio-economic, subsistence. But you always have to
19 keep up with the current, you know, because society is
20 constantly changing. And so we always having to revise them.

21 MR. HOPSON: We're hearing different leaders who have come
22 in and different opinions will come out.

23 MR. HALLER: The pendulum swings.

24 MR. OKTOLLIK: Enoch Oktollik. Did you -- I know that we
25 saw the bottom core studies -- on the Beaufort Sea from a

1 company that did the bottom floor study. But, yet, we haven't
2 the baseline studies in our bottom sea studies in the --.

3 MR. HALLER: Right. Yeah, those are -- I'm not sure of
4 the exact status of those, but I know those are --.

5 MR. OKTOLLIK: And how could we get those studies?

6 MR. HALLER: Well Sharon --.

7 MR. HOPSON: We were a part of that. Our company was a
8 part of that study.

9 MR. HALLER: Yeah -- Sharon has a list of the studies and
10 then there's -- we have a website that has studies that are on-
11 going, as well as completed studies. And then, if you want more
12 information there's about eight or, what, ten people in our
13 Study Section. Hugh Williams is the Chief it. You know, if you
14 need more.

15 MR. HOPSON: Would these studies --.

16 MR. OKTOLLIK: Got a lot of group of them -- many of them
17 like Shell and them. Shell, Conoco and those others that's been
18 leading them -- studying on them.

19 MR. HALLER: Yes and this --

20 UNIDENTIFIED MALE: Their focus would be the bowhead whale
21 and it's slowly starting to go out into, like, other animals.

22 MR. HOPSON: We have copies of the studies. And they talk
23 about walrus and whale and seal and fish and krill, plankton,
24 the bottom, the shrimp, worms. We have all of that. They're
25 just trying to make it in plain English because about 80 percent

1 of the book I cannot understand and read it.

2 MR. HALLER: Yeah, way to -- .

3 MR. HOPSON: So I read it based on the pictures until we
4 get the down to earth type -- summary out of it. And that's
5 what we're waiting for. But we do have this -- the book is
6 about yea thick just on one season's project.

7 MR. HALLER: Yeah one.

8 MR. LOMAN: Mr. Mayor our new Community Liaison, Michael,
9 will be coming to the community soon. And, in addition to
10 working with the school, to kind of have some interaction
11 between our scientists and the students, expose them to some
12 outside -- positive outside influence that is part and parcel to
13 their environment here.

14 Our environmental studies people can come with that effort
15 and present information, especially those studies in the Chukchi
16 Sea that are being finalized or where data's coming up, and
17 provide information to you by talking, oral communication, in
18 some pretty substantial detail. It is not true when you read
19 that the government knows more about the planet Venus than the
20 Chukchi Sea, no matter how many times they say it

21 MR. OKTOLLIK: What about the sea collection data from the
22 bottom floor and the offshore studies of the bottom sediments of
23 the (indiscernible).

24 MR. LOMAN: What we do know is that the Arctic Ocean, and
25 the Chukchi Sea certainly included, has a breathtaking amount of

1 diverse living organisms that support a complex ecosystem that
2 is beyond the imagination of most. From one respect, I know
3 that every whaler knows it, because it's the same ocean that
4 supports those whales, an extremely complex and sophisticated
5 animal, some of which were swimming -- or are swimming out there
6 now and were swimming when Abraham Lincoln was President.

7 MR. OKTOLLIK: Most of us were (indiscernible) many has
8 two, North Slope Borough, Fish and Wildlife. How many members?

9 MR. AGNASAGGA: No, I don't.

10 MR. OKTOLLIK: Offshore, Walrus becomes a member and
11 Whaling Commission and certain, the Borough Commission. And
12 sometimes, when you understand it in the Arctic Ocean, we've got
13 so many endangered species. There would be a number of
14 endangered species out there. As we're talking right now, how
15 many -- some of them need to be added on to the Endangered
16 Species list into the Arctic.

17 What, versus Endangered Species and the ones that are
18 coming into the listing, versus oil industry -- what does it
19 mean? Maybe somebody --.

20 MR. LOMAN: Mary can answer that question better than I
21 can.

22 MS. CODY: Once they're listed under the Endangered
23 Species Act, any action that the oil company wants to take, they
24 have to consult with the Agency that's responsible for that
25 species. So, like for the polar bear, that's Fish & Wildlife

1 Service. And when they give us a plan for what they plan on
2 doing, the oil companies also have to give that plan to Fish &
3 Wildlife Service. And Fish & Wildlife Service reviews it. And
4 for bowhead it's NIMS (ph).

5 And if there are things in that plan that Fish & Wildlife
6 Service or NIMS (ph) think are incompatible with maintaining
7 these species, they have the option to just say, no you can't do
8 it. You can do it this way instead. Usually it's an iterative
9 (ph) process that goes back and forth, sometimes for months.
10 And companies having a specific plan and the Agency that's
11 responsible for that species, helping them come up with a plan
12 that they can do what it is they want to do without additional
13 harm to a species that may already be in decline. It's a very
14 strong law.

15 MR. HOPSON: Leads to another question and it's going to
16 affect oil and gas. Why is it that the Federal government
17 doesn't go consult with the people who live with these animals
18 before they're listed? We don't see our comments in -- when
19 they say they come and they say they're going to consider our
20 comments and concerns and list them, we don't see those in the
21 Register. We don't see our comments.

22 We all opposed the Federal government in listing the polar
23 bears as a threatened species. But nobody took that serious
24 consideration. And it was a move to screw up oil and gas, in my
25 opinion by the Democratic people of America. No right

1 Republican in their right mind would do that thing. We're not
2 that dumb. But the Federal government never did come and
3 seriously take our consideration and why we were telling them,
4 it's not a threatened species. We've seen these animals die of
5 drowning. We've seen these animals die from themselves. When
6 they fight each other, they kill each other. They eat each
7 other. The only reason that it became a national political
8 issue is because Shell was out there exploring, doing seismic
9 activity and some guy took one picture of a dead polar bear and
10 we see it every year all the time.

11 Take for instance, the walrus, the last year's instance
12 where the Federal government said we had four hundred dead
13 walrus on our beach. And there was only ten. And they blamed
14 the oil companies. The oil companies are 70 miles offshore and
15 these walruses died on the beaches. They come here and Icy
16 Cape. You know, it's crazy. Now they want to list -- now
17 they're thinking of listing the walrus as a threatened or
18 Endangered Species because there's no ice, you know.

19 The animals move. Go to the Russian side and count them.
20 They're thousands of them, you know. Watch their pictures.
21 It's just crazy that the Federal government can come here and
22 tell us, this is going to happen whether you like it or not.
23 And then come back to us and say, oh we made a mistake. We're
24 sorry. It's not right, you know. It's just not right. And our
25 taxpayers pay for that, you know.

1 And it affects oil and gas in a big, big way when it comes
2 to threatened or Endangered Species. When the Marine Mammal
3 Protection Act was created, they said the bowhead was going to
4 be listed as Endangered until its population reached 10,000 or
5 more. Well it reached that population number, about four years,
6 five years ago. And we're still on the Endangered Species list.
7 Nobody's listening to us.

8 IWC knows our numbers. They take our numbers and they're
9 credible. But our own Federal government won't take it. You
10 know, it's crazy. And it affects oil and gas and what they want
11 to do, when they can do it, and when they can't do it, you know.

12 The only thing that should determine what the oil and gas
13 can do and can't do is the ice movement. That's what should
14 dictate what they can and can't do. So that they can do it in a
15 safe, sound manner. Animals get deflected. They will. We
16 deflect them ourselves, you know. We can deflect a herd of
17 10,000 caribou in a heartbeat. We don't do it because we won't.
18 We know how not to.

19 If you listen to us, we can teach you. But you have to be
20 willing to listen to us. Both the State and Federal government,
21 they have to be willing to listen to us. We've listened to you.
22 We've lived by the laws of the Federal and the State government.
23 But why not take our advice as we've been doing this for
24 thousands of years?

25 I cannot go down to California and tell you how to hunt

1 those crazy animals, you know. Because I don't know how. But I
2 can teach you to hunt our animals. I can show you how we hunt
3 our animals. Just got to be willing to listen to us. Thank
4 you.

5 MR. TAGAROOK: Before I go, one last comment, I want to
6 make it. I'm Terry Tagarook, for the record. You know, we have
7 to listen to the pros and cons of all -- what is happening with
8 the Federal, the oil company and our people. To our people
9 before White man came, we were taught to respect our elders, our
10 land, our sea, ourselves. Respect other people's property. And
11 we didn't have no police doing that, going after people that
12 were doing something wrong. That was up to the Council and the
13 Council had that power. But in the long run, the respect is
14 what we have always been shown to do to our environment, the
15 land, the sea, our animals.

16 If the government will listen to us, then please learn to
17 show respect to our environment. In this Arctic, animals, the
18 mammals we depended on before oil companies came up. We showed
19 -- they showed us respect, to show respect to our animals. It
20 took government and the oil companies and whoever it is, to show
21 respect to our environment. Things will go smoothly.

22 And that is one thing that everybody's got to learn,
23 respect. Trust and show others what is right and what is wrong.
24 I know that I was raised to show respect. And I'm looking at
25 the kids that are running around in the library. We weren't

1 even allowed to run around in a meeting or at the church, and
2 that's respect. And all the parents would reprimand us and we'd
3 quiet down and settle down. It's something that has changed.
4 And we know that change is coming. We cannot stop it. Progress
5 -- that's what's happening. And whether we like it or not, it's
6 going to happen. No matter what the outcome will be at the end.
7 But in the end, we'll be impacted. Thank you.

8 MR. OKTOLLIK: Terry, before you go, you addressed one
9 race and it was a White person. I would be happy if you say
10 that immigrants' children's, children's, children. Probably be
11 the proper words to say -- and you not put him into one category
12 when it's around 300 and some nationality.

13 MR. TAGAROOK: Whatever we do, I want Eskimo support on
14 the North Slope.

15 MR. AGNASAGGA: Hagar (ph) said we are the Endangered
16 Species.

17 MR. HOPSON: Yeah we will be.

18 MR. LOMAN: Well, I thank you for sharing everything with
19 us tonight. And we learned a lot. Hopefully, you learned a
20 little bit from us. And we appreciate your comments and your
21 time and effort and look forward to meeting you again soon to
22 provide information and to provide assistance.

23 So, barring any other comments, we'll close this record
24 and say a quick prayer for some good weather tomorrow so we can
25 go to Barrow and continue on with this mission. Thank you again

1 very much.

2 (Off record: 9:30 p.m.)

3 REPORTER: Off the record 9:30.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

TRANSCRIBER'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I, Judy Bradshaw, hereby certify that the foregoing pages numbered 2 through 82 are a true, accurate and complete transcript of the Bureau of Ocean Energy Management Regulation and Enforcement Public Hearing regarding the Environmental Impact Supplemental Statement Relating to Chukchi Sea Sale 193 held in Wainwright, Alaska on November 4, 2010, transcribed by me from a copy of the electronic sound recording to the best of my knowledge and ability.

Date

Judy Bradshaw