

BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

~~VOLUME 1002~~

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IN THE MATTER OF)
ARCO COAL OIL) EIR/EIS Public Hearing
POINT PROJECT)

TRANSCRIPT OF PROCEEDINGS
Wednesday, January 28, 1987

County of Santa Barbara
Board of Supervisors Hearing Room
105 East Anapamu Street
Santa Barbara, California

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- - P R O C E E D I N G S - -

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3 2:00 p.m.
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5 CHAIRMAN DAVIS: I am calling this meeting of
6 the Lands Commission to order.

7 The Secretary will note that Commissioners Ordway
8 and Davis are present.

9 The purpose of this hearing, as you will recall,
10 is to allow testimony from the community of Santa Barbara,
11 once having received and reviewed the final Environmental
12 Impact Report. Our previous meeting here was in advance
13 of the issuance of that report and all of us felt that
14 it made sense for the citizens and the affected interests
15 in Santa Barbara to review the report and provide testimony,
16 once having done that.

17 I am also informed that there was a meeting this
18 morning between the Lands Commission staff and the university
19 and the county, and I think other interested parties, at
20 which time there was agreement that it might be advisable
21 to delay the February 17 date, which is now calendared
22 as the date when the Environmental Impact Report will be
23 acted upon.

24 I am inclined to support such a motion, as long
25 as we keep faith with the March 20 deadline. I am going

1 to wait until Lieutenant Governor McCarthy gets here, however,
2 prior to making that motion, so I know there are many of
3 you who have that in mind and are prepared to testify on
4 that issue, so just be advised that we are aware of it,
5 and we would--at least, I for one--like to accommodate
6 those concerns as long as it can be done in keeping with
7 the March 20 deadline that was given to us by ARCO's agreement
8 to extend at the last meeting.

9 So, with that we will begin the testimony.

10 The first witness is Bill Wallace, the President
11 of the Board of Supervisors.

12 MR. WALLACE: Good afternoon. Thank you.

13 Once again, we would like to welcome you to Santa
14 Barbara County and thank you for conducting this hearing
15 in the community that is going to be directly affected
16 by the ARCO facility.

17 We repeat our request made at the January 13
18 hearing for the public release of your staff report prior
19 to the final hearing in Santa Barbara. This could be done
20 simply by holding the February 17 hearing in Santa Barbara.
21 The public's need for the staff report is self evident,
22 it is your staff analysis and recommendation, distilled
23 from thousands of pages of the EIR.

24 The public, in particular the citizens of Santa
25 Barbara County who will be directly and significantly affected

1 by this project, deserve the right to review the staff
2 report and comment to your Commission on its conclusions.
3 They have been denied that right, due to the unusual processes
4 conducted to this date; however, that right can be maintained
5 simply by holding the final hearing here, rather than in
6 Sacramento, 500 miles from the project and the citizens
7 it will affect.

8 We request that you hold that hearing in Santa
9 Barbara, and stand ready to assist you in making the arrangements.

10 The majority of the rest of our statement revolves
11 around the EIR issue, and it really centers on this preferred
12 option.

13 As you probably know, our staff and yours held
14 a long meeting this morning, and Supervisors Rogers and
15 myself were present, and the staff from the university,
16 including the chancellor, and in my opinion it was a very
17 productive meeting and it really helped to articulate where
18 the differences are, and where maybe we can make some compromises.

19 I think, though, for the benefit of the Commissioners
20 who were not present at that meeting, that I will go through
21 the county's position on the preferred option, and how
22 that delves with the EIR issue, and that this was adopted
23 by the Board of Supervisors on Monday by a four-to-one
24 vote, with Supervisor Yager absent.

25 We had hoped to be able to recommend certification

1 of the recently completed final EIR at this time. Unfortunately,
2 we cannot, although an effort to respond to the thousands
3 of comments received on the draft EIR--an effort was made
4 to respond to the thousands of comments received on the
5 draft EIR, we do not believe that the final EIR can be
6 certified in its present form.

7 The document contains substantial new information
8 and analyses not contained in the draft EIR. This information
9 has not been subjected to public review and comment, with
10 subsequent responses and revisions to the text as required
11 by law.

12 In order to provide the legally required public
13 review of this material, we believe the EIR must be recirculated.

14 It is not our intent to try and bog this project
15 down in legalese or state requirements, but we believe
16 that the county's position has got to be protected specifically
17 with the environmentally preferred option, set forth in
18 the EIR.

19 But, we feel that our staff has been working
20 together this morning, and this afternoon, with the legal
21 help, and we think that this can be resolved without that
22 being necessary, but I think I will go through some of
23 the county's positions, that it has been our feeling, under
24 CEQA, and this is how we have always operated, that once
25 an agency, the lead agency, certifies an EIR, that EIR

1 then is an extension of them. It is no longer the consultant's
2 EIR. It is your preferred option, and under state law
3 we believe that also applies to State Lands, and because
4 Santa Barbara County has specifically been identified as
5 one of the authors of this report, when it says "Prepared
6 by State Lands and Santa Barbara County" that it becomes
7 an extension of us, too.

8 Now, if you do not use that preferred option,
9 you have to make findings on why it is not possible, or
10 that it can't be mitigated to do that, and we feel that
11 this option is just simply not in the best interests of
12 our county, or State Lands, or ARCO, and I don't believe
13 that even ARCO is supportive of it.

14 The county's foremost objection to certification
15 of the EIR is raised by the last minute addition of the
16 project alternative designated as environmentally preferred
17 in the EIR. Nothing in this critical section was contained
18 in the draft EIR. The Joint Review Panel, which managed
19 the preparation of the EIR, has had no opportunity to review
20 the analysis which would justify the selection of the project
21 alternative chosen prior to its addition in the final EIR.

22 Final, our review of the document indicates that
23 the analysis required to reach the EIR's conclusion is
24 either lacking or is seriously flawed. Major elements
25 of the selected project configuration have not been analyzed

1 in more than a superficial manner. The comparative analysis
2 and its deficiencies have likewise not been calculated
3 for public review and comment as required by law.

4 To certify the final EIR document without allowing
5 the public adequate time to review, comment, and receive
6 responses on this critical analysis does not meet minimum
7 legal requirements.

8 The intent of the CEQA process is to allow the
9 public the ability to provide input on sensitive, social,
10 and environmental matters, associated with development
11 projects.

12 Certifying this document without responding to
13 comments regarding this alternative would violate this
14 key process in the CEQA requirements.

15 In addition to the section designated a preferred
16 alternative, there have been other entirely new sections
17 of the document. The important new sections have been
18 added, evaluating the impacts on Isla Vista, originally
19 overlooked, the affects of Exxon's SYU project offshore,
20 including additional air quality modeling, and substantial
21 new information on the very complex and controversial issue
22 of commingled versus segregated oil processing.

23 The County of Santa Barbara and its citizens
24 demand the opportunity to comment on these new or expanded
25 sections.

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We would like to step away from these procedural mistakes, and point out several factual errors in the EIR which must be corrected prior to certification. Virtually all of these comments relate to the recommended project alternative. We believe that numerous inconsistencies and errors could have been, and should have been, avoided had the Joint Review Panel reviewed the recommended project alternative prior to publication.

I think I will submit the rest of our discussions about the project alternative in the written, because hopefully this will not become an issue, and if it does it will be a part of the record, because we talk about the safety and a whole bunch of different issues, which we don't feel were adequately addressed if all of the processing is going to be done offshore.

It is clear that the county objects to the EIR's designation of the preferred project, and to the consideration of any offshore oil processing. We join ARCO in preferring onshore processing, which we believe should be in Las Flores Canyon.

We also question the designated project alternative for not recommending the removal of Platform Heron. The final EIR says the removal or the relocation of the platform would not allow full development of the resource; however, this same criteria was not used when recommending that

1 sour gas be reinjected, since reinjection is, by its nature,
2 less than full development. Reinjecting the sour gas avoids
3 significant impacts. Removing or relocating Platform Heron
4 also avoids significant impacts. The county stresses that
5 Heron should be eliminated to mitigate the significant
6 impacts it will cause.

7 The county also requests that sufficient time
8 be given to review and comment on the new information provided
9 regarding commingling and segregation. We are pleased
10 to see that the State Lands Commission staff recognizes
11 as correct the county's long standing position that wet
12 oil measurement errors in commingled systems result in
13 only insignificantly small deviations in royalty errors.

14 Finally, this issue can be put behind us; however,
15 the new information in the final EIR indicates that the
16 State Lands staff has expressed concern that the operator--
17 in this case ARCO--could and will manipulate equipment
18 or accounting to cheat the state out of royalties that
19 it deserves. We do not believe that this is the only method
20 to resolve a deliberate royalty misallocation as physical
21 segregation of oil streams.

22 In other words, the environmental costs to the
23 county and the financial costs to ARCO are expenses which
24 are recommended, instead of simply using a better management
25 and enforcement program to prevent ARCO from cheating.

1 This approach is particularly curious in light of the fact
2 that segregation in ARCO's case would still allow the possibility
3 for ARCO to cheat the state out of potential royalty.

4 The county believes that existing wet oil measurement
5 systems are adequate to provide sufficiently accurate measurements
6 in commingled processing. Further, we do not consider
7 the potential to cheat a valid reason to require segregation;
8 rather, we consider a sound management program, complete
9 with enforcement and monitoring of wet oil measurement
10 systems an adequate and sufficient solution to the problem--
11 if any exists--of ARCO's purported cheating. We think
12 the environmental document, as well as your future decisions,
13 should reflect this.

14 In conclusion, our initial review of the final
15 EIR leads us to assert that the document cannot be certified
16 for the reasons outlined above--which are specifically
17 the preferred option.

18 We are aware of the implications of the fact,
19 relative to the time requirements of the Permit Streamlining
20 Act. Because of the very significant ramifications of
21 the new information in the final EIR, and the consequences
22 of offshore processing to Santa Barbara County, we must
23 request that your Commission take whatever actions are
24 necessary to insure that this significant new information,
25 contained in the final EIR, is recirculated for public

1 review and comment, as required by law, and that the preferred
2 project alternative be revised.

3 One final comment that I would like to say is
4 that we do appreciate the continuing cooperation of the
5 State Lands staff in continuing to attempting to resolve
6 the issues of concern to this county, and that because
7 the process between your staff and ARCO's will continue
8 after your permit decision, we request that the county
9 and the university continue to be direct participants in
10 the decision making for the details of the permit.

11 Thank you very much.

12 CHAIRMAN DAVIS: Supervisor, I have a couple
13 of questions.

14 As I expressed before, I think the possibility
15 of commingling not only is environmentally preferable,
16 but more economical to the applicant.

17 Can you describe in a little more detail the
18 progress that has been made with the Lands Commission on
19 that issue since our last meeting?

20 MR. WALLACE: Well, I believe that after this
21 morning's meeting, there was a discussion of going to single
22 platforms, and just the extent of how much separation would
23 be required on the single platform, so that oil and water--
24 so that the wet oil that was delivered onshore could be
25 measured, and it was just a question of percentage of water.

1 how much had to be taken out, and there was the discussion
2 of looking at what's being done on the other platforms
3 at this point, but with the compromise goal of single platforms,
4 with a small amount of processing offshore, and there was
5 about three conditions that our staff--and this isn't something
6 that the Board has discussed yet--but, wanted to see in
7 that.

8 One, that there wouldn't be any air pollution
9 impacts. No doubling, like heating offshore and heating
10 onshore, so that there was actually a doubling of the amount
11 of heat required. What the source of that heat would be?
12 Would the platforms have to be enlarged, or could they
13 be kept at the same size as would be required without any
14 offshore processing?

15 So, I think there is some room in there, but
16 then it is still a wet oil line coming onshore, and it
17 is then a question of what compromises could be made, and
18 ideally the best one is renegotiating these leases with
19 ARCO, so the whole problem goes away for at least ARCO.

20 And, we were assured by staff that that was at
21 least a possibility at this point.

22 CHAIRMAN DAVIS: A couple of other issues.

23 Did you mention that this was a four-to-one vote?
24 Or, did you mean one Supervisor was absent?

25 MR. WALLACE: One absent. It was four to zero.

1 CHAIRMAN DAVIS: All right.

2 I think that I mentioned this before, but it
3 is my experience, being State Controller now for a little
4 more than three weeks, that we are always involved in financial
5 transactions with the federal government, the county government,
6 and there is always post-transaction audits that determine
7 that one of the parties is owed money, or too much money
8 was sent from one party to the other, and then appropriate
9 offset, or a refund, or additional delivery of money, is
10 forth coming.

11 That is kind of what I have in mind in the commingling.
12 I mean, it is clearly environmentally preferable. I think
13 everyone would agree that it is cheaper. There has to be
14 some kind of methodology which would allow for some post-
15 transaction audit to determine whether or not the state
16 received its full--the full royalties to which it is entitled.

17 You know, I don't have any particular brief for
18 any applicant before this Commission, but I don't think
19 we should be in the business of ascribing motivations.
20 ARCO is a good corporate citizen. It is our job to make
21 sure that they pay their fair share, and it is our job
22 to make sure that every user of state resources pays their
23 fair share.

24 One way to do that is to arrive at some contractual
25 arrangement, either by renegotiating the leases, or some

1 other provision that allows that to take place.

2 MR. WALLACE: I think that, in reference to what
3 you are saying too, is that it was our reading of the final
4 draft EIR that the--and our statement was--that it would
5 result only in insignificantly small deviations in royalty
6 errors. It was just then the question of the honesty of
7 both sides in determining that the measurement was feasible
8 within only small errors.

9 But, again, the information coming out was only
10 as good as the information going in.

11 COMMISSIONER ORDWAY: I do have a couple of questions.

12 I would concur with you that we frequently have
13 done audit trails, but it is a whole lot easier following
14 an audit trail where there is a whole host of bills and
15 canceled checks, than fluid going through a pipeline, the
16 mix of which we really don't know a whole lot about, and
17 it could be very varied.

18 But, my question really is to the lawyers in
19 the room--and I am sure that there are at least a couple.
20 It is my understanding of the law--and I may have it confused--
21 but it was my understanding that a preferred option is
22 required to be included in a final EIR? Is that correct?

23 CHIEF COUNSEL HIGHT: That's correct.

24 COMMISSIONER ORDWAY: It is also my understanding
25 that if this Commission chooses to certify that EIR, with

1 the preferred option, we are in no way bound to accept
2 that as the preferred option? Is that correct?

3 CHIEF COUNSEL HIGHT: That is also correct.

4 COMMISSIONER ORDWAY: So, the other parties,
5 including the county, should they adopt this as a reasonable
6 EIR--because obviously from your comments you are not going
7 to see it as adequate--would not be bound to what is included
8 there on paper now as the preferred option? Is that correct?

9 I just want to get it very clear that because
10 a consultant put in a preferred option, that that is not
11 what is going to tie the hands of this Commission.

12 MR. WALLACE: Well, I am aware of that, but I
13 think--and I would prefer to have our staff, or our attorneys,
14 respond to that, too, because I don't think a "yes" or
15 "no" answer is quite--doesn't quite answer the question.
16 The question is too simplistic.

17 COMMISSIONER ORDWAY: The question from me is,
18 "Does that bind me to vote for that preferred option?"

19 And, I believe the answer is, "No."

20 My read of the law is that at least for this
21 Commission, and it may be different for the way counties
22 function, I am not a member of the--

23 MR. WALLACE: But, you have to make certain findings
24 on why you shouldn't do it.

25 COMMISSIONER ORDWAY: --Board of Supervisors.

1 That's--we would have to make findings on what
2 we are going to do anyway.

3 In mean, whatever our decisions are, are going
4 to have to be substantiated by findings, whether they are
5 those that are in part or in whole, and put in the preferred
6 option, or whether they are ones that we feel are right
7 and proper and were never discussed in the EIR.

8 I mean, I believe that--and that is also my understanding
9 of the law, is that we have to substantiate our decisions
10 with findings.

11 MR. WALLACE: Well, we are not saying that you
12 can't do this, as the preferred option in the EIR.

13 We are saying that if you do do it, then you
14 are required by law to recirculate it, because this is
15 so vastly different than what was in the draft EIR, and
16 that we don't believe that the findings in the EIR, or
17 the information even contained in the EIR back this preferred
18 alternative.

19 And, I didn't read all of my statement, but there
20 is a massive amount of--there are only two pages set aside
21 for reinjecting sour gas in this massive description, and
22 that is the preferred option.

23 We don't feel, and our staff doesn't feel, that
24 there is enough back-up materials without recirculating
25 this for you to certify it with this as the preferred option.

1 And, that is our legal point, and we don't want
2 to get bound up with that. But, we feel that if you do
3 choose this as the preferred action, that it really does
4 leave options open that we are opposed to and that we don't
5 feel are backed up by the record.

6 That's our opinion, and I am sure that your legal
7 counsel will be giving you advice, either here or wherever,
8 before this is done, and I would really appreciate it if
9 you could hear Mr. Cohan from our legal staff.

10 CHAIRMAN DAVIS: I would be pleased to.

11 Your procedural point, as I gather, is I gather,
12 that the issue of certification should take place first
13 at a time subsequent to February 17; and secondly, in Santa
14 Barbara?

15 MR. WALLACE: Right.

16 But, we are not saying that if this preferred
17 option can be negotiated without again breaking CEQA laws
18 so that it is backed up by the current information, then
19 we don't have a problem with you certifying the EIR.

20 We feel that the other information is not so
21 new and so different that we have--again as outlined in
22 our proposal--it is just that preferred option that we
23 find so objectionable, and we feel is not adequately covered.

24 So, we feel that the EIR could be certified if
25 that could be negotiated, and whether or not your staff

1 wanted to concur, or say something different at this point,
2 or would prefer to do it some other time?

3 CHAIRMAN DAVIS: Mr. Hight, do you have any observations
4 on that? As our General Counsel?

5 CHIEF COUNSEL HIGHT: From the staff's point
6 of view, we believe that legally the preferred alternative
7 can be negotiated with the county.

8 It is a matter of agreement, from the Commission's
9 point of view, and the county's point of view, but that
10 option is legally available.

11 MR. WALLACE: And, from our understanding from
12 ARCO, in their testimony before us on Monday, they wouldn't
13 mind seeing that happen, either, because they don't want
14 to get bogged down in this legal issue of whether or not
15 this is so totally new that it has to be recirculated,
16 partly because they are not particularly interested in
17 the preferred option, either.

18 So, I think that, after the hearing we had
19 this morning, we felt that this could be worked out between
20 now and the certification, whether it be February 17 or
21 some other date, without having to have it recirculated
22 for that issue, alone.

23 Now, I can't speak for all of the other testimony
24 that you are going to hear today, but this is the county's
25 position at this time.

1 CHAIRMAN DAVIS: Thank you.

2 MR. COHAN: Good afternoon, Mr. Chairman.

3 With your permission, I will just add a few comments.
4 I am John Cohan, Senior Deputy County Counsel, and I thought
5 it might help to clarify several of the legal issues.

6 We are in general agreement with the opinions
7 expressed by Mr. Hight, your Chief Counsel.

8 I don't want to make any more statements on what's
9 past. We may have some differences on the nature of the
10 final EIR and what would have to happen to change the conclusions
11 in the EIR, but we feel that it would be appropriate and
12 certainly legal to reconvene the Joint Review Panel and
13 refer the matter back to the county--pardon me, to the
14 Review Panel, to resolve the question of the environmentally
15 preferred option, before you all met to certify the EIR,
16 and we think that that probably would be a sensible approach.

17 CHAIRMAN DAVIS: Thank you.

18 Do you have any more questions?

19 COMMISSIONER ORDWAY: No.

20 CHAIRMAN DAVIS: I would like to call on Mayor
21 Sheila Lodge of the City of Santa Barbara.

22 MS. LODGE: Thank you for the opportunity to
23 testify to the Commission, and I also would like to welcome
24 you back to Santa Barbara.

25 We appreciate your response to local concerns

1 by scheduling this hearing here.

2 The ARCO Coal Oil Point Project, and its permitting
3 process, are under close scrutiny from our community because
4 of the enormous impacts the project will have on so many
5 people.

6 We also are acutely aware that the decisions
7 your Commission makes will set precedence for oil development
8 throughout the state tidelands.

9 As a community that has invested years of effort
10 and resources to developing local policies on offshore
11 oil issues, we have much at stake. The City of Santa Barbara's
12 interest, which will be directly affected by this project,
13 are air quality, exposure to the risk of oil spills--and,
14 by the way, today is the day that the famous oil spill
15 of 1969 began. We didn't know for 24 hours that it was
16 occurring, and so we tend to count the date as January 29,
17 but it actually began today. It is also the Challenger
18 Shuttle day. A couple of significant high tech failures
19 that we have to keep in mind when we are dealing with oil
20 industry development in the offshore waters.

21 We have population related socioeconomic impacts
22 to this city, regional industrialization affecting our
23 recreation and tourism industries, and I would like to
24 point out that the City of Santa Barbara receives no revenue,
25 no tax revenue of any kind, from the oil development. We

1 only get the negative impacts of poorer air quality,
2 industrialization, and so on.

3 Our economy is based on retirement, tourism,
4 and high tech industry, and all of these are negatively
5 impacted by the oil industry. We realize that it is going
6 to be there, however, but we must insist that it be carried
7 out in the most environmentally safe and least damaging
8 way possible.

9 We also have potential impacts to the environmentally
10 sensitive area at the city owned Goleta Slough. This project
11 will be on the border of the oil and gas sanctuary, which
12 protects the waters and coastline immediately off of the
13 city's shoreline, and is therefore of particular concern
14 to the city.

15 Our understanding of the Commission's current
16 hearing schedule is that this is the only local hearing
17 planned before your decision, not only on certifying the
18 final EIR, but also on issuing a permit for the offshore
19 components of the project, and both decisions are, of course,
20 critical from a local perspective, and I do appreciate
21 your indication of willingness to further put off that
22 hearing on February 17--that is currently scheduled for
23 February 17--and I also hope that you will consider holding
24 that hearing here, rather than in Sacramento.

25 The way it is now, this schedule virtually excludes

1 local response to the recommendations of your staff's report.
2 Presumably, this will be the first and only opportunity
3 the community would have to review and respond to any and
4 all mitigations and conditions proposed for the offshore
5 portions of the project.

6 Given the all inclusive nature of the alternative
7 recently identified in the final EIR, this could be the
8 only development permit to be issued for this project,
9 other than for the pipelines. That schedule makes adequate
10 public comment almost impossible, and as I said before,
11 we hope that you will indeed extend it.

12 We need the time, in addition to simply address
13 the substance of the report, itself, the adequacy of the
14 just released final EIR. The primary topic of today's hearing
15 must be decided before the consideration of issuing any
16 permits. We share the conclusion of Santa Barbara County
17 that the final EIR is inadequate and should not be certified
18 in its present form.

19 Given the precedent setting nature of this particular
20 project for future energy development in all the state
21 tidelands, I am also concerned that by the process being
22 established, there is to a certain extent seems to be an
23 amount of disregard for the views and interests of local
24 agencies. Santa Barbara County, a responsible agency
25 under CEQA, has participated in the Joint Review Panel,

1 but did not have the opportunity to review the recommended,
2 environmentally preferable alternative.

3 The alternative clearly conflicts with established
4 county policies for consolidated onshore processing of
5 oil and gas.

6 Second, on a more technical level, I believe
7 that the final EIR is inadequate because the rationale
8 leading to the selection of the environmentally preferred
9 alternative is sketchily presented and has not been circulated
10 for public review and comment. A reader is required to
11 sift back through volumes of material--and I am sure you
12 really know that it is volumes--of materials, searching
13 for the details and assumptions that went into the analyses
14 of the various components which have been combined to form
15 this alternative.

16 The summary comparison table, presented for the
17 first time in the new Executive Summary, needs to be checked
18 thoroughly for completeness and accuracy. Preliminary
19 review suggests errors and omissions. As one example,
20 in the table for terrestrial and fresh water biology, Class 1
21 or Class 2 impacts, due to construction of oil processing
22 facilities drop out for the offshore oil processing alternatives;
23 however, turning to the marine biology table there is no
24 discussion of oil processing facilities, per se.

25 In the discussion of platforms, both construction

1 and operation, it makes no mention of greater impacts or
2 risks to marine biology due to the presence of processing
3 on those platforms.

4 The tables do not address any impacts from offshore
5 gas processing, or reinjection, since these were not analyzed
6 as major alternatives.

7 The recommended scenario is a combination of
8 several alternatives that were reviewed in varying levels
9 of detail in the EIR. Several of the major components
10 chosen, i.e., reinjection of sour gas and offshore processing
11 of sweet gas, were treated as other alternatives and were
12 not fully analyzed.

13 On page 5-1 of the draft EIR, it states:

14 "If one of the following alternatives is selected
15 by decision makers, it is probable that supplemental
16 environmental analysis will be required after
17 development of a specific project design."

18 We do not find any changes or additions to these
19 analyses in the final version of the EIR. How can this
20 be the basis for the selection of these alternatives as
21 environmentally preferable?

22 As the city has supported the county's oil processing
23 consolidation policies in the past, supported local control
24 of projects to maximize protection of our resources, and
25 opposed unnecessary offshore operations, we cannot support

1 the alternative proposed or an EIR which concludes that
2 this is environmentally preferable.

3 We are very pleased to see the County take a
4 leadership role in upholding their policies in the context
5 of this project. These policies were hammered out over
6 a period of many years, with full community and oil industry
7 participation.

8 I hope that you will take our comments into consideration,
9 and I look forward to cooperating further with the Commission.

10 Thank you very much.

11 Are there any questions?

12 CHAIRMAN DAVIS: I just have a couple of comments.

13 I think your point is well taken about cities
14 adversely affected by drilling, and not sharing the revenues.
15 There was legislation passed recently to allow counties
16 to participate in those revenues, and maybe Mr. Wallace
17 will be--you could work something out with Mr. Wallace,
18 over there.

19 MS. LODGE: Bill?

20 CHAIRMAN DAVIS: I think it probably makes sense
21 to extend that to the cities, as well, and if you are interested
22 in pursuing any legislative remedies, I would be happy
23 to help you with that.

24 MS. LODGE: Thank you very much.

25 CHAIRMAN DAVIS: Also, I am, you know, very concerned

1 about the impact of any project on any community, particularly
2 Santa Barbara, which has done its fair share and then some,
3 to help the nation secure an adequate energy supply, and
4 that is why I visited with the fishermen on my last trip
5 down, and met with representatives from the university
6 and Isla Vista, and I do also share your sentiment that
7 the ultimate decision to approve, or disapprove, the EIR,
8 ought to be done in the community directly affected by
9 it, and I will make that part of my motion, to extend the
10 hearing.

11 MS. LODGE: Thank you. We appreciate that.

12 CHAIRMAN DAVIS: I think that is all that I have.

13 Nancy?

14 COMMISSIONER ORDWAY: Just one question.

15 Not of you. Again, of our folks.

16 Did anybody--not just the county--but did anybody
17 get a chance to review the preferred option before it was
18 put into print?

19 I know that I didn't see it, and it was not brought
20 to be along in the two boxes of paper that consisted of
21 the remainder of the EIR.

22 RANDY MOORY: I am Randy Moory, Project Manager
23 for the--

24 COMMISSIONER ORDWAY: Could you speak up just
25 a little bit, please? Or, get a little closer to that mike.

1 RANDY MOORY: Randy Moory, Project Manager for
2 the State Lands Commission for this EIR.

3 This preferred--

4 CHAIRMAN DAVIS: This is the fellow, gang. Right
5 over there. This is the guy that prepared the EIR.

6 Give them you address!

7 RANDY MOORY: It is 1807 13th Street.

8 COMMISSIONER ORDWAY: Right.

9 EXECUTIVE OFFICER DEDRICK: That is the wrong
10 address!

11 RANDY MOORY: The preferred project alternative--
12 or preferred environmental alternative was discussed in
13 a JRP meeting, and the direction to the consultant--

14 COMMISSIONER ORDWAY: And, the JRP is the Joint
15 Review Panel?

16 RANDY MOORY: --Joint Review Panel.

17 The direction to the consultant was to--recognizing
18 the time that was going on--that they should go ahead and
19 put what they thought that the parameters that all of the
20 components had been discussed in the original draft EIR
21 was recognized by all members of the JRP.

22 So, nobody saw this thing in print until such
23 time as the final EIR had come out, but we were--

24 COMMISSIONER ORDWAY: But, there were staff discussions--

25 RANDY MOORY: There were staff discussions about

1 that a preferred environmental alternative would have to
2 be included in the final, other than the no project alternative.

3 CHAIRMAN DAVIS: Could I just pursue that.

4 Were any of the Commissioners made aware of the
5 nature of the preferred alternative?

6 RANDY MOORY: No.

7 COMMISSICNER ORDWAY: No.

8 EXECUTIVE OFFICER DEDRICK: Nor was the Executive
9 Officer, Mr. Chairman.

10 CHAIRMAN DAVIS: Pardon me?

11 EXECUTIVE OFFICER DEDRICK: Nor was the Executive
12 Office.

13 COMMISSIONER ORDWAY: So, you weren't alone in
14 not knowing.

15 MS. LODGE: Somehow, that is a small consolation.

16 COMMISSIONER ORDWAY: Well, it is a small project.

17 CHAIRMAN DAVIS: All right.

18 Thank you, Mayor.

19 The next witness is--forgive me if I don't pronounce
20 this right--Paul Aiello, of Jordano, Inc.

21 Did I butcher that? What is the--

22 MR. AIELLO: Good afternoon.

23 No, you pronounced that very good.

24 CHAIRMAN DAVIS: Did I? Aiello.

25 MR. AIELLO: Aiello.

1 CHAIRMAN DAVIS: Aiello.

2 MR. AIELLO: You go to the head of the class.

3 My testimony is not near as technical, I guess.

4 I am a little bit more of an emotional person.

5 I am representing Jordano, Incorporated, a company
6 that has been in this area for 72 years, doing business
7 in the food and beverage business. Myself, I have been
8 in Santa Barbara since 1958, and yes, I am even old enough
9 to remember the oil spill of 1969, at which time, contrary
10 to most of the media, we weren't walking around in oil,
11 and in fact, the beaches of our town, before ~~or~~ since,
12 haven't been as clean, as when Union Oil spent the money
13 to clean them up.

14 My feeling is that you should be aware that there
15 are some of us in this community that, in fact, there are--
16 some of the same people that are opposing ARCO's project,
17 in any form, their intentions are the same as those that
18 opposed our freeway project for 30 years, causing a tremendous
19 expense to the taxpayers, causing the loss of lives, and
20 injuries, over the last 30 years, in that section of our
21 town. They opposed the beautiful Fess Parker project,
22 the Red Lion, which is now open, and in fact, is a tremendous
23 improvement to our area.

24 They have caused a building moritorium, and a
25 down zoning of our area, to where those of use who do have

1 children, they can no longer live in this area, because
2 they can't afford the housing here.

3 I have had the pleasure of doing business with
4 the oil companies for the past 20 years, and that's okay,
5 you know. We at Jordano's employ 400 people, and there
6 is a profit motive. We are supplying food to these platforms,
7 and to these folks.

8 I have had the opportunity to visit some of their
9 facilities, at which I am always impressed by the tremendous
10 emphasis on safety and cleanliness. Marine life abounds
11 around these things, you know.

12 We feel that this project will serve the people
13 of this town very well. It will help to possibly revitalize
14 that middle class, which is slowly dissipating here, and
15 we feel that in fact that possibly the majority feeling
16 in Santa Barbara--maybe not the majority, but there are
17 those of us that do live here that are pleased with the
18 development of another natural resource, and feel thankful
19 that in fact it is here.

20 Thank you very much.

21 CHAIRMAN DAVIS: Let me just ask one question.

22 MR. AIELLO: Okay, sir.

23 CHAIRMAN DAVIS: You, in effect, cater or provide
24 food for the people who work on the rigs?

25 MR. AIELLO: That is correct.

1 CHAIRMAN DAVIS: Do you also have--is there also
2 an establishment that people can come in and eat on the
3 premises?

4 MR. AIELLO: No, that is a part of our business.
5 We also are providing food to restaurants and institutions
6 in the tri-county area, so it is not walk-in type.

7 CHAIRMAN DAVIS: Okay.

8 MR. AIELLO: It is a wholesale.

9 CHAIRMAN DAVIS: Nancy.

10 COMMISSIONER ORDWAY: [No response.]

11 CHAIRMAN DAVIS: Thank you.

12 MR. AIELLO: Thank you.

13 CHAIRMAN DAVIS: The next person to testify is
14 Leo Jacobson, who is an Isla Vista resident.

15 As I assume you know, we just take these witnesses
16 in order of their having filled out one of these witness
17 statements, which are available up front, if any of the
18 students, or anyone who came in late, they want to testify,
19 you just need to fill out one of these forms that are down
20 in front.

21 MR. JACOBSON: My name is Leo Jacobson, and I
22 am a 20-year resident of Isla Vista, and I want to thank
23 the Commission for the three volumes of the January issue
24 of the finalized EIR and addenda that was delivered to
25 my house. We were, in fact, redundantly gifted this material

1 three time over!

2 In reviewing some four inches of new material,
3 I was awed by the responsibility assigned to the Commissioners,
4 and when I got to page 61 of the Executive Summary I found
5 what you see on the slide, and even this simple summary
6 statement illustrates the subtle coercion to which my friends
7 and neighbors were subjected to.

8 Whether to allow the proposed project, at this
9 time, is issue No. 1. Issue No. 2, which alternative to
10 adopt if a project is allowed, is issue No. 2, and 3, 4,
11 and 5 are simply subsets of issue No. 2.

12 And, I submit that the presentation of this status
13 as independent issues implies that resolution in favor
14 of 2 is inevitable, and that is exactly the setting in
15 which this EIR process, and the commentary, were processed.

16 There are no pages of argument of the thousands,
17 close to 10,000 pages, there are no pages of argument for
18 No. 1.

19 I would now like to take my remaining minutes
20 to humbly suggest what I would do if I were a Commissioners.
21 I would like to tell you what I would do, if I were you,
22 and why.

23 First, I would narrow the field to the two major
24 issues, namely 1 and 2.

25 Secondly, the EIR and the massive amount of commentary,

1 which has just been put in the public view, in Volume 2
2 of the January issue, you will find that virtually all
3 of the items marked for response, some 1100 from the university,
4 500 from the county, 250 from organizations, some 100 from
5 individuals, are there because the writers had no faith
6 that item No. 1 on that slide was a real issue, and therefore
7 massive oil development was inevitable, and the technical
8 arguments on alternatives and mitigations had better be
9 entered.

10 My own comments to the State Lands Commission
11 hearing on October 24, reflected my personal retreat from
12 a position that deserved all of the study, and attention,
13 and coherence that I could muster to argue that the larger
14 local, university, state, and national interests are served
15 best by resolving issue No. 1, and disallowing this project
16 to go on at this time.

17 The EIR process, apparently, does not call for
18 this, since if you bought issue No. 1 and resolved it,
19 there is no impact therefore there is no writing.

20 If I were a Commissioner, I would recognize the
21 power of the coercive force entailed and offering larger
22 revenues from maximum oil development to state and county
23 coffers. Staffs at such institutions have difficulty in
24 denying funds of such magnitude for virtuous projects of
25 state.

1 When we add to that the amoral, if not cynical
2 offerings of large monetary reparations for Class 1, non-
3 mitigatable impacts, it explains the atmosphere that affected
4 us all. It generated, and we accepted, an attitude expressed
5 by, "What the hell? It is a lost cause. What is second
6 best?"

7 If I were a Commissioner, I would recognize the
8 coercion inherent in a process that allowed us, you and
9 me, so little time and so little--and such little information
10 for thought on a project so massive and so irreversible
11 once undertaken.

12 Even the manic saturation, up to five per household,
13 of the January addenda, speaks to the unreasonable aspects
14 of this process.

15 Then, to sum up. The confrontation puts on one
16 side the immediate revenue seekers, which include state
17 people, as well as ARCO, and even some university forces,
18 and on the other side, the organization, individuals,
19 that would have said--and did say, "No project at this
20 time," for good and just reasons, but spent their energies
21 on finding alternatives and mitigations.

22 I call on the Commissioners to rectify what I
23 think is a massive wrong, in effectively squelching argument
24 for the no project, at this time, option, by either accepting
25 the EIR, and disallowing the project at this time, or rejecting

1 the EIR as incomplete for reasons cited.

2 In the name of justice and equity, I would also
3 suggest that recommendations be made for the compensation
4 to ARCO for whatever costs are assignable for having been
5 misled to believe that rejection of no project at this
6 time was inevitable.

7 Thank you for this opportunity to address you.

8 CHAIRMAN DAVIS: Commissioner Ordway.

9 COMMISSIONER ORDWAY: I wanted to thank you for
10 pointing out the obvious reason why no one should read
11 only an executive report, or an Executive Summary.

12 I believe my fellow Commissioners join me, many
13 of us are a good way through the EIR, reading it, and
14 not just reading the Executive Summary, and I think you
15 raised a perfectly good and valid point. Other people
16 shouldn't drag you along for information. You should read
17 it and make up your own mind.

18 Thank you.

19 CHAIRMAN DAVIS: I would just add to that, Mr.
20 Jacobson, that I have been in public service for about
21 15 years, and I assume that everybody is trying to--has
22 their own axe to grind, be it staff, applicant, lobbyists
23 pro and con, and so I factor all of that into a decision
24 making process, and I am sure that all of the other Commissioners
25 do, too, as well, so you know we are are not unaccustomed

1 to being pushed in a certain direction, and we respond
2 accordingly. Don't feel that we are a prisoner of the
3 process. It is quite the opposite.

4 Commissioner McCarthy has joined us.

5 Leo, we are just hearing testimony based on the
6 EIR, which is now before everybody.

7 The next witness is Chancellor Aldrich of the
8 University of Santa Barbara.

9 MR. ALDRICH: Thank you, Mr. Chairman, and members
10 of the Commission. I am Daniel G. Aldrich, Jr., acting
11 Chancellor of the University of California at Santa Barbara.

12 Since our last meeting, the university and other
13 agencies and individuals have received the final Environmental
14 Impact Report on the proposed ARCO project at Coal Oil
15 Point.

16 The university has reviewed the document and
17 has found nothing in it to lessen the apprehension expressed
18 to you a couple of weeks ago; thus, the university's position,
19 on this offshore development remains the same. In deed,
20 with each reading of the EIR documents our concerns about
21 the project's potential intrusions on the UCSB campus and
22 on our neighboring communities are heightened.

23 For example, UCSB was fortunate in having as
24 a consultant on the air quality evaluations in the EIR
25 Dr. Edgar Stephens, a nationally respected expert who is

1 a member of the faculty at the University of California,
2 Riverside, and more precisely he conducts continuing research
3 through the Air Pollution Research Center there.

4 Dr. Stephens disputes some of the EIR's conclusions
5 on air quality problems associated with the proposed ARCO
6 project. He suggests that the sulfur chemistry of the
7 oil and associated gas would be rather consistent, in contrast
8 to the document's assertion, that such odors can vary and
9 can be very sporadic.

10 He further notes that the potential for H₂S odor
11 impact is high because of the large portion of petroleum
12 resource, which is sour gas. Moreover, Professor Stephens
13 views as improbable the assessment that under upset conditions
14 H₂S concentration from the offshore platforms are just barely
15 larger than they are under normal conditions, and he notes
16 for Platform Holly the upset projections are actually said
17 to be smaller than they are expected to be on the day-
18 to-day operations. This, despite the fact that emissions
19 under upset conditions are shown to be very much larger.

20 Dr. Stephens' misgivings about the credibility
21 of the air quality models' trajectories are shared by his
22 colleague, Dr. William P. L. Carter, also a member of the
23 faculty at UC Riverside, who notes that the EIR dismisses
24 the project's impacts upon visibility, and does not address
25 the extent to which SO₂ will be converted to sulfate. Such

1 conversion of course, can have an adverse affect upon
2 visibility at very low concentrations. More important,
3 the potential adverse consequences for human health are
4 somewhat alarming.

5 Class 1 impacts related to NO_x, TSP, ozone and
6 NO₂ are predicted for this project. If the impact analysis
7 taken from the flawed air quality model can be believed,
8 generally speaking the response to comments related to
9 these local and regional air quality impacts refers us
10 to the Authority to Construct permit process, when additional
11 mitigation and offset calculation models will be considered
12 by the Air Pollution Control District.

13 I wish to make the Commission aware of the serious
14 nature of the matter before you. The permitting of the
15 proposed ARCO offshore development adjacent to a major
16 university, and to a densely populated community. To illustrate
17 further, it is useful to examine the pages which identify
18 potential accidents, which may be associated with both
19 offshore and onshore elements of the project, and the probability
20 of their occurrence.

21 The Commissioners should note, for example, that
22 the design basis accidents, which are characterized as
23 likely to happen, include a sour gas leak, and a slug catcher
24 leak, both evaluated in the EIR document as having major
25 consequences, that a transportation accident, also likely

1 to happen, could involve a spill from a truck carrying
2 natural gas liquids and the resulting fire, or vapor cloud,
3 or both, with severe consequences.

4 I do not intend to belabor these points, for
5 we will provide you with the university's addition to the
6 list of impacts, proposed mitigations, and conditions which
7 arose from our reading of the final EIR; however, I believe
8 that these examples and others are illustrative of our
9 contention that this project, if permitted, will require
10 the greatest care from you and your staff.

11 I join UCSB's eminent authority on the economics
12 of the oil industry, Professor Walter Mead, in his assessment
13 that one cannot view the fiscal factors of oil production
14 without considering the social costs, as well.

15 In light of the last point, I want to reiterate
16 the university's view of the ARCO project.

17 1. We would rather have no project, but if the
18 resource must be developed, we would like to see the Platform
19 Heron removed from the project, a position which we share
20 with the Department of Fish and Game, and other agencies.

21 At the very least that platform must be moved
22 to the west to protect the habitat.

23 2. Single platforms must be employed, rather
24 than double platform complexes.

25 3. We strongly support commingled pipelines.

1 Since your January 13 hearing, staff from the Commission,
2 the county, and the university, met to discuss this issue,
3 and the university's belief that technology exists to measure
4 accurately, continuously commingled wet oil.

5 At the staff meeting last week, Professor Sanjoy Banerjee,
6 Chairman of the Department of Chemical and Nuclear Engineering,
7 produced a patent he holds for such a system. The system
8 has been used successfully by Exxon for a couple of years.

9 This meeting of staff also included rather extensive
10 discussions of the economic issues surrounding the commingling
11 issue. In the fact of a patented system which measures
12 commingled oil accurately, and economic evidence which
13 suggests that the revenue question may not be a serious
14 one, State Lands staff concluded that neither of these
15 issues is as troubling as the question of shading of oil
16 royalties by the oil industry.

17 Thus, a technology question, which involved into
18 a socioeconomic one, has developed into an ethical issue.
19 If so, then we suggest that it can be resolved by appointing
20 a neutral third party to oversee the measuring operations.

21 4. UCSB continues to oppose offshore oil processing.

22 5. We support the prohibition on dumping drill
23 muds and cuttings, as well as processed waters, into the
24 sea. You will soon hear more testimony on this matter
25 from our marine scientists, since we could find no policy

1 or project condition to support the belief that your Commission
2 prohibits such practices.

3 6. We urge early preparation of accident prevention
4 plans by ARCO, UCSB, and affected agencies, as well as
5 initiatives in emergency preparedness and response.

6 The final EIR indicates that a good many unanswered
7 questions remain about affects of the ARCO project upon
8 its surroundings. They range from tangible affects, such
9 as the affects upon kelp beds, or supply boats, and the
10 outcome of kelp transplants to less measurable impacts,
11 such as the potential change in the character of the west
12 Goleta Valley.

13 Thus, we support the EIR's contention that further
14 study of the affects of offshore development on coastal
15 communities and activities is warranted.

16 The University of California at Santa Barbara
17 should play a pivotal role in these undertakings, with
18 the objectives of more informed approaches to mitigating
19 adverse affects of the industry's projects, and assistance
20 to permitting agencies, and others, in rational approaches
21 to the use of the ocean's resources.

22 Please note that I am submitting a revised and
23 expanded list of impacts which we have identified which
24 arise from the ARCO project, along with the conditions
25 we propose to mitigate them.

1 I would like now to introduce three of our faculty
2 members, marine scientists at the campus, each will expand
3 on points that I have made.

4 First, Professor James Case, and he will be followed
5 by Professor Alice Allredge, and finally Professor Al Ebeling,
6 who is acting director of the Marine Science Institute.

7 Thank you.

8 MR. CASE: Thank you for coming to Santa Barbara.

9 I'm James Case. My research speciality is in
10 the physiology of marine animals.

11 I want to briefly present the essentials of my
12 written comments on the revised EIR to you at this time.
13 These deal with the recommended mitigations on water quality,
14 marine biology, and the related matter of commercial fishing
15 in the Santa Barbara area, and finally on the most important
16 matter that the chancellor just touched upon, the scientific
17 oversight on this process--or project.

18 As to water quality, in your January--

19 CHAIRMAN DAVIS: Excuse me, Professor--excuse
20 me.

21 Do you have a written copy of your testimony?

22 MR. CASE: I don't have it with me. I will present
23 something later.

24 CHAIRMAN DAVIS: All right.

25 MR. CASE: Is it permissible to continue without it?

1 CHAIRMAN DAVIS: No, go ahead. We normally like
2 to follow it as--

3 MR. CASE: Right. I was unaware of that. The
4 last time that I was here I was complaining about a roofing
5 job, so I am quite new to this sort of thing.

6 As to water quality, in your January 19 summary
7 and issue paper, you discussed produced water and drilling
8 muds and cuttings.

9 Regarding produced water, you rightly observed
10 that the data base on the sublethal effects of produced
11 water is limited, but that there is potential for significant
12 impact.

13 Regarding drilling muds and cuttings, you specify
14 that impacts on research and commercial fishing exist.

15 To some extent, your positions on these matters
16 may have been influenced by scientific testimony previously
17 presented by Dr. Morse and me, and our associates, particularly
18 Dr. Zimmer-Faust. Since our presentations evoked replies
19 in the final document, I will say enough to reemphasize
20 only our position and to call your attention to research
21 alluded to previously, which we have now published.

22 We have shown, more so in abalone larvae and
23 my group on lobsters and crabs--both adult and larvae--
24 that chemicals found in produced water and drilling muds
25 interfere with both critical stages in the life history,

1 and with vital aspects of adult behavior. These affects
2 are on, generally speaking, sensory processes.

3 Professor Morse is in Michigan today, so I will
4 simply reinforce our joint arguments by calling your attention
5 to the reports I am submitting to you. These detail the
6 conclusion of the work that we presented earlier, specifically,
7 now showing how hydrocarbons, in the low-parts-per-billion
8 range, affect neuro-function and simply marine organisms.

9 Further, Zimmer-Faust has published, and has
10 other work in press, showing that ammonia, found in processed
11 water according to the EIR, interferes with feeding by
12 lobsters at concentrations only 1.5 times standard ambient
13 levels.

14 Finally, in a recent report, the toxicity to
15 local commercial crab larvae of metals occurring in drilling
16 muds is detailed.

17 The affects which our research group has discovered
18 occur at concentrations less than those acceptable under
19 current standards of the Regional Water Quality Board.
20 The problem is that we strongly believe that the water
21 standards are inadequate, probably for general use, and
22 absolutely so for research quality sea water, such as is
23 essential for the operations of the UCSB sea water laboratories
24 and in our new marine biotechnology laboratory.

25 I have emphasized this matter of standards in

1 an article in a book to be published by the Department
2 of Energy by concluding, "It seems generally true that
3 the time scales of conventional toxicant assessment do
4 not take into account the cumulative affects possible during
5 chronic exposure under natural conditions, and do not assess
6 the detrimental affects upon survival in natural populations
7 of seemingly trivial affects on neuro-functions and resultant
8 behavioral modification."

9 We are not alone in this belief, since the 1985
10 National Academy publication on Oil in the Sea --update
11 on an earlier volume--cites as major remaining research
12 problems, behaviorial interferences by very low petroleum
13 concentrations, affects on larvae, and chronic low level
14 pollution affects.

15 There are two arguments that I wish to make from
16 this review. First, in item 5 of your Project Summary,
17 we believe you should add a fifth impact to commercial
18 fishing. This is low level chronic toxicity to critical
19 larval stages of the fishery stock.

20 Secondly, we urge generally that you establish
21 water quality conditions to the permitting of the Coast
22 Oil Project, that approximate our research standards, for
23 the good not only of UCSB research, but as a precaution
24 in the public interest. At the very least, you should
25 make certain that there be no releases of drilling muds

1 and processed water into the channel. We specifically
2 urge you not to be satisfied with Regional Water Quality
3 Board toxicant standards, and to set standards of your
4 own that recognize the water quality requirements for research
5 at UCSB.

6 Our public interest precaution emphasizes the
7 fact that you are probably about to contribute to what
8 amounts to a vast, channel wide, experiment, with an unknown
9 outcome 20 to 30 years out. This is simply because science
10 can now tell you so little about long-term low level toxicant
11 affects in the environment.

12 That the Coal Oil Point project has an experimental
13 flavor is recognized in the final EIR, because at several
14 points ongoing research and monitoring are called for.
15 NOAA recommends exploration of methods for detecting and
16 monitoring cumulative effects. I find this a fascinating
17 comment, because it is an example of a federal agency worried
18 about a state messing up its own waters, somewhat the obverse
19 to what one frequently hears.

20 Similarly, the Department of the Interior recommends
21 analysis of fate and effects, and interactive effects,
22 of contaminants.

23 Finally, new mitigation language, which we discover
24 in the final EIR, suggests a major program to monitor water
25 quality that could lead to further mitigation measures,

1 and two, a channel-wide program to monitor marine life.

2 Clearly, I submit that there is unease in your
3 ranks, as to the outcome of this project. Its experimental
4 nature is surely laid plain by these several calls for
5 monitoring and research; therefore, if this project is
6 to go forward, we urge you to establish a long-range research
7 program to watch over it, not as a mitigation to problems
8 that we, or others, might see, but as a thoughtful and
9 prudent insurance policy in the public interest.

10 In early 1984, concerned UCSB faculty and administrators
11 began consideration of ways to implement such research.
12 We believe that our marine scientists, engineers, students
13 of public policy, and economics, know as much as anyone
14 about the channel, and we hope that our ideas can help
15 you develop such a research program.

16 One possible research plan that might be acceptable
17 to the University of California, and interested state and
18 federal agencies, is outlined in a brief document which
19 we have submitted today. We would be interested to see
20 if it might become a basis for cooperative action.

21 Thank you.

22 CHAIRMAN DAVIS: Thank you.

23 Let me just make a comment or two, and ask the
24 other Commissioners if they have any comments or questions,
25 because I see we have another two professors to go.

1 MR. CASE: Right.

2 CHAIRMAN DAVIS: If I recommend that to the
3 students, you just kind of boot strap onto one witness,
4 and you get five or six for the price of one.

5 MR. CASE: That's right.

6 CHAIRMAN DAVIS: The chancellor's testimony,
7 which I appreciated very much, mentioned something that
8 had been emphasized by two or three previous speakers,
9 and I just want to make a comment on it.

10 There has been several comments about the financial
11 benefits of an approval, and that somehow that might be
12 a motivation, or an influence, on this Commission's ultimate
13 action. Even though those revenues would be significant,
14 I think you have to see them in light of about a \$40 billion
15 budget, the likelihood of even more money coming in, unless
16 a tax compliance bill is passed this year to conform with
17 what the federal tax bill has done, and the Gann Initiative,
18 which will constrain the amount of money we can spend,
19 so while revenues are always important, you know, the problem
20 this year may not be the lack thereof, but a surplus of
21 revenues that can be spent.

22 MR. CASE: I would like to comment on that.

23 Your EIR finalizing statement, recommends that
24 the producers be charged the costs for such a research
25 project, if that is what you have in mind.

1 It appears to be the intent of the preparers
2 of that document that this should be entirely borne by
3 the developers, at no cost to the citizens of the state,
4 and I think that personally that is highly appropriate.

5 CHAIRMAN DAVIS: Also, the chancellor mentioned--
6 the second witness to mention--progress on this commingling
7 issue.

8 I just wanted to just ask the Executive Officer
9 for her observations, as to what, if any, progress has
10 been made on that since the last meeting.

11 EXECUTIVE OFFICER DEDRICK: Well, I thought we
12 had a very useful meeting this morning, Commissioners.

13 We met with the chancellor and several staff
14 people, several people from the university, the county,
15 and several people from the county staff, and representatives
16 of the two legislators who represent this area.

17 The purpose of the meeting which was to try and
18 clarify some confusions, in terms of defined issues, that
19 existed, and was conducted by your Deputy Jim Tucker, I
20 think we had a productive--I felt the discussion was productive.
21 We talked about the various alternatives to hard and fast
22 issues, such as total offshore processing, which has never
23 been proposed by the Commission staff, but had to be examined
24 in the EIR--Supervisor Wallace referred to that this morning--
25 also as we discussed at the last hearing, the option of

1 dealing with the leases with ARCO, getting some amendments
2 to the leases was discussed. We have discussed that with
3 ARCO. Mr. Thompson, our chief of the Extractive Branch
4 told me that I could be cautiously optimistic on that point.

5 I do think we are making progress. We were very--
6 I really felt that the university provided us with some
7 very useful information, and the promise of a good deal
8 of assistance, which I am sure we can use.

9 The testimony that the chancellor has just submitted
10 contains several pages of proposed--which Dr. Case just
11 referred to--several pages of proposed mitigations for
12 problems that really sound very productive to me.

13 So, I think that to answer your immediate question,
14 in commingling we are making progress, and certainly on
15 the biological bases, the recommendations to the Commission
16 I think--other than a problem of the project not going forward
17 at all, which is sort of beyond our scope, but on the technical
18 level, I think that we have received some very positive
19 input from the scientists.

20 Is that sufficiently responsive?

21 CHAIRMAN DAVIS: Yes, so I gather--well, I mean,
22 the strong impression that I got at the last meeting was
23 that the Lands Commission staff thought it was just technically
24 impossible to deal with the issue of commingling, that
25 there it could be very difficult to determine whether the

1 state was getting its money worth, or not, and I guess
2 my question is, do you feel, you know, that your position
3 is changing based on the conversations and work that you
4 have done in between these two meetings?

5 EXECUTIVE OFFICER DEDRICK: I think we are coming
6 to a better understanding of what both--various people
7 are truly concerned about, and comingling can be--the
8 accuracy of measurement is, you know, the issue that concerns
9 us.

10 There are various ways to address that, and I
11 think that in the discussions Mr. Trout met with the university,
12 at your suggestion--or the suggestion of the Commission
13 after the last meeting--and looked at the proposed instruments
14 that they think are available. There are obviously disagreements
15 between the proponents of those instruments, which really
16 will not do precisely what is expected.

17 But, the point is that I think we are getting
18 closer to a genuine understanding of each other's true
19 issues here, and in that there is genuine accommodation.
20 I mean, there is real room to accommodate the problem,
21 I think.

22 From the view point of the staff, our concern
23 is that we can provide to the Commission accurate reproduceable
24 measurement within the limitation of all of these types
25 of things, so that our auditing procedures don't result

1 in millions of lawsuits, and that we know that we are accounting
2 for the public's revenue as accurately as physically possible.

3 I think that we can do that and still end up
4 with commingled pipelines and onshore processing, which
5 is what is the desire of, I think, the university, the
6 biological people, and the County of Santa Barbara.

7 CHAIRMAN DAVIS: Okay, one last question, and
8 then I want to call on Commissioner McCarthy.

9 Apart from the possibility of renegotiating the
10 leases, which I think everyone agrees would solve the problem,
11 and moot the dispute over whether it is technically possible--

12 EXECUTIVE OFFICER DEDRICK: Yes.

13 CHAIRMAN DAVIS: --apart from that possibility,
14 do you feel you have made progress on the issue of whether
15 it is technically possible to track this oil and determine
16 how much money the state is entitled to?

17 EXECUTIVE OFFICER DEDRICK: Yes.

18 And, the reason for that, Commissioner, is that
19 the staff would propose that some degree of dehydration--
20 the more you can dehydrate, the easier it is to measure,
21 the more reproduceable the measurements are, up to some
22 point, and that point is a long way from pipeline quality
23 oil. It does not need to be virtually dry oil in order
24 for that measurement to be reproduceably accurate.

25 That is the most straightforward answer to your

1 question, and to that extent it is definitely a, "Yes".

2 CHAIRMAN DAVIS: All right.

3 Commissioner McCarthy.

4 COMMISSIONER MC CARTHY: I just wanted to ask
5 that before we leave today, arrange a meeting between the
6 State Lands Commission's staff, and Professor Case, and
7 either Professor Alldrege, or Ebeling, whichever fits,
8 so that what has been submitted today to establish a framework
9 for long term research be reduced to something the members
10 of the Commission can look at very, very soon, well in
11 advance of the the February 17 meeting.

12 EXECUTIVE OFFICER DEDRICK: Yes

13 We would be happy to do that, Commissioners.

14 MR. CASE: I have an overhead, which you might
15 find useful now.

16 I don't want to intrude it upon the proceedings,
17 if you are running short of time. We will be delighted
18 to meet with you later on and discuss these matters.

19 COMMISSIONER MC CARTHY: Yes, I think if we can
20 arrange a meeting within the next week, to get going. I
21 think we have something very valuable that we can achieve
22 in the research that you are proposing.

23 I was astounded to find out that the federal
24 government does not fund any kind of significant offshore
25 research on the impact of oil drilling or exploration on

1 marine life.

2 MR. CASE: Yes.

3 COMMISSIONER MC CARTHY: Or, their environment.

4 MR. CASE: Um-huh.

5 COMMISSIONER MC CARTHY: And, this is a great
6 opportunity for us to do it in a most sensitive offshore
7 area.

8 MR. CASE: Yes.

9 It is a critical environment, as my colleagues
10 will demonstrate to you, but I think as a matter of fact
11 the Minerals Management Service has funded a \$5.5 million
12 benthic biology study in the Santa Maria basin, which
13 is, of course, outside of the state lands.

14 So, I think that certainly shows the worry that
15 must exist at some administrative levels in the government.

16 COMMISSIONER MC CARTHY: Thank you.

17 COMMISSIONER ORDWAY: One question.

18 CHAIRMAN DAVIS: Commissioner Ordway.

19 COMMISSIONER ORDWAY: One question on Professor
20 Banerjee's patent, is that an exclusive patent with Exxon?
21 Or is it--is Professor Banerjee's patent exclusively with
22 Exxon?

23 UNIDENTIFIED SPEAKER: Yes, it is.

24 COMMISSIONER ORDWAY: So, it is not something
25 that we could--it is not a technology that we could transfer.

1 It is probably, also not a technology that we could look
2 at, then.

3 MR. CASE: Subject to Exxon's consent, of course,
4 it could be transferred.

5 I think the perception of the use of the device,
6 as opposed to the real world, leaves us some distance apart.

7 COMMISSIONER ORDWAY: Okay.

8 MR. CASE: We are aware of the device.

9 COMMISSIONER ORDWAY: Okay.

10 CHAIRMAN DAVIS: That causes me to ask one more
11 question to the Executive Officer.

12 Is the use of that device essential to resolving
13 the issue from a technical stand point?

14 EXECUTIVE OFFICER DEDRICK: No.

15 CHAIRMAN DAVIS: Okay.

16 EXECUTIVE OFFICER DEDRICK: No.

17 I think we resolve it by more immediate means,
18 and perhaps go forward with research, if we can get everybody
19 interested in pursuing some research on instrumentation,
20 which I think this issue of the ARCO, the whole affair,
21 has aroused a great deal of interest in the industry. I
22 think there will be research pursued.

23 The university has offered to sort of be the
24 center for--the university system--for doing such research,
25 which seems to me a very positive suggestion.

1 CHAIRMAN DAVIS: Okay.

2 MR. CASE: If there are no further questions,
3 I would like to introduce Professor Alice Alldredge of
4 the Department of Biological Sciences.

5 CHAIRMAN DAVIS: All right.

6 Professor Alldredge, before you begin, I am asked
7 to read this by the Fire Marshall.

8 This is bad news, folks. This is not my message.
9 I am just relaying it.

10 The Fire Marshall would like everyone to find
11 a seat, and if there are not enough seats for everyone,
12 we would like you to go in the adjacent room, where I guess
13 these proceedings can be seen on TV.

14 That is at least what the message says.

15 Maybe Supervisor Wallace could--since I assume
16 that he works with you, maybe you could assist--

17 MR. WALLACE: [Inaudible]

18 CHAIRMAN DAVIS: Put, as the President of the
19 Board of Supervisors, maybe you could assist these people
20 in moving to whatever location is necessary.

21 COMMISSIONER ORDWAY: While people are moving,
22 I really do have to ask the faculty one thing.

23 When you give lectures, do you get ovations from
24 your students?

25 MS. ALLDREDGE: No, we do not. I must be honest.

1 Do you want me to go ahead?

2 CHAIRMAN DAVIS: Professor, yes.

3 MS. ALLDREDGE: I am Dr. Alice Alldredge, Professor
4 of Marine Biology and vice Chairperson of the Department
5 of Biological Sciences.

6 I would like to address two major issues, technical
7 issues, raised in the EIR.

8 First of all, the consultants' environmentally
9 preferred alternative for offshore processing. On page
10 55 of the Executive Summary, the EIR states:

11 "The elimination of onshore impacts associated
12 with an oil processing facility alternative appears to
13 outweigh the increased impacts offshore, since these impacts
14 are of slight intensification of significant impacts that
15 are normally associated with offshore oil development.

16 And, then it further says:

17 "Offshore impacts associated with oil processing
18 will be slightly increased by increasing the potential
19 for smaller oil spills, by intensifying Class 1 visual
20 aesthetic impacts, and intensifying air pollution emissions
21 offshore, while decreasing emissions onshore. There will
22 be a slight increase in loss of marine biological resources."

23 That is from the EIR.

24 If this were a typical unpopulated area of coast
25 I would understand justification for trade offs for offshore

1 processing in this way, but Coal Oil Point is not a typical
2 part of the coast. Any option which increases the chance
3 of oil spills no matter how small is no option at all when
4 one of the platforms is to be located within one mile of
5 the seawater intake that supports a \$6 million marine
6 research program at a major, nationally acclaimed, university.

7 And, a slight increase in the loss of marine
8 biological resources cannot be tolerated, if those resources
9 are critical to the research, teaching, effectiveness,
10 and reputation of that university.

11 This recommendation for offshore processing by
12 the consultants appears to disregard all of the other parts
13 of the EIR, which define the special nature of the Coal
14 Oil Point area, and its unique use by the university.

15 It appears to discount the significance of this
16 site for research and teaching and treats it as though
17 it were any other stretch of the coast.

18 At this site, of all sites, we should be trying
19 to eliminate, rather than allow a slight intensification,
20 of the impacts normally associated with offshore drilling.

21 The prime goal of an environmentally preferred
22 option at this unique site, should be to provide maximum
23 protection to the marine biological resources which serve
24 as a natural marine laboratory for the university, and
25 to reduce to an absolute minimum chances for any oil spills.

1 no matter how small.

2 It is obvious from reading the comments in the
3 draft EIR, and in listening to the testimony at two previous
4 hearings, that it is the impacts on the offshore facilities,
5 not the impacts from the onshore ones, that are of the
6 greatest concern in this project.

7 The consultant's preferred option, regarding
8 offshore processing, appears unjustified, in light of the
9 content of the EIR, itself, and a major conclusion has
10 essentially been drawn with little substantiating analysis.

11 Second of all, I would like to address the issue
12 of muds and cuttings. The EIR continually labels the impacts
13 of ocean discharges of muds and cuttings as Class 2 impacts,
14 meaning they are significant, but mitigatable by prohibiting
15 discharging. Further, the Commission was told at the last
16 hearing here in Santa Barbara, that State Lands has not
17 permitted any discharging of muds and cuttings in state
18 waters; however, this is not a dead issue. ARCO was permitted
19 to make a small discharge of muds and cuttings last January
20 from Platform Holly, and they presently are permitted to
21 discharge wash cuttings. I think this is an opportunity
22 for the State Lands Commission, for you to send a very
23 strong message to the Regional Water Quality Control Board
24 about this issue. It is definitely not a dead one.

25 Many marine scientists at WQCSB have criticized

1 the draft EIR for its inadequate coverage of resuspension
2 of muds and cuttings. The final EIR contains an appendix
3 by Ronald Kolpack, an expert on the sediment transport
4 and resuspension. His report states that the rate of compaction
5 of drilling solids will be on the order of months to years,
6 rather than the days, claimed by the original sediment
7 model in the EIR, and that the original model was unrealistically
8 conservative in emphasizing that cohesion and compaction
9 of muds will inhibit resuspension and transport.

10 In fact, he concludes that it will take about
11 one to three years, rather than the decades as projected
12 in the draft EIR, for most of the discharged materials,
13 including cuttings, to be carried to the bottom of the
14 Santa Barbara basin.

15 This means that most of the discharge material
16 will become resuspended at some point, and it will become
17 resuspended on a fairly short time frame, on the order
18 of a year, or slightly more, greatly increasing problems
19 of water turbidity, and increasing concentrations of barium
20 in the water. Most marine invertebrates and marine fish
21 native to the California coast have larval stages in the
22 water column, which then settle to the bottom and become
23 adults. Dr. Case discussed testimony with you that indicates
24 that many of the toxic materials, including barium sulfate,
25 may inhibit that settlement.

1 So, again, I urge you to consider this issue
2 of muds and cuttings very critically. I think it could
3 send a very strong message to the Regional Water Quality
4 Control Board, which I believe is granting these permits.

5 Finally, I would like to comment on what the
6 alternatives to discharging at the site might be. Three
7 alternatives for muds and cuttings discharge have been
8 proposed, in addition to the one of discharging them directly
9 at the platform site, and one of those would be barging
10 to Port Hueneme, or in Ventura County, and then trucking
11 that material to a land dumping site.

12 I feel that the air quality problems--although
13 I am not an expert there--would be significant with this
14 option, but also the increased traffic, barge traffic,
15 right along the coast of both Santa Barbara and Ventura
16 Counties, could greatly increase the problems of collisions
17 and potential spills, and I think that that particular
18 option is one that is of lesser feasibility than the others.

19 Another that has been proposed is to discharge
20 the cuttings directly into the Santa Barbara basin, into
21 the middle of the channel. This does not remove the material
22 from the local area. About seven percent of the muds and
23 cuttings are colloidal and currents would still waft them
24 into shore, and they would still impact the large numbers
25 of larvae farms which are present in the middle of the

1 Santa Barbara basin, and here in the Santa Barbara Channel,
2 throughout.

3 To me, as a marine scientist, the environmentally
4 preferable alternative would be to barge the muds and cuttings
5 150 to 200 miles offshore, to an EPA approved dumping site.
6 Offshore at that location we find the California current,
7 which is a very rapidly moving current, and at that distance
8 from shore there are very few larvae remaining in the plankton.
9 Most of them are found much closer to shore, so that those
10 larvae would be impacted much less at that offshore site,
11 and the California current would produce a tremendous dilution
12 of drillings muds that were discharged in that particular
13 area.

14 I am in favor of this particular option only
15 if the current regulations regarding the contents of muds
16 and cuttings in California continue. In other words, we
17 must still not allow discharging of chromium ligno sulfonate
18 of oil containing--or muds that contain oil and diesel
19 fuels. If those particular components became a part of
20 the drilling muds and cuttings, then no offshore drilling,
21 even at 200 miles out, should be allowed.

22 Thank you very much.

23 CHAIRMAN DAVIS: Thank you.

24 Commissioner McCarthy, do you have any questions?

25 Nancy?

1 Thank you.

2 And, finally, Professor Al Ebeling, Director
3 of Marine Science Institute.

4 MR. EBELING: I am Al Ebeling, and I am also
5 Professor of Zoology in the Department of Biological Sciences,
6 and as Alice and Chancellor Aldrich have said--acting Director
7 of the Marine Science Institute at UCSB, at least until
8 June 30.

9 I certainly want to thank the Commission in allowing
10 me to make testimony on the public value of an undisturbed
11 Naples Reef, and its vulnerability to offshore oil development.
12 I am a marine biologist, with particular interest in the
13 fish and kelp and sea urchins and the other organisms that
14 live in offshore areas of reef and kelp like Naples, and
15 I have been studying--my students and I have been studying
16 Naples Reef for some 16--almost 20 years now, and of course,
17 Naples Reef is vulnerable because it is in the path of
18 the cast offs that might result from offshore oil development,
19 especially of Platform Haven.

20 Naples Reef is a lush area of reef and kelp located
21 about a mile offshore near Ellwood. It is a rocky monolith,
22 covering more than five acres. The area supports a vast
23 expanse of giant kelp.

24 Naples has been the object of intense multiple
25 use, scientific, educational, recreational, and commercial.

1 Now, party boats carrying 15 to 40 anglers visit the site
2 regularly. Especially on weekends, a small flotilla of
3 skiffs, with fishermen, or scuba divers, also exploit the
4 sport fishery there.

5 Naples was recently featured in California Diver
6 magazine, as uniquely diverse, productive habitat for
7 sport divers, so it is well known.

8 Naples has great scientific and educational value
9 as well. Over the past 16 years, UCSB researchers and
10 students have assembled impressive body of knowledge of
11 how this natural kelp reef system operates.

12 UCSB researches are finding out how a health
13 reef supports a dynamic force of kelp, which in turn generates
14 forage and refuge for a rich array of important food and
15 game, fin, and shell fish. For example, we have an unusual
16 body of baseline information on how the biological community
17 responds to natural disturbances and climatic change.

18 Now, the national and state investment in Naples
19 Reef as a model kelp bed, ecosystem, for research in teaching,
20 have been large indeed. Besides enormous time and effort
21 spent by researchers and students, the National Science
22 Foundation alone has supported research on the Naples system,
23 costing more than three quarters of a million dollars--
24 not large by oil standards, but a hell of a lot of money
25 by our standards.

1 One outcome is that the student trainees
2 at UCSB, many professional marine biologists now in California
3 and elsewhere, got their start by studying the Naples system.
4 These studies by faculty and student have produced more
5 than 20 publications in scientific journals. Obviously,
6 the broader scientific community, as well as the local
7 citizenry, have a great stake in preserving this environment.

8 The scientific community simply has no equivalent
9 replacement for Naples Reef, and I would like to underscore
10 that. Perhaps the greatest threat to the scientific and
11 recreational value of the area of the proposed construction
12 and maintenance of Platform Haven, about two miles south,
13 southeast, of Naples Reef. We are concerned about a storage
14 effect of muds and cuttings that may accumulate during
15 construction and drilling activities, to be resuspended
16 and move onshore, over Naples later on. If substantial
17 amounts built up offshore, Naples may be particularly vulnerable
18 during winter and spring storm periods, just as new plants
19 are recolonizing the reef.

20 The storm, swell and surge generate water motion
21 powerful enough along the bottom to, for example, to pick
22 up scuba tanks, and experimental cages, heavy pieces of
23 equipment lost at Naples, and carry them to shore more
24 than four miles away in the opposite direction of the prevailing
25 current.

1 Even a thin layer of sediment could inhibit kelp
2 colonization, not to mention of course the toxic effects
3 of the chemical contaminants.

4 For these and other reasons, such as increased
5 boat traffic, and blasting during construction, many of
6 my colleagues, my students, and I strongly recommend the
7 alternative plan of oil development that is least potentially
8 dangerous to one of our most valuable offshore resources.

9 Thank you.

10 CHAIRMAN DAVIS: Are there any questions?

11 [No response.]

12 Thank you very much.

13 Dr. Nash.

14 MR. NASH: Thank you very much.

15 The senate does have some copies of these--that
16 is the testimony of myself, as chair of the UCSB Division
17 of the University of California Academic Senate, and then
18 of four professors who want to emphasize quite different
19 aspects of the problems of the development, as talked about
20 so far.

21 I thank you for this opportunity to outline the
22 concerns of the UCSB faculty about the proposed project,
23 especially the planned siting of Platform Heron.

24 These faculty concerns have grown as we have
25 learned more about the ARCO project. Earlier concerns,

1 those you have already heard about, focus chiefly on adverse
2 impacts on marine environment research.

3 The more recent concerns go straight to the heart
4 of the University of California system's general state-
5 wide commitment to provide the best possible education
6 for current and future generations of the state's most
7 precious, long term, resource. It is youth.

8 Bluntly, a responsible State Lands Commission
9 ARCO project decision, needs adequately to balance the
10 state royalty benefits of varying modes and rates of Coal
11 Oil Point production, against these varying modes and rates
12 long term cost to the state and the citizens in lost educational
13 opportunities and foregone research. Little in the EIR/EIS
14 evidences a serious attempt so to do.

15 My purpose is to state the core of the policy
16 difficulty. My colleagues will follow me, and will develop
17 the most important aspects. The core difficulty emerges
18 from the changed role of the UC Santa Barbara campus, and
19 more generally, of the six newer UC general campuses in
20 the University of California system, enhancing the education
21 of the youth as a whole.

22 The day is long past when the great preponderance
23 of educational opportunities offered to undergraduates
24 in the UC system occurred at the two heartland campuses,
25 Berkeley and UCLA. Indeed, these days, more University

1 of California bachelor degrees are conferred by the new
2 general campuses combined, than by Berkeley and UCLA combined.
3 The center of the University of California undergraduate
4 educational experience has shifted to the six newer campuses.
5 Among these new campuses UC Santa Barbara has numerically
6 speaking assumed the role as chief educator, in sheer numbers.
7 Almost one-quarter of all bachelor degrees awarded by these
8 campuses have been UC Santa Barbara degrees.

9 A clear indicator of this changed role of UC
10 Santa Barbara in the state's overall public higher educational
11 structure lies in the 1986 statistics as to universities
12 and colleges where graduating high school seniors send
13 their S.A.T. scores. Last year, UC Santa Barbara passed
14 Berkeley, not to mention Stanford, the combined Claremont
15 complex colleges, and USC, in numbers of such students
16 sending their S.A.T. scores. UC at Santa Barbara is now
17 second among all institutions, public and private, in the
18 state, behind only UCLA, in this score.

19 The campus's educational and research missions
20 are more, and not merely, large endeavors, but ones of
21 high quality. Half a decade ago, at the time of the last
22 major nationwide survey of the quality of faculty and graduate
23 study programs, the Associated Research Council Survey,
24 UC Santa Barbara, along with two other newer UC campuses,
25 those at Irving and San Diego, emerged having really solid

1 academic training and research reputations. These three
2 campuses received reputational scores to put them in the
3 same ball park as much older institutions across the country,
4 such as the University of North Carolina, Duke, Johns Hopkins,
5 Indiana, Ohio State, and Northwestern.

6 It took these old institutions on the average
7 of rather more than a century to build those reputations.
8 Due to numerous factors, not least is the extraordinary
9 investment of the taxpayers of the State of California
10 in support of higher education, it took these three newer
11 campuses only about a quarter of a century to achieve the
12 same quality.

13 As of now, the people of the State of California
14 have built into the UC system what is the more you look
15 at it, the most astonishing achievement in higher education,
16 not only in the nation, but in the world. There never
17 has been, indeed, anything quite like it for sweep and
18 scope of quality, for sheer immensity, or first class academic
19 enterprise. It is scarcely an exaggeration to think that
20 the University of California's system as a whole is to
21 higher education, much as the Himalayas are to mountain
22 ranges. Not only are its Everest to Berkeley, and its K-2,
23 95 miles south of here, impressive, so too are its other
24 mountains.

25 Above all, the UC system is a public achievement.

1 It would not do for one state agency--the State Lands Commission--
2 likely to count on this development of an oil project in
3 a fashion that would jeopardize the future capabilities
4 of another state agency--UC Santa Barbara. The great concern
5 with the faculty thus is that the ARCO project not cripple
6 the campus' educational and research future.

7 For that reason, the UCSB Academic Senate's Executive
8 Committee, its Advisory Council to the Chair, and its representative
9 to the system wide Senate Assembly, have authorized me
10 to declare the Senate's strong support both for the positions
11 taken by the campus' administration concerning appropriate
12 terms of ARCO project development, and for the Santa Barbara
13 County's Supervisors' insistence under appropriate courses
14 and procedures in getting to certification.

15 My colleagues will now give you the specific
16 reasons that they are worried that the ARCO project as
17 a whole, especially Platform Heron, threatens the future
18 of the campus.

19 And, the first of these speakers will be Professor
20 Giles Gunn, if I may call on him.

21 CHAIRMAN DAVIS: Okay.

22 [Applause from adjoining assembly room.]

23 Must be a time delay between the two rooms.

24 MR. GUNN: Mr. Chairman, Commissioners, my name
25 is Giles Buckingham Gunn. I am a Professor of English

1 and of religious studies at the University of California
2 at Santa Barbara, having spent the bulk of my career on
3 the faculties of the University of Chicago, and the University
4 of North Carolina at Chapel Hill, I joined the faculty
5 of the University of California at Santa Barbara, under
6 the auspices of what is called a "target of opportunity
7 distinction appointment."

8 Essential to my recruitment for this position,
9 was an option to purchase one of the homes in the new faculty
10 housing project at West Campus Point. Now that the houses
11 are complete, and we are moved in, I can assure you that
12 my wife and I, together with our children, are immensely
13 pleased with this decision.

14 Isla Vista is an exciting community to live next
15 to, and the university--our address is Goleta--and the
16 university has turned out to be an extremely challenging,
17 as well as congenial environment in which to continue my
18 work.

19 But, I can also assure you that if my wife and
20 I had known of the possibly placement of Platform Heron,
21 barely two miles from our front door, I would never have
22 even considered this appointment and I would further warrant
23 that most of our other neighbors in the West Campus housing
24 project, who recruited to the faculty by this same indispensable
25 housing option, feel as we do. Thank you.

1 CHAIRMAN DAVIS: Thank you.

2 MR. SREDNICKI: My name is Mark Srednicki. I
3 am associate Professor of Physics at UCSB, and I would
4 like to expand a little on Professor Gunn's deeply felt
5 personal statement that he would not have come to UCSB
6 had Platform Heron been in place.

7 There is no question that the APCO project, and
8 especially Platform Heron, will have a severe impact on
9 the university's ability to recruit and retain high quality
10 faculty.

11 A central goal of the university is to increase
12 the number of professors with international reputations
13 in their fields, professors who can convey to their students,
14 their colleagues, the local community, and to the state,
15 the excitement and the challenge of their particular intellectual
16 endeavors.

17 There is no question that Platform Heron will
18 cripple any attempt to achieve this goal.

19 The people we would most like to bring to UCSB
20 are those who can have professorships anywhere they choose.
21 Professor Gunn is an example of such a person. There are
22 many other examples already at UCSB.

23 In my own department, physics, we have a Nobel
24 Laureate and a McArthur Fellow on the faculty. These
25 people can have jobs anywhere. Many other faculty, especially

1 in engineering, can double their salaries by taking jobs
2 in industry. These people are here, and we have to ask
3 why they choose to come here? And, why they choose to
4 stay here?

5 And, if you think about it, there really aren't
6 very many good reasons for a professor to come to Santa
7 Barbara. The price of housing--

8 COMMISSIONER ORDWAY: Excuse me.

9 MR. SREDNICKI: Yes.

10 COMMISSIONER ORDWAY: I went to UC Riverside.
11 I bet there are a whole lot better reasons to come to Santa
12 Barbara then to go to Riverside.

13 MR. SREDNICKI: Have you compared the price of
14 a house in Riverside to a house in Santa Barbara?

15 COMMISSIONER ORDWAY: Have you ever tried to
16 breathe the air in Riverside?

17 MR. SREDNICKI: Have you breathed the air after
18 Platform Heron is in place?

19 The university has attempted to relieve the housing
20 situation, which I can speak to from personal experience,
21 through the West Campus housing project, and we just heard
22 the probably impact of Platform Heron on the West Campus
23 housing project.

24 It is essentially impossible for a family living
25 on a single university salary to buy a house in Santa Barbara.

1 This is a mathematical fact. This being a fact, it becomes
2 of paramount importance for spouses of faculty members
3 to find work in Santa Barbara. And, here again, Santa
4 Barbara is not an attractive place.

5 As an example, last year I served on a committee
6 which was attempting to recruit another faculty member
7 in my specialty. We made a short list of possibilities,
8 and we phoned them up, and the three top people on that
9 list said, "No, we are not interested because we know our
10 wives won't be able to find work in Santa Barbara."

11 And, there wasn't--when I phoned these people
12 up, there wasn't much I could tell them. Most of them
13 were aware that my own wife had to change careers after
14 we came to Santa Barbara.

15 Also, just listing reasons not to come here,
16 the cultural resources of Santa Barbara are not great compared
17 to major cities and their suburbs. If you don't believe
18 that, turn on your radios, if you are staying over night,
19 and scan the radio dial, and then go to Los Angeles, or
20 San Francisco, and scan the radio dial and see how many
21 interesting programs you can come up with.

22 CHAIRMAN DAVIS: Obviously, you don't plan to
23 seek public office in Santa Barbara.

24 [Laughter]

25 MR. SREDNICKI: So, in answer to the question

1 of why someone would come here, perhaps Ms. Ordway gave
2 us the answer, and that is the perceived quality of life
3 here. It is a nice place. Look around. We have nice
4 beaches. We have nice mountains. It is, so far, has pretty
5 good air, and it means a lot to us to be able to drive
6 to work and see the ocean on one side and the mountains
7 on the other side--or bicycle to work as I used to do before
8 I moved farther from the university.

9 And, it will make a big difference to us if we
10 see Platform Heron looming over the campus, and in a moment
11 we will see slides showing it looming over the campus,
12 as we go to work. It detracts. It changes the ambience
13 from one of a quiet coastal community to one of what I
14 would call industrial blight, and the visual impressions
15 of that are only reinforced by the noise problems caused
16 by helicopters as well as noise on the platform itself,
17 air pollution problems, and so forth.

18 And, as Professor Gunn said, it is certainly
19 true that many people will choose not to come here, precisely,
20 and only because Platform Heron is there, and the people
21 we want to bring are the people who can choose to go elsewhere.

22 The cost to the university of those people not
23 coming here will certainly be enormous, and I would urge
24 you to remove, at the very least, Platform Heron from the
25 project, and preferably to deny the project completely.

1 Thank you.

2 CHAIRMAN DAVIS: Thank you.

3 I just want to comment that I know the Lieutenant
4 Governor, and I know the Governor, are very interested
5 in attracting the very best faculty possible to the University
6 of California, and not only is that important to students
7 to attain an excellent educational experience--or to enjoy
8 an excellent educational experience--but it is one of the
9 best inducements that we have to attract and retain industry,
10 and so those comments are not falling on deaf ears.

11 I know the Lieutenant Governor has written articles
12 on this subject, and I, as Chairman of the Assembly House
13 Committee the last four years, are particularly interested
14 in faculty housing and know how difficult it is to accommodate
15 the concern, particularly with people moving in from out
16 of state.

17 Commissioner McCarthy?

18 Nancy?

19 MR. CASE: The next person is Professor Holbrook.

20 I should just say that the comments about Santa
21 Barbara spoken by the last speaker, were not those of the
22 Academic Senate.

23 MS. HOLBROOK: My name is Sally Holbrook. I
24 am an associate Professor of Biology at UCSB.

25 For about the past seven years I have been

1 engaged in ecological research on two species of fishes
2 that live in the reefs of the Santa Barbara Channel.

3 I would like to mention briefly today two issues
4 that were raised earlier by the testimony of Dr. Alice
5 Alldredge on January 13. These concern the threat posed
6 by the ARCO project to the well being of the UCSB Marine
7 Science Institute. I feel that the EIR has not adequately
8 addressed itself to these issues.

9 As an indication of the prestige and productivity
10 of the Marine Science Institute, Dr. Alldredge provided
11 a few statistics on MSI's share of research funding from
12 several prestigious sources. For instance, you may remember
13 that she noted that MSI is awarded about 20 percent of
14 the Office of Naval Research annual budget in oceanic biology.

15 MSI consistently ranks in the top three institutions
16 for funding in the Biological Oceanography Program at the
17 national Science Foundation.

18 I would like to add some additional information
19 here. First, what are the other institutions who rank
20 with UCSE at the top in NSF awards in biological oceanography?
21 They are Woods Hole, Scripps, and the University of Washington.
22 These institutions are world class research institutions,
23 viewed as a precious resource by their states, as well
24 as by the world wide scientific community.

25 I rather doubt that the State of Massachusetts

1 would seriously contemplate permitting oil development,
2 or any other development, that could degrade the biological
3 or human environment less than two miles at the research
4 lab at Woods Hole.

5 My second point, regards competition among investigators
6 to obtain this NSF funding, and competition among research
7 institutions to retain these well funded, productive investigators.
8 Much of the research funded by biological oceanography
9 at NSF, which is where I get most of my research money,
10 to MSI investigators, is conducted in the Santa Barbara
11 Channel, or in research laboratories on our campus that
12 are supplied with sea water by our system.

13 Research dollars from NSF are extremely hard
14 to obtain. In the past three years, only about 25 percent
15 of the proposals submitted to biological oceanography have
16 been funded at any level. Investigators are engaged in
17 extreme competition for these research dollars, and awards
18 are made based on research performance, and productivity.

19 Researchers are well aware that any factor that
20 slows or interrupts research productivity, or damages their
21 credibility, is likely to jeopardize their chance of renewing
22 their grants.

23 The proposed ARCO project poses a variety of
24 such risks to the research climate at MSI, including damage
25 to the channel environment from project discharges, oil

1 spills, and construction impacts, disruption of research
 2 activities off Coal Oil Point, and at Naples Reef, and
 3 threat of contamination of the sea water system, upon which
 4 so much of our research depends. As such, we view it as
 5 a serious threat to the ability of UCSB to maintain and
 6 expand its reputation as one of the world's top research
 7 units in marine sciences.

8 As I stated, there is keen competition for research
 9 dollars among scientists. There is equally keen competition
 10 among institutions to attract and retain the most productive
 11 scientists.

12 Regarding its marine scientists, UCSB may find
 13 itself in a much weaker position, if the proposed ARCO
 14 project becomes a reality. Many scientists will fear the
 15 affects of impacts of this project on the channel environment,
 16 and will hesitate to establish long term research programs
 17 here. Others will find that the quality of life on campus
 18 is seriously degraded by the presence of Platform Heron,
 19 less than two miles away.

20 UCSB thus may find its marine research program
 21 threatened from a second direction, a weakened ability
 22 to recruit and retain the best scientists available.

23 I appreciate this opportunity for my testimony
 24 to be heard.

25 Thank you.

1 CHAIRMAN DAVIS: Thank you.

2 MR. GEBHARD: If it is all right, approximately mid-way
3 in my presentation I would like to show very, very quickly, a
4 series of comparative slides for your consideration.

5 My name is David Gebhard. I am a Professor of
6 Architectural History at UC Santa Barbara. I have served
7 as the Chairman of the County of Santa Barbara's Board
8 of Architectural Review, President of the Citizens Planning
9 Association of Santa Barbara, and presently I am co-Chairman
10 of the City of Santa Barbara's Landmark Committee, and
11 vice-Chairman of the Architectural Review Committee for
12 the community of Montecito.

13 Having myself, over the years, prepared segments
14 of EIRs, and having reviewed them for governmental bodies
15 and agencies, I would be the first to agree that one of
16 the most difficult segments of any report is that of addressing
17 the aesthetic element, both as to what it is, and of utmost
18 importance, the question of how it might be mitigated.

19 The various difficulties of identifying and addressing
20 the aesthetic impact of this specific large scale project
21 before you, it seems to me, encounters the usual series
22 of difficulties often found in EIRs.

23 The underlying causes of these difficulties and
24 deficiencies are an outcome, it seems to me, of a number
25 of factors, but two rather specifically, oftentimes the

1 inadequacy of the professional expertise utilized in preparing
2 the report, and of even more significance, the uneasiness
3 of all of the parties concerned to admit the essential
4 significance of the aesthetic element.

5 The proposal before you is a classic example
6 of this problem. The report ends up either avoiding any
7 meaningful discussion of aesthetic impact of this proposal,
8 and its various alternatives, whatsoever, or when an effort
9 is made to treat it--as one will find in Appendix 6-B--
10 it is approached in a vague manner, really as an issue
11 that is so ephemeral that it is included only with embarrassment
12 in what should be an objective, quantifiable, report.

13 The initial problem evident in the EIR is that
14 those preparing it totally equate the aesthetic element
15 to view impact, i.e., what you or I, or any individual,
16 would see standing at this or that single point, looking
17 out to the ocean, and seeing Platform Heron, or any of
18 its alternatives.

19 The question of viewpoint should be indeed one
20 facet of any individual's visual experience, in taking
21 the scene in, but it is only facet, a beginning if you
22 will. If we stop for a moment and think about it, a visual
23 experience, such as observing an immense oil platform in
24 the ocean, is composed of a series of aesthetic reactions.
25 The object, newly imposed, not only modifies in a major

1 way our reaction to the sea at this point, and the coast
2 that lies adjacent to it, but equally it drastically affects
3 us as an aesthetic idea.

4 As the 19th century author, John Ruskin, observed,
5 our awareness of the moment--that we are living and operating--
6 indeed assumes reality through the way that we manipulate
7 the landscape and through the construction of buildings
8 and other types of general structures and manmade objects.

9 What will be the result of Platform Heron? Or,
10 any of the alternative proposals? If allowed to be built
11 at the site proposed? At present, the aesthetic impression
12 created when one approaches the UCSB campus, from the east--
13 as a case in point--on Ward Memorial Freeway, is a remarkable
14 combination of man-induced elements. The grove of palm
15 trees to the left of Goleta Beach. Then nature essentially
16 takes over. It is the beach, the low cliff, the ocean
17 itself, and the islands beyond.

3 On the top of the mesa is the university itself,
19 but here the man-induced planting of eucalyptus, and other
20 vegetation, all of which seems natural, pulls in and hides
21 the numerous buildings of the campus.

22 What a completely opposite experience will prevail
23 if Heron, or an alternative group of platforms, are allowed
24 to be built. Though two miles out to sea, its immense
25 size and height literally a miniature-sized city, with

1 a ten-story skyscraper, will dominant this scene. The
2 gross magnitude of this project will drastically compromise
3 all else which lays before us. It's dominating affect,
4 both as a visual object, and for what it has to say about
5 our aesthetic and ethical values, will await us whenever
6 we obtain a view of the ocean from varying points on the
7 campus, and if I might I would like to go through these
8 slides with you very quickly.

9 What we have done in this series of paired slides
10 is to show you exactly the same series of points of view
11 before and after, imposing with as much accuracy as one
12 indeed can, imposing upon slides--

13 CHAIRMAN DAVIS: Can we turn down the lights?

14 MR. GEBHARD: --thank you very much.

15 Imposing on the second of the series of these
16 slides that I will be showing you this afternoon, the general
17 visual effect that this platform would have.

18 Here we see a scene from the beach, itself.

19 And, here we see superimposed, trying to keep
20 the scale as accurate as we possibly can, as far as its
21 base and height is concerned, what will greet one as one
22 either bicycles to the university from the City of Santa
23 Barbara, approaches it from the City of Santa Barbara
24 on Ward Memorial Parkway.

25 And, here one can see, as one moves closer to

1 the campus, to the west again, either on the beach, on the walkways,
2 on the bicycle paths, or on the freeway itself, how even
3 when the cliff intervenes and the vegetation which lies
4 beyond it, the mass of the tower is apparent for us to
5 see.

6 Let us take a second position, that basically
7 out in front of the lagoon, almost as if--as a matter of
8 fact--you were seated or walking along in front of the
9 student center. Here is the view as we presently enjoy
10 it and see it, and here is the view that will take place
11 if the platform is allowed to be built.

12 One thing that I do want to emphasize, and of
13 course in a way any presentation of slides in this fashion,
14 distorts and distorts in a variety of different ways, but
15 always bear in mind--which I am sure you will--that when
16 anyone of us is walking along, or taking in a view, movement
17 and et cetera enters into the picture. The vividness of
18 what we are discussing here, indeed, will become even more
19 apparent.

20 Or going to one of the upper stories of one of
21 the university buildings, the library building in this
22 particular case, from the floor occupied by Theoretical
23 Physics, here you can see the view from the ocean, and
24 here you can see the platform as it lies out in the ocean,
25 itself.

1 It can perhaps be argued that there are other
2 more pragmatic considerations, which would justify the
3 construction of such an incompatible industrial project,
4 dominating and overlooking a campus of the University of
5 California, but there can be no question that looking at
6 impartially and objectively the construction of this platform
7 will be a major aesthetic disaster for the university community,
8 and as you have--I am certain--noted in the EIR, and in
9 the Appendix 9-B, there is no conceivable mitigation for
10 this negative aesthetic impact.

11 Returning to John Ruskin, it was he who first
12 cautioned us to carefully consider the manner in which
13 we manipulate and thereby design the physical world around
14 us, for we have an obligation, not only to ourselves, but
15 of even more importance to those who follow us.

16 Thank you.

17 CHAIRMAN DAVIS: Thank you.

18 The next witness is Marty Blum.

19 MS. BLUM: I am Marty Blum, President of the
20 League of Women Voters of Santa Barbara.

21 The League thanks you for coming once again to
22 Santa Barbara to receive public input on this final EIR.
23 I will submit longer comments which I have handed to you
24 just now, but I wish to make just a few remarks here.

25 Today the League requests the final EIR not be

1 certified. It is woefully inadequate for many reasons,
2 including but not limited to the following:

3 First of all, the EIR itself. How does one go
4 about coping with such mountains of data? You decision
5 makers are able to spread out numerous volumes--we believe
6 there are about 17--for easy perusal and easy cross reference.
7 You have clerical staff to do leg work of collating and
8 so on. You have professional staff, consultants, enough
9 no doubt to assign one or more to each of the 21 issue
10 areas, to analyze, evaluate, summarize, synthesize and
11 distill findings and recommendations, while the public
12 has no such perks. We are on our own.

13 How to get at the data in the EIR, and in the
14 final EIR, that is the question? There is no user's guide,
15 no reader's guide, and the index is also useless. This
16 has not been revised or updated from the draft EIR.

17 The final EIR's two page guide, entitled Section 1
18 Introduction to the Final EIR Volumes, is not a reader's
19 guide. Actually, it confuses more than it clarifies;
20 primarily because the sections referred to bear no relationship
21 to the section numbers used in the draft EIR, nor does
22 the Executive Summary serve as a reader's guide. Details
23 are in our written statement, but in the Executive Summary
24 Section 5 gets left out, and this is unfortunate, since
25 Section 5 contains the bomb shell that has been rumored

1 for days, and that was referred to by Supervisor Wallace,
2 the environmentally preferable alternative, a brand new,
3 other alternative, in lieu of what Section 5 concedes to
4 be the environmentally superior alternative, or the no
5 project alternative.

6 The new alternative suggested calls for offshore
7 processing of all oil produced by the project. This is
8 a whole new ball game for us. We are back to square one.
9 The other alternative, the new alternative, is not addressed
10 in the draft EIR, as it has already been pointed out here.

11 Let's face it. We are caught in a bad time bind
12 here. Neither the staff, nor the consultants, really are
13 to blame. The draft EIR and the final EIR had to be hurry
14 up, last minute, jobs to meet unreasonable time schedules.
15 This EIR is proof positive of something the League has
16 commented on in other hearings on oil and gas developments,
17 and that is when it comes to oil and gas projects of this
18 magnitude the Permit Streamling Act is turning CEQA into
19 a shambles, and the Brown Act into a charade. You decision
20 makers are hobbled and the public is shut out of the process.

21 Furthermore, concerning the Executive Summary,
22 the League notes that there is no overview mention of the
23 final EIR's Section 6, entitled: "Environmental Aspects
24 of Commingled and Segregated Oil Dehydration." Errata
25 sheets were received for this section, and we understand

1 that we are talking about this section, but presumably
2 it is still in the picture.

3 The League received the Commission's January
4 19 document just too late to comment on it.

5 The second reason for noncertification, the interjection
6 of the environmentally preferable alternative into the
7 final EIR through a casual recommendation in the Executive
8 Summary, without addressing its many implications.

9 And, the third reason for noncertification, the
10 final EIR does not adequately address the contentious subject
11 of cumulative impacts. The League's critique of October
12 28 of last year zeroed on "cum" impacts and found that
13 the draft EIR was wanting in several areas. Since this
14 project initiates an extensive tidelands program, its EIR--
15 the League submits--is obligated to come up with a state
16 of the art cumulative impact assessment analysis. The
17 EIR fails to go that extra mile. It does not assess the
18 area's admitted fragile limited carrying capacity, nor
19 does the EIR identify trigger points or thresholds, either
20 singly or collectively, for the 21 issue areas.

21 Cumulative impacts in any one issue area are
22 bad enough. They grow exponentially as cum impacts and
23 other issue areas are factored into the equation.

24 Well, in summary, the final EIR, because of its
25 inadequacies, include these enumerated above, and does

1 not warrant certification by the State Lands Commission.
2 Contents do not address the johnny-come-lately, last minute
3 environmental preferable alternative. How can you, in
4 all good conscience, certify the final EIR, that it has
5 been completed in compliance with CEQA? And, that in its
6 present form you will be able to review it, and consider
7 information contained therein, prior to approving the project
8 within your present time schedule?

9 In closing, the League reiterates our request
10 made on January 13, that you Commissioners personally spear head
11 a much needed reevaluation and update of California's energy
12 policy.

13 Thank you again for holding these special hearings
14 in Santa Barbara, for going the privilege of--or the convenience
15 of certifying the EIR and permitting the process in all
16 one day. Thank you.

17 CHAIRMAN DAVIS: I just want to reiterate what
18 I said at the last meeting, that while this process is
19 not perfect, far from it in fact, none of us--I know that
20 I don't and I know that my Commissioners--want to play
21 hide the ball in policy making, and if it requires another
22 meeting in Santa Barbara to certify the EIR, whatever we
23 have to do to insure the community that its impact is fully
24 felt, understood, and digested, I for one am prepared to
25 do it.

1 So, you may or may not like the ultimate decision
2 this Commission reaches, but you have a right to have a
3 fully open and complete process, and I am committed to
4 that, and I suspect and believe that my Commissioners are,
5 too.

6 I just don't like the inference that there is
7 some secret thing about to happen, because I know that
8 we don't want it to happen, and we don't want anything
9 to happen in secret.

10 Leo?

11 The next witness is Richard Ranger.

12 MR. RANGER: Good afternoon, Chairman Davis,
13 Governor McCarthy, and Ms. Ordway. My name is Richard
14 Ranger, and I represent the applicant, ARCO Oil and Gas
15 Company.

16 ARCO would like to take the opportunity today
17 to provide some new information for your consideration
18 and that of the public beyond that which we presented at
19 your last hearing on January 13.

20 At that hearing, we described the history of
21 oil and gas development in the Coal Oil Point area by ARCO
22 and its predecessor companies, activity which lead to the
23 discovery of the Coal Oil Point field. That discovery,
24 in turn, lead ARCO to submit its development plan for the
25 Coal Oil Point Project to your agency, and to other agencies,

1 for environmental review.

2 Also at that hearing, we expressed our preference
3 for onshore oil and gas processing. We further stated
4 that if offshore processing is not the project alternative
5 your Commission selects, we would build only single platforms
6 at each location, not the complexes we once proposed.

7 Today we will offer additional mitigations to
8 address potential impacts from the Coal Oil Point Project
9 which other described in their comments to you on January 13.
10 We will also provide you with additional justification
11 for our plan for development of the Coal Oil Point field,
12 the resource which is critical to this project, from the
13 location we proposed for Platform Heron. We will also offer
14 our thoughts on the issue of commingled production.

15 First the impact areas. Flaring is one of those. ARCO
16 will flare only during emergency situations. There will
17 be no flaring during well testing or other routine operations.
18 The plan for flaring analyzed in the EIR was developed
19 by ARCO to meet the exacting standards of Santa Barbara
20 County's Air Pollution Control District. We have since
21 improved that plan so flaring will only be required during
22 emergency situations.

23 Our platform design includes special equipment
24 which reduces this emergency flaring to an absolute minimum.
25 This design will not only receive scrutiny from your staff,

1 but from the Santa Barbara County APCD, from whom we must
2 receive a permit to operate any facilities in state waters.

3 Another issue was that of noise. To address
4 this, ARCO will install sound baffling on the shoreward
5 sides of the Heron Platform drilling floor. In the instance
6 of noise identified in the EIR from pile driving activities
7 associated with the installation of the Heron Platform,
8 we need to set only the four corner piles from the surface.
9 This will reduce the audible pile driving time by two-
10 thirds.

11 It is possible that some residents of Isla Vista,
12 who describe the noise impact as a particularly acute
13 concern, may be remembering noise carried to shore during
14 drilling of the 309-9 well, shown on the overhead, which
15 was only a mile and a quarter from shore. Platform Heron
16 will be almost twice that distance from shore.

17 Another issue that has been raised, that of discharge
18 of produced water. With respect to produced water, ARCO
19 has never planned to discharge produced water from the
20 platforms into the marine environment. Our plan has always
21 called for sending produced water to shore via pipeline
22 for injection.

23 Another issue, that of vessel traffic corridors,
24 of particular concern to UCSB research and fishermen. Throughout
25 offshore construction and operations, crew boats, work

1 boats, and other vessels serving the Coal Oil Point Project
2 will observe established vessel traffic corridors.

3 ARCO was an original member of the oil industry,
4 fishing industry, liaison effort which developed the vessel
5 traffic corridor plan, and ARCO has complied with the plan
6 since its inception.

7 This overhead shows how boats must now leave
8 the Ellwood Pier, and follow the traffic corridor established
9 and agreed to for our Platform Holly operations. As our
10 new platforms come on line, crew boats and work boats will
11 continue to these platforms along this established corridor.

12 For pipeline installation, a mooring plan will
13 be developed with the Coastal Commission to confine vessel
14 traffic to a narrow area during construction along the
15 pipeline corridors. ARCO will require that its contractors
16 observe this plan.

17 Now we turn to the location proposed for Platform
18 Heron. ARCO's original development plan, submitted for
19 the Coal Oil Point field called for two platform locations,
20 one on each of Leases 308 and 309. Ongoing studies of
21 alternative develop options lead ARCO to a plan discussed
22 in the EIR that will allow full development of the field
23 from a single platform near the common 308/309 lease line.
24 This plan will require state-of-the-art drilling techniques
25 with maximum hole angles of 70 degrees.

1 At the January 13 hearing several speakers requested
2 moving the location for Platform Heron to the west at least
3 1000 meters. We have assessed the impact of this move
4 on the oil that will be recovered. We have also reviewed
5 our platform location studies and biological surveys to
6 better define the nature of the ocean bottom environment
7 in the area of ARCO's proposed platform location.

8 Within the area depicted in the EII as hard bottom
9 substrate, visual observations, side-scan sonar data, and
10 soil boring surveys show that there are scattered large
11 depressions filled with up to five feet of marine sediments.
12 Placing platform Heron on one of these sediment filled
13 areas will protect against adverse impact to the
14 hard bottom substrate.

15 Additional visual confirmation of the location
16 of these sediment filled basins will take place beginning
17 this week end, using an underwater video camera. This
18 underwater video survey, along with side-scan sonar data,
19 will assure location of Platform Heron to avoid or minimize
20 adverse impact to the hard bottom habitat.

21 Because of the concerns some have expressed about
22 potential impacts from Platform Heron to the hard bottom
23 area on Leases 308 and 309, and to university research,
24 we state today that we withdraw our plans to discharge
25 drill muds and cuttings at the proposed Heron location.

1 With this mitigation, the only potential disturbance
2 of the ocean floor will be the single platform itself,
3 which measures 170 by 210 feet at the ocean floor, and
4 the narrow pipeline corridor crossing Lease 308.

5 It should not be forgotten that Platform legs
6 and cross members will themselves provide habitats which
7 are very attractive to many species of fish and for organisms,
8 such as mussels, barnacles, and scallops. This attraction
9 has been shown to occur under virtually every offshore
10 structure from platforms to piers.

11 Biological surveys in the vicinity of offshore
12 structures including ARCO's Platform Holly, show more organisms
13 and greater species diversity than in adjacent areas without
14 offshore structures.

15 Turning now to the impact of moving the platform
16 1000 meters west. This horizontal cross section, looking
17 from the beach, at Leases 308 and 309, shows the portion
18 of the Monterey reservoir that could not be reached. Based
19 on analyses of cross sections, and geologic structure-maps,
20 a total of 30 million barrels, or one-third of the total
21 resource could not be developed from that platform location.
22 Loss of this 30 million barrels of reserves, and associated
23 gas, could jeopardize the economic viability of the total
24 project.

25 [Audience reaction.]

1 I thank you for noticing that.

2 With respect to pipeline installation--

3 CHAIRMAN DAVIS: You probably didn't mean that
4 as an applause like.

5 MR. RANGER: --it was not marked as one, no sir.

6 At the January 13 hearing, ARCO also heard concerns
7 expressed about pipeline installation in two areas: One,
8 the hard bottom area on Leases 308 and 309; and two, the
9 near shore area.

10 Regarding the hard bottom area, ARCO has developed
11 a plan to address these concerns. The plan calls for pipelines
12 to be pulled from a barge located and anchored outside
13 of the hard bottom area, shown by the yellow circle on
14 the over head, to Platform Heron.

15 This distance will require anchoring of a pull
16 barge only at the platform location. The result will be
17 a reduction of anchor settings on the hard bottom area
18 from a maximum of 96, described in the EIR, to only 4.

19 Regarding the near shore concerns, ARCO's plan
20 calls for fabricating the pipelines onshore and pulling
21 these lines through the near shore area to a barge anchored
22 beyond the kelp beds. This results in a narrow corridor
23 with a minimum of disturbance.

24 This operation will be identical to the installation
25 and fabrication of the seep pipeline in 1982, which received

1 Coastal Development Plan approval from Santa Barbara County,
2 and the California Coastal Commission.

3 Finally, turning to the question of commingled
4 production, the importance to the Commission of a commingled
5 production operation, as compared to a segregated system,
6 became apparent at the January 13 hearing; also, the problem
7 of accurately determining the State of California's royalty
8 share with a wet oil metering system was discussed.

9 Two possible ways to achieve acceptable accuracy
10 in royalty determination were mentioned:

- 11 1. Accurate wet oil metering.
- 12 2. Modified royalty calculations which eliminate
13 wet oil metering requirements.

14 As we recall, the State Lands Commission directed
15 its staff to work with interested parties to further explore
16 these possibilities. ARCO has met with the State Lands
17 staff on two occasions since the January 13 hearing, and
18 frankly we are encouraged. ARCO believes a solution to
19 the accuracy problem can be found both through a wet oil
20 metering system, and with royalty modifications.

21 I would simply like to repeat, as we stated on
22 January 13, that we are here because we do believe that
23 there are a series of reasonable outcomes for consideration
24 by your Commission that allow both the development of this
25 resource and the protection of the environment in which

1 it sits. We are dedicated in working with your staff,
2 and the staffs of other agencies, and the public of this
3 community, to resolving some of those concerns, to allow
4 both to proceed.

5 That is a commitment we make not only for this
6 hearing, for the hearings to come, and for the permitting
7 process, but it is a commitment that our people will observe
8 every day of operations on ARCO facilities, as they have
9 every day of the operations that we have conducted in this
10 area for a number of years.

11 With that, I would like to introduce Mike Webb
12 of Anthrosphere--

13 EXECUTIVE OFFICER DEDRICK: Excuse me, I need
14 to ask you one question before you leave.

15 With the Commission's permission.

16 Could we return to flaring briefly, Mr. Ranger.
17 When you referred to the need to flare in emergency, do
18 you mean flaring in the sense that concerns the public?
19 That is to say, a large orange flame that is visible for
20 20 miles and puts out H₂S?

21 MR. RANGER: Correct.

22 EXECUTIVE OFFICER DEDRICK: Or, do you mean the
23 sort of flaring that the staff has--the combustion that
24 the staff has proposed, with the special burners that it
25 results in the complete combustion and SO₂ recovery, and

1 no visible light?

2 MR. RANGER: We have had those discussions with
3 staff, and we are working with your staff to pursue a system
4 of incineration, or complete combustion; but, I was also
5 stating for the record, that we do not intend to flare
6 other than in emergency situations.

7 EXECUTIVE OFFICER DEDRICK: Yes.

8 I wanted to clarify the fact that we recognized
9 that you are not planning to do any production flaring,
10 but only upset condition--emergency flaring, but it was
11 to the type of combustion that that emergency flaring would
12 constitute specifically that I direct my question.

13 MR. RANGER: In the case of upsets, we are not
14 certain yet that the combustion equipment that we have
15 discussed would handle those episodes, but we are continuing
16 to work with your staff toward an answer to that question.

17 EXECUTIVE OFFICER DEDRICK: Thank you.

18 Excuse me, Commissioners.

19 COMMISSIONER ORDWAY: May I just ask a question
20 of the court reporter.

21 Do you need to stop to change paper? I notice
22 that you are stacking up, so if you want to--if we want
23 to take 30 seconds, I think now is an appropriate break
24 time.

25 If we can just hold up the next witness for a

1 moment, while the court reporter changes paper.

2

3 Recess: 4:25 p.m. - 4:35 p.m.

4

5 COMMISSIONER ORDWAY: I believe that we can reconvene.

6 MOTION] CHAIRMAN DAVIS: As I indicated earlier, I want
7 to make a motion to allow--actually a two-fold motion to
8 delay the point at which the EIR is voted on for certification,
9 to sometime in the first ten days in March, subject to
10 agreement with the Commissioners, and that that certification
11 vote take place in Santa Barbara, and we would communicate
12 the precise date of the meeting well in advance to meet
13 the statutory notice requirements.

14 I guess, under our rules, we don't need a "second"
15 so is there any discussion on the motion?

16 [No response.]

17 If not all in favor of aye, say "Aye".

18 COMMISSIONER ORDWAY: Aye.

19 COMMISSIONER MC CARTHY: Aye.

20 CHAIRMAN DAVIS: All right, that motion carries,
21 so we will have the meeting in Santa Barbara sometime in
22 the first ten days of March, to deal with the issue of
23 certification.

24 That should accommodate some of the concerns
25 that were raised at this morning's meeting, allow more

1 time for progress on the question of commingling, and deal
2 with the staff's concerns with being able to get a report
3 out by ten days before the February 17 meeting.

4 EXECUTIVE OFFICER DEDRICK: Thank you, Commissioners.

5 COMMISSIONER ORDWAY: Question.

6 Just a procedural question of staff, having nothing
7 to do with this case.

8 Would we then hold the remainder of our February
9 calendar on the 17th?

10 EXECUTIVE OFFICER DEDRICK: That is entirely
11 up to the Commissioners, and we are scheduled for the 17th.
12 We haven't noticed yet, because we don't need to.

13 COMMISSIONER ORDWAY: Okay.

14 EXECUTIVE OFFICER DEDRICK: So, at your pleasure
15 we will be happy to schedule it which ever way you want.

16 COMMISSIONER ORDWAY: Okay, thank you.

17 CHAIRMAN DAVIS: Excuse me.

18 MR. RANGER: Mr. Chairman, I would just like
19 to make a brief clarifying statement to the Commission:

20 The question raised back before the break, by
21 Executive Officer Claire Dedrick, and that is during upset
22 conditions the process by which any gas would be dealt
23 with would be complete incineration. It would be virtually
24 a smokeless process.

25 So, again, that is during upset conditions, and

1 as I have stated, we have scotched our plans for well test
2 flaring, that had previously been described. There will
3 be no well test flaring, or flaring during routine operations.

4 With that, I, or others on our staff, will be
5 available for further questions, but I would like to introduce
6 Mr. Mike Webb from Anthrosphere.

7 Thank you.

8 CHAIRMAN DAVIS: Are there any questions from
9 the Commissioners, at this point?

10 [No response.]

11 MR. WEBB: Thank you.

12 I am Mike Webb. ARCO has asked me to speak for
13 just a moment to explain what we are doing about air quality
14 questions, a concern that ARCO has for maintaining the
15 air quality, and the things that we are doing presently.

16 EXECUTIVE OFFICER DEDRICK: Excuse me, but would
17 you identify your organization for the record, please.

18 MR. WEBB: Yes, and in fact that is where I was
19 next.

20 EXECUTIVE OFFICER DEDRICK: Oh, I'm sorry.

21 MR. WEBB: As a way of introduction, I have been
22 in the air quality business for 15 years. Part of those
23 years I spent working with some of the other people who
24 have helped prepare this EIR.

25 I am currently President of Anthrosphere, Incorporated,

1 a Santa Barbara based air quality engineering firm. I
2 have worked on several of the oil related projects, the
3 EIRs that have been done for the County. I worked on Platforms
4 Irene and Independence, Platform Julius. In 1984 and 1985
5 I was working with the air quality sub-contractor of this
6 EIR, working on ARCO's EIR. I have been retained in the
7 past by the Santa Barbara Air Pollution Control District
8 to evaluate the Chevron Gaviota facilities, the Exxon Santa
9 Ynez Unit, and I have also, on my own, worked on the Celeron
10 Pipeline, and have been retained by ARCO to look at the
11 air quality issues involved with Coal Oil Point Project.

12 I would like to now show some slides that come
13 from the EIR that illustrate the air quality situation.

14 There are four types of impacts that are recognized
15 in the EIR:

16 Class 1. Significant adverse impacts that cannot
17 be mitigated.

18 Class 2. Significant impacts that can be mitigated.

19 Class 3. Impacts that are adverse, and not significant.

20 Class 4. Beneficial impacts.

21 There is some degree of subjectivity between
22 Class 1 and Class 3, and the question comes up whether
23 an issue that was a Class 3 impact in, say the Exxon project,
24 would be a Class 1 impact in the ARCO project.

25 The major pollutant of concern in Santa Barbara

1 County is ozone, because the county is nonattainment for
2 ozone. Ozone is a regional pollutant. It is difficult
3 to assess sources and impacts of ozone on a point-by-point
4 basis, and so the analysis has to look at a general area,
5 and in this case the EIR looked at an area of approximately
6 80 miles by 150 miles.

7 In that area, grid cells, approximately 2.5 miles
8 on a side, are used as individual areas that can be evaluated
9 to determine whether they meet or exceed state and federal
10 standards.

11 At the top of this screen you will see that the
12 California standard is .1 parts per million, and just below
13 that the ozone standard for the federal government is .12
14 parts per million.

15 The next slide, if you could?

16 In the EIR, there are two summary tables that
17 list what is called exceedances of the state ozone standard,
18 and I have chosen, for this example, to look at what happens
19 hour 12 of September 26, when there are five reported new
20 exceedances of the state ozone standard.

21 Now, the next slide, please.

22 I have reproduced that table from the EIR, and
23 have marked in yellow the area that is currently predicted
24 by all activities, not including ARCO, the area that will
25 be above ten parts per hundred, or .1 parts per million.

1 This is the base line, cumulative base line,
2 expected in 1993. For reference, each of the marks at
3 the top is four kilometers; each mark along the side is
4 also four kilometers, and you can see on the right hand
5 side, the five areas where impacts are predicted, new exceedances
6 of the state standard.

7 Now, they center around Thousand Oaks, and Simi
8 Valley.

9 Ozone is a complex pollutant that requires time
10 and sunlight to develop, and we don't see any ozone impacts
11 in the immediate area. It takes quite awhile for the chemicals
12 to produce ozone.

13 Let's see, if you could overlay that one?

14 [Pause while attending to over-head slide.]

15 The ARCO project--that is kind of like a light
16 show, isn't it?

17 I will have to go with this traveling mike for
18 just a minute.

19 In these five areas, where the impacts were predicted,
20 you can possibly see the increase by ARCO are these small
21 spaces that are clear.

22 Again, this is subjective as to whether this
23 is considered a significant impact, which would be Class 1,
24 or Class 3, which is an adverse, though not a significant impact.

25 The second set of tables in the EIR identify,

1 again, state and federal exceedances due to the project,
2 and they can be depicted by comparing the effected area
3 without ARCO--it isn't a very pretty picture, but this
4 is what is predicted by the model for 1993, without the
5 ARCO project in it. We see an area off of Point Conception
6 that is in exceedance of 10, and some that is in exceedance
7 of 12, and again areas extending over the ocean, and finally
8 coming onshore around Ventura and Port Hueneme and above
9 Thousand Oaks.

10 The ARCO contribution to this would be shown
11 by the next slide, and in this area is not visible.

12 And, in this area, constitutes the area, the
13 clear areas between the two lines.

14 What we are doing to address these questions
15 further is we have met with the Air Pollution Control District
16 in Santa Barbara for the last ten months, on the average
17 of twice a month. ARCO and my company are meeting with
18 them, and the APCD has retained the services of the sub-
19 contractor that prepared the air quality technical appendix
20 for the EIR, and we are working out these problems, because
21 there Authority to Construct cannot be issued by the County
22 of Santa Barbara, unless all air quality problems are resolved.

23 So, we feel that we are working toward those
24 goals. We are making good progress, and we feel that there
25 will be no adverse impacts to air quality from the Coal

1 Oil Point Project.

2 Thank you.

3 CHAIRMAN DAVIS: Thank you.

4 COMMISSIONER ORDWAY: I believe some of the students
5 had a problem with getting a van or two back.

6 Is it possible to have those witnesses come up
7 now, if they are still around?

8 CHAIRMAN DAVIS: Yes, I would like to accommodate
9 their transportation concerns.

10 Also, I think, consistent with the energy of
11 the court reporter there, we would like to keep this meeting
12 going until about 6:00 o'clock, because there are a good
13 number of witnesses that have yet to have a chance to testify
14 at the afternoon session.

15 COMMISSIONER ORDWAY: And, then reconvene at
16 7:00 p.m.

17 CHAIRMAN DAVIS: And, then reconvene at 7:00 o'clock.

18 And, so what I would like to do now is to allocate
19 about 20 minutes to the students, however they choose to
20 organize themselves, and at least some of their concerns
21 will be voiced this afternoon, and they can get the van
22 back and have had a chance to make their views known before
23 this Commission.

24 This will be a real exercise in democracy, gang,
25 to see how you decide who goes first, and--

1 MR. EVANS: I'll be the first speaker.

2 CHAIRMAN DAVIS: Okay.

3 COMMISSIONER ORDWAY: They are prepared.

4 MR. EVANS: I really appreciate you doing this
5 for us.

6 I would also like to thank you for the opportunity
7 to speak on the completeness of the EIR.

8 I would like to speak on--

9 CHAIRMAN DAVIS: Do you want to state your name,
10 please?

11 MR. EVANS: --my name is Marc Evans. I am Associated
12 Student Representative.

13 I would like to speak on an impact that the EIR
14 did not address, an impact that is unmitigatable that government
15 as a whole has chosen not to address. This is the impact
16 of incremental degradation of the environmental.

17 Incremental degradation, that is the slow process
18 whereby we are slowly killing off bits and bits of the
19 world.

20 Every year humanity takes a little bit more to
21 support itself, and every year the world suffers just a
22 little bit more. We don't notice it because people have
23 very short memories.

24 I grew up in L.A., and I lived in traffic and
25 smog and I never knew that there was an area that had oaks

1 and sage, and my children will grow up, and they will never
2 know that this was an area in Santa Barbara that had a
3 coastline free of oil rigs, because we don't have that
4 continuous memory.

5 Every year, you have a little more degradation
6 of the environment, and it is getting to the point where
7 we know we are poisoning it, and yet we continue to go
8 by because we go with each project, and we look at it,
9 and we don't look at the overall effects, and so the world
10 is dying from a million sword pricks in this fashion.

11 And, we may get to the point where we can't stop
12 it, where the momentum is so great that we cannot save
13 the world from dying, save the place that we live, and
14 we will have an unfit earth.

15 I walked along the beach last night, and I looked
16 at the area in which Project Heron would go, less than
17 two miles off of the shore. And, as I was walking I noticed
18 there there were little sparkles of light every place that
19 I stepped in the pools, little phyllo-plankton there, were
20 giving off bioluminescent energy whenever I disturbed them.
21 The EIR never assessed any impacts to these phyllo-plankton.

22 The EIR cannot assess the impact on all of the
23 organisms, because we don't know all of the organisms.
24 We don't know everything. We are not gods. And, even
25 if we could assess all of the impacts, and stop any destruction

1 of all the creatures, then there would still be an effect
2 on me, because when that project is built out there, less
3 than two miles off of the coast, I'll never be able to
4 walk out there again, and have that same feeling of awe
5 and reverence and looking out at the islands in the dark
6 night.

7 I feel that my life will be immeasurably cheapened
8 by that. I understand that these could be the first platforms
9 to be permitted in the state waters in over 18 years. I
10 ask that this Commission please not set the precedence
11 of sacrificing the environment for current needs. I ask
12 that the Commission please not destroy the scenic beauty
13 of Santa Barbara's coastline. I ask you please, do not
14 permit Platform Heron.

15 Thank you.

16 CHAIRMAN DAVIS: Thank you.

17 State your name, please.

18 MR. STEINBERG: My name is Paul Steinberg, and
19 I am a student in biology at the University of California
20 at Santa Barbara.

21 I have some very strong feelings regarding this
22 issue, but I will make it brief.

23 After graduating from high school, I had the
24 choice of studying at just about any university in the
25 country. I, and many competitive science students like

1 myself choose UCSB because I had heard that the Santa Barbara
2 coastline is one of the richest and most diverse sources
3 of marine, animal, and plant life, on the entire planet,
4 which indeed it is.

5 The natural and physical surroundings of the
6 university are an important part of what makes UCSB an
7 attractive choice to students such as myself.

8 When I first arrived on campus, I went straight
9 to the beach area, near the Marine Science Institute.
10 Looking at the sand under my feet, and the ocean before
11 me, I was appalled at the sight. Why was this sight so
12 disturbing to me? Because biology is not the study of
13 tar. Biology is not the study of unsightly structures
14 disrupting the coastline. Biology is the study of life,
15 and it is the quality of life in the marine environment
16 and in the university community which would be so profoundly
17 affected--so profoundly disrupted by the proposed oil drilling.

18 And, the quality of life at the university will,
19 in the years to come, have a direct effect on the quality
20 of student that the university attracts.

21 It is therefore, in the best interest of the
22 University of California at Santa Barbara, representing
23 some 20,000 students, faculty and staff, all of whom are
24 of voting age, that we leave bad enough alone, and stop
25 destroying this most precious commodity, the California

1 coastline.

2 CHAIRMAN DAVIS: Thank you.

3 MR. DAY: Hello, my name is Scott Day, and I
4 am a long term resident of Isla Vista, and I first came
5 here to go to UCSB because it was such a beautiful area,
6 and I would like to speak for all of the living organisms
7 that have no voice here in this hearing room.

8 As Mayor Sheila Lodge mentioned earlier, this
9 is the anniversary of the devastating oil spill that as
10 we know killed many organisms off the coast.

11 And, I would like to take an unconventional approach
12 here and sing a song called, "Don't go Near the Water"
13 which is performed by the Beach Boys, and written by Alan
14 Jardine, and Mick Love, who have been, and I believe still
15 is, a long term resident of the mesa here in Santa Barbara.

16
17 [He proceeded to play the guitar and sing.]

18
19 I would just like to say, thank you.

20 CHAIRMAN DAVIS: Thank you.

21 I think that I will take this opportunity to
22 mention that this hearing will be rebroadcast at 6:00 o'clock
23 on Friday, Saturday, and Sunday, on local cable Channels 18
24 in the south coast region, and on 21 in Lompoc and Santa
25 Ynez, and on 22 in Santa Maria.

1 MR. HERZOG: Hello. My name is Paul Herzog,
2 and I will first be speaking on behalf of the California
3 Public Interest Research Group, a non-profit, non-partisan
4 consumer and environmental group, of which I am a representative
5 from the chapter at UC Santa Barbara.

6 The organization, in consultation with the county,
7 UCSB faculty and students, supports a no project plan.
8 Now, if you go ahead with the project, we propose that
9 you recommend according to our five-point plan.

10 First, eliminating Heron from the project because
11 moving it provides no real mitigation.

12 Two, no offshore processing.

13 Three, commingling of pipelines.

14 Four, eliminate flaring and minimize noise, because
15 studying is already hard enough with planes flying over
16 head.

17 Five, no discharge of drillings and muds cuttings
18 in the channel, as Alice Alldredge has already stated.

19 Now, on behalf of only myself, I believe that
20 this project is unacceptable under the current proposal.

21 First, and foremost, the project proposed poses
22 a great danger to the community of 20,000 people in Isla
23 Vista, in the case of an accident, and not many of us who
24 have spoken have thought about the long term, but in the
25 case of the long term, if an accident should occur, which

1 would cause an evacuation of the Isla Vista residents,
2 only two roads provide accessible routes out, and this is
3 not an unlikely scenario, since spills occur monthly throughout
4 the world.

5 As for the marine habitat, they have little place
6 to turn, and it should not be pushed aside that the university's
7 marine program has a \$6 million investment in the lives
8 of the marine habitat.

9 Secondly, in the case of a spill, the County
10 Fire Department, and those proposed to clean up the spill,
11 are not equipped to handle it. The response time to an
12 accident must be quick.

13 Now, if the present project goes forward, the
14 options which reduce the chances of spill should be carefully
15 considered, including:

- 16 1. Removal of Platform Heron.
- 17 2. Reducing the pipeline number your Commission
18 desires.
- 19 3. Having specific corridors for vessel traffic.
- 20 4. Setting up a first-rate spill notification
21 and clean up program.

22 Now, these are all going to be very important,
23 of course, not only for this project, but for the future,
24 because millions, if not billions, of barrels of oil exist
25 off of the coast and just north of where ARCO proposes

1 to drill, and I would like to say that when you are making
2 your decision, I suggest that you think of the long term
3 effects, and not just to this proposal.

4 As already has been stated, this will set a precedent
5 for the oil drilling in this area, and I wish you good
6 luck and good health in making your decision.

7 CHAIRMAN DAVIS: Thank you.

8 MR. GIBSON: My name is Robert Gibson. I am
9 an Isla Vista resident, and a student at UCSB.

10 As a National Merit Scholar, I was heavily recruited
11 by campuses all across the nation, and I really could have
12 gone to any school anywhere, and I choose UCSB.

13 And, I choose UCSB over the other university,
14 in large part, because of the natural beauty of this area.
15 I count the times that I spent in the mountains and on
16 the beaches of Santa Barbara County among my most treasured
17 memories; but, even now, in my sunset walks along the beach,
18 the sun has to compete with Platform Holly for a place
19 on the horizon, and my nose is assaulted by the fumes released
20 from barges and from Platform Holly on upsets, and my ears
21 are pummeled by the beat of helicopters approaching offshore
22 developments.

23 It would be arrogant of me, as a human, to say
24 that we could ruin a sunset, but the presence of a 200-
25 foot tall platform, just two miles from the beach, would

1 reduce the end of my day from a truly spectacular experience
2 to a barely significant event.

3 The visual, oral, and olfactory affects of this
4 project would combine to drive me, at least--and I am sure
5 several others--from UCSB and Isla Vista.

6 So, while considering this project, please remember
7 that this area possesses much more than just oil as resources.
8 The beauty of this region where the land meets the sea
9 is at least as valuable as the oil resting offshore, and
10 while development of the oil resource will radically reduce
11 the value of the environmental resource, the converse is
12 not also true.

13 By delaying the development of oil production
14 in the water off of Isla Vista, and to the west, until
15 an environmentally and aesthetically acceptable way to
16 extract the oil can be employed, the value of the oil resource
17 will actually be enhanced, due to the increase in the price
18 of oil, which is bound to happen because of its scarcity.

19 So, let's avoid the penalty for being greedy.
20 Let's find a way to fuel our society without preempting
21 the environment.

22 Thank you.

23 CHAIRMAN DAVIS: Thank you.

24 MR. HERALD: My name is Michael Herald, and I
25 am here today as a student in senior standing at the University

1 of California, Santa Barbara. I am also a four-year resident
2 of Isla Vista, presently living on the ocean side of Del
3 Playa Road, which overlooks the Santa Barbara Channel.

4 I would first like to thank the staff of the
5 State Lands Commission, in their efficiency in distributing
6 to me two copies of the finalizing addendum to ARCO's EIR,
7 as well as their January 19 Coal Oil Point Project Summary
8 and Issue Responses package. I notice that similar mail
9 was also delivered to numerous other apartments in my building.

10 After reviewing ARCO's proposal for Coal Oil
11 Point I appeal the the State Lands Commission to deny this
12 project as it stands in present form, and to not certify
13 the adequacy of the Environmental Impact Report.

14 I feel that the magnitude of the impacts to the
15 UCSB and Isla Vista communities, still significantly outweigh
16 the justification to develop these local coastal petroleum
17 resources.

18 I support the position that Platform Heron should
19 be totally eliminated from the proposed project. It has
20 been stated by ARCO officials that if this is done, the
21 project would no longer be economically viable. If this
22 means a no project alternative, then so be it.

23 I feel that there are more reasons to preserve
24 this area of the coastline for future generations than
25 to exploit the petroleum resources found less than two

1 miles off of UCSB's west campus point.

2 Five years ago I was attracted to UCSB, mostly
3 because of the magnificent coastal environment which back
4 drops the campus. Not many schools offer the beauty and
5 serenity which is characteristic of UCSB. I knew that
6 academically it was also one of the leading marine science
7 institutions in the country, and I was interested in oceanography.

8 I do not believe that any size platform can logically
9 be built which would destroy the reputation and repudiation
10 of one of the state's finest marine research programs.
11 It seems to me that if the state allows the construction
12 of Heron they would be working against their best interests.
13 Aesthetically, this platform would degrade the beautiful
14 ocean view which UCSB proudly promotes in a general information
15 catalogue. Top students and faculty will think twice before
16 coming to Santa Barbara, as has been shown by faculty today
17 at this hearing.

18 Finally, as a member of the Isla Vista community,
19 the most densely populated area in the United States, I
20 feel that there would also be significant effects if Platform
21 Heron is built. The Isla Vista area contains a major population
22 of college students, as well as families with children.

23 I feel that the final EIR does not adequately
24 consider the impacts to the air quality of Isla Vista as
25 the result of Platform Heron. During certain times of

1 the day, at my apartment, I can already smell the strong
2 odor of hydrocarbon emissions generated by the oil activities
3 on and offshore near Isla Vista. These odors would increase
4 if Heron was approved.

5 It is extremely difficult for me to believe that
6 the modeling conducted for the EIR indicated that odors
7 would not be detectable in Isla Vista.

8 Thank you for allowing me this opportunity to
9 express my views.

10 CHAIRMAN DAVIS: Thank you.

11 We will take two more witnesses from the students,
12 and then--

13 UNIDENTIFIED SPEAKER: We have only four left.
14 Can't we continue on?

15 COMMISSIONER ORDWAY: I don't see any reason
16 to restrict the students. I mean, they are people, and
17 they vote here I believe.

18 CHAIRMAN DAVIS: I didn't know the Finance Director
19 was an elected position?

20 COMMISSIONER ORDWAY: No, it isn't but--

21 CHAIRMAN DAVIS: The Governor is, I understand.

22 COMMISSIONER ORDWAY: --but I happen to have
23 two degrees from two UC schools, and having been a student
24 for a lot of years in my life, I have great empathy for
25 sitting and waiting in line, and to be told that you are

1 a student and no--

2 [applause]

3 MS. ALLEN: My name is Francine Allen and I am
4 a sophomore at UCSB, and I am also a resident of I.V.,
5 and I didn't think that I was going to come speak today,
6 but I decided that I want to speak because this is something
7 that is so close to home, and a place that I love to live
8 in right now.

9 As it is, even with Platform Holly out in the
10 ocean, ever time that I look at it, I think, "How can technology,
11 and how can the use or the need for oil take away so much
12 beauty that has been given to us by nature and earth,"
13 but beside that, what I am saying is that Platform Heron
14 should not be admitted in the project--or should be admitted,
15 or whatever--not be admitted to the project.

16 And, I am a person who goes--likes to walk on
17 the beach, and I, as well as 20,000 other students I am
18 sure at UCSB, came to UCSB for the purpose of mountains
19 and ocean and being able to go to the beach and study and
20 sit and watch a sunset, or not--or go to the beach and
21 have the affects of a full moon, instead of the lights
22 out on the ocean from a project, a platform, that can be
23 double the size that Holly is right now, Platform Heron.

24 I am speaking basically, there should be no project
25 whatsoever, but if there is a project, Platform Heron should

1 not be admitted in the project.

2 And, I am saying this because we, as the youth,
3 as college students, will be sitting in your spots in the
4 next, however many years it is. We are going to be the
5 future, and we are learning right now, and our resources
6 for learning, whether it be marine biology--which this
7 specifically affects--our environment, our air, our earth,
8 our minds, our learning, this--it all affects, and we are
9 the students, and we are the people who will be sitting
10 in your spots and everybody around here, we are the politicians
11 of the future, and oil will be there. It is there now.
12 It is not going to leave. It is not going to go anywhere.

13 The visual aspect of this is very important,
14 and not only are the scientific aspects of it, which of
15 course are very important, but the visual aspect, when
16 I look out there, I feel nothing but discouragement and
17 disappointment, that if we have technology, in ten years,
18 who knows, we might have undershore technology to build
19 the platform undershore instead of on top of the shore
20 where we look out and see this disgusting platform, that
21 gives us oil to drive around in our cars, and in our materialistic
22 world, but what about our earth? That we have right now.

23 And, I am going on, but I will make it short
24 to say that Platform Heron should not be in the project
25 and there should be no Coal Oil Point Project at all, and

1 thank you very much for your time, and thank you for scheduling
2 the hearing in Santa Barbara in February.

3 CHAIRMAN DAVIS: Thank you.

4 MS. GORDON: Hi. I am Liahna Gordon.

5 I just want to say one brief thing. I moved
6 here a year ago from Pennsylvania, and the major factor
7 in my coming here--as it seems most other students were--
8 was for the beauty of this area, and if I wanted to put
9 up with the noise and the smells that the industry will
10 produce, and if I wanted to look out my window and see
11 massive steel structures, I would have stayed in Pittsburg.

12 CHAIRMAN DAVIS: Thank you.

13 MR. LUPRO: My name is Mike Lupro, and I am a
14 student at UCSB, and I grew up in the vast industrial waste
15 land known as the Detroit metropolitan area, and Detroit,
16 Pittsburg, Chicago, and other places that have been shaped
17 by industry are now very ugly places.

18 It is depressing to think that the Great Lakes
19 used to be a beautiful body of water, and that now they
20 have just been turned into the arm pit of America.

21 When I came to Santa Barbara, I was amazed by
22 the splendor of the California coastline. We are very
23 fortunate to live in a place where people are concerned
24 with the aesthetics of their environment.

25 Ronald Reagan, Earl Warren, and most of us for

1 that matter, live in Santa Barbara County because it is
2 a beautiful place.

3 Unlike other parts of California, which have
4 begun their decline by allowing industry and development
5 to take over, Santa Barbara County still has a relatively
6 unspoiled and majestic coastline.

7 The last quarter, during finals' week, I was
8 up all night one night writing a paper, and I was up at
9 6:00 o'clock, and I decided to, since I was up, to go and
10 watch the sunrise, and I walked down to the beach, and
11 it was one of the highest tides in a long time, and it
12 was just beautiful watching the sun come up over the mountains,
13 and I saw--and I couldn't believe it when I saw it--that
14 I saw a school of dolphins riding in the waves. I didn't
15 even know that dolphins could exist in this climate, and
16 it was about the most beautiful thing that I ever saw,
17 and I really doubt that they are going to be here if they
18 have got to swim through more tar, and more cuttings and
19 oil rigs, and things like that.

20 This project will be one of the first tragic
21 steps in turning Santa Barbara into a warm weather Cleveland.
22 Oil rigs are not going to attract tourists, or retirees,
23 or anyone else currently important to this community.

24 ARCO doesn't care about us. ARCO cares about
25 oil and money, and they will do most anything to get what

1 they want, including destroying our coastline.

2 The company that is telling us that the Coal
3 Oil Point Project is safe for the environment and the community
4 is the same company that claims that its AM PM mini-markets
5 have--and I am quoting the commercial--the largest quarter-
6 pound cheeseburger. I personally don't believe them on
7 either account

8 CHAIRMAN DAVIS: Thank you.

9 MR. BRUCKER: Hello. My name is Ken Brucker.
10 I would like to welcome the Commission to Santa Barbara,
11 and I would like to thank you for extending yourself to
12 the students.

13 I am a second generation Californian. I am the
14 second generation Californian to attend a University of
15 California. I am also a registered voter.

16 And, I would like to call attention to you on
17 how important the University of California is to this state.
18 It has been said that the University of California is one
19 of the finest education systems in the world, hands down.
20 I am lucky to go to a school like that.

21 But, UCSB is on the up swing. It is growing
22 an awful lot, but it has got problems in the community.
23 I.V. is a crowded place. Isla Vista is very crowded. We
24 pay a lot of money for rent, and oftentimes what we get
25 for rent is sub-standard.

1 Because it is so crowded, there is a lot of noise
2 generated in the community. Oftentimes, when I come in
3 from a revelry on a Friday or Saturday night. I can hear
4 other revelers down on Del Playa. That is not much more
5 than a half-mile away. I can hear people shout, you know--
6 no, it is better than a half-mile away. It is close to
7 three-quarters of a mile away.

8 The point is that the noise will carry, and I
9 am sure that even though noise carries three-quarters of
10 a mile through buildings, I am sure that it will carry
11 a lot better two to three miles away over water to Del
12 Playa, and to Isla Vista.

13 But, with the rig sitting right off of the coast
14 of UCSB it is going to take out an awful lot that attracts
15 people to UCSB.

16 If you--well, okay, when I came here as a freshman,
17 I remembered that I found that the Isla Vista area reminded
18 me a lot of Kauai, and that is a very high compliment to
19 pay to an area, to say that it reminds you of the garden
20 isle of Hawaii. It is a beautiful spot, if you've been.

21 So--

22 CHAIRMAN DAVIS: Are we talking about Kauai?
23 Or, are we talking about Waikiki Beach, here now? What
24 are we talking about?

25 MR. BRUCKER: We are talking about the island

1 of Kauai. Not Waikiki, absolutely not.

2 CHAIRMAN DAVIS: All right.

3 MR. BRUCKER: So, it is going to take an awful
4 lot, and I am sure that plenty of people pointed out the
5 aesthetic qualities of the UCSB area, and you can't get
6 that back if the rig is put out there.

7 I don't have a whole lot of sympathy for ARCO,
8 if they way they lose money. Now, I am sure you are all
9 aware of the many cuts in corporate taxes that have been
10 made. Corporations make a heck of a lot more money now
11 that corporate taxes have been severely curtailed in the
12 past six years.

13 The recent oil glut has actually shut down many
14 oil pumping facilities throughout the state. I am sure
15 that ARCO can find their oil elsewhere.

16 Lastly, I don't think that Coal Oil Point is
17 in anyway serves the state's interests. It could damage
18 the University of California, which is one of the finest
19 resources that this state--of this state's many resources,
20 and they can get their oil somewhere else.

21 I would like to leave you with this thought,
22 and a . you that you don't let Atlantic Richfield turn
23 the Santa Barbara Channel into a Pacific oil field.

24 Thank you very much.

25 CHAIRMAN DAVIS: Thank you.

1 MR. POZZI: We are the last speakers.

2 My name is Emilio Pozzi. I am representing--

3 COMMISSIONER ORDWAY: You are going to have to
4 get a little bit closer to that microphone.

5 MR. POZZI: --associated students--I am representing
6 the associate students at UCSB--

7 COMMISSIONER ORDWAY: I don't think the court
8 reporter got the name. Could you just start again?

9 MR. POZZI: My name is Emilio Pozzi. I am an
10 off-campus rep.

11 COURT REPORTER: Could you spell you last name,
12 please.

13 MR. POZZI: P-o-z-z-i.

14 COURT REPORTER: Thank you.

15 MR. POZZI: And, your name?

16 MS. DUNHILL: My name is Judy Dunhill. I am
17 a student of computer science at UC Santa Barbara.

18 CHAIRMAN DAVIS: I would just like to ask, as
19 the closing speakers, now we have heard references to either
20 looking like Pittsburgh, Cleveland--what was the last one?

21 COMMISSIONER ORDWAY: Detroit and Kauai.

22 MS. DUNHILL: I am from California. You don't
23 have to worry about that.

24 CHAIRMAN DAVIS: All right.

25 I just wanted to see if there is some unanimity

1 as what is going to happen--

2 MS. DUNHILL: Down hill.

3 CHAIRMAN DAVIS: --to Santa Barbara, if this
4 project is approved.

5 MS. DUNHILL: Down hill.

6 I would just like to make a comment on the ARCO's
7 representative's comment on how the legs of the platform
8 may create a great habitat for marine life.

9 If there was another oil spill in this area,
10 like the 1969 oil spill, there would not be any kind of
11 marine life--marine habitat to worry about.

12 I am not a marine biologist, so I don't really
13 know about that effects, the oil spill ould have on the
14 marine habitat. I just know how it has effected my life.

15 We are still feeling the effects of the 1969
16 oil spill. As a surfer and beach goer, there hasn't been
17 a day since the 1969 oil spill that I haven't gotten beach
18 tar on my feet, or on my body, the tar that was created
19 by that oil spill. This not only includes the beaches
20 of the surrounding area, but also the beaches to the south
21 of us, Hermosa Beach, Redondo, and Laguna Beach.

22 I support the no project plan.

23 MR. POZZI: I just want to state really briefly
24 that the associated students passed a bill last month,
25 expressing the voice of every student at UCSB that no project

1 should be allowed and no new oil rigs should be allowed
2 in front of our beaches where we like to lay out and catch
3 the rays of the sun.

4 So, thank you--and I would like you to keep this
5 in mind when you make your decision, that all of us, 20,000
6 of us, plus our staff, obviously, and our faculty, don't
7 like the project, and think the project is wrong. The
8 EIS report is not, as our professors have stated, is not
9 complete, and I am sorry ARCO, but we no like you.

10 Thank you.

11 CHAIRMAN DAVIS: Thank you.

12 I just want to comment, as the students leave,
13 that I appreciate your participation. Presumably, not
14 all of you will make Santa Barbara your ultimate home,
15 but yet taking the interest to come down and express your
16 views on a project that will affect this community, I think,
17 is commendable, and so I appreciate you being here.

18 [Applause.]

19 All right, I am going to read the next 10 to
20 12 witnesses, in case some people would prefer to come
21 back at 7:00 o'clock.

22 Michael Webb, Curtis Anderson, Janice Keller,
23 Roger Lagerquist, Robert Sollen, Nigel Buxton, Jan Canby,
24 Frank McMurry, Alan Hur, M.V. Scherb, and Michael McDermott.

25 Okay, those--we may have time for more, but we

1 will at least take these people between now and 6:00 o'clock.

2 Michael Webb?

3 MR. WEBB: I spoke earlier.

4 CHAIRMAN DAVIS: Oh, excuse me.

5 Curtis Anderson.

6 We will add Mike Stoker to the list.

7 MR. ANDERSON: Commissioners, ladies and gentlemen,
8 my name is Curtis B. Anderson. I have been a member of
9 the chemistry faculty for 25 years. I have lived in Isla
10 Vista for those 25 years, and today I am speaking as President
11 of the Isla Vista Association, which is a group mostly
12 home owners. One of our members has already spoken. Some
13 others will also speak to various topics.

14 Although the final EIR now discusses impacts
15 on Isla Vista, I would still like to emphasize the basic
16 problem with the Coal Oil Point Project is that it is too
17 close to a heavily populated area.

18 The project would seriously affect Isla Vista
19 residents, one in the event of a catastrophe, two with
20 noise, and three by atmospheric pollutions.

21 The catastrophe could be an accident, or it could
22 be a natural event like an earthquake. Just how serious
23 a disaster might be is seen in the toxicity of the gas
24 which is being dealt with, two percent hydrogen sulfide.
25 The lowest lethal concentration for hydrogen sulfide is

1 600 parts per million for 30 minutes. That is considerably
2 less than two percent. Two percent is 20,000 parts per
3 million.

4 By way of comparison, the lowest lethal concentration
5 for hydrogen cyanide, which is--or was used in the California
6 gas chamber--is about 110 parts per million for an hour.
7 They are fairly close in toxicity.

8 Now, of course, we could have a blowout that
9 might be natural, without any oil wells there at all. It
10 is possible that we could have an enormous earthquake and
11 the whole thing would go caplooeey, and come up and get
12 us, but anyway I think that we sort of feel that if you
13 play with it that the chances are better.

14 If the gas and oil caught fire, sulfur dioxide
15 would be formed. The lowest lethal concentration for SO₂
16 is 611 parts per million for five hours, so it is less
17 toxic, but not that much better.

18 The possibility of such a catastrophe, accidental
19 or natural, is very, very small, but the consequences could
20 be very grim for Isla Vista.

21 I think we have talked about noise already, and
22 it seems that ARCO's engineers have--can solve that problem
23 for us. I hope so. Anyway, it is true that we could actually
24 hear people talking on the drilling ship, and that is rather
25 surprising, considering that they were out where they drilled

1 the wells, and it was a couple of miles out. But, the
2 point is that over land sound is attenuated fairly rapidly.
3 Over open water, that is not the case.

4 Three, the emissions to the atmosphere, during
5 production, after construction and drilling, will probably
6 be manageable, like those at Platform Holly, accept during
7 upset conditions. The intentional flaring, which now has
8 been withdrawn, must be eliminated, and I will show why,
9 and I think it is still worthwhile to emphasize why the
10 intentional flaring must not be allowed, even though ARCO
11 now is willing to do away with that. In some cases,
12 also too, I think the unintentional flaring, or the upset
13 condition flaring, also needs additional mitigation.

14 In some places, well, the flaring for the testing
15 was 48 hours per well at one million standard cubic feet
16 of gas per day. The unintentional, of course, you can't
17 estimate.

18 Simple calculation--that is freshman chemistry--
19 of the burning natural gas, which is mostly methane, indicates
20 that the composition of the plume from the flare will be
21 about ten percent carbondioxide, 18 percent water, 72 percent
22 nitrogen, 2000 parts per million sulfur dioxide, and 10
23 parts per million hydrogen sulfide. This assumes that
24 the minimum of air was used to burn the gas. It should
25 be noted that using 100 percent excess of air, which is

1 about the outer limits for flares, will only reduce the
2 concentrations of sulfur dioxide and hydrogen sulfide by
3 a factor of two.

4 Also, it was assumed that the flare burns 99.5
5 percent efficiently, and these things are said to have
6 efficiencies between 99.0 and 99.5, but I think that is
7 actually an optimistic situation. That is when they are
8 all working right.

9 So, we will assume 99.5 in any case. That is
10 what I assumed.

11 These calculated concentrations also are undiluted
12 by convection diffusion or turbulence. Now, if there is
13 a strong onshore wind, of say 20 miles per hour, the plume
14 from Heron would reach Isla Vista in six minutes, and in
15 so short a time the plume will not be significantly diluted,
16 so I think we have to face the impacts of those concentrations.

17 Now, let's consider what these significant
18 would be. Concentration of the hydrogen sulfide in the
19 plume is just under the U.S. Occupational Standards, which
20 is 20 parts per million for an eight-hour day. Standards
21 are not defined for 24-hour exposure.

22 Furthermore, this smell of H_2S and mercaptans
23 can be detected with the nose in the range of about ten
24 parts per billion--give away some, maybe a power of ten--
25 which is about 1000 times less than ten parts per million.

1 That means that hydrogen sulfide, and the other
2 smelly things--hydrogen sulfide is the rotten egg smell--
3 will be very evident. This plume will smell very bad,
4 even when diluted by a factor of several hundreds. The
5 prevailing westerly winds will most often carry the smell
6 to the Hope Ranch and Santa Barbara, although Isla Vista
7 will probably get the benefit of being downwind of Platform
8 Haven, which is also not very much diluted, either.

9 The sulfur dioxide at 2000 parts per million
10 in the undiluted plume is 400 times the U.S. Occupational
11 Standard of five parts per million for an eight-hour day.
12 Even if much diluted, the air will not be safe.

13 Sulfur dioxide, under certain conditions in the
14 atmosphere, can transform into sulfuric acid and produce
15 acid rain or acid fog. The EIR notes that no studies of
16 acid rain or fog have been done in the area and no incidents
17 have been reported, and therefore declines to estimate
18 such affects.

19 In this context, one million--I think it is important
20 to note that--one million cubic feet of gas with two percent
21 hydrogen sulfide contains about one ton of hydrogen sulfide,
22 and would make about two tons of sulfur dioxide. There
23 is plenty there to make acid fog.

24 I should like to point out that the Los Angeles
25 Times, page 2, on 5 January, reported a case of acid rain

1 in the Port of Jacksonville--also I think somewhat of a
2 touristy area--Florida, which pitted the paint on 2000
3 new BMWs requiring new repainting. It could happen here.
4 We have everything that it takes.

5 And, what about the affects on people and their
6 lungs?

7 In mitigation, I propose that ARCO add a scrubber
8 to the flare on each platform, thus the emissions could
9 be further eliminated, or at least reduced.

10 Now, ARCO has said that they would do aware with
11 flaring in testing of wells. I think it still would be
12 a good idea to have a scrubber on the flare because it
13 is so close to an urban area, and I don't think the cost
14 of a scrubber is inordinate. It would probably be--it
15 can't be much more than a day's production. Anyway, I
16 am sure that ARCO's engineers can handle the problem.

17 I am not discussing the EIR's concern with the
18 nitrogen oxides and hydrocarbons, whose effects were computer
19 modeled. It is very difficult to assess what the computer
20 model was, and I suspect that it isn't really very accurate
21 anyway.

22 The concentrations of nitrogen oxides and hydrocarbons
23 needed along with sunlight to produce photochemical smog
24 are very small, of the order of a tenth of a part per million,
25 which we often get to anyway around here. Our benefit

BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

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IN THE MATTER OF)
ARCO COAL OIL)
POINT PROJECT)

EIR/EIS Public Hearing

TRANSCRIPT OF PROCEEDINGS
Wednesday, January 28, 1987

County of Santa Barbara
Board of Supervisors Hearing Room
105 East Anapamu Street
Santa Barbara, California

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1 really is that we have a wind that carries it to Ventura.

2 The common assumption that less NO_x emitted means
3 less oxygen concentration is also scientifically probably
4 not correct. The chemical system is not that simple. The
5 production of ozone is catalytic in nitrogen oxides.

6 In any case, I think that is not a major problem.
7 Our major problem is sulfur oxides.

8 I believe that the EIR should have recommended
9 no project at this time, because the project is too close
10 to an urban area, but if the project is to be approved,
11 I believe the ultimate in safety engineering, sound proofing
12 of the platform and scrubbers on the flares are required.

13 Thank you.

14 CHAIRMAN DAVIS: Thank you.

15 Janice Keller.

16 MS. KELLER: Good afternoon. My name is Janice
17 Keller, and I am the Public Affairs Director for Get Oil
18 Out, Incorporated, otherwise known as GCO.

19 GCO again welcomes you to Santa Barbara, and
20 wishes to express its appreciation for holding this hearing
21 on the certification of the final EIR for ARCO Coal Oil
22 Point Project in our community.

23 As I said when I spoke to you a few weeks ago,
24 I hope that holding hearings in the community most adversely
25 impacted by a particular project is a new trend for the

1 Commission. It is long overdue, and I would also like
2 to note that I appreciate your holding final certification
3 hearing here in March.

4 Our oral testimony today will be limited to a
5 few general comments about the inadequacy of the EIR. I
6 have also given you several type written pages, which deal
7 with the inadequacy of specific responses to our comments
8 on the draft EIR. We would have liked to have submitted
9 these latter concerns to your staff and the consultants
10 prior to this hearing so that they could have responded
11 to them today. This would have been more informative to
12 you as decision makers; however, the bulk of the document
13 and the delay in its release did not permit us time to
14 extend this courtesy.

15 Since we do not have answers to our concerns,
16 and we feel strongly that some of our concerns are integral
17 to the validity of the EIR, we urge that you deny certification.
18 The document before you can in no way be viewed as complete
19 or accurate or as a good faith effort towards full disclosure
20 as required by CEQA.

21 1. What document are you and the public being
22 asked to consider at the certification hearing? The three
23 volume set we recently received is called two different
24 and distinct things. The outer cover refers to the contents
25 as a finalizing addendum. This would indicated that the

1 14-volume draft, and the 3-volume set together, are the
2 final EIR. However, if you look at the title page of the
3 3-volume set, it refers to the contents as the contents
4 as the Final Environmental Impact Report and Environmental
5 Impact Statement for Proposed ARCO Coal Oil Point Project.
6 Not only is this confusing, but it is misleading.

7 2. It is GOO's feeling that the final EIR, be
8 it 3 or 17 volumes, does not fully and accurately address
9 the environmental impacts of commingling and segregation.
10 We know from the document itself and from statements made
11 that your staff prefers segregation and the consultants
12 prefer offshore processing because of that position.

13 On the other hand, the applicant, the county,
14 and the community, see commingling as a viable and the
15 preferable method; therefore, in order for you, in your
16 role as decision makers on this project, to make a reasoned
17 decision, you must have all of the facts before you. This
18 includes detailed information on commingling as well as
19 segregation.

20 The final EIR should be sent back to the preparers
21 so that this information can be included for your consideration.

22 3. The project description in the final EIR
23 must include a statement that drilling muds, cuttings,
24 and processed water will not be dumped into our coastal
25 or near coastal waters. You have heard your staff and

1 ARCO say that such discharge will not occur. To insure
2 that this environmentally devastating activity will not
3 take place the project description must reflect the intentions
4 of all parties involved and the project must be conditioned
5 accordingly.

6 4. GOO still believes that the environmentally
7 preferred alternative is the no project option; however,
8 realizing political and economic realities, any approved
9 project must include, at the very minimum, the deletion
10 of Platform Heron from the project until such time as future
11 technology will allow recovery of the oil from a less sensitive
12 site.

13 5. The whole section on Systems Safety is non-
14 responsive to the realities of oil and gas production and
15 the needs of the community. In an area as highly populated
16 as Santa Barbara County's south coast, any type of emergency
17 situation could be devastating. Therefore, this section
18 needs to address the concerns raised by all of the commenters.

19 6. If the consultant's preferred alternative
20 is to become the approved alternative, additional environmental
21 impacts must be discussed in the final EIR before it can
22 be certified. Primary among these is the discussion of
23 how oil will be transported from the offshore processing
24 facility to the refineries. Both pipelines and tankers
25 have significant impacts. Information on them must be

1 made available to you and the public before you make your
2 decision.

3 7. The rationale for the consultant's preferred
4 alternative escapes us. It is clearly more environmentally
5 harmful than even the applicant's proposed project. A
6 full discussion of their logic--if you can call it that--
7 is in order.

8 8. Major changes are required in the State Lands
9 Commission's policies and procedures for oil and gas development
10 in the state tidelands area. Because such fundamental
11 policy changes will not come easily, we urge, in addition
12 to denying certification of the final EIS, that the ARCO
13 Coal Oil Point Project be denied without prejudice at this
14 time.

15 We believe that ARCO has made commendable efforts
16 to control the environmental risks associated with the
17 project, but the current policies and rules of your Commission
18 make the project a total environmental nightmare of the
19 worst proportions.

20 Should ARCO wish to refile at a later time, they
21 should be allowed to do so, with a waiver of fees.

22 In conclusion, I would like to remind you that
23 today is the 18th anniversary of the formation of GOO,
24 and the blowout at Union Oil's Platform A, which caused
25 devastation to our local environment and economy. It is

1 not an anniversary to celebrate. With each new platform,
2 pipeline, and processing facility, the chances of another
3 disaster increases.

4 GOO urges you to reflect upon that event of 18
5 years ago, and stop believing the claims from experts that
6 it could never happen again. It has, and it will.

7 Thank you.

8 CHAIRMAN DAVIS: Thank you.

9 The next witness is Roger Lagerquist.

10 MR. LAGERQUIST: Hello, my name is Roger Lagerquist.
11 I have a degree in mechanical engineering, and I have worked
12 as an engineer for the last 28 years.

13 Before I get into the details of my remarks,
14 Leo Jacobson suggests that we examine the miracle of advancing
15 technology that ARCO has produced in two short weeks, since
16 the last hearing. They now only have to flare in emergencies;
17 two-thirds of Heron's construction noise is gone by using
18 four piles instead of 12; there is no drilling muds discharge
19 proposed at Heron; and they are going to do on one platform
20 which originally required two by not processing on the
21 platform.

22 They have yet discovered how to produce Heron
23 without a platform. Leo suggests that we should wait a
24 few more years and see what advancing technology can do,
25 and see if we can't get 100-fold improvement over what

1 we had in the last two weeks. I think that is what we
2 ought to consider here, a delay in considering this project.

3 My family and I have lived in Isla Vista since
4 1961. I have spent many hours reading the EIR for this
5 project, and its addendum, and its appendices. I appreciate
6 the five copies of the finalizing addendum that have appeared
7 on my front step, especially the one that came Federal
8 Express a day before the others. Next time, I think that
9 I could make do with one set.

10 CHAIRMAN DAVIS: Wait a second now.

11 The staff has been pummeled, beaten into submission.
12 Now, they are doing a good thing. They are giving you
13 too many copies. I mean, be kind to these--

14 MR. LAGERQUIST: I did my best to share them,
15 but everybody else has two copies!

16 EXECUTIVE OFFICER DEDRICK: Wanted to be sure
17 you were informed.

18 MR. LAGERQUIST: After doing my best to read
19 this document. I believe the only reasonable action for
20 the State Lands Commission is to deny this application
21 in its entirety, and reconsider this proposition another
22 day with another EIR. This EIR is too far gone to retrieve.

23 The EIR and its addendum offer no clue as to
24 how the project might be built without imposing Class 1
25 impacts on a highly developed urban area.

1 The most incredible statement in the finalizing
2 addendum is that no significant impacts are expected in
3 Isla Vista from inert pollutants. That is paragraph 2.1.3.2.
4 This fantasy is refuted over and over again in the body
5 of the EIR.

6 On another subject, the staff report to the State
7 Lands Commission, repeats factual errors from the EIR.
8 It adds confusion to already confused issues. It introduces
9 controversies and conjectures not previously discussed.
10 I will make one example. ARCO has long maintained that
11 repressurization from Holly doesn't increase seeps from
12 the reservoirs because they are not connected. Now, the
13 staff report informs us that depressurizing the field will
14 diminish the seeps. You can't have it both ways. The
15 reservoirs are connected, or they are not connected, and
16 this is just one example of what I think is a misstatement
17 of the contents of the EIR.

18 Well, the news is not all bad. We are making
19 progress. The original EIR did not mention Isla Vista
20 by name, but the finalizing addendum does devote several
21 pages to the topic. The EIR still lacks an appreciation
22 of the environment surrounding the project. Isla Vista
23 is widely held to be the most densely populated area west
24 of New York City. The County's Sheriff Department estimated
25 the population of Isla Vista increased by 30,000--that

1 30,000 people, during the 1986 Halloween weekend. And,
2 I can vouch for that. There were 30,000 extra people in
3 town for Halloween, and they slept on lawns and in parked
4 cars, and whatever.

5 I am going to concentrate a little bit on the
6 air pollution, even though I have nearly equal concern
7 over destruction of the visual beauty of the area that
8 we enjoy with the Channel Islands and the ocean environment.

9 Let's consider a simple proposition. When there
10 is flaring on Platform Heron, and the wind is blowing onshore,
11 what does it mean to people who are accustomed to clean
12 air?

13 Platform Heron is expected to have an upset condition
14 on the average of every 21 days, according to the EIR,
15 5.2.1.1. Now, I haven't updated that to the new proposal
16 that ARCO is making, but this is based on the EIR that
17 we have before us.

18 Each event is expected to release up to 3778.87
19 pounds of sulfur dioxide, EIR Table 5.1. I don't believe
20 that .87 pounds part, do you? It implies a precision of
21 .01 pounds out of a measurement of 3800 pounds. That would
22 be less than a 1000 of a percent error. Does the consultant
23 believe this? What is the precision of the number? Where
24 are the assumptions that lead to that number? And, the
25 error analysis to support the bare number of 3778.87?

1 Sloppy presentation of data throughout the report
2 should lead the Commission to suspect all of the data and
3 question all of the conclusions. A student couldn't get
4 into UCSB doing that kind of work, let alone graduate.
5 The Commission is not obligated to certify an EIR that
6 is as poorly done as this one is.

7 Now, an upset condition at Platform Heron would
8 violate state, county, and federal air pollution standards.
9 This fact seems to get lost in the discussions. That comment
10 is found in the EIR 9.7.1.1. The current background level
11 of sulfur dioxide levels in Goleta is 52 micrograms per
12 cubic meter, EIR Table 3-14. During an upset flaring on
13 Platform Heron, the sulfur dioxide concentration onshore
14 is expected to reach as high as 792 micrograms per cubic
15 meter. How can the Finalizing Appendix find that there
16 is not a significant impact due to sulfur dioxide when
17 this pollutant is predicted to increase 1500 percent over
18 present levels?

19 The EIR suggests mitigations for SO₂ emissions,
20 including to minimize the amount of sour gas sent to the
21 flare during upset condition. That's good. Reduce pollution
22 by not polluting so much.

23 A paragraph later the option is nullified. These
24 measures have been implemented as part of the proposed
25 project and could not be used as mitigation measures. That's

1 in paragraph 6.1.5.4. The impact of sulfur dioxide is
2 significant and it cannot be mitigated.

3 The statement in the staff report on page 12
4 that "Odors from the offshore platforms would dissipate
5 to levels not detectable by humans before they reached
6 the shoreline" is incorrect. The gas being flared is assumed
7 to contain 1.45 mole percent hydrogen sulfide. That is
8 from paragraph 5.2.1.2.

9 The staff report indicates flaring is 99.0 to
10 99.5 percent efficient in burning hydrogen sulfide, although
11 no source for these figures is cited, and I believe there
12 can be some controversy as to whether gas can be burned
13 that thoroughly.

14 Using the 99.0 figure, about 20 pounds of hydrogen
15 sulfide will escape during a flaring event, which the EIR
16 says will be about an hour of flaring. Twenty pounds of
17 material whose rotten egg odor is detectable in concentrations
18 of as low as five parts per billion, EIR Table 15-2, and
19 is fatal in 30 minutes at 800 to 1000 parts per million
20 according to Dangerous Properties of Industrial Materials,
21 4th Edition, by N. Irving Sax, would be a significant impact
22 in our neighborhood.

23 Now Table 15-1 of the EIR estimates that 10.518
24 pounds per hour of hydrogen sulfide emissions from Heron
25 will occur during an upset, but this figure was not included

1 in the odor calculations, and that may be what the university
2 people are referring to when they say that the calculations
3 don't show any difference between normal operations, and
4 during upset conditions. They didn't consider the fact
5 that all of the hydrogen sulfide fails to burn and some
6 of it--20 pounds of it--can reach shore directly.

7 According to the EIR, H₂S and RSH emissions were
8 treated as fugitive emissions--that defines where the
9 error occurred, they shouldn't have been treated as simple
10 fugitive emissions--while SO₂ emissions were caused by
11 flaring. That is in paragraph 15.1.3.

12 The maximum predicted concentration of 4.63 micrograms
13 per cubic meter, in Table 15-3, is based on the fugitive
14 emission rate of .488 pounds per hour. Less than a half-a-
15 pound per hour, and not on the upset release quantity of
16 10 to 20 pounds of hydrogen sulfide. Hence Table 15-3
17 shows virtually the same hydrogen sulfide release for normal
18 and upset conditions, and this is incorrect. That is what
19 the university people were referring to.

20 Applying the dilution factor from Table 15-1
21 to a 20-pound release gives a concentration of 190 microgram
22 per cubic meter, or 2900 percent above the level required
23 for detection of hydrogen sulfide. There will be severe
24 odor impacts, despite all of the words to the contrary,
25 and no mitigation has been proposed.

1 Now then, try to imagine the impact from a sour
2 gas blowout on Platform Heron at a time when 10,000 residents
3 and 30,000 visitors are crowded into a half-square mile
4 of Isla Vista? This might well be the maximum credible
5 accident. We can only hope that the gas will catch fire
6 in the event of such a blowout, because according to Sax
7 again, "Fatal hydrogen sulfide poisoning may occur even
8 more rapidly than that following exposure to a similar
9 concentration of hydrogen cyanide."

10 The EIR, 2.1.3.1 considers only oil spills and
11 the effects of heat, blast, and over pressure and ignores
12 toxicity of the gas.

13 CHAIRMAN DAVIS: Mr. Lagerquist?

14 MR. LAGERQUIST: Yes.

15 CHAIRMAN DAVIS: Is your testimony written?

16 MR. LAGERQUIST: Yes, and I am in the last two
17 paragraphs.

18 CHAIRMAN DAVIS: All right, because as a courtesy
19 to the other people we wanted to accommodate before 6:00
20 o'clock, I would appreciate if you--

21 MR. LAGERQUIST: The Finalizing Addendum does
22 not correct the oversight of ignoring the toxicity of the
23 gas.

24 I have pointed out a number of fatal flaws, both
25 at this hearing and at the previous hearings, that are

1 beyond recovery, without redoing the entire EIR. This
2 document is so deficient that it cannot, in good conscience,
3 be certified. I believe there is just no other way out.

4 Class 1 impacts due to visual effects, noise,
5 emissions, and safety provide ample grounds for choosing
6 the no project option in the event this EIR is somehow
7 certified.

8 I would like to thank you for coming to Santa
9 Barbara and hearing our comments.

10 CHAIRMAN DAVIS: Thank you.

11 Robert Sollen.

12 If I could ask each witness to limit themselves
13 to five minutes, I am anxious to accommodate all of the
14 people whose names I read before we break, and then I am
15 sure that there are a lot of people who are planning on
16 being here at 7:00 o'clock for the night hearing.

17 MR. SOLLEN: Members of the Board, I am Bob Sollen,
18 for the Sierra Club.

19 I will skip over many of the areas in my presentation
20 that have already been covered, first of which is the so-
21 called environmentally preferable alternative. I support
22 the county's contention that the impact report can't be
23 certified in its present form, because of the introduction
24 of an entirely new and unreviewed environmentally preferable
25 alternative is reason enough to delay certification.

1 The only thing that I want to say about that,
2 other than what's been said several times today, is that
3 there have been some comments that even if this is included
4 in the report it is 't binding on the permitting agency,
5 and I want to point out that this is going out not under
6 the consultant's name, but under the name of the Lands
7 Commission, the county, and the Corp of Engineers, and
8 it does become your policy if this is included in the certified
9 impact report. This has been referred to as a consultant's
10 alternative, but it is in your report. The consultant's
11 name is on it only as a consultant, and not as the preparer.

12 On drilling muds I would only repeat what's been
13 said--

14 CHAIRMAN DAVIS: Do you have an opinion on the
15 legal issue as to whether or not we are bound by that option?

16 MR. SOLLEN: No, no I don't, but what disturbs
17 me is that this is--I frequently practice law without a
18 license--this is repeatedly referred to as a consultant's
19 alternative--consultant's preferable alternative; but;
20 it is not the consultant's report. The report, on the
21 title page of each and every one of the documents, is prepared
22 by the State Lands Commission, County of Santa Barbara,
23 Corps of Engineers, so it is a policy you have adopted.

24 However binding that is, I don't know, but it
25 seems to me that it is rather serious.

1 On drilling muds, as has been pointed out already
2 this afternoon--this evening--we were assured at the previous
3 hearing on this same report--or on the draft report, that
4 that is not a consideration. The State Lands Commission
5 has not permitted this. The final report, however, points
6 out that this is an unresolved issue, and it is the barging
7 of drilling muds is recommended, but it is not included
8 in the project description, even though we get some assurance
9 this afternoon from the applicant.

10 I would like to talk about seeps for awhile.
11 One of my favorite subjects. At the October 24 hearing
12 last year, on the draft report, I requested that the final
13 report include numbers on how much gas was being trapped
14 by the ARCO devices placed over the gas seeps in the project
15 area.

16 Now, this experiment was specifically designed
17 as a mitigation measure for this project. It seemed pertinent
18 to have a report on its success, on its effectiveness.
19 The final report doesn't include these figures, although
20 it would have taken a couple of lines of copy to include
21 them. Instead we are told that we are going to get these
22 data when the application is made for the Authority to
23 Construct before the Air Pollution Control District.

24 I see no reason this information should be delayed.
25 Now, beyond that, and as the previous speaker

1 just stole my thunder, he discovered as I did that the
2 impact report tells us that some of this commercial activity,
3 industrial activity, such as reinjection of sour gas, could
4 increase the rate of seepage because it would increase
5 pressure under the ocean floor.

6 In the staff report for this hearing, we hear
7 just the opposite that this industrial activity is likely
8 to reduce the seepage because it would reduce the pressure
9 under the ocean floor, but the confusion is even worse
10 than that.

11 In a report prepared for the Lands Commission
12 ten years ago, the conclusion was that there is no connection,
13 no geologic connection, between the areas from which the
14 seeps emanate and the areas in which ARCO is operating,
15 either drilling or producing, or reinjecting.

16 Now, we have got essentially three opinions from
17 essentially the same agency. One says that the seeps are
18 likely to be reduced; one says they are likely to be increased;
19 and the other one says that neither is going to happen.

20 Now, the reason that you can take any position
21 that you want on the seeps, particularly in this area,
22 is because nobody can prove you are wrong. We don't have
23 the information.

24 I said at a previous hearing that the seeps too
25 long have been used by the industry as an excuse for all

1 oil found on the waters and beaches, and conversely by
2 others to put all of the blame on the industry. We have
3 everything but facts. Studies to date have been fragmentary,
4 underfunded, short term, and inconclusive; consequently,
5 we continue to get guess work, contradiction, and confusion.

6 A couple of point in conclusion on oil spill
7 probability. The report says there is no more chance of
8 an oil spill off of Isla Vista with additional platforms
9 because there is an already--there is already an oil platform
10 in place in the area. Now, this logic escapes me. With
11 each additional platform, the chances for a spill quite
12 clearly are increased; moreover, the report also asserts
13 that "Offshore oil processing would not increase the potential
14 for major oil spills since the large oil spills are associated
15 with oil extraction activity, and not with oil processing."

16 Now, this is an irresponsible statement. More
17 offshore spills have come from "extraction" than from offshore
18 processing plants, simply because there are very few offshore
19 processing plants, for good reason.

20 But, the potential for a spill from such a facility
21 is surely present. Pipelines and storage tanks can rupture,
22 valves can fail, and maritime collisions have a long history.
23 There is indeed more than one way to spill oil.

24 I would like to close by commenting on what I
25 call beneficial impacts. The report lists as beneficial

1 impacts public revenue, recreation, and tourism, and commercial
2 and sports fishing. I had not yet seen a study that indicates
3 that the public revenues will exceed the costs of public
4 services, particularly for the county, public services
5 to be demanded by this project, and to say that it will
6 enhance recreational activities, and fishing, is reaching
7 beyond credibility. Such assertions should be substantiated
8 or removed from the report.

9 For the reasons that I have presented January
10 13, I believe the project is not justified, but for now,
11 let it suffice to say that the impact report itself is
12 seriously deficient and must be corrected and completed
13 before we talk any more about the merits of the project.

14 Thank you.

15 CHAIRMAN DAVIS: Thank you.

16 Mr. Nigel Buxton.

17 If you could keep your remarks to five minutes,
18 I would appreciate it.

19 MR. BUXTON: Oh, less than that, I most certainly
20 hope. I am just about as tired and miserable as you must
21 be.

22 CHAIRMAN DAVIS: Well, it is like, "The check
23 is in the mail." I have heard that before.

24 MR. BUXTON: My name is Nigel Buxton, and I am
25 representing two sources, one myself and my wife as 17-year

1 residents on the ocean blufftop of Isla Vista, and also
2 as the Chairman of the Isla Vista Rental Property Committee,
3 a committee of the Santa Barbara Rental Property Owner's
4 Association.

5 The Isla Vista Rental Property Committee would
6 like to express its gratitude to the Commissioners for
7 allowing us and other concerned citizens of Isla Vista,
8 Goleta, and the Santa Barbara area, to inform you of our
9 concerns regarding the proposed Coal Oil Point Project,
10 in yet another public hearing in Santa Barbara, and I wish
11 to really thank you for saying that you will be coming
12 back again for the certification.

13 We of the IVRPC are greatly concerned with the
14 adverse impacts on the community of Isla Vista, which will
15 result from the proposed project. We are very appreciative
16 of the attention which the community of Isla Vista finally
17 received in the January 1987 EIR/EIS. It seems that people
18 do, in fact, live between UCSB main campus, and west campus,
19 and will be affected by the proposed project.

20 Many of the owners of rental property in Isla
21 Vista, which we represent, live in Isla Vista. We are
22 concerned not only with the impacts which the project may
23 have on our properties, such as reduced property values,
24 increased physical deterioration due to possible atmospheric
25 contamination, i.e. acid fog, et cetera, and the possible

1 loss of oil or gas from the reservoirs below our properties,
2 but also the impacts on the quality of life of the residents
3 of our properties, and the community as a whole.

4 The most obvious impact of the proposed project
5 will, of course, be visual. As is obvious from the views
6 of the proposed platforms, shown in Figures IV-4 through
7 IV -6, the impact will be hideously unnatural. Let us
8 not forget that Isla Vista means island view, not platform
9 view, and a most treasured one it is, not only to those
10 of us whose windows face directly on the ocean, but for
11 the many thousands, and I emphasize thousands, in the community
12 who enjoy the unique beauty of this view, and find solace
13 and strength in this untarnished bit of nature, in an increasingly
14 crowded and hectic world.

15 The visual impact of course can hardly be represented
16 by black and white mock ups. The true effect can only
17 be realized, unfortunately, with the placement of these
18 monsters, and it was shown very graphically by slides,
19 which I really appreciated.

20 There will also be noise, not only during the
21 construction, but also the day-to-day clang and bang of
22 machinery, of workers' voices, of helicopters and service
23 boats, not to mention the sounds and constant vibrations
24 from the drilling which will go on day and night, and will
25 be felt through the very bedsprings of our mattresses.

1 There will also be the odors, which will result
2 from the machinery, increased boat and helicopter traffic,
3 and planned flaring, which thank heavens, due to the miracle
4 of technology in two weeks no longer need to be done.

5 All of the above mentioned impacts, as well as
6 countless others, which I have not mentioned, will result
7 in the psychological impact on the residents of our very
8 dense little community of Isla Vista, which would be very
9 hard, if not impossible, to gauge. How could anyone measure
10 the effect of losing an obstructed view of the islands
11 and the ocean? Especially when the alternative is a view
12 of a major industrial complex only two miles offshore?

13 If this project were on land, the view could
14 be mitigated by some sort of physical barrier, made up
15 of vegetation or earth; but, what can be done when the
16 structure is on the ocean surface?

17 Even the relocation of the proposed Platform
18 Heron 1500 meters to the west would not alleviate the visual
19 impacts to any great extent.

20 For all of the above reasons, as well as countless
21 others, we of the IVRPC would like to see the no project
22 alternative considered strongly, but at the very least,
23 we request that Platform Heron be dropped from the proposed
24 project.

25 We are not insensitive to ARCO's desire to exploit

1 its leases; however, we see the oil as a resource belonging
2 to the people of California, who will need both the product,
3 as well as the revenue, and I emphasize this, far more
4 in the future than we do now.

5 We have no doubt that as the need for oil increases,
6 so with the methods for extracting that resource be improved.
7 We would, therefore, request that the oil be left in the
8 bank of mother nature until it can be withdrawn in a more
9 environmentally and aesthetically acceptable manner.

10 With respect to the remaining components of the
11 proposed project, we request that the Commissioners consider
12 the following:

13 ° That flaring be permitted only in the case of
14 emergency--and ARCO has done that already, thank you.

15 ° That no offshore processing be allowed. It seems
16 that ARCO doesn't want that either. That's good.

17 ° That commingling be permitted to reduce the number
18 of pipelines. That also seems to be underway.

19 ° And, that the alternative of subsea completions
20 be considered for the remaining platforms.

21 Thank you, again, for your attention, and the
22 opportunity to air our views.

23 I would like to apologize for the corrections
24 that were necessary, that I made in pen, but I did this
25 quite late last night and haven't had much time to do any

1 correcting.

2 As an individual who lives in Isla Vista, I would
3 like to emphasize again my appreciation for you obviously
4 taking the time and this is no easier for you, I am sure,
5 than it is for us to sit here and listen to all of this,
6 but we really hope that you will take into consideration
7 the massive impact that at least Platform Heron will have
8 on a very small community, which is very densely populated.

9 We thank you very much for your attention.

10 CHAIRMAN DAVIS: Thank you.

11 Jan Canby.

12 [No response.]

13 Okay, apparently she has left.

14 Frank McMurry.

15 [No response.]

16 Alan Hur.

17 MR. HUR: Good afternoon.

18 I'll says "Thanks" also for coming. It looks
19 like I am not going to make happy hour at the local sushi
20 bar. It ends at 6:00 p.m.

21 In the--I'm a commercial fisherman in Santa Barbara.
22 I am also the fishing industry's representative on the
23 Eggs and Larvae Study Group which the State of California
24 takes part in. I am also the local representative in offshore
25 oil and environmental concerns.

1 In the beginning there was one oil platform,
2 and we moved, and we said, "Oh, there is plenty of room,
3 there is lots of reef. There is room for all of us out
4 there." And, there was then 2, 3, 4, 5, 6, 7, 8, 9, 10,
5 and so on, of platforms. We have gotten backed into a
6 few last and very key pockets of areas of productivity, and these
7 are pretty much centralized around the reef areas in the
8 Santa Barbara Channel area.

9 And, this leads into what we are very concerned
10 about, in regards to this EIR and preceding EIRs and that
11 deals with the key in all of these EIRs that have been
12 overlooked, and that is consideration of all of the other
13 projects proposed and going on to date, consideration of
14 a cumulative effects of all of these projects on line at
15 one time, has been buried by the complexity of the process
16 of review for the projects themselves being reviewed individually.

17 There is a need to assess the cumulative effects
18 of all existing and proposed projects and how they will
19 effect the Santa Barbara environment when they are all
20 on line at the same time. That is what's facing us now
21 as an industry.

22 I would like to say that we are in agreement
23 with the county's position to the preferred alternative
24 to the ARCO project.

25 1. The single platforms.

- 1 2. The removal of the proposed Heron platform
- 2 from the project.
- 3 3. Onshore, rather than the offshore processing
- 4 of the oil.
- 5 4. Commingled transportation and processing,
- 6 as approved to the segregated option.
- 7 5. Development of alternatives to flaring.
- 8 6. Prohibition of onsite discharge of muds and
- 9 cuttings and drilling fluids, as it appears that ARCO has
- 10 already addressed.

11 We are the state's only access to this renewable
12 resource, known as fish. Our fleet in Santa Barbara has
13 been rich and colorful and a part of Santa Barbara and
14 California's history.

15 We ask the State Lands Commission to help us
16 remain productive within our industry and to not make us
17 bear the loss of access to these fishing grounds along
18 with the destruction of the hard bottom marine habitat
19 that insures that these fish remain a renewable resource
20 long after oil is gone.

21 With that, I thank you very much for coming to
22 Santa Barbara again.

23 CHAIRMAN DAVIS: Thank you.

24 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, if
25 I may.

1 I have a communication from the Pacific Coast
2 Federation of Fishermen's Associations, the PCFFA, from
3 Zeke Grader, and just for the record I thought--which I
4 have responded to and have talked to Zeke and we are having
5 meetings set up for early next month.

6 I would just like to put those into the record.

7 MR. HUR: I am familiar with that record.

8 Thank you, Claire.

9 EXECUTIVE OFFICER DEDRICK: Thank you.

10 CHAIRMAN DAVIS: Thank you for coming again.

11 Mr. Scherb.

12 MR. SCHERB: Since it is after 6:00 p.m. I would
13 prefer to wait until 7:00. Make it easier on yourselves.

14 Is that all right? Or, I can testify.

15 CHAIRMAN DAVIS: Fine.

16 Mr. McDermott.

17 MR. MC DERMOTT: I would prefer to wait until
18 7:00 o'clock.

19 CHAIRMAN DAVIS: All right.

20 Mr. Mike Stoker.

21 MR. STOKER: Mr. Chairman, honorable members
22 of the Commission, Mike Stoker on behalf of the Santa Barbara
23 County Chamber of Commerce, Energy Committee.

24 At the outset it should be noted that the Chamber
25 at this hearing is going to limit its comments solely to

1 the commingling issue.

2 From the Chamber's perspective, it appears that--

3 CHAIRMAN DAVIS: Has the Chamber taken a position
4 on this project?

5 MR. STOKER: --excuse me?

6 CHAIRMAN DAVIS: Has the Chamber taken a public
7 position on this application?

8 MR. STOKER: Not at this time, Mr. Chairman.

9 From the Chamber's perspective it appears that
10 a major policy decision may have to be made by the Commission
11 pertaining to the issue of commingling. The Chamber, although
12 we have explored various commingling processes which may
13 be available, does not wish to debate the issue at this
14 forum today; rather, we urge this Commission to instruct
15 your staff to continue working as they have, with the county,
16 ARCO, and other interested individuals, to resolve the
17 commingling issue.

18 The Chamber acknowledges the Commission's concern
19 that the state adequately account for the state royalty
20 interests, in the applicable oil tracts; however, just
21 as the Commission has a concern for the oil in place, the
22 state and this community also have an interest in providing
23 adequate environmental protections from the project.

24 Consequently, in the event the various staff
25 cannot provide this Commission with a guarantee of 100 percent

1 accountability, the Chamber believes that something insignificantly
2 less warrants approval of commingling because of the environmental
3 benefits to be derived. In this light, the Chamber believes,
4 with the appropriate findings, that the this Commission
5 could uphold its legal duties and approve a commingling
6 process, even if the process has not been proven beyond
7 a reasonable doubt to be 100 percent accurate.

8 Basically, with that in mind, what the Chamber
9 would be doing is in the event that this Commission approves
10 a project which would allow ARCO to go forth with some
11 viable alternative, the Chamber would deal with the specific
12 particulars, such as double platforms, processing, the
13 location of the processing facilities, at subsequent hearings
14 which would be held at the county.

15 Thank you, and again the Chamber would like to
16 thank the Commission for holding the certification in
17 Santa Barbara.

18 CHAIRMAN DAVIS: Thank you.

19 Pardon me?

20 Yes, one little piece of housekeeping. There
21 is a copy of the Minutes of our previous meeting here,
22 before the Commission, and I neglected to take that up
23 at the outset.

24 MOTION] COMMISSIONER ORDWAY: I recommend their adoption--

25 CHAIRMAN DAVIS: All right.

1 The Minutes are unanimously adopted from the
2 January 13 meeting in Santa Barbara.

3 We will recess until 7:00 o'clock.
4

5 Recess: 6:10 p.m. -- 7:10 p.m.
6

7 COMMISSIONER ORDWAY: Since we do not have a
8 quorum, we will wait until Commissioner Davis arrives.
9

10 7:15 p.m.
11

12 CHAIRMAN DAVIS: We are going to commence the
13 7:00 o'clock portion of our meeting today, and take up
14 where we left off.

15 We had about a four-hour session this afternoon,
16 during which time a number of issues were aired.

17 Those of you how happened to be here in the afternoon,
18 I hope that you will do us the courtesy of just raising
19 new issues, or making different points that the Commissioners
20 have not yet heard.

21 We have a number of witnesses that we want to
22 have an opportunity to hear from.

23 The first witness is Mike McDermott.

24 MR. MC DERMOTT: Good evening. My name is Michael
25 McDermott, and I am of Santa Barbara. I am a 1979 graduate

1 of the California State Maritime Academy, and I have years
2 of experience as a licensed officer in the offshore maritime
3 industry, particularly the offshore oil industry. I also
4 have years of experience as a participant in the environmental
5 impact process, as well as having put in written comments
6 to the ARCO Coal Oil Point Project.

7 What I have tonight is a cover letter this long,
8 and this much background, which I will be using very sparingly
9 to back it up.

10 Basically, the EIR has done a very poor job of
11 responding to the citizen comments presented in the draft
12 report. It is in many respects an academic farce with
13 no foothold in the real world.

14 The type of Systems Safety assumptions contained
15 herein are the magnitude to rival those that caused the
16 disastrous loss to the shuttle Challenger last year. There
17 is a tremendous need for the State of California to do
18 some realistic investigation into the true facts of the
19 offshore safety issue before the dire consequences of our
20 unpreparedness for a maritime disaster hits home.

21 What I have got is, I responded to--the EIR responded
22 to my comments in their Response to Comments by Individuals.
23 I have responded back to them with the aid of newspaper
24 articles, clippings and so forth, which I will just mention
25 in passing, okay?

1 The first one, Response No. 71, claims that this
2 Environmental Impact Report was produced independently
3 of oil company data. I would call your attention to No.
4 1 and 2, which concern a botched blow cut preventor test
5 at a Texaco Harvest Platform recently, which resulted in
6 the falsification of safety data, and the subsequent coverup.

7 This claim that they don't rely on oil company
8 data shows a serious lack of understanding in the originators
9 of most safety data, and of the many different pressures
10 that are on those who generate it.

11 I would like to just comment from the editorial
12 page of the Santa Barbara News Press. They illustrate
13 invariably how vigilant the perennial distance between
14 theory and practice must be patrolled if things purchased
15 at such great cost to protect people in their environment
16 are to be guarded against the fallibility of people. Human
17 error is the biggest cause of accidents in the maritime
18 industry.

19 Point No. 78 concerns the--comments regarding
20 a fire boat response for the offshore maritime issues.
21 They are relying on the fire boat report--or the fire boat
22 recommendation currently being considered by the County
23 Planning Commission. This is a seriously flawed document
24 that has not been subjected to citizens' comment or review,
25 and yet this inadequate systems proposal may be the only

1 maritime fire response proposal for the entire Santa Barbara
2 Channel, including the ARCO Project.

3 I would suggest the state needs to take a look
4 at this, and not abdicate safety responsibility for its
5 coast and near-coastal waters, to a local Planning Commission.

6 Response No. 77 talks about traffic considerations
7 as far as collision and other problems with vessel transiting
8 this channel. This increased traffic does not take into
9 account the magnitude of change that will result from the
10 use of Alaskan oil tankers to off load at Santa Barbara.
11 I remind you of the Celeron Pipeline Corporation is currently
12 suing the county for \$7 million. I think that is kind
13 of a smoke screen, because I think the primary thrust of
14 their suit is to "An interstate pipeline, the project is
15 under the exclusive jurisdiction of the federal Department
16 of Transportation. Federal law preempts local jurisdiction
17 over the transportation of hazardous liquids and pipeline
18 facilities."

19 Attached to this is also a article about how
20 Standard Oil plans to acquire the Celeron Pipeline, and
21 industry sources have recently said that 330,000 barrel
22 per day capacity pipeline could easily accommodate the
23 north slope oil that is now transported to Texas and Louisiana
24 and other markets.

25 In short, the County of Santa Barbara's Pipeline

1 Policy has failed to eliminate the need for marine tankering,
2 and instead they have brought an interstate commerce common
3 carrier to the shores of Santa Barbara, and if you attempt
4 to stop ARCO, or any other corporation, from bringing its
5 Alaskan oil onshore at Santa Barbara, you will be running
6 into direct conflict with federal laws regarding a restraint
7 of trade.

8 Now, as far as the state level is concerned,
9 currently many tankers off load in either San Francisco, or
10 Los Angeles. We have pipeline considerations for piping
11 the oil from the channel to these places. If these pipelines
12 are in place are you going to deny ARCO or whoever the
13 opportunity to access their own equipment to deliver their
14 own oil to their own refinery? Instead of taking it to
15 Los Angeles, and doubling the time it needs to be handled
16 by lighterage to another vessel? Adding to pollution,
17 et cetera.

18 I think the EIRs to date have basically ignored
19 the maritime trade and oil industry trade issues that need
20 to be considered, because Santa Barbara Channel has developed
21 into a large and very important port complex.

22 Response No. 83, they were uninterested in the
23 composition of the fleet that is currently operating in
24 the channel. Well, I would like to point out that World
25 War II vintage, T-2 tankers, currently sail close by off

1 Coal Oil Point while regularly making down wind approaches
2 to the Exxon OS&T. This seems to have made no special
3 impression on the EIR producers, as far as the difference
4 between a World War II vintage tanker, and a modern safety
5 equipped tanker.

6 For example, there tends to be a thought that
7 what happens offshore will stay offshore. For instance,
8 it is like an automobile wreck, it is going to stay in
9 the same place. This simply isn't true. I myself was
10 on a 70,000 ton crude oil tanker, headed south bound off
11 of Point Reyes for San Francisco. We were seven miles
12 off of Point Reyes when the vessel lost all power. In
13 other words, she coasted with her rudder over. She came
14 to a stop three miles off of Point Reyes, pointed in the
15 opposite direction, so 1000-yard safety zones, and so forth,
16 really don't make a whole lot of difference when you have
17 a potential for a collision, or a casualty that can carry
18 on for miles, literally, and wind up on your shores.

19 There has been a port in operation off of Coal
20 Oil Point for some 60 years, and yet has never produced
21 a dime of revenue for the County of Santa Barbara. This
22 report should at least acknowledge this oversight and the
23 lost revenue as the result, particularly in the light of
24 the sad story that the City of Richmond, California, which
25 currently has the largest oil importer in the San Francisco

1 Bay area, the Chevron Corporation, moving the greatest
2 amount of oil in the bay area over their docks, without
3 any control or revenue from it, because they did not have
4 a Port Authority in place prior to the advent of port terminals.

5 I have already made the point about federal restraint
6 of trade laws. I think that is a very, very serious point
7 that this--the state and the County of Santa Barbara, need
8 to understand the nature of the game they have bought into.
9 This isn't a penny-ante poker table, and when you start
10 dealing with the Department of Transportation, especially
11 considering President Reagan's State of the Union message,
12 where he was talking about freeing up trade, and lifting
13 barriers to trade, and we are saying that you can't bring
14 these tankers in? This should have been considered long
15 ago before these pipelines were ever produced.

16 Project impacts have been consistently underestimated
17 to a major degree. I counsel you to be wise consumers
18 and research well the full meaning of what you are buying.

19 I would like to bring again to your attention,
20 in light of that presentation, here are two articles, one
21 by the Secretary of Energy, and one by the head of the
22 American Petroleum Institute. I find it particularly ironic
23 that at this late date the head of the American Petroleum
24 Institute has finally called for a dialogue on American
25 energy issues, including alternative renewable sources

1 of fuel.

2 The fact is, the oil is running out very rapidly.
3 Mr. Ranger talks about getting the last 30 million barrels
4 out of his reserve. Well, to put that in proper perspective,
5 30 million barrels is two-days' worth of domestic supply
6 for the United States, which we turn into air pollution
7 almost immediately.

8 So, the magnitude of the amount of oil that we
9 are talking about must be gauged in comparison to the use
10 and to our imports.

11 What is your--I counsel you to use the perspective
12 of your rank, and your position in this state, to view
13 this channel as one operation, and to take a look at the
14 true impacts in trade and other issues that are coming
15 down here, and not to be focused on the trees, and forget
16 the forest.

17 Thank you.

18 CHAIRMAN DAVIS: Thank you.

19 Mr. Martin Kellogg.

20 MR. KELLOGG: My name is Martin Kellogg. I
21 am a naturalist and environmentalist, and have lived in
22 Isla Vista for about 19 continuous years, and desire to
23 live there the rest of my life because of the wonderful
24 microcosm of California nature that exists on, or immediately
25 adjacent to, the little mesa occupied by UCSB and Isla Vista.

1 This includes fresh and salt water communities, sandy beach,
2 rocky points, including one of the best points in all of
3 Southern California for viewing the multitude of sea birds
4 during migration, marsh, coastal sage scrub, grassland,
5 and oak woodland, pockets of the once global garden of
6 Eden.

7 I have to start off by saying that you are having
8 sent me unsolicited a set of the mammoth final EIR, was
9 a gross and insulting waste of earth resources. I can
10 very well use copies at the library.

11 The next point. UCSB already has one industrial
12 blight in its immediate environment, a noisy airport and
13 its approach space, and can't much absorb more.

14 My next point. As the EIR recommends for any
15 new platforms, I ask that you require all lights on the
16 existing Platform Holly be shielded from shining directly,
17 or indirectly, from illuminated surfaces, towards Isla
18 Vista and UCSB, insofar as compatible with safety, to minimize
19 light pollution of the otherwise dark night sky, to the
20 south of our community, an unusual resource, this dark
21 night sky, for an urban area, permitting recreational experiencing
22 of the heavens.

23 Concerning any new platforms, humanity as presently
24 behaving is far from responsibly handling the petroleum
25 already developed, since among other things, it is most

1 heedlessly combusting fossil fuels at a great rate, especially
2 in the U.S., which is burning about a full four times its
3 per capita democratic share in the world, despite the great
4 danger of creating a global green house effect by this
5 irresponsible combusting of fossil fuels, which effect
6 in warming the planet, could well melt all icecaps and
7 glaciers which would raise the oceans about 250 feet, flooding
8 the generally most concentrated areas of civilization in
9 the world, make the U.S., bread basket of the great plains,
10 a regular desert, and similar agricultural disasters throughout
11 the world, undoubtedly including California, and so forth.

12 Such a full scale green house effect may be irreversibly
13 entrained before much initial climatic change is observed
14 at all, so you just can't just stop once things start changing.
15 It may be too late.

16 So, you don't give a person that is irresponsibly
17 handling a resource, more of the same resource.

18 Also, if new exploitation of this oil field occurs
19 now, it would disregard much of the future and those who
20 would have to live in it, by ignoring the preceding danger,
21 causing an increment of public demoralization, since there
22 are much better ways at the moment for meeting honest energy
23 needs in the world--conservation and solar are largely
24 underutilized.

25 Such exploitation of the Coal Oil Point field

1 would also exhaust yet another part of a nonrenewable resource,
2 which with the foregoing, would feed the end of the world
3 mind set that is presently largely ruling this nation and
4 in sad fact is working to fulfill as many preconditions
5 as it can for an armageddan-like world nuclear holocaust,
6 and after all is said and done, policy that is astronomically
7 anti-democratic and human beings do not have the right
8 to help destroy a creation they cannot replace.

9 Thank you.

10 CHAIRMAN DAVIS: Thank you.

11 The next witness is Mark Srednicki.

12 [No response.]

13 The next Robert Klausner.

14 MR. KLAUSNER: Good evening. My name is Bob
15 Klausner. I am representing Citizens Planning Association
16 here in Santa Barbara.

17 It is a little hard keeping up with this process.
18 We had written some rather extensive comments, and apparently
19 you folks, or somebody this morning, through meetings have
20 made most of our comments less than meaningful, because
21 you apparently are on a track of resolving some of the
22 basic issues that we saw that were going to create some
23 very, very serious process problems, dealing with the issues
24 of commingling, issues of the double platforms, issues
25 of the flaring, et cetera, et cetera.

1 We are also delighted that you have rescheduled
2 this process somewhat so that we at least have an opportunity
3 to respond to the staff report, which we think is going
4 to be important to us to be able to respond to, so that
5 you are able to balance our input versus what you are getting
6 from staff, and for that we really thank you.

7 A couple of comments in regard to the certification
8 of the EIR, which is the primary reason that we are here
9 this evening, I believe, although sometimes I get a little
10 confused as to what our purpose is.

11 We really feel that the process got off to a
12 horrible start when you have almost four feet of document,
13 and there is still a question of whether or not that EIR
14 can be certified. We think it is an abuse to the applicant.
15 We think it certainly is an abuse to the people who are
16 involved, but at this stage of the game, with all of those
17 dollars spent, there should not be any question at all
18 about whether that EIR is certifiable.

19 One of the things that we are concerned about
20 is the final document indicating the preferred scenario,
21 and we certainly don't believe that the information in
22 the document substantiates the finding that the consultants
23 came up with as having the final scenario as being preferred.

24 Apparently, through some of the negotiations
25 that are starting to happen, as the result of impetus you

1 created a few weeks ago, you will end up possibly with
2 a resolution of our problem, agreement on the part of ARCO,
3 agreement on the part of the county, the UCSB, the public,
4 and your Commission, with a result that will be entirely
5 different than what the consultant at this stage has come
6 up with as being the preferred scenario, and we would much
7 prefer to see a final document that you feel comfortable
8 with, that comes to a conclusion similar to what the consensus
9 is for good environmental reasons that you can then make
10 a finding, we have a project, and the project can be supported
11 with findings that are appropriate.

12 We would hate to be fighting the document, and
13 we think at this stage of the game, we are potentially
14 in a situation where we will be fighting the document,
15 if it stays the way it is.

16 The whole concept of coming with a final document,
17 with a preferred scenario, at this stage of the game, that
18 has not weathered adequate review, to us is something that
19 we are not accustomed to, and we would like that whole
20 issue reopened before you certify, and between now and
21 the time of certification, to try and clean up that issue,
22 if you possibly can.

23 Everything else that has happened here today
24 makes it unnecessary for me to comment on the balance of
25 the process that we saw going astray, and which we are

1 most anxious to have go in a straight line, because you
2 have to remember that Santa Barbara is probably the place
3 where you have the best example of process, and we have
4 had projects go through here, really, considering their
5 size, without much difficulty, and we have the worst examples
6 of process, that we are still working on, as you know,
7 in regard to Exxon.

8 And, we don't want to have that kind of a situation
9 here, in regard to being adverse to you, or adverse to
10 ARCO.

11 One other comment that I would like to make,
12 and that is in regard to how you ultimately approach this
13 project at some point after your certification, and that
14 is in regard to the issue that has been brought up here
15 on a number of speakers, in regard to Heron. You are going
16 to have to make a determination as to whether or not Heron
17 is in or is out, and that could be a very critical decision
18 on your part, and we would like you to reflect between
19 now and your decision making time on the following:

20 It is our feeling that we have no energy, national
21 energy, policy. We ran some figures the other day, and
22 by the stroke of the pen, last year the federal government
23 in relieving the automotive industry of having to meet
24 fleet standards for energy efficiency, or fleet efficiency,
25 they reduced an opportunity by six percent for our saving

1 gasoline. Now, if you take six percent on fleet consumption,
2 automobiles that will be produced now until the end of
3 this field, the number--or the amount of oil that is going
4 to be needed will be twice the amount that the whole field,
5 from tidelands, and from offshore in the federal waters,
6 can produce.

7 So, we say to ourselves, how important is it
8 for us to be producing when on the other side of the equation,
9 on the demand side of the equation, the federal government,
10 either because of lack of policy, or by intent, is increasing
11 demand faster than what you are going to get out of this
12 whole channel.

13 It makes no sense to us, but it is within that
14 context that I ask you to think about whether or not it
15 is important that we have Heron? Whether or not it is
16 important that we have the balance of the field developed
17 at this time. It is something to reflect on.

18 Thank you very much for your time.

19 CHAIRMAN DAVIS: Thank you.

20 The next witness is Richard Huff.

21 [No response.]

22 He apparently is not here.

23 The next is Marc Evans.

24 COMMISSIONER ORDWAY: Marc spoke this afternoon.

25 CHAIRMAN DAVIS: Okay.

1 John Rinker, Dee Heckman, Michael Lupro, Mike
2 Weiss, Robert Gibson, Holly Rigney, Marie Finnigan, Francine
3 Allen, David Landecker, Michael Herald, Joseph Faust, Liahna
4 Gordon, and I think this fellow spoke, too, Andrew Zink.

5 Andrea Margolis, Ken--did someone give me the
6 wrong list here? This is getting a little ridiculous.

7 COMMISSIONER ORDWAY: No, I think that what
8 happened is that this afternoon many of the students that
9 were here signed up to speak. Given the hour that we ran
10 to, most of the them consolidated their statements so that
11 just a few of them spoke, and so you probably will have
12 to run through several more names to weed out the folks
13 that were here this afternoon, and not here this evening.

14 CHAIRMAN DAVIS: All right.

15 Ken Brucker, Charles Kitterman, Bruce Murdock,
16 Marc McGinnes.

17 [No response.]

18 Gary Fausone.

19 MR. FAUSONE: I like most of the people you just
20 read off of that list am a student at UCSB. I have lived
21 in Isla Vista for over four years, and continue--will continue
22 to live there after graduation.

23 I have been a scuba diver for two years, and
24 have dove in Santa Barbara Channel off of the coast of
25 Isla Vista for an average of about one a week for the

1 last two years.

2 And, aside from the air quality issue, something
3 that hasn't really been touched on yet, is the fact that
4 the water quality off of the coast of Isla Vista is already
5 bad. It is not going to get any better, but I think the--
6 from what all has been said, any offshore oil development
7 is going to have an adverse effect on the quality, and
8 the ecosystem off of the coast of Isla Vista.

9 In short, the--I will be brief--as Dr. James
10 has said, the rigs, the muds that they will produce, the
11 berium induced muds, will have a dire effect on populations
12 of crabs and lobsters, which the fishermen in the Santa
13 Barbara area frequently, almost daily, set traps for, right
14 off of the coast of Isla Vista.

15 I am not sure if a lot of people know this, but
16 Isla Vista is probably one of the only areas, within about
17 25 miles in either direction, that has a large population
18 of lobster and abalone, outside of the Channel Islands.

19 These fishermen could be in dire need, if the
20 rigs went up because therefore there would be no lobster
21 or crabs and their livelihoods are at stake.

22 One other thing that was brought up today by Dr.
23 Case was a cooperative research effort for the university--
24 with the university and ARCO together. Well, on thing
25 that I wanted to say about that was, it would be nice if

1 that came about, but I believe what the research effort
2 would be, is a finely chronicled statement on how an ecosystem
3 that has already been damaged, is completely driven into
4 the ground by oil production off of the coast.

5 The marine lab, which has its intake for their
6 seawater outlet, directly underneath the place where they
7 want to put Platform Heron, is--would--the tailing from
8 just the putting of the platform there, would probably
9 render the marine lab's intake for water useless.

10 This would be, in effect, moving UCSB's marine
11 lab to Barstow. I mean, what is the point of having a
12 marine lab on the water, if you can't use the water that
13 is out there? It is probably the reason why UC Riverside
14 doesn't have a marine lab.

15 COMMISSIONER MC CARTHY: They don't have a med
16 school, either.

17 MR. FAUSONE: Neither do we.

18 But, and so that is basically all that I would
19 like to say, and one other thing is that, keep in mind
20 when you are making these decisions, that in 1969, when
21 the oil spill happened, I was four years old. It is 18
22 years later, and the channel still has not fully recovered
23 from that.

24 I would hope one day my children wouldn't have
25 to be explained--I would not have to explain to them

1 what happened 18, 20, 30 years ago, to the channel, if
2 you know, another spill happened, because the more rigs
3 out there, the more chance for an oil spill, and in the
4 EIR report it says that a transportation problem is--accident
5 is likely.

6 If those types of things are built into the system,
7 then I am not sure that I can agree that the cost for what
8 you are getting is equal for what you are giving up.

9 Thank you very much.

10 CHAIRMAN DAVIS: Thank you.

11 Kimberly Coy.

12 MS. COY: My name is Kimberly Coy, and I am an
13 Isla Vista resident.

14 I am happy to report that I did find a baby sitter
15 this time, so that I did not have to bring my little girl
16 again, but I am unhappy to report that I did not get to
17 read all 9000 pages of the report; therefore, my speech
18 is based not on fact, as I would like, but on presumption,
19 which is a danger from hearing from an improperly informed
20 public.

21 I will paint a picture for you, a picture not
22 built by brushes and canvas, by paint or chalk, but a picture
23 constructed of histories and human nature, and the natures
24 of individuals.

25 The picture that I paint is of a small seaside

1 community on a bluff overlooking the Pacific Ocean. It
2 is the town of Isla Vista, which means view of the islands.
3 It is a small place, still with grassy fields for kids
4 to play ball in, and on paved roads to bike on or to hike
5 to the beach on, still with time to watch a spider weave
6 a web by the rose trellis, with a high grass bordered dirt
7 path where a seven-year old walked to school last week,
8 taking time to daydream and become--and chanced upon a
9 heron, graceful white, there alone before her, a meeting
10 of tamed, and untamed, where each met almost eye to eye,
11 observed the other and went their separate ways, as it
12 should be, a balance of all nature, a heron, of all things.

13 There are other parts of the picture, paved roads
14 and grocery stores, and parks with trees, and great importances
15 being discussed over pitchers of beer in sidewalk restaurants
16 by sophomores and seniors.

17 An other importance is being remembered by impromptu
18 parades of different drummers of the '60s. Isla Vista,
19 a town of character and characters. It is the home of
20 the Isla Vista Coast Guard, a small but proud fleet, largely
21 unsung for its lonely night vigils in platform infested
22 waters, checking on yet another spate of natural seeps.

23 It is the home of deposed rulers of three duchies
24 of Isla Vista, formed during the years during three separate
25 successions from the United States, leaders who shrugged

1 and just went back to work the next day when nobody cared
2 if we succeeded.

3 Another part of the painting, the beach, where
4 a sand piper pecks at a crab, and where man, in various
5 ways confronts the final frontier, mother ocean. All in
6 all, a nice painting.

7 Now, I paint another picture constructed of histories
8 and human nature and the natures of individuals of avarice,
9 power, fear, ambition. It is the picture of the town after
10 construction of Platform Heron, only 1.8 miles off of the
11 shore, only 10,000 feet from my house.

12 The town is ARCO Vista, a company town. A rental
13 truck arrives at a small house on Trigo Road, and Sabado
14 Tarde, or Fortuna Lane, it could be any of them. It has
15 been happening a lot more and more lately. The truck is
16 not a moving van, though it is full of furniture. The man
17 behind the wheel eases the truck into the driveway and
18 turns to see his wife and children running outside to greet
19 him.

20 Well, they are not exactly running. They have
21 been warned against too much physical exertion, but they
22 are wearing gas masks, and they bring him his, for it is
23 a bad day in ARCO Vista. The winds have shifted again,
24 and the company issued another warning on the platform
25 just yesterday.

1 As this family moves its belongings into
2 the house--they got at a very good price, the father
3 called it a steal--life on Trigo Road goes on in the
4 shadow of the steel skeleton that signaled death of a
5 city.

6 Most of the old residents are gone now. Some of
7 them left several years ago when the first accident occurred
8 and three people died. The elementary school grounds were
9 cleared in record speed, and only two children were
10 unaccounted for--found dead later, the third was an old
11 woman.

12 People said that it was sad, but doctors were
13 quick to allay the panic. They said, "People never knew
14 what hit them. They didn't even smell it. Their olfactory
15 nerves were shocked into disfunction, and their lungs
16 exploded. There were dead within probably 15 minutes."

17 That is all it takes, is six parts per million.

18 Then there was the time the Harrison child,
19 only six years old, lost all of his hair. "Alapiezieri" [sic.]
20 of the head, the doctors called it. Nervous disorder,
21 from the constant clang, clang, clang, of metal against
22 metal, every minute of every day, every night, year in
23 and year out, from the time that child was born.

24 And, then there were the Johnson's, bankrupted.
25 Well, the house had been on the market four years, and

1 the best offer sent Mr. Johnson into such depression that
2 he lost his job at Delco, and Mrs. Johnson had to take
3 up selling her hand crafted wreaths, but that didn't bring
4 in enough money to keep her three kids in shoes.

5 Their place fell into pretty bad disrepair during
6 the years they tried to tough it out, and no one knows
7 where they are now.

8 The house was bought at the Sheriff's sale, and
9 another rental truck pulled up. Those people didn't wear
10 gas masks, when they moved in. That had been a good day
11 in ARCO Vista, company town.

12 About the only other thing of note, was that
13 terrible unpleasantness down outside of Pruitt's Market
14 when one of the worker's wives was--well, she was mostly
15 just scared. That used to be a pretty nice area until
16 the university had to lower admission standards to keep
17 enrollment up. Now, there is just a different breed of
18 person hanging around there. Somebody said it might have
19 been a half-crazed former home owner wanting her house
20 back.

21 All in all, not a nice picture.

22 Ridiculous? Perhaps, but based on studier rules
23 of logic then this illogical piece of bureaucratic puffery
24 they call the EIR.

25 I ask please, no Platform Heron. I ask please,

1 an EIR that is logical and consistent in its data and
2 recommendations. And, I ask please, hydrogen sulfide studies,
3 including results that are consistent with itself.

4 Supreme Court Justice Oliver Wendall Holmes had
5 something to say about responsibility to the public when
6 he questioned actions that are "of such a nature as to
7 create a clear and present danger, that they will bring
8 about substantive evils."

9 As members of the State Lands Commission, you
10 will choose which picture the State of California will
11 paint. Your future state, and possibly national careers,
12 will be made in part with this decision. It starts here,
13 in this town, named whatever you choose, as the result
14 of this hearing. Will it be Isla Vista? Or ARCO Vista?

15 Thank you.

16 CHAIRMAN DAVIS: Thank you.

17 The next witness is Greg Thayer.

18 MR. THAYER: Hello, my name is Greg Thayer. My
19 comments will be very short. I think you will appreciate
20 that.

21 I come from Ventura County. I live in a place
22 called Camp Bartlett. ARCO and Camp Bartlett have existed
23 for almost 60 years. They have extensive oil development
24 on our property, and you know, the property is still quite
25 beautiful.

1 ARCO has consistently shown concern for the needs
2 of Camp Bartlett, and for the people that live around the
3 upper Ojai Valley. They have helped us with bridge rebuilding,
4 road repair, all sorts of stuff.

5 I think that what the whole issue here boils
6 down to is that ARCO and the oil companies in general are
7 sort of down on their knees. They are in a position where
8 you can squeeze them for a little more of a concessions,
9 then what you will get in a few years from now.

10 Five or ten years from now, you know, there is
11 probably going to be a continuing oil crisis, and there
12 will be all sorts of screams for development just as soon
13 as the people can't drive their cars to hearings like this,
14 and development safe guards, environmental concerns, will
15 be put by the wayside. You know, they will just be forgotten
16 in the huff to get some oil sucked out of the ground.

17 I think, essentially, my comment is that this
18 oil development is going to happen. This basin is going
19 to be sucked dry eventually, essentially to service the
20 people here in California, in Isla Vista, who like to drive
21 their cars, and I see no reason to think that you have
22 any way of cutting a better deal than right now, when the
23 oil companies are essentially in a position where they
24 will cut a better deal.

25 That's my comment.

1 CHAIRMAN DAVIS: Thank you.

2 The next witness is Evan Oliver.

3 MR. OLIVER: Hello, my name is Evan Oliver. I
4 have grown up in this area. A Ventura High School graduate,
5 two years a student at UCSB, UC graduate, two times a resident
6 of Isla Vista, permanent county resident for over nine
7 years. I have a sail boat in the harbor, and I enjoy sailing,
8 and I have also worked in the oil and gas industry for
9 the last nine-and-a-half years.

10 And, I come here because I am kind of upset about
11 some of the arguments that I hear, pro and con, against
12 this project. It doesn't seem that any of it really touches
13 on the real issues. We hear so much of that, the visual
14 impacts of these platforms on the campus, and how this
15 is going to affect the people's ability to live in this
16 community, and how it is going to affect the university's
17 ability to teach, and to go on as a educational institution.

18 In my two years there, the first year I lived
19 on campus. I never knew that Platform Holly, the existing
20 platform, existed. I never saw it. I never heard it.
21 I never smelled it. I never saw it.

22 Later, when I moved to Isla Vista, I saw it one
23 time when I was down at the beach at night. It is not
24 a real imposing structure. It is not something that you
25 notice right off of the bat and offends you.

1 If you go to the beach here, up and down the
2 coast, and look at the existing platforms in the state
3 waters, you will see that though they are recognizable
4 and stand out at night, you can take you thumb and put
5 it at arm's length and not see it any more. It is gone.
6 It isn't a big thing that blocks out the ocean.

7 I have heard talk of all of this gas that is
8 going to kill everyone in Isla Vista. I have worked out
9 there on Platform Holly for nine-and-a-half years--not
10 for ARCO, but for a contractor--and never once had to don
11 a gas mask to save my life. In instances where the people
12 use those is to repair certain pieces of equipment, where
13 you get inside of a vessel, or something like that.

14 But, there never was any instances where all
15 of the workers had to put on gas masks.

16 I think that ARCO's safety record out there has
17 been very good, and that there hasn't been any big upsets
18 out there, or anything like that, that has caused people
19 to have to take these measures, and I think you have got
20 to look at that in viewing the safety systems, and all
21 of that.

22 There hasn't been this kind of thing happening
23 before. What happened on Platform A, happened before they
24 knew as much about how many casing strings to run. They
25 only ran about three casing strings in those days, and

1 now they run five or six--up to five and six, which reduces
2 the chance of blow outs.

3 Back to the visual impact thing. There is no
4 place on the main campus, that I am aware of, where you
5 are walking from one classroom to another classroom, where
6 you can see the ocean, nonetheless, any of these structures.

7 If one wants to go down to the beach, or something,
8 then the ocean is apparent, but there is no place where
9 you walk from one classroom to another classroom. They
10 are essentially windowless rooms, that you even see the
11 ocean. You can go to various points on the campus properties
12 and see the ocean, but from the main part of the campus,
13 where the schooling supposedly takes place, there is no
14 view of the ocean.

15 I read in the newspaper two days ago that the
16 campus got 7000 more SAT scores sent in, than they did
17 the year before. There has been talk about raising the
18 enrollment at UCSB, a considerable number. There are environmental
19 impacts that coincide with this kind of action, also. UCSB
20 is attempting to bring more residents into the area. I
21 think that the chancellor speaks out of two sides of his
22 mouth when he wants to bring in population, and also wants
23 to cut any kind of economic kind of development in the
24 area.

25 There are people who grow up in this area, and

1 would like to be able to stay in this area, would like
2 to be able to get a job and work in this area, and this
3 industry has provided quite a few jobs in this area.

4 The company that I work for is a local Santa
5 Barbara County contractor, based out of Carpinteria. The
6 guy that founded it is a local person. The people who
7 work with me, most of them, were raised and educated, or
8 went to high school, in this area. I have three people
9 working for me in the last couple of years offshore, and
10 all three of them went to high school in the Carpinteria
11 or Santa Barbara area, and grew up here, were born and
12 raised here, essentially, and it is nice to be able to
13 have a job in this area, where one can support themselves
14 and live, because the price of housing is so high that
15 there are very few avenues open to people to live and work
16 in this area.

17 The oil and gas industry offers a relatively
18 decent wage, and it is nice to be able to stay around.
19 It is one of the reasons that I have been able to stay
20 around.

21 I think that some of these socioeconomic impacts
22 that people are worried about, due to this project, could
23 be mitigated if local construction companies and such were
24 preferred, and worked on the projects, and also if the
25 projects were paced in a manner that one platform, say,

1 was built after another, and that it was on ongoing project
2 where you didn't bring in a lot of workers for a very short
3 period and spaced it out over a time, which would probably
4 happen anyway, and then the effects of the people moving
5 into the area, the schools being overcrowded, and such,
6 would be held to a minimum.

7 I think we haven't heard a lot of bad things
8 about ARCO's existing project in the past and I think
9 that ARCO could go on to be a good neighbor for the county.
10 They have certainly bent over backward in these hearings
11 and so forth, especially allowing the delay here for more
12 people to be able to look at the issue, and respond to
13 the issue.

14 I have gone twice to the County Resource Department,
15 and looked at the EIR, and on neither occasion was there
16 anyone else in there. This is since the last meeting that
17 you had here, and on neither occasion were the library
18 loan copies checked out. One of these instances was last
19 night, the night before this meeting, when I felt that
20 I would probably run into some problems with maybe some
21 other people being in there, but I was in there until closing
22 and no one else was in there looking at these.

23 So, I really wonder about the rationale behind
24 delaying and not getting down and making decisions one
25 way or another on this project. I think that if you put

1 this off, what you have here in this potential oil field
2 there is a resource--or some people seem to see it as a
3 liability--but it is not going to go away. It will be
4 developed, or it won't be developed, and if you put it
5 off, there will be a time when oil will raise again in
6 price. Oil has been a cyclical thing and goes up and down
7 and if it is \$35 a barrel, and it is a matter of national
8 security, I don't think that you will be able to strike the same
9 kind of a deal as you are now, and I don't think that the
10 public will have the same kind of input.

11 So, I would like to see you people pass this
12 project, and with whatever safeguards you would like to
13 see, and let this thing go on.

14 Thank you.

15 CHAIRMAN DAVIS: Thank you.

16 The next witness is Joan Marie Michelsen.

17 MS. MICHELSEN: One thing before I start in with
18 my comment, is that I do appreciate the fact that you have
19 had this second hearing down here again, and that we have
20 had extra time to go over our EIRs.

21 We haven't had to spend a lot of time in the
22 library because we have all been served at least one copy.
23 I personally have more than one.

24 As a political science major up at UCSB, I have
25 found this whole process really very interesting, because

1 to me it has shown the conflicts between what the overwhelming
2 majority of the people want, which we can see by the attendance
3 here, by the applause to speakers, and by the comments,
4 and by what a few small interests groups want.

5 We looked at the old EIR, all umdillylump pages
6 of it, and found that it was atrocious. We looked at the
7 addendum and found that it helps, but it still is not sufficient
8 and still does not address the issues that we feel need
9 addressing.

10 It still does not cover the issues of Isla Vista.
11 As you can see by the number of Isla Vista residents here
12 we are not happy with it, because it is not adequate.

13 One way that would properly address the issues
14 of Isla Vista and the only real solution that I can see
15 for the issues there is the no project alternative. It
16 is, in the first EIR we received, I believe about six lines.
17 It is a little longer now, but it is still not--there still
18 isn't sufficient time devoted to it.

19 You have heard the impacts on Isla Vista. You
20 know--we know it will be noisy. We know it will cause
21 light pollution. We see those things out there when we
22 go look at the sunset and there is this thing shining lights
23 back in our face, and it is not the sun.

24 And, the air quality, which in the EIR states
25 that we won't be able to smell it. We smell the oil platforms

1 that are there now. If anyone spends any time in Isla
2 Vista, they will realize that the EIR is inaccurate in
3 their assumptions.

4 The safety is also a concern to us, especially
5 with the increased air traffic, most of which will be going
6 over Isla Vista. We are students. We need to study. You
7 know, it is hard to study if 24-hours a day there are airplanes
8 going over your head. There are clangings, bashings, and
9 things going on right offshore.

10 There is also the issue of toxics with the drilling
11 muds. They are going to be putting those within two miles
12 of our beaches. We have heard about the impacts on the
13 University of California, the researchers there all agree
14 that those impacts will be severe, and will do substantial
15 damage to their area.

16 But, we haven't heard very much about the impacts
17 to the people there. It is a very used beach, and we would
18 like to keep using our beach in safety.

19 To the best of my knowledge there have been no
20 permits issued for new oil developments in the last several
21 years. That is an appropriate course of action, and it
22 is one that we would like to see continue, especially in
23 this case, where we have a highly inadequate EIR, and a
24 project that just isn't feasible.

25 Thank you.

1 CHAIRMAN DAVIS: Thank you.

2 The next witness is Sonja Hatch.

3 MS. HATCH: Hi, my name is Sonja Hatch, and I
4 am a student at UCSB, and I have grown up along the beach.
5 I grew up in San Diego, spent 17 years here, and I have
6 lived in Isla Vista for four years, and I spend a lot of
7 time on beaches in Mexico, and I have noticed a big difference
8 between the beach in Isla Vista and the other beaches that
9 I spend time on.

10 And, when I go, I spend a lot of time in Isla
11 Vista, and I walk, and I run on the beach, and every time
12 that I go down there, I find something dead, like a dead
13 bird, or a dead fish, or a dead sea lion, or dead crabs,
14 and if you go and look at the sea anemones by Devereaux
15 Point, you will notice that they are all gray, and if you
16 look at the sea anemones down in La Jolla, the cove, they
17 have beautiful sea anemones that are blue and red and everything,
18 and I still haven't found a star fish in Isla Vista, but
19 I am still looking.

20 And, I think it is obvious to anybody, if you
21 go look at the beaches that these platforms have not been
22 good, and that they are not healthy for anybody, and I
23 would like to ask the people who are making this decision
24 to go look at the beaches, and feel the water, and feel
25 how murky it is, and see how unclear. You can't see the

1 bottom of the ocean most of the time--the floor.

2 And, that's all, thank you.

3 CHAIRMAN DAVIS: Thank you.

4 The next witness is--it looks like William Boynton--
5 I may have the first name wrong. The last name is B-o-y-n-t-o-n.

6 UNIDENTIFIED SPEAKER: William Boynton.

7 CHAIRMAN DAVIS: William Boynton?

8 [No response.]

9 Okay, he apparently is not here.

10 Deborah Brown.

11 MS. BROWN: Hi. My name is Deborah Brown, and
12 I am in environmental studies and geography major at UCSB,
13 and through the years--I have been here three years--and
14 I have had a chance to learn alot about the local environment,
15 including the Channel Islands, and about the energy resources,
16 and so I think that I have some ideas, as far as with the
17 issues are involved, and I think the main problem that
18 I see with the EIR, is that it does not make it clear--

19 COMMISSIONER ORDWAY: Could you move the mike
20 a little bit closer, please?

21 MS. BROWN: --okay, okay.

22 COMMISSIONER ORDWAY: No, just pull the mike
23 down towards you.

24 MR. BROWN: There we go.

25 I think the main problem with the EIR is that

1 it does not make it clear that Santa Barbara, and especially
2 Isla Vista, will bear the environmental and social costs,
3 and yet receive little or no benefit from this project.

4 Part of the reason that I came to Santa Barbara,
5 as well as a lot of other people, was for the environment.
6 It is really nice, you know, after a day of school, to
7 be able to breath fresh air, to be able to go for a walk
8 along the beach, watch the sunset, and it is really sad
9 to say that lately, you know, when I am looking out at
10 the sunset, it is all red and the clouds are nice, and
11 I look out there, and the sun sets on Platform Holly! You
12 cannot block it. You cannot take a picture of the sunset
13 without having Platform Holly right out there.

14 I would hate to see what it would like in the
15 Channel Islands to have platforms all over, so you cannot
16 look at the islands, you can't look anyplace without seeing
17 the platforms there.

18 Now, I recognize the importance of the oil companies,
19 as far as getting their economic interests in the channel
20 here, but I think there is a lot of other problems that
21 are not addressed, and are not mitigated--there is no mitigation
22 that would satisfy the Isla Vista residents.

23 Some of the problems that I see, first of all,
24 is obvious the noise problem. I would not like to imagine
25 what it would be like to have the noise of the drilling,

1 and the construction 24 hours a day. Now, there are certain--
2 they can put some kind of muffle on the sound and neutralize
3 it, but it seems that that would be an expensive form of
4 mitigation, not to mention the flaring all night long.
5 It would be nice to sleep in the dark, instead of having
6 flares going off from all of the platforms.

7 The risk of a spill, just like in '69, with the
8 increased amount of traffic, and the platforms, that it
9 would be hard to navigate safely.

10 The fumes, like it has been mentioned before,
11 we can already smell the fumes and when the blows this
12 way it really can be noxious, especially for people if
13 they have health problems, such as asthma.

14 The drilling muds, regardless of some reports
15 that I have heard, the drilling muds are harmful, especially
16 to the juvenile stages of animals like abalone, and the
17 sediment would damage them.

18 Okay, I could go on and on, and other people
19 have, about some of the problems, the adverse problems,
20 of the platform. If these problems could be mitigated,
21 I would say, "Sure. Go ahead and get the oil out."

22 But, I do not see how they could be mitigated
23 safely to our satisfaction, and still allow ARCO to make
24 a profit; therefore, I choose, and alot of other people,
25 I am representing Earth First, and some other students,

1 we prefer the no project alternative.

2 CHAIRMAN DAVIS: Thank you, Deborah.

3 I am told Marc McGinnes is here, now?

4 MR. MC GINNES: I'm Marc McGinnes. I am in the
5 oil business. I consume it, and I consume its by-products.
6 I pay for my consumption of its products, but nobody pays
7 me for my consumption of its by-products. I am very much
8 involved in the oil business. It is my affair.

9 I am in the national security business. I pay
10 for it. In my name atrocities are committed around the
11 world, in order to protect my national interest, my national
12 security. National security is my business as is the oil
13 business my business.

14 I am also in the more important business of parenting
15 my children, teaching many of your children, and caring
16 about my country and the greater community of which my
17 country is but a part.

18 And, to come to the point, I have studied these
19 environmental impact analysis documents, and I have examined
20 the asserted pros and cons of this proffered project, and
21 I have formed a judgment on its merits.

22 We, who are in the business of producing and
23 using oil and suffering the consequences of its noxious,
24 toxic by-products, and who are in the business of caring
25 about and maintaining our nation's security and interests

1 in the world community, and we who are in the business
2 of parenting, and teaching our children, and having others
3 teach our children, and teaching the children of each other,
4 know that in economic terms what is most scarce should
5 be highly valued.

6 And, what is scarce, relative to the merits of
7 this project is not oil, or any other physical thing, any
8 other element. What is most scarce is an appropriate sense
9 of perspective, of limitation, and of restraint, as we
10 deal with resources that don't belong to us. The earth
11 does not belong to us. We belong to the earth. We rob
12 our children, and our children's children, by proceeding
13 this fast to get it out now, to get these revenues into
14 our coffers now.

15 This is the wrong project, the wrong place for
16 the wrong project. What is scarce, and what we should
17 most value is restraint, a sense of limitation, a sense
18 of proportion, a sense of a longer view of what we are
19 doing here, and on that basis there is only one conclusion
20 with respect to this project, and that is the no project
21 alternative.

22 Thank you.

23 CHAIRMAN DAVIS: Thank you.

24 The next witness is Don Barthelmess.

25 MR. BARTHELMESS: My name is Don Barthelmess.

1 I live and work here in Santa Barbara County, and I am
2 in the oil business, too, but unfortunately it is on the
3 other side of the fence. I work for International Underwater
4 Contractors of Ventura, and we do all kinds of studies
5 out here that involve these projects.

6 The Coal Oil Point Project, we are involved with,
7 and I, myself, work as a submarine pilot. I have personally
8 flown miles and miles of pipelines, reefs, many different
9 types of habitats out here, more than I can probably remember.

10 I don't think that we have a damaged coastline,
11 as many people are saying right now. People say they walk
12 along the beaches and find oil and slicks, and what not.
13 That is there from the natural seepage, which is where
14 ARCO wants to put their platform. I mean, what a better
15 place is there to put a platform than where is oil seeping
16 out. If we put that platform there, maybe 5 or 10 years
17 down the line there won't be any natural seepage.

18 ARCO has shown their care for the environment
19 to us already by putting in the gas tents offshore that
20 collects the natural gas seepage there. I think that that
21 is a good project. They have demonstrated to us that they
22 do care.

23 You know we are here today on our 18th anniversary
24 of the '69 oil spill. I think we should all be celebrating.
25 We haven't had an oil spill since then. We have produced--

[Audience reaction.]

1 I know that it is an unpopular argument, everybody,
2 but I still feel, you know, I have to get it out, and there
3 are other people out there, too, that their jobs are reliant
4 on what goes on out here.

5 Our system right now is working out here, and
6 I think that has been demonstrated by the past 18 years.
7 We have produced and drilled well after well, barrel after
8 barrel of oil out here, and it has been clean so far.

9 I have pulled up alongside of many oil rigs.
10 I work on our diving support vessel, where we have to deal
11 with the problems of worrying about a paper cup going over
12 the side. You want to start a major panic offshore? You
13 let a piece of trash go in the water out here, or let a
14 drop of oil go over the side. Everything stops. Everybody
15 scrambles. Because we care.

16 As far as the arguments that I have heard, and
17 read in the paper, about eyesores and stuff, I live here,
18 too. I see it, too. An eyesore, though, is you know it
19 is a real skeptical point. I am out there on the boat
20 out there working, out there surfacing the submarine after
21 doing a survey, looking at the pretty sunset. I might
22 look at a sunrise, and the first thing that I see when
23 I come around up to Goleta is UCSB. You could call that
24 an eyesore, too, but that doesn't sound too good, does
25 it?

1 We also, as a county, have a responsibility to
2 the rest of the nation. We have to develop the oil that
3 is out here. We have to get it in and get it produced
4 by the year 2010 when all known reserves will be depleted.
5 That to me is pretty shocking. We can't just turn our
6 backs on it and say, "Let somebody else do it. Let the
7 guys in the Gulf of Mexico do it."

8 That is all mainly gas down there now. It is
9 running out. We have to open up this coast a little bit.
10 We have to manage it some more. We are doing a good job
11 now, and I think we need to continue it, get this oil out,
12 and get it, you know, get it onshore and processed.

13 The argument about the marine environment, that
14 is a justifiable argument. We need to address that. I
15 am sure that ARCO can work something out on that. I don't
16 have the answer myself. Maybe a plan can be worked out
17 where the UCSB students can study the effects of that platform
18 on the environment so that we really, really know.

19 We are involved right now with the state and
20 the company called Batell at this very moment, doing the
21 impact reports up here, up north, to see what is happening
22 there. Something is being done about it, and we can continue
23 and do it right out here off of our coast. You can help
24 us with it.

25 As far as the faculty enrollment issue of having

1 the platform there, and not being attractive to having
2 faculty members and students enrolled, that doesn't sound
3 too good to me, either. We have never had a problem getting
4 students here to Santa Barbara, or faculty before. When
5 I went to college, I went for an education, not for a sight-
6 seeing tour. I mean it is nice to have a place where you
7 can look and have a nice clean environment. We have that
8 already, and we are going to keep it that way.

9 We are not going to come out here and spill the
10 oil and blow smoke in your face, and I don't think it will
11 turn into that, but I do want to just make the point that
12 this system now is working, and I think that you do have
13 a good deal here with ARCO, and I think that they are sincere
14 in their efforts to continue to be good neighbors here,
15 as most of the other companies.

16 I really don't want to see this turn into another
17 Exxon thing, where we lose all of the revenue from the
18 Exxon Project, which will probably end up happening, because
19 we sit and debated over it for ten years. I hope this
20 doesn't turn into that.

21 Thank you very much.

22 CHAIRMAN DAVIS: Thank you.

23 The next witness is Lee Dyer.

24 MR. DYER: Thanks.

25 Like everybody--a lot of the people here--I am

1 also a student, and since everybody else told you their
2 majors, I will tell you mine. I am a biochemistry and
3 English major, and I guess the significance of that is
4 that because I am a biology major I work for MSI, and in
5 my opinion, and in most of the nation's opinion, it is
6 probably one of the best marine science institutes in the
7 nation.

8 I don't want to see that resource, that national
9 resource, be depleted or ruined in any way, which I know
10 it will. I don't want to study the effects of another
11 platform. I already know what they are, and I guess somebody
12 mentioned that, that we could study the effects. That
13 seems pretty ludicrous to me.

14 But, mostly I wanted to come up, not to speak
15 for myself or other people or the aesthetics of having
16 a beautiful environment, I wanted to speak for one of the
17 greatest remaining wilderness areas in the world, and that
18 is the ocean.

19 The multitude of organisms, fish, crab, lobster,
20 kelp, and micro organisms that most of us probably have
21 never even heard of, have just as much right to this earth
22 as we do.

23 I think that we are pretty arrogant to assume,
24 just ~~ause~~ we like to drive our cars up to Mammoth to
25 go skiing, or because that we need to drive our car every

1 day, or we need to use plastic, or other oil by-products,
2 I think it is arrogant for us to assume that we really
3 need to do that, and infringe upon the rights of the rest
4 of the environment.

5 I admit that there is a problem, consumption
6 of oil in the U.S. is large. We do have a huge deficit,
7 but the answer is conservation and alternative forms of
8 energy.

9 While I was sitting here, I was just thinking
10 that I have heard very few pro-ARCO speeches, and it struck
11 me as kind of odd, because I have been to many similar
12 hearings concerning the environment since I am concerned
13 about the destruction of the environment, and it seems
14 that there is usually--most of the people do not want the
15 exploitation, but it usually occurs, and this might not
16 seem like a brilliant conclusion to most of you, but I
17 thought it was kind of neat. It just seemed to me that
18 money talked, and I know that it does.

19 Another thing, I don't want to come down on the
20 rich folks but it seems to me that also a lot of extravagant,
21 wealthy people, don't know how to conserve, or don't care
22 to conserve, and you know, like I said, that is one of
23 the few answers to this problem. These same wealthy people
24 are--a lot of them are the ones that are pushing for exploitation,
25 and a lot of them are the ones that will benefit the most

1 from not only exploitation of the environment, but exploitation
2 of people around the world.

3 The scientific and historical facts of the ill
4 effects of these oil rigs are overwhelming, so I don't
5 think that is the question here. The questions are whether
6 or not we are willing to make the extra energies to conserve
7 and to find alternative forms of energy; whether or not
8 we are willing to put aside our arrogant assumptions that
9 we are more important than our environment; and whether
10 or not our representatives are willing to stand up to the
11 big business and money to support us, the people who elected
12 them to office.

13 Thanks.

14 CHAIRMAN DAVIS: Thank you.

15 The next witness is Larry Davidson.

16 MR. DAVIDSON: Hi, my name is Larry Davidson,
17 and first I would like to address the aesthetics of the
18 project.

19 The importance of aesthetics cannot be over emphasized.
20 Unfortunately, aesthetics are always under emphasized in
21 EIRs. Americans spend billions of dollars on aesthetically
22 pleasing things every year, far more than any other country
23 in the world, and yes, maybe even more than on oil.

24 Just look at yourselves. You spend hundreds
25 of dollars on three-piece suits, fancy dresses, which could

1 easily be replaced by clothing no more expensive than \$10
2 or \$20, and ARCO wants Isla Vista to look at ugly rigs
3 so that many of its employees can buy more three-piece
4 suits and fancy dresses.

5 Americans in general are using up resources faster
6 than necessary. If we didn't waste so much we wouldn't
7 need so much.

8 Everyday you can go to Isla Vista Park, affectionately
9 known to the residents as "dog shit park" before sunset
10 and see people playing Frisby with their human and animal
11 friends, throwing footballs, playing over the line, playing
12 guitar, or just sitting and watching the unfolding sunset
13 take shape.

14 The sunsets are beautiful, and are already marred
15 by the existing platform. I don't know about you, but
16 I don't like holding up my thumb in front of my face trying
17 to block out an oil rig while I watch the sunset.

18 These students who watch the sunset work hard
19 and undergo a lot of stress. Sunsets are a way of relieving
20 this stress.

21 The effects upon migrating whales by this proposed
22 development will also be serious. Whales communicate by
23 sound waves, and biologists have found that sound produced
24 by engines can disturb whale communication. The proposed
25 development in the channel will produce a large amount

1 of subsurface noise, since whales migrate through the channel
2 and along the Isla Vista coast, oil development will have
3 a significant impact on their migration, and possibly on
4 their reproduction, which is akin to almost killing whales,
5 and killing whales is, as you know, illegal, and immoral,
6 and future generations are going to need oil, so let's
7 save some for them.

8 If environmentally sound means for extracting
9 the oil are still not developed in the future, then future
10 generations can just leave the oil in the ground. The
11 EIR reveals that oil extraction with today's technology
12 has many problems. The ARCO project is especially bad.
13 The no project alternative should be taken.

14 Thank you.

15 CHAIRMAN DAVIS: Thank you.

16 The next witness is George Obern.

17 MR. OBERN: Good evening. My name is George
18 Obern, and I am testifying as the President of the Hope
19 Ranch Park Homes Association, and also a resident of Hope
20 Ranch for 35 years, and during much of that time I was
21 the public information at UCSB, so I have some sympathy
22 for the researchers who testified today.

23 Our association is made up of 688 property owners
24 at Hope Ranch, which is a community with 2.5 miles of coastline,
25 just about five miles down wind from the proposed project.

1 Our Board of Directors is greatly concerned about
2 this project. As you no doubt know Hope Ranch is a fantastically
3 beautiful area with dozens of large estates, including
4 some that have a property value as high as \$15 million.
5 This is not a new development. It goes back 50 years or
6 more, and many of the homes were built in the early part
7 of the century, such as the famous Klinger Estate. These
8 represent people who could live anywhere in the world.
9 They chose Santa Barbara.

10 Hopefully, our association--no, excuse me. Our
11 association already has a letter on file asking you to
12 insist on no marine terminal, no tankering of oil, and
13 to put in place adequate facilities and personnel to handle
14 any catastrophes.

15 Many of us here remember with dread the 1969
16 blow out and consequent six inches of oil on our beaches,
17 but let me express other concerns.

18 We are troubled about the specter of air pollution,
19 of visual pollution, which we have enough of already, the
20 possibility of oil spills, and fires, in a treasured coastal
21 area which is not suited for the kind of industrial development
22 likely to result from this project.

23 There are values threatened which cannot be measured
24 in dollars, but should be measured in visual, social, and
25 economic degradation of a world famous place of beauty.

1 We are worried about an inadequate, possibly
2 flawed, EIR, but I understand that we will have another
3 opportunity to speak to this before certification.

4 Thank you for the opportunity to speak before
5 the issue, and please consider that Santa Barbarans are
6 extremely sensitive to environmental issues, and not without
7 good reason.

8 Thank you.

9 CHAIRMAN DAVIS: Thank you.

10 The next witness is Michael Boyd.

11 MR. BOYD: Hi, I am Michael Boyd.

12 First, I have a short question. Is the purpose
13 of this hearing just to comment on the final EIR? Or,
14 can we also comment on the staff report?

15 CHAIRMAN DAVIS: You can provide any comment
16 that you care to.

17 MR. BOYD: Okay.

18 First, I would like to identify myself--

19 COMMISSIONER ORDWAY: Can I just clarify though,
20 that is not really--I wouldn't call this a staff report.

21 It is a memo from staff to the Commissioners
22 summarizing. It has, as you know, no recommendations.
23 It just summarizes highlights, key points, key issues,
24 for the Commissioners, and I would agree with Commissioner
25 Davis, you can speak to either.

1 MR. BOYD: So, this isn't a final staff report,
2 then?

3 COMMISSIONER ORDWAY: No.

4 MR. BOYD: Great.

5 COMMISSIONER ORDWAY: No, this was an interim--
6 it was at the request of the members of this Commission
7 from the last meeting, and it is to highlight the key and
8 important issues and sort of where we are on this.

9 MR. BOYD: Oky-doke.

10 Okay, first I would like to identify myself as
11 a Director on the Board of the Isla Vista Recreation and
12 Park District, and my comments in reference to the EIR
13 are as a Director on that district, and this district is
14 the--is probably the only local government agency that
15 solely represents the area of Isla Vista at this time,
16 that I know of. There are a lot of other government agencies
17 that represent Isla Vista and more than Isla Vista, but
18 this is the only one that I know that just represents Isla
19 Vista.

20 And, what I would like to comment on is the--
21 I guess it is the addendum to the draft EIR that was done
22 on Isla Vista's issues of concern, and in there what I
23 would like to address specifically is under air quality
24 impacts.

25 It seems that the study specifies that there

1 are going to be Class 1 air pollution impacts on the community
2 of Isla Vista. Yet, in the mitigation section, they basically
3 say that the offsets are what they are proposing to be
4 used to mitigate some of these air pollution impacts, but
5 it states that offsets that have been proposed to mitigate
6 air quality impacts could result in the control of some
7 regional air pollution offsets or reduction in emissions
8 from sources other than the project itself, and may occur
9 at some distance from the new sources of emissions from
10 the project.

11 As a consequence, if the offsets are obtained
12 outside the area, near Isla Vista, while they may mitigate
13 regional air quality impacts, they may not fully mitigate
14 impacts to the Isla Vista area. Now, it seems clear that
15 there is going to be a Class 1 impact on Isla Vista, and
16 one of the things they say in here is that it really is
17 not that significant though, because "Because they represent
18 incremental increases in cases where standards are already
19 exceeded."

20 Doesn't that mean that currently you have exceeded
21 the air pollution standards? With the current project
22 going on there? With Holly? Is that what that means?

23 You don't have to answer. I am just posing this
24 question.

25 COMMISSIONER ORDWAY: We have the people here

1 that prepared the EIR. I would like to hear their answer
2 to that question as much as you probably would.

3 RANDY MOORY: I am going to ask Andrew Nelson,
4 who was the Deputy Project Manager, to answer that.

5 MR. NELSON: Okay, would you rephrase your question,
6 so that I can get up to speed on this?

7 MR. BOYD: Okay, well in here it says, "Reactive
8 pollutant impacts are more difficult to determine spatially
9 since meteorological and chemical transformations of precursor
10 pollutants are involved. Although these air quality impacts
11 are considered significant, Class 1, because they represent
12 incremental increases in cases where standards are already
13 exceeded the magnitude of these increases is small. Mitigation
14 measures for reactive emissions are discussed in section..."
15 such and such.

16 MR. NELSON: Right.

17 MR. BOYD: So, basically, what I am saying is
18 it says in here that because they are already exceeded,
19 this isn't significant.

20 MR. NELSON: Yes. Without the project--let me
21 try and make a very brief background about how the analysis
22 is done.

23 The analysis is first done using a model to estimate
24 air quality concentrations without the project at all.
25 Those concentrations already exceeded the standard, according

1 to the model calculation. When you add the project in,
2 it causes those concentrations to be somewhat higher, but
3 because they are already over the threshold that has been
4 set up by the pollution control districts, and the state
5 and federal regulations, they are still considered to be
6 significant impacts, but they don't cause the exceedance
7 all by themselves.

8 I am sorry that I used the word "exceedance".
9 But the exceedance is when the air quality levels are boosted
10 above a standard.

11 MR. BOYD: Okay, so--

12 MR. NELSON: They don't actually cause a boosting
13 above the standard, but when it is above the standard,
14 they cause it to be somewhat worst.

15 MR. BOYD: Basically, let me rephrase what I--
16 you are saying as the base line--

17 MR. NELSON: That's right.

18 MR. BOYD: --they are already above the standard
19 right now. They are already exceeding the standards for
20 emissions, and yet here we are talking about approving
21 a project that is going to compound that problem.

22 Now, what I want to comment on specifically is
23 then later in the section on recreation, which is what
24 the Park District--Isla Vista Recreation and Park District--

25 CHAIRMAN DAVIS: Let me just ask one question

1 of the consultant.

2 MR. BOYD: Sure.

3 CHAIRMAN DAVIS: To what extent do the offsets--
4 where do the proposed offsets leave us, in terms of our
5 exceedance of existing standards?

6 MR. NELSON: I'll let Randy respond to that one
7 because the offsets are an outside issue from the air quality
8 modeling. We don't model the offsets, because they are
9 not from the project, itself.

10 RANDY MOORY: The offsets will be considered
11 by the Air Pollution Control District here in the county.

12 The ratio of trade off pollutants--it is an inter-
13 pollutant trade off in this case--has not been established
14 by the District. They are still in negotiations with ARCO.

15 So, we don't know specifically what the exact
16 ramification is.

17 CHAIRMAN DAVIS: When is that likely to be known?

18 RANDY MOORY: After this Commission acts, and
19 after--during the Authority to Construct process.

20 MR. BOYD: Isn't that putting the cart before
21 the horse?

22 RANDY MOORY: This District is required by its
23 rules and regulations to achieve a net air quality benefit
24 in the air basin.

25 In other words, that every pollutant emitted

1 by ARCO must be traded off by another source in the basin.
2 In this case ARCO proposes to use the seep containment,
3 which is--

4 MR. BOYD: Already--

5 RANDY MOORY: --on state lands, and which is
6 already actively containing, trapping oil and gas from
7 the seeps.

8 MR. BOYD: No expansion of the seep containment,
9 though?

10 RANDY MOORY: Not that I know of, right now.

11 ARCO has also indicated that other trade offs
12 may be used if the seep containment is not satisfactory
13 to trade off all emissions.

14 CHAIRMAN DAVIS: But--just so that I understand--
15 the law requires that there is an offset for every additional
16 emission?

17 RANDY MOORY: Yes, oftentimes more than a 1:1
18 relationship.

19 CHAIRMAN DAVIS: And, will those be proximate
20 to the community? Or, that portion of the community most
21 affected by emissions?

22 RANDY MOORY: The air quality analysis indicates
23 that most of the oxilent impacts of this project occur
24 in Ventura County.

25 The trade offs, or the offsets that ARCO proposes,

1 are in Santa Barbara County. They are the seep containment,
2 but theoretically they should reduce oxident concentrations
3 in Ventura County, also.

4 CHAIRMAN DAVIS: Thank you.

5 MR. VRAT: Mr. Chairman.

6 CHAIRMAN DAVIS: Are you speaking to that issue?

7 MR. VRAT: Yes.

8 CHAIRMAN DAVIS: Go ahead.

9 MR. VRAT: My name is Dev Vrat from Santa Barbara
10 County, and the Air Pollution Control District is not here
11 this evening, but I would just like to make a few clarifications,
12 in addition to what Randy stated.

13 First of all, in the document it demonstrates
14 that we are in non-attainment. That is because the entire
15 county is in non-attainment, okay? It does include the
16 existing oil development projects.

17 Secondly, the fact, in the environmental report,
18 we did model the mitigations proposed by ARCO, and the
19 fact that there are some remaining Class 1 impacts indicates
20 that with those mitigations that have been identified to
21 date, there will be further exceedances.

22 The APCD, Authority to Construct process, which
23 was referred to, in that process ARCO will not be permitted
24 to construct until they can demonstrate both that all their
25 emissions will be offset by at least a 1.2:1 ratio, and

1 an additionally that there will be no violation of any
2 state or federal standard anywhere.

3 So, it is a two-staged process. The environmental
4 process is the first step, and indicates that there is
5 further work that has to be done.

6 CHAIRMAN DAVIS: Thank you.

7 Yes, Mr. Boyd.

8 MR. BOYD: Okay, now what I wanted to comment
9 on, specifically, was in this section of the final EIR
10 where they talked about recreational programs, they address
11 the potential of a Class 1 impact due to a major oil spill,
12 and they specifically only site one area of the park, which
13 is the county frontage, the beach park, and no where do
14 they mention the Isla Vista Recreation and Park District
15 and potential impact on the district.

16 And, later in section 2.1.4 where they talk about
17 cumulative impacts, they talk a little bit about what some
18 of the potential impacts could be, but not very clearly,
19 and basically what it says is that in some cases air quality
20 degradation was termed significant because of exceedance
21 of standards and base line was projected to be aggravated
22 by cumulative projects, even though the incremental increases
23 were predicted by modeling to be very small.

24 Isla Vista would be expected to experience similar
25 air quality impacts to other areas along the south coast.

1 Potential impact to residents and vegetation from acid
2 rain, or acid fog, are possible in the cumulative case,
3 although there is no known documentation for acid precipitation
4 or its unknown negative effects in the region at present.

5 Emissions of precursor pollutants to acid precipitation
6 would increase the cumulative case, but the extent to which
7 acid precipitation would result and be harmful cannot be
8 ascertained with the current state of knowledge.

9 Now, as a Director on the Parks District, we
10 are responsible for some lands that are considered wetland
11 habitats, and what they specifically have on them are called
12 vernal pools and they are a special species that we have
13 actually received state funding to preserve these habitat.

14 Now, one of the things--I have been a resident
15 for ten years here, and I have noticed that over the past
16 ten years the habitats, these vernal habitats, have been
17 shrinking, becoming--they are going away is what I am trying
18 to say and I know that there is acid fog in Isla Vista
19 right now, because I drive a motorcycle and my motorcycle
20 is dissolving. I leave it outside and in the fog, and
21 it literally falls--it literally, all of the rubber and
22 stuff on it literally gets eaten away, if I leave it out
23 in the fog. I can't leave it outside, or it will, really,
24 it will dissolve.

25 And, I just think that the EIR, the final EIR,

1 is failing to adequately examine what the cumulative impacts
2 are going to be on vegetation, and people, in the Isla
3 Vista area, as the result of these cumulative air pollution
4 impacts, and specifically acid precipitation in fog, because
5 we do have acid fog.

6 And, I think that really that there should be
7 some studies done now before any final approval is given
8 to this thing, to establish what levels of acid precipitation
9 there are already in the Isla Vista area.

10 So, that is my basic comment for--as the Park
11 Director.

12 Now, I would like to take that hat off, and speak
13 as a member of the Isla Vista Municipal Advisory Council,
14 which is a body appointed by the County Board of Supervisors
15 to advise county on--

16 CHAIRMAN DAVIS: No, no, no. You have got to
17 go to the back of the line! You have got to fill out one
18 of these forms again, and--

19 MR. BOYD: I put it on there.

20 [Laughter]

21 I already put it on there, if you look.

22 CHAIRMAN DAVIS: Wait a minute.

23 MR. BOYD: See that?

24 CHAIRMAN DAVIS: Yep, you are right.

25 MR. BOYD: Okay.

1 So, what I would like to comment on then is the
2 staff report, and specifically at the last hearing I brought
3 up this issue of revenue sharing with local governments,
4 and I really like this staff report. I think the staff
5 did an really good job on this, but I would just like to
6 provide some comments on the report.

7 One is that at the last hearing, I remember Ms.
8 Ordway, you told me all of these numbers here, and it becomes
9 more clear to me that even the county is getting one--
10 almost one-tenth of a percent of the tax revenues, it seems
11 like.

12 COMMISSIONER ORDWAY: Can I just make a comment?
13 You are talking about page 20 of the staff comments?

14 MR. BOYD: Twenty, yeah.

15 COMMISSIONER ORDWAY: Yes.

16 Those were really nice numbers, and those numbers
17 were real until about 18 months ago, and up for the period
18 of about 1979 through about 1985, late '85, we were in
19 fact getting between \$250 million, and \$450 million a year
20 off of our tidelands revenues.

21 That number has dropped significantly with the
22 drop in the price of oil, so as you look down these numbers,
23 take off about \$300 million.

24 MR. BOYD: What? Say that again?

25 CHAIRMAN DAVIS: Take off about \$300 million.

1 MR. BOYD: Oh.

2 COMMISSIONER ORDWAY: Because our projected tidelands
3 revenues for the current year is something on the order
4 of \$120 million to \$140 million, not the \$430 million that
5 is there, and that is directly related to the barrel price
6 of oil, so this--I think what staff was trying to do here
7 was to present what the statutory flow of money would look
8 like.

9 Because these are all--these are required, up
10 until the bottom one, where it says--or the bottom two,
11 where it says, "Energy and resources fund and SAFCO," and
12 all of the rest are specified in California law, in the
13 Public Resource Code and those are the required amounts
14 that are to go to those funds, provided there is money
15 to put to those funds.

16 Right now, we get through the Central Valley
17 Project. We skip Higher Ed and State School Building,
18 because we are doing those out of bond moneys because there
19 is no tidelands, and the little bit that is left for capital
20 outlay, at least in the budget year, half of that--about
21 a third of it will go to fixing up our state mental and
22 DD hospitals, bringing them up to code, and about \$46 million
23 will go for asbestos and PCB removal, and underground tank
24 removal, and so these numbers were real for the time, and
25 for the law that spreads them--

1 CHAIRMAN DAVIS: They have changed.

2 COMMISSIONER ORDWAY: --but given the current
3 barrel price of oil, we don't see that much in the way
4 of revenues right now.

5 MR. BOYD: Okay.

6 Well, what--the thing that illustrates to me,
7 though, the point that I want to make on this, and that
8 I was trying to make at the last hearing, was that the
9 county is like receiving one--it seems like less than .1 percent
10 of the revenues that the state is getting, through this
11 '17 allotment of funds.

12 Now, my concern, which was sort of addressed
13 in this staff report on page 21, is that general revenues--
14 oh, first. Back up a second.

15 One thing that I wanted to comment on, on page
16 20, is in the bottom line it says, "Revenues which exceed
17 those received by the state in the 1983 - 84 fiscal year,
18 are not subject to the \$100,000 limitation." I think that
19 this staff report should specify what potential revenues
20 the county would be getting, because of that line right
21 there, because if they are producing 80,000 barrels per
22 day, and it seems to me from my reading of this, is that
23 these new--this new oil won't be subject to the ceiling
24 anymore, and that the county will get the full one percent
25 that it specifies here.

1 COMMISSIONER ORDWAY: The county will.

2 The '83 - '84 year was almost a high-water mark
3 for getting tidelands revenues, because of the barrel pri
4 of oil.

5 We are looking at tidelands having to come in
6 at probably better than \$400 million, in order for them
7 not to get what is in excess of the 3 - 4 level, so they
8 would get the full one percent, because we are way below
9 the 3 - 4 level.

10 MR. BOYD: But, let's say the price of oil went
11 up, okay? Say, OPEC decided to do something to us, and
12 the price of oil went up. Wouldn't in fact--the state
13 would get a significant increase in revenues, as the result
14 of that, and the county could potentially get millions,
15 because of this one little line that they changed in the
16 law back in SB-1983, I think it what it was.

17 COMMISSIONER ORDWAY: On new oil, right.

18 MR. BOYD: It is only the new oil that they are
19 going to get this windfall from, and I think it should
20 specify that. It should explain that more, in what it
21 means for the county.

22 Now, on the next page, we are talking about impacts
23 on Isla Vista, and it says, "Because Isla Vista is an unincorporated
24 area of Santa Barbara County, it does not directly receive
25 any funding under Section 6817--

1 COMMISSIONER ORDWAY: That's right.

2 MR. BOYD: --however Santa Barbara County may
3 use its allotted funds within the Isla Vista community
4 so long as the work is consistent with the statutory limitations.
5 For 1985 - 86 Santa Barbara County received \$100,000."
6 Which is the limit, up to the ceiling for those previous
7 projects.

8 Now, I would just like to let you know, as a
9 ten-year resident of Isla Vista, and I am sure Mr. Davis
10 knows now, since he went to the one park--well, it is called
11 dog shit park for a reason, and the reason that it is called
12 dog shit park is because since Holly has been in there,
13 and since this law has been into effect the county has
14 never spent a dime of the money that they have received,
15 in Isla Vista, from the 6817 funds.

16 CHAIRMAN DAVIS: You have got to talk to Mr.
17 Wallace.

18 COMMISSIONER ORDWAY: Is Mr. Wallace still here?

19 CHAIRMAN DAVIS: He is President of the Board.

20 MR. BOYD: He won't deny it. I know.

21 COMMISSIONER ORDWAY: Will he help you with
22 it?

23 MR. BOYD: He lives in Isla Vista, too.

24 CHAIRMAN DAVIS: He lives about three blocks
25 away. If you want to tell him--organize a little protest.

1 Get people to march in front of his house with signs--

2 MR. BOYD: No, no, no, no.

3 CHAIRMAN DAVIS: --call the television cameras.

4 MR. BOYD: He is on our side. That's--he is
5 just one vote, though.

6 CHAIRMAN DAVIS: He is the President of the Board.
7 What are you talking about? He sets the agendas--

8 MR. BOYD: So, what--the point that I am trying
9 to make, though, is what you are proposing as a mitigation
10 to the fact that we are not getting any money, is that
11 revenue sharing for local governments includes special
12 districts and unincorporated communities could be authorized
13 by statute.

14 Now, I am just wondering. What does that mean?
15 Does that mean that you--

16 COMMISSIONER ORDWAY: That means that a member
17 of the--

18 MR. BOYD: --are going to author some legislation
19 to make it legal--

20 COMMISSIONER ORDWAY: --that means that a member
21 of the legislature, either an assembly member--

22 MR. BOYD: --for us to get money?

23 COMMISSIONER ORDWAY: --or a member of the senate,
24 to introduce a bill to do that. It would have to work
25 through the normal legislative process, which Commissioner

1 Davis was intimately involved with up until three weeks
2 ago, and we would basically change the statutes. I mean
3 the statutes were altered in order to allow coastal counties
4 to receive mitigation moneys to begin with, and there would
5 be a revision to those statutes to allow unincorporated
6 areas to also--

7 CHAIRMAN DAVIS: Which is very, very doable.

8 MR. BOYD: Okay.

9 Now, I have another idea on how you can--

10 CHAIRMAN DAVIS: I have to interrupt you for
11 one reason.

12 MR. BOYD: Sure.

13 CHAIRMAN DAVIS: I have to catch the last flight
14 to leave.

15 Let me just say, into my 13th hour of testimony
16 now here in Santa Barbara, not counting a visit to--however
17 you want to describe that park--

18 COMMISSIONER ORDWAY: The park in Isla Vista.

19 CHAIRMAN DAVIS: --the fishermen, and the university--

20 MR. BOYD: Just call it the County Park.

21 CHAIRMAN DAVIS: County Park.

22 MR. BOYD: To be polite.

23 CHAIRMAN DAVIS: I think that problem is soluble
24 at home, though, as I suggested before, if you will just
25 organize a little demonstration in front of Mr. Wallace's

1 house, I think that will get the job done.

2 But, if it doesn't you can pursue the legislative
3 remedy.

4 I just want to say, seriously, I am very impressed
5 with the high level of interest in this community, I mean,
6 this is our second hearing and the place is packed, and
7 the high quality of the testimony, so I look forward to
8 our next meeting where we will ultimately resolve the certification
9 issue.

10 And, again, I am going to ask Mr. Tucker to be
11 present--

12 COMMISSIONER ORDWAY: Jim will be sitting in
13 a voting capacity in behalf of the Controller's office,
14 in your absence.

15 CHAIRMAN DAVIS: You going to vote tonight?

16 COMMISSIONER ORDWAY: This is a meeting.

17 No, but, I have to say that for the record.

18 CHAIRMAN DAVIS: Oh, well--

19 COMMISSIONER ORDWAY: This is a meeting, as opposed
20 to a hearing, and so we have to announce who is sitting
21 in a voting capacity.

22 CHAIRMAN DAVIS: Thank you.

23 COMMISSIONER ORDWAY: Thank you.

24 CHAIRMAN DAVIS: Please don't take any votes
25 though.

1 COMMISSIONER ORDWAY: As a matter of fact, I
2 was going to suggest that the item that was on our agenda,
3 calendared for today, that has not been handled, will be
4 put over until our February meeting.

5 CHAIRMAN DAVIS: Okay, all right.

6 COMMISSIONER ORDWAY: So, that will go as unfinished
7 business at our February 17 meeting.

8 Please continue.

9 MR. BOYD: Okay.

10 Now, what--

11 ACTING CHAIR ORDWAY: Just a moment, excuse me.

12 UNIDENTIFIED SPEAKER: Will Mr. Davis be able
13 to read the testimony?

14 ACTING CHAIR ORDWAY: Yes, all of the--

15 CHAIRMAN DAVIS: Yes, and Mr. Tucker will be
16 assisting in--

17 ACTING CHAIR ORDWAY: --the transcript is submitted
18 to each of us, and we do read it, to make sure we are quoted
19 right, and to make sure that everybody else is quoted right.

20 Mr. Tucker is sitting here as Deputy Contoller,
21 with full rights and privileges.

22 MR. BOYD: Okay, thank you.

23 CHAIRMAN DAVIS: Thank you.

24 MR. BOYD: So, what I wanted was another alternative,
25 instead of having to go to the legislature, there is something

1 that the State Lands Commission could do to insure that
2 this money comes back to the local community--

3 ACTING CHAIR ORDWAY: Well--

4 MR. BOYD: --wait, wait, let me finish--and what
5 it is--and the reason that I know about this is because
6 back in 1983, I was involved in an attempt to incorporate
7 Isla Vista into a general law city.

8 Now, before we attempted to do that--before we
9 did that, we went to the--the State Lands Commission has
10 the authority to do that. It has done that, in the case
11 of the City of Long Beach, for example.

12 The state tidelands are part of the city, and
13 then the City of Long Beach receives these funds, okay,
14 and they can allocate these moneys however they please.

15 Now, right now, there is currently in process
16 another incorporation proposal--

17 ACTING CHAIR ORDWAY: I don't think we can--

18 MR. BOYD: --wait, wait, let me finish--

19 ACTING CHAIR ORDWAY: Okay.

20 MR. BOYD: --which is to incorporate Isla Vista
21 and Goleta, which is a bigger area, into a city.

22 Now, they didn't include--they didn't try to
23 annex these tidelands--when we went to--when we went for
24 I.V. to try and annex these tidelands, we were denied without
25 prejudice, which I understand means we can come back and

1 resubmit it any time, okay?

2 Now, but I am not intending to do that, first.

3 But, if--what I would like to know, if there is any change
4 in the position of the State Lands Commission now? Is
5 there any difference in their position on this issue? Did
6 they feel that it would now be in the state's best interest
7 to have these tidelands annexed to this proposed city,
8 whatever it is--I.V. Goleta, I.V. whatever, Santa Barbara
9 City--is there any change in that position, because if
10 there is we need to know that, so that we can come before
11 you to ask for that, and really that is what would mitigate
12 this revenue thing.

13 ACTING CHAIR ORDWAY: I honestly can't respond
14 to that.

15 It was four years ago. We have a little bit
16 different composition on the Lands Commission now.

17 MR. FOYD: Politically, yes, I know.

18 ACTING CHAIR ORDWAY: I mean, I was still sitting
19 in '83 and--

20 MR. BOYD: Yes, and you probably remember it.

21 ACTING CHAIR ORDWAY: --was part of the vote
22 to deny without prejudice, and you are free to come back
23 again. I mean, that is always open.

24 Claire, you wanted to make a comment?

25 EXECUTIVE OFFICER DEDRICK: Yes, I wanted to

1 correct some misapprehensions that I think is--

2 ACTING CHAIR ORDWAY: You will have to use your
3 microphone.

4 EXECUTIVE OFFICER DEDRICK: --I'm sorry. I thought
5 that I was.

6 I just wanted to correct a couple of errors in
7 your logic there.

8 MR. BOYD: Okay.

9 EXECUTIVE OFFICER DEDRICK: One of them is that
10 annexation of the tidelands does not get you the revenue
11 from the resource.

12 What that requires is an act of the legislature.
13 The revenues would still flow to the state.

14 MR. BOYD: The county, you mean.

15 ACTING CHAIR ORDWAY: The county.

16 EXECUTIVE OFFICER DEDRICK: Well, the--

17 MR. BOYD: See, they go to the state and then
18 they go to the county--

19 EXECUTIVE OFFICER DEDRICK: The tidelands revenues
20 would flow to the state now.

21 It would get you--

22 MR. BOYD: All right.

23 EXECUTIVE OFFICER DEDRICK: -it would get you
24 your--however much it is--

25 MR. BOYD: The 6817--

1 EXECUTIVE OFFICER DEDRICK: --per-mile-of-park
2 thing, which isn't very much money, but the revenues would
3 remain with the state unless the legislature grant the
4 mineral rights in the tidelands to the City of Isla Vista.

5 In the case of Long Beach, the revenues do flow
6 to the State of California. They do not flow to the City
7 of Long Beach. A portion of the revenue, which was defined
8 by the legislature, flows to Long Beach, but the majority
9 of the revenue that we have discussed today comes from--
10 to the state--from the Wilmington field in Long Beach.

11 I just wanted to tell you--

12 MR. BOYD: Okay.

13 EXECUTIVE OFFICER DEDRICK: But, that doesn't
14 mean that there aren't other alternatives to reach the
15 goal that you are talking about.

16 MR. BOYD: Well, but, what brought this up to
17 me, was I was reading SB 1983, the rewriting, I guess,
18 of this 6817, and in there it says that the moneys are
19 allocated to the county or the city, okay?

20 And, it doesn't just say the county. It says
21 the county or the city.

22 EXECUTIVE OFFICER DEDRICK: Now, that is true.

23 MR. BOYD: Now, Carpinteria, for example--

24 EXECUTIVE OFFICER DEDRICK: That is true, so
25 that kind of revenue you would get.

1 MR. BOYD: --gets--that is what I am saying.

2 EXECUTIVE OFFICER DEDRICK: The actual tidelands
3 revenue is a whole--

4 MR. BOYD: The 6817 funds is what I am talking
5 about.

6 EXECUTIVE OFFICER DEDRICK: --revenue, okay,
7 fine, I just wasn't sure that we were together.

8 MR. BOYD: Which could be a significant amount
9 because there is no cap. There is no ceiling on this money.
10 Okay? That is why I am making this point to you.

11 Okay, so I just wanted--it would be good if there
12 was some way that the State Lands Commission could, instead
13 of us spinning wheels and coming up to you and asking for
14 something like this, it would be good to know if we--if
15 it is even feasible--politically feasible? And, so that
16 is why I broached that to you.

17 ACTING CHAIR ORDWAY: You may want to take a
18 few minutes after tonight's meeting to chat with staff
19 to see if anything has changed in the last four years.

20 MR. BOYD: Okay.

21 And, then finally, I take off all of my hats,
22 and I speak as an individual, and just say that one of
23 my constituents--

24 ACTING CHAIR ORDWAY: And, you are listed for
25 that, too.

1 MR. BOYD: --yeah, and one of my constituents
2 walked up to me at the last minute, and he said that he
3 heard that they have to use "H's" in the name of the platforms,
4 and he gave me this suggestion of what that--you should
5 give them more appropriate names to the platforms, and
6 his suggestion was, Hazard, Horrible, and Hidious.

7 Thank you.

8 ACTING CHAIR ORDWAY: This meeting is scheduled
9 to adjourn in four minutes.

10 I think that I can speak on behalf of my fellow
11 Commissioner, that neither of us have any intention of
12 leaving tonight as long as there is someone in this room
13 who wants to talk, who is not being repetitive, and who
14 has not already spoken today before.

15 So, we will not terminate it at 9:00 o'clock.
16 We are not sure how we get back into Sacramento in the
17 fog tonight, but we will not terminate it at 9:00 o'clock.

18 Mark Walker.

19 MR. WALKER: Good evening.

20 I am a student at UCSB and I am concerned about
21 the environment, like everybody else here. I, like many
22 other people, listened to President Reagan last night,
23 talk about what he had to say to the Congress, but more
24 importantly I would like to emphasize what he had to say
25 at the end of his speech, and that was quoting the Preambles:

1 We the People.

2 I have a right to be here, just as ARCO has a
3 right to be here, because they are people doing what they
4 want to do, and I am a person doing what I want to do.

5 But, as a student at UCSB, I am taught to think
6 critically, to know the whole truth of the issue. We invent
7 new ways of coming to this truth, as students, because
8 that's what we need to do to pass the class. I make a
9 comparison to the ARCO project by using the old proverb,
10 "Necessity is the mother of invention."

11 If ARCO doesn't get this platform built, they
12 will find other ways to keep America, and the world, going
13 without hurting its environment. If they don't build this
14 platform, life will go on, and not vice versa.

15 Thank you.

16 ACTING CHAIR ORDWAY: Thank you.

17 Janet Franklin. Janet Franlin. Is that the
18 proper last name? Is it Franklin?

19 MS. FRANKLIN: My name is Janet Franklin. I
20 am a Ph.D. candidate in geography at UCSB, and I have lived
21 in this area for ten years.

22 I currently live in Isla Vista, about half a
23 block from Supervisor Wallace, so the proposed Platform
24 Heron would be about two-and-a-quarter miles from my front door.

25 I haven't heard very many people speak tonight

1 who support this project as it stands. The man who is
2 sitting next to me in the audience has been here all day,
3 as you have, and he said in all of the hours of testimony
4 that he heard, only a few speakers who support the project
5 as it stands now.

6 As it is proposed, this project is completely
7 unacceptable to the community, the county, and the university,
8 because of its impacts on the environment, and the quality
9 of life here, and perhaps impact isn't a strong enough
10 word, perhaps destruction is more accurate.

11 The amazing thing is that many factions of this
12 community, the county, and the university, are all united
13 on this issue. This doesn't happen very often. Unless
14 we can come up with an acceptable alternative to the project
15 as it stands, I think it will be dead in the water--no
16 pun intended.

17 I personally support the no project alternative,
18 but I realize there is a lot of money involved, and so
19 the issues that are of most concern to me are the same,
20 I think, that are of concern to the county: no Platform
21 Heron; no offshore processing; and no discharge of muds
22 and cuttings.

23 Isla Vista is the most densely populated area
24 in California. There is 17,000 plus people living there,
25 and many of them vote.

1 A double platform two miles off of Isla Vista
2 Beach would destroy the quality of life in this area, with
3 its smells, noise, air pollution, and the risk of an accident.
4 It would also really hurt the university. UCSB has an
5 international reputation in marine sciences, which is why
6 I came here as a student in 1975. I ended up studying
7 ecological communities on the land, but that only helps
8 me appreciate that the kelp beds off of Isla Vista are
9 just as beautiful and complex and precious a biological
10 resource as a redwood forest. They are just a little harder
11 to see, because they are under the water, and they wouldn't
12 be there is Heron is there.

13 The university has built itself quite a reputation
14 in the ten years that I have been here, particularly in
15 the physical and natural sciences, and I believe that the
16 university is one of the largest employers in this county.

17 The proposed project, especially the presence
18 of Platform Heron, and its impact on the marine environment
19 and the quality of life in Isla Vista and on campus would
20 destroy the university's ability to recruit faculty, outstanding
21 faculty, and students.

22 And, finally, I just want to thank the Commission
23 for meeting here and for continuing these hearings tonight
24 for those of us who work in the daytime, and you probably
25 didn't get much of a dinner break, and I invite you all

1 back on February 17--

2 ACTING CHAIR ORDWAY: We are not going to be
3 here February 17.

4 We will be here sometime the first two weeks
5 of March.

6 MS. FRANKLIN: Okay, thank you.

7 ACTING CHAIR ORDWAY: Now, that was announced
8 earlier, and I am not sure that it was announced this evening,
9 for this evening's session.

10 MS. FRANKLIN: It was.

11 Thank you.

12 ACTING CHAIR ORDWAY: Thank you.

13 M. V. Scherb.

14 MR. SCHERB: My name is Maurice V. Scherb. I
15 am an independent consultant in systems safety and risk
16 management, who had an input into this EIR in a special
17 section.

18 I spoke a few weeks ago, but some of the key
19 points have been raised that bothered me, and in fact,
20 when I come to these meetings I--from a professional point--
21 I feel like I am in Alice in Wonderland environment when
22 it comes to technology.

23 I heard this endless arguments about commingling,
24 and monitoring, and measurements, and not one thing that
25 meant anything from an engineering point of view was expressed.

1 Now, surely someone who is an engineer can get
2 up and give a five-minute exposition of trade off and various
3 ways of measuring different multi-two phase flow media,
4 and make it intelligible to the public, and we were alerted
5 to that a few weeks ago.

6 I don't want to get into that subject, but I
7 do want to talk about systems safety. Some of the new
8 documents presented today, especially by the university,
9 by Chancellor Aldrich, dealt with certain scenarios, slugs,
10 separators, and this, and they keep harping about these--
11 this is not the first EIR I have seen. I have seen dozens
12 of them. They tell you about the problem and the consequence.
13 They don't tell you how to fix it, except using fall back
14 on codes and standards that you can put on the back of
15 a postage stamp when you start out. Completely bankrupted
16 approach.

17 They compound that by going into probabilistic
18 risk assessment, which the layman doesn't understand, never
19 uses for decision making, and doesn't realize has nothing
20 whatsoever to do with the project because there is data
21 obtained from--surrogate data--has nothing to do with the
22 design. You can't even begin to calculate that until you
23 get into the hard design features, and look at the subsystem
24 components.

25 Someone mentioned this morning that this was

1 the first anniversary of the shuttle accident. What they
2 didn't tell you was that there was an open-ended issue
3 of at least 600 to 700, as we call it, criticality 1 items,
4 any one of which could have prevented the shuttle from
5 operating, besides the well known seal problem, and to
6 this day, there may be a huge number that we don't know
7 about because we have to depend on the press, although
8 I have talked to my friends in the space business.

9 And, we have heard--Professor Skile last time
10 talked about the ship problem, the marine safety. We heard
11 something about traffic corridors. I have been involved
12 in that for ten years with the state, with the Tanker Agency
13 Task Force that Dwight was on. We made recommendations
14 to the Coast Guard. We followed up with the Santa Barbara
15 Channel Risk Management Program, which is mainly an exercise
16 in futility, by doing simulator modeling.

17 There was another study done on the sock-eye
18 field, and Union did a study. I don't want to get into
19 all of these sordid details.

20 ACTING CHAIR OPDWAY: Could you sort of focus
21 your comments, please?

22 MR. SCHERB: Okay.

23 My point is this. We have fixes now on some
24 of these things, but I want to direct my attention mainly
25 tonight to the concept of a center of excellence at UC

1 Santa Barbara, and there was some discussion of some meetings,
2 but in a rather vague sense, so what I am trying to say
3 very succinctly is we have fixes, potential fixes, for
4 systems safety reliability. It is not merely based on
5 discussions or EIRs. We have state laws now. I talked
6 about AB 3777, 1021, 2525, 2587, and a number of studies,
7 such as the--the study that came out of last November's
8 hearing that the State Lands Commission is doing, and I
9 have seen nothing out of it yet.

10 And, another study that Senator Mark Mills started,
11 that is just getting started with Fish and Game, all are
12 relevant here, and that data all has to be factored into
13 this at the earliest phases. I am assuming that part,
14 or all, of the project will go. Of course, if it doesn't
15 go, that is a trivial solution.

16 And, I just want to make that point, that the
17 hard planning has to start now on prevention, not discussion
18 of probabilities, and I don't want to get into some of
19 the accidents that have occurred around here, like the
20 Popco, or others that turned out to be farces, in terms
21 of the calculated probability of the event occurring, which
22 they happened the first night at Popco, for example, or
23 about the vessel traffic system.

24 We have technology today that we can implement
25 in the Santa Barbara Channel to go along ways towards preventing

1 accidents, using--and I want to be exact, Loran-C is available
2 today, so I just want to make the point that we have to
3 get into the hard engineering in risk management, rather
4 than a lot of hand waving and general vague discussions
5 of design basis accidents.

6 I might add that I just came back from a meeting
7 at another socalled center of excellence, the University
8 of Charleston, in Charleston, West Virginia, where the
9 chemical industry is going all out now at an Institute
10 for Chemical Studies to implement true risk management,
11 from a professional point of view, and never once in planning
12 for the national conference in March, did the probability
13 aspect come up, and the reason was very simple, the public
14 does not buy it and the industry has recognized that.

15 And, many of the oil companies are in the petrochemical
16 business. Oxy was there, et cetera. So, I want to make
17 that message clear, that if systems safety reliability
18 is a key point, you had better start the planning now to
19 have a center of excellence here, just like UCLA is in
20 toxics, Chancellor Hellard has the air center of excellence
21 out at Riverside, Berkeley is seismic engineering, but
22 this would be the appropriate place. Professor Tulin made
23 that point a year ago at the Hart Mark meeting.

24 ACTING CHAIR ORDWAY: Thank you very much.

25 Robert Vatter.

1 MR. VATTER: Before I begin, I would like to
2 make one point that was brought up, regarding the air quality.

3 COURT REPORTER: May I have your name for the
4 record, please.

5 MR. VATTER: My name is Robert Vatter.

6 I do not believe that there has been adequate--
7 an adequate base line for air quality established for the
8 pre-1964 establishment of Platform Holly. We do not know,
9 therefore, that in fact ARCO will be getting offset credit
10 towards further polluting by capturing through seep containment
11 structures the pollution they are already enhancing through
12 their present drilling and reinjection methods.

13 In the EIR, they have very inadequate studies
14 available to them. I talked to a lot of old timers that
15 have been here for quite awhile, and recall beautiful white
16 sandy beaches in the pre-Holly era, and then since then
17 steadily there has been a worsening of the air quality,
18 worsening of the seeps, and the oil on our beaches, so
19 that is something that really needs attention.

20 Like I say, my name is Robert Vatter. I hold
21 a Bachelor of Science degree in Marine Biology. I am a
22 fire captain, and an 11 veteran of the Santa Barbara County
23 Fire Department, and have been a home owner in Isla Vista
24 for ten years, presently residing on the ocean front in
25 direct contact with Platform Heron.

1 Among my spiritual beliefs, I feel that God is
2 manifest as the world, nature, and the myriad of life forms.
3 It is our duty, as the one with the free will, to protect
4 the earth and its inhabitants and live within the boundaries
5 and the laws of nature.

6 I was spurred into action by the realization
7 that ARCO proposes to impose many extreme changes on this
8 local environment by pushing nature and its power to compensate
9 to and beyond its limits.

10 I have spent many days pouring over the EIRs
11 and associated literature, and have submitted comments
12 and queries to the draft EIR, and have so far as to work
13 up a second phase conceptual design of a vessel which could,
14 if engineered and constructed, mitigate many of the impacts,
15 or restraints, associated with the use of subsea well production
16 completions.

17 I have come to the conclusion that without adequate
18 time, money, or expertise, I am merely an amateur playing
19 in the professional's arena, an arena where the format
20 is in volumes of paper-bound words, formal hearings such
21 as this, and the decisions based on the premise that the
22 information presented is complete, reliable, and the decision
23 makers pray not too remotely related to the bottom line
24 question, "Will it work."

25 I have found that in this arena the professional,

1 ARCO, takes a stance on a project proposa^l that will optimize
2 their sole purpose for existence, making money. Although
3 I have found Richard Ranger and his associates to be very
4 congenial at trying to help us understand and accept this
5 project, ARCO's collective concerns seems to encompass
6 the appearance and effects only with regard to that which
7 is necessary to obtain permits, while maximizing profit
8 all of the time.

9 I feel that this is an arena where even the unbiased
10 report writers are guilty of profit maximizing by skillful
11 glossing over of pertinent public queries, referrals back
12 to already consulted and still yet incomplete sections
13 of the EIR, and the all-to-often lack of adequate data,
14 or research.

15 This is an arena that depends on an unbiased
16 report writing with facts based on real world application,
17 rather than hypothetical modeling, without human influence
18 factored in.

19 My profession alone attests to the importance
20 of recognizing that human factor in error exists. Accidents
21 are a fact. The recent Union Oil coverup of the blow out
22 preventer test data, tens of unreported vessels near collisions,
23 and prevalent small untraceable spills or dumping, indicates
24 that there is an omission of data and failure to report
25 problems that are--that this problem is industry wide.

1 How many of the reports and statistics the Chambers
2 Group has drawn upon in their compilation of this report
3 were erroneous, incomplete, or subject to bias. How will
4 these discrepancies influence the possibility of catastrophe,
5 should any portion of this project be approved? Where
6 is our professional watch dog? The truth squad? And,
7 that second opinion? Must we depend solely on what the
8 Chambers Group dictates?

9 Is it my duty, as it is everyone's, to bring
10 our lives to a screeching halt every time an ARCO steps
11 forward with a proposal to make themselves rich? And,
12 those impacted, poor? I think not.

13 Is your judgment to be made based upon only the
14 financial and environmental quantifiable information amassed?
15 I hope not.

16 There must be consideration given to the emotional,
17 psychological and spiritual trauma that will result from
18 this proposed project. ARCO is not in this for some philanthropic
19 or altruistic end. They are profit motivated.

20 Please, members of the State Lands Commission,
21 do not allow the waters, air, and people of this coastal
22 California to be sacrificed or victimized. At a minimum
23 restrict this project to limitations advised by the County
24 of Santa Barbara, and UCSB.

25 Be yourselves satisfied with the some--be yourself's

1 satisfied with the somewhat reduced maximum yields, yet
2 still decent sized revenues, as the result of production
3 of Leases 308 and 309 from the Holly position, providing
4 your approval process for best available, safe, technology,
5 mitigation of Class 1 impacts independent of cost effectiveness,
6 where technology exists, and no project where an acceptable
7 mitigation method does not, maintain a clause whereby retrofit
8 of existing processes is mandatory as technology improves
9 and systems safety and productive efficiency--I didn't
10 say that right, but--

11 ACTING CHAIR ORDWAY: I think we know what you
12 are getting to.

13 MR. VATTER: Yes.

14 Realize that we, as humans, are presently on
15 a dead-end street, approaching the culdesac as our present
16 methods of using non-renewable energy sources for power
17 continues. Do not perpetuate the hand-to-mouth ideology
18 that exists today. We need a revision of Public Resource
19 Section 6217 regarding distribution of tidelands revenues
20 to mandate that the lion's share of all moneys received
21 by the state from oil and gas production in the tide and
22 submerged lands be dedicated to the research, development,
23 and production of technology and facilities for the capture
24 of renewable energy sources.

25 It is only through foresight and dedication

1 to ourselves and to our future generations that we will
2 once again step within nature's boundaries. We are now
3 out of control.

4 Thank you.

5 ACTING CHAIR ORDWAY: Thank you.

6 Yasmin Rodriguez.

7 MS. RODRIGUEZ: Hi. I have been to quite a few
8 other hearings, and I haven't had the gumption to get up
9 and speak before.

10 ACTING CHAIR ORDWAY: Pull the mike down. Thanks.

11 MS. RODRIGUEZ: But, my conscience brings me
12 here today, and forces me to stand up before you.

13 I am happy and relieved to see that Hope Ranch
14 has finally gotten involved. Thank you very much for coming.
15 I am thankful also that the residents of Isla Vista are
16 in full force tonight, as well.

17 I am not paid to be here, but I am not here to
18 profit either. I am only here to try and preserve what
19 so many of us here don't take for granted. Just a little
20 peace and quiet, with nothing but the sound of the ocean
21 to soothe our busy minds, the smell of the salt air, the
22 view on the horizon of the sun setting on the island, the
23 ability to do research in a near pristine environment.

24 This is our reality. This is our peace here.
25 I am not here to ask for more than we already have, with

1 Platform Holly, we have enough. I am not asking you to
2 take that away. I guess that is a small sacrifice that
3 we have made in the shadow of this project.

4 I don't care about a net air quality benefit.
5 I just want things the way they are, I suppose.

6 If you give us Heron, then you take away our
7 peace. No more nights of unagitated sleep. No more dark
8 star-filled skies. If you give us Haven, then you take
9 away our ability to dream of that world beneath the surface.
10 No more Naples Reef. No more research.

11 If you give us more Holly, then you take away
12 the hope in our souls by giving us one more gouge in this
13 20-year old wound that we know as Holly.

14 ARCO is a little like the fox in the Aesop Fable.
15 Just because it will take a little more effort to obtain
16 those grapes, don't let them convince you that they are
17 sour. The oil will always be there, and those grapes will
18 taste just as sweet--maybe sweeter when we really need
19 the oil, then now when we don't.

20 ARCO is profit motivated, that is understood.
21 The state and the nation are not in dire need of this low
22 quality, inferior grade, oil. That is understood, as well.

23 The State Lands Commission is under no obligation
24 to permit this project. That is understood. The citizens
25 that this project affects will not sit quietly by and watch

1 this project as ARCO proposes go through. Let that also
2 be understood.

3 I am not here to ask for more than we already
4 have. I am merely here to have my very simple needs met.
5 Heed the restrictions set by the county and UCSB. Show
6 us, the people that voted you in office, that you understand
7 more than the language of money.

8 Thank you.

9 ACTING CHAIR ORDWAY: Thank you.

10 Hal Kopeikin.

11 Nice to see you again, Hal.

12 MR. KOPEIKIN: Hello, thank you very much.

13 I am very tired, and I assume you must be by
14 now, too.

15 ACTING CHAIR ORDWAY: I have only been up since
16 5:30 a.m. What time did you get up, Jim?

17 DEPUTY TUCKER: That's about right.

18 ACTING CHAIR ORDWAY: About 5:00? Naw, it is
19 a short day. I can get back to Sacramento and go in to
20 the office for awhile.

21 MR. KOPEIKIN: Okay, then we will be glad to
22 see you again in March.

23 I just--oh, I had a couple of comments that I
24 wanted to share with you.

25 One of them had to do with this wonderful document

1 that was sent to me, and I thank you for sending it to
2 me. After reading it, I assume that it must come from
3 an appointee of a Governor who is very much eager in balancing
4 a budget, no matter what the local costs are.

5 ACTING CHAIR ORDWAY: Who is that written by?

6 MR. KOPEIKIN: I don't know. I am wondering.

7 ACTING CHAIR ORDWAY: What is the letterhead
8 say?

9 MR. KOPEIKIN: George Duekmejian, Claire Dedrick--

10 ACTING CHAIR ORDWAY: Is this the Lands Commission?

11 MR. KOPEIKIN: Yeah.

12 ACTING CHAIR ORDWAY: The Lands Commission--
13 may I just explain who sits on the Lands Commission?

14 MR. KOPEIKIN: Please, or, who authored--

15 ACTING CHAIR ORDWAY: We have three members to
16 the Lands Commission.

17 Mr. Tucker is sitting on behalf of the Controller,
18 which is an elected, constitutional officer of the State
19 of California.

20 Lieutenant Governor McCarthy is a Commissioner,
21 who is also an elected constitutional officer of the State
22 of California. That is two votes.

23 I sit on behalf of the Department of Finance,
24 which reports to the Governor, so that is two to one.

25 Okay?

1 MR. KOPEIKIN: Okay.

2 I don't know who this report comes from? But,
3 I would mention that a couple of things in it--

4 ACTING CHAIR ORDWAY: I think that is the staff
5 report.

6 MR. KOPEIKIN: --well, who appointed the staff?

7 ACTING CHAIR ORDWAY: The staff is a civil servant.
8 Are you familiar with the civil servant laws in this state?

9 MR. KOPEIKIN: Oh, okay, nobody appoints--

10 ACTING CHAIR ORDWAY: They have no party affiliation.

11 MR. KOPEIKIN: --them, oh, okay.

12 Good.

13 ACTING CHAIR ORDWAY: Well, whatever party affiliation
14 it is, it is, but they certainly get hired or fired on
15 that basis.

16 MR. KOPEIKIN: Good, good.

17 Well, in any event, one thing I want to mention
18 is, there is a comment repeated in here that the oil on
19 the Isla Vista beaches is natural seepage. I want to just
20 give you about a 30-second anecdote on that one. I believed
21 that one when I came here as an undergraduate, about 14
22 years ago. I even say it seeping out of the ground, when
23 I went scuba diving. I paid very close attention to it,
24 and watched it. I went away for graduate school. I came
25 back six years later. There is at least four times as much

1 oil, and the platform moved in a lot more closely.

2 Now, I have been watching it regularly. I walk
3 down the beach. I would love to see a study of this. All
4 I hear is natural seepage. I never see any data tracking
5 it over time.

6 Before this EIR is accepted, I would like to
7 recommend that we see some information on how much degradation
8 Holly has already caused to that local environment. I
9 don't think that has been adequately reported.

10 Another thing that I think has been real interesting
11 in here, I want to make the comment that people keep talking
12 about producing oil. I want to remind us that we don't
13 produce oil. Dinosaurs produce oil. It takes a few million
14 years. We drain our resources, all of our resources.

15 It is very clear to me that there are people
16 like the army of lawyers from ARCO who will make a good
17 deal of money from draining this resource now. It is also
18 clear to me that some of the local divers and construction
19 companies will make money from draining this resource now;
20 but nevertheless, in terms of our national interest, and
21 larger local interests, I would like to remind you that
22 the price of oil is depressed. It makes very little sense
23 to exploit a resource at a depressed price.

24 Secondly, I would like to mention that because
25 the price is depressed, unlike what this gentlemen said

1 about us getting a good deal, environmentally, from ARCO,
2 right now it is not cost effective for them to provide
3 us with the kind of protection that they could when the
4 price would rise.

5 I would contend again, as has been mentioned,
6 that the oil, the quality of the oil, right off our coast
7 here, is very, very poor. It will require a lot of refining,
8 and I would like to suggest that this oil would be very
9 important some time in the future, but right now it is
10 a quick way to make a quick buck at terrible local costs,
11 and I think it is a terrible idea.

12 I understand with the big budget deficit, there
13 are forces in our government right now that would like
14 to make as much money as quickly as they can regardless
15 of the cost. I hope you are not one of them.

16 I would also add that another thing that I found
17 interest, the pollution reports about air pollution? The
18 statement that the air pollution, that there will be a
19 significant increment in the air pollution. This assumes
20 that the wind will be blowing 30 miles down the coast.
21 After 30 miles of it being diluted, we are still going
22 to have a significant impact, okay?

23 Now, tell me what happens when the prevailing
24 winds shift? And, we have all of that air blowing less
25 than two miles? Because this is less than two miles. The

1 major platforms are less than two miles from 18,000 people.

2 In case of a disaster, I might remind you also,
3 that there are two roads that lead out of one of the most
4 densely populated areas in America. We have 18,000 people
5 in less than a half-a-square mile. There is no way to
6 get out of there during rush hour. In the event of a disaster,
7 you would have a real disaster on your hands, because there
8 is no way of getting out. I didn't see that in the EIR,
9 either, and I did look.

10 I apologize to the gentlemen who did the EIR,
11 because it was a very comprehensive document, and I assume
12 that it is impossible to placate the locals, because we
13 are honestly, and accurately, aware that this was going
14 to do grievous damage to us. There is no way around it.
15 And, there is no way of putting it in nice terms, no matter
16 how many books you use to do so.

17 I want to thank you for being here, and I will
18 see you in March.

19 ACTING CHAIR ORDWAY: See you in March.

20 Vivian Obern.

21 MS. OBERN: Hello, I am Vivian Obern, and I am
22 wearing a GOO arm band, and this was worn in 1970 to mourn
23 the 1969 oil spill, which was 18 years ago.

24 I remember how horrified we were at the six to
25 eight inches of oil on Arroyo Burro Beach when we went

1 out to look at it, and the dead birds.

2 It has been--everybody has said just about everything,
3 but you know this oil is not worth destroying one of the
4 most beautiful areas in the world. And, it is our responsibility
5 to the nation and to the world to save Santa Barbara, as
6 a beautiful spot.

7 It really is a unique place. I have always been
8 very grateful that I have lived here, coming from Chicago
9 40 years ago, and I just couldn't believe the beauty that
10 was here, coming up the coast.

11 You know, we have a lovely climate, and we have
12 the beautiful ocean, but so does Hermosa Beach, and so
13 does Long Beach. They have the same climate, and the same
14 ocean. Why is Santa Barbara unique? We have harmonious
15 architecture. We have wonderful sign laws that keep the
16 signs in good taste, and small. We have fantastic street
17 tree plantings, and plantings all over the city. And,
18 human-scaled buildings. Why do we have all of this? Simply
19 because the citizens in Santa Barbara are really different,
20 also. They are really unique, because they were alert
21 first, and then concerned, and then they became involved,
22 and citizens of Santa Barbara are involved, and they are
23 very, very much concerned about what the oil is doing to
24 this community, and will do.

25 I happened to be on a committee appointed by Governor

1 Reagan for five years, the California Recreational Trails
2 Committee, and I was fortunate enough to be able to dream
3 up a bikeway and multiuse trail which goes from UCSB to
4 the City of Santa Barbara, and I was able to testify at
5 the state legislation, and we had--well, actually \$4.5
6 million, statewide, raised for these bikeways, and almost
7 a \$1 million came to Santa Barbara County, and we have
8 this fantastic seven-mile bikeway. I rode it the other
9 day with our grandchildren, and I was just happy that there
10 it was. It is a resource.

11 Well, we are also thinking, and have been, with
12 the encouragement of William Penn Mott, Jr. of extending
13 the bikeway along the coast. It is supposed to go up to
14 Caviota. In fact, it was funded at one point, until land
15 owners became so greedy they went way over the assessed
16 appraised value.

17 But, at any rate, it worries me that this fantastic,
18 potential, greenway, which this beautiful coast will be,
19 will be a manufacturing area.

20 You know, every time that I go up to Morro Bay,
21 I think, "Oh, that ugly installation, right next to that
22 great rock, could never happen today. They would never
23 allow such a thing."

24 And, here people are actually, seriously, considering
25 an ugly pile of erector set right outside of a heavily

1 populated area, less than two miles. You know, our islands
2 out there are, oh, 25, 30 miles away, and yet some days
3 you can see every little indication of every cliff and
4 every arroyo, right out there, on clear days, and this
5 happens quite a bit during the winter. Two miles away,
6 with this great big thing, is unbelievable that it could
7 even be planned.

8 So, I just--I live near a beautiful spot on Cliff
9 Drive, where people throng to see the views over the cliff
10 over the ocean, and to see the sunsets, and I just can't
11 believe that people would put up this platform so that
12 those in Isla Vista can no longer see an inspirational--
13 and it is a spiritual experience, to look out at the ocean.

14 So, I just hope that this platform Heron will
15 be laughed out of the city.

16 ACTING CHAIR ORDWAY: Thank you.

17 Michael Phinney.

18 I thought that I already answered your questions,
19 Michael.

20 MR. PHINNEY: Pardon?

21 ACTING CHAIR ORDWAY: I thought that I already
22 answered your questions? Just half of them?

23 No, no, we talked on the way to dinner.

24 MR. PHINNEY: Yes, you did, and half of my speech
25 is gone. You are in luck.

1 I want to commend your perservance. This is
2 the second time you got stuck with the duty, when everybody
3 else left.

4 ACTING CHAIR ORDWAY: It is not a duty that we
5 are stuck with. It is a duty that we volunteer to do.

6 MR. PHINNEY: Well, bless your heart.

7 Thank you.

8 ACTING CHAIR ORDWAY: That is not the part of
9 me that is in need, right now.

10 [Laughter.]

11 MR. PHINNEY: Want to take a break?

12 ACTING CHAIR ORDWAY: No.

13 We are down to the last three, so I am hopeful
14 that it is not going to last a whole lot longer.

15 MR. PHINNEY: Right.

16 Well, I am delighted with the Commission's action
17 on postponing the ultimate hearing on the certification
18 of the EIR until March.

19 The present EIR is indeed flawed. You have heard
20 that all night long. It is doubly flawed. I will bring
21 out a couple of new ones for you.

22 First, it is flawed in its logic, and it is flawed
23 through omissions of several major impacts. I will just
24 give you a couple of them.

25 First, the flaw of faulty logic, Section 2.1.3.2,

1 dealing with air quality, states that there is no evidence
2 that acid rain or fog exists here at present. It also
3 states that no local studies have been made about its existence.

4 Then, it states that no studies have been made
5 relating acid rain and fog to offshore oil development,
6 and then, it concludes that since there is no evidence
7 and no study there is not and won't be any acid fog or
8 rain here. That is some logic.

9 It seems to me that that is like saying there
10 is no evidence that exists in this room that the sun is
11 shining, and then saying that there has been no study to
12 see if the sun is shining, then following that with the
13 fact that no study has been made relating sunshine to public
14 hearings, and then from these statements being told that
15 we have to conclude that the sun is not shining and never
16 will.

17 Perhaps we should conclude that this report belongs
18 where the sun doesn't shine.

19 The second flaw is the flaw of omission. An
20 omission of major impacts on residents, namely, plummeting
21 property values. No one in Isla Vista wants to live where
22 there is atrocity just off of the beach, with its noise,
23 air, visual pollution and health hazards, there will be
24 a definite decrease in property values. It can reap economic
25 havoc on many property owners.

1 I would certainly ask that you delete, if nothing
2 else, if you approve any kind of a project, delete Heron.

3 I would ask that the EIR--I would ask for an
4 EIR that is logical and consistent, and I would ask that
5 H₂S, hydrogen sulfide, studies be conducted, which apparently
6 they haven't been, regarding acid rain and fog, and include
7 these in the new EIR.

8 The third item, the actions of the State Lands
9 Commission, regarding this project, will possibly open
10 the door to class action litigation against both the state
11 and ARCO. The appellate court system in the State of California
12 has, in recent years, upheld multiple verdicts granting
13 awards for damages to property owners who have complained
14 of noise pollution from freeways.

15 The courts have also upheld a verdict granting
16 an award for damages caused to surrounding property by
17 odor pollution from a sewage treatment plant.

18 From these legal precedents it is clear that
19 no longer is it necessary in the State of California to
20 have real property taken in order to have a compensable
21 damage.

22 Now, it is necessary only to have something invade
23 your property, and thereby diminish its value. Odor and
24 noise are things which invade your property, according
25 to the California courts; perhaps lights from flaring is, too.

1 Thank you.

2 ACTING CHAIR ORDWAY: Thank you.

3 Sean Durkin.

4 MR. DURKIN: Good evening. My name is Sean Durkin.

5 I didn't plan on making a statement when I came
6 here this evening; however, I felt the need to.

7 I live here in Santa Barbara, and I am really
8 sorry that we have oil here, but it is here, and it is
9 something that we as people who live here have to deal
10 with.

11 Today I feel, listening to all of the comments,
12 that it is primarily the state and the rest of the nation
13 against UCSB, since most of the comments were from UCSB
14 students today.

15 Another comment that I would like to make is
16 when I first moved here, the beaches were dirtier. There
17 was more oil on them. There was when you walked down the
18 beach. You got more tar.

19 When ARCO installed its tent, I felt that--the
20 tent that captures oil and gas, which people were talking
21 also earlier about, was the gas, this smell. I don't know
22 how you can determine the smell from the natural seep from
23 anything else? But, it seems to have been cleaned up,
24 in my opinion, somewhat.

25 The gentleman that talked about acid rain, earlier

1 before, I live right by the ocean, and if I leave my car
2 out, I usually consider it due to salt water, the rust
3 that I get, and the reasons that it falls apart.

4 I feel right now that we are in a very good negotiating
5 position with ARCO. The price of oil is depressed. We
6 all know of the crisis that is going on. I think that
7 we should strike right now, in our county, while the iron
8 is hot, and get a good deal out of ARCO, because ten years
9 down the line--and I believe you know it takes ten years
10 to bring oil onshore, from the time that you find it--
11 ten years down the line, we probably won't have that flexibility.
12 They will be able to tell us what they want.

13 I don't want to take much of your time, and I
14 am sure that you have a lot of these comments before, and
15 so I would just like to say that as a resident of this
16 county I am in favor of the project.

17 ACTING CHAIR ORDWAY: Thank you.

18 MR. DURKIN: Thank you.

19 ACTING CHAIR ORDWAY: Sue Higman.

20 MS. HIGMAN: Thank you, Mrs. Ordway. I am Sue
21 Higman, and I know you have had a long, long onerous afternoon.
22 I hope that you are not going to drive home tonight.

23 ACTING CHAIR ORDWAY: No, we are flying.

24 MS. HIGMAN: Oh.

25 Well, anyway, I wanted to thank you, also, for

1 your close attention to what's been said.

2 I am a long time resident of Santa Barbara coast.
3 I wasn't born here, but I grew up here, so I have seen
4 it go through all of its transitional phases, and I must
5 say that I have certainly been super impressed with the
6 testimony that has been given today, in particular by the
7 students.

8 I was a student at Santa Barbara State College,
9 which is now UCSB, and we weren't nearly as smart or as
10 sophisticated when I was their age, and I congratulate
11 them.

12 I wanted to--

13 ACTING CHAIR ORDWAY: It is too bad they aren't
14 here to hear you give them a compliment.

15 MS. HIGMAN: --well, I think it will filter back
16 to them, somehow, because these gray hairs make me realize
17 how long it has been since I have been in that position.

18 I think that big oil has met its match. I honestly
19 do. I am a shareholder in ARCO, and I would be more than
20 willing to forego any dividends from their Coal Oil Point
21 project.

22 I have attended a number of these hearings, not
23 necessarily the State Lands Commission, but it always seems
24 to end up jobs versus the environment, and that is a sad
25 statement, because I think people are beginning to realize

1 a good environment means good work place.

2 So, I hope you will recognize the testimony that
3 has been given, the quality of the testimony, the depth
4 of thinking that has gone into it, and balance that out
5 in this particular issue.

6 I would say that the testimony, in my opinion,
7 has been overwhelmingly in favor of no project. I think
8 that ARCO will survive if you deny it, but beautiful Isla
9 Vista and beautiful Santa Barbara may not, if you approve
10 it, so I ask that it be a unanimous vote to deny the project.

11 Thank you.

12 ACTING CHAIR ORDWAY: Thank you.

13 Having gone through better than an inch of white
14 slips, is there anyone in the audience who chooses to add
15 any final comments?

16 [No response.]

17 Mr. Tucker? Any final comments?

18 DEPUTY COMMISSIONER TUCKER: No.

19 ACTING CHAIR ORDWAY: Good night, then, and I
20 will adjourn the meeting of the Lands Commission.

21
22 9:40 p.m.

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