

STATE LANDS COMMISSION

TRANSCRIPTS

November 5, 1991

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MEETING
STATE LANDS COMMISSION
STATE OF CALIFORNIA

1020 N STREET
ROOM 102
SACRAMENTO, CALIFORNIA

ORIGINAL

TUESDAY, NOVEMBER 5, 1991
11:17 A.M.

Nadine J. Parks
Shorthand Reporter

MEMBERS PRESENT

1
2 Leo T. McCarthy, Lieutenant Governor, Chairman

3 Jim Tucker, representing Gray Davis, State Controller

4 Susanne Burton, representing Thomas W. Hayes,
5 Director of Finance

6
7 Staff Present

8 Charles Warren
Executive Officer

9 James Trout
Assistant Executive Officer

10 Robert Hight
11 Chief Counsel

12 Jan Stevens
Deputy Attorney General

13 Rick Ludlow
14 Senior Staff Counsel

15 Paul Mount
Division Chief, ERM

16 Jane Sekelsky
17 Chief
Land Management Division

18 Also Present:

19 Alan Hager
20 Deputy Attorney General

21

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23

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P R O C E E D I N G S

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3 CHAIRMAN MC CARTHY: All right. Without
4 objection, the minutes of the previous Commission meeting
5 are approved.

6 Welcome to the Commission meeting. Commissioner
7 Tucker -- representing Controller Gray Davis -- and myself
8 will soon be joined by Susanne Burton of the Department of
9 Finance.

10 Anybody wish to make objections to the remaining
11 items on the consent calendar?

12 If not, without objection, the consent
13 calendar items remaining are approved.

14 We'll start on the regular calendar.
15 Mr. Warren.

16 EXECUTIVE OFFICER WARREN: Item 26, Mr.
17 Chairman and members, will be presented by the Chief of
18 our Land Management Division, Jane Sekelsky.

19 MS. SEKELSKY: Item 26 is for approval of a
20 recreational pier permit at Lake Tahoe. It is for the
21 waterward portion of a pier, the need to reconstruct
22 some existing piers, so it's going to be repair and
23 reconstruction.

24 CHAIRMAN MC CARTHY: Any questions? Any
25 questions from the audience on this item? Approved as

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1 recommended. Next.

2 MS. SEKELSKY: Item 27 is a general lease
3 and right-of-way -- this is one of two items authorizing
4 the same applicsnt to do two different -- this is one of
5 two items authorizing the crossing of the Colorado River
6 with 24-inch natural gas pipeline. We have the same
7 applicant who has two different alternative routes of
8 crossing the river, and at this point in time, they're
9 not certain which will be the better one to do.

10 Environmentally, both have been analyzed under
11 CEQA, and neither of them will have a significant effect.
12 This particular crossing in Item No. 27 is to take a
13 pipeline across an existing bridge which carries other
14 pipelines.

15 EXECUTIVE OFFICER WARREN: Item 27 and 28 are
16 the alternative routes that Ms. Sekelsky mentioned.

17 MS. SEKELSKY: Item No. 28 is the alternative,
18 which is to bore underneath the river.

19 CHAIRMAN MC CARTHY: All right. Any question on
20 27 or 28?

21 Without objection, Items 27 and 28 are approved.
22 (Thereupon, Commissioner Burton arrived
23 to take her place on the rostrum.)

24 MS. SEKELSKY: Item No. 29 is for a controlled
25 burn of some chaparral and shrubbery on State and private

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1 lands in Mendocino County. It is for fire protection
2 and improvement of habitat and wildlife trails. This is
3 to be conducted by the Department of Forestry.

4 CHAIRMAN MC CARTHY: All right. Any questions
5 from the Commissioners?

6 EXECUTIVE OFFICER WARREN: We recommend
7 approval.

8 CHAIRMAN MC CARTHY: All right. Recommend
9 approval. Next.

10 MS. SEKELSKY: Item No. 30, Mr. Chairman, will
11 be presented by our legal staff, Bob?

12 MR. HIGHT: Item No. 30, Mr. Chairman, seeks
13 approval of the Executive Officer's execution of an MOU
14 between State Lands Commission and Department of
15 Corrections concerning that site, the potential prison
16 site in downtown Los Angeles.

17 What we seek to do here is to demolish the
18 remaining structures on the site and prepare the soil.
19 Other than that, there's nothing involved. There's no
20 opposition or controversy involved in this activity. We
21 ask approval.

22 CHAIRMAN MC CARTHY: Any questions from the
23 audience on Item No. 30? Commissioners? Approved as
24 recommended. Next.

25 MS. SEKELSKY: Item No. 32 is a rent review of

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1 an old facility at Point Richmond in Contra Costa
2 County. There's an existing railroad freight slip. They
3 have been attempting to sell this property, and asked, when
4 the five-year rent review came up, that we defer changing
5 the rent at that time, because they thought they were
6 prepared to sell the property.

7 They have been unable to sell the property, and
8 we recommend approval of the new rent rate at this point
9 in time.

10 CHAIRMAN MC CARTHY: Any questions? Approved
11 as recommended. Next.

12 EXECUTIVE OFFICER WARREN: Item 33,
13 Mr. Chairman and Commissioners, is to approve the proposal
14 to abandon five completed oil and gas wells on State oil
15 and gas leases offshore in the Gaviota area of Santa
16 Barbara County. This well abandonment activity will take
17 about 50 days to complete. It will begin this year during
18 the winter season. It will involve the use of one barge
19 to abandon the wells. We have received a letter from the
20 Environmental Defense Center suggesting that a full EIR
21 be undertaken on this activity because of scenic aspects
22 and possible air quality impacts. But the project itself
23 is exempt under the local air pollution control district
24 rules, because it is a well abandonment project, which is
25 desirable in itself. It's part of the project. And we

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1 recommend approval.

2 CHAIRMAN MC CARTHY: Is there any opposition
3 to this in the audience? Mr. Keith Howell want to say
4 anything about this? Any questions from the
5 Commissioners?

6 If not, approved as recommended. Next.

7 EXECUTIVE OFFICER WARREN: The next item is
8 Item 36. And it and the remaining items will be
9 presented to you by Mr. Hight, our Chief Counsel.

10 MR. HIGHT: Mr. Chairman, Item 36 is the
11 approval of an amendment to our standard lease form. It
12 adds an environmental pollution clause that allows the
13 Executive Officer to notify lessees that they are in
14 default, and allows tighter control for environmental
15 pollution.

16 CHAIRMAN MC CARTHY: Any questions from the
17 Commissioners? Anyone in the audience wish to ask a
18 question about this?

19 Approved as recommended.

20 MR. HIGHT: 37, Mr. Chairman, is the lease of
21 the State sovereign interest in the Santa Ana River for a
22 reclamation and restoration project that the Corps of
23 Engineers is doing.

24 CHAIRMAN MC CARTHY: Audience have any
25 questions on 37? Approved as recommended.

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1 MR. HIGHT: 38, Mr. Chairman, is the disclaimer
2 of interest in a Federal condemnation action in
3 San Bernardino for 2.5 acres. And the Commission has,
4 luckily, no interest in this parcel.

5 CHAIRMAN MC CARTHY: Any questions from the
6 audience? Approved as recommended.

7 EXECUTIVE OFFICER WARREN: 41, Mr. Chairman,
8 is the approval of an agreement to implement an optimized
9 waterflood program for the Long Beach Unit.

10 Presenting the item will be Paul Mount, who is
11 the Division Chief of our Environmental Resources
12 Management, Rick Ludlow of our legal staff, and Alan
13 Hager of the Attorney General's Office.

14 We have Paul Mount to present the item.

15 MR. MOUNT: Mr. Chairman, I would like to take
16 a few minutes to summarize the benefits of the agreement
17 we have reached with Arco concerning the Long Beach Unit.

18 As you are aware, this agreement was implemented
19 and made possible by the passage of AB 227.

20 This agreement will result in more revenues
21 to the State by increasing oil production and profits,
22 more to the city by giving them a small share of the
23 incremental profits, and more to the county through
24 ad valorem taxes.

25 The agreement, the program, and the optimized

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1 waterflood is designed using the best engineering practices
2 to optimize the recovery of the resource and the best
3 available technology will be applied to the Long Beach
4 Unit.

5 Because of the commitment of Arco to provide
6 engineering and other expertise to the development of the
7 field and the combined efforts of the State, city, and
8 Arco engineers, and staff, better surveillance of the field
9 will be done and more programs generated to enhance the
10 field production. With the combined efforts of all three,
11 the field will be better managed.

12 Another advantage is that Arco will provide
13 the \$100 million investment that is required to improve
14 the oil production. This is provided at little risk to
15 the State and the city, since the \$100 million will be
16 recovered from the increased oil production profits only.

17 Better control over the field will be created
18 since the programs to develop the field will be reviewed
19 by Arco, the city, the State in a long, five-year plan
20 detailing out the development of the field and approved
21 by the State Lands Commission.

22 All of the field development and operations
23 will now be reviewed by Arco in addition to the city and
24 State. All of the above will result in increased profits
25 to the State, city, and Arco, since the additional

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1 profits will come from incremental oil produced. The
2 magnitude of the profit will depend upon oil price,
3 success of the optimized waterflood, and maintaining low
4 operating costs.

5 Finally, there's an increased incentive
6 for the city, since the city will now share in the
7 profits; and an increased incentive for THUMS, since
8 THUMS, which is now 80 percent owned by Arco, and Arco
9 will receive a significant share of the incremental
10 net profits.

11 On the next presentation graph there, I'd like
12 to show you an illustration of the impact of the oil
13 production -- that the optimized waterflood has on the
14 oil production.

15 The actual oil rate will vary with price, the
16 degree of success, the staffing levels of the city, State,
17 and Arco to implement the program, and other smaller
18 factors.

19 Even with low oil prices, the State believes
20 that increased profits are very likely from increased
21 production.

22 Thank you. Do you have any questions?

23 CHAIRMAN MC CARTHY: Let's hear the other
24 testimony first.

25 MR. LUDLOW: Mr. Chairman, members of the

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1 Commission, my name is Rick Ludlow. I'm a Senior Staff
2 Counsel with the State Lands Commission.

3 I've been involved in negotiations of this
4 agreement with Arco and the city since Day One. I might
5 note that it's almost two years to the day that the
6 negotiations first began that we are now here before you
7 with what we believe is finished product.

8 I just want to emphasize that these were very
9 difficult negotiations. They were arm's-length
10 negotiations. Many times, I think both sides were ready
11 to walk away from the table, but we did come back. It has
12 been made possible by the enactment of AB 227, Assemblyman
13 O'Connell, which authorized the Lands Commission to
14 conduct these negotiations, and which changed some of the
15 statutory framework around the Long Beach Unit, which would
16 allow implementation of this agreement.

17 The present agreement the staff put together
18 with Arco and the City of Long Beach meets all the
19 requirements of the legislation.

20 I think that from a structural standpoint and
21 from a legal standpoint, it does everything that the
22 State could possibly hope to achieve. It does also settle
23 within its context the Coal Oil Point litigation. But that
24 is not the driving force here. This agreement stands
25 economically on its own at the Long Beach Unit as a benefit

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1 to the State.

2 CHAIRMAN MC CARTHY: All right. Any questions?

3 MS. JOHNSON: My name is Cara Johnson. I'm
4 here today on behalf of Assemblyman Jack O'Connell, who,
5 unfortunately, couldn't be here today. I'd like to urge
6 your support of Agenda Item 41, authorizing your
7 Executive Director to sign an agreement with Arco and the
8 City of Long Beach.

9 As you know, Governor Wilson recently signed
10 Assemblyman O'Connell's AB 227, which authorizes your
11 Commission to sign an agreement with Arco so that it can
12 implement an optimized waterflood program to increase
13 production in the existing oil fields in Long Beach.

14 All parties involved with this legislation
15 agree that this program is necessary to increase oil
16 production and, therefore, to provide more revenue for
17 the State from this declining oil field.

18 In fact, under this proposal, it is estimated
19 that an additional 50 to 80 million barrels of oil should
20 be recovered, yielding the State about 317 million
21 over the 20 years of the project. The State would share
22 with Arco 50 percent of the revenues and the City of
23 Long Beach will receive about 74 million over 20 years.

24 In return, Arco has agreed to spend a minimum
25 of \$100 million in capital to complete the project,

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1 surrender two of their Coal Oil Point leases off the
2 Santa Barbara coast, and drop their costly court case
3 against the State, which was filed because they were
4 denied permission to develop the leases.

5 As you are aware, this legislation was the
6 culmination of years of negotiation between your
7 Commission and interested parties. Your authorization
8 of this agreement will ultimately result in a substantial
9 amount of increased revenue to the State without the need
10 to place additional oil platforms off our coast with all
11 of their adverse impacts and risk.

12 Assemblyman O'Connell asked I thank the
13 Commission and its staff for all their hard work on the
14 legislation, and urges your approval.

15 Thanks.

16 CHAIRMAN MC CARTHY: Thank you. Who's next?

17 MR. LUDLOW: John Schiree, a representative from
18 the City of Long Beach.

19 MR. SCHIREE: Thank you, Mr. Chairman. For the
20 record, I am John Schiree. I'm the Assistant City
21 Manager for the City of Long Beach. And, obviously, I'm
22 here to urge your approval of this item on your agenda.

23 You know, somehow, this single entry on your
24 agenda doesn't begin to reflect the hard work that went
25 into this item to get you to this point here today for a

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1 vote.

2 As has been described, these two years have
3 involved a lot of people; many of them right here in this
4 room worked very hard to bring this together. Rick
5 mentioned that these were arm's-length negotiations.
6 Sometimes it felt like there were boxing gloves on the ends
7 of those arms. And, nevertheless, it all came together
8 in AB 227, as Cara Johnson has described for you. The
9 Governor has approved that bill, making this action of
10 yours possible.

11 Our City Council voted on this last week,
12 voted unanimously, with many nice things said about the
13 work of the State Lands Commission as well as support
14 from Assemblyman O'Connell and the Governor's Office for
15 this legislation.

16 I want to also add my thanks to Arco. Arco
17 has been an outstanding corporate citizen of our city
18 for many years prior to their becoming an owner of the
19 THUMS operation. They may soon be a hundred percent owner
20 of the THUMS operation, and we look forward to working
21 with them on this optimized waterflood endeavor.

22 I think that this agreement truly is a
23 win, win, win. It's good for the company. It's good for
24 the city. And we will be able to use our funds for
25 maintaining and operating the State's tidelands for the
good of all the people of California as we have been

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1 entrusted to do by many years ago. And it's also good
2 for the State, because you will see additional revenue --
3 we feel certain -- from this operation.

4 We're optimistic that it will be successful
5 and, as a result of that, the State will see considerable
6 additional benefits as well as the other two parties.

7 So, with that, Mr. Chairman, I certainly urge
8 your approval and, once again, thank everyone who worked
9 very hard to get this together.

10 MR. LUDLOW: Mr. Chairman, Ms. Casey Sparks
11 Kaneko, legislative representative of the County of Santa
12 Barbara, would like to address the Commission.

13 MS. KANEKO: Commissioners, on behalf of the
14 Board of Supervisors of Santa Barbara County, we'd like
15 to express our support for this agreement. And the Board
16 is delighted with the terms that have been reached so
17 far and the passage of AB 227.

18 The agreement meets the Board's goals in the
19 Coal Oil Point litigation, which are to eliminate the
20 county's financial liability and prevent further
21 development of the leases off of Coal Oil Point, which --
22 I'd like to point out -- is directly off the shore of
23 the University of California at Santa Barbara and its
24 renowned marine lab, as well as Goleta Beach, which is
25 one of the highest public coastal access areas in the

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1 County of Santa Barbara.

2 Thank you for your efforts so far, and we urge
3 your support of the agreement.

4 MR. LUDLOW: Alan Hager of the Attorney
5 General's Office would like to make a comment. Alan?

6 MR. HAGER: As you know, our office has been
7 involved working with your staff in negotiating the
8 optimized waterflood agreement in securing the passage
9 of AB 227.

10 We support the agreement. It's an
11 independently supportable agreement, and it is independent
12 of the Coal Oil Point litigation, which we have handled.
13 It provides for a disposition of that litigation that we
14 think is truly outstanding. It provides something that
15 we would never get through litigation, and that's the
16 return of Leases 308 and 309, the two leases directly
17 offshore of UCSB. So, we wanted to make known to you
18 our support of this agreement.

19 MR. LUDLOW: Mr. Chairman, our next speaker
20 will be Paul Norgaard, Vice President of Arco.

21 MR. NORGAARD: Mr. Chairman, members of the
22 California State Lands Commission, I'm Paul Norgaard. I'm
23 the Vice President of Arco Oil and Gas Company located
24 in Bakersfield, California.

25 I think that everything that I would have liked

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1 to have said has already been said. But there are a
2 couple of things that I feel are important.

3 First off, I've heard two years a number of
4 times. Some of us have been working on this for over
5 four years. So, it has been a long and very difficult
6 process.

7 I'd also like to say that, while it's been
8 tough for a lot of people a lot of different times, this
9 is an excellent example of public and private working
10 together to make something happen. It clearly is a
11 win-win. It's a win for the State, the city, the
12 royalty owners, the working interest owners, Arco. It's
13 an excellent example of an idea that has come to fruition.

14 Arco does bring some special elements to the
15 program -- our worldwide experience, some state-of-the-art
16 technology, and a will and a way to make it happen.

17 I urge your approval and urge that you
18 authorize Director Warren to execute the agreement.

19 Thank you.

20 CHAIRMAN MC CARTHY: Let me ask you a couple
21 of questions --

22 MR. NORGAARD: Certainly.

23 CHAIRMAN MC CARTHY: -- Mr. Norgaard.

24 Thank you for your testimony. As I understand
25 the information before us, the estimate of what can be

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1 extracted from the Wilmington Fields that are the subject
2 of this item is about 918 million barrels over the life
3 of the field. Is that your understanding?

4 MR. NORGAARD: Very close, yes, that's right.
5 That's one of the estimates, yes.

6 CHAIRMAN MC CARTHY: And what we're really
7 talking about beyond that is the estimate that 60 to 80
8 million additional barrels can be extracted through the
9 Arco methodology and technology that would be employed
10 here. And as I recall, arco has estimated even up to
11 100 million additional barrels of oil; is that correct?

12 MR. NORGAARD: Yes, that is correct.

13 CHAIRMAN MC CARTHY: Using current market
14 prices as an estimate, would you tell me how much that
15 will increase profits beyond what would have been
16 reasonably anticipated for all of the parties involved?

17 MR. NORGAARD: Well, that gets into price of
18 oil, and costs, and so forth. And I believe the numbers
19 that we have been looking at as being the most realistic
20 are the 300 million to the public sector and 300 million
21 to the private; is that not correct?

22 (There was a "yes" heard from
23 an unidentified speaker in the
24 audience.)

25 CHAIRMAN MC CARTHY: 300 million more to the

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1 State and the City of Long Beach.

2 MR. NORGAARD: Yes.

3 CHAIRMAN MC CARTHY: And 300 million more to
4 Arco.

5 MR. NORGAARD: Yes, on discount.

6 CHAIRMAN MC CARTHY: All right. Anybody have
7 any questions?

8 Thank you, Mr. Norgaard. Anyone else? Is
9 that it?

10 Let me just ask our colleague, Commissioner
11 Burton, who's representing the Department of Finance on
12 the State Lands Commission, if she would give us the
13 benefit of any economic analysis that the Department of
14 Finance has done on this issue just in summary form,
15 please.

16 COMMISSIONER BURTON: We've done basically
17 a fiscal analysis on this. The staff who worked on
18 this, our staff raised quite a few questions, and we're
19 more than pleased with the answers that they eventually
20 were given.

21 I think from a fiscal analysis point of view,
22 the staff supports this. From an economic point of view,
23 I agree with the comments that have been made here. In
24 the long run, this is going to be a benefit for all of us
25 who will get some financial benefit, but also it helps to

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1 test a new system that Arco's been willing to step forward
2 with and try to get more of our gunk out of the ground.
3 And it's a field that we thought would not be bringing
4 in as much as they hope they will be able to with testing
5 this new system.

6 And I think the fact that Coal Oil Point
7 is resolved is also significant. But, as everyone has
8 said, this is an independent solution, independent of that
9 lawsuit. It stands on its own, and will provide benefits
10 in the long term. I know that the city is not necessarily
11 getting everything that they wanted out of it, nor is the
12 State, nor is Arco. But when we got involved, it was a
13 waltz among porcupines, I guess. I think everyone was at
14 the table in good faith, and I appreciate all of the
15 patience that was exercised for the newcomers who got
16 involved in this. And I think we should go forward.

17 CHAIRMAN MC CARTHY: Mr. Warren, do you have
18 anything you want to propose now?

19 EXECUTIVE OFFICER WARREN: No, Mr. Chairman.
20 I recommend approval.

21 CHAIRMAN MC CARTHY: I want to congratulate
22 all the parties that have been engaged in this long
23 negotiation. I had a couple of basic questions when it
24 started out that I asked the Lands Commission staff to be
25 very cautious of. And one was that any other oil company

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1 that wanted to try to compete with any similar technology
2 be given the opportunity to do so. Arco was the only
3 company who stepped forward with such an offer.

4 Is there any doubt that has been lodged by
5 any other oil company that they wanted to participate in
6 this? Have they been given every opportunity, Mr. Warren,
7 by your staff, the Attorney General's Office, to
8 participate if they desired to do so?

9 MR. LUDLOW: Yes, Mr. Chairman. They have
10 been on numerous occasions, both at public hearing,
11 through written notice, and also in individual
12 conversations exploring the possibilities, because we
13 were looking to see what other alternatives would be out
14 there. And everyone has declined.

15 CHAIRMAN MC CARTHY: And the second question
16 that I asked from the beginning, when all of this started
17 to be discussed, was, did the deal stand on its own
18 feet as an economic benefit of significant measure to the
19 State of California and the City of Long Beach?

20 And the advice you're giving us is that this
21 \$300 million is a very good deal, something we could not
22 have realized in the absence of this deal, because the
23 present methodology might have extracted something in the
24 range of 918 million barrels, and we would not have gotten
25 an additional 60 to 100 million barrels extracted without

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1 this technology. That's the advice we're receiving.

2 EXECUTIVE OFFICER WARREN: That's the advice
3 you're receiving, Mr. Chairman. Yes, sir.

4 CHAIRMAN MC CARTHY: All right. I like that.
5 I wonder if Arco could please advance the money to
6 Governor Wilson --

7 (Laughter, which obliterated part
8 of the Chairman's comments.)

9 CHAIRMAN MC CARTHY: -- and with that just one
10 small detail, would your people have any difficulty with
11 that, Mr. Norgaard?

12 (Laughter.)

13 CHAIRMAN MC CARTHY: Now that that's settled,
14 I'm also pleased, as Assemblyman O'Connell has indicated,
15 of course, that we have been able to resolve the long and
16 unfortunate disagreement over Leases 308 and 309. I think
17 we're pleased that those are being resolved. And I would
18 only say, in conclusion, that it's much nicer to a
19 partner instead of a litigant in dealing with your
20 company on this one.

21 I think we're doing a good one for your
22 shareholders and, from our point of view, we're doing a
23 good one for the taxpayers of the State.

24 Any other comments or questions? Commissioner
25 Tucker.

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1 COMMISSIONER TUCKER: Thank you. I just
2 wanted to take this opportunity to thank specifically
3 Alan Hager, Paul Mount, and Rick Ludlow, the folks from
4 the City of Long Beach, and LBOD. I watched this
5 process very closely, and it has been incredibly complex.
6 And I've been heartened to see that the motivation of the
7 people working on this project has really been to
8 maximize the benefit for the State of California.

9 And I think they did an outstanding job of
10 negotiating an extremely technical deal matched up against
11 some very good attorneys and other staff representing
12 Arco. And our people certainly held their own, and I'm
13 proud of that.

14 I wanted to say one thing about the -- what I
15 think the impact of this deal is, so it's clear. I'm
16 going to get a transcript of this, and I'll put it on my
17 wall so I can make sure the point's really been made.

18 When someone comes in and says, "Well, where's
19 the \$300 million?"

20 (Laughter.)

21 COMMISSIONER TUCKER: I don't think that
22 there's -- and no one's ever held out that there's a
23 guarantee out of this deal. I think what is guaranteed
24 is that we're fulfilling our responsibility to take the
25 best shot we possibly can at getting this field developed

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1 in the most responsible way possible.

2 I think that's always the best that you can
3 do, particularly in the oil business, and I think we will
4 accomplish that through this agreement.

5 So, the dollars may or may not come in. I
6 certainly hope they will. I think the estimates that
7 have been made are reasonable estimates. One, it's always
8 hard to foresee the future, but I think that we can be
9 confident that what will occur as a result of this is that
10 we made the best effort anybody could possibly make
11 to develop this field.

12 So, my congratulations to our staff. They did
13 an outstanding job protecting the interests of the State
14 of California and the City of Long Beach. And obviously,
15 we're very supportive of the agreement.

16 CHAIRMAN MC CARTHY: Any other comments from
17 members of the audience on this?

18 We're ready for a vote. Do I hear a motion?

19 COMMISSIONER TUCKER: Move it.

20 CHAIRMAN MC CARTHY: Moved by Commissioner
21 Tucker. Seconded by Commissioner Burton. It's unanimous.
22 This arrangement is approved. Thank you, ladies and
23 gentlemen.

24 EXECUTIVE OFFICER WARREN: That concludes the
25 calendar items, Mr. Chairman.

(Thereupon, the meeting was concluded
at 11:52 a.m.)

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