BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

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

Priscilla Pike
Court Reporting Services
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CHAIRMAN DAVIS: I am calling this meeting of the Lands Commission to order.

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

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

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

I am inclined to support such a motion, as long as we keep faith with the March 20 deadline. I am going
to wait until Lieutenant Governor McCarthy gets here, however, prior to making that motion, so I know there are many of you who have that in mind and are prepared to testify on that issue, so just be advised that we are aware of it, and we would—at least, I for one—like to accommodate those concerns as long as it can be done in keeping with the March 20 deadline that was given to us by ARCO's agreement to extend at the last meeting.

So, with that we will begin the testimony.

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

MR. WALLACE: Good afternoon. Thank you.

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

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

The public, in particular the citizens of Santa Barbara County who will be directly and significantly affected
by this project, deserve the right to review the staff report and comment to your Commission on its conclusions. They have been denied that right, due to the unusual processes conducted to this date; however, that right can be maintained simply by holding the final hearing here, rather than in Sacramento, 500 miles from the project and the citizens it will affect.

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

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

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

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

We had hoped to be able to recommend certification
of the recently completed final EIR at this time. Unfortunately, we cannot, although an effort was made to respond to the thousands of comments received on the draft EIR, we do not believe that the final EIR can be certified in its present form.

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

In order to provide the legally required public review of this material, we believe the EIR must be recirculated. It is not our intent to try and bog this project down in legalese or state requirements, but we believe that the county's position has got to be protected specifically with the environmentally preferred option, set forth in the EIR.

But, we feel that our staff has been working together this morning, and this afternoon, with the legal help, and we think that this can be resolved without that being necessary, but I think I will go through some of the county's positions, that it has been our feeling, under CEQA, and this is how we have always operated, that once an agency, the lead agency, certifies an EIR, that EIR
then is an extension of them. It is no longer the consultant's EIR. It is your preferred option, and under state law we believe that also applies to State Lands, and because Santa Barbara County has specifically been identified as one of the authors of this report, when it says "Prepared by State Lands and Santa Barbara County" that it becomes an extension of us, too.

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

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

Final, our review of the document indicates that the analysis required to reach the EIR's conclusion is either lacking or is seriously flawed. Major elements of the selected project configuration have not been analyzed.
6.

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

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

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

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

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

The County of Santa Barbara and its citizens demand the opportunity to comment on these new or expanded sections.
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
sour gas be reinjected, since reinjection is, by its nature, less than full development. Reinjecting the sour gas avoids significant impacts. Removing or relocating Platform Heron also avoids significant impacts. The county stresses that Heron should be eliminated to mitigate the significant impacts it will cause.

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

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

In other words, the environmental costs to the county and the financial costs to ARCO are expenses which are recommended, instead of simply using a better management and enforcement program to prevent ARCO from cheating.
This approach is particularly curious in light of the fact that segregation in ARCO's case would still allow the possibility for ARCO to cheat the state out of potential royalty.

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

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

We are aware of the implications of the fact, relative to the time requirements of the Permit Streamlining Act. Because of the very significant ramifications of the new information in the final EIR, and the consequences of offshore processing to Santa Barbara County, we must request that your Commission take whatever actions are necessary to insure that this significant new information, contained in the final EIR, is recirculated for public
review and comment, as required by law, and that the preferred project alternative be revised.

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

Thank you very much.

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

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

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

MR. WALLACE: Well, I believe that after this morning's meeting, there was a discussion of going to single platforms, and just the extent of how much separation would be required on the single platform, so that oil and water--so that the wet oil that was delivered onshore could be measured, and it was just a question of percentage of water.
how much had to be taken out, and there was the discussion
of looking at what's being done on the other platforms
at this point, but with the compromise goal of single platforms,
with a small amount of processing offshore, and there was
about three conditions that our staff--and this isn't something
that the Board has discussed yet--but, wanted to see in
that.

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

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

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

CHAIRMAN DAVIS: A couple of other issues.
Did you mention that this was a four-to-one vote?
Or, did you mean one Supervisor was absent?

MR. WALLACE: One absent. It was four to zero.
CHAIRMAN DAVIS: All right.

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

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

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

One way to do that is to arrive at some contractual arrangement, either by renegotiating the leases, or some
other provision that allows that to take place.

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

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

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

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

CHIEF COUNSEL HIGHT: That's correct.

COMMISSIONER ORDWAY: It is also my understanding that if this Commission chooses to certify that EIR, with
the preferred option, we are in no way bound to accept that as the preferred option? Is that correct?

CHIEF COUNSEL HIGHT: That is also correct.

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

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

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

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

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

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

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

COMMISSIONER ORDWAY: --Board of Supervisors.
That's--we would have to make findings on what we are going to do anyway.

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

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

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

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

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

We don't feel, and our staff doesn't feel, that there is enough back-up materials without recirculating this for you to certify it with this as the preferred option.
And, that is our legal point, and we don't want to get bound up with that. But, we feel that if you do choose this as the preferred action, that it really does leave options open that we are opposed to and that we don't feel are backed up by the record.

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

CHAIRMAN DAVIS: I would be pleased to.

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

MR. WALLACE: Right.

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

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

So, we feel that the EIR could be certified if that could be negotiated, and whether or not your staff
wanted to concur, or say something different at this point, or would prefer to do it some other time?

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

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

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

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

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

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

MR. COHAN: Good afternoon, Mr. Chairman.

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

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

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

CHAIRMAN DAVIS: Thank you.

Do you have any more questions?

COMMISSIONER ORDWAY: No.

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

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

We appreciate your response to local concerns.
by scheduling this hearing here.

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

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

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

We have population related socioeconomic impacts to this city, regional industrialization affecting our recreation and tourism industries, and I would like to point out that the City of Santa Barbara receives no revenue, no tax revenue of any kind, from the oil development. We
only get the negative impacts of poorer air quality, industrialization, and so on.

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

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

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

The way it is now, this schedule virtually excludes
local response to the recommendations of your staff's report. Presumably, this will be the first and only opportunity the community would have to review and respond to any and all mitigations and conditions proposed for the offshore portions of the project.

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

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

Given the precedent setting nature of this particular project for future energy development in all the state tidelands, I am also concerned that by the process being established, there is to a certain extent seems to be an amount of disregard for the views and interests of local agencies. Santa Barbara County, a responsible agency under CEQA, has participated in the Joint Review Panel,
but did not have the opportunity to review the recommended, environmentally preferable alternative.

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

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

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

In the discussion of platforms, both construction
and operation, it makes no mention of greater impacts or risks to marine biology due to the presence of processing on those platforms.

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

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

On page 5-1 of the draft EIR, it states:
"If one of the following alternatives is selected by decision makers, it is probable that supplemental environmental analysis will be required after development of a specific project design."

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

As the city has supported the county's oil processing consolidation policies in the past, supported local control of projects to maximize protection of our resources, and opposed unnecessary offshore operations, we cannot support
the alternative proposed or an EIR which concludes that this is environmentally preferable.

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

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

Thank you very much.

Are there any questions?

CHAIRMAN DAVIS: I just have a couple of comments. I think your point is well taken about cities adversely affected by drilling, and not sharing the revenues. There was legislation passed recently to allow counties to participate in those revenues, and maybe Mr. Wallace will be—you could work something out with Mr. Wallace, over there.

MS. LODGE: Bill?

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

MS. LODGE: Thank you very much.

CHAIRMAN DAVIS: Also, I am, you know, very concerned
about the impact of any project on any community, particularly Santa Barbara, which has done its fair share and then some, to help the nation secure an adequate energy supply, and that is why I visited with the fishermen on my last trip down, and met with representatives from the university and Isla Vista, and I do also share your sentiment that the ultimate decision to approve, or disapprove, the EIR, ought to be done in the community directly affected by it, and I will make that part of my motion, to extend the hearing.

   MS. LODGE: Thank you. We appreciate that.

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

   Nancy?

   COMMISSIONER ORDWAY: Just one question.

   Not of you. Again, of our folks.

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

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

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

   COMMISSIONER ORDWAY: Could you speak up just a little bit, please? Or, get a little closer to that mike.
RANDY MOORY: Randy Moory, Project Manager for the State Lands Commission for this EIR.

This preferred--

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

Give them you address!

RANDY MOORY: It is 1807 13th Street.

COMMISSIONER ORDWAY: Right.

EXECUTIVE OFFICER DEDRICK: That is the wrong address!

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

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

RANDY MOORY: --Joint Review Panel.

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

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

COMMISSIONER ORDWAY: But, there were staff discussions--

RANDY MOORY: There were staff discussions about
that a preferred environmental alternative would have to be included in the final, other than the no project alternative.

CHAIRMAN DAVIS: Could I just pursue that.

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

RANDY MOORY: No.

COMMISSIONER ORDWAY: No.

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

CHAIRMAN DAVIS: Pardon me?

EXECUTIVE OFFICER DEDRICK: Nor was the Executive Office.

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

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

COMMISSIONER ORDWAY: Well, it is a small project.

CHAIRMAN DAVIS: All right.

Thank you, Mayor.

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

Did I butcher that? What is the--

MR. AIELLO: Good afternoon.

No, you pronounced that very good.

CHAIRMAN DAVIS: Did I? Aiello.

MR. AIELLO: Aiello.
CHAIRMAN DAVIS: Aiello.

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

My testimony is not near as technical, I guess.

I am a little bit more of an emotional person.

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

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

They have caused a building moratorium, and a down zoning of our area, to where those of use who do have
children, they can no longer live in this area, because they can't afford the housing here.

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

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

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

Thank you very much.

CHAIRMAN DAVIS: Let me just ask one question.

MR. AIELLO: Okay, sir.

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

MR. AIELLO: That is correct.
CHAIRMAN DAVIS: Do you also have--is there also an establishment that people can come in and eat on the premises?

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

CHAIRMAN DAVIS: Okay.

MR. AIELLO: It is a wholesale.

CHAIRMAN DAVIS: Nancy.

COMMISSIONER ORDWAY: [No response.]

CHAIRMAN DAVIS: Thank you.

MR. AIELLO: Thank you.

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

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

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

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

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

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

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

I would now like to take my remaining minutes to humbly suggest what I would do if I were a Commissioner. I would like to tell you what I would do, if I were you, and why.

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

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

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

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

If I were a Commissioner, I would recognize the power of the coercive force entailed and offering larger revenues from maximum oil development to state and county coffers. Staffs at such institutions have difficulty in denying funds of such magnitude for virtuous projects of state.
When we add to that the amoral, if not cynical offerings of large monetary reparations for Class 1, non-mitigatable impacts, it explains the atmosphere that affected us all. It generated, and we accepted, an attitude expressed by, "What the hell? It is a lost cause. What is second best?"

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

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

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

I call on the Commissioners to rectify what I think is a massive wrong, in effectively squelching argument for the no project, at this time, option, by either accepting the EIR, and disallowing the project at this time, or rejecting
the EIR as incomplete for reasons cited.

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

Thank you for this opportunity to address you.

CHAIRMAN DAVIS: Commissioner Ordway.

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

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

Thank you.

CHAIRMAN DAVIS: I would just add to that, Mr. Jacobson, that I have been in public service for about 15 years, and I assume that everybody is trying to—has their own axe to grind, be it staff, applicant, lobbyists pro and con, and so I factor all of that into a decision making process, and I am sure that all of the other Commissioners do, too, as well, so you know we are are not unaccustomed
to being pushed in a certain direction, and we respond accordingly. Don't feel that we are a prisoner of the process. It is quite the opposite.

Commissioner McCarthy has joined us.

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

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

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

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

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

For example, UCSB was fortunate in having as a consultant on the air quality evaluations in the EIR Dr. Edgar Stephens, a nationally respected expert who is
a member of the faculty at the University of California, Riverside, and more precisely he conducts continuing research through the Air Pollution Research Center there.

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

He further notes that the potential for \( \text{H}_2\text{S} \) odor impact is high because of the large portion of petroleum resource, which is sour gas. Moreover, Professor Stephens views as improbable the assessment that under upset conditions \( \text{H}_2\text{S} \) concentration from the offshore platforms are just barely larger than they are under normal conditions, and he notes for Platform Holly the upset projections are actually said to be smaller than they are expected to be on the day-to-day operations. This, despite the fact that emissions under upset conditions are shown to be very much larger.

Dr. Stephens' misgivings about the credibility of the air quality models' trajectories are shared by his colleague, Dr. William P. L. Carter, also a member of the faculty at UC Riverside, who notes that the EIR dismisses the project's impacts upon visibility, and does not address the extent to which \( \text{SO}_2 \) will be converted to sulfate. Such
conversion of course, can have an adverse affect upon visibility at very low concentrations. More important, the potential adverse consequences for human health are somewhat alarming.

Class 1 impact related to NO\textsubscript{x}, TSP, ozone and NO\textsubscript{2} are predicted for this project. If the impact analysis taken from the flawed air quality model can be believed, generally speaking the response to comments related to these local and regional air quality impacts refers us to the Authority to Construct permit process, when additional mitigation and offset calculation models will be considered by the Air Pollution Control District.

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

The Commissioners should note, for example, that the design basis accidents, which are characterized as likely to happen, include a sour gas leak, and a slug catcher leak, both evaluated in the EIR document as having major consequences, that a transportation accident, also likely
to happen, could involve a spill from a truck carrying
natural gas liquids and the resulting fire, or vapor cloud,
or both, with severe consequences.

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

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

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

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

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

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

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

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

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

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

4. UCSB continues to oppose offshore oil processing.

5. We support the prohibition on dumping drill muds and cuttings, as well as processed waters, into the sea. You will soon hear more testimony on this matter from our marine scientists, since we could find no policy
or project condition to support the belief that your Commission prohibits such practices.

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

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

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

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

Please note that I am submitting a revised and expanded list of impacts which we have identified which arise from the ARCO project, along with the conditions we propose to mitigate them.
I would like now to introduce three of our faculty members, marine scientists at the campus, each will expand on points that I have made.

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

Thank you.

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

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

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

As to water quality, in your January—

CHAIRMAN DAVIS: Excuse me, Professor—excuse me.

Do you have a written copy of your testimony?

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

CHAIRMAN DAVIS: All right.

MR. CASE: Is it permissible to continue without it?
CHAIRMAN DAVIS: No, go ahead. We normally like to follow it as--

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

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

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

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

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

We have shown, more so in abalone larvae and my group on lobsters and crabs--both adult and larvae--that chemicals found in produced water and drilling muds interfere with both critical stages in the life history,
and with vital aspects of adult behavior. These affects are on, generally speaking, sensory processes.

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

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

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

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

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

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

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

Secondly, we urge generally that you establish water quality conditions to the permitting of the Coal Oil Project, that approximate our research standards, for the good not only of UCSB research, but as a precaution in the public interest. At the very least, you should make certain that there be no releases of drilling muds
and processed water into the channel. We specifically urge you not to be satisfied with Regional Water Quality Board toxicant standards, and to set standards of your own that recognize the water quality requirements for research at UCSB.

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

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

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

Finally, new mitigation language, which we discover in the final EIR, suggests a major program to monitor water quality that could lead to further mitigation measures,
and two, a channel-wide program to monitor marine life.

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

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

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

Thank you.

CHAIRMAN DAVIS: Thank you.

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

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

MR. CASE: That's right.

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

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

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

Your EIR finalizing statement, recommends that the producers be charged the costs for such a research project, if that is what you have in mind.
It appears to be the intent of the preparers of that document that this should be entirely borne by the developers, at no cost to the citizens of the state, and I think that personally that is highly appropriate.

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

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

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

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

The purpose of the meeting which was to try and clarify some confusions, in terms of defined issues, that existed, and was conducted by your Deputy Jim Tucker, I think we had a productive--I felt the discussion was productive. We talked about the various alternatives to hard and fast issues, such as total offshore processing, which has never been proposed by the Commission staff, but had to be examined in the EIR--Supervisor Wallace referred to that this morning--also as we discussed at the last hearing, the option of
dealing with the leases with ARCO, getting some amendments
to the leases was discussed. We have discussed that with
ARCO. Mr. Thompson, our chief of the Extractive Branch
told me that I could be cautiously optimistic on that point.

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

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

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

Is that sufficiently responsive?

CHAIRMAN DAVIS: Yes, so I gather—well, I mean,
the strong impression that I got at the last meeting was
that the Lands Commission staff thought it was just technically
impossible to deal with the issue of commingling, that
there it could be very difficult to determine whether the
state was getting its money worth, or not, and I guess
my question is, do you feel, you know, that your position
is changing based on the conversations and work that you
have done in between these two meetings?

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

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

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

From the view point of the staff, our concern
is that we can provide to the Commission accurate reproducible
measurement within the limitation of all of these types
of things, so that our auditing procedures don't result
in millions of lawsuits, and that we know that we are accounting
for the public's revenue as accurately as physically possible.

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

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

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

EXECUTIVE OFFICER DEDRICK: Yes.

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

EXECUTIVE OFFICER DEDRICK: Yes.

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

That is the most straightforward answer to your
question, and to that extent it is definitely a, "Yes".

CHAIRMAN DAVIS: All right.

Commissioner McCarthy.

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

EXECUTIVE OFFICER DEDRICK: Yes
We would be happy to do that, Commissioners.

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

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

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

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

MR. CASE: Yes.

COMMISSIONER MC CARTHY: Or, their environment.

Mr. CASE: Um-huh.

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

MR. CASE: Yes.

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

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

COMMISSIONER MC CARTHY: Thank you.

COMMISSIONER ORDWAY: One question.

CHAIRMAN DAVIS: Commissioner Ordway.

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

UNIDENTIFIED SPEAKER: Yes, it is.

COMMISSIONER ORDWAY: So, it is not something that we could--it is not a technology that we could transfer.
It is probably also not a technology that we could look at, then.

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

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

COMMISSIONER ORDWAY: Okay.

MR. CASE: We are aware of the device.

COMMISSIONER ORDWAY: Okay.

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

Is the use of that device essential to resolving the issue from a technical standpoint?

EXECUTIVE OFFICER DEDRICK: No.

CHAIRMAN DAVIS: Okay.

EXECUTIVE OFFICER DEDRICK: No.

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

The university has offered to sort of be the center for--the university system--for doing such research, which seems to me a very positive suggestion.
CHAIRMAN DAVIS: Okay.

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

CHAIRMAN DAVIS: All right.

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

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

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

That is at least what the message says.

Maybe Supervisor Wallace could—since I assume that he works with you, maybe you could assist—

MR. WALLACE: [Inaudible]

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

COMMISSIONER ORDWAY: While people are moving, I really do have to ask the faculty one thing. When you give lectures, do you get ovations from your students?

MS. ALLDREDGE: No, we do not. I must be honest.
Do you want me to go ahead?

CHAIRMAN DAVIS: Professor, yes.

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

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

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

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

And, then it further says:

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

That is from the EIR.

If this were a typical unpopulated area of coast I would understand justification for trade offs for offshore
processing in this way, but Coal Oil Point is not a typical part of the coast. Any option which increases the chance of oil spills no matter how small is no option at all when one of the platforms is to be located within one mile of the seawater intake that supports a $6 million marine research program at a major, nationally acclaimed, university.

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

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

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

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

The prime goal of an environmentally preferred option at this unique site, should be to provide maximum protection to the marine biological resources which serve as a natural marine laboratory for the university, and to reduce to an absolute minimum chances for any oil spills.
no matter how small.

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

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

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

Many marine scientists at UCSB have criticized
the draft EIR for its inadequate coverage of resuspension of muds and cuttings. The final EIR contains an appendix by Ronald Kolpack, an expert on the sediment transport and resuspension. His report states that the rate of compaction of drilling solids will be on the order of months to years, rather than the days, claimed by the original sediment model in the EIR, and that the original model was unrealistically conservative in emphasizing that cohesion and compaction of muds will inhibit resuspension and transport.

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

This means that most of the discharge material will become resuspended at some point, and it will become resuspended on a fairly short time frame, on the order of a year, or slightly more, greatly increasing problems of water turbidity, and increasing concentrations of barium in the water. Most marine invertebrates and marine fish native to the California coast have larval stages in the water column, which then settle to the bottom and become adults. Dr. Case discussed testimony with you that indicates that many of the toxic materials, including barium sulfate, may inhibit that settlement.
So, again, I urge you to consider this issue of muds and cuttings very critically. I think it could send a very strong message to the Regional Water Quality Control Board, which I believe is granting these permits.

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

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

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

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

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

Thank you very much.

CHAIRMAN DAVIS: Thank you.

Commissioner McCarthy, do you have any questions?

Nancy?
Thank you.

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

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

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

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

Naples has been the object of intense multiple use, scientific, educational, recreational, and commercial.
Now, party boats carrying 15 to 40 anglers visit the site regularly. Especially on weekends, a small flotilla of skiffs, with fishermen, or scuba divers, also exploit the sport fishery there.

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

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

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

Now, the national and state investment in Naples Reef as a model kelp bed, ecosystem, for research in teaching, have been large indeed. Besides enormous time and effort spent by researchers and students, the National Science Foundation alone has supported research on the Naples system, costing more than three quarters of a million dollars—not large by oil standards, but a hell of a lot of money by our standards.
One outcome is that the student trainees at UCSB, many professional marine biologists now in California and elsewhere, got their start by studying the Naples system. These studies by faculty and student have produced more than 20 publications in scientific journals. Obviously, the broader scientific community, as well as the local citizenry, have a great stake in preserving this environment.

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

The storm, swell and surge generate water motion powerful enough along the bottom to, for example, to pick up scuba tanks, and experimental cages, heavy pieces of equipment lost at Naples, and carry them to shore more than four miles away in the opposite direction of the prevailing current.
Even a thin layer of sediment could inhibit kelp colonization, not to mention of course the toxic effects of the chemical contaminants.

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

Thank you.

CHAIRMAN DAVIS: Are there any questions?

[No response.]

Thank you very much.

Dr. Nash.

MR. NASH: Thank you very much.

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

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

These faculty concerns have grown as we have learned more about the ARCO project. Earlier concerns,
those you have already heard about, focus chiefly on adverse impacts on marine environment research.

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

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

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

The day is long past when the great preponderance of educational opportunities offered to undergraduates in the UC system occurred at the two heartland campuses, Berkeley and UCLA. Indeed, these days, more University
of California bachelor degrees are conferred by the new
general campuses combined, than by Berkeley and UCLA combined.
The center of the University of California undergraduate
educational experience has shifted to the six newer campuses.
Among these new campuses UC Santa Barbara has numerically
speaking assumed the role as chief educator, in sheer numbers.
Almost one-quarter of all bachelor degrees awarded by these
campuses have been UC Santa Barbara degrees.

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

The campus's educational and research missions
are more, and not merely, large endeavors, but ones of
high quality. Half a decade ago, at the time of the last
major nationwide survey of the quality of faculty and graduate
study programs, the Associated Research Council Survey,
UC Santa Barbara, along with two other newer UC campuses,
those at Irving and San Diego, emerged having really solid
academic training and research reputations. These three campuses received reputational scores to put them in the same ball park as much older institutions across the country, such as the University of North Carolina, Duke, Johns Hopkins, Indiana, Ohio State, and Northwestern.

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

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

Above all, the UC system is a public achievement.
It would not do for one state agency—the State Lands Commission—likely to count on this development of an oil project in a fashion that would jeopardize the future capabilities of another state agency—UC Santa Barbara. The great concern with the faculty thus is that the ARCO project not cripple the campus' educational and research future.

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

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

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

CHAIRMAN DAVIS: Okay.

[Applause from adjoining assembly room.]

Must be a time delay between the two rooms.

MR. GUNN: Mr. Chairman, Commissioners, my name is Giles Buckingham Gunn. I am a Professor of English
and of religious studies at the University of California at Santa Barbara, having spent the bulk of my career on the faculties of the University of Chicago, and the University of North Carolina at Chapel Hill, I joined the faculty of the University of California at Santa Barbara, under the auspices of what is called a "target of opportunity distinction appointment."

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

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

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

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

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

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

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

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

In my own department, physics, we have a Nobel Laureate and a McArthur Fellow on the faculty. These people can have jobs anywhere. Many other faculty, especially
in engineering, can double their salaries by taking jobs in industry. These people are here, and we have to ask why they choose to come here? And, why they choose to stay here?

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

COMMISSIONER ORDWAY: Excuse me.

MR. SREDNICKI: Yes.

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

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

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

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

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

It is essentially impossible for a family living on a single university salary to buy a house in Santa Barbara.
This is a mathematical fact. This being a fact, it becomes of paramount importance for spouses of faculty members to find work in Santa Barbara. And, here again, Santa Barbara is not an attractive place.

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

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

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

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

[Laughter]

MR. SREDNICKI: So, in answer to the question
of why someone would come here, perhaps Ms. Ordway gave
us the answer, and that is the perceived quality of life
here. It is a nice place. Look around. We have nice
beaches. We have nice mountains. It is, so far, has pretty
good air, and it means a lot to us to be able to drive
to work and see the ocean on one side and the mountains
on the other side—bicycle to work as I used to do before
I moved farther from the university.

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

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

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

CHAIRMAN DAVIS: Thank you.

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

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

Commissioner McCarthy?

Nancy?

MR. CASE: The next person is Professor Holbrook.

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

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

For about the past seven years I have been
engaged in ecological research on two species of fishes that live in the reefs of the Santa Barbara Channel.

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

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

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

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

I rather doubt that the State of Massachusetts
would seriously contemplate permitting oil development, or any other development, that could degrade the biological or human environment less than two miles at the research lab at Woods Hole.

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

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

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

The proposed ARCO project poses a variety of such risks to the research climate at MSI, including damage to the channel environment from project discharges, oil
spills, and construction impacts, disruption of research activities off Coal Oil Point, and at Naples Reef, and threat of contamination of the sea water system, upon which so much of our research depends. As such, we view it as a serious threat to the ability of UCSB to maintain and expand its reputation as one of the world's top research units in marine sciences.

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

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

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

I appreciate this opportunity for my testimony to be heard.

Thank you.
CHAIRMAN DAVIS: Thank you.

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

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

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

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

The underlying causes of these difficulties and deficiencies are an outcome, it seems to me, of a number of factors, but two rather specifically, oftentimes the
inadequacy of the professional expertise utilized in preparing
the report, and of even more significance, the uneasiness
of all of the parties concerned to admit the essential
significance of the aesthetic element.

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

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

The question of viewpoint should be indeed one
facet of any individual's visual experience, in taking
the scene in, but it is only facet, a beginning if you
will. If we stop for a moment and think about it, a visual
experience, such as observing an immense oil platform in
the ocean, is composed of a series of aesthetic reactions.
The object, newly imposed, not only modifies in a major
way our reaction to the sea at this point, and the coast
that lies adjacent to it, but equally it drastically affects
us as an aesthetic idea.

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

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

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

What a completely opposite experience will prevail
if Heron, or an alternative group of platforms, are allowed
to be built. Though two miles out to sea, its immense
size and height literally a miniature-sized city, with
a ten-story skyscraper, will dominate this scene. The gross magnitude of this project will drastically compromise all else which lays before us. It's dominating affect, both as a visual object, and for what it has to say about our aesthetic and ethical values, will await us whenever we obtain a view of the ocean from varying points on the campus, and if I might I would like to go through these slides with you very quickly.

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

CHAIRMAN DAVIS: Can we turn down the lights?

MR. GEBHARD: --thank you very much.

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

Here we see a scene from the beach, itself.

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

And, here one can see, as one moves closer to
the campus, to the west again, either on the beach, on the walkways, on the bicycle paths, or on the freeway itself, how even when the cliff intervenes and the vegetation which lies beyond it, the mass of the tower is apparent for us to see.

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

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

Or going to one of the upper stories of one of the university buildings, the library building in this particular case, from the floor occupied by Theoretical Physics, here you can see the view from the ocean, and here you can see the platform as it lies out in the ocean itself.
It can perhaps be argued that there are other more pragmatic considerations, which would justify the construction of such an incompatible industrial project, dominating and overlooking a campus of the University of California, but there can be no question that looking at impartially and objectively the construction of this platform will be a major aesthetic disaster for the university community, and as you have—I am certain—noted in the EIR, and in the Appendix 9-B, there is no conceivable mitigation for this negative aesthetic impact.

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

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is Marty Blum.

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

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

Today the League requests the final EIR not be
certified. It is woefully inadequate for many reasons, including but not limited to the following:

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

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

The final EIR's two page guide, entitled Section 1 Introduction to the Final EIR Volumes, is not a reader's guide. Actually, it confuses more than it clarifies; primarily because the sections referred to bear no relationship to the section numbers used in the draft EIR, nor does the Executive Summary serve as a reader's guide. Details are in our written statement, but in the Executive Summary Section 5 gets left out, and this is unfortunate, since Section 5 contains the bomb shell that has been rumored
for days, and that was referred to by Supervisor Wallace, the environmentally preferable alternative, a brand new, other alternative, in lieu of what Section 5 concedes to be the environmentally superior alternative, or the no project alternative.

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

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

Furthermore, concerning the Executive Summary, the League notes that there is no overview mention of the final EIR's Section 6, entitled: "Environmental Aspects of Commingled and Segregated Oil Dehydration." Errata sheets were received for this section, and we understand
that we are talking about this section, but presumably it is still in the picture.

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

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

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

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

Well, in summary, the final EIR, because of its inadequacies, include these enumerated above, and does
not warrant certification by the State Lands Commission.
Contents do not address the johnny-come-lately, last minute
environmental preferable alternative. How can you, in
all good conscience, certify the final EIR, that it has
been completed in compliance with CEQA? And, that in its
present form you will be able to review it, and consider
information contained therein, prior to approving the project
within your present time schedule?

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

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

CHAIRMAN DAVIS: I just want to reiterate what
I said at the last meeting, that while this process is
not perfect, far from it in fact, none of us--I know that
I don't and I know that my Commissioners--want to play
hide the ball in policy making, and if it requires another
meeting in Santa Barbara to certify the EIR, whatever we
have to do to insure the community that its impact is fully
felt, understood, and digested, I for one am prepared to
do it.
So, you may or may not like the ultimate decision this Commission reaches, but you have a right to have a fully open and complete process, and I am committed to that, and I suspect and believe that my Commissioners are, too.

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

Leo?

The next witness is Richard Ranger.

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

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

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

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

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

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

Our platform design includes special equipment which reduces this emergency flaring to an absolute minimum. This design will not only receive scrutiny from your staff,
but from the Santa Barbara County APCD, from whom we must receive a permit to operate any facilities in state waters.

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

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

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

Another issue, that of vessel traffic corridors, of particular concern to UCSB research and fishermen. Throughout offshore construction and operations, crew boats, work
boats, and other vessels serving the Coal Oil Point Project will observe established vessel traffic corridors.

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

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

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

Now we turn to the location proposed for Platform Heron. ARCO's original development plan, submitted for the Coal Oil Point field called for two platform locations, one on each of Leases 308 and 309. Ongoing studies of alternative develop options lead ARCO to a plan discussed in the EIR that will allow full development of the field from a single platform near the common 308/309 lease line. This plan will require state-of-the-art drilling techniques with maximum hole angles of 70 degrees.
At the January 13 hearing several speakers requested moving the location for Platform Heron to the west at least 1000 meters. We have assessed the impact of this move on the oil that will be recovered. We have also reviewed our platform location studies and biological surveys to better define the nature of the ocean bottom environment in the area of ARCO's proposed platform location.

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

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

Because of the concerns some have expressed about potential impacts from Platform Heron to the hard bottom area on Leases 308 and 309, and to university research, we state today that we withdraw our plans to discharge drill muds and cuttings at the proposed Heron location.
With this mitigation, the only potential disturbance of the ocean floor will be the single platform itself, which measures 170 by 210 feet at the ocean floor, and the narrow pipeline corridor crossing Lease 308.

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

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

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

[Audience reaction.]
I thank you for noticing that.

With respect to pipeline installation--

CHAIRMAN DAVIS: You probably didn't mean that as an applause line.

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

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

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

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

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

This operation will be identical to the installation and fabrication of the seep pipeline in 1982, which received
Coastal Development Plan approval from Santa Barbara County, and the California Coastal Commission.

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

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

1. Accurate wet oil metering.
2. Modified royalty calculations which eliminate wet oil metering requirements.

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

I would simply like to repeat, as we stated on January 13, that we are here because we do believe that there are a series of reasonable outcomes for consideration by your Commission that allow both the development of this resource and the protection of the environment in which
it sits. We are dedicated in working with your staff, and the staffs of other agencies, and the public of this community, to resolving some of those concerns, to allow both to proceed.

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

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

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

With the Commission's permission.

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

MR. RANGER: Correct.

EXECUTIVE OFFICER DEDRICK: Or, do you mean the sort of flaring that the staff has--the combustion that the staff has proposed, with the special burners that it results in the complete combustion and SO₂ recovery, and
no visible light?

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

EXECUTIVE OFFICER DEDRICK: Yes.

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

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

EXECUTIVE OFFICER DEDRICK: Thank you.

Excuse me, Commissioners.

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

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

If we can just hold up the next witness for a
moment, while the court reporter changes paper.

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

COMMISSIONER ORDWAY: I believe that we can reconvene.

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

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

[No response.]

If nc all in favor of aye, say "Aye".

COMMISSIONER ORDWAY: Aye.

COMMISSIONER MC CARTHY: Aye.

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

That should accommodate some of the concerns that were raised at this morning's meeting, allow more
time for progress on the question of commingling, and deal
with the staff's concerns with being able to get a report
out by ten days before the February 17 meeting.

EXECUTIVE OFFICER DEDRICK: Thank you, Commissioners.

COMMISSIONER ORDWAY: Question.

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

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

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

COMMISSIONER ORDWAY: Okay.

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

COMMISSIONER ORDWAY: Okay, thank you.

CHAIRMAN DAVIS: Excuse me.

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

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

So, again, that is during upset conditions, and
as I have stated, we have scotched our plans for well test flaring, that had previously been described. There will be no well test flaring, or flaring during routine operations. With that, I, or others on our staff, will be available for further questions, but I would like to introduce Mr. Mike Webb from Anthrosphere.

Thank you.

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

[No response.]

MR. WEBB: Thank you.

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

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

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

EXECUTIVE OFFICER DEDRICK: Oh, I'm sorry.

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

I am currently President of Anthrosphere, Incorporated,
a Santa Barbara based air quality engineering firm. I
have worked on several of the oil related projects, the
EIRs that have been done for the County. I worked on Platforms
Irene and Independence, Platform Julius. In 1984 and 1985
I was working with the air quality sub-contractor of this
EIR, working on ARCO's EIR. I have been retained in the
past by the Santa Barbara Air Pollution Control District
to evaluate the Chevron Gaviota facilities, the Exxon Santa
Ynez Unit, and I have also, on my own, worked on the Celeron
Pipeline, and have been retained by ARCO to look at the
air quality issues involved with Coal Oil Point Project.
I would like to now show some slides that come
from the EIR that illustrate the air quality situation.
There are four types of impacts that are recognized
in the EIR:
Class 1. Significant adverse impacts that cannot
be mitigated.
Class 2. Significant impacts that can be mitigated.
Class 3. Impacts that are adverse, and not significant.
Class 4. Beneficial impacts.
There is some degree of subjectivity between
Class 1 and Class 3, and the question comes up whether
an issue that was a Class 3 impact in, say the Exxon project,
would be a Class 1 impact in the ARCO project.
The major pollutant of concern in Santa Barbara
County is ozone, because the county is nonattainment for ozone. Ozone is a regional pollutant. It is difficult to assess sources and impacts of ozone on a point-by-point basis, and so the analysis has to look at a general area, and in this case the EIR looked at an area of approximately 80 miles by 130 miles.

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

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

The next slide, if you could?

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

Now, the next slide, please.

I have reproduced that table from the EIR, and have marked in yellow the area that is currently predicted by all activities, not including ARCO, the area that will be above ten parts per hundred, or .1 parts per million.
This is the base line, cumulative base line, expected in 1993. For reference, each of the marks at the top is four kilometers; each mark along the side is also four kilometers, and you can see on the right hand side, the five areas where impacts are predicted, new exceedances of the state standard.

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

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

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

[Pause while attending to over-head slide.]

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

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

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

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

The second set of tables in the EIR identify,
again, state and federal exceedances due to the project, and they can be depicted by comparing the effected area without ARCO—it isn't a very pretty picture, but this is what is predicted by the model for 1993, without the ARCO project in it. We see an area off of Point Conception that is in exceedance of 10, and some that is in exceedance of 1?, and again areas extending over the ocean, and finally coming onshore around Ventura and Port Hueneme and above Thousand Oaks.

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

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

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

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

Thank you.

CHAIRMAN DAVIS: Thank you.

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

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

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

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

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

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

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

This will be a real exercise in democracy, gang, to see how you decide who goes first, and--
MR. EVANS: I'll be the first speaker.

CHAIRMAN DAVIS: Okay.

COMMISSIONER ORDWAY: They are prepared.

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

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

I would like to speak on--

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

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

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

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

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

I grew up in L.A., and I lived in traffic and smog and I never knew that there was an area that had oaks
and sage, and my children will grow up, and they will never
know that this was an area in Santa Barbara that had a
costline free of oil rigs, because we don't have that
continuous memory.

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

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

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

The EIR cannot assess the impact on all of the
organisms, because we don't know all of the organisms.
We don't know everything. We are not gods. And, even
if we could assess all of the impacts, and stop any destruction
of all the creatures, then there would still be an effect on me, because when that project is built out there, less than two miles off of the coast, I'll never be able to walk out there again, and have that same feeling of awe and reverence and looking out at the islands in the dark night.

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

Thank you.

CHAIRMAN DAVIS: Thank you.

State your name, please.

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

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

After graduating from high school, I had the choice of studying at just about any university in the country. I, and many competitive science students like...
myself choose UCSB because I had heard that the Santa Barbara coastline is one of the richest and most diverse sources of marine, animal, and plant life, on the entire planet, which indeed it is.

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

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

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

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

CHAIRMAN DAVIS: Thank you.

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

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

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

[He proceeded to play the guitar and sing.]

I would just like to say, thank you.

CHAIRMAN DAVIS: Thank you.

I think that I will take this opportunity to mention that this hearing will be rebroadcast at 6:00 o'clock on Friday, Saturday, and Sunday, on local cable Channels 18 in the south coast region, and on 21 in Lompoc and Santa Ynez, and on 22 in Santa Maria.
MR. HERZOG: Hello. My name is Paul Herzog, and I will first be speaking on behalf of the California Public Interest Research Group, a non-profit, non-partisan consumer and environmental group, of which I am a representative from the chapter at UC Santa Barbara.

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

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

Two, no offshore processing.

Three, commingling of pipelines.

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

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

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

First, and foremost, the project proposed poses a great danger to the community of 20,000 people in Isla Vista, in the case of an accident, and not many of us who have spoken have thought about the long term, but in the case of the long term, if an accident should occur, which
would cause an evacuation of the Isla Vista residents, only two roads provide accessible routes out, and this is not an unlikely scenario, since spills occur monthly throughout the world.

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

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

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

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

Now, these are all going to be very important, of course, not only for this project, but for the future, because millions, if not billions, of barrels of oil exist off of the coast and just north of where ARCO proposes
to drill, and I would like to say that when you are making your decision, I suggest that you think of the long term effects, and not just to this proposal.

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

CHAIRMAN DAVIS: Thank you.

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

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

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

It would be arrogant of me, as a human, to say that we could ruin a sunset, but the presence of a 200-foot tall platform, just two miles from the beach, would
reduce the end of my day from a truly spectacular experience
to a barely significant event.

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

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

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

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

Thank you.

CHAIRMAN DAVIS: Thank you.

MR. HERALD: My name is Michael Herald, and I
am here today as a student in senior standing at the university
of California, Santa Barbara. I am also a four-year resident of Isla Vista, presently living on the ocean side of Del Playa Road, which overlooks the Santa Barbara Channel.

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

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

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

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

I feel that there are more reasons to preserve this area of the coastline for future generations then to exploit the petroleum resources found less than two
miles off of UCSB's west campus point.

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

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

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

I feel that the final EIR does not adequately consider the impacts to the air quality of Isla Vista as the result of Platform Heron. During certain times of
the day, at my apartment, I can already smell the strong odor of hydrocarbon emissions generated by the oil activities on and offshore near Isla Vista. These odors would increase if Heron was approved.

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

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

CHAIRMAN DAVIS: Thank you.

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

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

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

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

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

CHAIRMAN DAVIS: The Governor is, I understand.

COMMISSIONER ORDWAY: --but I happen to have two degrees from two UC schools, and having been a student for a lot of years in my life, I have great empathy for sitting and waiting in line, and to be told that you are
a student and no--

[applause]

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

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

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

I am speaking basically, there should be no project whatsoever, but if there is a project, Platform Heron should
not be admitted in the project.

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

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

And, I am going on, but I will make it short to say that Platform Heron should not be in the project and there should be no Coal Oil Point Project at all, and
thank you very much for your time, and thank you for scheduling the hearing in Santa Barbara in February.

CHAIRMAN DAVIS: Thank you.

MS. GORDON: Hi. I am Liahna Gordon.

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

CHAIRMAN DAVIS: Thank you.

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

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

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

Ronald Reagan, Earl Warren, and most of us for
that matter, live in Santa Barbara County because it is a beautiful place.

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

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

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

ARCO doesn't care about us. ARCO cares about oil and money, and they will do most anything to get what
they want, including destroying our coastline.

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

CHAIRMAN DAVIS: Thank you.

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

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

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

But, UCSB is on the up swing. It is growing an awful lot, but it has got problems in the community. I.V. is a crowded place. Isla Vista is very crowded. We pay a lot of money for rent, and oftentimes what we get for rent is sub-standard.
Because it is so crowded, there is a lot of noise generated in the community. Oftentimes, when I come in from a revelry on a Friday or Saturday night, I can hear other revelers down on Del Playa. That is not much more than a half-mile away. I can hear people shout, you know—no, it is better than a half-mile away. It is close to three-quarters of a mile away.

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

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

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

So—

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

MR. BRUCKER: We are talking about the island
of Kauai. Not Waikiki, absolutely not.

CHAIRMAN DAVIS: All right.

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

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

The recent oil glut has actually shut down many oil pumping facilities throughout the state. I am sure that ARCO can find t'oir oil elsewhere.

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

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

Thank you very much.

CHAIRMAN DAVIS: Thank you.
MR. POZZI: We are the last speakers.
My name is Emilio Pozzi. I am representing--

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

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

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

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

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

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

COURT REPORTER: Thank you.

MR. POZZI: And, your name?

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

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

COMMISSIONER ORDWAY: Detroit and Kauai.

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

CHAIRMAN DAVIS: All right.

I just wanted to see if there is some unanimity
as what is going to happen--

MS. DUNHILL: Down hill.

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

MS. DUNHILL: Down hill.

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

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

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

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

I support the no project plan.

MR. POZZI: I just want to state really briefly that the associated students passed a bill last month, expressing the voice of every student at UCSB that no project
should be allowed and no new oil rigs should be allowed
in front of our beaches where we like to lay out and catch
the rays of the sun.

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

Thank you.

CHAIRMAN DAVIS: Thank you.

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

{Applause.}

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

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

Okay, those—we may have time for more, but we
will at least take these people between now and 6:00 o'clock.

Michael Webb?

MR. WEBB: I spoke earlier.

CHAIRMAN DAVIS: Oh, excuse me.

Curtis Anderson.

We will add Mike Stoker to the list.

MR. ANDERSON: Commissioners, ladies and gentlemen,

my name is Curtis B. Anderson. I have been a member of

the chemistry faculty for 25 years. I have lived in Isla

Vista for those 25 years, and today I am speaking as President

of the Isla Vista Association, which is a group mostly

home owners. One of our members has already spoken. Some

others will also speak to various topics.

Although the final EIR now discusses impacts

on Isla Vista, I would still like to emphasize the basic

problem with the Coal Oil Point Project is that it is too

close to a heavily populated area.

The project would seriously affect Isla Vista

residents, one in the event of a catastrophe, two with

noise, and three by atmospheric pollutions.

The catastrophe could be an accident, or it could

be a natural event like an earthquake. Just how serious

a disaster might be is seen in the toxicity of the gas

which is being dealt with, two percent hydrogen sulfide.

The lowest lethal concentration for hydrogen sulfide is
600 parts per million for 30 minutes. That is considerably less than two percent. Two percent is 20,000 parts per million.

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

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

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

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

I think we have talked about noise already, and it seems that ARCO's engineers have—can solve that problem for us. I hope so. Anyway, it is true that we could actually hear people talking on the drilling ship, and that is rather surprising, considering that they were out where they drilled
the wells, and it was a couple of miles out. But, the
point is that over land sound is attenuated fairly rapidly.
Over open water, that is not the case.

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

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

Simple calculation—that is freshman chemistry—
of the burning natural gas, which is mostly methane, indicates
that the composition of the plume from the flare will be
about ten percent carbon dioxide, 18 percent water, 72 percent
nitrogen, 2000 parts per million sulfur dioxide, and 10
parts per million hydrogen sulfide. This assumes that
the minimum of air was used to burn the gas. It should
be noted that using 100 percent excess of air, which is
about the outer limits for flares, will only reduce the concentrations of sulfur dioxide and hydrogen sulfide by a factor of two.

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

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

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

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

Furthermore, this smell of \( \text{H}_2\text{S} \) and mercaptans can be detected with the nose in the range of about ten parts per billion—give away some, maybe a power of ten—which is about 1000 times less than ten parts per million.
That means that hydrogen sulfide, and the other smelly things--hydrogen sulfide is the rotten egg smell--will be very evident. This plume will smell very bad, even when diluted by a factor of several hundreds. The prevailing westerly winds will most often carry the smell to the Hope Ranch and Santa Barbara, although Isla Vista will probably get the benefit of being downwind of Platform Haven, which is also not very much diluted, either.

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

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

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

I should like to point out that the Los Angeles Times, page 2, on 5 January, reported a case of acid rain
in the Port of Jacksonville--also I think somewhat of a
touristy area--Florida, which pitted the paint on 2000
new BMWs requiring new repainting. It could happen here.
We have everything that it takes.

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

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

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

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

    The concentrations of nitrogen oxides and hydrocarbons
needed along with sunlight to produce photochemical smog
are very small, of the order of a tenth of a part per million,
which we often get to anyway around here. Our benefit
BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

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

The common assumption that less NO\textsubscript{x} emitted means less oxygen concentration is also scientifically probably not correct. The chemical system is not that simple. The production of ozone is catalytic in nitrogen oxides.

In any case, I think that is not a major problem.

Our major problem is sulfur oxides.

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

Thank you.

CHAIRMAN DAVIS: Thank you.

Janice Keller.

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

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

As I said when I spoke to you a few weeks ago, I hope that holding hearings in the community most adversely impacted by a particular project is a new trend for the
Commission. It is long overdue, and I would also like to note that I appreciate your holding final certification hearing here in March.

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

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

1. What document are you and the public being asked to consider at the certification hearing? The three volume set we recently received is called two different and distinct things. The outer cover refers to the contents as a finalizing addendum. This would indicated that the
14-volume draft, and the 3-volume set together, are the final EIR. However, if you look at the title page of the 3-volume set, it refers to the contents as the contents as the Final Environmental Impact Report and Environmental Impact Statement for Proposed ARCO Coal Oil Point Project. Not only is this confusing, but it is misleading.

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

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

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

3. The project description in the final EIR must include a statement that drilling muds, cuttings, and processed water will not be dumped into our coastal or near coastal waters. You have heard your staff and
ARCO say that such discharge will not occur. To insure
that this environmentally devastating activity will not
take place the project description must reflect the intentions
of all parties involved and the project must be conditioned
accordingly.

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

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

6. If the consultant's preferred alternative
is to become the approved alternative, additional environmental
impacts must be discussed in the final EIR before it can
be certified. Primary among these is the discussion of
how oil will be transported from the offshore processing
facility to the refineries. Both pipelines and tankers
have significant impacts. Information on them must be
made available to you and the public before you make your decision.

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

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

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

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

In conclusion, I would like to remind you that today is the 18th anniversary of the formation of GOO, and the blowout at Union Oil's Platform A, which caused devastation to our local environment and economy. It is
not an anniversary to celebrate. With each new platform, pipeline, and processing facility, the chances of another disaster increases.

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

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is Roger Lagerquist.

MR. LAGERQUIST: Hello, my name is Roger Lagerquist.

I have a degree in mechanical engineering, and I have worked as an engineer for the last 28 years.

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

They have yet discovered how to produce Heron without a platform. Leo suggests that we should wait a few more years and see what advancing technology can do, and see if we can't get 100-fold improvement over what
we had in the last two weeks. I think that is what we ought to consider here, a delay in considering this project.

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

CHAIRMAN DAVIS: Wait a second now.

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

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

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

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

The EIR and its addendum offer no clue as to how the project might be built without imposing Class 1 impacts on a highly developed urban area.
The most incredible statement in the finalizing addendum is that no significant impacts are expected in Isla Vista from inert pollutants. That is paragraph 2.1.3.2. This fantasy is refuted over and over again in the body of the EIR.

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

Well, the news is not all bad. We are making progress. The original EIR did not mention Isla Vista by name, but the finalizing addendum does devote several pages to the topic. The EIR still lacks an appreciation of the environment surrounding the project. Isla Vista is widely held to be the most densely populated area west of New York City. The County's Sheriff Department estimated the population of Isla Vista increased by 30,000—
30,000 people, during the 1986 Halloween weekend. And, I can vouch for that. There were 30,000 extra people in town for Halloween, and they slept on lawns and in parked cars, and whatever.

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

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

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

Each event is expected to release up to 3778.87 pounds of sulfur dioxide, EIR Table 5.1. I don’t believe that .87 pounds part, do you? It implies a precision of .01 pounds out of a measurement of 3800 pounds. That would be less than a 1000 of a percent error. Does the consultant believe this? What is the precision of the number? Where are the assumptions that lead to that number? And, the error analysis to support the bare number of 3778.87?
Sloppy presentation of data throughout the report should lead the Commission to suspect all of the data and question all of the conclusions. A student couldn't get into UCSB doing that kind of work, let alone graduate. The Commission is not obligated to certify an EIR that is as poorly done as this one is.

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

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

A paragraph later the option is nullified. These measures have been implemented as part of the proposed project and could not be used as mitigation measures. That's
in paragraph 6.1.5.4. The impact of sulfur dioxide is significant and it cannot be mitigated.

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

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

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

Now Table 15-1 of the EIR estimates that 10.518 pounds per hour of hydrogen sulfide emissions from Heron will occur during an upset, but this figure was not included.
in the odor calculations, and that may be what the university
people are referring to when they say that the calculations
don't show any difference between normal operations, and
during upset conditions. They didn't consider the fact
that all of the hydrogen sulfide fails to burn and some
of it--20 pounds of it--can reach shore directly.

According to the EIR, \( \text{H}_2\text{S} \) and \( \text{RSH} \) emissions were
treated as fugitive emissions--that defines where the
error occurred, they shouldn't have been treated as simple
fugitive emission--while \( \text{SO}_2 \) emissions were caused by
flaring. That is in paragraph 15.1.3.

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

Applying the dilution factor from Table 15-1
to a 20-pound release gives a concentration of 190 microgram
per cubic meter, or 2900 percent above the level required
for detection of hydrogen sulfide. There will be severe
odor impacts, despite all of the words to the contrary,
and no mitigation has been proposed.
Now then, try to imagine the impact from a sour gas blowout on Platform Heron at a time when 10,000 residents and 30,000 visitors are crowded into a half-square mile of Isla Vista? This might well be the maximum credible accident. We can only hope that the gas will catch fire in the event of such a blowout, because according th Sax again, "Fatal hydrogen sulfide poisoning may occur even more rapidly than that following exposure to a similar concentration of hydrogen cyanide."

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

CHAIRMAN DAVIS: Mr. Lagerquist?
MR. LAGERQUIST: Yes.
CHAIRMAN DAVIS: Is your testimony written?
MR. LAGERQUIST: Yes, and I am in the last two paragraphs.
CHAIRMAN DAVIS: All right, because as a courtesy to the other people we wanted to accommodate before 6:00 o'clock, I would appreciate if you--
MR. LAGERQUIST: The Finalizing Addendum does not correct the oversight of ignoring the toxicity of the gas.

I have pointed out a number of fatal flaws, both at this hearing and at the previous hearings, that are
beyond recovery, without redoing the entire EIR. This document is so deficient that it cannot, in good conscience, be certified. I believe there is just no other way out.

Class 1 impacts due to visual effects, noise, emissions, and safety provide ample grounds for choosing the no project option in the event this EIR is somehow certified.

I would like to thank you for coming to Santa Barbara and hearing our comments.

CHAIRMAN DAVIS: Thank you.

Robert Sollen.

If I could ask each witness to limit themselves to five minutes, I am anxious to accommodate all of the people whose names I read before we break, and then I am sure that there are a lot of people who are planning on being here at 7:00 o'clock for the night hearing.

MR. SOLLEN: Members of the Board, I am Bob Sollen, for the Sierra Club.

I will skip over many of the areas in my presentation that have already been covered, first of which is the so-called environmentally preferable alternative. I support the county's contention that the impact cannot be certified in its present form, because of the introduction of an entirely new and unreviewed environmentally preferable alternative is reason enough to delay certification.
The only thing that I want to say about that, other than what's been said several times today, is that there have been some comments that even if this is included in the report it is not binding on the permitting agency, and I want to point out that this is going out not under the consultant's name, but under the name of the Lands Commission, the county, and the Corp of Engineers, and it does become your policy if this is included in the certified impact report. This has been referred to as a consultant's alternative, but it is in your report. The consultant's name is on it only as a consultant, and not as the preparer.

On drilling muds I would only repeat what's been said--

CHAIRMAN DAVIS: Do you have an opinion on the legal issue as to whether or not we are bound by that option?

MR. SOLLEN: No, no I don't, but what disturbs me is that this is--I frequently practice law without a license--this is repeatedly referred to as a consultant's alternative--consultant's preferable alternative; but, it is not the consultant's report. The report, on the title page of each and every one of the documents, is prepared by the State Lands Commission, County of Santa Barbara, Corps of Engineers, so it is a policy you have adopted.

However binding that is, I don't know, but it seems to me that it is rather serious.
On drilling muds, as has been pointed out already this afternoon--this evening--we were assured at the previous hearing on this same report--or on the draft report, that that is not a consideration. The State Lands Commission has not permitted this. The final report, however, points out that this is an unresolved issue, and it is the barging of drilling muds is recommended, but it is not included in the project description, even though we get some assurance this afternoon from the applicant.

I would like to talk about seeps for awhile. One of my favorite subjects. At the October 24 hearing last year, on the draft report, I requested that the final report include numbers on how much gas was being trapped by the ARCO devices placed over the gas seeps in the project area.

Now, this experiment was specifically designed as a mitigation measure for this project. It seemed pertinent to have a report on its success, on its effectiveness. The final report doesn't include these figures, although it would have taken a couple of lines of copy to include them. Instead we are told that we are going to get these data when the application is made for the Authority to Construct before the Air Pollution Control District.

I see no reason this information should be delayed.

Now, beyond that, and as the previous speaker
just stole my thunder, he discovered as I did that the impact report tells us that some of this commercial activity, industrial activity, such as reinjection of sour gas, could increase the rate of seepage because it would increase pressure under the ocean floor.

In the staff report for this hearing, we hear just the opposite that this industrial activity is likely to reduce the seepage because it would reduce the pressure under the ocean floor, but the confusion is even worse than that.

In a report prepared for the Lands Commission ten years ago, the conclusion was that there is no connection, no geologic connection, between the areas from which the seeps emanate and the areas in which ARCO is operating, either drilling or producing, or reinjecting.

Now, we have got essentially three opinions from essentially the same agency. One says that the seeps are likely to be reduced; one says they are likely to be increased; and the other one says that neither is going to happen.

Now, the reason that you can take any position that you want on the seeps, particularly in this area, is because nobody can prove you are wrong. We don't have the information.

I said at a previous hearing that the seeps too long have been used by the industry as an excuse for all
oil found on the waters and beaches, and conversely by others to put all of the blame on the industry. We have everything but facts. Studies to date have been fragmentary, underfunded, short term, and inconclusive; consequently, we continue to get guess work, contradiction, and confusion.

A couple of point in conclusion on oil spill probability. The report says there is no more chance of an oil spill off of Isla Vista with additional platforms because there is already--there is already an oil platform in place in the area. Now, this logic escapes me. With each additional platform, the chances for a spill quite clearly are increased; moreover, the report also asserts that "Offshore oil processing would not increase the potential for major oil spills since the large oil spills are associated with oil extraction activity, and not with oil processing."

Now, this is an irresponsible statement. More offshore spills have come from "extraction" than from offshore processing plants, simply because there are very few offshore processing plants, for good reason.

But, the potential for a spill from such a facility is surely present. Pipelines and storage tanks can rupture, valves can fail, and maritime collisions have a long history. There is indeed more than one way to spill oil.

I would like to close by commenting on what I call beneficial impacts. The report lists as beneficial
impacts public revenue, recreation, and tourism, and commercial
and sports fishing. I had not yet seen a study that indicates
that the public revenues will exceed the costs of public
services, particularly for the county, public services
to be demanded by this project, and to say that it will
enhance recreational activities, and fishing, is reaching
beyond credibility. Such assertions should be substantiated
or removed from the report.

For the reasons that I have presented January
13, I believe the project is not justified, but for now,
let it suffice to say that the impact report itself is
seriously deficient and must be corrected and completed
before we talk any more about the merits of the project.

Thank you.

CHAIRMAN DAVIS: Thank you.

Mr. Nigel Buxton.

If you could keep your remarks to five minutes,
I would appreciate it.

MR. BUXTON: Oh, less than that, I most certainly
hope. I am just about as tired and miserable as you must
be.

CHAIRMAN DAVIS: Well, it is like, "The check
is in the mail." I have heard that before.

MR. BUXTON: My name is Nigel Buxton, and I am
representing two sources, one myself and my wife as 17-year
residents on the ocean blufftop of Isla Vista, and also
as the Chairman of the Isla Vista Rental Property Committee,
a committee of the Santa Barbara Rental Property Owner's
Association.

The Isla Vista Rental Property Committee would
like to express its gratitude to the Commissioners for
allowing us and other concerned citizens of Isla Vista,
Goleta, and the Santa Barbara area, to inform you of our
concerns regarding the proposed Coal Oil Point Project,
in yet another public hearing in Santa Barbara, and I wish
to really thank you for saying that you will be coming
back again for the certification.

We of the IVRPC are greatly concerned with the
adverse impacts on the community of Isla Vista, which will
result from the proposed project. We are very appreciative
of the attention which the community of Isla Vista finally
received in the January 1987 EIR/EIS. It seems that people
do, in fact, live between UCSB main campus, and west campus,
and will be affected by the proposed project.

Many of the owners of rental property in Isla
Vista, which we represent, live in Isla Vista. We are
concerned not only with the impacts which the project may
have on our properties, such as reduced property values,
increased physical deterioration due to possible atmospheric
contamination, i.e. acid fog, et cetera, and the possible
loss of oil or gas from the reservoirs below our properties, but also the impacts on the quality of life of the residents of our properties, and the community as a whole.

The most obvious impact of the proposed project will, of course, be visual. As is obvious from the views of the proposed platforms, shown in Figures IV-4 through IV-6, the impact will be hideously unnatural. Let us not forget that Isla Vista means island view, not platform view, and a most treasured one it is, not only to those of us whose windows face directly on the ocean, but for the many thousands, and I emphasize thousands, in the community who enjoy the unique beauty of this view, and find solace and strength in this untarnished bit of nature, in an increasingly crowded and hectic world.

The visual impact of course can hardly be represented by black and white mock ups. The true effect can only be realized, unfortunately, with the placement of these monsters, and it was shown very graphically by slides, which I really appreciated.

There will also be noise, not only during the construction, but also the day-to-day clang and bang of machinery, of workers' voices, of helicopters and service boats, not to mention the sounds and constant vibrations from the drilling which will go on day and night, and will be felt through the very bedsprings of our mattresses.
There will also be the odors, which will result from the machinery, increased boat and helicopter traffic, and planned flaring, which thank heavens, due to the miracle of technology in two weeks no longer need to be done.

All of the above mentioned impacts, as well as countless others, which I have not mentioned, will result in the psychological impact on the residents of our very dense little community of Isla Vista, which would be very hard, if not impossible, to gauge. How could anyone measure the effect of losing an obstructed view of the islands and the ocean? Especially when the alternative is a view of a major industrial complex only two miles offshore?

If this project were on land, the view could be mitigated by some sort of physical barrier, made up of vegetation or earth; but, what can be done when the structure is on the ocean surface?

Even the relocation of the proposed Platform Heron 1500 meters to the west would not alleviate the visual impacts to any great extent.

For all of the above reasons, as well as countless others, we of the IVRPC would like to see the no project alternative considered strongly, but at the very least, we request that Platform Heron be dropped from the proposed project.

We are not insensitive to ARCO's desire to exploit
its leases; however, we see the oil as a resource belonging to the people of California, who will need both the product, as well as the revenue, and I emphasize this, far more in the future than we do now.

We have no doubt that as the need for oil increases, so with the methods for extracting that resource be improved. We would, therefore, request that the oil be left in the bank of mother nature until it can be withdrawn in a more environmentally and aesthetically acceptable manner.

With respect to the remaining components of the proposed project, we request that the Commissioners consider the following:

- That flaring be permitted only in the case of emergency—and ARCO has done that already, thank you.

- That no offshore processing be allowed. It seems that ARCO doesn't want that either. That's good.

- That commingling be permitted to reduce the number of pipelines. That also seems to be underway.

- And, that the alternative of subsea completions be considered for the remaining platforms.

Thank you, again, for your attention, and the opportunity to air our views.

I would like to apologize for the corrections that were necessary, that I made in pen, but I did this quite late last night and haven't had much time to do any
correcting.

As an individual who lives in Isla Vista, I would like to emphasize again my appreciation for you obviously taking the time and this is no easier for you, I am sure, than it is for us to sit here and listen to all of this, but we really hope that you will take into consideration the massive impact that at least Platform Heron will have on a very small community, which is very densely populated.

We thank you very much for your attention.

CHAIRMAN DAVIS: Thank you.

Jan Canby.

[No response.]

Okay, apparently she has left.

Frank McMurry.

[No response.]

Alan Hur.

MR. HUR: Good afternoon.

I'll say "Thanks" also for coming. It looks like I am not going to make happy hour at the local sushi bar. It ends at 6:00 p.m.

In the--I'm a commercial fisherman in Santa Barbara. I am also the fishing industry's representative on the Eggs and Larvae Study Group which the State of California takes part in. I am also the local representative in offshore oil and environmental concerns.
In the beginning there was one oil platform, and we moved, and we said, "Oh, there is plenty of room, there is lots of reef. There is room for all of us out there." And, there was then 2, 3, 4, 5, 6, 7, 8, 9, 10, and so on, of platforms. We have gotten backed into a few last and very key pockets of areas of productivity, and these are pretty much centralized around the reef areas in the Santa Barbara Channel area.

And, this leads into what we are very concerned about, in regards to this EIR and preceding EIRs and that deals with the key in all of these EIRs that have been overlooked, and that is consideration of all of the other projects proposed and going on to date, consideration of a cumulative effects of all of these projects on line at one time, has been buried by the complexity of the process of review for the projects themselves being reviewed individually.

There is a need to assess the cumulative effects of all existing and proposed projects and how they will effect the Santa Barbara environment when they are all on line at the same time. That is what's facing us now as an industry.

I would like to say that we are in agreement with the county's position to the preferred alternative to the ARCO project.

1. The single platforms.
2. The removal of the proposed Heron platform from the project.

3. Onshore, rather than the offshore processing of the oil.

4. Commingled transportation and processing, as approved to the segregated option.

5. Development of alternatives to flaring.

6. Prohibition of onsite discharge of muds and cuttings and drilling fluids, as it appears that ARCO has already addressed.

We are the state's only access to this renewable resource, known as fish. Our fleet in Santa Barbara has been rich and colorful and a part of Santa Barbara and California's history.

We ask the State Lands Commission to help us remain productive within our industry and to not make us bear the loss of access to these fishing grounds along with the destruction of the hard bottom marine habitat that insures that these fish remain a renewable resource long after oil is gone.

With that, I thank you very much for coming to Santa Barbara again.

CHAIRMAN DAVIS: Thank you.

EXECUTIVE OFFICER DEDRICK: Mr. Chairman, if I may.
I have a communication from the Pacific Coast Federation of Fishermen's Associations, the PCFFA, from Zeke Grader, and just for the record I thought—which I have responded to and have talked to Zeke and we are having meetings set up for early next month.

I would just like to put those into the record.

MR. HUR: I am familiar with that record.
Thank you, Claire.

EXECUTIVE OFFICER DEDRICK: Thank you.

CHAIRMAN DAVIS: Thank you for coming again.
Mr. Scherb.

MR. SCHERB: Since it is after 6:00 p.m. I would prefer to wait until 7:00. Make it easier on yourselves. Is that all right? Or, I can testify.

CHAIRMAN DAVIS: Fine.
Mr. McDermott.

MR. MC DERMOTT: I would prefer to wait until 7:00 o'clock.

CHAIRMAN DAVIS: All right.
Mr. Mike Stoker.

MR. STOKER: Mr. Chairman, honorable members of the Commission, Mike Stoker on behalf of the Santa Barbara County Chamber of Commerce, Energy Committee.

At the outset it should be noted that the Chamber at this hearing is going to limit its comments solely to
the commingling issue.

From the Chamber's perspective, it appears that--

CHAIRMAN DAVIS: Has the Chamber taken a position on this project?

MR. STOKER: --excuse me?

CHAIRMAN DAVIS: Has the Chamber taken a public position on this application?

MR. STOKER: Not at this time, Mr. Chairman.

From the Chamber's perspective it appears that a major policy decision may have to be made by the Commission pertaining to the issue of commingling. The Chamber, although we have explored various commingling processes which may be available, does not wish to debate the issue at this forum today; rather, we urge this Commission to instruct your staff to continue working as they have, with the county, ARCO, and other interested individuals, to resolve the commingling issue.

The Chamber acknowledges the Commission's concern that the state adequately account for the state royalty interests, in the applicable oil tracts; however, just as the Commission has a concern for the oil in place, the state and this community also have an interest in providing adequate environmental protections from the project.

Consequently, in the event the various staff cannot provide this Commission with a guarantee of 100 percent
accountability, the Chamber believes that something insignificantly less warrants approval of commingling because of the environmental benefits to be derived. In this light, the Chamber believes, with the appropriate findings, that the this Commission could uphold its legal duties and approve a commingling process, even if the process has not been proven beyond a reasonable doubt to be 100 percent accurate.

Basically, with that in mind, what the Chamber would be doing is in the event that this Commission approves a project which would allow ARCO to go forth with some viable alternative, the Chamber would deal with the specific particulars, such as double platforms, processing, the location of the processing facilities, at subsequent hearings which would be held at the county.

Thank you, and again the Chamber would like to thank the Commission for holding the certification in Santa Barbara.

CHAIRMAN DAVIS: Thank you.

Pardon me?

Yes, one little piece of housekeeping. There is a copy of the Minutes of our previous meeting here, before the Commission, and I neglected to take that up at the outset.

[MOTION] COMMISSIONER ORDWAY: I recommend their adoption--

CHAIRMAN DAVIS: All right.
The Minutes are unanimously adopted from the January 13 meeting in Santa Barbara.

We will recess until 7:00 o'clock.

Recess: 6:10 p.m. -- 7:10 p.m.

COMMISSIONER ORDWAY: Since we do not have a quorum, we will wait until Commissioner Davis arrives.

7:15 p.m.

CHAIRMAN DAVIS: We are going to commence the 7:00 o'clock portion of our meeting today, and take up where we left off.

We had about a four-hour session this afternoon, during which time a number of issues were aired.

Those of you how happened to be here in the afternoon, I hope that you will do us the courtesy of just raising new issues, or making different points that the Commissioners have not yet heard.

We have a number of witnesses that we want to have an opportunity to hear from.

The first witness is Mike McDermott.

MR. MC DERMOTT: Good evening. My name is Michael McDermott, and I am of Santa Barbara. I am a 1979 graduate
of the California State Maritime Academy, and I have years of experience as a licensed officer in the offshore maritime industry, particularly the offshore oil industry. I also have years of experience as a participant in the environmental impact process, as well as having put in written comments to the ARCO Coal Oil Point Project.

What I have tonight is a cover letter this long, and this much background, which I will be using very sparingly to back it up.

Basically, the EIR has done a very poor job of responding to the citizen comments presented in the draft report. It is in many respects an academic farce with no foothold in the real world.

The type of Systems Safety assumptions contained herein are the magnitude to rival those that caused the disastrous loss to the shuttle Challenger last year. There is a tremendous need for the State of California to do some realistic investigation into the true facts of the offshore safety issue before the dire consequences of our unpreparedness for a maritime disaster hits home.

What I have got is, I responded to--the EIR responded to my comments in their Response to Comments by Individuals. I have reresponded back to them with the aid of newspaper articles, clippings and so forth, which I will just mention in passing, okay?
The first one, Response No. 71, claims that this Environmental Impact Report was produced independently of oil company data. I would call your attention to No. 1 and 2, which concern a botched blow cut preventor test at a Texaco Harvest Platform recently, which resulted in the falsification of safety data, and the subsequent coverup.

This claim that they don't rely on oil company data shows a serious lack of understanding in the originators of most safety data, and of the many different pressures that are on those who generate it.

I would like to just comment from the editorial page of the *Santa Barbara News Press*. They illustrate invariably how vigilant the perennial distance between theory and practice must be patrolled if things purchased at such great cost to protect people in their environment are to be guarded against the fallibility of people. Human error is the biggest cause of accidents in the maritime industry.

Point No. 78 concerns the comments regarding a fire boat response for the offshore maritime issues. They are relying on the fire boat report—or the fire boat recommendation currently being considered by the County Planning Commission. This is a seriously flawed document that has not been subjected to citizens' comment or review, and yet this inadequate systems proposal may be the only
maritime fire response proposal for the entire Santa Barbara Channel, including the ARCO Project.

I would suggest the state needs to take a look at this, and not abdicate safety responsibility for its coast and near-coastal waters, to a local Planning Commission.

Response No. 77 talks about traffic considerations as far as collision and other problems with vessel transiting this channel. This increased traffic does not take into account the magnitude of change that will result from the use of Alaskan oil tankers to off load at Santa Barbara. I remind you of the Celeron Pipeline Corporation is currently suing the county for $7 million. I think that is kind of a smoke screen, because I think the primary thrust of their suit is to "An interstate pipeline, the project is under the exclusive jurisdiction of the federal Department of Transportation. Federal law preempts local jurisdiction over the transportation of hazardous liquids and pipeline facilities."

Attached to this is also a article about how Standard Oil plans to acquire the Celeron Pipeline, and industry sources have recently said that 330,000 barrel per day capacity pipeline could easily accommodate the north slope oil that is now transported to Texas and Louisiana and other markets.

In short, the County of Santa Barbara's Pipeline
Policy has failed to eliminate the need for marine tankering, and instead they have brought an interstate commerce common carrier to the shores of Santa Barbara, and if you attempt to stop ARCO, or any other corporation, from bringing its Alaskan oil onshore at Santa Barbara, you will be running into direct conflict with federal laws regarding a restraint of trade.

Now, as far as the state level is concerned, currently many tankers off load in either San Francisco, or Los Angeles. We have pipeline considerations for piping the oil from the channel to these places. If these pipelines are in place are you going to deny ARCO or whoever the opportunity to access their own equipment to deliver their own oil to their own refinery? Instead of taking it to Los Angeles, and doubling the time it needs to be handled by lighterage to another vessel? Adding to pollution, et cetera.

I think the EIRs to date have basically ignored the maritime trade and oil industry trade issues that need to be considered, because Santa Barbara Channel has developed into a large and very important port complex.

Response No. 83, they were uninterested in the composition of the fleet that is currently operating in the channel. Well, I would like to point out that World War II vintage, T-2 tankers, currently sail close by off...
Coal Oil Point while regularly making down wind approaches to the Exxon OS&T. This seems to have made no special impression on the EIR producers, as far as the difference between a World War II vintage tanker, and a modern safety equipped tanker.

For example, there tends to be a thought that what happens offshore will stay offshore. For instance, it is like an automobile wreck, it is going to stay in the same place. This simply isn't true. I myself was on a 70,000 ton crude oil tanker, headed south bound off of Point Reyes for San Francisco. We were seven miles off of Point Reyes when the vessel lost all power. In other words, she coasted with her rudder over. She came to a stop three miles off of Point Reyes, pointed in the opposite direction, so 1000-yard safety zones, and so forth, really don't make a whole lot of difference when you have a potential for a collision, or a casualty that can carry on for miles, literally, and wind up on your shores.

There has been a port in operation off of Coal Oil Point for some 60 years, and yet has never produced a dime of revenue for the County of Santa Barbara. This report should at least acknowledge this oversight and the lost revenue as the result, particularly in the light of the sad story that the City of Richmond, California, which currently has the largest oil importer in the San Francisco
Bay area, the Chevron Corporation, moving the greatest amount of oil in the bay area over their docks, without any control or revenue from it, because they did not have a Port Authority in place prior to the advent or port terminals.

I have already made the point about federal restraint of trade laws. I think that is a very, very serious point that this--the state and the County of Santa Barbara, need to understand the nature of the game they have bought into. This isn't a penny-ante poker table, and when you start dealing with the Department of Transportation, especially considering President Reagan's State of the Union message, where he was talking about freeing up trade, and lifting barriers to trade, and we are saying that you can't bring these tankers in? This should have been considered long ago before these pipelines were ever produced.

Project impacts have been consistently underestimated to a major degree. I counsel you to be wise consumers and research well the full meaning of what you are buying.

I would like to bring again to your attention, in light of that presentation, here are two articles, one by the Secretary of Energy, and one by the head of the American Petroleum Institute. I find it particularly ironic that at this late date the head of the American Petroleum Institute has finally called for a dialogue on American energy issues, including alternative renewable sources.
of fuel.

The fact is, the oil is running out very rapidly. Mr. Ranger talks about getting the last 30 million barrels out of his reserve. Well, to put that in proper perspective, 30 million barrels is twoidays' worth of domestic supply for the United States, which we turn into air pollution almost immediately.

So, the magnitude of the amount of oil that we are talking about must be gauged in comparison to the use and to our imports.

What is your—I counsel you to use the perspective of your rank, and your position in this state, to view this channel as one operation, and to take a look at the true impacts in trade and other issues that are coming down here, and not to be focused on the trees, and forget the forest.

Thank you.

CHAIRMAN DAVIS: Thank you.

Mr. Martin Kellogg.

MR. KELLOGG: My name is Martin Kellogg. I am a naturalist and environmentalist, and have lived in Isla Vista for about 19 continuous years, and desire to live there the rest of my life because of the wonderful microcosm of California nature that exists on, or immediately adjacent to, the little mesa occupied by UCSB and Isla Vista.
This includes fresh and salt water communities, sandy beach, rocky points, including one of the best points in all of Southern California for viewing the multitude of sea birds during migration, marsh, coastal sage scrub, grassland, and oak woodland, pockets of the once global garden of Eden.

I have to start off by saying that you are having sent me unsolicited a set of the mammoth final EIR, was a gross and insulting waste of earth resources. I can very well use copies at the library.

The next point. UCSB already has one industrial blight in its immediate environment, a noisy airport and its approach space, and can't much absorb more.

My next point. As the EIR recommends for any new platforms, I ask that you require all lights on the existing Platform Holly be shielded from shining directly, or indirectly, from illuminated surfaces, towards Isla Vista and UCSB, insofar as compatible with safety, to minimize light pollution of the otherwise dark night sky, to the south of our community, an unusual resource, this dark night sky, for an urban area, permitting recreational experiencing of the heavens.

Concerning any new platforms, humanity as presently behaving is far from responsibly handling the petroleum already developed, since among other things, it is most
heedlessly combusting fossil fuels at a great rate, especially in the U.S., which is burning about a full four times its per capita democratic share in the world, despite the great danger of creating a global green house effect by this irresponsible combusting of fossil fuels, which effect in warming the planet, could well melt all icecaps and glaciers which would raise the oceans about 250 feet, flooding the generally most concentrated areas of civilization in the world, make the U.S., bread basket of the great plains, a regular desert, and similar agricultural disasters throughout the world, undoubtedly including California, and so forth.

Such a full scale green house effect may be irreversibly entrained before much initial climatic change is observed at all, so you just can't just stop once things start changing. It may be too late.

So, you don't give a person that is irresponsibly handling a resource, more of the same resource.

Also, if new exploitation of this oil field occurs now, it would disregard much of the future and those who would have to live in it, by ignoring the preceding danger, causing an increment of public demoralization, since there are much better ways at the moment for meeting honest energy needs in the world—conservation and solar are largely underutilized.

Such exploitation of the Coal Oil Point field

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would also exhaust yet another part of a nonrenewable resource, which with the foregoing, would feed the end of the world mind set that is presently largely ruling this nation and in sad fact is working to fulfill as many preconditions as it can for an armageddon-like world nuclear holocaust, and after all is said and done, policy that is astronomically anti-democratic and human beings do not have the right to help destroy a creation they cannot replace.

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is Mark Srednicki.

[No response.]

The next Robert Klausner.

MR. KLAUSNER: Good evening. My name is Bob Klausner. I am representing Citizens Planning Association here in Santa Barbara.

It is a little hard keeping up with this process. We had written some rather extensive comments, and apparently you folks, or somebody this morning, through meetings have made most of our comments less than meaningful, because you apparently are on a track of resolving some of the basic issues that we saw that were going to create some very, very serious process problems, dealing with the issues of commingling, issues of the double platforms, issues of the flaring, et cetera, et cetera.
We are also delighted that you have rescheduled this process somewhat so that we at least have an opportunity to respond to the staff report, which we think is going to be important to us to be able to respond to, so that you are able to balance our input versus what you are getting from staff, and for that we really thank you.

A couple of comments in regard to the certification of the EIR, which is the primary reason that we are here this evening, I believe, although sometimes I get a little confused as to what our purpose is.

We really feel that the process got off to a horrible start when you have almost four feet of document, and there is still a question of whether or not that EIR can be certified. We think it is an abuse to the applicant. We think it certainly is an abuse to the people who are involved, but at this stage of the game, with all of those dollars spent, there should not be any question at all about whether that EIR is certifiable.

One of the things that we are concerned about is the final document indicating the preferred scenario, and we certainly don't believe that the information in the document substantiates the finding that the consultants came up with as having the final scenario as being preferred.

Apparently, through some of the negotiations that are starting to happen, as the result of impetus you
created a few weeks ago, you will end up possibly with
a resolution of our problem, agreement on the part of ARCO,
agreement on the part of the county, the UCSB, the public,
and your Commission, with a result that will be entirely
different than what the consultant at this stage has come
up with as being the preferred scenario, and we would much
prefer to see a final document that you feel comfortable
with, that comes to a conclusion similar to what the consensus
is for good environmental reasons that you can then make
a finding, we have a project, and the project can be supported
with findings that are appropriate.

We would hate to be fighting the document, and
we think at this stage of the game, we are potentially
in a situation where we will be fighting the document,
if it stays the way it is.

The whole concept of coming with a final document,
with a preferred scenario, at this stage of the game, that
has not weathered adequate review, to us is something that
we are not accustomed to, and we would like that whole
issue reopened before you certify, and between now and
the time of certification, to try and clean up that issue,
if you possibly can.

Everything else that has happened here today
makes it unnecessary for me to comment on the balance of
the process that we saw going astray, and which we are
most anxious to have go in a straight line, because you
have to remember that Santa Barbara is probably the place
where you have the best example of process, and we have
had projects go through here, really, considering their
size, without much difficulty, and we have the worst examples
of process, that we are still working on, as you know,
in regard to Exxon.

And, we don't want to have that kind of a situation
here, in regard to being adverse to you, or adverse to
ARCO.

One other comment that I would like to make,
and that is in regard to how you ultimately approach this
project at some point after your certification, and that
is in regard to the issue that has been brought up here
on a number of speakers, in regard to Heron. You are going
to have to make a determination as to whether or not Heron
is in or is out, and that could be a very critical decision
on your part, and we would like you to reflect between
now and your decision making time on the following:

It is our feeling that we have no energy, national
energy, policy. We ran some figures the other day, and
by the stroke of the pen, last year the federal government
in relieving the automotive industry of having to meet
fleet standards for energy efficiency, or fleet efficiency,
they reduced an opportunity by six percent for our saving
gasoline. Now, if you take six percent on fleet consumption, automobiles that will be produced now until the end of this field, the number—or the amount of oil that is going to be needed will be twice the amount that the whole field, from tidelands, and from offshore in the federal waters, can produce.

So, we say to ourselves, how important is it for us to be producing when on the other side of the equation, on the demand side of the equation, the federal government, either because of lack of policy, or by intent, is increasing demand faster than what you are going to get out of this whole channel.

It makes no sense to us, but it is within that context that I ask you to think about whether or not it is important that we have Heron? Whether or not it is important that we have the balance of the field developed at this time. It is something to reflect on.

Thank you very much for your time.

CHAIRMAN DAVIS: Thank you.

The next witness is Richard Huff.

[No response.]

He apparently is not here.

The next is Marc Evans.

COMMISSIONER ORDWAY: Marc spoke this afternoon.

CHAIRMAN DAVIS: Okay.
John Rinker, Dee Heckman, Michael Lupro, Mike Weiss, Robert Gibson, Holly Rigney, Marie Finnigan, Francine Allen, David Landecker, Michael Herald, Joseph Faust, Liahna Gordon, and I think this fellow spoke, too, Andrew Zink. Andrea Margolis, Ken--did someone give me the wrong list here? This is getting a little ridiculous.

COMMISSIONER ORDWAY: No, I think that what happened is that this afternoon many of the students chat were here signed up to speak. Given the hour that we ran to, most of the them consolidated their statements so that just a few of them spoke, and so you probably will have to run through several more names to weed out the folks that were here this afternoon, and not here this evening.

CHAIRMAN DAVIS: All right.

Ken Brucker, Charles Kitterman, Bruce Murdock, Marc McGinnes.

[No response.]

Gary Fausone.

MR. FAUSONE: I like most of the people you just read off of that list am a student at UCSB. I have lived in Isla Vista for over four years, and continue--will continue to live there after graduation.

I have been a scuba diver for two years, and have dove in Santa Barbara Channel off of the coast of Isla Vista for an average of about one a week for the
last two years.

And, aside from the air quality issue, something that hasn't really been touched on yet, is the fact that the water quality off of the coast of Isla Vista is already bad. It is not going to get any better, but I think the--from what all has been said, any offshore oil development is going to have an adverse effect on the quality, and the ecosystem off of the coast of Isla Vista.

In short, the--I will be brief--as Dr. James has said, the rigs, the muds that they will produce, the berium induced muds, will have a dire effect on populations of crabs and lobsters, which the fishermen in the Santa Barbara area frequently, almost daily, set traps for, right off of the coast of Isla Vista.

I am not sure if a lot of people know this, but Isla Vista is probably one of the only areas, within about 25 miles in either direction, that has a large population of lobster and abalone, outside of the Channel Islands.

These fishermen could be in dire need, if the rigs went up because therefore there would be no lobster or crabs and their livelihoods are at stake.

One other thing that was bought up today by Dr. Case was a cooperative research effort for the university--with the university and ARCO together. Well, on thing that I wanted to say about that was, it would be nice if
that came about, but I believe what the research effort would be, is a finely chronicled statement on how an ecosystem that has already been damaged, is completely driven into the ground by oil production off of the coast.

The marine lab, which has its intake for their seawater outlet, directly underneath the place where they want to put Platform Heron, is—would—the tailing from just the putting of the platform there, would probably render the marine lab's intake for water useless.

This would be, in effect, moving UCSB's marine lab to Barsto. I mean, what is the point of having a marine lab on the water, if you can't use the water that is out there? It is probably the reason why UC Riverside doesn't have a marine lab.

COMMISSIONER MC CARTHY: They don't have a med school, either.

MR. FAUSONE: Neither do we.

But, and so that is basically all that I would like to say, and one other thing is that, keep in mind when you are making these decisions, that in 1969, when the oil spill happened, I was four years old. It is 18 years later, and the channel still has not fully recovered from that.

I would hope one day my children wouldn't have to explained—I would not have to explain to them
what happened 18, 20, 30 years ago, to the channel, if you know, another spill happened, because the more rigs out there, the more chance for an oil spill, and in the EiR report it says that a transportation problem is—accident is likely.

If those types of things are built into the system, then I am not sure that I can agree that the cost for what you are getting is equal for what you are giving up.

Thank you very much.

CHAIRMAN DAVIS: Thank you.

Kimberly Coy.

MS. COY: My name is Kimberly Coy, and I am an Isla Vista resident.

I am happy to report that I did find a baby sitter this time, so that I did not have to bring my little girl again, but I am unhappy to report that I did not get to read all 9000 pages of the report; therefore, my speech is based not on fact, as I would like, but on presumption, which is a danger from hearing from an improperly informed public.

I will paint a picture for you, a picture not built by brushes and canvas, by paint or chalk, but a picture constructed of histories and human nature, and the natures of individuals.

The picture that I paint is of a small seaside
community on a bluff overlooking the Pacific Ocean. It is the town of Isla Vista, which means view of the islands. It is a small place, still with grassy fields for kids to play ball in, and on paved roads to bike on or to hike to the beach on, still with time to watch a spider weave a web by the rose trellis, with a high grass bordered dirt path where a seven-year old walked to school last week, taking time to daydream and become--and chanced upon a heron, graceful white, there alone before her, a meeting of tamed, and untamed, where each met almost eye to eye, observed the other and went their separate ways, as it should be, a balance of all nature, a heron, of all things.

There are other parts of the picture, paved roads and grocery stores, and parks with trees, and great importances being discussed over pitchers of beer in sidewalk restaurants by sophomores and seniors.

An other importance is being remembered by impromptu parades of different drummers of the '60s. Isla Vista, a town of character and characters. It is the home of the Isla Vista Coast Guard, a small but proud fleet, largely unsung for its lonesome night vigils in platform infested waters, checking on yet another spate of natural seeps.

It is the home of deposed rulers of three duchies of Isla Vista, formed during the years during three separate successions from the United States, leaders who shrugged
and just went back to work the next day when nobody cared if we succeeded.

Another part of the painting, the beach, where a sand piper pecks at a crab, and where man, in various ways confronts the final frontier, mother ocean. All in all, a nice painting.

Now, I paint another picture constructed of histories and human nature and the natures of individuals of avarice, power, fear, ambition. It is the picture of the town after construction of Platform Heron, only 1.8 miles off of the shore, only 10,000 feet from my house.

The town is ARCO Vista, a company town. A rental truck arrives at a small house on Trigo Road, and Sabado Tarde, or Fortuna Lane, it could be any of them. It has been happening a lot more and more lately. The truck is not a moving van, though it is full of furniture. The man behind the wheel eases the truck into the driveway and turns to see his wife and children running outside to greet him.

Well, they are not exactly running. They have been warned against too much physical exertion, but they are wearing gas masks, and they bring him his, for it is a bad day in ARCO Vista. The winds have shifted again, and the company issued another warning on the platform just yesterday.
As this family moves its belongings into the house--they got at a very good price, the father called it a steal--life on Trigo Road goes on in the shadow of the steel skeleton that signaled death of a city.

Most of the old residents are gone now. Some of them left several years ago when the first accident occurred and three people died. The elementary school grounds were cleared in record speed, and only two children were unaccounted for--found dead later, the third was an old woman.

People said that it was sad, but doctors were quick to allay the panic. They said, "People never knew what hit them. They didn't even smell it. Their olfactory nerves were shocked into disfunction, and their lungs exploded. There were dead within probably 15 minutes."

That is all it takes, is six parts per million.

Then there was the time the Harrison child, only six years old, lost all of his hair. "Alapiezieri" [sic.] of the head, the doctors called it. Nervous disorder, from the constant clang, clang, clang, of metal against metal, every minute of every day, every night, year in and year out, from the time that child was born.

And, then there were the Johnson's, bankrupted.

Well, the house had been on the market four years, and
the best offer sent Mr. Johnson into such depression that he lost his job at Delco, and Mrs. Johnson had to take up selling her hand crafted wreaths, but that didn't bring in enough money to keep her three kids in shoes.

Their place fell into pretty bad disrepair during the years they tried to tough it out, and no one knows where they are now.

The house was bought at the Sheriff's sale, and another rental truck pulled up. Those people didn't wear gas masks, when they moved in. That had been a good day in ARCO Vista, company town.

About the only other thing of note, was that terrible unpleasantness down outside of Pruitt's Market when one of the worker's wives was--well, she was mostly just scared. That used to be a pretty nice area until the university had to lower admission standards to keep enrollment up. Now, there is just a different breed of person hanging around there. Somebody said it might have been a half-crazed former home owner wanting her house back.

All in all, not a nice picture.

Ridiculous? Perhaps, but based on studier rules of logic then this illogical piece of bureaucratic puffery they call the EIR.

I ask please, no Platform Heron. I ask please,
an EIR that is logical and consistent in its data and recommendations. And, I ask please, hydrogen sulfide studies, including results that are consistent with itself.

Supreme Court Justice Oliver Wendall Holmes had something to say about responsibility to the public when he questioned actions that are "of such a nature as to create a clear and present danger, that they will bring about substantive evils."

As members of the State Lands Commission, you will choose which picture the State of California will paint. Your future state, and possibly national careers, will be made in part with this decision. It starts here, in this town, named whatever you choose, as the result of this hearing. Will it be Isla Vista? Or ARCO Vista?

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is Greg Thayer.

MR. THAYER: Hello, my name is Greg Thayer. My comments will be very short. I think you will appreciate that.

I come from Ventura County. I live in a place called Camp Bartlett. ARCO and Camp Bartlett have existed for almost 60 years. They have extensive oil development on our property, and you know, the property is still quite beautiful.
ARCO has consistently shown concern for the needs of Camp Bartlett, and for the people that live around the upper Ojai Valley. They have helped with bridge rebuilding, road repair, all sorts of stuff.

I think that what the whole issue here boils down to is that ARCO and the oil companies in general are sort of down on their knees. They are in a position where you can squeeze them for a little more of a concessions, then what you will get in a few years from now.

Five or ten years from now, you know, there is probably going to be a continuing oil crisis, and there will be all sorts of screams for development just as soon as the people can't drive their cars to hearings like this, and development safe guards, environmental concerns, will be put by the wayside. You know, they will just be forgotten in the huff to get some oil sucked out of the ground.

I think, essentially, my comment is that this oil development is going to happen. This basin is going to be sucked dry eventually, essentially to service the people here in California, in Isla Vista, who like to drive their cars, and I see no reason to think that you have any way of cutting a better deal than right now, when the oil companies are essentially in a position where they will cut a better deal.

That's my comment.
CHAIRMAN DAVIS: Thank you.

The next witness is Evan Oliver.

MR. OLIVER: Hello, my name if Evan Oliver. I have grown up in this area. A Ventura High School graduate, two years a student at UCSB, UC graduate, two times a resident of Isla Vista, permanent county resident for over nine years. I have a sail boat in the harbor, and I enjoy sailing, and I have also worked in the oil and gas industry for the last nine-and-a-half years.

And, I come here because I am kind of upset about some of the arguments that I hear, pro and con, against this project. It doesn't seem that any of it really touches on the real issues. We hear so much of that, the visual impacts of these platforms on the campus, and how this is going to affect the people's ability to live in this community, and how it is going to affect the university's ability to teach, and to go on as a educational institution.

In my two years there, the first year I lived on campus. I never knew that Platform Holly, the existing platform, existed. I never saw it. I never heard it. I never smelled it. I never saw it.

Later, when I moved to Isla Vista, I saw it one time when I was down at the beach at night. It is not a real imposing structure. It is not something that you notice right off of the bat and offends you.
If you go to the beach here, up and down the coast, and look at the existing platforms in the state waters, you will see that though they are recognizable and stand out at night, you can take you thumb and put it at arm's length and not see it any more. It is gone. It isn't a big thing that blocks out the ocean.

I have heard talk of all of this gas that is going to kill everyone in Isla Vista. I have worked out there on Platform Holly for nine-and-a-half years—not for ARCO, but for a contractor—and never once had to don a gas mask to save my life. In instances where the people use those is to repair certain pieces of equipment, where you get inside of a vessel, or something like that.

But, there never was any instances where all of the workers had to put on gas masks.

I think that ARCO's safety record out ther, has been very good, and that there hasn't been any big upsets out there, or anything like that, that has caused people to have to take these measures, and I think you have got to look at that in viewing the safety systems, and all of that.

There hasn't been this kind of thing happening before. What happened on Platform A, happened before they knew as much about how many casing strings to run. They only ran about three casing strings in those days, and
now they run five or six--up to five and six, which reduces the chance of blow outs.

Back to the visual impact thing. There is no place on the main campus, that I am aware of, where you are walking from one classroom to another classroom, where you can see the ocean, nonetheless, any of these structures.

If one wants to go down to the beach, or something, then the ocean is apparent, but there is no place where you walk from one classroom to another classroom. They are essentially windowless rooms, that you even see the ocean. You can go to various points on the campus properties and see the ocean, but from the main part of the campus, where the schooling supposedly takes place, there is no view of the ocean.

I read in the newspaper two days ago that the campus got 7000 more SAT scores sent in, than they did the year before. There has been talk about raising the enrollment at UCSB, a considerable number. There are environmental impacts that coincide with this kind of action, also. UCSB is attempting to bring more residents into the area. I think that the chancellor speaks out of two sides of his mouth when he wants to bring in population, and also wants to cut any kind of economic kind of development in the area.

There are people who grow up in this area, and
would like to be able to stay in this area, would like to be able to get a job and work in this area, and this industry has provided quite a few jobs in this area.

The company that I work for is a local Santa Barbara County contractor, based out of Carpinteria. The guy that founded it is a local person. The people who work with me, most of them, were raised and educated, or went to high school, in this area. I have three people working for me in the last couple of years offshore, and all three of them went to high school in the Carpinteria or Santa Barbara area, and grew up here, were born and raised here, essentially, and it is nice to be able to have a job in this area, where one can support themselves and live, because the price of housing is so high that there are very few avenues open to people to live and work in this area.

The oil and gas industry offers a relatively decent wage, and it is nice to be able to stay around. It is one of the reasons that I have been able to stay around.

I think that some of these socioeconomic impacts that people are worried about, due to this project, could be mitigated if local construction companies and such were preferred, and worked on the projects, and also if the projects were paced in a manner that one platform, say,
was built after another, and that it was an ongoing project where you didn't bring in a lot of workers for a very short period and spaced it out over a time, which would probably happen anyway, and then the effects of the people moving into the area, the schools being overcrowded, and such, would be held to a minimum.

I think we haven't heard a lot of bad things about ARCO's existing project in the past, and I think that ARCO could go on to be a good neighbor for the county. They have certainly bent over backward in these hearings and so forth, especially allowing the delay here for more people to be able to look at the issue, and respond to the issue.

I have gone twice to the County Resource Department, and looked at the EIR, and on neither occasion was there anyone else in there. This is since the last meeting that you had here, and on neither occasion were the library loan copies checked out. One of these instances was last night, the night before this meeting, when I felt that I would probably run into some problems with maybe some other people being in there, but I was in there until closing and no one else was in there looking at these.

So, I really wonder about the rationale behind delaying and not getting down and making decisions one way or another on this project. I think that if you put
this off, what you have here in this potential oil field
there is a resource—or some people seem to see it as a
liability—but it is not going to go away. It will be
developed, or it won't be developed, and if you put it
off, there will be a time when oil will raise again in
price. Oil has been a cyclical thing and goes up and down
and if it is $35 a barrel, and it is a matter of national
security, I don't that you will be able to strike the same
kind of a deal as you are now, and I don't think that the
public will have the same kind of input.

So, I would like to see you people pass this
project, and with whatever safeguards you would like to
see, and let this thing go on.

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is Joan Marie Michelsen.

MS. MICHELEN: One thing before I start in with
my comment, is that I do appreciate the fact that you have
had this second hearing down here again, and that we have
had extra time to go over our EIRs.

We haven't had to spend a lot of time in the
library because we have all been sent at least one copy.
I personally have more than one.

As a political science major up at UCSB, I have
found this whole process really very interesting, because
to me it has shown the conflicts between what the overwhelming majority of the people want, which we can see by the attendance here, by the applause to speakers, and by the comments, and by what a few small interest groups want.

We looked at the old EIR, all undililyump pages of it, and found that it was atrocious. We looked at the addendum and found that it helps, but it still is not sufficient and still does not address the issues that we feel need addressing.

It still does not cover the issues of Isla Vista. As you can see by the number of Isla Vista residents here we are not happy with it, because it is not adequate.

One way that would properly address the issues of Isla Vista and the only real solution that I can see for the issues there is the no project alternative. It is, in the first EIR we received, I believe about six lines. It is a little longer now, but it is still not--there still isn't sufficient time devoted to it.

You have heard the impacts on Isla Vista. You know--we know it will be noisy. We know it will cause light pollution. We see those things out there when we go look at the sunset and there is this thing shining lights back in our face, and it is not the sun.

And, the air quality, which in the EIR states that we won't be able to smell it. We smell the oil platforms
that are there now. If anyone spends any time in Isla Vista, they will realize that the EIR is inaccurate in their assumptions.

The safety is also a concern to us, especially with the increased air traffic, most of which will be going over Isla Vista. We are students. We need to study. You know, it is hard to study if 24-hours a day there are airplanes going over your head. There are clangings, bashings, and things going on right offshore.

There is also the issue of toxics with the drilling muds. They are going to be putting those within two miles of our beaches. We have heard about the impacts on the University of California, the researchers there all agree that those impacts will be severe, and will do substantial damage to their area.

But, we haven't heard very much about the impacts to the people there. It is a very used beach, and we would like to keep using our beach in safety.

To the best of my knowledge there have been no permits issued for new oil developments in the last several years. That is an appropriate course of action, and it is one that we would like to see continue, especially in this case, where we have a highly inadequate EIR, and a project that just isn't feasible.

Thank you.
CHAIRMAN DAVIS: Thank you.

The next witness is Sonja Hatch.

MS. HATCH: Hi, my name is Sonja Hatch, and I am a student at UCSB, and I have grown up along the beach. I grew up in San Diego, spent 17 years here, and I have lived in Isla Vista for four years, and I spend a lot of time on beaches in Mexico, and I have noticed a big difference between the beach in Isla Vista and the other beaches that I spend time on.

And, when I go, I spend a lot of time in Isla Vista, and I walk, and I run on the beach, and every time that I go down there, I find something dead, like a dead bird, or a dead fish, or a dead sea lion, or dead crabs, and if you go and look at the sea anemones by Devereaux Point, you will notice that they are all gray, and if you look at the sea anemones down in La Jolla, the cove, they have beautiful sea anemones that are blue and red and everything, and I still haven't found a star fish in Isla Vista, but I am still looking.

And, I think it is obvious to anybody, if you go look at the beaches that these platforms have not been good, and that they are not healthy for anybody, and I would like to ask the people who are making this decision to go look at the beaches, and feel the water, and feel how murky it is, and see how unclear. You can't see the
bottom of the ocean most of the time—the floor.

And, that's all, thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is—it looks like William Boynton—
I may have the first name wrong. The last name is B-o-y-n-t-o-n.

UNIDENTIFIED SPEAKER: William Boynton.

CHAIRMAN DAVIS: William Boynton?

[No response.]

Okay, he apparently is not here.

Deborah Brown.

MS. BROWN: Hi. My name is Deborah Brown, and
I am in environmental studies and geography major at UCSB,
and through the years—I have been here three years—and
I have had a chance to learn a lot about the local environment,
including the Channel Islands, and about the energy resources,
and so I think that I have some ideas, as far as with the
issues are involved, and I think the main problem that
I see with the EIR, is that it does not make it clear—

COMMISSIONER ORDWAY: Could you move the mike
a little bit closer, please?

MS. BROWN: --okay, okay.

COMMISSIONER ORDWAY: No, just pull the mike
down towards you.

MR. BROWN: There we go.

I think the main problem with the EIR is that
it does not make it clear that Santa Barbara, and especially Isla Vista, will bear the environmental and social costs, and yet receive little or no benefit from this project.

Part of the reason that I came to Santa Barbara, as well as a lot of other people, was for the environment. It is really nice, you know, after a day of school, to be able to breath fresh air, to be able to go for a walk along the beach, watch the sunset, and it is really sad to say that lately, you know, when I am looking out at the sunset, it is all red and the clouds are nice, and I look out there, and the sun sets on Platform Holly! You cannot block it. You cannot take a picture of the sunset without having Platform Holly right out there.

I would hate to see what it would like in the Channel Islands to have platforms all over, so you cannot look at the islands, you can't look anyplace without seeing the platforms there.

Now, I recognize the importance of the oil companies, as far as getting their economic interests in the channel here, but I think there is a lot of other problems that are not addressed, and are not mitigated—there is no mitigation that would satisfy the Isla Vista residents.

Some of the problems that I see, first of all, is obvious the noise problem. I would not like to imagine what it would be like to have the noise of the drilling,
and the construction 24 hours a day. Now, there are certain—
they can put some kind of muffle on the sound and neutralize
it, but it seems that that would be an expensive form of
mitigation, not to mention the flaring all night long.
It would be nice to sleep in the dark, instead of having
flares going off from all of the platforms.

The risk of a spill, just like in '69, with the
increased amount of traffic, and the platforms, that it
would be hard to navigate safely.

The fumes, like it has been mentioned before,
we can already smell the fumes and when the blows this
way it really can be noxious, especially for people if
they have health problems, such as asthma.

The drilling muds, regardless of some reports
that I have heard, the drilling muds are harmful, especially
to the juvenile stages of animals like abalone, and the
sediment would damage them.

Okay, I could go on and on, and other people
have, about some of the problems, the adverse problems,
of the platform. If these problems could be mitigated,
I would say, "Sure. Go ahead and get the oil out."

But, I do not see how they could be mitigated
safely to our satisfaction, and still allow ARCO to make
a profit; therefore, I choose, and alot of other people,
I am representing Earth First, and some other students,
we prefer the no project alternative.

CHAIRMAN DAVIS: Thank you, Deborah.

I am told Marc McGinnes is here, now?

MR. MC GINNES: I'm Marc McGinnes. I am in the oil business. I consume it, and I consume its by-products. I pay for my consumption of its products, but nobody pays me for my consumption of its by-products. I am very much involved in the oil business. It is my affair.

I am in the national security business. I pay for it. In my name atrocities are committed around the world, in order to protect my national interest, my national security. National security is my business as is the oil business my business.

I am also in the more important business of parenting my children, teaching many of your children, and caring about my country and the greater community of which my country is but a part.

And, to come to the point, I have studied these environmental impact analysis documents, and I have examined the asserted pros and cons of this proferred project, and I have formed a judgment on its merits.

We, who are in the business of producing and using oil and suffering the consequences of its noxious, toxic by-products, and who are in the business of caring about and maintaining our nation's security and interests
in the world community, and we who are in the business of parenting, and teaching our children, and having others teach our children, and teaching the children of each other, know that in economic terms what is most scarce should be highly valued.

And, what is scarce, relative to the merits of this project is not oil, or any other physical thing, any other element. What is most scarce is an appropriate sense of perspective, of limitation, and of restraint, as we deal with resources that don't belong to us. The earth does not belong to us. We belong to the earth. We rob our children, and our children's children, by proceeding this fast to get it out now, to get these revenues into our coffers now.

This is the wrong project, the wrong place for the wrong project. What is scarce, and what we should most value is restraint, a sense of limitation, a sense of proportion, a sense of a longer view of what we are doing here, and on that basis there is only one conclusion with respect to this project, and that is the no project alternative.

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is Don Barthelmess.

MR. BARTHELMESS: My name is Don Barthelmess.
I live and work here in Santa Barbara County, and I am in the oil business, too, but unfortunately it is on the other side of the fence. I work for International Underwater Contractors of Ventura, and we do all kinds of studies out here that involve these projects.

The Coal Oil Point Project, we are involved with, and I, myself, work as a submarine pilot. I have personally flown miles and miles of pipelines, reefs, many different types of habitats out here, more than I can probably remember.

I don't think that we have a damaged coastline, as many people are saying right now. People say they walk along the beaches and find oil and slicks, and what not. That is there from the natural seepage, which is where ARCO wants to put their platform. I mean, what a better place is there to put a platform than where is oil seeping out. If we put that platform there, maybe 5 or 10 years down the line there won't be any natural seepage.

ARCO has shown their care for the environment to us already by putting in the gas tents offshore that collects the natural gas seepage there. I think that that is a good project. They have demonstrated to us that they do care.

You know we are here today on our 18th anniversary of the '69 oil spill. I think we should all be celebrating. We haven't had an oil spill since then. We have produced--
[Audience reaction.]

I know that it is an unpopular argument, everybody, but I still feel, you know, I have to get it out, and there are other people out there, too, that their jobs are reliant on what goes on out here.

Our system right now is working out here, and I think that has been demonstrated by the past 18 years. We have produced and drilled well after well, barrel after barrel of oil out here, and it has been clean so far.

I have pulled up alongside of many oil rigs. I work on our diving support vessel, where we have to deal with the problems of worrying about a paper cup going over the side. You want to start a major panic offshore? You let a piece of trash go in the water out here, or let a drop of oil go over the side. Everything stops. Everybody scrambles. Because we care.

As far as the arguments that I have heard, and read in the paper, about eyesores and stuff, I live here, too. I see it, too. An eyesore, though, is you know it is a real skeptical point. I am out there on the boat out there working, out there surfacing the submarine after doing a survey, looking at the pretty sunset. I might look at a sunrise, and the first thing that I see when I come around up to Goleta is UCSB. You could call that an eyesore, too, but that doesn't sound too good, does it?
We also, as a county, have a responsibility to the rest of the nation. We have to develop the oil that is out here. We have to get it in and get it produced by the year 2010 when all known reserves will be depleted. That to me is pretty shocking. We can't just turn our backs on it and say, "Let somebody else do it. Let the guys in the Gulf of Mexico do it."

That is all mainly gas down there now. It is running out. We have to open up this coast a little bit. We have to manage it some more. We are doing a good job now, and I think we need to continue it, get this oil out, and get it, you know, get it onshore and processed.

The argument about the marine environment, that is a justifiable argument. We need to address that. I am sure that ARCO can work something out on that. I don't have the answer myself. Maybe a plan can be worked out where the UCSB students can study the effects of that platform on the environment so that we really, really know.

We are involved right now with the state and the company called Batell at this very moment, doing the impact reports up here, up north, to see what is happening there. Something is being done about it, and we can continue and do it right out here off of our coast. You can help us with it.

As far as the faculty enrollment issue of having
the platform there, and not being attractive to having faculty members and students enrolled, that doesn't sound too good to me, either. We have never had a problem getting students here to Santa Barbara, or faculty before. When I went to college, I went for an education, not for a sightseeing tour. I mean it is nice to have a place where you can look and have a nice clean environment. We have that already, and we are going to keep it that way.

We are not going to come out here and spill the oil and blow smoke in your face, and I don't think it will turn into that, but I do want to just make the point that this system now is working, and I think that you do have a good deal here with ARCO, and I think that they are sincere in their efforts to continue to be good neighbors here, as most of the other companies.

I really don't want to see this turn into another Exxon thing, where we lose all of the revenue from the Exxon Project, which will probably end up happening, because we sit and debated over it for ten years. I hope this doesn't turn into that.

Thank you very much.

CHAIRMAN DAVIS: Thank you.

The next witness is Lee Dyer.

MR. DYER: Thanks.

Like everybody--a lot of the people here--I am
also a student, and since everybody else told you their majors, I will tell you mine. I am a biochemistry and English major, and I guess the significance of that is that because I am a biology major I work for MSI, and in my opinion, and in most of the nation's opinion, it is probably one of the best marine science institutes in the nation.

I don't want to see that resource, that national resource, be depleted or ruined in any way, which I know it will. I don't want to study the effects of another platform. I already know what they are, and I guess somebody mentioned that, that we could study the effects. That seems pretty ludicrous to me.

But, mostly I wanted to come up, not to speak for myself or other people or the aesthetics of having a beautiful environment, I wanted to speak for one of the greatest remaining wilderness areas in the world, and that is the ocean.

The multitude of organisms, fish, crab, lobster, kelp, and micro organisms that most of us probably have never even heard of, have just as much right to this earth as we do.

I think that we are pretty arrogant to assume, just 'cause we like to drive our cars up to Mammoth to go skiing, or because that we need to drive our car every
day, or we need to use plastic, or other oil by-products, I think it is arrogant for us to assume that we really need to do that, and infringe upon the rights of the rest of the environment.

I admit that there is a problem, consumption of oil in the U.S. is large. We do have a huge deficit, but the answer is conservation and alternative forms of energy.

While I was sitting here, I was just thinking that I have heard very few pro-ARCO speeches, and it struck me as kind of odd, because I have been to many similar hearings concerning the environment since I am concerned about the destruction of the environment, and it seems that there is usually--most of the people do not want the exploitation, but it usually occurs, and this might not seem like a brilliant conclusion to most of you, but I thought it was kind of neat. It just seemed to me that money talked, and I know that it does.

Another thing, I don't want to come down on the rich folks but it seems to me that also a lot of extravagant, wealthy people, don't know how to conserve, or don't care to conserve, and you know, like I said, that is one of the few answers to this problem. These same wealthy people are--a lot of them are the ones that are pushing for exploitation, and a lot of them are the ones that will benefit the most.
from not only exploitation of the environment, but exploitation of people around the world.

The scientific and historical facts of the ill effects of these oil rigs are overwhelming, so I don't think that is the question here. The questions are whether or not we are willing to make the extra energies to conserve and to find alternative forms of energy; whether or not we are willing to put aside our arrogant assumptions that we are more important than our environment; and whether or not our representatives are willing to stand up to the big business and money to support us, the people who elected them to office.

Thanks.

CHAIRMAN DAVIS: Thank you.

The next witness is Larry Davidson.

MR. DAVIDSON: Hi, my name is Larry Davidson, and first I would like to address the aesthetics of the project.

The importance of aesthetics cannot be over emphasized. Unfortunately, aesthetics are always under emphasized in EIRs. Americans spend billions of dollars on aesthetically pleasing things every year, far more than any other country in the world, and yes, maybe even more than on oil.

Just look at yourselves. You spend hundreds of dollars on three-piece suits, fancy dresses, which could
easily be replaced by clothing no more expensive than $10 or $20, and ARCO wants Isla Vista to look at ugly rigs so that many of its employees can buy more three-piece suits and fancy dresses.

Americans in general are using up resources faster than necessary. If we didn't waste so much we wouldn't need so much.

Everyday you can go to Isla Vista Park, affectionately known to the residents as "dog shit park" before sunset and see people playing Frisby with their human and animal friends, throwing footballs, playing over the line, playing guitar, or just sitting and watching the unfolding sunset take shape.

The sunsets are beautiful, and are already marred by the existing platform. I don't know about you, but I don't like holding up my thumb in front of my face trying to block out an oil rig while I watch the sunset.

These students who watch the sunset work hard and undergo a lot of stress. Sunsets are a way of relieving this stress.

The effects upon migrating whales by this proposed development will also be serious. Whales communicate by sound waves, and biologists have found that sound produced by engines can disturb whale communication. The proposed development in the channel will produce a large amount
of subsurface noise, since whales migrate through the channel and along the Isla Vista coast, oil development will have a significant impact on their migration, and possibly on their reproduction, which is akin to almost killing whales, and killing whales is, as you know, illegal, and immoral, and future generations are going to need oil, so let's save some for them.

If environmentally sound means for extracting the oil are still not developed in the future, then future generations can just leave the oil in the ground. The EIR reveals that oil extraction with today's technology has many problems. The ARCO project is especially bad. The no project alternative should be taken.

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is George Obern.

MR. OBERN: Good evening. My name is George Obern, and I am testifying as the President of the Hope Ranch Park Homes Association, and also a resident of Hope Ranch for 35 years, and during much of that time I was the public information at UCSB, so I have some sympathy for the researchers who testified today.

Our association is made up of 688 property owners at Hope Ranch, which is a community with 2.5 miles of coastline, just about five miles down wind from the proposed project.
Our Board of Directors is greatly concerned about this project. As you no doubt know Hope Ranch is a fantastically beautiful area with dozens of large estates, including some that have a property value as high as $15 million. This is not a new development. It goes back 50 years or more, and many of the homes were built in the early part of the century, such as the famous Klinger Estate. These represent people who could live anywhere in the world. They chose Santa Barbara.

Hopefully, our association--no, excuse me. Our association already has a letter on file asking you to insist on no marine terminal, no tankering of oil, and to put in place adequate facilities and personnel to handle any catastrophes.

Many of us here remember with dread the 1969 blow out and consequent six inches of oil on our beaches, but let me express other concerns.

We are troubled about the specter of air pollution, of visual pollution, which we have enough of already, the possibility of oil spills, and fires, in a treasured coastal area which is not suited for the kind of industrial development likely to result from this project.

There are values threatened which cannot be measured in dollars, but should be measured in visual, social, and economic degradation of a world famous place of beauty.
We are worried about an inadequate, possibly flawed, EIR, but I understand that we will have another opportunity to speak to this before certification.

Thank you for the opportunity to speak before the issue, and please consider that Santa Barbarans are extremely sensitive to environmental issues, and not without good reason.

Thank you.

CHAIRMAN DAVIS: Thank you.

The next witness is Michael Boyd.

MR. BOYD: Hi, I am Michael Boyd.

First, I have a short question. Is the purpose of this hearing just to comment on the final EIR? Or, can we also comment on the staff report?

CHAIRMAN DAVIS: You can provide any comment that you care to.

MR. BOYD: Okay.

First, I would like to identify myself—

COMMISSIONER ORDWAY: Can I just clarify though, that is not really—I wouldn't call this a staff report.

It is a memo from staff to the Commissioners summarizing. It has, as you know, no recommendations. It just summarizes highlights, key points, key issues, for the Commissioners, and I would agree with Commissioner Davis, you can speak to either.
MR. BOYD: So, this isn't a final staff report, then?

COMMISSIONER ORDWAY: No.

MR. BOYD: Great.

COMMISSIONER ORDWAY: No, this was an interim--it was at the request of the members of this Commission from the last meeting, and it is to highlight the key and important issues and sort of where we are on this.

MR. BOYD: Oky-doke.

Okay, first I would like to identify myself as a Director on the Board of the Isla Vista Recreation and Park District, and my comments in reference to the EIR are as a Director on that district, and this district is the--is probably the only local government agency that solely represents the area of Isla Vista at this time, that I know of. There are a lot of other government agencies that represent Isla Vista and more than Isla Vista, but this is the only one that I know that just represents Isla Vista.

And, what I would like to comment on is the--I guess it is the addendum to the draft EIR that was done on Isla Vista's issues of concern, and in there what I would like to address specifically is under air quality impacts.

It seems that the study specifies that there
are going to be Class 1 air pollution impacts on the community of Isla Vista. Yet, in the mitigation section, they basically say that the offsets are what they are proposing to be used to mitigate some of these air pollution impacts, but it states that offsets that have been proposed to mitigate air quality impacts could result in the control of some regional air pollution offsets or reduction in emissions from sources other than the project itself, and may occur at some distance from the new sources of emissions from the project.

As a consequence, if the offsets are obtained outside the area, near Isla Vista, while they may mitigate regional air quality impacts, they may not fully mitigate impacts to the Isla Vista area. Now, it seems clear that there is going to be a Class 1 impact on Isla Vista, and one of the things they say in here is that it really is not that significant though, because "Because they represent incremental increases in cases where standards are already exceeded."

Doesn't that mean that currently you have exceeded the air pollution standards? With the current project going on there? With Holly? Is that what that means? You don't have to answer. I am just posing this question.

COMMISSIONER ORDWAY: We have the people here
that prepared the EIR. I would like to hear their answer to that question as much as you probably would.

RANDY MOORY: I am going to ask Andrew Nelson, who was the Deputy Project Manager, to answer that.

MR. NELSON: Okay, would you rephrase your question, so that I can get up to speed on this?

MR. BOYD: Okay, well in here it says, "Reactive pollutant impacts are more difficult to determine spatially since meteorological and chemical transformations of precursor pollutants are involved. Although these air quality impacts are considered significant, Class 1, because they represent incremental increases in cases where standards are already exceeded the magnitude of these increases is small. Mitigation measures for reactive emissions are discussed in section..." such and such.

MR. NELSON: Right.

MR. BOYD: So, basically, what I am saying is it says in here that because they are already exceeded, this isn't significant.

MR. NELSON: Yes. Without the project--let me try and make a very brief background about how the analysis is done.

The analysis is first done using a model to estimate air quality concentrations without the project at all. Those concentrations already exceeded the standard, according
to the model calculation. When you add the project in, it causes those concentrations to be somewhat higher, but because they are already over the threshold that has been set up by the pollution control districts, and the state and federal regulations, they are still considered to be significant impacts, but they don't cause the exceedance all by themselves.

I am sorry that I used the word "exceedance". But the exceedance is when the air quality levels are boosted above a standard.

MR. BOYD: Okay, so--

MR. NELSON: They don't actually cause a boosting above the standard, but when it is above the standard, they cause it to be somewhat worst.

MR. BOYD: Basically, let me rephrase what I--you are saying as the base line--

MR. NELSON: That's right.

MR. BOYD: --they are already above the standard right now. They are already exceeding the standards for emissions, and yet here we are talking about approving a project that is going to compound that problem.

Now, what I want to comment on specifically is then later in the section on recreation, which is what the Park District--Isla Vista Recreation and Park District--

CHAIRMAN DAVIS: Let me just ask one question
of the consultant.

MR. BOYD: Sure.

CHAIRMAN DAVIS: To what extent do the offsets--where do the proposed offsets leave us, in terms of our exceedance of existing standards?

MR. NELSON: I'll let Randy respond to that one because the offsets are an outside issue from the air quality modeling. We don't model the offsets, because they are not from the project, itself.

RANDY MOORY: The offsets will be considered by the Air Pollution Control District here in the county. The ratio of trade off pollutants--it is an inter-pollutant trade off in this case--has not been established by the District. They are still in negotiations with ARCO. So, we don't know specifically what the exact ramification is.

CHAIRMAN DAVIS: When is that likely to be known?

RANDY MOORY: After this Commission acts, and after--during the Authority to Construct process.

MR. BOYD: Isn't that putting the cart before the horse?

RANDY MOORY: This District is required by its rules and regulations to achieve a net air quality benefit in the air basin.

In other words, that every pollutant emitted
by ARCO must be traded off by another source in the basin.
In this case ARCO proposes to use the seep containment,
which is--

MR. BOYD: Already--

RANDY MOORY: --on state lands, and which is
already actively containing, trapping oil and gas from
the seeps.

MR. BOYD: No expansion of the seep containment,
though?

RANDY MOORY: Not that I know of, right now.

ARCO has also indicated that other trade offs
may be used if the seep containment is not satisfactory
to trade off all emissions.

CHAIRMAN DAVIS: But--just so that I understand--
the law requires that there is an offset for every additional
emission?

RANDY MOORY: Yes, oftentimes more than a 1:1
relationship.

CHAIRMAN DAVIS: And, will those be proximate
to the community? Or, that portion of the community most
affected by emissions?

RANDY MOORY: The air quality analysis indicates
that most of the oxident impacts of this project occur
in Ventura County.

The trade offs, or the offsets that ARCO proposes,
are in Santa Barbara County. They are the seep containment, but theoretically they should reduce oxident concentrations in Ventura County, also.

CHAIRMAN DAVIS: Thank you.

MR. VRAT: Mr. Chairman.

CHAIRMAN DAVIS: Are you speaking to that issue?

MR. VRAT: Yes.

CHAIRMAN DAVIS: Go ahead.

MR. VRAT: My name is Dev Vrat from Santa Barbara County, and the Air Pollution Control District is not here this evening, but I would just like to make a few clarifications, in addition to what Randy stated.

First of all, in the document it demonstrates that we are in non-attainment. That is because the entire county is in non-attainment, okay? It does include the existing oil development projects.

Secondly, the fact, in the environmental report, we did model the mitigations proposed by ARCO, and the fact that there are some remaining Class 1 impacts indicates that with those mitigations that have been identified to date, there will be further exceedances.

The APCD, Authority to Construct process, which was referred to, in that process ARCO will not be permitted to construct until they can demonstrate both that all their emissions will be offset by at least a 1.2:1 ratio, and
an additionally that there will be no violation of any state or federal standard anywhere.

So, it is a two-staged process. The environmental process is the first step, and indicates that there is further work that has to be done.

CHAIRMAN DAVIS: Thank you.

Yes, Mr. Boyd.

MR. BOYD: Okay, now what I wanted to comment on, specifically, was in this section of the final EIR where they talked about recreational programs, they address the potential of a Class 1 impact due to a major oil spill, and they specifically only site one area of the park, which is the county frontage, the beach park, and no where do they mention the Isla Vista Recreation and Park District and potential impact on the district.

And, later in section 2.1.4 where they talk about cumulative impacts, they talk a little bit about what some of the potential impacts could be, but not very clearly, and basically what it says is that in some cases air quality degradation was termed significant because of exceedance of standards and base line was projected to be aggravated by cumulative projects, even though the incremental increases were predicted by modeling to be very small.

Isla Vista would be expected to experience similar air quality impacts to other areas along the south coast.
Potential impact to residents and vegetation from acid rain, or acid fog, are possible in the cumulative case, although there is no known documentation for acid precipitation or its unknown negative effects in the region at present.

Emissions of precursor pollutants to acid precipitation would increase the cumulative case, but the extent to which acid precipitation would result and be harmful cannot be ascertained with the current state of knowledge.

Now, as a Director on the Parks District, we are responsible for some lands that are considered wetland habitats, and what they specifically have on them are called vernal pools and they are a special species that we have actually received state funding to preserve these habitat.

Now, one of the things--I have been a resident for ten years here, and I have noticed that over the past ten years the habitats, these vernal habitats, have been shrinking, becoming--they are going away is what I am trying to say and I know that there is acid fog in Isla Vista right now, because I drive a motorcycle and my motorcycle is dissolving. I leave it outside and in the fog, and it literally falls--it literally, all of the rubber and stuff on it literally gets eaten away, if I leave it out in the fog. I can't leave it outside, or it will, really, it will dissolve.

And, I just think that the EIR, the final EIR,
is failing to adequately examine what the cumulative impacts are going to be on vegetation, and people, in the Isla Vista area, as the result of these cumulative air pollution impacts, and specifically acid precipitation in fog, because we do have acid fog.

And, I think that really that there should be some studies done now before any final approval is given to this thing, to establish what levels of acid precipitation there are already in the Isla Vista area.

So, that is my basic comment for--as the Park Director.

Now, I would like to take that hat off, and speak as a member of the Isla Vista Municipal Advisory Council, which is a body appointed by the County Board of Supervisors to advise county on--

CHAIRMAN DAVIS: No, no, no. You have got to go to the back of the line! You have got to fill out one of these forms again, and--

MR. BOYD: I put it on there.

[Laughter]

I already put it on there, if you look.

CHAIRMAN DAVIS: Wait a minute.

MR. BOYD: See that?

CHAIRMAN DAVIS: Yep, you are right.

MR. BOYD: Okay.
So, what I would like to comment on then is the staff report, and specifically at the last hearing I brought up this issue of revenue sharing with local governments, and I really like this staff report. I think the staff did an really good job on this, but I would just like to provide some comments on the report.

One is that at the last hearing, I remember Ms. Ordway, you told me all of these numbers here, and it becomes more clear to me that even the county is getting one—almost one-tenth of a percent of the tax revenues, it seems like.

COMMISSIONER ORDWAY: Can I just make a comment?
You are talking about page 20 of the staff comments?
MR. BOYD: Twenty, yeah.
COMMISSIONER ORDWAY: Yes.
Those were really nice numbers, and those numbers were real until about 18 months ago, and up for the period of about 1979 through about 1985, late '85, we were in fact getting between $250 million, and $450 million a year off of our tidelands revenues.
That number has dropped significantly with the drop in the price of oil, so as you look down these numbers, take off about $300 million.
MR. BOYD: What? Say that again?
CHAIRMAN DAVIS: Take off about $300 million.
MR. BOYD: Oh.

COMMISSIONER ORDWAY: Because our projected tidelands revenues for the current year is something on the order of $120 million to $140 million, not the $430 million that is there, and that is directly related to the barrel price of oil, so this—I think what staff was trying to do here was to present what the statutory flow of money would look like.

Because these are all—these are required, up until the bottom one, where it says—or the bottom two, where it says, "Energy and resources fund and SAFCO," and all of the rest are specified in California law, in the Public Resource Code and those are the required amounts that are to go to those funds, provided there is money to put to those funds.

Right now, we get through the Central Valley Project. We skip Higher Ed and State School Building, because we are doing those out of bond moneys because there is no tidelands, and the little bit that is left for capital outlay, at least in the budget year, half of that—about a third of it will go to fixing up our state mental and DD hospitals, bringing them up to code, and about $46 million will go for asbestos and PCB removal, and underground tank removal, and so these numbers were real for the time, and for the law that spreads them—
CHAIRMAN DAVIS: They have changed.

COMMISSIONER ORDWAY: --but given the current barrel price of oil, we don't see that much 'in the way of revenues right now.

Mr. BOYD: Okay.

Well, what--the thing that illustrates to me, though, the point that I want to make on this, and that I was trying to make at the last hearing, was that the county is like receiving one--it seems like less than .1 percent of the revenues that the state is getting, through this 17 allotment of funds.

Now, my concern, which was sort of addressed in this staff report on page 21, is that general revenues--oh, first. Back up a second.

One thing that I wanted to comment on, on page 20, is in the bottom line it says, "Revenues which exceed those received by the state in the 1983 - 84 fiscal year, are not subject to the $100,000 limitation." I think that this staff report should specify what potential revenues the county would be getting, because of that line right there, because if they are producing 80,000 barrels per day, and it seems to me from my reading of this, is that these new--this new oil won't be subject to the ceiling anymore, and that the county will get the full one percent that it specifies here.
COMMISSIONER ORDWAY: The county will.

The '83 - '84 year was almost a high-water mark for getting tidelands revenues, because of the barrel price of oil.

We are looking at tidelands having to come in at probably better than $400 million, in order for them not to get what is in excess of the 3 - 4 level, so they would get the full one percent, because we are way below the 3 - 4 level.

MR. BOYD: But, let's say the price of oil went up, okay? Say, OPEC decided to do something to us, and the price of oil went up. Wouldn't in fact--the state would get a significant increase in revenues, as the result of that, and the county could potentially get millions, because of this one little line that they changed in the law back in SB-1983, I think it what it was.

COMMISSIONER ORDWAY: On new oil, right.

MR. BOYD: It is only the new oil that they are going to get this windfall from, and I think it should specify that. It should explain that more, in what it means for the county.

Now, on the next page, we are talking about impacts on Isla Vista, and it says, "Because Isla Vista is an unincorporated area of Santa Barbara County, it does not directly receive any funding under Section 6817--
COMMISSIONER ORDWAY: That's right.

MR. BOYD: --however Santa Barbara County may
use its allotted funds within the Isla Vista community
so long as the work is consistent with the statutory limitations.
For 1985 - 86 Santa Barbara County received $100,000."
Which is the limit, up to the ceiling for those previous
projects.

Now, I would just like to let you know, as a
ten-year resident of Isla Vista, and I am sure Mr. Davis
knows now, since he went to the one park--well, it is called
dog shit park for a reason, and the reason that it is called
dog shit park is because since Holly has been in there,
and since this law has been into effect the county has
never spent a dime of the money that they have received,
in Isla Vista, from the 6817 funds.

CHAIRMAN DAVIS: You have got to talk to Mr.
Wallace.

COMMISSIONER ORDWAY: Is Mr. Wallace still here?
CHAIRMAN DAVIS: He is President of the Board.
MR. BOYD: He won't deny it. I know.
COMMISSIONER ORDWAY: Will he help you with
it?
MR. BOYD: He lives in Isla Vista, too.
CHAIRMAN DAVIS: He lives about three blocks
away. If you want to tell him--organize a little protest.
Get people to march in front of his house with signs--

MR. BOYD: No, no, no, no.

CHAIRMAN DAVIS: --call the television cameras.

MR. BOYD: He is on our side. That's--he is just one vote, though.

CHAIRMAN DAVIS: He is the President of the Board.
What are you talking about? He sets the agendas--

MR. BOYD: So, what—the point that I am trying to make, though, is what you are proposing as a mitigation to the fact that we are not getting any money, is that revenue sharing for local governments includes special districts and unincorporated communities could be authorized by statute.

Now, I am just wondering. What does that mean? Does that mean that you--

COMMISSIONER ORDWAY: That means that a member of the--

MR. BOYD: --are going to author some legislation to make it legal--

COMMISSIONER ORDWAY: --that means that a member of the legislature, either an assembly member--

MR. BOYD: --for us to get money?

COMMISSIONER ORDWAY: --or a member of the senate, to introduce a bill to do that. It would have to work through the normal legislative process, which Commissioner
Davis was intimately involved with up until three weeks ago, and we would basically change the statutes. I mean the statutes were altered in order to allow coastal counties to receive mitigation moneys to begin with, and there would be a revision to those statutes to allow unincorporated areas to also--

CHAIRMAN DAVIS: Which is very, very doable.

MR. BOYD: Okay.

Now, I have another idea on how you can--

CHAIRMAN DAVIS: I have to interrupt you for one reason.

MR. BOYD: Sure.

CHAIRMAN DAVIS: I have to catch the last flight to leave.

Let me just say, into my 13th hour of testimony now here in Santa Barbara, not counting a visit to--however you want to describe that park--

COMMISSIONER ORDWAY: The park in Isla Vista.

CHAIRMAN DAVIS: --the fishermen, and the university--

MR. BOYD: Just call it the County Park.

CHAIRMAN DAVIS: County Park.

MR. BOYD: To be polite.

CHAIRMAN DAVIS: I think that problem is soluble at home, though, as I suggested before, if you will just organize a little demonstration in front of Mr. Wallace's
house, I think that will get the job done.

But, if it doesn't you can pursue the legislative remedy.

I just want to say, seriously, I am very impressed with the high level of interest in this community, I mean, this is our second hearing and the place is packed, and the high quality of the testimony, so I look forward to our next meeting where we will ultimately resolve the certification issue.

And, again, I am going to ask Mr. Tucker to be present--

COMMISSIONER ORDWAY: Jim will be sitting in a voting capacity in behalf of the Controller's office, in your absence.

CHAIRMAN DAVIS: You going to vote onight?

COMMISSIONER ORDWAY: This is a meeting.

No, but, I have to say that for the record.

CHAIRMAN DAVIS: Oh, well--

COMMISSIONER ORDWAY: This is a meeting, as opposed to a hearing, and so we have to announce who is sitting in a voting capacity.

CHAIRMAN DAVIS: Thank you.

COMMISSIONER ORDWAY: Thank you.

CHAIRMAN DAVIS: Please don't take any votes though.
COMMISSIONER ORDWAY: As a matter of fact, I was going to suggest that the item that was on our agenda, calendared for today, that has not been handled, will be put over until our February meeting.

CHAIRMAN DAVIS: Okay, all right.

COMMISSIONER ORDWAY: So, that will go as unfinished business at our February 17 meeting.

Please continue.

MR. BOYD: Okay.

Now, what--

ACTING CHAIR ORDWAY: Just a moment, excuse me.

UNIDENTIFIED SPEAKER: Will Mr. Davis be able to read the testimony?

ACTING CHAIR ORDWAY: Yes, all of the--

CHAIRMAN DAVIS: Yes, and Mr. Tucker will be assisting in--

ACTING CHAIR ORDWAY: --the transcript is submitted to each of us, and we do read it, to make sure we are quoted right, and to make sure that everybody else is quoted right.

Mr. Tucker is sitting here as Deputy Controller, with full rights and privileges.

MR. BOYD: Okay, thank you.

CHAIRMAN DAVIS: Thank you.

MR. BOYD: So, what I wanted was another alternative, instead of having to go to the legislature, there is something
that the State Lands Commission could do to insure that
this money comes back to the local community--

ACTING CHAIR ORDWAY: Well--

MR. BOYD: --wait, wait, let me finish--and what
it is--and the reason that I know about this is because
back in 1983, I was involved in an attempt to incorporate
Isla Vista into a general law city.

Now, before we attempted to do that--before we
did that, we went to the--the State Lands Commission has
the authority to do that. It has done that, in the case
of the City of Long Beach, for example.

The state tidelands are part of the city, and
then the City of Long Beach receives these funds, okay,
and they can allocate these moneys however they please.

Now, right now, there is currently in process
another incorporation proposal--

ACTING CHAIR ORDWAY: I don't think we can--

MR. BOYD: --wait, wait, let me finish--

ACTING CHAIR ORDWAY: Okay.

MR. BOYD: --which is to incorporate Isla Vista
and Goleta, which is a bigger area, into a city.

Now, they didn't include--they didn't try to
annex these tidelands--when we went to--when we went for
I.V, to try and annex these tidelands, we were denied without
prejudice, which I understand means we can come back and
resubmit it any time, okay?

Now, but I am not intending to do that, first. But, if—what I would like to know, if there is any change in the position of the State Lands Commission now? Is there any difference in their position on this issue? Did they feel that it would now be in the state's best interest to have these tidelands annexed to this proposed city, whatever it is—I.V. Goleta, I.V. whatever, Santa Barbara City—is there any change in that position, because if there is we need to know that, so that we can come before you to ask for that, and really that is what would mitigate this revenue thing.

ACTING CHAIR ORDWAY: I honestly can't respond to that.

It was four years ago. We have a little bit different composition on the Lands Commission now.

MR. FOYD: Politically, yes, I know.

ACTING CHAIR ORDWAY: I mean, I was still sitting in '83 and—

MR. BOYD: Yes, and you probably remember it.

ACTING CHAIR ORDWAY: was part of the vote to deny without prejudice, and you are free to come back again. I mean, that is always open.

Claire, you wanted to make a comment?

EXECUTIVE OFFICER DEDRICK: Yes, I wanted to
correct some misapprehensions that I think is--

ACTING CHAIR ORDWAY: You will have to use your microphone.

EXECUTIVE OFFICER DEDRICK: --I'm sorry. I thought that I was.

I just wanted to correct a couple of errors in your logic there.

MR. BOYD: Okay.

EXECUTIVE OFFICER DEDRICK: One of them is that annexation of the tidelands does not get you the revenue from the resource.

What that requires is an act of the legislature. The revenues would still flow to the state.

MR. BOYD: The county, you mean.

ACTING CHAIR ORDWAY: The county.

EXECUTIVE OFFICER DEDRICK: Well, the--

MR. BOYD: See, they go to the state and then they go to the county--

EXECUTIVE OFFICER DEDRICK: The tidelands revenues would flow to the state now.

It would get you--

MR. BOYD: All right.

EXECUTIVE OFFICER DEDRICK: -it would get you your--however much it is--

MR. BOYD: The 6817--
EXECUTIVE OFFICER DEDRICK: --per-mile-of-park thing, which isn't very much money, but the revenues would remain with the state unless the legislature grant the mineral rights in the tidelands to the City of Isla Vista.

In the case of Long Beach, the revenues do flow to the State of California. They do not flow to the City of Long Beach. A portion of the revenue, which was defined by the legislature, flows to Long Beach, but the majority of the revenue that we have discussed today comes from--to the state--from the Wilmington field in Long Beach.

I just wanted to tell you--

MR. BOYD: Okay.

EXECUTIVE OFFICER DEDRICK: But, that doesn't mean that there aren't other alternatives to reach the goal that you are talking about.

MR. BOYD: Well, but, what brought this up to me, was I was reading SB 1983, the rewriting, I guess, of this 6817, and in there it says that the moneys are allocated to the county or the city, okay?

And, it doesn't just say the county. It says the county or the city.

EXECUTIVE OFFICER DEDRICK: Now, that is true.

MR. BOYD: Now, Carpinteria, for example--

EXECUTIVE OFFICER DEDRICK: That is true, so that kind of revenue you would get.
MR. BOYD: --gets--that is what I am saying.

EXECUTIVE OFFICER DEDRICK: The actual tidelands revenue is a whole--

MR. BOYD: The 6817 funds is what I am talking about.

EXECUTIVE OFFICER DEDRICK: --revenue, okay, fine, I just wasn't sure that we were together.

MR. BOYD: Which could be a significant amount because there is no cap. There is no ceiling on this money. Okay? That is why I am making this point to you.

Okay, so I just wanted--it would be good if there was some way that the State Lands Commission could, instead of us spinning wheels and coming up to you and asking for something like this, it would be good to know if we--if it is even feasible--politically feasible? And, so that is why I broached that to you.

ACTING CHAIR ORDWAY: You may want to take a few minutes after tonight's meeting to chat with staff to see if anything has changed in the last four years.

MR. BOYD: Okay.

And, then finally, I take off all of my hats, and I speak as an individual, and just say that one of my constituents--

ACTING CHAIR ORDWAY: And, you are listed for that, too.
MR. BOYD: --yeah, and one of my constituents walked up to me at the last minute, and he said that he heard that they have to use "H's" in the name of the platforms, and he gave me this suggestion of what that--you should give them more appropriate names to the platforms, and his suggestion was, Hazard, Horrible, and Hidious.

Thank you.

ACTING CHAIR ORDWAY: This meeting is scheduled to adjourn in four minutes.

I think that I can speak on behalf of my fellow Commissioner, that neither of us have any intention of leaving tonight as long as there is someone in this room who wants to talk, who is not being repetitive, and who has not already spoken today before.

So, we will not terminate it at 9:00 o'clock. We are not sure how we get back into Sacramento in the fog tonight, but we will not terminate it at 9:00 o'clock.

Mark Walker.

MR. WALKER: Good evening.

I am a student at UCSB and I am concerned about the environment, like everybody else here. I, like many other people, listened to President Reagan last night, talk about what he had to say to the Congress, but more importantly I would like to emphasize what he had to say at the end of his speech, and that was quoting the Preambles:
We the People.

I have a right to be here, just as ARCO has a right to be here, because they are people doing what they want to do, and I am a person doing what I want to do.

But, as a student at UCSB, I am taught to think critically, to know the whole truth of the issue. We invent new ways of coming to this truth, as students, because that's what we need to do to pass the class. I make a comparison to the ARCO project by using the old proverb, "Necessity is the mother of invention."

If ARCO doesn't get this platform built, they will find other ways to keep America, and the world, going without hurting its environment. If they don't build this platform, life will go on, and not vice versa.

Thank you.

ACTING CHAIR ORDWAY: Thank you.

Janet Franklin. Janet Franklin. Is that the proper last name? Is it Franklin?

MS. FRANKLIN: My name is Janet Franklin. I am a Ph.D. candidate in geography at UCSB, and I have lived in this area for ten years.

I currently live in Isla Vista, about half a block from Supervisor Wallace, so the proposed Platform Heron would be about two-and-a-quarter miles from my front door.

I haven't heard very many people speak tonight
who support this project as it stands. The man who is
sitting next to me in the audience has been here all day,
as you have, and he said in all of the hours of testimony
that he heard, only a few speakers who support the project
as it stands now.

As it is proposed, this project is completely
unacceptable to the community, the county, and the university,
because of its impacts on the environment, and the quality
of life here, and perhaps impact isn't a strong enough
word, perhaps destruction is more accurate.

The amazing thing is that many factions of this
community, the county, and the university, are all united
on this issue. This doesn't happen very often. Unless
we can come up with an acceptable alternative to the project
as it stands, I think it will be dead in the water--no
pun intended.

I personally support the no project alternative,
but I realize there is a lot of money involved, and so
the issues that are of most concern to me are the same,
I think, that are of concern to the county: no Platform
Heron; no offshore processing; and no discharge of muds
and cuttings.

Isla Vista is the most densely populated area
in California. There is 17,000 plus people living there,
and many of them vote.
A double platform two miles off of Isla Vista Beach would destroy the quality of life in this area, with its smells, noise, air pollution, and the risk of an accident. It would also really hurt the university. UCSB has an international reputation in marine sciences, which is why I came here as a student in 1975. I ended up studying ecological communities on the land, but that only helps me appreciate that the kelp beds off of Isla Vista are just as beautiful and complex and precious a biological resource as a redwood forest. They are just a little harder to see, because they are under the water, and they wouldn't be there is Heron is there.

The university has built itself quite a reputation in the ten years that I have been here, particularly in the physical and natural sciences, and I believe that the university is one of the largest employers in this county.

The proposed project, especially the presence of Platform Heron, and its impact on the marine environment and the quality of life in Isla Vista and on campus would destroy the university's ability to recruit faculty, outstanding faculty, and students.

And, finally, I just want to thank the Commission for meeting here and for continuing these hearings conight for those of us who work in the daytime, and you probably didn't get much of a dinner break, and I invite you all
back on February 17--

ACTING CHAIR ORDWAY: We are not going to be here February 17.

We will be here sometime the first two weeks of March.

MS. FRANKLIN: Okay, thank you.

ACTING CHAIR ORDWAY: Now, that was announced earlier, and I am not sure that it was announced this evening, for this evening's session.

MS. FRANKLIN: It was.

Thank you.

ACTING CHAIR ORDWAY: Thank you.

M. V. Scherb.

MR. SCHERB: My name is Maurice V. Scherb. I am an independent consultant in systems safety and risk management, who had an input into this EIR in a special section.

I spoke a few weeks ago, but some of the key points have been raised that bothered me, and in fact, when I come to these meetings I--from a professional point--I feel like I am in Alice in Wonderland environment when it comes to technology.

I heard this endless arguments about commingling, and monitoring, and measurements, and not one thing that meant anything from an engineering point of view was expressed.
Now, surely someone who is an engineer can get up and give a five-minute exposition of trade off and various ways of measuring different multi-two phase flow media, and make it intelligible to the public, and we were alerted to that a few weeks ago.

I don't want to get into that subject, but I do want to talk about systems safety. Some of the new documents presented today, especially by the university, by Chancellor Aldrich, dealt with certain scenarios, slugs, separators, and this, and they keep harping about these--this is not the first EIR I have seen. I have seen dozens of them. They tell you about the problem and the consequence. They don't tell you how to fix it, except using fall back on codes and standards that you can put on the back of a postage stamp when you start out. Completely bankrupted approach.

They compound that by going into probabilistic risk assessment, which the layman doesn't understand, never uses for decision making, and doesn't realize has nothing whatsoever to do with the project because there is data obtained from--surrogate data--has nothing to do with the design. You can't even begin to calculate that until you get into the hard design features, and look at the subsystem components.

Someone mentioned this morning that this was
the first anniversary of the shuttle accident. What they
didn't tell you was that there was an open-ended issue
of at least 600 to 700, as we call it, criticality 1 items,
any one of which could have prevented the shuttle from
operating, besides the well known seal problem, and to
this day, there may be a huge number that we don't know
about because we have to depend on the press, although
I have talked to my friends in the space business.

And, we have heard--Professor Skile last time
talked about the ship problem, the marine safety. We heard
something about traffic corridors. I have been involved
in that for ten years with the state, with the Tanker Agency
Task Force that Dwight was on. We made recommendations
to the Coast Guard. We followed up with the Santa Barbara
Channel Risk Management Program, which is mainly an exercise
in futility, by doing simulator modeling.

There was another study done on the sock-eye
field, and Union did a study. I don't want to get into
all of these sordid details.

ACTING CHAIR OPDWAY: Could you sort of focus
your comments, please?

MR. SCHERB: Okay.

My point is this. We have fixes now on some
of these things, but I want to direct my attention mainly
tonight to the concept of a center of excellence at UC
Santa Barbara, and there was some discussion of some meetings, but in a rather vague sense, so what I am trying to say very succinctly is we have fixes, potential fixes, for systems safety reliability. It is not merely based on discussions or EIRs. We have state laws now. I talked about AB 3777, 1021, 2525, 2587, and a number of studies, such as the study that came out of last November's hearing that the State Lands Commission is doing, and I have seen nothing out of it yet.

And, another study that Senator Mark Mills started, that is just getting started with Fish and Game, all are relevant here, and that data all has to be factored into this at the earliest phases. I am assuming that part, or all, of the project will go. Of course, if it doesn't go, that is a trivial solution.

And, I just want to make that point, that the hard planning has to start now on prevention, not discussion of probabilities, and I don't want to get into some of the accidents that have occurred around here, like the Popco, or others that turned out to be farces, in terms of the calculated probability of the event occurring, which they happened the first night at Popco, for example, or about the vessel traffic system.

We have technology today that we can implement in the Santa Barbara Channel to go along ways towards preventing
accidents, using—and I want to be exact, Loran-C is available today, so I just want to make the point that we have to get into the hard engineering in risk management, rather than a lot of hand waving and general vague discussions of design basis accidents.

I might add that I just came back from a meeting at another so-called center of excellence, the University of Charleston, in Charleston, West Virginia, where the chemical industry is going all out now at an Institute for Chemical Studies to implement true risk management, from a professional point of view, and never once in planning for the national conference in March, did the probability aspect come up, and the reason was very simple, the public does not buy it and the industry has recognized that.

And, many of the oil companies are in the petrochemical business. Oxy was there, et cetera. So, I want to make that message clear, that if systems safety reliability is a key point, you had better start the planning now to have a center of excellence here, just like UCLA is in toxics, Chancellor Hellard has the air center of excellence out at Riverside, Berkeley is seismic engineering, but this would be the appropriate place. Professor Tulin made that point a year ago at the Hart Mark meeting.

ACTING CHAIR ORDWAY: Thank you very much.

Robert Vatter.
Mr. Vatter: Before I begin, I would like to make one point that was brought up, regarding the air quality.

Court Reporter: May I have your name for the record, please.

Mr. Vatter: My name is Robert Vatter.

I do not believe that there has been adequate—an adequate base line for air quality established for the pre-1964 establishment of Platform Holly. We do not know, therefore, that in fact ARCO will be getting offset credit towards further polluting by capturing through seep containment structures the pollution they are already enhancing through their present drilling and reinjection methods.

In the EIR, they have very inadequate studies available to them. I talked to a lot of old timers that have been here for quite awhile, and recall beautiful white sandy beaches in the pre-Holly era, and then since then steadily there has been a worsening of the air quality, worsening of the seeps, and the oil on our beaches, so that is something that really needs attention.

Like I say, my name is Robert Vatter. I hold a Bachelor of Science degree in Marine Biology. I am a fire captain, and an 11 veteran of the Santa Barbara County Fire Department, and have been a home owner in Isla Vista for ten years, presently residing on the ocean front in direct contact with Platform Heron.
Among my spiritual beliefs, I feel that God is manifest as the world, nature, and the myriad of life forms. It is our duty, as the one with the free will, to protect the earth and its inhabitants and live within the boundaries and the laws of nature.

I was spurred into action by the realization that ARCO proposes to impose many extreme changes on this local environment by pushing nature and its power to compensate to and beyond its limits.

I have spent many days pouring over the EIRs and associated literature, and have submitted comments and queries to the draft EIR, and have so far as to work up a second phase conceptual design of a vessel which could, if engineered and constructed, mitigate many of the impacts, or restraints, associated with the use of subsea well production completions.

I have come to the conclusion that without adequate time, money, or expertise, I am merely an amateur playing in the professional's arena, an arena where the format is in volumes of paper-bound words, formal hearings such as this, and the decisions based on the premise that the information presented is complete, reliable, and the decision makers pray not too remotely related to the bottom line question, "Will it work."

I have found that in this arena the professional,
ARCO, takes a stance on a project proposal that will optimize their sole purpose for existence, making money. Although I have found Richard Ranger and his associates to be very congenial at trying to help us understand and accept this project, ARCO's collective concerns seems to encompass the appearance and effects only with regard to that which is necessary to obtain permits, while maximizing profit all of the time.

I feel that this is an arena where even the unbiased report writers are guilty of profit maximizing by skillful glossing over of pertinent public queries, referrals back to already consulted and still yet incomplete sections of the EIR, and the all-to-often lack of adequate data, or research.

This is an arena that depends on an unbiased report writing with facts based on real world application, rather than hypothetical modeling, without human influence factored in.

My profession alone attests to the importance of recognizing that human factor in error exists. Accidents are a fact. The recent Union Oil coverup of the blow out preventer test data, tens of unreported vessels near collisions, and prevalent small untraceable spills or dumping, indicates that there is an omission of data and failure to report problems that are--that this problem is industry wide.
How many of the reports and statistics the Chambers Group has drawn upon in their compilation of this report were erroneous, incomplete, or subject to bias. How will these discrepancies influence the possibility of catastrophe, should any portion of this project be approved? Where is our professional watch dog? The truth squad? And, that second opinion? Must we depend solely on what the Chambers Group dictates?

Is it my duty, as it is everyone's, to bring our lives to a screeching halt every time an ARCO steps forward with a proposal to make themselves rich? And, those impacted, poor? I think not.

Is your judgment to be made based upon only the financial and environmental quantifiable information amassed? I hope not.

There must be consideration given to the emotional, psychological and spiritual trauma that will result from this proposed project. ARCO is not in this for some philanthropic or altruistic end. They are profit motivated.

Please, members of the State Lands Commission, do not allow the waters, air, and people of this coastal California to be sacrificed or victimized. At a minimum restrict this project to limitations advised by the County of Santa Barbara, and UCSB.

Be yourselves satisfied with the some--be yourself's
satisfied with the somewhat reduced maximum yields, yet
still decent sized revenues, as the result of production
of Leases 308 and 309 from the Holly position, providing
your approval process for best available, safe, technology,
mitigation of Class 1 impacts independent of cost effectiveness,
where technology exists, and no project where an acceptable
mitigation method does not, maintain a clause whereby retrofit
of existing processes is mandatory as technology improves
and systems safety and productive efficiency--I didn't
say that right, but--

ACTING CHAIR ORDWAY: I think we know what you
are getting to.

MR. VATTER: Yes.

Realize that we, as humans, are presently on
a dead-end street, approaching the culdesac as our present
methods of using non-renewable energy sources for power
continues. Do not perpetuate the hand-to-mouth ideology
that exists today. We need a revision of Public Resource
Section 6217 regarding distribution of tidelands revenues
to mandate that the lion's share of all moneys received
by the state from oil and gas production in the tide and
submerged lands be dedicated to the research, development,
and production of technology and facilities for the capture
of renewable energy sources.

It is only through foresight and dedication
to ourselves and to our future generations that we will once again step within nature's boundaries. We are now out of control.

Thank you.

ACTING CHAIR ORDWAY: Thank you.

Yasmin Rodriguez.

MS. RODRIGUEZ: Hi. I have been to quite a few other hearings, and I haven't had the gumption to get up and speak before.

ACTING CHAIR ORDWAY: Pull the mike down. Thanks.

MS. RODRIGUEZ: But, my conscience brings me here today, and forces me to stand up before you.

I am happy and relieved to see that Hope Ranch has finally gotten involved. Thank you very much for coming. I am thankful also that the residents of Isla Vista are in full force tonight, as well.

I am not paid to be here, but I am not here to profit either. I am only here to try and preserve what so many of us here don't take for granted. Just a little peace and quiet, with nothing but the sound of the ocean to soothe our busy minds, the smell of the salt air, the view on the horizon of the sun setting on the island, the ability to do research in a near pristine environment.

This is our reality. This is our peace here.

I am not here to ask for more than we already have, with
Platform Holly, we have enough. I am not asking you to take that away. I guess that is a small sacrifice that we have made in the shadow of this project.

I don't care about a net air quality benefit. I just want things the way they are, I suppose.

If you give us Heron, then you take away our peace. No more nights of unagitated sleep. No more dark star-filled skies. If you give us Haven, then you take away our ability to dream of that world beneath the surface. No more Naples Reef. No more research.

If you give us more Holly, then you take away the hope in our souls by giving us one more gouge in this 20-year old wound that we know as Holly.

ARCO is a little like the fox in the Aesop Fable. Just because it will take a little more effort to obtain those grapes, don't let them convince you that they are sour. The oil will always be there, and those grapes will taste just as sweet--maybe sweeter when we really need the oil, then now when we don't.

ARCO is profit motivated, that is understood. The state and the nation are not in dire need of this low quality, inferior grade, oil. That is understood, as well.

The State Lands Commission is under no obligation to permit this project. That is understood. The citizens that this project affects will not sit quietly by and watch
this project as ARCO proposes go through. Let that also
be understood.

I am not here to ask for more than we already
have. I am merely here to have my very simple needs met.

Heed the restrictions set by the county and UCSB. Show
us, the people that voted you in office, that you understand
more than the language of money.

Thank you.

ACTING CHAIR ORDWAY: Thank you.

Hal Kopeikin.

Nice to see you again, Hal.

MR. KOPEIKIN: Hello, thank you very much.

I am very tired, and I assume you must be by

now, too.

ACTING CHAIR ORDWAY: I have only been up since
5:30 a.m. What time did you get up, Jim?

DEPUTY TUCKER: That's about right.

ACTING CHAIR ORDWAY: About 5:00? Naw, it is
a short day. I can get back to Sacramento and go in to
the office for awhile.

MR. KOPEIKIN: Okay, then we will be glad to

see you again in March.

I just--oh, I had a couple of comments that I

wanted to share with you.

One of them had to do with this wonderful document
that was sent to me, and I thank you for sending it to me. After reading it, I assume that it must come from an appointee of a Governor who is very much eager in balancing a budget, no matter what the local costs are.

ACTING CHAIR ORDWAY: Who is that written by?
MR. KOPEIKIN: I don't know. I am wondering.

ACTING CHAIR ORDWAY: What is the letterhead say?

MR. KOPEIKIN: George Duekmejian, Claire Dedrick--

ACTING CHAIR ORDWAY: Is this the Lands Commission?
MR. KOPEIKIN: Yeah.

ACTING CHAIR ORDWAY: The Lands Commission--may I just explain who sits on the Lands Commission?

MR. KOPEIKIN: Please, or, who authored--

ACTING CHAIR ORDWAY: We have three members to the Lands Commission.

Mr. Tucker is sitting on behalf of the Controller, which is an elected, constitutional officer of the State of California.

Lieutenant Governor McCarthy is a Commissioner, who is also an elected constitutional officer of the State of California. That is two votes.

I sit on behalf of the Department of Finance, which reports to the Governor, so that is two to one.

Okay?
MR. KOPEIKIN: Okay.

I don't know who this report comes from? But, I would mention that a couple of things in it--

ACTING CHAIR ORDWAY: I think that is the staff report.

MR. KOPEIKIN: --well, who appointed the staff?

ACTING CHAIR ORDWAY: The staff is a civil servant. Are you familiar with the civil servant laws in this state?

MR. KOPEIKIN: Oh, okay, nobody appoints--

ACTING CHAIR ORDWAY: They have no party affiliation.

MR. KOPEIKIN: --them, oh, okay.

Good.

ACTING CHAIR ORDWAY: Well, whatever party affiliation it is, it is, but they certainly get hired or fired on that basis.

MR. KOPEIKIN: Good, good.

Well, in any event, one thing I want to mention is, there is a comment repeated in here that the oil on the Isla Vista beaches is natural seepage. I want to just give you about a 30-second anecdote on that one. I believed that one when I came here as an undergraduate, about 14 years ago. I even say it seeping out of the ground, when I went scuba diving. I paid very close attention to it, and watched it. I went away for graduate school. I came back six years later. There is at least four times as much
oil, and the platform moved in a lot more closely.

Now, I have been watching it regularly. I walk down the beach. I would love to see a study of this. All I hear is natural seepage. I never see any data tracking it over time.

Before this EIR is accepted, I would like to recommend that we see some information on how much degradation Holly has already caused to that local environment. I don't think that has been adequately reported.

Another thing that I think has been real interesting in here, I want to make the comment that people keep talking about producing oil. I want to remind us that we don't produce oil. Dinosaurs produce oil. It takes a few million years. We drain our resources, all of our resources.

It is very clear to me that there are people like the army of lawyers from ARCO who will make a good deal of money from draining this resource now. It is also clear to me that some of the local divers and construction companies will make money from draining this resource now; but nevertheless, in terms of our national interest, and larger local interests, I would like to remind you that the price of oil is depressed. It makes very little sense to exploit a resource at a depressed price.

Secondly, I would like to mention that because the price is depressed, unlike what this gentlemen said
about us getting a good deal, environmentally, from ARCO, right now it is not cost effective for them to provide us with the kind of protection that they could when the price would rise.

I would contend again, as has been mentioned, that the oil, the quality of the oil, right off our coast here, is very, very poor. It will require a lot of refining, and I would like to suggest that this oil would be very important some time in the future, but right now it is a quick way to make a quick buck at terrible local costs, and I think it is a terrible idea.

I understand with the big budget deficit, there are forces in our government right now that would like to make as much money as quickly as they can regardless of the cost. I hope you are not one of them.

I would also add that another thing that I found interest, the pollution reports about air pollution? The statement that the air pollution, that there will be a significant increment in the air pollution. This assumes that the wind will be blowing 50 miles down the coast. After 30 miles of it being diluted, we are still going to have a significant impact, okay?

Now, tell me what happens when the prevailing winds shift? And, we have all of that air blowing less than two miles? Because this is less than two miles. The
major platforms are less than two miles from 18,000 people.

In case of a disaster, I might remind you also, that there are two roads that lead out of one of the most densely populated areas in America. We have 18,000 people in less than a half-a-square mile. There is no way to get out of there during rush hour. In the event of a disaster, you would have a real disaster on your hands, because there is no way of getting out. I didn't see that in the EIR, either, and I did look.

I apologize to the gentlemen who did the EIR, because it was a very comprehensive document, and I assume that it is impossible to placate the locals, because we are honestly, and accurately, aware that this was going to grieveous damage to us. There is no way around it. And, there is no way of putting it in nice terms, no matter how many books you use to do so.

I want to thank you for being here, and I will see you in March.

ACTING CHAIR ORDWAY: See you in March.

Vivian Obern.

MS. OBERN: Hello, I am Vivian Obern, and I am wearing a GOO arm band, and this was worn in 1970 to mourn the 1969 oil spill, which was 18 years ago.

I remember how horrified we were at the six to eight inches of oil on Arroyo Burro Beach when we went
out to look at it, and the dead birds.

   It has been—everybody has said just about everything, but you know this oil is not worth destroying one of the most beautiful areas in the world. And, it is our responsibility to the nation and to the world to save Santa Barbara, as a beautiful spot.

   It really is a unique place. I have always been very grateful that I have lived here, coming from Chicago 40 years ago, and I just couldn't believe the beauty that was here, coming up the coast.

   You know, we have a lovely climate, and we have the beautiful ocean, but so does Hermosa Beach, and so does Long Beach. They have the same climate, and the same ocean. Why is Santa Barbara unique? We have harmonious architecture. We have wonderful sign laws that keep the signs in good taste, and small. We have fantastic street tree plantings, and plantings all over the city. And, human-scaled buildings. Why do we have all of this? Simply because the citizens in Santa Barbara are really different, also. They are really unique, because they were alert first, and then concerned, and then they became involved, and citizens of Santa Barbara are involved, and they are very, very much concerned about what the oil is doing to this community, and will do.

   I happened to be on a committee appointed by Governor
Reagan for five years, the California Recreational Trails Committee, and I was fortunate enough to be able to dream up a bikeway and multiuse trail which goes from UCSB to the City of Santa Barbara, and I was able to testify at the state legislation, and we had—well, actually $4.5 million, statewide, raised for these bikeways, and almost a $1 million came to Santa Barbara County, and we have this fantastic seven-mile bikeway. I rode it the other day with our grandchildren, and I was just happy that there it was. It is a resource.

Well, we are also thinking, and have been, with the encouragement of William Penn Mott, Jr. of extending the bikeway along the coast. It is supposed to go up to Gaviota. In fact, it was funded at one point, until land owners became so greedy they went way over the assessed appraised value.

But, at any rate, it worries me that this fantastic, potential, greenway, which this beautiful coast will be, will be a manufacturing area.

You know, every time that I go up to Morro Bay, I think, "Oh, that ugly installation, right next to that great rock, could never happen today. They would never allow such a thing."

And, here people are actually, seriously, considering an ugly pile of erector set right outside of a heavily
populated area, less than two miles. You know, our islands out there are, oh, 25, 30 miles away, and yet some days you can see every little indication of every cliff and every arroyo, right out there, on clear days, and this happens quite a bit during the winter. Two miles away, with this great big thing, is unbelievable that it could even be planned.

So, I just--I live near a beautiful spot on Cliff Drive, where people throng to see the views over the cliff over the ocean, and to see the sunsets, and I just can't believe that people would put up this platform so that those in Isla Vista can no longer see an inspirational-- and it is a spiritual experience, to look out at the ocean.

So, I just hope that this platform Heron will be laughed out of the city.

ACTING CHAIR ORDWAY: Thank you.

Michael Phinney.

I thought that I already answered your questions, Michael.

MR. PHINNEY: Pardon?

ACTING CHAIR ORDWAY: I thought that I already answered your questions? Just half of them?

No, no, we talked on the way to dinner.

MR. PHINNEY: Yes, you did, and half of my speech is gone. You are in luck.
I want to commend your perseverence. This is the second time you got stuck with the duty, when everybody else left.

ACTING CHAIR ORDWAY: It is not a duty that we are stuck with. It is a duty that we volunteer to do.

MR. PHINNEY: Well, bless your heart.

Thank you.

ACTING CHAIR ORDWAY: That is not the part of me that is in need, right now.

[Laughter.]

MR. PHINNEY: Want to take a break?

ACTING CHAIR ORDWAY: No.

We are down to the last three, so I am hopeful that it is not going to last a whole lot longer.

MR. PHINNEY: Right.

Well, I am delighted with the Commission's action on postponing the ultimate hearing on the certification of the EIR until March.

The present EIR is indeed flawed. You have heard that all night long. It is doubly flawed. I will bring out a couple of new ones for you.

First, it is flawed in its logic, and it is flawed through omissions of several major impacts. I will just give you a couple of them.

First, the flaw of faulty logic, Section 2.1.3.2,
dealing with air quality, states that there is no evidence that acid rain or fog exists here at present. It also states that no local studies have been made about its existence.

Then, it states that no studies have been made relating acid rain and fog to offshore oil development, and then, it concludes that since there is no evidence and no study there is not and won't be any acid fog or rain here. That is some logic.

It seems to me that that is like saying there is no evidence that exists in this room that the sun is shining, and then saying that there has been no study to see if the sun is shining, then following that with the fact that no study has been made relating sunshine to public hearings, and then from these statements being told that we have to conclude that the sun is not shining and never will.

Perhaps we should conclude that this report belongs where the sun doesn't shine.

The second flaw is the flaw of omission. An omission of major impacts on residents, namely, plummeting property values. No one in Isla Vista wants to live where there is atrocity just off of the beach, with its noise, air, visual pollution and health hazards, there will be a definite decrease in property values. It can reap economic havoc on many property owners.
I would certainly ask that you delete, if nothing else, if you approve any kind of a project, delete Heron.

I would ask that the EIR--I would ask for an EIR that is logical and consistent, and I would ask that H$_2$S, hydrogen sulfide, studies be conducted, which apparently they haven't been, regarding acid rain and fog, and include these in the new EIR.

The third item, the actions of the State Lands Commission, regarding this project, will possibly open the door to class action litigation against both the state and ARCO. The appellate court system in the State of California has, in recent years, upheld multiple verdicts granting awards for damages to property owners who have complained of noise pollution from freeways.

The courts have also upheld a verdict granting an award for damages caused to surrounding property by odor pollution from a sewage treatment plant.

From these legal precedents it is clear that no longer is it necessary in the State of California to have real property taken in order to have a compensable damage.

Now, it is necessary only to have something invade your property, and thereby diminish its value. Odor and noise are things which invade your property, according to the California courts; perhaps lights from flaring is, too.
Thank you.

ACTING CHAIR ORDWAY: Thank you.

Sean Durkin.

MR. DURKIN: Good evening. My name is Sean Durkin.

I didn't plan on making a statement when I came here this evening; however, I felt the need to.

I live here in Santa Barbara, and I am really sorry that we have oil here, but it is here, and it is something that we as people who live here have to deal with.

Today I feel, listening to all of the comments, that it is primarily the state and the rest of the nation against UCSB, since most of the comments were from UCSB students today.

Another comment that I would like to make is when I first moved here, the beaches were dirtier. There was more oil on them. There was when you walked down the beach. You got more tar.

When ARCO installed its tent, I felt that--the tent that captures oil and gas, which people were talking also earlier about, was the gas, this smell. I don't know how you can determine the smell from the natural seep from anything else? But, it seems to have been cleaned up, in my opinion, somewhat.

The gentleman that talked about acid rain, earlier
before, I live right by the ocean, and if I leave my car out, I usually consider it due to salt water, the rust that I get, and the reasons that it falls apart.

I feel right now that we are in a very good negotiating position with ARCO. The price of oil is depressed. We all know of the crisis that is going on. I think that we should strike right now, in our county, while the iron is hot, and get a good deal out of ARCO, because ten years down the line—and I believe you know it takes ten years to bring oil onshore, from the time that you find it—ten years down the line, we probably won't have that flexibility. They will be able to tell us what they want.

I don't want to take much of your time, and I am sure that you have a lot of these comments before, and so I would just like to say that as a resident of this county I am in favor of the project.

ACTING CHAIR ORDWAY: Thank you.

MR. DURKIN: Thank you.

ACTING CHAIR ORDWAY: Sue Higman.

MS. HIGMAN: Thank you, Mrs. Ordway. I am Sue Higman, and I know you have had a long, long onerous afternoon. I hope that you are not going to drive home tonight.

ACTING CHAIR ORDWAY: No, we are flying.

MS. HIGMAN: Oh.

Well, anyway, I wanted to thank you, also, for
your close attention to what's been said.

I am a long time resident of Santa Barbara coast. I wasn't born here, but I grew up here, so I have seen it go through all of its transitional phases, and I must say that I have certainly been super impressed with the testimony that has been given today, in particular by the students.

I was a student at Santa Barbara State College, which is now UCSB, and we weren't nearly as smart or as sophisticated when I was their age, and I congratulate them.

I wanted to--

ACTING CHAIR ORDWAY: It is too bad they aren't here to hear you give them a compliment.

MS. HIGMAN: --well, I think it will filter back to them, somehow, because these gray hairs make me realize how long it has been since I have been in that position.

I think that big oil has met its match. I honestly do. I am a shareholder in ARCO, and I would be more than willing to forego any dividends from their Coal Oil Point project.

I have attended a number of these hearings, not necessarily the State Lands Commission, but it always seems to end up jobs versus the environment, and that is a sad statement, because I think people are beginning to realize...
a good environment means good work place.

So, I hope you will recognize the testimony that has been given, the quality of the testimony, the depth of thinking that has gone into it, and balance that out in this particular issue.

I would say that the testimony, in my opinion, has been overwhelmingly in favor of no project. I think that ARCO will survive if you deny it, but beautiful Isla Vista and beautiful Santa Barbara may not, if you approve it, so I ask that it be a unanimous vote to deny the project.

Thank you.

ACTING CHAIR ORDWAY: Thank you.

Having gone through better than an inch of white slips, is there anyone in the audience who chooses to add any final comments?

[No response.]

Mr. Tucker? Any final comments?

DEPUTY COMMISSIONER TUCKER: No.

ACTING CHAIR ORDWAY: Good night, then, and I will adjourn the meeting of the Lands Commission.

9:40 p.m.

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REPORTER'S CERTIFICATE

STATE OF CALIFORNIA )
COUNTY OF VENTURA ) ss.

I, PRISCILLA PIKE, an official hearing reporter for the State of California, do hereby certify that the foregoing pages 1 through 269, inclusive, constitutes a true and correct transcript of the matter as reported by me.

I FURTHER CERTIFY that I have no interest in the subject matter.

WITNESS my hand this 9th day of February, 1987, at Ventura, California.

Priscilla Pike

Priscilla Pike