BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

IN THE MATTER OF

ARCO COAL OIL

POINT PROJECT

EIR/EIS Public Hearing Certification

TRANSCRIPT OF PROCEEDINGS

Tuesday March 10, 1987

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

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Court Reporting Services
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APPLICANT

ARCO Oil and Gas Company
Richard Ranger, Regulatory and Permitting Director
Thalia Gelbs, Air Quality

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10:30 a.m.

CHAIRMAN MC CARTHY: I want to thank you all for your patience, and welcome all to this hearing of the State Lands Commission, on the issue of certification of the Environmental Impact Report and Environmental Impact Statement on the ARCO Coal Oil Development applicant.

Before we get to that, we have a couple of short pieces of business to take care of, on the staff, here at the Commission.

My fellow Commissioners are Commissioner Ordway and Commissioner Davis. My name is Leo McCarthy.

We want to move for confirmation of the Minutes of the previous meetings.

MOTION] COMMISSIONER DAVIS: So move.

All right?

Approved.

Now, let's get to the first issue at hand, and I would like to call on Mayor Sheila Lodge to come forward and testify.

Mayor, welcome.

MS. LODGE: Thank you for the opportunity to appear before you, again.
over the makeup over the preferred alternative.

With regard to upcoming public deliberations on this project, I urge you to continue to conduct your meetings here in Santa Barbara. We appreciate the time and energy required to convene here, and your accommodation of our needs in this regard so far.

In order to adequately serve the public interest, in full discussion of information and possible decisions which will so very directly affect our community, it is imperative that local meetings continue.

If you are able to correct the deficiencies in the Final EIR/EIS and certify the document by the March 20 deadline, I understand that your Commission may take up to 90 days to act on your permit decision.

In scheduling your decisions, the Commission must recognize the importance of full participation of the university community, thus your hearings and final actions should be scheduled while the university is in session, with student, faculty and administration, available on campus to participate.

The community, as a whole, must have adequate time to analyze and comment on any proposed decisions and mitigations. Your schedule should not only allow opportunity for public comment to be offered before your staff and the Commissioners to fully consider the new information.
and suggested changes, before you must render your final decision. I understand that will require some careful scheduling, but I hope that you will indeed make it possible for the university community to comment, and that you will return to Santa Barbara for the next hearing.

Thank you for the opportunity to comment this morning.

CHAIRMAN MC CARTHY: Thank you, Mayor. Thank you very much.

Any questions by members of the Commission?

[No response.]

Thank you, that is fine.

All right, Supervisor Bob Wallace, the Chairman of the Board of Supervisors.

Welcome, again.

MR. WALLACE: Bill Wallace.

CHAIRMAN MC CARTHY: Bill. I'm sorry, excuse me.

MR. WALLACE: I don't write very well this early.

The Board would like to express their appreciation again for State Lands coming to Santa Barbara County to have this final certification hearing.

We have a fairly lengthy statement with attachments, which I am not going to read all of, and hopefully you have a copy of it, so that you can take a look at before
My comments this morning will be brief. At your last hearing, here, I supported the county in their opposition to certification of the final EIR/EIS. In conclusion of the environmentally preferable alternative was—the inclusion, I'm sorry, the environmentally preferable alternative was and remains unacceptable.

We agree with the County that the decision makers should not be constrained by an inappropriate designation of a project alternative as environmentally preferable. The Joint Review Panel not only did not select the alternative, but they had no opportunity to review and comment on its selection before incorporation in the EIR/EIS.

Elements of the alternatives, to the extent that information has been provided explaining its components, conflict with County policy for ore consolidation of processing facilities. These policies are intended to minimize cumulative impacts of support facilities for oil and gas development and are vigorously supported by the city.

While we recognize the time constraints faced by this Commission, we believe the document should not be certified in its present form. The document should be modified to include an environmentally preferable alternative, which reflects the consensus of the Joint Review Panel, or which, at the very least, acknowledges the disagreement.
your final vote, today.

Again, we would like to welcome the State Lands Commission, and extend our appreciation for holding this EIR certification in Santa Barbara. We think it demonstrates a sincere commitment to maximize citizen participation in the permit process, and as you can see from the size of the audience, that there is still no reduction in the public interest in this item, in spite of the number of hearings that have been held.

Upon review of the State Lands Commission staff's calendar item, the county must object to the recommended certification of the ARCO Coal Oil Point Project, Environmental Impact Report. We object to certification because:

1. Inadequate responses were provided to comments on the draft EIR.

2. The recommended environmental preferable alternative is not supported by the analysis in the EIR.

We would also like to incorporate by reference our previous comments on the EIR, as the staff recommendation fails to adequately respond to our concerns.

Attached to this testimony are three important attachments, which we would also like to incorporate into the record.

Our objections to the environmentally preferred alternative are again procedural and factual. Contrary
to Public Resources Code, the environmentally preferred alternative was not chosen from among the other alternatives, in fact, alternative project scenario, incorporating all of the components of a full project, were discussed only for a limited number of issue areas, i.e. air quality, socioeconomics, and transportation.

At the January 28 State Lands Commission hearing, your Commission heard objections to the selection of the environmentally preferred alternative from virtually every speaker at the hearing. I believe that even the applicant is opposed to that.

The flaws in the analysis and selection of the environmentally preferred alternative are as follows:

1. Sour gas reinjection and offshore sweet gas processing.

2. Selection of the onshore gas pipeline, with landfall at Ellwood.

3. We again stress the air, in selecting offshore oil processing as the preferred alternative--or any alternative in Santa Barbara County at this time.

4. The newly included alternative impact comparison table, which appears to have been used to select the environmentally preferred alternative has many errors, whose corrections would modify the selection of the environmentally preferred alternative.
Because of these flaws in the selection of the environmentally preferred alternative we have to object to the certification of the EIR.

The county believes that the analysis in the EIR would support the following alternative:

1. We concur fully with the present environmentally preferred alternative in recommending single platforms, no storage at Dos Pueblos, and abandonment of existing facilities at Ellwood.

2. Sweet and sour gas processing should be in Las Flores Canyon.

3. Oil processing should be located in Las Flores Canyon.

4. Oil and gas pipelines should be corridors proposed by ARCO.

5. Oil processing should be commingled.

6. Platform Heron should not be approved at this time.

Santa Barbara County has been very impressed with the approach the State Lands Commission in providing adequate review, time, and local hearings, necessary for public participation, in the EIR certification process, in your commitment to solve problems such as commingling that has plagued this project since its inception.

It appears that you are genuinely interested
in local concerns. The county, likewise, is committed
to working cooperatively with your staff and ARCO in modifying
the project to meet the objections of all.

We, therefore, request assurance from your Commission
that meetings will be initiated among your staff, UCSB,
the county, and other interested persons, as soon as possible,
and well before any permit decision, to discuss major components
of the project under consideration.

There are still outstanding questions about offshore
dehydration, commingling, offshore gas processing, and
royalty management.

Our final concerns are related to the actual
State Lands Commission hearings on the permit decision.
We are aware that your Commission has taken unusual action
in splitting the EIR certification action from the permit
decision.

We wish to express our thanks to you since the
additional time aids everyone in addressing the complex
issues yet unresolved surrounding this project. We request
that the upcoming permit decision hearings also be conducted
in Santa Barbara, and that the staff report and agenda
be provided at least 20 days prior to the project hearing,
to allow sufficient review time for all interested parties.

Thank you for the opportunity to comment on the
Coal Oil Point Project EIR certification.
Under Attachment A, and I am just going to briefly summarize this, so that it will be in front of you, though, in the first item is the inadequate responses. Of the 477 comments the county provided on the draft EIR, at least 30 were not responded to in an adequate fashion, and not a single meaningful change was recommended in the final EIR, over the draft EIR.

Next, we have specifically stated our--specifically, our objections to the environmental preferred alternative in the EIR, which I outlined earlier.

And, under three, we have outlined the county's selected environmentally preferred alternative, as we see it from the EIR, and there is outlined the county's plan.

I am only going to touch again on Platform Heron, which we feel should not be approved at this time. Significant Class I impacts can be eliminated by removal of this platform from the proposal. This is included in Attachment B, and those impacts are reduced there. A reduction in air quality emissions and a reduction in the impact of a platform in close proximity to the university and large resident population are of the greatest importance.

In support of Heron's removal, we offer a CEQA section which addresses specifically project alternatives, and this is the section:

"The discussion of alternatives shall focus
on alternatives capable of eliminating any significant environmental affect, or reducing them to a level of insignificance, even if these alternatives would impede to some degree the attainment of the project objectives, or would be more costly."

We recognize the EIR discusses the removal of Heron as such an alternative, but we believe the selection of the environmentally preferred alternative fails to consider the numerous significant impacts eliminated by the removal of Heron from the project.

Instead, the argument presented opposing Heron's removal, cite the possibility of less than full development, even though CEQA stresses this is not an issue, and this is what an EIR is all about, is CEQA.

Furthermore, the oil is not lost. It may be recovered in the future. Recent advances and drilling technology--and we have attached an Attachment C which talks about horizontal wells for gas--whereas the complete technology to employ this technique may be lacking, delaying the development of the Coal Oil Point field, at least in the Heron area, until the technology can be perfected, would be a fair compromise to the citizens and environment of Santa Barbara County.
We would like to conclude our discussion of Heron's removal by reflecting on the intent of the marine sanctuary east of proposed Platform Heron. The intent of that sanctuary was to protect the urbanized areas of Santa Barbara from the affects of oil and gas development; however, with the installation of Platform Heron, one of the most densely populated areas in the United States--Isla Vista--will be subjected to the numerous significant impact which the marine sanctuary was designated to preclude.

We again stress that Platform Heron should be removed from the proposed Coal Oil Point Project.

And, I would like to add just a comment or two of my own, which was not on the Board's agenda yesterday, and I would like to comment just a little bit further on Heron, because this is, of course, the biggest stressful thing this community is facing. Heron is not just a visual aesthetic impact. It is a massive, unmitigable, non-compatible, industrial structure, within two miles of Isla Vista, which has a density of 34,000 people per square mile.

This is what started CEQA, to prevent these types of incompatible uses. Isla Vista has already been heavily impacted by a state institution which we have no control over--UCSB. We are overcrowded, and the quality of life is already severely impacted. Adding this industrial use so close would be next to intolerable.
And one final comment, denial of Heiron doesn't mean the lease cannot be developed. It just can't be developed at this time in a manner proposed by ARCO. It has just too many Class 1 negative impacts. Let them try again, and find a more environmentally acceptable way to get the oil.

Thank you very much.

CHAIRMAN MC CARTHY: Thank you very much.

Any questions by Commissioners, at this time?

[No response.]

All right, thank--

MR. WALLACE: Mr. Chairman, we do have our staff, who will be here all day for any kind of technical question.

CHAIRMAN MC CARTHY: Thank you very much. All right, Bill.

I did not see him, but I am told now that Assemblyman Jack O'Connell is in the audience.

We would like to invite him forward to testify.

Welcome, Mr. Assemblyman.

MR. O'CONNELL: Thank you very much, Mr. Chairman.

I too, want to express my appreciation to the Chairman, and the Commissioners, for coming to Santa Barbara. I know that this is your third trip for the public hearing, and we certainly appreciate your efforts.

Also, I realize that the purpose of today's hearing
is to discuss the adequacy of the EIR/EIS, and the certification of the ARCO project. Not being a technical expert, I am going to keep my remarks brief.

The primary request that I would like to make of the Commission is that in the event that the certification does occur today, of the EIR and EIS, is that you agree to hold another hearing in Santa Barbara within 60 days to make a final decision on this project.

The past hearings held by the Commission here in Santa Barbara have certainly been very helpful, very informative, I believe both to the citizenry here, and also to the Commission and to your staff; however, none of those hearings have been accompanied by a staff recommendation and a report on the project, itself.

While general input on the project, and specific input on the EIR and the EIS is very important, the hearing at which a final decision will be made is the most crucial for our community.

It is only by holding a hearing on the project itself, here in Santa Barbara, within the 60 days, will the community be able to fully participate in the process, and the applicant will also receive a decision in a reasonable period of time.

With regard to the EIR/EIS, it appears that the Commission staff is recommending that the environmentally
preferred alternative, remain so designated in the final document. My concerns about the inclusion of this designation are really two fold. First of all, Santa Barbara County has major procedural and factual objections to this approach.

Before certification occurs, there should be some agreement between the county and the state, as to the legal ramifications of this action. Absent such an agreement, the alternative should not be included in the final document.

Second, there appears to be a great deal of disagreement as to whether the alternative designated as environmentally preferable is, in fact, environmentally preferable. If by law, it is necessary to include an environmentally preferable alternative in the EIR, that alternative should clearly be the environmentally preferable choice.

Furthermore, the EIR/EIS must contain documentation supporting such a designation.

Finally, I would like to reiterate my opposition to Platform Heron, which has been proposed to be immediately adjacent off of the coast of the University of Santa Barbara; my opposition to offshore processing; and dumping any of the drilling muds within state waters.

Commingling and consolidation of facilities must be pursued, and any platforms that might be installed ought to be single platforms, as opposed to the dual platforms.
I, again, want to thank you for coming to Santa Barbara. I certainly realize that it is difficult to get here from Sacramento, and I hope to see you back again within 60 days.

Thank you very much.

CHAIRMAN MC CARTHY: Thank you.

COMMISSIONER ORDWAY: Mr. Chairman.

CHAIRMAN MC CARTHY: Mr. Assemblyman? Commissioner Ordway has a question.

COMMISSIONER ORDWAY: I don't actually have a question of you, although it is nice to be in your district.

I would like to, however, make a motion that this Commission take the environmentally preferred alternative and in no way uses it for the basis of any potential project approval by this Commission on this project.

And, I think that is a proper motion, given the state policy on consolidation, the county's policy on consolidation, the university's feelings with respect to consolidation, and the preference of the applicant.

So, I would like to basically disavow us of the environmentally referred alternative, and I put that in the form of a motion.

CHAIRMAN MC CARTHY: Any questions?

COMMISSIONER DAVIS: Could I just ask counsel, what impacts that actually would have on the adequacy of
the EIR?

CHAIRMAN MC CARTHY: Sorry, to keep you there.

I thought it was a question to you.

Thank you, Assemblyman.

CHIEF COUNSEL HIGHT: Yes, Mr. Davis, that will have no impact on the adequacy of the EIR.

The environmentally preferred alternative is required by law, but the Commission has the ability to disavow itself from that position, as Ms. Ordway's recommendation has.

COMMISSIONER DAVIS: So, the motion--

COMMISSIONER ORDWAY: The motion is basic.

Keep it in there because we are required to have it in there, but to disavow--

COMMISSIONER DAVIS: --that we are not going to--

COMMISSIONER ORDWAY: --to disavow that we are not going to consider it.

COMMISSIONER DAVIS: --accept it.

Fine. I would concur with that.

CHAIRMAN MC CARTHY: All right.

Is there anyone in the audience who wishes to oppose that suggestion?

[No response.]

If not, the Commission unanimously agrees to--
MS. SCHWARTZ: Mr. Chairman.

CHAIRMAN MC CARTHY: Yes.

MS. SCHWARTZ: Are you taking comment on the motion?

CHAIRMAN MC CARTHY: Yes.

MS. SCHWARTZ: Thank you.

I am Naomi Schwartz, Senator Gary's office. I wasn't planning to speak, but I would like to address the motion.

I think it would be unfortunate for you to vote positively on this. Two reasons. The environmentally preferred alternative has ramifications beyond this particular project. The offshore storage and treatment of gas and crude oil is something, as you know, is a contention on the Exxon project. It could well be considered for future projects in this area.

There has been much debate as to whether or not, in fact, such activity is environmentally preferred.

I think the record on this project is clear as to the contention that that is not preferred.

Now, even though what you are suggesting is not to consider this alternative for the ARCO project, if you keep it in this document, which you are about to certify today, as an environmentally preferred alternative to onshore treatment, it will have significant ramifications for the
future, and for other projects, and I would just would
urge you to consider that before voting.

CHAIRMAN MC CARTHY: Could we have some comment
from staff on whatever legal implications this might have?
If this motion were adopted? Even if it remained a part
of the EIR?

CHIEF COUNSEL HIGHT: May I suggest, Mr. Chairman,
that would be an appropriate subject for an executive session?

CHAIRMAN MC CARTHY: All right.
We will take a five-minute recess, and be in
executive session.

Recess: 10:45 a.m. - 10:50 a.m.

CHAIRMAN MC CARTHY: The motion before this Commission
is not to delete the environmentally preferable alternative
cited by Commissioner Ordway.

It is intended to allay the concerns of many
members of the public, who have testified in previous meetings,
and at least alluded to today, that there were damaging
implications from one or two elements within the environmentally
preferred alternative.

I think the intent of the motion was just to
indicate, if it passes, that the members of this Commission
do not intend to incorporate any of the recommendations
within the environmentally preferred alternative.

To attempt to delete any section of this EIR/EIS, of course, would render it defective and therefore this Commission would not have the option of acting upon it.

The motion is before the Commission. What is the wish of the Commission?

COMMISSIONER ORDWAY: Call for the vote.

COMMISSIONER DAVIS: I would support the motion.

CHAIRMAN MC CARTHY: So do I.

Unanimous.

The next witness is Chancellor Daniel--

COMMISSIONER DAVIS: Mr. Chairman.

CHAIRMAN MC CARTHY: --Aldrich--

COMMISSIONER DAVIS: Mr. Chairman.

CHAIRMAN MC CARTHY: Commissioner Davis.

[MOOTION]

COMMISSIONER DAVIS: I wanted to raise this while Assemblyman O'Connell was at the microphone, but he is now the third witness who has urged us to have our--assuming this EIR is approved today, to have a hearing in Santa Barbara, to decide on whether or not to approve the project, and I just want to lend my voice to that, as well.

I think these hearings have been constructive. Obviously, this community has a vital interest in the decisions of this Board, and its critiques and suggestions, have affected our actions to date, and I would like to move
that we have a hearing in Santa Barbara to decide whether
or not this project would be approved, within the statutory
constraints allowed to us by law.

CHAIRMAN MC CARTHY: Commissioner Davis, you
were not present at an executive committee meeting yesterday,
and perhaps your representative didn't have the opportunity
to convey to you a specific request made by Commissioner
Ordway at that meeting.

I wonder if you might allow her to restate--
there is nothing confidential about it--to restate a personal
problem that she has, regarding--

COMMISSIONER ORDWAY: It has been definitely
delightful to--

CHAIRMAN MC CARTHY: --the issue--

COMMISSIONER ORDWAY: --get out of Sacramento

and come down to Santa Barbara.

Unfortunately, the way the budget process is
currently going on, and I am sure you remember it going
on, as we hit April, May and June, it pretty much restricts
Finance to Sacramento.

So, if you choose to have a hearing in April,
May or June, for the final certification of this project,
and you have it in Santa Barbara, you will have to have
it without any member of the Department of Finance here.

It is just a time constraint that we have that
is seasonal, and April, May and June, we are in Sacramento.

COMMISSIONER DAVIS: Well, with all due respect, I have some familiarity with the Department of Finance, and I have worked with them for seven years, and I have to believe that there is someone who can be allowed to represent the Department.

COMMISSIONER ORDWAY: There are only three of us, and as you know, we handle the same 30-odd boards and commissions that you and your deputies handle, in addition to the budget, so our time becomes just very difficult to schedule out-of-town meetings during that period.

And, I wouldn't want to promise that I, or another deputy, could be down here, when we may not be able to, because I don't think that is fair.

And, that is my only constraints, and you, of course, have the luxury with two votes out of three, to hold the meeting at your convenience, and at your preferred location.

COMMISSIONER DAVIS: Well, I don't think it is at any member's--I don't think the audience intends to inconvenience any member of this Commission, but you know, I do think we have an obligation to, if at all possible, to hold a hearing here, assuming the EIR is approved.

And, I guess that I would like to put that as a motion before the Board because I believe that there
has to be some time between today and the legal date that
we have to finalize our decision on this matter, that all
three of us can--at least a representative from all three
of our offices, consistent with--well, that all three of
us can be present.

CHAIRMAN MC CARTHY: Well, I too would find it
profitable to hold another hearing in Santa Barbara, on
the central issue before us; however, I am not going to
support your motion, because Commissioner Ordway has been
a participant in all of the hearings up until now, and
if at the final moment she is being ordered to stay in
Sacramento--so this is not a matter of some personal convenience--
as one of the top executives in the Department of Finance,
she is instructed to stay in Sacramento, so unless we were
to postpone this issue until after adoption of the budget--
and I guess since June 8 is the latest date by which we
can decide this issue, the budget will probably not be
adopted by June 8--Commissioner Ordway would not be allowed
to participate.

I think I would respond to the--

COMMISSIONER ORDWAY: Well, my time would be
very difficult to schedule.

CHAIRMAN MC CARTHY: I think that I would respond
in the same way, Commissioner Davis, if you faced a limitation
on your availability at such a crucial point.
I would rather not have a third member of this Commission, who has not been a participant in any of these hearings at any point, come and sit in on such a momentous decision that would have to be made. That would be very difficult.

So, I want to explain to the audience, although I personally favor moving this Commission all over the State of California, because I think public input and participation is crucial, and what we should be about, and that is why I strongly urge and support it--these hearings in Santa Barbara--I can't do this, and exclude one of the three members of this Commission, because I think she has presented reasonable grounds on which we have to hold this meeting in Sacramento.

We will move on to Chancellor Daniel Aldrich.

Chancellor Aldrich.

MR. ALDRICH: Thank you, Mr. Chairman, members of the Commission.

My name is Daniel G. Aldrich, Jr., and I am acting Chancellor at the University of California at Santa Barbara.

I am here to present testimony for the campus, which argues against certification of the Environmental Impact Report on the proposed ARCO Coal Oil Point project.

UCSB's decision to urge the Commission not to
certify this EIR, is based in part upon the EIR's purposes in the permitting process as defined for us by the State Lands' staff.

That is to say, we understand that certification carries with it the designation of the EIR as the information source upon which you will base your ultimate decisions about the ARCO project.

If that is the case, your judgment will be based upon a document which contains conclusory statements which are not supported by the facts; one which underestimates the impacts we can expect from one of the largest offshore projects proposed for the Santa Barbara Channel, and by one which avoids entire issues which have been identified by concerned citizens and agencies during your hearings in Santa Barbara.

Moreover, the calendar item which is before you today falls far short of the standards which ought to be present if a reasoned dialogue on these matters is to take place.

To be specific about the ARCO EIR's shortcomings, it doesn't address the ramifications of a project without Platform Heron, an alternative advanced by the city, the county, the university, and number of individuals who represent informed and concerned organizations; it gives inadequate attention to the phased development alternative, an option...
which ARCO is currently advancing; our request for a full analysis of the economic impact upon ARCO, and upon the state, of the drastic decline in the oil and gas prices, and has gone largely unheeded.

As cumbersome and unwieldy as the ARCO EIR is, it does not adequately address the effects upon terrestrial ground water aquifers of the reinjection of produced waters, nor does it quantitatively assess the cumulative impacts of the project upon marine water quality, noise and air quality.

One important component of the cumulative impacts, the extent of air quality impacts from the Exxon project, will not be known until Exxon's processing plant is sited.

The water quality issue, as it affects larvae of marine organisms is of grave importance to the university, for reasons which I have, and other speakers, have cited before, and neither the EIR nor the calendar item makes an adequate response to our concerns.

The EIR is vague in discussing the nature and manner of implementing the several calls for ongoing research and monitoring during the life of the project. In this connection I wish to emphasize that this EIR represents a step in the permitting of what may become the first of many projects involving California coastal waters, and thus is critically important in establishing precedents.
that will be significant down through the years in resolving the many legitimate demands upon our coastal waters.

Furthermore, as the EIR itself states, there are many scientific unknowns attached to this major development in coastal waters. Many of these have been documented by the research faculty at UCSB in presentations to this Commission. All of these unknowns require that a very thoughtfully developed, all encompassing, program of research and monitoring be established, rather than the fragmented, short-term investigations that are frequently carried out by the various agencies concerned.

We believe that the EIR is therefore defective in not outlining a long-term program in which all appropriate agencies are brought together to watch over developments as they unfold.

This EIR should not be certified until it contains provision for, in effect, an insurance policy for the coastal environment on behalf of the state and its citizens.

The ARCO EIR contains misinformation, which could wrongly affect the Commission's decisions about the proposed Coal Oil Point project.

About two years ago, UCSB faculty challenged the accuracy of the socioeconomic impacts derived from using the model which was applied to the ARCO EIR. In conversation with the designer of the model, Dr. Ben Stevens,
we learned that this regional model could not tell us anything about socioeconomic impacts upon either the university or Isla Vista, from the ARCO project.

Indeed, Mr. Stevens agreed with our faculty conclusion that there is no acceptable way to assess the accuracy of applying his regional model to a local situation, and therefore the results it provides are not useful for local planning purposes. I hasten to add that Dr. Stevens is highly regarded and rightly so. He simply acknowledges that statistical modeling is an imperfect science.

Socioeconomic impacts and accuracy of modeling forecasts are important subjects for Santa Barbara County, and UCSB. In recent weeks, a report has shown that the actual growth experience from a Chevron project in Santa Barbara County far exceeds that projected in the Chevron EIR, with some very troubling results for communities north of us. Growth-related impacts of the ARCO project are of interest to the university, as well as to the county, because of their potential impact upon UCSB’s land use options.

While I am on the subject of the accuracy of the documents which are critical to these proceedings, I want to correct a reference to UCSB’s participation in the EIR process. We were not as heavily engaged in the preparation of the EIR as the calendar item suggests.
Finally, we find certain references to the university in the ARCO EIR to be disquieting. For one thing, our concerns about the impacts of the project upon faculty and student recruitment and retention, a factor about which there has been ample testimony, are not treated with the seriousness we believe they deserve; moreover, we found the calendar item's responses to UCSB comments and concerns to be woefully inadequate. Critical portions of my testimony and that of Professors Case and Alldredge were omitted.

All of these points cast the wisdom of certifying the ARCO EIR into serious doubt. The unique and unusual elements of this proposed offshore development project are well documented. Its impacts upon a major research university, an environmentally sensitive habitat, a component of the university's natural reserve system, and a densely populated area, are of grave concern.

Thus, the Coal Oil Point project warrants a thorough and thoughtful environmental review document, which fully evaluates the degree of its intrusion upon south coast communities, and their populations.

At this juncture, we do not believe that we have such a document.

Thank you.

CHAIRMAN MC CARTHY: Any questions by members?

[No response.]
MR. WALLACE: Mr. Chairman, excuse me.

Could we have County Counsel make just a brief comment on your previous motion? We were still caucusing when you took your vote on the environmentally preferred option.

We would just like to get a few comments into the record, if that would be possible.

CHAIRMAN MC CARTHY: Certainly.

MR. WALLACE: Mary Ann.

MS. SLUTSKY: Good morning. Mary Ann Slutsky, from the County Counsel's office.

I actually must admit that I didn't understand Commissioner Ordway's motion, perhaps, and I didn't hear the follow up after you convened.

But, my concern is that if you meant that you would not be bound by the EPA, but would consider it, I would feel that the law certainly would allow for that, but my belief is that if you meant by your motion that you were not going to consider it in your decision making, I feel that CEQA requires that you consider the document as a whole.

Furthermore, the county is afraid that if you disavow the EPA, you will put us in a position, as the responsible agency, of being unable to make a decision, based on a document which has been deflated significantly,
and in our abilities to review it as an entire informational
document.

Thank you.

CHAIRMAN MC CARTHY: I interpret the motion to
mean--and I wish the Commissioners to comment on this,
if they feel it appropriate--that we wanted the citizens
of Santa Barbara, the faculty and students at the university,
al concerned about all parts of this EIR, and specifically
about the EPA--because we have heard a lot of comments
about that--that the members of this Commission are not
impressed by the elements proposed in the EPA, and do not
incorporate it into our decision on the ZIR/EIS, and whatever
basis it may serve for the final decision on the application
before us.

MS. SLUTSKY: Of course, we are not in support
of it, either, at all.

I just wanted to make sure that you were going
to look at the document as a whole, and that would include
the EPA, as well.

COMMISSIONER ORDWAY: We realize that--

CHAIRMAN MC CARTHY: Commissioner Ordway.

COMMISSIONER ORDWAY: --yes, we realize that
we have to look at it as a whole, but I just think that
at least the three folks sitting on this side of the table
certainly agree that it is not spiffy.
MS, SLUTSKY: Thank you.

COMMISSIONER ORDWAY: That the EPA is not spiffy.

CHAIRMAN MC CARTHY: Thank you.

All right.

Dr. James Case, Professor of Marine Biology.

Welcome back, Dr. Case.

MR. CASE: I remembered my manners this time.

CHAIRMAN MC CARTHY: I want you to know that I reread your testimony.

I want to tell Chancellor Aldrich that I read all of the testimony twice, from the university faculty.

I am a UC Regent. They may ask me.

MR. CASE: I'm James F. Case. I am a member of the Marine Biology faculty at UCSB, and I have some brief comments on general aspects of the EIR, not the scientific details that interested us previously.

I believe that the EIR under consideration today is defective in terms of Article 10 of the CEQA guidelines. This article has to do with the style of writing and the appropriate lengths of EIRs. It states that EIRs shall be written in plain language, so that decision makers and the public--

[Laughter.]

COMMISSIONER ORDWAY: Mr. Chairman

CHAIRMAN MC CARTHY: Commissioner Ordway.
COMMISSIONER ORDWAY: Could Article 10 of the CEQA guidelines also apply to all statutes that are developed by members of the Legislature in Sacramento? It would certainly be helpful.

MR. CASE: I suspected as much.

CHAIRMAN MC CARTHY: You have caused anarchy, you realize that?

MR. CASE: But, howsoever that may be, we hope that the public can rapidly understand these documents, eventually, and it is also interesting to note that Article 10 defines page limits of normally less than 300 pages for proposals of unusual scope or complexity.

These defects hamper understanding of the EIR for all but the most urgently motivated readers, and therefore serve to reduce consideration of the EIR to only a small fraction of all who are effected by development of state waters. This denies the electorate of its proper voice in the matter of the ARCO proposal.

There are two specific reasons for bringing this to your attention today. First, of course, I hope that you will require revision and clarification of the EIR, so that it can be widely understood. This, very probably will by increasing general understanding of the project, be valuable to all by eliminating needless controversy based on ignorance and misunderstanding.
Secondly, and perhaps most importantly, with the Coal Oil Point project you are unavoidably forging new precedents for development of California coastal waters. I hope you will establish a model for optimal coastal development by these actions.

Unfortunately, if you indicate that this route can be illuminated by EIRs such as this one, by approving it as it stands, I believe that you will have deprived this state of useful, scientific, environmental analysis by establishing a precedent for accepting the mass of an EIR as a substitute for clarity in argument, and incisive technical analysis.

In addition to the transgression on the CEQA norms, for length and clarity of an EIR, there are other general problems in the development of this EIR having to do with proper communication with the public. I mention one very significant one: While experts are often able to evaluate a document of this type on internal evidence, the public often cannot, and therefore has to rely on supporting evidence. One form of this is knowledge of the qualifications of the preparers of the EIR.

We outsiders know very little about this. We do not know how Chambers Associates were chosen, and from what size pool of competent bidders. The public knows essentially nothing about the experience and the qualifications...
of Chambers Associates, or about the technical personnel
who were consultants to them.

Evaluation of the scientific merits of the EIR
has, of course, been the major item on our menu for months,
and you clearly understand by know what UCSB marine biologists
think about its quality; however, I believe that I should
point out one defect in the technical aspects of the EIR,
and a possible oversight in your staff's reaction to it.

Several UCSB marine scientists have described
research showing vulnerability of the larvae of commercially
fished organisms in the channel, to what are in truth currently
legal variations in water quality. Perhaps, because ARCO
is committed to not discharging drilling muds and produced
waters into the channel, your staff, in recent comments
on mitigations on behalf of the channel's commercial fisheries,
has emphasized mitigation regarding adults and not the
highly chemically sensitive larvae of commercially fished
species.

We still believe that the state of the larval
population is perhaps the most sensitive indicator of the
health of the channel fisheries for abalone, crabs, and
lobsters, sea urchins, and fish. Larval populations should
most certainly be continuously monitored, as a precaution
against possible affects of inadvertent spills of a number
of chemicals from the platforms. The battle on behalf
of fisheries' protection may well be over before it is
joined if the monitoring involves only adult populations.

And, I would point out that our channel fisheries
is a renewable resource, with a landed catch value of $20
million a year.

In closing, I wish to note that there is much
talk about unpredictable cumulative effects on the channel
environment of the ARCO and other projects, in both state
and federal waters.

As has been emphasized, this is too local a view.
You are responsible for permitting oil and gas development
in the state waters from Mexico to Oregon, yet, you seem
to be about to permit your way through this great expanse
one project at a time, with no consideration of interactions
between projects—that is, at least, evident to the public.

I hope that you can find a way to pause for
a year or two and figure out a way to examine cumulative
effects on a state-wide scale. Even more broadly, your
actions have national significance, which is extremely
difficult to evaluate, since they take place in the absence
of a consistent federal petroleum policy, that is,
what you permit to be produced today, may well be squandered
tomorrow by lack of a sound federal policy.

This is another argument for delaying exploitation
of state petroleum resources, until you are assured that
they will be best used in the public interest.

One step toward such an integrated and logical utilization of our resources is easy: simply refuse to accept this flawed EIR and have it repaired or redone with proper attention to technical analysis and the simple fundamentals of communication with your constituency, the citizens of California.

A delay in the process for a year or two should not harm the applicant seriously and would give you an opportunity to assess the project on the basis of a generally acceptable EIR.

Thank you.

CHAIRMAN MC CARTHY: Thank you, Doctor. You made some good points.

Commissioner Gray has a question, Doctor. Dr. Case, would you mind? Thank:

COMMISSIONER DAVIS: You are suggesting that the EIR be rejected until a comprehensive analysis be made of the impacts on proposed state and federal projects?

MR. CASE: I would personally much prefer to see it permitted in the context of a publically announced state coastal development policy. I realize you have problems with streamlining and that sort of thing, but I speak only on theoretical grounds, which I hope will be persuasive.
COMMISSIONER DAVIS: I endorse that view, and think that as we approach this important decision we ought to have a better understanding of all the possible drilling, both within state and federal waters in order to make a thoughtful decision.

MR. CASE: Truly. You have to consider the federal effects, since they are contiguous with us, and I would certainly strongly second your view. Thank you.

COMMISSIONER DAVIS: Thank you, Doctor.

CHAIRMAN MC CARthy: Thank you, Doctor.


MR. ZIMMER-FAUST: Thank you very much.

I have been a research biologist with the Marine Sciences Institute, University of California at Santa Barbara, since 1983. My research is on the natural history of crustacea: lobsters, crabs.

Focusing on the local spiny lobster, Panulirus interruptus, and on the physiology and ecology of the chemical sense, olfaction and taste, or marine organisms, I wish to comment briefly on the final -- or on the Coal Oil Point EIR/EIS.

It has now been well established that the chemical senses of marine animals are vitally important to the detection and acquisition of resources. Chemical cues
are responsible for controlling a wide variety of activities, including larval settlement -- you've heard our arguments about larval -- potential larval mortalities, foraging and feeding, just as well; mate selection and other activities.

Olfaction and taste is mediated by sensory neurons whose membranes directly contact the external environment; consequently, olfaction and taste processes are often found to be impacted by low-level environmental contaminants.

Given the ocean is a complex chemical milieu, marine animals are faced with the problem of having to detect behaviorally relevant chemicals against a background of environmental chemical noise.

I recently found that the California spiny lobster, *Panulirus interruptus*, detects chemical feeding attractants in concentrations that are only less than one percent greater than concentrations actually maintained in seawater. In this ability, the nose of an animal like the spiny lobster is superior to that of any terrestrial animal.

Perhaps more importantly, I have recently identified both inorganic and organic substances that inhibit lobster and crab feeding. A manuscript detailing some of these results has been published in the *Biological Bulletin* and has already been submitted as evidence to
I would like you to know that I am not alone in these observations; several other investigators, particularly Dr. Barry Ache of the University of Florida, Dr. Charles Derby of Georgia State University, Dr. Jelle Atema of the Marine Biological Laboratory at Woods Hole have attained similar findings for a variety of marine animals.

One identified inhibitor is ammonia. This substance retards feeding by California spiny lobsters at concentrations just one-and-a-half times ambient levels in seawater. Ammonia is a major constituent of processed water and of produced water created during gas treatment.

ARCO has proposed, as one of its alternatives, although unlikely as it is, to release produced water from its Las Flores Canyon refinery to the ocean via an outfall. The volume of this discharge is projected to be a staggering 6,000,000 liters per day, with ammonia being a predominant constituent.

Even accounting for the Environmental Protection Agency's plume dilution model, released ammonia will be substantially higher than that proven to suppress lobster feeding.

However, the important point is not that ammonia acts as an inhibitor, but rather, that investigators such
as Professor Case, Daniel Morse and myself at UC Santa Barbara have just developed the analytical tools which allow us to define the role of chemoreception, of olfaction and taste, in natural marine habitats. The Coal Oil Point EIR/EIS does not properly address sublethal effects caused by subtle changes in seawater chemistry associated with offshore drilling. Such effects will undoubtedly impact the fitness of marine organisms with implications to their commercial fisheries.

Current standards for environmental pollutants are based mostly on short-term assays with crude end points, usually death. This is insufficient, of course, when considering the fine-tuning of physiological and behavioral processes of marine animals.

This brings me to a second major point, namely, the paucity of data on pollutant toxicities to local marine animals. Recently I directed an investigation of toxicities of eleven metals found in drilling muds to embroys of the yellow crab, Cancer anthonyi. A manuscript based on the study has been submitted to the Journal of Marine Biology for peer review, and I previously submitted a copy to State Lands as evidence.

The yellow crab is the largest contributor to a local fishery in Santa Barbara County. This crab inhabits areas of hard and soft bottoms to about 100 meters
depth and its distribution overlaps significantly with
the region proposed by ARCO for offshore drilling.

To my surprise, our study was the first to investi-
gate effects on the embryos of a west coast crab and it
was the first to identify the effects of metals on a life
history stage specifically of the yellow crab.

I ask the commission: How can the impact of
offshore oil drilling be fairly assessed by the Coal Oil
Point EIR/EIS in an absence of relevant data on affected
species?

Simply stated, it can't. We found mercury,
chromium, cadmium and manganese to cause significant embryo
mortalities at concentrations less than 10 parts per billion,
the lowest concentration tested. We further found iron
to retard embryo metamorphosis and larval hatching at one
to ten parts per million, a concentration which could occur
in saturated interstitial waters at sites near oil production
platforms.

Our demonstration of iron effects is important,
because low-level iron has previously not been considered
lethal to marine organisms.

In closing, I would like to reiterate an essential
point; namely, the Coal Oil Point EIR/EIS only guesses
at many of the impacts to be caused by offshore oil drilling.
The EIR fails to consider the legitimate concerns of local
commercial fisheries. There is insufficient data to state what cumulative long-term effects might result from seemingly minor perturbations of the marine environment.

Therefore, I ask the State of California to proceed cautiously and without naivety in interpreting the EIR, and for the state to recognize that data is often lacking for the conclusions and assertions made.

Based on these reasons, I recommend that the Coal Oil Point EIR not be certified at the present time.

Thank you.

CHAIRMAN MC CARTHY: Thank you.

Professor Raymond Sawyer, UCSB Academic Senate, Department of Physics. Welcome, Professor Sawyer.

MR. SAWYER: Thank you.

My name is Raymond Sawyer. I testified at the January 13th hearing, as you may remember. At this hearing, I am representing the UCSB Academic Senate.

As part of the senate's contribution at the January 28th hearing, my colleague, Professor David Gebhard of the UCSB faculty, testified as to the visual effect of Platform Holly, particularly as they impact UCSB.

In Exhibit D, attached to the announcement of this meeting, there appeared a criticism of some slides shown by Dr. Gebhard portrays Platform Heron against several backgrounds. In particular, it is alleged that
Heron is mislocated, and exaggerated in size on these slides.

I should ask you to bear with me in a conclusive demonstration that this is not the case. Let me emphasize first though that I am going to talk about more than how things look.

First, I would like to correct the record as to it pertains to at least one of these slides, which I hope that I have here, and you can see it. The last time we did a lot of dimming of lights, but I think everybody can see the--

CHAIRMAN MC CARthy: Professor Sawyer, if it is at all relevant, whoever is claiming the slides that we saw at the previous meeting were distorted has not gotten back to either Commissioner Ordway or myself.

MR. SAWYER: It is in the call to this meeting.

CHAIRMAN MC CARthy: That the slides are distorted?

MR. SAWYER: Yes. I will quote, later on in what I am reading--

CHAIRMAN MC CARthy: That's fine.

MR. SAWYER: --I will quote from the document that you have at hand, on page 45, and on page--yes, on page 45.

Well, let me show this slide of a simulation of Platform Heron as seen from Goleta Beach Park, as a prime example. Before addressing the details, I should
say that although Professor Gebhard is an acknowledged expert and experienced expert witness in aesthetic matters, I am a rank amateur on photographic matters.

However, I do know how to determine the size of an image on the focal plane of a camera lens. The answer for the image of a distant object, with a small angular size is the length of the image is equal to the length of the object, divided by the distance to the object times the focal length of the lens.

CHAIRMAN MC CARTHY: Would you turn down the lights, whoever is in control?

Thank you, very much.

Now, one final shot, thank you.

MR. SAWYER: I will give you the slide afterwards.

Now, I can hardly read what I am--

CHAIRMAN MC CARTHY: Does anybody have a pocket flashlight?

MR. SAWYER: It is all right, it is all right, just bear with me.

Platform Heron would be situation roughly 17,000 feet from Goleta Beach Park. The platform that is pictured here is the single platform alternative, which would rise 295 feet above the water, according to the EIR.

The 35-millimeter background picture was taken using a zoom lens, set at 120 millimeters focal length.
The size of our ghost platform on the photograph itself, therefore, is given by 295 divided by 17,000, times 120 millimeters, equals almost exactly two millimeters.

The line drawing from the EIR was photographed, reduced to a two millimeter height on a transparency, and then affixed to the slide.

Now, each of you in this room can confirm for yourselves the general correctness of the scales in the picture which you see before you now, using the following data—and, I am going to give you a lot simpler way of seeing this.

The distance from Goleta Beach Park to Heron—that is from where we are standing here to Heron—is three and a quarter miles. This distance from Goleta Beach Park to Campus Point—actually called Goleta Point on the USGS map—is 1.25 miles. Campus Point is the obvious point to the right of the platform in the picture, so it is 3.25 miles to the platform, 1.25 miles to the point.

The elevation of the bluff at Campus Point, at a maximum it is 45 feet, in fact, it is probably less than 40 feet. The USGS bench mark out there is at 38 feet. You can find it on the topo map, so it is 45 feet high—that bluff on the right.

The height of Heron is 295 feet, so I hope that everybody has the picture. Heron is almost three times
as far away. It is more than six times as high, therefore it extends well above the intervening bluff.

The conclusion which you reach, using simply proportionality, is that Heron should appear to be 2.6 times as high as the bluff.

I have no idea what to make of the following remark, on page 45 of the staff report:

"In fact, the distance between the campus lagoon viewpoint, and Platform Holly, is nearly identical to the distance between the proposed location for Platform Heron, and the Goleta Beach Viewpoint that must have been used for the first photo simulation presented by Professor Gebhard; thus, even if Platform Heron could be seen along with Goleta Point in that view, it would not appear as large as the platform image in Professor Gebhard's simulation. Rather, it would appear to be of the same relative scale as the simulation presented in Figure 4.3-7...."

A parenthetical remark following that, and then end of quote.

It doesn't get any clearer upon rereading, but it is perfectly clear that the argument is based on comparing
picture with another one, and neither picture having a common element.

Of course, by the miracle of enlargement, you can make a platform appear as large as you want to. The point of this particular view, is that it shows what, to the people that live here, is a very familiar view of the university from Goleta Beach Park, from which you set your scale of what is really going on, and it presents the platform in correct perspective.

Nor, do I agree with the statement on the next page, "The visual simulations presented by Professor Gebhard and propted to be of Platform Heron could not, in fact, be of that platform. The location on Goleta Beach, relative to Goleta Point, from which the first photographic simulation must have been taken, is too far to the east for both the proposed platform and Goleta Point to be visible in the same frame." End of quote.

I have a little explanation here, which may or may not be to the point. I was going to bring along a map to give to the State Lands to show what a line drawn from Heron through Goleta Point to Goleta Beach did, but you have got it right over there on that picture. [Indicating to an ARCO map on the wall.]

Clearly, if you draw from Platform Heron through Goleta Point, you hit--and I still can quite see it--you
hit Goleta Beach Park a little bit to the east of the intersection with UCSB; therefore, from some points in Goleta Beach Park, the platform will actually be a little bit behind the point, from most points it will stand a little ways out into the ocean.

No, I can't guarantee that the gap between the well and the bluff couldn't be twice what is shown there, but until you say exactly what the viewpoint on Goleta Beach is, there is no way in which your people could do that analysis.

In fact, the picture was taken from just east of the restaurant--from just west of the restaurant on Goleta Beach Park, and I believe it is fairly accurate from that point.

If the point of the comment was that Heron might hide behind the bluff, then of course, looking at the picture there, that is a ridiculous assumption. It is so much higher than the bluff, itself.

The slide it important in a way--it is important beyond the question of how this one view appears. It is important in the way in which it underscores the proximity of Heron to the campus, a proximity which carries other threats than that of a spoiled view.

Leaving aside the very serious threats to marine research, there are several threats to the welfare of
all of the residents, users, and employees, in the immediate area. These include the possibilities of more oil in the water, chronically, even if there are no catastrophes, the certainty of local air quality deterioration, and the ever presence, if unlikely, possibilities of disastrous accidents.

It is for good reason that the faculty and students at UCSB perceive a real threat to the future well being of the campus.

CHAIRMAN MC CARTHY: Professor?

MR. SAWYER: Yes.

CHAIRMAN MC CARTHY: I think we can turn the lights back on, all right?

MR. SAWYER: Surely, that would be a great help to me.

CHAIRMAN MC CARTHY: Thank you.

Please proceed.

MR. SAWYER: It is in this context of a spoiled environment and environmental risks that Platform Heron could become a particularly unpleasant campus symbol.

In my testimony before this Commission at the January 13 hearing, I discussed the potential impacts of Heron on the recruiting of the best faculty, and students—this time speaking as the most expert of witnesses. At the January 28 hearing, Professors Gunn and Srednicki testified...
as recent recruitees, to some of the same points.

I was disappointed that the final Comments to
Response document does not take cognizance of this testimony,
if only to say that these impacts may be serious, but they
are unmitigable.

The problem is that the worst impacts of exploiting
the Heron oil field are unmitigable, at least within the
constraints of the present development plan and technology.

I therefore ask the State Lands Commission to
delete Heron from the project, if the remainder of project
is to be granted. The exploitation of the Heron reserves
can wait until such time that economic conditions and available
technology together allow the profitable extraction of
the resource without inflicting damage on the community.

Surely the company can be treated fairly by allowing
it to continue leasing Tracts 308 and 309 for a decade
or two more, at the present nominal rates, in the expectation
of future opportunities for development.

Thank you.

CHAIRMAN MC CARTHY: Thank you.
Professor Galen Stucky, Professor of Chemistry
at UCSB. Did I pronounce the first name correctly, professor?

MR. STUCKY: It is Galen.

CHAIRMAN MC CARTHY: Galen. Thank you.

MR. STUCKY: I only have a brief comment.
CHAIRMAN MC CARTHY: All right.

MR. STUCKY: I am one of the recent recruited faculty. I am in the Department of Chemistry at the university. I came from DuPont to the west coast about a year ago.

And, certainly, one of the major factors which has made UCSB very attractive has been its surroundings, and its environment. And in terms of the people that can be recruited to this university for their capabilities, and backgrounds, and also for example the Theoretical Institute in the Physics Department, I think something like this would be very detrimental, and would harm the technological basis of this community.

CHAIRMAN MC CARTHY: Thank you very much.

Carolyn Leavens, representing herself.

Ms. Leavens.

MS. LEAVENS: Good morning, I bring you greetings from California Women for Agriculture.

I believe that you and I participated in a cow milking contest a couple of years ago?

CHAIRMAN MC CARTHY: Oh!

COMMISSIONER DAVIS: Can we hear a little bit more about that!

CHAIRMAN MC CARTHY: My performance was so absymal that day that I blocked it out of my mind.

MS. LEAVENS: So was mine, that's okay.
COMMISSIONER DAVIS: Maybe we could have a brief summary?

MS. LEAVENS: Nice to see you again. Thank you for the opportunity to address the issues of the ARCO's offshore project request at Coal Oil Point.

My name is Carolyn Leavens, and I am part of a four-generation farm family in Ventura County. I speak as a farmer and as a consumer. As a farmer, concerned both for the needs of our industry in the economy of the state, I recognize our tremendous dependence on the petroleum industry. Our needs are not just for the fuel to run our farm machinery, but also fuel to pump our water, as well as all of the petroleum base products that we use to grow and protect our crops.

We add to that, transportation fuel to market places here and around the world, and you can see oil to be as important to us as water, and to you, as consumers dependent on us for food.

What difference does this make to the issue at hand? We believe it to be of the greatest urgency that we not allow ourselves to be further dependent on offshore producers for fuel. We saw the results of fuel dependency in the '70s and we are rapidly becoming far more vulnerable to those overseas sources, than we ought to be.
Further delays in this project might well be worthy of consideration if the majority of our citizens were willing to give up our present standard of living, and assume the personal costs of using less petroleum based products; however, it would mean returning to some other means of transportation than the automobile, houses built without plastic pipes, electrical insulation, flooring, kitchen appliances, energy to produce nearly everything else used, a myriad of industrial uses, plastic bags in their endless variety, the majority of our clothing, medical equipment and appliances, the list is endless.

We are not willing to give those things up. Some people want it both ways, and that is not realistic.

In short, we live in a technological world today. To enjoy the lifestyle that it affords us we have to make some tradeoffs. When opponents of offshore drilling are ready to give up the perks that petroleum gives them, then let's hear more about future delays.

I believe the Class 1 visual impacts attributable to offshore—or excuse me. There is another paragraph I want there.

We have had a family beach cottage on the Rincon for nearly 60 years, and we find the twinkling lights, and occasional flares from the drilling platforms, an interesting addition to our seascape. That's true. My fisherman husband
is especially delighted with the enhanced fishing production that is a by-product of those platforms' presence. We have always had some oil seepage along that coast, and I think we find less tar on the beach now, now that the drilling is taking some of the pressure off of those seeps.

I believe that the Class 1 visual impact attributed to offshore platforms are overstated in the EIR. In my opinion, there is an overriding need to develop this important natural resource, and to forego its development would be a grave mistake, one for which we will pay a premium price in the future.

I realize that there is disagreement with my view on this issue; however, it is not the job of the EIR to resolve these differences, but to:

"Provide decision makers with information which enables them to make the decision which intelligently takes account of environmental consequences."

Your staff has found the EIR to be in compliance with the mandates of CEQA, and they have recommended that you act to certify the document.

I request that you accept this recommendation, and allow the permitting process to proceed.

Mr. Chairman, please consider seriously both the risks and the benefits of this proposed project.
Thank you very much.
CHAIRMAN MC CARTHY: Thank you.

Richard L. Ranger, Regulatory and Permitting Director, ARCO Oil and Gas Company.

Mr. Ranger, welcome back.

MR. RANGER: Thank you, sir.

By the way, don't fear this big binder. I am not reading the whole thing. Most of it is your calendar item.

I would like to hand out a couple of copies of my statement, on behalf of ARCO Oil and Gas Company, or the record.

Members of the State Lands Commission. ARCO's remarks today will be brief. The issue before you today is whether to certify the Environmental Impact Report, which has been prepared under the direction of your Commission and the member agencies of the Joint Review Panel, for the Coal Oil Point project.

We agree with the statements in the calendar item Commission staff have prepared, that certification is in effect a judgment that the Environmental Impact Report contains enough information to enable your Commission, and the other agencies who will use this document, to make sound and reasonable decisions on ARCO's Coal Oil Point application--and I might say plural, because the agencies
certainly are plural.

We agree with the conclusions in the calendar item that the Environmental Impact Report meets this test and urge that it be certified.

The Environmental Impact Report represents a three-year effort of detailed review by the staff of the State Lands Commission, Santa Barbara County, the Governor's Office of Offshore Development, and other agencies, state, federal, and local.

As a task force member and trustee agency, the University of California at Santa Barbara contributed its effort and expertise to the analysis contained in this document.

I listened with interest to the Chancellor's remarks about the adequacy of their involvement. I can't speak to the opinion that he holds, but I do know—and I believe that he will admit—ARCO has met directly at a variety of levels with staff, faculty, and administration of the University of California at Santa Barbara throughout this three-year process.

Numerous consultants in many areas of science, risk analysis, engineering, and other fields, were retained by the Joint Review Panel to address special issues raised by ARCO's application.

ARCO has cooperated fully with the consultant
and the Joint Review Panel throughout this process, in fact, on several occasions during the past three years, ARCO has modified its project description and application at the urging of members agencies of the Joint Review Panel, while the environmental review of the project was underway.

Our dialogue with staffs of the agencies and the university has taken place at a variety of levels. We have shared with them the intent that this Environmental Impact Report be an adequate and complete review of our project application, and the environment in which we have found this resource, so that your Commission and other agencies from whom we must seek permits, may make intelligent and prudent decisions concerning our application.

The calendar item that your staff has prepared shows that every issue raised at the hearings you have held here in Santa Barbara is addressed in the Environmental Impact Report. At other hearings before your Commission, and other agencies, decision makers such as yourselves, will determine how to resolve these issues.

The task for this hearing is to determine whether adequate information exists, for such future decisions to be made. ARCO believes that you can answer, "Yes," to that question with confidence, and urges that you certify that this Environmental Impact Report has been completed in accordance with state law and guidelines and your Commission's
own regulations.

If the Commission would permit, I would like to introduce Thalia Gelbs, our air quality engineer, who will speak briefly to the issue of air quality—

CHAIRMAN MC CARTHY: Certainly.

MR. RANGER: —in connection with our project.

CHAIRMAN MC CARTHY: Any questions by members of the Commission?

[No response.]

Thank you.

Ms. Gelbs.

MS. GELBS: Good morning Commissioners.

I am Thalia Gelbs with ARCO Oil and Gas Company.

I would like to address the EIR's air quality findings and the air permitting process conducted under the authority given the Santa Barbara Air Pollution Control District.

The EIR contains a thorough and extremely conservative analyses of the project's potential air quality impacts.

Class 1 impacts described in the EIR were based upon predicted exceedances of air quality standards.

A Class 1 impact is defined as a significant impact, not mitigable, to insignificant levels; however, to receive a permit from the Santa Barbara Air Pollution Control District, air impacts must be mitigated. If there is a project there can not be Class 1 air impacts, in fact,
as the staff report states on page 12:

"Under the regulations for the Santa Barbara County Air Pollution Control District, the permitting agency for air quality, a net air quality benefit to the area must be shown, or the project will not be approved."

The EIR, as it exists, is a very useful planning tool. We have implemented many of the suggested mitigation strategies while preparing the Coal Oil Point application for an air quality permit, which is an Authority to Construct permit, or ATC.

We are confident that we can meet the criteria established in the Santa Barbara Air Pollution Control District's rules and regulations for issuance of an air permit.

The first criterion is to minimize emissions through implementation of best available control technologies. ARCO also recognizes Santa Barbara County's Interim Control Strategies document, and has implemented those strategies as applicable, thus the actual project emission values will be significantly less than the emission values stated in the EIR.

The EIR described a project with annual emissions of 906 tons per year of total hydrocarbons. The ATC value
is 420 tons per year. The EIR analyzed impacts from 581
tons per year of nitrogen oxides, while the ATC value is
188 tons per year of nitrogen oxides. Application of appropriate
control strategies will achieve minimization of emissions.

The second criterion for an air permit is that
the National Ambient Air Quality Standards will not be
exceeded. An air quality impact analyses will be performed
during the ATC review process, using EPA approved modeling
methodology. The entire area, which could potentially
be impacted to an EPA's significance level, will be analyzed.
Maximum, monitored, baseline pollutant values will be added
to the maximum predicted project-caused concentrations.
That composite pollutant value must not exceed the established
air quality standard for the particular pollutant. With
the mitigated emission levels in the ATC, this second criterion
can be met.

The third criterion is the requirement to provide
enough offsets for the project emissions to guarantee an
net air quality benefit. The southern portion of Santa
Barbara County is presently designated a "non-attainment
area" for ozone. ARCO will be required to offset both
nitrogen oxides, or NO\textsubscript{x}, and reactive hydrocarbons, referred
to as RHC, because these are ozone precursors.

Under the Santa Barbara Air Pollution Control
District's New Source Review rule, we must offset our NO\textsubscript{x}
and RHC emissions by a ratio of at least 1.2:1. In other words, we must remove 120 tons per year of existing emissions for every 100 tons per year our project emissions add.

The EIR identified potential sources of emission offsets for the Coal Oil Point project, including shutdown of the Ellwood Marine Terminal, removal of gas processing from Ellwood, and the seep containment device. ARCO has identified several other potential sources in the Coal Oil Point ATC application. The offset amounts identified exceed the project emissions as required.

It is extremely important to note that while the EIR recognized the offsetting requirements, offsets were not used in the ozone analysis modeling. This is standard practice and represents a highly conservative approach to predicting the Coal Oil project's impacts; however, the EIR sought to look at the project related and cumulative impacts in the year 1993. Emissions associated with all planned, or potentially foreseeable projects, were recognized, but offsets or emission reductions were not applied to these projects either. Thus, the ozone modeling results represent a worst case, which cannot occur under existing law.

Again, offsets do not represent an equivalency but a genuine improvement of the existing air quality. Permitting of Coal Oil Point must, by law, result in a
reduction of emissions and a positive effect on air quality.

Thank you.

CHAIRMAN MC CARTHY: Thank you.

Any questions of Ms. Gelbs from the Commission?

[No response.]

Thank you very much.

W. W. Hewston, CEO of the Measurement and Control Engineering Company.

MR. HEWSTON: That's Hewston, Mr. Chairman, thank you.

CHAIRMAN MC CARTHY: Thank you.

MR. HEWSTON: Thank you for the opportunity to speak with you today.

My name is Bill Hewston, and I am a 50-year resident of this coastal area, specifically Ventura. I will keep my remarks very brief.

As a member of the tri-county business community, I believe that it has been adequately stated that ARCO Coal Oil Point project will have a significant, positive, economic impact to the local tri-country's area, not only this area, but the State of California, probably the university system, and certainly of major importance to our national security.

After reviewing the EIR, and the thousands of comments received, your staff has recommended that this
document be certified. I believe this certification to be in the best interest for all concerned. I realize that with any project of this nature, and its resulting EIR, that there is bound to be disagreement regarding both its contents and interpretation; however, I believe the document represents a good faith effort by all concerned, to objectively present the facts.

Therefore, by certifying this EIR, you will provide ample opportunity to debate the merits of the project during subsequent permit hearings, not only before this Commission, but the City and County of Santa Barbara, and the Coastal Commission.

Realizing that an EIR will never be perfect, I urge you not to delay further the certification, accept staff's recommendations, certify the EIR, and allow the project to move forward. It is time that the few allow our state's resources to provide for the many, both energy wise, and monetarily.

Thank you.

CHAIRMAN MC CArTHY: Thank you very much.

Ruth Saadi, vice President, League of Women Voters.

Did I do the pronunciation justice, Ms. Saadi?

MS. SAADI: Oh, that's fine.

Okay, the League again thanks you for holding
a hearing in Santa Barbara. Thank you also for a staff report before the hearing.

We have reviewed the staff report, particularly the calendar item, and Exhibit D, and we have also restudied pertinent sections of the FEIR and certain sections of CEQA.

We had a neatly prepared report, or statement, for you, but some funny things happened to it on the way to the podium.

First, though, we would like to comment about the environmentally preferable alternative. Staff's responses to public comments do not provide the documenting data missing from the draft EIR. To reiterate League comments submitted January 28, the EIR does not adequately address the environmental implications of the so-called environmentally preferable alternative.

Today the League is especially concerned about the calendar item's treatment of offshore processing. First the calendar fails to identify offshore processing as one of the critical environmental issues emerging from public comment. Certainly, it was pinpointed as a major concern by the county, and by several other groups, of course including the League, at the January 28th hearing, and also in writing, et cetera.

Offshore processing is just not in this county's
interest. More to the point, the calendar's single-minded focus on the environmentally preferable alternative is in effect to rewrite the CEQA Section 15126(D)-2. The League submits that CEQA's mandate in that section, that quote:

"The EIR shall also identify an environmentally superior alternative among the other alternatives."

Unquote, pieced together from tidbits of--is not fulfilled by substituting--sorry--is not fulfilled by substituting an alternative pieced together from tidbits of the project's several components, and not adequately addressed in the EIR.

This State Lands Commission's interpretation of CEQA--or reinterpretation--would establish in code a state policy that endorses, even enshrines, offshore processing as a feasible and viable option, and sanctifies it by certifying it as environmentally preferable.

It plainly is not environmentally preferable, and should not be put in place as a policy, especially in such a convoluted manner.

Now, to our second point, which is on cumulative impacts, about which, of course, you have heard a great deal.

The League takes issue with staff's spatial conclusion
that the $4.5+ million EIR/EIS provides a state of the art cumulative impact analysis. Data presented in Section 7 are admittedly impressive, but they represent some 20 to 21 tightly compartmentalized analyses, by almost as many disciplines.

Didn't the consultants preparing these discreet analyses ever sit down together to compare notes? To discuss findings? To arrive at consensus on cumulative--cumulative impact?

Also, the cum impact tables on second and third reads prove to be as incomplete, non-understandable, as they were the first time around.

Several issue areas are not even addressed in these tables, for example, air quality. The League noted this morning, the comments made on cumulative impacts, especially those by Mr. Davis, and we can only concur. We have been a broken record for three years on this subject.

We have another comment, and that's on commingling, very briefly. The League is concerned that commingling is not included in the calendar's list of critical, environmental issues. Why not? Certainly, it was included in many comments.

All right, in closing then, the League submits that the EIR is not certifiable at this time, for the three noted that we have already given, and also for these reasons and others spelled out in the statement made by the Chairman
of the Santa Barbara County Board of Supervisors. The
League concurs in that statement, and thank you again for
this opportunity.

CHAIRMAN MC CARTHY: Thank you very much.

Mr. Robert Sollen, Offshore Oil Policy Coordinator
for the Sierra Club, Las Padres Chapter.

Mr. Sollen.

MR. SOLLEN: Mr. Chairman, members of the Commission,
we object to certification of the impact report at this
time, for all of the reasons that you have heard from the
county, the university, and other people who have testified
this morning.

The rational for including the consultant's
environmentally preferable alternative in the report, becomes
more bizarre with each hearing.

The latest staff report said that just because
it is listed as the environmentally preferable alternative
doesn't mean that anyone prefers it. It got its designation
all by itself, under state law, and you have just heard
Ruth Saadi comment on that.

The staff report says that Santa Barbara County
has gone so far as to mistake the preferable alternative
for a recommended alternative. The "preferred" alternative
is not recommended, the staff advises us, and just because
an alternative is listed as environmentally preferable
in the report issued by the state and the county, doesn't mean that the state or the county prefer it. That is what the report says.

Nor, is the environmentally preferable alternative to be confused with the environmentally superior alternative, which is the no-project alternative. In the event that no project looks like the superior alternative, state law requires that another superior alternative be selected from among the alternatives, the other alternatives.

Now, is there any reason for confusion!

The staff report also insists that this is not a new alternative. It says that the elements of the alternative, "were combined to form a complete project alternative," end quote.

The staff or the consultant, or somebody, simply picked up pieces from a number of other alternatives and created a new alternative and called it "preferable." But, these elements in a wholly new context, and entirely new arrangement, were never analyzed as a project.

If I understand the motion you adopted this morning, the environmental preferable alternative will remain in the report, but will not be considered by the Commission in its decision making.

I am not sure of the legal ramifications of that, but it drove the Commission to an executive session this
morning, but I think the policy ramifications as Naomi Schwartz testified are enormously important.

A certified EIR is a certified EIR, and however it is used in this project, it can be picked up in subsequent projects, particularly in state offshore leasing and development, and referred to as the "environmentally preferred project," and when that includes offshore processing, the implications are serious, but enough on that.

Atlantic Richfield has indicated that it would be willing to phase in its project, beginning with Platform Heron, but that is the platform that is causing all of the opposition. It has been suggested that ARCO start with the other two platforms, but the company says there is too much uncertainty about the fields where these two platforms would operate. It is certain about the commercial viability only of the Platform Heron field. Might I suggest that if ARCO doesn't know what it thinks it should know about two of the three fields it intends to exploit, its application for this project is premature.

Now back to drilling muds, one of my favorite subjects. Staff still assures us that the drilling mud discharges are no problem because, "Ocean discharge of drilling muds would be prohibited at the platforms."

It assured us earlier that this issue was settled in the draft EIR. There is no such assurance in the draft EIR.
That report talks about dumping drilling muds.

Then, we were told, "Well, the final impact report settled the issue." And, this is not true. That report, the final report, says instead that the disposition of drilling muds is yet to be decided.

Now, we are told, in the current staff report, that, "ARCO has amended its project description to provide for the hauling of muds and cuttings away from the Heron site."

That still leaves two platforms from which the method of drilling, drilling mud disposition, is yet unsettled.

These are just a few of the many environmental issues not adequately dealt with in the impact report, and you have heard testimony on many of the others.

In view of the county's testimony this morning, it would seem irresponsible to certify the report, particularly when one of the three members of the Joint Review Panel says the report is seriously deficient.

Thank you very much.

CHAIRMAN MC CARY: Thank you.

We will call upon one final witness now, before we take a break for lunch, and to make sure that you all know the schedule, we will reconvene at 2:00 o'clock, and we will stay as long as we need, and there are a lot of witnesses yet to be heard, and we want to indicate to all
of them that they certainly will be heard.

I want to ask Mr. Tracy Costello to come forward.

Mr. Costello.

MR. COSTELLO: Good afternoon, ladies and gentlemen.

I am pretty young, 27 years old. I have lived in Santa Barbara since '66. Let's see, I've seen a variety of things go on, the oil spill? Yeah. Nothing--well, a lot people don't remember the oil spill, but I am not here to argue about whether we should have oil or not.

I think that what is at issue here, the federal government has leased property--leased--you know, and the state government also has an area to do so, and if we allow ourselves to--the no-project alternative, that might--I don't know. I guess that I won't say anything more about that. It makes me shake to think of people saying this.

What we are dealing with is funds for the state. A lot of people have come in here from the university. They are all on a payroll right now, and--well, I would like to make this quick.

Okay, undoubtedly production from state tidelands will be a necessary source of revenue to the state. It is economically necessary to accurately measure the production.

Something they have talked quite a bit about measuring it, different products, different consistencies, it has got to measure for accurate compensation. Let's see.
The objective is to measure it according to its individual constituents, as you know, and I am sure you well know about the different constituents of oil products.

I would like to remind you that the Santa Barbara County Board of Supervisors--at the insistence of Bob or Bill Wallace--denied permits for an air quality monitoring station in the area near the Exxon project, basically because it was too tall. Well, in order to get up in the air to measure the pollutants, which supposedly they are concerned about--the oil companies proposed the monitoring station--that was simply flat denied. Why? This is just an example of their ambiguity.

Let's see. Respected University of California? They are fully on the receiving end of state revenue. They are coming down here on state time, to figure out a way to circumvent funds from going into the state. I don't know. Revenues for the state seem to be their nemesis.

Well, what they are saying is they don't want this project to move forward, no matter what the state of it. This is simple obstructionism. It wouldn't matter how much something is scaled down, it is still going to exist. Why do something half way?

The object is to get something going, so money can flow, people are employed.

Maybe I might bring to mind Kern County. There
are a number of people over there. The oil production really matters to the people there. That is how they earn their living. Forty percent unemployment, and any of them could come down here and they wouldn't be speaking to you in the tone that I am speaking to you in.

Let's see. Anyway, they are all in a state, parallel, and we are talking about the University of California. The University of California has caused a lot of problems for this area. Among them, that whole area, Goleta, California, the water moratorium, no new housing, because why? Because young people that are in a few years, and then they are gone, and there is no housing, and these people, Bill Wallace, and them, everywhere you go, they talk about affordable housing.

The State Legislature passed a resolution enabling counties to provide 50 percent affordable housing. For some reason they don't want that. They say they don't serve big land developers. They say they don't serve big landlords. They are doing nothing but serving them.

They are cutting us down to existing things that were built long ago, and there is no new nothing. And, these people, they will be screaming about how prices are, yet for some reason they are able to be down here, and say, "Let's not get going."

I am sorry to have taken so much time. I just
think that this bit about motering, taxes, we are no where.
Obstructionism gets you no where.

CHAIRMAN MC CARTHY: Thank you very much.
Let me make one announcement, before we break up.

UNIDENTIFIED SPEAKER: Would you be willing to take one more speaker? Because I have an appointment at 3:00 p.m. I would like to see the rest of the proceedings, but I won't be able to come back and I would like to--

CHAIRMAN MC CARTHY: Well, I was just about to announce that the rest of the proceedings will be seen on Channels 18, 21, and 22, starting at 7:00 a.m. Thursday morning, March 12, until the end of the proceedings, for any of you who may want to watch them.

UNIDENTIFIED SPEAKER: Could I make my comments now?

CHAIRMAN MC CARTHY: Well, there are about 18 more people who would like to testify--

UNIDENTIFIED SPEAKER: I realize that.
CHAIRMAN MC CARTHY: --and not stick around, too.

UNIDENTIFIED SPEAKER: Okay.
CHAIRMAN MC CARTHY: Thank you.
All right, we will be back at 2:00 p.m.

Recess: 12:00 p.m. - 2:00 p.m.
COMMISSIONER DAVIS: The quorum of the commission being present, we'll begin taking testimony this afternoon. I would like to observe until Leo gets back that if possible, Commissioners Ordway and myself would like to begin deliberations on the matter before us today no later than 4:00 o'clock.

We have 28 witnesses that want to testify and we will hear each and every one, but I would urge you not to be repetitive and only bring to this board information or insights not previously manifested in earlier testimony.

So with that, we'll begin with Helen Conway.

MS. CONWAY: Good afternoon. I hope this will be an insight, and it's the feelings of a person living in Isla Vista.

My name is Mrs. E. S. Conway. My address, 925 Camino Lindo. My husband and I moved from Los Angeles area because we felt the Santa Barbara area was reasonably pollution-free. We worked practically all our lives and our home represents our savings. We are three blocks from the water and one block from Camino Corto. If ARCO succeeds in industrializing the Santa Barbara channel and erecting Heron two miles offshore, we might as well have invested $170,000 in a home in the center of the City of Industry or alongside the Chicago stockyards.

I know what we can expect. For about two years
we lived in El Segundo near the Standard Oil plant. On summer nights I often closed the bedroom window to shut out the putrid odors.

I contacted the air pollution agency and was told they were not geared for night inspection.

For a time we lived in Manhattan Beach, a few miles away. After an accidental spill, Standard cleaned our car, along with many others, because washing didn't remove the spots.

When they had a fire, it was necessary to clean and paint several homes as well as clean cars.

I understand the government recognizes the many problems and inconveniences to which we local people will be subjected, and saw fit to give grants of $7 million to Santa Barbara and Ventura Counties. Of course, these grants represent taxpayer dollars.

I read with interest that Ventura County plans to spend these taxpayer dollars repairing and widening a road used extensively by oil company trucks.

Santa Barbara will probably have to spend the money trying to maintain safe air quality.

I cannot help but wonder whether five or ten years hence, we and our children will have serious health problems from poison chemicals spewed into the air only two miles offshore.

Priscilla Pike
Court Reporting Services
The oil companies have been waving our flag and
talking about national security. As far back as I can
remember, these patriots have done nothing to further
studies aimed at producing a cleaner, less expensive fuel.

In spite of their lack of concern, I read in
the paper as recently as last week that scientists predict
that within five or ten years we will have an alternative
energy source.

Mr. Hodel apparently feels that just a small
minority will be adversely affected. I was raised with
the belief that minorities had equal rights to life,
liberty and the pursuit of happiness. A great war was
fought to prove that the rights of minorities are not
expendable.

The message has not gotten through to Mr. Hodel,
nor to the huge, already fabulously wealthy oil conglomerates.
Our health is in danger, and the pursuit of happiness is
no longer open to us if they prevail.

Thank you for your time.

CHAIRMAN MCCARTHY: Thank you very much,

Mrs. Conway.

Mr. Robert Klausner, Chairperson of the Citizens
Planning Association Oil Committee. Mr. Klausner, welcome.

MR. KLAUSNER: Thank you, Commissioner McCarthy.

I have submitted some testimony for you and
I'd like to highlight only four or five points.

Earlier in the testimony, Richard Ranger was
good enough to describe what the purpose of the EIR is:

essentially, a document to enable you to make sound
decisions.

I would ask you whether you feel you have a document
that will enable you to make sound decisions in view of
the fact that one of the key elements of the document is
supposed to be an environmentally preferred alternative
which you, as well as we, can piggyback off of to determine
how best to resolve the issues here at hand.

I found this response on the part of staff
offensive. My notes here say "garbage." And I use the
term advisedly. This is an excuse for a response.

It in no way covers the intent of CEQA. It is meant to
cover somebody's tracks, to prove that what is being done
here is legal. It is an interpretation which we would
find totally unsatisfactory, and is not the kind of thing
we are used to in Santa Barbara. We have been through
quite a few of these things before, and never have we had
one that came up like this.

If CEQA meant to put in an environmentally
preferable alternative for the purpose of saying we have
covered our tracks, don't pay any attention to it, I'm
sure those legislators would have so stated. The reason
for having that environmentally preferrable alternative
is to give you something that you can dig your teeth into
if you're not going to have the environmentally superior
alternative.

And certainly, based on what we have here, this
is not satisfactory. You've heard this not once, you've
heard it many times, and I would ask you to seriously
consider whether saying that you'll pay no attention to
it really covers the intent of the law.

The second thing I'd like to comment on is the
fact that although you came in here a couple of months
ago and we had high expectations that things were going
to happen, Mr. Davis gave some direction to staff, we find
it absolutely unfathomable how, after two months, we could
have accomplished so little. And I am beginning to think
that Commissioner Ordway's comments at that time, saying
there is no sense putting this off, we might just as well
get on with it, are now valid.

There is no sense in putting it off because we
haven't accomplished very much in two months. As far as
I know, there has been one meeting held by staff with the
county and the university, which are the two agencies which
are most directly impacted and most directly influencing
the decision-making when they have an opportunity.

There was one staff meeting where people came
up, technicians, and said in effect, you'll have to prove
to us that we should do something different tomorrow than
we've done yesterday because we're afraid that whatever we might
do, won't weather the test of being able to make sure
that the state gets their fair share of the take.

Well, every day since your last meeting, we have
been checking with the county, we check with the university
to see what action and interaction is happening, to get
something different from that EIR than what we had a couple
of months ago when you said, you know, we've seen it and
let's get on with it.

We haven't seen any real movement on this EIR,
on its adequacy, on any change at all of substance. A lot
of the answers to the questions that were posed that came
out finally were superficial answers, didn't really resolve
the issues, and you'll hear more testimony to specifics --
and we wonder what one has to do to get a document, after
spending over $4 million -- I feel sorry for ARCO. I think
they have been abused. We have been abused. To end up
after all this time with a document like this is absolutely
unacceptable.

Now, earlier in the day, I saw a press release
that was issued by Commissioner Davis, indicating that
based on the information he has received so far, he was
against the project; and also in that press release,
there was an indication that he had approved this EIR.

Now, my question is: Has anything happened here that you now have information that might change your mind? Because if it hasn't, what does it take to get people to respond to what we're talking about? We're serious about this. We take our responsibility of the process very seriously and we'd hate to think that in any manner, shape or form you have prejudged what you're going to do, because we don't think that this is the way to handle the process.

The process is the most important thing that we have to deal with here, so I kind of hope that somehow or other, after all this testimony you've received today, Commissioner, that you might reconsider whether or not you really believe this document is adequate.

The last thing I'd like to comment on is -- I missed this and I'm not sure that I got it straight.

We have requested that within the next 60 days, you make your move on this. We want this thing out of the way. We want it out of the way while school is in session, while the university professors are here, and we really want you folks here.

If you are going to make a decision that is going to impact our lives to the degree that this is going to impact our lives, we want to be able to look you in the eye and you look us in the eye and say, "We're doing
this because..." And we're not going to get that if you're doing that up in Sacramento, because all these people can't and won't go up to Sacramento, and one of the nice things that has happened, although we have not achieved our expectations is by virtue of the fact you put yourself out to come down here, at least you've seen and heard where we're coming from. You've heard responsible kind of input here.

And we want to have an opportunity, when we get a staff report, to be able to review that staff report and tell you what we really think.

Now, I heard the comment that because Commissioner Ordway will find it impossible to be down here within that time frame, and because the Commissioner has sat in on all of these hearings, that really the best way to get the best decision is to have it when the three of you can meet.

As far as I'm concerned, up till now, you haven't heard anything. You've heard comments about an EIR. Once that EIR is certified, then you are going to hear what we think the project should be.

We have taken no position yet. It's hard to take a position when you don't have an EIR that gives you enough information, despite the fact that it's yea high, $4 million in the hole.
And what we're suggesting is that three of you come down here at any time within the next two months so that we can tell you what we think and you can tell us what you think is the best way to balance the act here between the interests of ARCO and the interests of our community.

Thank you.

CHAIRMAN MC CARTHY: Commissioner Davis.

COMMISSIONER DAVIS: Yes. I want to respond at least in part to that portion of your remarks that were addressed to me.

I have indicated what my inclination to do on the EI -- what action I am likely to take on the EIR. That is based on the information available to me to date. Obviously I am going to withhold final action until everybody has had their say and the commissioners have discussed their relative positions.

So I think it's clear to understand -- I think it's important to understand that this process is complete after everybody has testified and the hearing has concluded, and then the commissioners make their arguments yea or nay.

I would also like to concur with your concern about not having another hearing here. You know, I think it's important -- I hope there is some way that my fellow
Commissioners can find that possible, if only on a fact-finding basis, so at the very least, we are aware of the concerns of the community. This is the community most affected by any decision to approve the project that might be forthcoming, and I would hope that there would be some mechanism constructed that could satisfy your concerns.

I personally think it is important, and hope there is some way that this Commission could conclude that that would be accomplished within the next 60 days.

CHAIRMAN MC CArTHY: Mr. C. B. Anderson of the Isla Vista Association. The president. Mr. Anderson.

MR. ANDERSON: Thank you, sir.

My name is C. B. Anderson. I've been a member of the chemistry faculty at UCSB for 25 years and have lived in Isla Vista for those 25 years.

Today I am speaking as a resident and as President of the Isla Vista Association, which is mostly homeowners.

I want to add some further comments on sulfur dioxide emissions, mostly -- this turns out to be quite a learning process; one learns about oil and all the complications.

Anyway, the EIR states that the compressors could be down 12 times a year and mechanically fail two times a year. Repair time is estimated as an hour. The EIR states that all three compressors would be out at the
same time only once a year for an hour.

This worst case results in flaring of one and a half million cubic feet of gas, producing somewhere around two tons of sulfur dioxide.

And this part we're in agreement -- the number, whether you give 10 or 20 percent really doesn't matter -- ARCO has told me that the number of upsets and their duration are overestimated in the EIR, but of course we're talking about the EIR today, and we don't really have time to evaluate ARCO's letters.

Nevertheless, the estimate of two tons of sulfur dioxide in one hour seems valid for the worst-case upset. The plume from the flare will have a concentration of $\text{SO}_2$ in the order of magnitude of 2,000 parts per million. The extent of the dilution of the plume is where we differ with the conclusions of the EIR.

In the EIR, it is stated that the footprint of the event will extent 5,280 feet from Platform Heron, and therefore, Isla Vista has no basis for concern. The number of significant figures in the number 5,280 indicates that the error is in the tens -- that is, it isn't more than a hundred feet one way or the other, which is obviously ridiculous.

To the contrary, I believe the number is actually one mile, and its error limits are at least a factor of
two or three, and probably -- probably not more than a factor of ten.

So what this calculation does is very crude; it estimates an order of magnitude. The order of magnitude then says that Isla Vista is very much in danger because one mile, plus or minus a factor of three, really includes Goleta.

Now, a 20-mile-an-hour wind, which isn't that unusual, would bring the plume from the flare onshore to Isla Vista in six minutes, and I doubt that the dilution will always be at least a factor of a thousand in so short a time.

An instance of an emission problem at UCSB a couple of years ago is one cause for my concern. A laboratory in a World War II barracks was using mercaptans and related compounds. It was a windy day with strong gusts. At a distance from the lab, about 200 feet, two persons personally known to me were hit by intense smells. One of these persons actually was ill enough to consult a physician.

The amounts of materials involved in this case were less than a gram. Now, bearing in mind that two tons is nearly a million grams, it seems quite possible that the sulfur dioxide might get to Isla Vista without being sufficiently diluted.
Another indication that the plume will not always
be dissipated in two miles is the fact that we can smell
the Ellwood Oil Terminal and it smells just about as bad
as it does sometimes on the Sandpiper Golf Course. We're
about in the same order of distance from the Ellwood Terminal.

If two tons were let loose in one hour, I think
we will smell it.

Another concern is that sulfur dioxide acts
synergistically with other pollutants, and harmful effects
are observed at levels much lower than for SO₂ alone.
This, I think, is not discussed in the EIR in a significant
way.

In fact, in 1952, London smog, which killed many
people, had only 1.7 parts per million SO₂. Data from the
National Air Pollution Control Administration says that
increased mortality from bronchitis and lung cancer is
observed at .04 parts per million sulfur dioxide when
accompanied by 160 micrograms per cubic meter of smoke.

At this level of SO₂ -- at the same level of SO₂
with ozone or nitrogen dioxide, plants are severely
affected on only four hours' exposure -- this is also from
the same document.

Furthermore, some kinds of particulates have
been shown to catalyze formation of sulfuric acid very
rapidly, in minutes, not in hours. The guy gives a reference
there as 1960. Aerosol particles are known to absorb
SO₂ and concentrate it. And small particles are deposited
deep in the lungs, carrying all of the things that are
absorbed on the particles along with them. And this is
more efficient than gases.

Such an effect has been recently discussed --
discovered in the California central valley fog, although
what they were analyzing there was pesticides. But anyway,
the effect is the same.

And the enormous amount of sulfur dioxide
emitted during the worst upset conditions, with the
considerable level of oxidants that are present in our
basin and with the very considerable amounts of suspended
solids present and with the fog moisture may very well
produce a killer smog. Like the London smog of 1952, it
may kill the old, the infirm, asthmatics, and those who
are specially sensitive. It won't kill all of us, of
course.

I state again that the problem with the Coal
Oil Point project is that it is too near a densely popu-
lated urban area. If the project is allowed at all, it
should have emission controls far beyond those required
in oil operations that are far from population centers.

Also, I think it is possible for the State Lands
Commission to get a separate -- a second opinion, and it
has been done in other places, to get second EIR's. And I think in this particular case, it might not be a bad idea.

I have also here some comments from a colleague who was not able to be here; they're to the -- slightly -- they're somewhat different, so I'll read the parts that are different.

This is from Mr. Lagerquist, who is a. engineer of some 25 years' experience.

The draft EIR presents unsubstantiated results from computer modeling as if they were facts. The pollution modeling methodologies are inadequately described in the EIR and are not accompanied by evidence of validation. Every modeling method can be characterized by assumptions, boundary conditions and limitations that affect its accuracy and its applicability in a given situation.

The limitations of the modeling methods and the assumptions behind them are not discussed in the draft EIR. The model's relevancy to the proposed project is not addressed. There is no assessment of the accuracy required for the purposes of this proposal, nor is there an estimate of the accuracy actually achieved.

An error analysis and interpretation of the results is required. Knowing the behavior of the model and the adequacy of the input data, what is the probable error
of the recorded figures? State the results as a single value—as a single value, helps to mislead the reader.

At the January 29, 1987 hearing I illustrated this point with computer output from the EIR.

The response avoids the issue. It does not reveal—this is the—in the minutes or the call to this meeting, I guess—it does not reveal whether the probable error of the result is 10 percent, 100 percent, or 1000 percent.

The consultant provides no reason to believe that the error may be closer to 10 percent than it is to a 1000 percent.

If there were only a single instance of such neglect, the EIR/EIS would be salvageable, but this pattern persists throughout the document. Inputs and assumptions are left undefined, yet results are stated with great precision.

This EIR/EIS doesn't give anyone a clear reliable idea of the impact the proposed project is likely to have. It presents a most inadequate foundation on which to base important decisions.

I urge that this EIR/EIS not be certified.

Signed, Roger Layurquist.

Thank you.

CHAIRMAN MC CARthy: Thank you.

Mr. Scott Gordon, CALPIRG. Welcome.
BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

IN THE MATTER OF

ARCO COAL OIL

POINT PROJECT

EIR/EIS Public Hearing Certification

TRANSCRIPT OF PROCEEDINGS
Tuesday, March 10, 1987

County of Santa Barbara
Board of Supervisors Hearing Room
105 East Arapamu Street
Santa Barbara, California
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Nancy Ordway, Office of Director of Finance

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MR. GORDON: My name is Scott Gordon. I am speaking on behalf of the California Public Interest Research Group.

Rarely in the history of a community such as the Goleta-Santa Barbara area do you find a level of unity against any form of development that currently exists against the ARCO Coal Oil Point project. Assemblyman Jack O'Connell, Mayor Sheila Lodge, the Santa Barbara County Board of Supervisors, the University of California at Santa Barbara, its faculty, staff and students, as well as the residents of this area have all joined together in raising their voices against this project, and specifically, Platform Heron.

Having done a great deal of work with the community concerning this proposal in recent weeks, I have found the residents of the area unified against this proposal, and especially Platform Heron, to an outstanding degree. While they did not know a lot of specifics about the platform and the project, they were against it.

The letters that have been submitted to the members of your committee, the similarities between the testimonies offered at this and previous hearings, as well as the attendance at this and previous hearings, serves to illustrate this point.

The fact that this project is the first proposed
development within state waters in over 20 years makes this a test case. The decision made in this case will have enormous and far-reaching impacts on coastal communities up and down the entire state.

While the issue of offshore oil development is a statewide one, the physical and socioeconomic effects of a single project are largely local, and the concerns of the impacted community must be considered.

The claims that ARCO has for this project and the development of the area are legitimate. Yet the repercussions of this project on the environment and the health of this community must overrule these claims.

The importance of this proposal goes beyond any -- just the development of oil at Coal Oil Point. This decision will set a precedent as to whether or not the long-term environmental and socioeconomic stability of the California coastline can be endangered for short-term economic growth.

The massive opposition in this community shows that it is not willing to take this risk. Despite the concessions made by ARCO, such as single-platform complexes, the removal of the drilling mud, and the moving of Platform Heron to a soft bottom, these groups are still vehemently opposed to the project, and Platform Heron in particular.

The compromises made by ARCO do not merit the
the approval of this project. The impacts and the risks of this project are too high, and the unity of the opposition shows it.

I therefore urge this Commission to act on behalf of the long-term stability of the California coast; that the next hearing concerning this project be held in the Santa Barbara area before June 1st; and that this Commission follow the stand made by Commissioner Davis earlier this morning and deny ARCO's Coal Oil Point project at this time, until further research can be done on the impacts and further technology can be developed for safe removal of the oil in this area.

Thank you for letting me speak.

CHAIRMAN MC CARTHY: Thank you. I'd like to mention that the consultants who prepared the EIR will be -- have asked for and will be given the opportunity by the Commission to testify, so those of you who might be thinking about leaving, who would want to hear that, please know that that is coming after we finish with our public witnesses.


MS. HECKMAN: As you know, my name is Dee Heckman and I am a member of the Isla Vista Community Council, which is a pseudo city council of Isla Vista.

I don't have very much to say, just a couple
sentences. And basically what I'd like to reiterate is that I represent over 25,000 people. I am a member-at-large of this community.

Isla Vista has been racked with overcrowding, a lot of other problems when it was first developed; there was a lot of breaking of laws and rules and regulations, so now that the place is in ruins, practically, and is in a very sad state.

I feel, and I have talked -- with increasing enrollment demands at UCSB, this will -- this will make it worse because there will be so many people in Isla Vista, the fact that anything that is built off of this shore that will affect our environmental -- environmental -- excuse me -- environment.

Concerns about oil spill, the flaring, the pollution, the commingling, the detrimental effects that will occur will affect this community at large, the community --

What my main concern is that this community has been pushed around very much so because it's mainly a transient -- transient community because of the fact that most UCSB students live there.

And I feel that the reason why -- I know that the reason why that it's there is because of the fact there's oil out there, but I also feel one of the other reasons
too is because it's Isla Vista, and most people don't care about Isla Vista.

So while I have talked to my constituents and I have found that most of their stances are no project, the Isla Vista Community Council has made a stance of no Heron. We do not -- we do support the fact that our constituents say no project, but we have come out and said no Heron.

That's all. Thank you.

CHAIRMAN MC CARTHY: Thank you very much.

Thank you.

Mr. M. V. Scherb, consultant, Risk Management.

Welcome back, Mr. Scherb.

MR. SCHERB: Thank you.

I'm going to talk specifically to the critical environment issue discussed in the latest report turned out by the Lands Commission, and the highlighted system safety and reliability.

I've long been struck by the casual use of words, but never have I seen in any of this stuff any meaningful discussion of reliability, what it means, how you apply it from a technical point of view. It's a very important topic. Okay.

I might say that the truck problem has never been fairly discussed. I came down the road -- came up
the road from L.A., and there was a truck accident this morning. Fortunately, it was dry ice at 9:00 o'clock, instead of some hazardous material. That's one of our major hazards, and in the past, all these EIR's that have come out that I've been associated with since the Exxon Santa Ynez use probabilistic analysis -- that was rejected by the county as not being meaningful; they put in resolutions; they're still debating when the impact; are they using railroads or -- or perhaps pipelines.

And I'm struck when I look at this project at the epidemic of accidents we have, and it's not unknown -- Professor Perrot at Yale wrote a book a year or two ago about that, even before Challenger.

We have the pipeline that was blown away in Ecuador by an earthquake.

I don't want to talk about the ferry and the guys with the sledgehammers trying to close the doors as the captain blithely took off from the dock.

The airplane in Detroit; the spill in Florida, oil spill, couldn't do anything about it. And I could go on and on.

So we have this epidemic -- and I'm talking about the life of the project.

Now, to address specifically the system's safety reliability, I can only quote what Mike McDermott said:
it was of no value whatsoever. We get these tired
recitations of design basis accidents and the consequences,
but when it comes to what to do about it other than the
trivial solution, not having the project, is nowhere.

And this concern was raised by Chancellor Aldrich
last time, said where's the accident prevention plan? The
name of the game, if you have to live with a project, is
prevention.

And there's been a revolution in this area ever
since Bopal, and I must say, the State of California is not
moving too fast, when the Governor is ready to kill Cal OSHA
in July with their special emphasis program, when Prop 55
has only 29 chemicals on it, giving Barry Groveman and Hayden
heart attack -- and fortunately we have some other bills
that are relevant to chemicals; 2185, 2187 -- the bill I
was involved with, AB 3777, risk management hasn't been
applied yet -- the La Follette bill -- we have -- tonight
in Santa Clara will be a big public forum on the toxic gas
ordinance that had a study done under Byron Scherrer --
we have the Union City California ordinance --

All these relate to a variety of projects where
there's hazards to the public, and to worker safety --
you can't ignore the workers' safety. In risk management,
they're one and the same.

Now, I found the answer there meaningless. Talk
about accidents, when it came to oil spills, it was a give-up deal. You're gonna have to live with it.

Maybe it won't happen.

So we have to do more than that. In fact, I am struck now -- I have them with me -- this resolution by the planning commission here, getting back to the age-old problem of offshore safety in fire boats, et cetera. We started with that in LNG days, and we had studies done in L.A., and we had the Crowley study and a few others.

Here, we're back to square one, indicating the EIR's already carried out work has been meaningless, and I agree with it. However, in this particular area we have the study through I think it's the Farr bill that's being done by Fish and Game -- they just started -- Senator Marks' bill, I'm sorry -- that study is kicking off, and that certainly should have as one of its key elements the concerns of Santa Barbara County.

But here we are at a late stage, still looking at offshore safety.

And of course there's the other study by the Lands Commission with Belmar Engineering that's going to look at the platforms, per se.

So what I'm trying to say is the following: we have to have -- if we're gonna have to live with these platforms, we're gonna have to have an effective risk
management plan that's going to be very specific in design. It is going to have to have a professional staff.

I might add that three years ago I recommended to the Assembly Committee on Offshore Resources, that we put together a petroleum directorate like we have in Norway and in Newfoundland. And, I had the support of Arturo Gander. at that time, but nothing ever happened, and we've just been drifting, and we do this on a piece-by-piece basis.

Our time may come here, and not only here but at Point Dume, in Malibu, in Santa Monica, in Newport Beach, as some of the other speakers indicated. So, we have to put into place an effective risk management plan.

It's my opinion at this time, that AB 3777, with all the meaning in it and the hard stuff, the best available control technology is applicable as long as you have a 55-gallon drum, or--total--or one of 402 chemicals on the EPA list.

And, the sooner we apply it to the system, as long as it's in the design stage, and stop talking about probabilities of this, or motherhood statements, such as the gas class Professor Anderson spoke to, the real world is that many of those clouds are stochastic in nature, and as he pointed out, they could go one mile, they could go two miles.
You cannot really -- you can use any kind of models, but you've got to run tests under certain conditions such as at China Lake or in a wind tunnel such as Colorado State, before you can make a statement.

If you have an exposed population of 18,000, I would proceed very carefully with that over the 40 or 50-year lifetime of the project.

Thank you.

CHAIRMAN MC CARTHY: Thank you.

Mr. Steve Musick -- is it M-u-s-i-c-k, Mr. Musick?

Thank you. Please.

MR. MUSICK: I circled where I live, and that's a tiny circle in the middle of Isla Vista, looking off -- I would be looking right at Heron Project.

Before I go into what I'd like to say, I'd like to read a viewpoint from Professor Garrett Hardin, of Department of Biological Sciences of UCSB in Bioscience Magazine last January, and the article is titled "Running on 'Empty'". And the empty regards to an English economist that stated Viet Nam jungles were empty.

And Mr. Hardin says that in taking over biologists' word development, economists have made it stand for change from an essential nothing to a rich economic something.

It's therefore not surprising that they see nothing wrong with razing an Amazonian rain forest to
create temporary pasture for cattle.

Ideally, the word development should be expunged from the vocabulary of commerce. Alteration should be the word of choice. This would open people's minds to the thought that total effects of an alteration sometimes deserve the name destruction rather than development.

But this is no doubt a quixotic proposal.

And he goes on to finish saying, molded by special interests, our minds have for too long been running on, quote, empty. We need to let up on the accelerator of change as we fill our minds with more secure knowledge of the workings of the fantastically complicated ecological, economic and social systems of the world.

After listening to the previous speaker, it kind of makes you wonder, you know, where are we going?

Like I said, I live in Isla Vista, and the house where I live in is across from an open space on the bluff overlooking out there. It's a really nice view; breathe the air, run on the beach, and you like it.

The reason why I'm opposed to the reasons for putting an oil project off there are philosophical and practical ones, but it's kind of like when you let in one thing, kind of one thing leads to another, and so that's why the oil companies want to come back.

When the Commission recessed, I went to the
library and I looked in a atlas of congressional districts of the -- America. I found this quote of James Madison on local control, and he said or wrote, in the Federalist Papers:

"Measures will too often be decided according to their probable effect, not on the national prosperity and happiness, but on prejudices, interests, and pursuits of the governments and people of the individual states."

Now, to really decide what that meant, I looked up the words in a concordance -- Greek is a real interesting language and it's very precise, and so I looked up "prosperity," which literally means well way, and "happiness," which means joyousness springing from within.

So the question is whether or not this measure will be decided according to the national well way, or happiness, which also, according to Jack Kennedy, was "utilizing one's power along the lines of excellence," or on the prejudices -- the decisions before examinations; the interests -- the offspring of capital; and pursuits -- the chase with good intents or the persecution with evil ones by "...the governments and people of the individual states."

Now, I'm here because I recognize that you
are the representatives of the Lands Commission. In our society, not everyone who lives on the land owns the land, and so I have to ask myself and you, what governs our state of being.

Now, if I'm kind of rambling, the word for "orator" in the literal Greek is "gusher," and so I -- I'm just going to gush on for a little while longer.

With respect to the use of oil, we have an appetite, and the question is, how insatiable or satiable it becomes.

We already have a foundation for industrial expansion that was built before our generation. There were no environmental impact reports made regarding the decision to change from an agrarian-based society to an industrial one; it was simply done.

Little did most people know, we would be living on an earth increasingly caught on fire with the advent of internal combustion machines and the use of fossil fuels. Only now are we finding out some of the grim repercussions of having such mobility, as the engineers of our modern society have provided.

The changing and molding of our nation has both benefitted the people with the ease with which we move across the land; yet in some ways, curse them as well because when anything is too easily attained, one can hardly appreciate
the cost of that benefit.

People could drive less, but we don't. Until more attention is paid to education and change and using less and weaning ourselves from this world that's been created, our future will -- is in question.

So I have to ask: Where are we going, and what will we do when we get there?

Now, wherever "there" will be will be the result of you decision-makers making wise choices to decide the best long run or taking follies waltzing wisdom's waltz down to the tune for short-sighted oligarchies.

Now, it's been said before that oil and water don't mix; that blood is thicker than water. Now, seawater is the closest substance to -- next to chlorophyll to human blood. It's three quarters of our planet's surface and is the manufacturer of the basic keystones of existence of both sea life and fresh air and fresh water.

Now, some people's blood may boil if they don't get the oil they want. But I must say that it's my generation -- if my generation, which includes you too, doesn't stop this using of this unrenewable resource, humanity will stew in a caldron of its own, or rather, borrowed failed devices.

And the time line of human existence our past nine or ten decades of technological advances represents
a fiftieth of recorded history. Each empire has regaled
the next with its layer of sand and crumbs, humbled by its fall.

Now, our intrusions upon the land and sea by the
poisons we've developed are mere repetition of the mistakes
others before could not stop themselves. Will polyvinyl
chloride and petroleum toxins and byproducts be our lead-
pipe cinches of the Romans' insanity?

We are left -- There is no mitigation for
catastrophe. We are left with Kronos, which is time, and
the duration given us. Crema, the use of money or power
to gain control; Energia, the operations within the global
scheme of things and cosmicrators, the system holders molding
our futures.

There are proven alternatives to fossil fuel
based economy. Yet in over a decade since solar power's
commercial advent, we've been forced backstream by the loss
of federal and state incentives to implement the sources --
resources of power. So it's --

I'm not telling you anything you don't know; just
trying to remind you of some things you may not. That is
for you to decide, where our interests lie, and where they
tell the truth.

Thank you.

CHAIRMAN MC CARTHY: Thank you.
Is there a Prentice Patterson, production supervisor, ARCO? Mr. Patterson?

MR. PATTERSON: Thank you.

I just have a small brief statement here.

My name is Prentice Patterson. I'm a production supervisor on the onshore facility in Goleta. I urge the certification of EIR.

My job deals primarily with safety. I'm very concerned with personal and environmental safety. On Page 4-27 of the EIR, only a small paragraph talks about the safety at Ellwood facility. This is not adequate decisions -- discussions of our safety measures and philosophy.

Realizing that the world's natural resources of air, water and land are vital to mankind's progress, we consider health and environmental protection a major concern in our operations.

Due to the significant role of health and environmental concern played in our operations, training and safety are the highest priority in both plant design and day-to-day operations.

A good example is our fire safety. We are trained to use fire detection and extinguishing equipment, and the probability of fire occurring in the facility is greatly reduced by several safety features.
The first is the use of a heat transfer fluid to meet the heating requirements in the facility. This reduces the total number of fire vessels' stack emissions and the probability of fire.

All the fire vessels are centralized in the area to reduce the risk of spreading if a fire started. The fire vessels themselves are designed for maximum protection from fire.

If a fire does start anywhere in the facility, the fire protection system contains all the necessary equipments for detecting and extinguishing a fire.

The problem of water shortage to do in a fire prevent -- is prevented by emergency water system which is capable of supplying water from the tanks or even the lake of the golf course, and the use of chemical foam which provides having more use of available water.

Due to the increasing -- increasingly sensitive nature of environment here and at Ellwood, we as employees are dedicated to maintain an environment that is safe and emission-free. Thank you.

CHAIRMAN MC CARTH: Thank you.

Teresa Johnson, plant operator, roustabout, offshore, ARCO Oil. Ms. Johnson, welcome.

MS. JOHNSON: Thank you.

My name is Teresa Johnson. I am a local resident
of Goleta and work on Platform Holly. I am here to support the certification of the EIR.

Although the EIR appears to be very adequate, it does leave out some very important points which need to be considered about seeps and tar on the beach.

In Section 3.2.2.3 of the EIR entitled "Seeps," the EIR mentions that the seep containment program is associated with the existing Platform Holly.

I want to point out that there is no direct association between the tar on the beach and Platform Holly operations.

The section also does not mention the problem with tar on the beach and the impact it has on the community. I am sure many of you here today have walked on the beach and spent the day removing tar from your feet, mumbling the whole time about the oil companies dumping oil into the ocean.

I am a local resident and have spent a lot of time on the beaches in the Goleta area, and have also spent time removing tar from my feet, but I did not mumble about the oil companies dumping oil into the ocean because I know better.

As an employee of ARCO for over two years, currently assigned on Platform Holly, I have learned that the tar on the beach comes from natural seepage, bubbling up from the
ocean floor. Since the placement of the two steel pyramids over the seepage in September of 1982, most of this natural oil and gas has been contained and therefore reducing the amount of tar on the beach.

The seep containment devices were primarily installed to recover air-polluting hydrocarbons to offset future emissions. Personally, I find the tar on the beach less of an eyesore than the trash on the beaches. The natural seepage occurs all over the world and I feel that tar on the beach should not be an issue for the decision of ARCO's proposed project in the interest of certifying the Environmental Impact Report. Thank you.

CHAIRMAN MC CARTHY: Thank you.

Douglas Yates. Student body president. UCBS.

Mr. Yates?

MR. YATES: Thank you for the opportunity to speak again. I'll be very brief.

I understand that if the project -- the EIR is certified today, there will be a meeting within 90 days.

I'm here to ask, request of the Board that instead of having the meeting up in Sacramento, and instead of holding it 90 days from now, if the meeting could be held by June 1st in Santa Barbara, it would give a lot of people the opportunity to continue with their response.

So in that sense, I might be reiterating what's
being said before me, but in a much shorter way.

The reasons I feel that it's important that we have it here, first of all, it gives more community members a chance. It also provides students a chance to discuss Platform Heron, which is going to affect them directly.

Presently this meeting is being held during a time that's called "dead week" in the university, so students that have come out have made a conscious decision to skip some of their last classes of the quarter to speak instead of studying for their tests.

If it is held by June 1st, it would provide them the same opportunity to sacrifice themselves a little bit.

I don't really see a need to go in too much more about the university position as far as the student body goes; it hasn't changed on the platform. We still are asking that no Platform Heron be built, and if possible, no project at all.

And I wanted to also express our gratitude towards Mr. Davis for making his comments earlier. Thank you.

CHAIRMAN MC CARTHY: Thank you very much.

Tatiana Michalenko, representing herself. Welcome.

MS. MICHALENKO: Thank you.

Good afternoon. I'm a 20-year resident of Isla Vista and have been studying marine biology for five years here. Today I'm talking in defense of the people that live-
here and the marine life here, and the land. I've lived
here since I was about a year old, and I have played and
studied the Isla Vista beach all my life. I have witnessed
the destruction that happened during the oil spill in 1969
and what happened to all the marine life.

As a marine biologist, it scares me to think of
the effects that could happen from Platform Heron, could --
what the effects could be on the marine life that has been
my playground. It saddens me to think that every time I
open my front door I could look -- I would have to look
at -- at a platform, and...

Also, the platform would be in -- would be right in
the middle of Isla Vista's view of the Channel Islands and
of our sunsets that California is so famous for.

As far as the hearing -- as your decision of
where to hold the final hearing, I feel it would be really
unfair to the people and to the beauty and marine life
of Isla Vista to have the he -- the deciding hearing
anywhere else but here in Santa Barbara. I feel the people
who live here and who are directly affected by the decision
should be able to attend the hearing. It would be a much
greater imposition for the people of Santa Barbara to come
to Sacramento than to the Commission -- the Commissioners and --
to come here and have the hearing here, so the people here
that are affected can be involved in the -- what happens
to the future of our home.

Isla Vista, which has been the home for -- which is the home of about 34,000 people has already -- has a major traffic and overpopulation problem. I feel that the construction of Platform Heron would increase these problems.

I also feel that Platform Heron would increase the brown pollution into -- which is visible often visible from Isla Vista on calm days. I myself don't enjoy breathing this polluted air into my lungs.

I feel Platform Heron would be detrimental to our environment. I thank you very much for listening to my concerns on the proposed Platform Heron project and for having the hearing so far here in Santa Barbara where the people who are affected by the outcome of these hearings can take part. Thank you.

CHAIRMAN MC CARTHY: Thank you very much.

Mr. William Boynton, field operator. Mr. Boynton.

Mr. Michael Phinney. Michael Phinney. All right,

Mr. Phinney. Welcome.

MR. PHINNEY: Mr. Chairman, members of the Commission. I'll try and be as brief as possible.

CHAIRMAN MC CARTHY: Thank you.

MR. PHINNEY: I certainly endorse Supervisor Wallace's comments to you.

I have a question. It didn't come up in the EIR;
maybe somebody on staff or maybe one of you could answer this for me.

The EIR didn't discuss any impacts of a no-project. I'm curious: should you deny the project, is the state obliged to buy back the lease or leases, or obliged to compensate ARCO in some way? I've heard some rumors to this effect, but I don't know how true they are.

CHAIRMAN MC CARTHY: It's interesting; you're the first one in three days of hearings that has raised this issue directly.

To try to state this briefly, without breaching any attorney-client conversations that have gone on, and that confidentiality is required in case there is a lawsuit after -- from either side of this issue, this is not an issue of a lease that is before us at this time. Predecessor State Lands Commissions, first in the forties and then in the sixties, and by a series of actions throughout the seventies confirming the giving of these leases to this applicant have created a certain parameters around this Commission.

If this were a question of a lease before us for the first time, we have complete latitude to reject every aspect of it; to reject allowing any kind of oil or exploration. Our legal counsel tells us, and I can call upon him now to add any comment to this that he
may think appropriate, that there are -- that we stand in
the shoes of our predecessor commissioners that have given
these five leases that are before us in this application.

That doesn't mean that we can't impose any number
of conditions based on the testimony we've heard or issues
raised in the EIR/EIS. What it does mean is that we are
not at liberty to totally reject, unless we find some very
substantial public trust grounds on which to do so, a
major part or all of the application before us.

So there are restrictions. After many hours of
public hearings on this, you're the first one to raise this
issue before us, and you probably did all of us a service.

Let me ask Mr. Hight to add to that comment.
Mr. Hight is the chief legal counsel to the State Lands
Commission.

CHIEF COUNSEL HIGHT: Mr. Chairman, I think you
have eloquently stated the problem concisely.

CHAIRMAN MC CARTH: All right. My Attorney
General wish to add any comment? No? Mr. Frank is
right here. There are four members of the Attorney
General's staff. Mr. Taylor, do you want to add some
comment at this time? Mr. Taylor of the Attorney
General's office.

MR. TAYLOR: Mr. Chairman. My name is N. Gregory
Taylor --
CHAIRMAN MC CARTHY: Why don't you step up here for a moment. Mr. Phinney will let you share the microphone.

MR. TAYLOR: Mr. Chairman, I would confirm what you had to say previously, that this is not a question of first impression, but one which comes to the Commission after a great deal of time, and after a great many previous actions have been taken by the Commission.

There is currently oil production on one of the leases, and there has been previously oil -- on two of the leases there is currently production and there has been production on the other two.

I think that the dilemma faced by the Commission is best summarized by citing the members who -- the members of the public who are here today to two cases which they may like to read where actions were attempted to be taken by the federal government with regard to regulating offshore activities following the 1968 blowout in the Santa Barbara Channel.

These two cases are Union Oil Company of California v. Morton, which is found at 512 FED 2nd 751, Ninth Circuit case in 1975; and the other case which they may be interested in reading is Sun Oil Company v. United States, 572 FED 2nd 786.

There is a third case called Poly Petroleum case;
I -- I think however that those three cases summarize the situation in which the Commission finds itself.

CHAIRMAN MC CARTHY: Mr. Phinney, you still have the microphone.

MR. PHINNEY: Thank you.

Sort of a discouraging answer in a way; your predecessor has left you with some tight shoes, it looks like. Well, I asked.

I don't think any of us question the need for petroleum, but it seems very strange to me that we have Texas, Louisiana, Oklahoma oil fields that are shut down, 28 percent unemployment in that industry in those areas; the federal government is selling off reserves at Elk Hills; the Santa Barbara Channel has enough oil in it to supply the country for a few days. Something does add up there. Who's kidding who?

This country has no overall energy plan. They're shooting in the dark. The state has no overall energy plan; I would entreat you to consider that, please.

No one knows or addresses or wants to talk about the accumulating -- or cumulative effect of all this off-shore oil activity. We're dealing with one project at a time. Several people have stated this earlier today. We're looking at Exxon one day; at ARCO the next day. Who are we going to be looking at the next day? Nobody's putting the
sum and total of this together in an entire comprehensive picture.

We might just be selling the farm a quarter at a time.

CHAIRMAN MC CARTHY: Mr. Phinney, let Commissioner Ordway comment on that point you just made.

COMMISSIONER ORDWAY: No, I don't have a comment.

CHAIRMAN MC CARTHY: Oh. I'm sorry.

MR. PHINNEY: We have a sanctuary off Santa Barbara. It was created to fulfill a basic tenet of CEQA, that of protecting an urban area from the massive effects of heavy industrial development, oil and gas development. For some strange reason, this sanctuary ends at ARCO's east boundary line, their lease, amidst the most densely populated area -- around 34,000 people per square mile -- east of Manhattan Island.

Why has Isla Vista been excluded? It really feels like we're being tossed to the wood -- wolves. It's very disturbing.

I hope that you will consider the precedents that are going on here. I hope you will consider some long-range comprehensive planning on what's going to happen with our coastline before we just sell the farm a quarter at a time.

CHAIRMAN MC CARTHY: Yes. I think, Mr. Phinney,
I would insert one point, for whatever salve it might add:

I have asked our Commission to do a cumulative impact report if -- I'm not suggesting what action this Commission may take on the matter before us, and I don't want anybody in this audience on either side of this issue to assume one way or the other that; everybody's guessing from each word that's spoken here by a Commissioner what we're going to do. That would be foolhardy to do that.

But I am saying, at least in a cleaner situation where you have a lease proposed for the first time coming before us, we have a much freer hand to use data from cumulative impact studies and from all the information that we have been gathering at these hearings.

What comes across is painfully true is that Santa Barbara County far more than other areas of the coast is cumulatively impacted disproportionally.

And there is a fairness element here that cries out for some kind of an adjustment. So I appreciate your comments on that, and we'll do the best we can -- do the best we humanly can trying to seize what latitude we have within the context of what I explained to you a moment ago about the history of this whole particular application.

MR. PHINNEY: Of course. Thank you, Mr. Chairman.

CHAIRMAN MC CARthy: Thank you, Mr. Phinney.

Marc Evans.
MR. DAY: For the record, I am not Marc Evans, but Marc Evans had to depart earlier, and he wanted me to speak --

CHAIRMAN MCCARTHY: You want to give us your name, please?

MR. DAY: Yes. My name is Scott Day, D-a-y.

I've been a long-term resident of Isla Vista for 13 years, and I have a nickname -- I go by the name of "Arpo," and sometimes people get me confused with ARCO, but maybe I'll clear that up right now. I'll keep this short. I want to do a song by Jackson Browne, who is also a local resident. Last time you'll remember I did a Beach Boys song called "Don't Go Near the Water," which is another prominent resident of the area.

One of the reasons I came to UCSB to go to school was because of the beautiful environment, and just the other day there was a pod, a whole group of killer whales that just transversed the Santa Barbara Channel, and as you know, the crustaceans and other creatures migrate through this area, and the more derricks we put in there, the more derricks they're going to have to dodge, like a slalom course, you know.

And, you know, we're talking about worldwide ecological system of which human beings are a part, an integral part; and, you know, it's a life and death matter.
that we're talking about. And this song is called "Before the Deluge."

[He proceeded to play the guitar and sing.]

MR. DAY: Thank you.

CHAIRMAN MC CARTHY: Thank you for your testimony.


Welcome. Welcome.

MS. KELLER: Thank you. Welcome to you, too.

I'd like to, before I give my written comments, I'd like to say a couple of things about my background.

One is I walked to this hearing today. I try to walk to work every day, and I feel that I am, you know, one of those bad environmentalists that people keep talking about because I -- I don't drive my car. Sometimes I do, but most of the time I don't. So....

And I also, at the last hearing, I mentioned something about the oil spill in 1969, and I don't know if I mentioned that I mentioned that I was a resident here, as a matter of fact I lived in Isla Vista at that time, so my history and involvement in oil projects and politics in Santa Barbara goes back a long ways. Okay.

And I plan for my comments today to be brief, and I will try to not repeat what I said to you at
previous hearings; however, the staff report has given
rise to some concerns which I feel I must address.

First, although it took some effort, I did manage
to find responses to most of Get Oil Out’s written comments
which we submitted at the January 28th hearing. However,
as best as I can tell, comments 9, 13, 14, 16, 19, 23,
24, 28, 29 and 30 were not considered by the staff.

Until such time as these issues are fully and
accurately addressed, the EIR should not be certified.

Second: GOO feels that its comments, as written,
and the staff’s corresponding responses must be made physi-
cally a part of the final document when and if it is
certified.

Third, many of the staff’s responses to our comments
of January 28th, both written and oral, were in fact non-
responsive. For example, in Exhibit D on Page 5, GOO called
for and is still calling for the deletion of Platform Heron
from the project as a means of arriving at an environ-
mentally preferable alternative. However, the response
merely states that CEQA requires an environmentally preferable
alternative to be identified and doesn’t deal with the
Heron issue, or refers to anyplace in the EIR where the
issue might be discussed.

Another example: On Page 48, the response to
GOO’s oral comment No. 3 is inconsistent with the statement
made on Page 12, dealing with disposal of drilling mud.
The Page 12 comment indicates that the project description, at least as to Platform Heron, has been modified. On the other hand, the Page 48 response indicates that this hasn't occurred. What is the truth?

On Page 65, staff has missed the point in responding to GOO's oral comment regarding the confusion which results from labeling a document both as--both a finalizing addendum and the final EIR. Staff justifies its response again by citing CEQA, the technique used far too often and inappropriately.

GOO would also like to refer you to Page 68, staff's response to GOO's written comment No. 6. GOO is very much aware that the response to comment section becomes part of the final RIR/EIS; however, our request was to have a specific response incorporated in the text itself adjacent to the topic in question.

Also on Page 68, in response to our comment No. 10, has it really always been the policy of the State Lands Commission to make removal of platforms a condition of all projects?

There are other examples, but I believe that I have just given you enough to support my argument that the staff report is inadequate and does not address some of our concerns.
Fourth, the staff report makes some assumptions and omissions that give rise to further question. On Page 9, the staff apparently diminishes the significance of noise from flaring based on the fact that the ARCO--that ARCO has stated that operational flaring as analyzed in the EIR/EIS will not occur.

Until such a statement is reduced to writing, i.e., by incorporation in the project description, the impact should still be dealt with as significant.

On Page 12 in a section I referred you to earlier regarding disposal of drilling mud, it is not enough that ARCO has apparently agreed to amend the project description as to Heron. The impact of Haven and Holly still exists and must still be considered.

For the above reasons, GOO feels certification would be inappropriate at this time without fully considering all of the concerns, cumulatively and individually, as expressed today and on January 28th.

Furthermore, GOO maintains its position that Platform Heron must be deleted from the project. However, if you decide to approve the project with Heron, then Heron alone should be allowed to exist, and existing Platform Holly should be removed and Holly be, and Haven, permanently deleted from the project.

Additionally, we request a commitment from ARCO
that any new platforms resulting from this project be removed in 20 years. In 20 years ARCO will have gotten all of its writeoffs.

'OO concurs wholeheartedly with the statements made earlier by Ruth Saadi of the League of Women Voters and Bob Sollen of the Sierra Club regarding the alleged environmentally preferred alternative.

Finally, we urge that the decision hearing on the offshore portion of the Coal Oil Point project be held in Santa Barbara no later than mid-May. I understand that a motion to this effect was not seconded earlier today, but a local hearing is essential, and GOO urges you to reconsider that issue.

And as a final note, you mentioned earlier that the consultant will be speaking after all the public comment is done, and I don't think that's the best time for that to occur; I don't think they should be given the last word.

Thank you.

CHAIRMAN MC CARTHY: Thank you.

Robert Seccano, former employee of ARCO Oil and Gas. Mr. Seccano, welcome.

MR. SERRANO: Yes. My name is Robert Serrano, and --

CHAIRMAN MC CARTHY: Oh, Serrano.

MR. SERRANO: --and I'm a long-term resident
of Goleta and I grew up in Goleta, going to Isla Vista Elementary School and Goleta Valley Junior High School and Dos Pueblos High School, and I was an employee of ARCO Oil and Gas for approximately five years, and that was the first-hand look that I had at the oil industry and at big oil, and I saw a lot over that period of time, and my feelings are, after all of that, still pro-oil and not exactly anti-ARCO.

But yet I am here to critique the company just a bit, as a former employee, because they critiqued me during my entire course of employment, and so I'm just here to do the same.

And I brought a picture—I don't know if you can put it in the projection machine or not—but I'll tell you what it is: it's a picture of a friend of mine, and we were hired one day apart by ARCO Oil and Gas, and we worked all the same jobs, roustabout and roughneck and all the different jobs together, and he was killed in a helicopter crash, and it was a shock to the company because two of our employees were killed in that crash, and I never got a chance to give this picture to his wife and his kids because the company didn't let me take the day off to go to his funeral. So that's that.

I brought another picture, and this is a picture—i apologize that it's not an enlargement. It's all the
pictures on one roll of film, and a lot of the pictures
are of the same thing, and that is the Java Sea. And the
Java Sea was the drill ship that drilled all the -- all
the wells that we're talking about, and they were right
off the coast of Isla Vista for approximately a year.

And during that period of time I worked side
by side with all the employees of the Java Sea, and we
rode the same boat back and forth to work and back home
to the pier, and I got to know a few of those guys and
the company, in all their infinite wisdom, sent that boat
to China and it sunk with 96 people on board; all dead.
And some of those people were local residents.

And really, the only reason why I've come before
the government is to ask two things: and that's that the
government that I expect, that I hope for, will do two
things; and one is to guarantee that regardless of whichever company produces the oil--because there is a lot of oil in the Santa Barbara Channel, and I was there to see it, to the tune of a million dollars every two days, Platform Holly--just based on that per-barrel price during the period of time generally, generally, a million dollars every other day.

And the State of California is a partner in that, and I understand that they make 50 percent at the well
head, and I think that that's a lot of money to go right
And the only thing that I'm going to ask the government is that the criteria that is important as far as oil field workers and guys that eat their lunch, you know, on an oil platform, is that the most important criteria that the government consider when they grant permission to go ahead with a project because the oil is there, someday it'll be produced; if it's not today, it will be ten years from now or during a war or some other time, is that the company that gets the right to produce that oil have the best record of safety and the least fatalities on the job.

And second of all, I was proud to be involved with the project where we built a sea tent, the company spent seven million bucks to put a tent down on the bottom of the ocean the size of two football fields put together, and, you know, it reduced the hydrocarbon emissions in Santa Barbara County at the time, and we produced that gas or Platform Holly by 75 percent.

And I would like to say that the second responsibility that I think that the government has to the community is that the oil companies that are involved in producing the oil and creating the profit for themselves also be involved with projects that will clean up the beaches, because I have a dream of being able to walk from my office
to the beach at Santa Barbara and not having tar on my feet. And I wouldn't mind even being a part of that.

CHAIRMAN MC CARTHY: Thank you very much.

Mr. Erin Lendrihas. Mr. Ranger?

MR. RANGER: Mr. Chairman, I'd like to respond--

CHAIRMAN MC CARTHY: I don't really think it's necessary, Mr. Ranger. I don't think--

MR. RANGER: Fair enough.

CHAIRMAN MC CARTHY: --the Commission is--

MR. RANGER: I appreciate that.

CHAIRMAN MC CARTHY: --doesn't see the applicability of that testimony.

MR. RANGER: Thank you.

CHAIRMAN MC CARTHY: Of course.

Miss Erin Lendrihas. Miss Lendrihas. How did I do with the name?

MS. LANDRIHAS: Pretty good. Very well, thank you.

CHAIRMAN MC CARTHY: Thank you.

MS. LENDRIHAS: My name is Erin Lendrihas, and I've been a citizen here of Santa Barbara for the past 25 years, and I think the sole purpose of this hearing is to determine whether the EIR is adequate and should it be certified.

My opinion is that it is adequate and it should
be certified. I think what I'm hearing here at this hearing is a lot of opposition to oil itself. I really don't know what the answer is to that; all I know is that we use oil in our everyday lives. I really don't feel like I'm being manipulated by Arab nations to determine what our economy is going to be, and the price of our gasoline.

I would like to point out some of the positive impact that this project will have if it is approved.

First of all, the marine terminal tanks will be torn down. They currently hold oil. The barge comes and removes the oil from those and carries it away. If the EIR—if the project is approved, the oil will be piped to shore, thus alleviating the necessity of a barge, and that will reduce emissions, and it will also reduce vessel traffic.

The existing Ellwood Plant will be converted to an oil facility only, and this will help reduce H₂S emissions that are there right now being used to sweeten the gas. This will also help reduce some of the noise that people are talking about, because they will be using less machinery.

Whenever I've been at UCSB, I've never heard any noise. I've walked my dog there plenty of times, and I've never heard any blatant noise.

I think that our need for oil should far exceed
any visual impact that this platform project will have. We really—we've got to have oil, and I think that ARCO is willing to work with the people of Santa Barbara in any way. They have to comply with the state agencies and the county agencies, and I think that they do do that.

I support approval of the EIR. Thank you.

CHAIRMAN MC CARthy: Thank you very much.

Mr. Robert V. Duncan. Research assistant, Department of Physics. Is Mr. Duncan here?

Mr. Bob Zacher. Ph.D. candidate, Department of Physics. Mr. Zacher?

Paul Lee. Resident of Isla Vista. Mr. Lee?

Welcome, Mr. Lee.

MR. LEE: Mr. Chairman, members of the Commission.

I've been a long-term resident of Isla Vista now. It didn't seem that long ago when my family and I first came here 25 years ago. My wife was an employee of Yale University at that time, and she wanted to move to California and so she came to Santa Barbara where she has since grown up and become a professor, and she's a professor of marine biology.

I've listened to her tales about what happens, and today she's working. She's an emeritus, but she's still working, and so I couldn't get her to break off an experiment, so I thought I'd just come and spend a few
minutes and tell you what we see, having come to live in
Isla Vista for the past 25 years.

And, so I will tell you just a little bit about
where we are and where we are coming from, and then a few
more comments based on that, and then that is all I am
going to say.

What we did, when we came to Santa Barbara, was
we moved to Isla Vista, and we moved to Isla Vista because
we could walk to work if we wanted to, or bicycle to work,
and so we could live with the students that she was working
with, and so on.

And, I was very fortunate. I am an industrial
physicist. I just happen to--the work that I was doing
also turned out to be of interest at UCSB, and so they
appointed me an adjunct professor of physics, and so I
have spent some 14 years doing that, and also working with
students, and living in that environment.

And, to do this, we built a house. We bought
the land right on the--in the map, it is right on the ocean.
We look over the cliff, and we built a house that is 95
percent glass in the walls. It is a little tiny house
that we can sit up on two feet and look around at the world,
and enjoy life, and look forward to retiring, as the years
go by.

And, when we built that house, and bought the
land for it, and so on, we found out that the region we were building in was zoned. It was zoned a residential zone, in fact, a residential zone for single families, and no one was allowed to build a factory in that zone. We didn't worry about building a house, and we could look at the stars, and we could smell the breeze, and we could watch the whales go by, and I could look out and see the beautiful girls that ran on the path in front of the house. Everything was just gorgeous.

CHAIRMAN MC CARTHY: We wouldn't have the nerve to take that away from you.

MR. LEE: I do think that there something wrong with this. I read the EIR. I have read lots of other EIRs because I have also been a consultant to the EPA, and then to the Southern California Edison Company, and various companies in working in this kind of thing. I am appalled over the EIR. It doesn't address the subject. I don't think so, and I think you should get another one.

And, also you should worry about who wrote the EIR. What are their qualifications for doing? And, what are their motivations for doing it? Who pays for writing that EIR?

And, I think also, maybe one should look at one more thing, why if it is such a hot project, to drill this oil?
Is it really necessary right now? The oil reserves are necessary, I agree, but who gets the money for it now? And, I think it is quite clear who gets the money, the State of California and ARCO. And, who else does it help? I don't know.

That is about all that I wanted to say.

CHAIRMAN MC CARTHY: Thank you.

I have 12 witness slips left here. Let me see how many of these people are in the audience and still desire to testify, keeping in mind that you are hopefully going to add something new to the testimony, that has not been heard today, yet?

Peter Muennig? Mr. Muennig here?

MR. MEUNNIG: Yes.

CHAIRMAN MC CARTHY: Martin Kellogg? Mr. Kellogg here?

[No response.]

All right. William Pennings?

MR. PENNINGS: Yes.

CHAIRMAN MC CARTHY: Mr. Scott Wilson? Emilio Pozzi?

MR. POZZI: Here.

Kimberley Coy?

MS. COY: Yes, I'm here.

CHAIRMAN MC CARTHY: Thank you.

Mark Alling?

MR. ALLING: Here.

CHAIRMAN MC CARTHY: Chris Gallery?

MS. GALLERY: Yes.

CHAIRMAN MC CARTHY: All right, thank you.

Let's start with Mr. Peter Muennig.

Mr. Muennig, did I do all right with the name, Mr. Muennig?

MR. MUENNIG: That's Muennig.

CHAIRMAN MC CARTHY: Muennig, thank you.

MR. MUENNIG: Close enough, though.

First of all, I would like to say, as a former student of Dr. Anderson here, that I have 100 percent respect for him, and I very much agree with everything he has to say.

And, second of all, I would like to say that as a member of the American Indian Student Association at UCSB, I speak for the 60-plus students in that organization in protest of the raping of our land and beaches, that corporations like ARCO are committing. This is a crime that must be stopped now.

CHAIRMAN MC CARTHY: William Pennings.
Mr. Pennings, welcome.

MR. PENNINGS: I am 20 years old, and a student
in town, and I live in Isla Vista.

I would just like to read something here. It
is a small part of an introduction from a book called,
Extension by Paul Erlick, that I would like to read because
it reflects what I feel about all of the offshore drilling
in the area, and it is called "The Rivet Poppers."

"As you walk from the terminal towards your
airliner, you notice a man on the ladder
busily prying rivets out its wing. Somewhat
concerned, you saunter over to the rivet popper
and ask him just what the hell he is doing?
'I work for the airline, Growth Maria Air
Continental,' the man informs you, and the
airline has discovered that it can sell the
rivets for $2 a piece.
'But, how do you know that you won't fatally
weaken the wing doing that?' You enquire.
'Don't worry,' he assures you, 'I am certain
the manufacturer made this plane much stronger
than it needs to be, so no harm is done, and
besides, I have taken lots of rivets from
the wing, and it hasn't fallen off yet.
Growth Mania Airline needs the money. If we
didn't pop the rivets Growth Mania wouldn't be able to continue expanding, and I need the commission they pay me, $.50 a rivet.' 'You must be out of your mind!' 'I told you not to worry. I know what I am doing. As a matter of fact, I am going to fly on this flight, also, so you can see there is nothing to be concerned about.' 
Any sane person would, of course, go back and report this 'ibbering idiot and Growth Mania Airlines to the FAA, and make reservations on another carrier. You never have to fly on an airliner, but unfortunately, all of us are passengers on a very large spacecraft, one which we have no option but to fly, and frightfully it is swarming with rivet poppers, behaving in ways analogous to that just described.' 
And, that is how ARCO is going about tearing up the earth.

CHAIRMAN MC CARthy: Thank you.

Emilio Pozzi.

Mr. Pozzi.

MR. POZZI: Good afternoon. My name is Emilio Pozzi, and I am an off-campus rep for the AS Leg Council, and I spoke here at the last hearing, and I would like to pass
around the bill that was written on this proposal, and there was an election that was taken by the associated students on the 11th of February, 1987, representing 18,000 students, and I would just skip all of the "Whereas" and read the "Therefore," which says:

"THEREFORE, let it be resolved that the '86-'87 Leg Council is completed opposed to all aspects of the ARCO Coal Oil Point project, and respectfully asks the State Lands Commission to put the environment ahead of profits."

And, I think that states what the students are here to say, and I think that is all that I got to say.

CHAIRMAN MC CARTHY: Thank you, Mr. Pozzi.

Kimberley Coy? Kimberley Coy?

Welcome.

MS. COY: Hi, my name is Kimberley Coy, and I am an Isla Vista resident.

I just thought the Commission should be officially aware of some of the posters that have been circulated in Isla Vista in the last few weeks. The reason that I know they have been circulated there is because I am one of the people who circulated them.

You can go ahead and put the next one on, if you would like. [Referring to the overhead projector.]
This was our answer to ARCO's probably $1400 or $1500 ad in the Santa Barbara News Press. We didn't sell enough buttons to buy the ad, but that is what we said about it, okay.

And, that one, you can't read very well. It is a take off on a 60's poster, about "And Children, Too, in Viet Nam." It says, "Question: And, children, too? Answer: And, children, too."

And, then the bottom line, is, "Hydrogen sulfide kills."

You can just leave that one up there, if you would like.

Nobody said very much today about good old Interior Secretary Hodel, who has a five-year plan for oil development along the California coast. He has apparently told us that if we don't know how to take care of our own coastline, and destroy it properly, he will be glad to do it for us.

There were 50 state legislators who filed a class action suit against the federal government, and even they, after they filed, said their suit probably wouldn't help much.

I don't know this. Were any of you among any of the government officials that filed that class action suit? Or, are you not in that group?
CHAIRMAN MC CARTHY: I have personally delivered 150,000 petitions to the previous Secretary of Interior, and have taken a number of positions regarding Mr. Hodel's retreat from the compromise of a year ago, so I guess it is fair to say that I am on record on probably two dozen occasions holding press conferences and joining with other officials.

MR. COY: Great. Thank you very much.

COMMISSIONER DAVIS: I wrote Mr. Hodel shortly after his plan was announced, indicating my opposition, and willingness to meet with him, or a member of his staff, to see if he wouldn't dramatically curtail his plan.

MS. COY: Okay.

COMMISSIONER ORDWAY: And, I am sure that you are aware that the Governor has criticized the Hodel plan.

MS. COY: Okay, okay, thank you.

If the state makes a strong and logical statement right now, regarding responsible oil development off of the California coast during these hearings, truly the future of California could be effected in a more positive way than it might be if you don't.

The State Lands Commission has here the chance to start influencing the oil companies to make plans that make sense, not just dollars. You have the chance to influence your staff to rise above the mentality of the bureaucrat,
whose job description is to obfuscate and confuse,
and you have a chance to tell them that they too hold the
public trust. You need to assure them that their heads
won’t role if they tell you honestly next time that a three-
year EIR that cost $4 million is all screwed up—is all
screwed up.

Their staff report was a scattershot denial of
everything that everybody said. Some people who testified
were intimate—eminently more qualified to pass judgment
on facts about this case, than the SLC staff.

You have the chance to demand from private contractors
an EIR that covers all of the impacts, which are not covered
in this EIR, and you have a chance to ask for an inclusion
of all psychological, biological, and chemical studies
required, and you can start to do all of this by:

1. Not certifying this EIR.

2. Rejecting the proposal entirely, the no-project
alternative.

3. Rejecting Platform Heron, and allowing—according
to Dr. Wallace’s speech for the county—development of
this lease anyway, so maybe you won’t get stuck holding
the financial bag.

Also, I understand that everybody on the Commission
is very busy, and they have full-time jobs elsewhere, but
during the last public hearings that we have had on this
in Santa Barbara--for which I do personally also thank you for coming--there were several absences by Commissioners during the hearings. Commissioner Ordway was, at that point, the one who stayed and listened to the rest of us. She, at that time, assured us that the rest of you who were not here would read the transcript.

I don't understand why, for the next public hearing, why it couldn't be in Santa Barbara, and Commissioner Ordway, who told us that she reads the transcripts anyway, would read them up there. I still think you could have the public hearing down here, and I wish you would consider that, because there is a lot of us who probably couldn't get to Sacramento.

We are trying real hard not to repeat ourselves. It is hard to do that sometimes. We are not public speakers, and we haven't been trained, but we have tried to keep comments thorough. We have seen people throw pages of speeches away, not to repeat things, but I am not sure that we can all get off work that long to take off up to Sacramento, and it has been nice what you have shown in the past, the interest in hearing public opinion, but as you know what comes last, right before the decision, does probably have more of an impact on what your decision might be, and I think we would all feel better if we knew that we had a chance anyway, to address the issue.
I also should remind the Commission, in one more repetition, that the appellate courts of California have repeatedly upheld several cases in which homeowners were granted damages for invasion of their property by environmental influences—not on their land, but nearby. In one case, the smell from sewage treatment plant, in other cases, the noise from freeways. We will have both such impacts on our homes in Isla Vista.

The State of California, the State Lands Commission, will open itself up to class action litigation from the public if they approve this project, particular Platform Heron.

Thank you.

CHAIRMAN MC CATHERY: Mr. Mark Alling.

Mr. Alling.

MR. ALLING: Good afternoon. My name is Mark Alling. I would like to address an issue which I don't feel has been addressed yet.

It is an issue that requires a little foresight, and a little history. In one word, it is students. There are about 20,000 of them in Isla Vista, and it is only a square mile, not to mention a few thousand other people who happen to live there.

These students tend to be reactionary, the way they handle situations, and the way they deal with progress
in government.

What is going to happen, I think, is students today—you know, we could have filled this room quite easily had this not been the last week of school, and people are scrambling to save their grades.

Students tend to be extremely short sighted, because they are new at doing things, they are learning. They tend to be reactionary when things happen. Instead of having the foresight to take care of things before hand, which would have been nice if we could have got the whole campus out here to say how they felt about this.

They are probably going to react when the rigs show up in the channel, and what could happen is, they might not necessarily act responsibly, as has been seen in the past. In fact, Isla Vista has quite a reputation for reacting, as the situation ‘n February, 1970 would quite clearly illustrate.

Students haven't forgot black Tuesday, in 1969, and they will react. There could be thousands of people in the water, you know, putting their bodies underneath this rig when they want to set the drills, and you know, that may sound kind of funny now, but they will be there.

And, how ARCO is going to deal with this, and how the state is going to deal with this, is something that I think they need to consider now.
The student population, I think, was possibly even targeted by ARCO, because they are a transient population, you know, they come and they stay a few years, and they leave. They are not going to worry about it, right?

The problem is that students get frustrated quickly, and instead of writing thousand of letters to Congressmen, what they are going to do is to throw rocks, or they are going to go out there and, you know, drop paint bombs on the rig.

I don't know what is going to happen. What I am saying is that what we are setting up here is—we are setting up the grounds for an extreme conflict that could happen here, if students become frustrated, and they feel like their voice is not being heard now.

They certainly aren't going to become more quiet, that's for sure. Students own boats, and students have pilot licenses, and I think that ARCO is taunting a reactionary action from these students. They are putting a rig right off of campus, so that the students see it every day, and they know that the students oppose this. What do they think the students are going to do? Do they think they are going to sit there and watch it dump oil all over them? I doubt it.

I think what we are dealing with here is an unpredictable emotional reactionary group of people, who live in a close
knit community. When they get blasted by sulfur gas, you can bet they are going to blast back. UCSB is like a container of highly volatile liquid. If you don't disturb it, it will sit quietly on the shelf, but knock it off, and you create a life-threatening situation.

I think this is a point that must be considered, a fact that you could be creating another situation like the one that got the bank burned down in 1969. I don't know.

Thank you.

CHAIRMAN MC CARTHY: Mr. Chris Gallery--I'm sorry, Ms. Chris Gallery.

MS. GALLERY: I live at the end of Trigo Road in Isla Vista.

There are about 600 children in the public elementary schools from pre-school through 6th grade in I.V. There are at least three other pre-schools there that I know of, and there are hundreds more children under the age of 4 and over the age of 11. The Isla Vista Elementary School is located about half a mile from the beach.

My point is that there are lots of kids that live in I.V. Western Isla Vista is a stable neighborhood of families that have lived there for years, and would like to expect to continue to live there.

I am afraid that the health, the safety, and
well being of our children in particular will be jeopardized by the project's toxic fumes, which may pollute our air, and that the quality of life will be diminished by the presence of the platforms, with their attendant adverse impacts on the environment.

I have a number of other reasons with which to object to the project in any form, the aesthetic reasons, other serious environmental reasons, property value reasons, but the overriding reason is that it will render Isla Vista an unsafe area in which to raise children.

CHAIRMAN MC CARTHY: Thank you very much. Andrew Barnal? Thanks for coming back, Mr. Barnal.

MR. BARNAL: Thank you for hearing me the other time.

Okay, my name is Andrew Barnal. I am a new resident to Santa Barbara. I will be celebrating one year next month.

Okay, though I am new to the area, I am not new to the issues of responsibility, environmental safety, and growing needs of energy. I understand the predicament that our country is in, and I know who is at fault, okay.

I would like to first express some personal opinions that I believe many other people may share as well. I believe the substance of the issue of the oil development off of our coast at this stage of the game is primarily
a quality versus a quantity profit situation, okay.

I believe that most of us want clean air. We want clean water. We want improvement in our environment, instead of abuser, and we also would like leadership in high places, okay.

I also believe that many of us would like to see the advent of a solar age, where we have development in alternatives to sources of energy other than oil, okay.

The NRC, awhile back, proposed a novel idea of determining proper costs for energy, relative to competitive sources, okay. What I intend to suggest here is that the oil companies have a distinct advantage, okay, because they don't pay for the true cost of producing their product. They don't pay the cost for capital equipment to protect our air. They don't pay the cost for honest communications with the citizens. They don't pay the cost for management strategy that is on a long-term basis, as opposed to a short-term profit gain basis, okay.

Until they pay these costs, I would like to also assert that they have an unfair advantage, relative to cost of energy production, and that their product price at its base does not reflect truly the cost we pay when they produce oil.

Of course, they will argue that the consumer will pay these costs, if they were to make a sincere
effort to protect our environment. I might suggest that
we have always paid, so don't insult our intelligence.
They possess our land. They possess much of our coast
at this time, and many believe that they also own some
of our politicians, okay.

On my wish list I included leadership. Now,
awhile back when Ronald Reagan promised a new dynamic country
and unified us into many factions, if he could have seen
then the value of following through on President Carter's
lead, that is, the creation of incentives and government
assistance in the development of domestic alternatives
to foreign oil, and other technologies relative to energy
conservation, we wouldn't be having some of these problems
between oil and the public.

Now, a man who wrote the book on civil disobedience--
for the students around--Henry David Thoreau, he--I quote
him in saying it is not characteristic of wisdom to do
desperate things, okay.

Now, if Ronald Reagan also could have remembered
the early '70s, and if he had pressed forward with Mr.
Carter's efforts to establish a comprehensive energy policy,
there would be no foundation for the argument that our
need for energy is now more desperate and our national
security at risk, and I give some fault to Nancy Reagan
for not telling him.
Okay, finally, we are in very unusual times. We have sexual diseases destroying society and individuals, we have sex education proposing to destroy innocence in the classroom, drugs everywhere and they are teaching kids to say, "No." So, I want it on record that Andy Barnal is just saying, "No."

Thank you.

CHAIRMAN MC CARTHY: Thank you.

Dan Zumwinkle, resident assistant, Santa Cruz Hall.

MR. ZUMWINKLE: What's that?

CHAIRMAN MC CARTHY: I was just mentioning that you were a resident assistant--

MR. ZUMWINKLE: Oh, yes.

CHAIRMAN MC CARTHY: --at the Santa Cruz Hall.

MR. ZUMWINKLE: Yeah, for those of you who don't know, Santa Cruz Hall is the on-campus resident hall. It is the farthest out on Goleta Point, and that is where I am a resident assistant, and I could mention things like how angry my people are in my building, about the aesthetics that has been destroyed, the air quality, the tar on the beaches, the water quality, and a great threat to the community.

And, I have heard things like how this project is going to benefit the economics of the community, the university, and promote a national security, and this is
kind of often, because it seems that the question to me seems to be how much can we get away with stressing our environment? How much stress can we put on it until it breaks? Because ARCO Oil is going to say, "Yes, yes, we are going to pollute, that is inevitable, but it won't be that much. We can get away with it."

To me, it is not that kind of a question. It is, to me, our environment has reached really maximum stress levels as it is. We have a certain user mentality that is squeezing the environment at the expense of the environment, and this is really unacceptable.

Now, what am I talking about there? I am talking on a language which really has no clout, a level which right now is distant. It doesn't mean anything right now. It is something that doesn't get things done, unfortunately, so I have to address a different kind of level here, and that is the one with the EIR, itself.

Now, if the EIR--the EIR is obviously insufficient, in terms of the damage impact, the emergency response, the cumulative effect you mentioned yourself of all of the oil wells themselves, and this is what we can address, something we can attack, a goal, because like I said, the other level of the environment above our user mentality is just something that is really far off in the distance, unfortunately.
The platform as a preferable alternative in the EIR is really scary to me. I mean, as an preferable alternative. Think about that. And, you can say, "Yeah, yeah, we are just going to ignore that part of it," and I even question that, if you can, but the implications and ramifications of certifying this EIR are—could be tremendous to anything that comes down later on any type of environmental issues resulting from platforms wanting to be developed anywhere else.

And, it is just—I just want to say finally, that environmentally speaking—environmentally speaking—a preferable alternative would obviously be no platform at all. That is just the obvious bottom line.

Thank you.

CHAIRMAN MC CARTHY: Thank you very much.

Michael Boyd, Director of the Isla Vista Recreation and Parks District. Welcome Mr. Boyd.

MR. BOYD: Hi. First I have got some questions on this thing that I received in the mail here.

First, it is my understanding that the staff is recommending that you certify the Environmental Impact Report. Is that correct? This hasn't changed? As of this point? No. 3, under staff recommendations? It is the same?

EXECUTIVE OFFICER DEDRICK: Right.
MR. BOYD: My other question is in the comment, you have a section in here on comments, public comments, and then there is a response. I am curious. Is this a response from the State Lands Commission staff? Or, from the consultant that did the EIR?

EXECUTIVE OFFICER DEDRICK: I would like Dwight to answer that.

DWIGHT SANDERS: Dwight Sanders, State Lands Commission staff.

Both, Mr. Boyd.

MR. BOYD: But, okay, well, first what I would like to comment on is in--at the last hearing, I provided some oral comments, and I feel that, at least in one case, it was--that what is reported as what--what is reported that I said isn't what actually what I said, and I went back and I listened to the Cox Cable rebroadcast of the hearing, and everything, and it--and I heard what I said, and it is not correct in here, and I feel that you should go back and maybe listen to the Cox Cable replaying of the hearings, and make sure that the comments that you have from people here are accurately reflected, because in the one that I am specifically talking about, it says that I said there was no fog in I.V., and specifically what I stated was there was fog in I.V. and that it was dissolving my motorcycle, and so I kind of feel that it
made it sound like I didn't think there was acid rain affects, and in fact, I feel there is.

And, then also, what I would like to comment about, at the last hearing I commented on some of the socioeconomic issues, yet in the response my comment isn't even included, and so I kind of feel that some of the assumptions on that section are erroneous.

And, specifically, what I would like to talk about is in one section, there is—I guess it is page 57—when you are responding to Robert Sollen's comments on impacts on public revenues, recreation, and tourism, commercial sports fishing, your response to this person's comment is that the public service and public finance section of this document is a study of the socioeconomic impacts, and a beneficial socioeconomic impact was identified when incremental costs of providing services in a jurisdiction was estimated to be less than the incremental revenue, calculated to flow to the jurisdiction, from added taxes attributed to the project and its associated population.

Well, I feel that this—you are assuming that in fact that those revenues are going to flow to the impacted population, and as I said at the last hearing, and the hearing previous to that, we believe that in fact those revenues do not flow to the impacted area, and specifically Isla Vista has in the past been cut out of the picture,
as far as the tax revenues that come back from these projects.

And we have brought this issue up in the past, and at the last hearing I talked to you about Public Resource Code 6817 and I dug out some old correspondence that I received from State Lands Commission on this, and in there it specified that the County of Santa Barbara was eligible for an allocation of 6817 funds on the basis of Isla Vista Beach, and specifically what I was told was that in order to be eligible to receive these funds the city must own or operate within its--the city or county must own or operate within its city limits a portion of ocean frontage as a public park free of charge, and that the tides and submerged lands within the city's limit--must be within the city's limits, which are leased by the State Lands Commission for oil and gas development.

Now, our problem is that in I.V.--one of our problems is that--a big problem with this project is that in the past, and we expect in the future, the funds that the county has been receiving hasn't been spent to mitigate the impact, okay.

And, I have provided with you--provided you all a copy of a recent edition of the I.V. Free Press and I just would ask you to open up to--it is about the third from the back page here, if you could look. I just want you to look at these pictures, specifically is what I am
talking about.

Now, as you can see, this is our beach access ways. The county is responsible to maintain these access ways to the beach. As you can see, they haven't been doing that.

The county has been receiving this money for years and years from Holly, and I think this illustrates well the level of service that the county has been providing us with the money that they have been receiving.

So, I just want--my point in bringing this up is just to illustrate to you that in fact this is a problem, and it is a concern to us that we—if you approve this project, that the county is going to get a windfall, in fact, sure and probably the money they are going to receive is going to exceed the costs of their services to us, because their services to us don't cost anything right now, it appears.

So, I just feel that before you certify this EIR that you should make sure that you really examine what is happening to the revenues that the county and the state are receiving and how those revenues are being utilized to provide the services to our community, which is going to be the most impacted.

And, finally, I would finish by saying—by reiterating the position of the Board of Directors of the Park and
Recreation District, which is that we support the no-project alternative, and that we request that your Commission—
that this Commission deny the project with prejudice, on the basis of unmitigated adverse environmental and socioeconomic impacts.

Thank you.

CHAIRMAN MC CARTHY: Thank you.

Two final witnesses, Bobbie Rich, and then Clem Shute.

Is Bobbie Rich here?

[No response.]

All right, then I will ask Mr. Clem Shute, who is a representative to the consultant—

Bobbie Rich is here? Oh, I'm sorry.

MS. RICH: My given name is Alberta. Bobbie is one of my nicknames, and Bobbalynx is another one of my nicknames, and I bring a lynx that recently came into my life, with me here to help me feel my childhood, I guess, and help us all maybe do that, and I challenge any of us who didn't have a nickname as a child, by somebody who really loved us, to create one and a fantasy to go with it, to remind us of our children.

And, also I bring this lynx. One time I was hitch hiking through Canada when I was 19, and I got a ride with a gentleman who had some guns in his car, and
he saw a lynx alongside of the road. It got out of the
car, killed the lynx, went over, looked at it, kind of
gloat at the blood flowing out of its mouth, and we drove
off. And, it was for me, like whoa, and I feel a lot that
way about the oil companies' lack of feeling for the general
population, and I hope that changes.

As an I.V. resident, I have already been adversely
affected by offshore platform, and I have been in the
past called to report sulfur smells in Isla Vista, from
a platform that is located much further than the one that
is proposed.

I bring this cup. One of the things I think
that we need to address is conservation of energy, and I, a
couple of years ago, swore that I would quit using styrofoam
because generally it is used one time and thrown away.
It is a petroleum product. It doesn't break down in the
environment.

We are teaching our children to do that same
thing, because they are going to do what we do, and it
is the same with a lot of plastics. Some plastics we need.
There are a lot of them that we don't need, and I challenge
us to address that issue, and I think the oil companies
in general have encouraged us to be a throw-away nation,
and I have a lot of problem with that.

Also, I feel that the oil companies have consistently
blocked the development of alternative energy sources, such as alcohol as fuel. I was a few years ago at a press conference which Mr. Fuller was present, along with a gentleman who produced a 8-part series for television, called, "Alcohol as Fuel" which included the conversion of a carburetor to use alcohol, and that program got blocked from being seen on television. I think, from what I understand, the oil companies pretty much have our media in this country tied up, and I don't like that.

I don't own a car now. I don't drive. I probably walk five to ten miles a day, or walk probably ten miles a day, and I feel much healthier for it, and I hope that we will all start doing more of that.

As for fertilizers from petroleum, my understanding is that they deplete the soil, devitalize our foods, and poison the ground water, and so I don't think that is a good reason to develop oil use.

And, I would like to encourage Nancy Ordway to come to a hearing here. I heard you sort of say, not that it was impossible, but that it was difficult, and if there is anything I can do to make it easier for you to do that, I would be most willing to help, if there is anything.

It would be impossible for a lot of people here to go to Sacramento, and so I would appreciate any further consideration you would have for that.
Also, I want to say that I recently learned from a friend who watches television a lot--I don't have one, but--that the suicide rate in this country now is highest among teenagers, and I would say that is because at this point in time we value the dollar more than we are valuing human rights, and I again think we need to change that.

In closing, I would just like to say a few words that I say to myself everyday to remind myself that even someone that I hate really much, whoever it is, has to be taken into the circle, whoever it is, and that I need to work to dig deep within my own self to love whoever, and whatever, and try to understand where it is they are coming from and help them change to get back to their humanness, and these words are:

"I open myself to the spirit of love and truth, and join with others for the healing and transformation of human kind."

And, I pray that any decisions that anyone here has to make are done with that in mind.

Thank you.

CHAIRMAN MC CARTHY: Thank you.

Mr. Clem Shute, representing the consultants.

EXECUTIVE OFFICER DEDRICK: Mr. Chairman.

CHAIRMAN MC CARTHY: Ms. Dedrick, did you have something you wanted to say?
EXECUTIVE OFFICER DEDRICK: Yes, I would like to--the Coastal Commission has asked us to put some written comments into the record, and I would like to do that now.

CHAIRMAN MC CARTHY: All right, go ahead.

EXECUTIVE OFFICER DEDRICK: Thank you.

CHAIRMAN MC CARTHY: Mr. Shute.

MR. SHUTE: Mr. Chairman and members of the Commission, my name is Clement Shute. I am an attorney, and I have been working with the Chambers Group since the outset of the preparation of this environmental document. It has been my charge to provide legal review in connection with the preparation of this document.

As you know, Chambers is the lead consulting firm responsible for the preparation of the report.

You have heard many hours of testimony now concerning the quality of the EIR/EIS, and we believe that it is necessary to clarify the record by pointing out the experience and competence of the people who prepared this complex environmental study.
It is a very impressive list, there are lots of Ph.D.'s, years and years and years of field experience in the related areas, a lot of dedication and a lot of high caliber effort that went into this.

And, of course, there was very close coordination with your dedicated staff, and the staffs of the other agencies that participated in the Joint Review process.

We would also like to point out that the inadequacies that have been charged during the course of these hearings, don't exist. The document was prepared using a very conservative philosophy. Whenever there was any doubt in the minds of people, as to whether there was a significant effect from a particular component, the particular impact was labeled as "significant" and given a Class 1 status, and if you will look at the list of the Class 1 impacts, it is quite extensive.

An example of that would be these platforms offshore and their aesthetic impact. There has been a lot of discussion and debate about whether the platform would be visible? How high it would be visible? How much intrusion it would be? But, the fact remains that the document says that any offshore platform is a Class 1 impact. That means it is unmitigable. It will have a significant adverse effect on the environment and nothing can be done about it.
So, in many ways a lot of the discussions about the precise consequence, and the lens that was used, is irrelevant to the fact that it has been labeled Class 1 and the public and you are aware that it is a major impact and not much can be done about it.

Further, whenever a mitigation measure was identified, it was then evaluated to see whether it would be effective in reducing or eliminating the significant effect on the environment. Again, whenever there was doubt, it was labeled as not being effective, and the impact continued to carry a Class 1 designation.

There are a lot of subjects that have been discussed here, and which are included in the EIR, and which by law are not even required to be in a CEQA or NEPA document. For example, so called "quality of life" issues, the ability of the university to recruit and retain faculty, the quality of life in Isla Vista. Those are serious issues, I don't doubt it. There are court cases which say that the social impacts of that nature are not required to be discussed in an environmental document, because our legislature has said that physical effects on the environment are what are to be assessed, and that doesn't include people having to move, or effect on property values.

But, nevertheless, a good faith effort has been made to include and discuss those areas.
There have been lots of arguments with the data or methodology used in providing certain parts of information in the documents. I think that all that demonstrates is that we are in a very complex subject area, trying to project future conditions, in a situation with less than perfect knowledge, and with less than complete scientific data. I don't think that illustrates the deficiency of the document. It illustrates that professional judgments can differ, when you have a lack of certainty as to future conditions.

Further, in order to set the record straight, we would like to present statements. Originally we had intended to have those statements summarized by the particular authors, but in the interest of time, we will not do that.

What you have before you are statements from Mr. John Westermeier, who is the Project Manager; Mr. Andrew Nelson, who is the Deputy Project Manager; Dr. Noel Davis, who prepared the marine biology aspects of the report; and Dr. Margaret Lobnitz, who was responsible for the air quality analysis in the report.

And, when you review those statements, you will see that the key aspects of the issues that have been raised here in the public discussion are addressed there, and that in each instance, modeling for air quality was done by more than one model, and conservative approaches were used.

With the marine biology analysis, in fact, the
information being provided by the university concerning
sub-lethal effects on animals is acknowledged in the report,
and sub-lethal effects from pollution are acknowledged
as significant environmental impact.

We would like to make both the resumes and the
statements a part of the record, for your consideration.

And, finally, I would like to say that after
having listened to this testimony, it is evident to me
that this document is serving the public disclosure purpose
contemplated by both the California Environmental Quality
Act, and the National Environmental Policy Act, and that
is public disclosure. Because, if you will listen closely,
you will find that many of the people who have been testifying
have been using the information from the report to make
their point concerning the environmental consequences of
this project, and it is just that kind of educated discussion
which the law contemplated.

Thank you.

CHAIRMAN MC CARthy: Let me ask you, Mr. Shute,
were there any members of the Chambers Group who served
as consultants in the writing of this EIR/EIS? Were there
any of those present here today, heard any testimony today
that is important to be answered with specificity, so that
the members of the Commission have that information in
front of them as they consider what is in the EIR? All
of the testimony that's been heard, plus specific comment on any issues raised today?

Have you had an opportunity--

MR. SHUTE: Yes, Mr. Chairman--

CHAIRMAN MC CARTHY: --I don't know how many are here today?

MR. SHUTE: Well, thank you.

I meant to point out that all of the major project authors, or chapter authors, or discipline authors, are here, available to answer your questions.

We have been closely monitoring each issue as it is brought out in public, discussing it with people, seeing whether it needed any elaboration, and I think the best way we can serve you in that regard is to be available to answer questions.

It is my opinion that the matters which have come up have not been areas that require a change in the description in the environmental documents, but we would just be able to answer your questions, if you had any.

CHAIRMAN MC CARTHY: That any of the points raised today, are either covered in the EIR, or in the responses listed in today's meeting document?

MR. SHUTE: Well, the responses are an attempt to summarize earlier public testimony.

CHAIRMAN MC CARTHY: Right, I appreciate that.
My question now is, do any of the principles from the Chambers Group cite any testimony they heard today, which is something different than we heard at the previous two public hearings?

MR. SHUTE: I don't think so. I am looking at heads shaking, and I think that the members of the public who have testified have tried very earnestly to be thorough and complete and do their homework, but we have listened closely, and we think that the points which have been made, have been: (a) addressed in the environmental document; and, (b) addressed in previous hearings.

CHAIRMAN MC CARTHY: Questions by members of the Commission?

[No response.]

Comments by the staff?

[No response.]

The Environmental Impact Report is before the Commission. What is the desire of the Commission?

MOTION} COMMISSIONER ORDWAY: Move to certify.

CHAIRMAN MC CARTHY: There is a motion to certify before the Commission.

COMMISSIONER DAVIS: Will there be any discussion on this?

CHAIRMAN MC CARTHY: Certainly, but we need a motion on the floor, first.
Would you rather have discussion before the motion? We certainly are at liberty to do either.

COMMISSIONER DAVIS: Well, I will second the motion for purposes of--

CHAIRMAN MC CARTHY: All right.

COMMISSIONER DAVIS: --having the discussion.

CHAIRMAN MC CARTHY: Commissioner Gray Davis.

COMMISSIONER DAVIS: I want to make a couple of observations--

COURT REPORTER: It is very hard to hear you, Commissioner Davis.

COMMISSIONER DAVIS: That is because I don't have the right button on.

I want to make a couple observations, based on the record before us, and part on some of the testimony today, although part of it is on testimony that we heard on a previous occasion.

I am struck by references to the national energy policy, because even though we are state officials we live in a state that is effected by whatever energy policies are pursued beyond the three-mile limit, and it seems to me that we are going in the wrong direction.

I noticed that the President recently rolled back mileage requirements for new cars, thereby increasing the amount of gas that will have to burn to keep our cars
on the road by about three billion barrels of oil, over
the next 30 years, and at the same time that's happening
Secretary Hodel is saying we are not producing enough energy.
We have got to increase our domestic production.

It seems to me that we are not moving in the
right direction, and I only cite that because I am also
impressed by the comments of Dr. Case, Mr. Phinney, the
League of Women Voters, and others, that spoke to the need
to understand the cumulative effects of drilling both in
federal waters and in state waters, before we can make
a rational determination on applications before us.

I share that view, and would like to ask the
Commission if they could develop some preliminary study
of a method by which the Commission could undertake a comprehensive
study regarding potential offshore development, in both
state and federal waters?

I don't think that we should make this decision
in a vacuum, and I think it is very difficult to be stewards
of the public trust, discharge our public trust responsibilities,
without understanding all of the matters that are likely
to be before us, particularly in this immediate area, but
also up and down the state.

There are at least ten other lease holds in a
position similar to that which ARCO has before us; and
presumably they could come before us for action and expect
similar treatment. That aggravates an already difficult situation where Santa Barbara finds that it has more drilling platforms, state and federal, off of its coast than any other coastal community.

So, all of these are not irrelevant factors, and if you are going to make a rational decision it is helpful—and I would argue, essential—that that information, or at least some attempt to garner that information is important.

The path we are on is a piece-meal path. We wait for applications to come before us, and we are asked to make this decision, essentially, in a vacuum, and I for one find it difficult to do that, so I would like to ask that the Commission at least do a preliminary study to see if the larger study that I have suggested makes sense, and could be helpful in our decision-making process?

CHAIRMAN MC C. THY: Well, that makes three of us who have asked the Commission staff to do that, so we will try--

EXECUTIVE OFFICER DEDRICK: We will be happy to do that.

CHAIRMAN MC CARTHY: --get as much of that as we can.

I want to make a couple of comments. If I were President of the United States—and I can't be because
I was born in New Zealand--but, if I were I could do a
great deal about federal energy policies. I will try to
do everything that I can to reverse what I see Secretary
Hodel doing, and the President supporting, in terms of
oil drilling in federal waters. I don't think it is a
balanced policy, and I don't think it takes into consideration
the chinking of a lot of people in 1987.

But, we are members of the State Lands Commission,
within the state government, and we control the three-
mile jurisdiction off of the coast. We can do something
about that one way or the other, at least in the case before
us within certain legal parameters, as was discussed very
briefly earlier today.

If this were a lease application before us, we
could reject it entirely. We are going to have to determine
in the coming weeks just what we can do to work our will
to have some kind of balanced policy, respecting the set
of values that has been articulated here repeatedly by
many, many witnesses.

I am never satisfied with enough planning, nor
with enough information, but the governmental process is
such that you need to make decisions along the way, and
you can't just keep calling for long-term planning.

When I was Speaker of the Assembly I insisted
that the staff of that Legislative House constantly try
to update us and give us things within the immediate short-
term framework, and within a 10- to 20-year framework,
so we could try to make decisions, understand the impact
on people many years down the line.

We are trying to do the same thing in this instance.
The problem is the political process elects people of contradictory
philosophy, and often there is a stalemate in trying to
make real your own philosophies. We, in California,
have a very different view—or at least, more and more
of us—on offshore oil drilling. The people in the White
House don't share that view for the most part, so I think
we have got to do the best we can to make intelligent decisions,
at least within the three-mile jurisdiction over which
we have some very serious control, and at the same time
try and assert our cumulative opinion—those of us who
we can rally together from California—in federal policy
making in this area, as well.

We are never going to reach the perfect condition,
where we are going to have some coherent and happy harmonious
policy between the federal government and the state government,
in this area. We will do the very best we can.

Finally, on the EIR, I am not sure that some
of the witnesses understood what the EIR is about. I just
want to cite briefly from state law:

"An EIR should be prepared with a sufficient
degree of analysis to provide decision
makers with information which enables
them to make a decision which intelligently
takes into account environmental
consequences. An evaluation of the
environmental effects of a proposed
project need not be exhaustive, but the
sufficiency of an EIR is to be reviewed
in the light of what is reasonably
feasible."

I, and I am sure my two fellow Commissioners,
are not just going to look at the EIR, but are going to
read, and reread, a lot of the excellent testimony that
has been given in three long days of testimony before this
Commission, as we met in Santa Barbara.

I want to say, incidentally, that this is the
first time in the history of the State Lands Commission
that we held three days of testimony anywhere in California
on one application before this Commission. It was merited
in my opinion. The ramifications of the application are
profound to the entire state and for the people of Santa
Barbara County, and I am glad that we were here. I just
wanted you citizens of Santa Barbara County to know that
this is a first in the history of this Commission.

We have the matter before us on the certification
of the EIR, and depending upon our judgment here we must
then make a decision within 90 days of this day—if the
EIR is certified—on the central issue before us.

The matter has been moved and seconded.

COMMISSIONER DAVIS: I would just like to make
another comment, if I may.

CHAIRMAN MC CARTHY: Commissioner Davis.

COMMISSIONER DAVIS: I would like to respectfully
disagree with some of the Chairman's comments. I don't
think we should act with blinders on, and I think to the
extent possible, as trustees of public resources, we should
do our best to try and fashion a coordinated policy.

I recognize that you can study matters ad infinitum,
that is not my purpose. My hope is that some study can
be done in a reasonable time frame, as the staff thinks
appropriate, but particularly as it relates to Santa Barbara,
we ought to have some clue as to what the other ten lease
holders anticipate doing. That would certainly affect
my ultimate decision on the project.

I am going to vote for certification, not because
I am inclined to vote for the project, quite the contrary,
but because I do think it details a number of problems
associated with air, noise, visual pollution, and because
it details some other deficiencies, so I am hopeful that
we can not only discharge our immediate functions, but
help bring some clarity and sanity to a national energy policy that I fear is driving us in the wrong direction, and putting pressure on this Commission to make decisions that it might not otherwise want to do.

CHAIRMAN Mc CARTHY: Let the record show that the Chairman of this Commission agrees with Commissioner Davis, that we should not act with blinders on.

Are we ready for a vote on the motion before us?

Ay? Aye?

It is unanimous. We certify the EIR before us.

That is the conclusion of the Commission's business for this day.

Thank you very much.

4:40 p.m.
REPORTER'S CERTIFICATE

STATE OF CALIFORNIA
COUNTY OF VENTURA

I, PRISCILLA PIKE, an official hearing reporter for the State of California, do hereby certify that the foregoing pages 1 through 174, 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 15th day of March, 1987, at Ventura, California.

Priscilla Pike

Priscilla Pike