

BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

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IN THE MATTER OF)
ARCO COAL OIL) EIR/EIS Public Hearing
POINT PROJECT) 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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- - P R O C E E D I N G S - -

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.

1 over the makeup over the preferred alternative.

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

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

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

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

21 The community, as a whole, must have adequate
22 time to analyze and comment on any proposed decisions and
23 mitigations. Your schedule should not only allow opportunity
24 for public comment to be offered before your staff and
25 the Commissioners to fully consider the new information

1 and suggested changes, before you must render your final
2 decision. I understand that will require some careful
3 scheduling, but I hope that you will indeed make it possible
4 for the university community to comment, and that you will
5 return to Santa Barbara for the next hearing.

6 Thank you for the opportunity to comment this
7 morning.

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

10 Any questions by members of the Commission?

11 [No response.]

12 Thank you, that is fine.

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

15 Welcome, again.

16 MR. WALLACE: Bill Wallace.

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

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

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

23 We have a fairly lengthy statement with attachments,
24 which I am not going to read all of, and hopefull_ you
25 have a copy of it, so that you can take a look at before

1 My comments this morning will be brief. At your
2 last hearing, here, I supported the county in their opposition
3 to certification of the final EIR/EIS. In conclusion of
4 the environmentally preferable alternative was--the inclusion,
5 I'm sorry, the environmentally preferable alternative was
6 and remains unacceptable.

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

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

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

1 your final vote, today.

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

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

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

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

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

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

24 Our objections to the environmentally preferred
25 alternative are again procedural and factual. Contrary

1 to Public Resources Code, the environmentally preferred
 2 alternative was not chosen from among the other alternatives,
 3 in fact, alternative project scenario, incorporating all
 4 of the components of a full project, were discussed only
 5 for a limited number of issue areas, i.e. air quality,
 6 socioeconomics, and transportation.

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

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

- 14 1. Sour gas reinjection and offshore sweet gas
 15 processing.
- 16 2. Selection of the onshore gas pipeline, with
 17 landfall at Ellwood.
- 18 3. We again stress the air, in selecting offshore
 19 oil processing as the preferred alternative--or any alternative
 20 in Santa Barbara County at this time.
- 21 4. The newly included alternative impact comparison
 22 table, which appears to have been used to select the environmentally
 23 preferred alternative has many errors, whose corrections
 24 would modify the selection of the environmentally preferred
 25 alternative.

1 Because of these flaws in the selection of the
2 environmentally preferred alternative we have to object
3 to the certification of the EIR.

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

- 6 1. We concur fully with the present environmentally
7 preferred alternative in recommending single platforms,
8 no storage at Dos Pueblos, and abandonment of existing
9 facilities at Ellwood.
- 10 2. Sweet and sour gas processing should be in
11 Las Flores Canyon.
- 12 3. Oil processing should be located in Las Flores
13 Canyon.
- 14 4. Oil and gas pipelines should be corridors
15 proposed by ARCO.
- 16 5. Oil processing should be commingled.
- 17 6. Platform Heron should not be approved at this
18 time.

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

25 It appears that you are genuinely interested

1 in local concerns. The county, likewise, is committed
2 to working cooperatively with your staff and ARCO in modifying
3 the project to meet the objections of all.

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

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

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

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

24 Thank you for the opportunity to comment on the
25 Coal Oil Point Project EIR certification.

1 Under Attachment A, and I am just going to briefly
2 summarize this, so that it will be in front of you, though,
3 in the first item is the inadequate responses. Of the
4 477 comments the county provided on the draft EIR, at least
5 30 were not responded to in an adequate fashion, and not
6 a single meaningful change was recommended in the final
7 EIR, over the draft EIR.

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

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

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

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

25 "The discussion of alternatives shall focus

1 on alternatives capable of eliminating
2 any significant environmental affect,
3 or reducing them to a level of
4 insignificance, even if these alternatives
5 would impede to some degree the
6 attainment of the project objectives,
7 or would be more costly."

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

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

17 Furthermore, the oil is not lost. It may be
18 recovered in the future. Recent advances and drilling
19 technology--and we have attached an Attachment C which
20 talks about horizontal wells for gas--whereas the complete
21 technology to employ this technique may be lacking, delaying
22 the development of the Coal Oil Point field, at least in
23 the Heron area, until the technology can be perfected,
24 would be a fair compromise to the citizens and environment
25 of Santa Barbara County.

1 We would like to conclude our discussion of Heron's
2 removal by reflecting on the intent of the marine sanctuary
3 east of proposed Platform Heron. The intent of that sanctuary
4 was to protect the urbanized areas of Santa Barbara from
5 the affects of oil and gas development; however, with the
6 installation of Platform Heron, one of the most densely
7 populated areas in the United States--Isla Vista--will
8 be subjected to the numerous significant impact which the
9 marine sanctuary was designated to preclude.

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

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

20 This is what started CEQA, to prevent these types
21 of incompatible uses. Isla Vista has already been heavily
22 impacted by a state institution which we have no control
23 over--UCSB. We are overcrowded, and the quality of life
24 is already severely impacted. Adding this industrial use
25 so close would be next to intolerable.

1 And one final comment, denial of Herson doesn't
2 mean the lease cannot be developed. It just can't be developed
3 at this time in a manner proposed by ARCO. It has just
4 too many Class 1 negative impacts. Let them try again,
5 and find a more environmentally acceptable way to get the
6 oil.

7 Thank you very much.

8 CHAIRMAN MC CARTHY: Thank you very much.

9 Any questions by Commissioners, at this time?

10 [No response.]

11 All right, thank--

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

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

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

18 We would like to invite him forward to testify.

19 Welcome, Mr. Assemblyman.

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

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

25 Also, I realize that the purpose of today's hearing

1 is to discuss the adequacy of the EIR/EIS, and the certification
2 of the ARCO project. Not being a technical expert, I am
3 going to keep my remarks brief.

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

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

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

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

24 With regard to the EIR/EIS, it appears that the
25 Commission staff is recommending that the environmentally

1 preferred alternative, remain so designated in the final
2 document. My concerns about the inclusion of this designation
3 are really two fold. First of all, Santa Barbara County
4 has major procedural and factual objections to this approach.

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

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

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

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

23 Commingling and consolidation of facilities must
24 be pursued, and any platforms that might be installed ought
25 to be single platforms, as opposed to the dual platforms.

1 I, again, want to thank you for coming to Santa
2 Barbara. I certainly realize that it is difficult to get
3 here from Sacramento, and I hope to see you back again
4 within 60 days.

5 Thank you very much.

6 CHAIRMAN MC CARTHY: Thank you.

7 COMMISSIONER ORDWAY: Mr. Chairman.

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

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

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

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

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

23 CHAIRMAN MC CARTHY: Any questions?

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

1 the EIR?

2 CHAIRMAN MC CARTHY: Sorry, to keep you there.
3 I thought it was a question to you.

4 Thank you, Assemblyman.

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

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

11 COMMISSIONER DAVIS: So, the motion--

12 COMMISSIONER ORDWAY: The motion is basic.

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

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

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

19 COMMISSIONER DAVIS: --accept it.

20 Fine. I would concur with that.

21 CHAIRMAN MC CARTHY: All right.

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

24 [No response.]

25 If not, the Commission unanimously agrees to--

1 MS. SCHWARTZ: Mr. Chairman.

2 CHAIRMAN MC CARTHY: Yes.

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

5 CHAIRMAN MC CARTHY: Yes.

6 MS. SCHWARTZ: Thank you.

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

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

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

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

21 Now, even though what you are suggesting is not
22 to consider this alternative for the ARCO project, if you
23 keep it in this document, which you are about to certify
24 today, as an environmentally preferred alternative to onshore
25 treatment, it will have significant ramifications for the

1 future, and for other projects, and I would just would
2 urge you to consider that before voting.

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

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

9 CHAIRMAN MC CARTHY: All right.

10 We will take a five-minute recess, and be in
11 executive session.

12
13 Recess: 10:45 a.m. - 10:50 a.m.

14
15 CHAIRMAN MC CARTHY: The motion before this Commission
16 is not to delete the environmentally preferable alternative
17 cited by Commissioner Ordway.

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

23 I think the intent of the motion was just to
24 indicate, if it passes, that the members of this Commission
25 do not intend to incorporate any of the recommendations

1 within the environmentally preferred alternative.

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

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

7 COMMISSIONER ORDWAY: Call for the vote.

8 COMMISSIONER DAVIS: I would support the motion.

9 CHAIRMAN MC CARTHY: So do I.

10 Unanimous.

11 The next witness is Chancellor Daniel--

12 COMMISSIONER DAVIS: Mr. Chairman.

13 CHAIRMAN MC CARTHY: --Aldrich--

14 COMMISSIONER DAVIS: Mr. Chairman.

15 CHAIRMAN MC CARTHY: Commissioner Davis.

16 MOTION] COMMISSIONER DAVIS: I wanted to raise this while

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

22 I think these hearings have been constructive.
23 Obviously, this community has a vital interest in the decisions
24 of this Board, and its critiques and suggestions, have
25 affected our actions to date, and I would like to move

1 that we have a hearing in Santa Barbara to decide whether
2 or not this project would be approved, within the statutory
3 constraints allowed to us by law.

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

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

12 COMMISSIONER ORDWAY: It has been definitely
13 delightful to--

14 CHAIRMAN MC CARTHY: --the issue--

15 COMMISSIONER ORDWAY: --get out of Sacramento
16 and come down to Santa Barbara.

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

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

25 It is just a time constraint that we have that

1 is seasonal, and April, May and June, we are in Sacramento.

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

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

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

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

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

24 And, I guess that I would like to put that as
25 a motion before the Board because I believe that there

1 has to be some time between today and the legal date that
2 we have to finalize our decision on this matter, that all
3 three of us can--at least a representative from all three
4 of our offices, consistent with--well, that all three of
5 us can be present.

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

20 I think I would respond to the--

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

23 CHAIRMAN MC CARTHY: I think that I would respond
24 in the same way, Commissioner Davis, if you faced a limitation
25 on your availability at such a crucial point.

1 I would rather not have a third member of this
2 Commission, who has not been a participant in any of these
3 hearings at any point, come and sit in on such a momentous
4 decision that would have to be made. That would be very
5 difficult.

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

15 We will move on to Chancellor Daniel Aldrich.
16 Chancellor Aldrich.

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

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

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

25 UCSB's decision to urge the Commission not to

1 certify this EIR, is based in part upon the EIR's purposes
2 in the permitting process as defined for us by the State
3 Lands' staff.

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

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

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

20 To be specific about the ARCO EIR's shortcomings,
21 it doesn't address the ramifications of a project without
22 Platform Heron, an alternative advanced by the city, the
23 county, the university, and number of individuals who represent
24 informed and concerned organizations; it gives inadequate
25 attention to the phased development alternative, an option

1 which ARCO is currently advancing; our request for a full
2 analysis of the economic impact upon ARCO, and upon the
3 state, of the drastic decline in the oil and gas prices,
4 and has gone largely unheeded.

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

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

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

19 The EIR is vague in discussing the nature and
20 manner of implementing the several calls for ongoing research
21 and monitoring during the life of the project. In this
22 connection I wish to emphasize that this EIR represents
23 a step in the permitting of what may become the first of
24 many projects involving California coastal waters, and
25 thus is critically important in establishing precedents

1 that will be significant down through the years in resolving
2 the many legitimate demands upon our coastal waters.

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

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

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

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

22 About two years ago, UCSB faculty challenged
23 the accuracy of the socioeconomic impacts derived from
24 using the model which was applied to the ARCO EIR. In
25 conversation with the designer of the model, Dr. Ben Stevens,

1 we learned that this regional model could not tell us anything
2 about socioeconomic impacts upon either the university
3 or Isla Vista, from the ARCO project.

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

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

21 While I am on the subject of the accuracy of
22 the documents which are critical to these proceedings,
23 I want to correct a reference to UCSB's participation in
24 the EIR process. We were not as heavily engaged in the
25 preparation of the EIR as the calendar item suggests.

1 Finally, we find certain references to the university
2 in the ARCO EIR to be disquieting. For one thing, our
3 concerns about the impacts of the project upon faculty
4 and student recruitment and retention, a factor about which
5 there has been ample testimony, are not treated with the
6 seriousness we believe they deserve; moreover, we found
7 the calendar item's responses to UCSB comments and concerns
8 to be woefully inadequate. Critical portions of my testimony
9 and that of Professors Case and Alldredge were omitted.

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

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

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

23 Thank you.

24 CHAIRMAN MC CARTHY: Any questions by members?

25 [No response.]

1 MR. WALLACE: Mr. Chairman, excuse me.

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

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

8 CHAIRMAN MC CARTHY: Certainly.

9 MR. WALLACE: Mary Ann.

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

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

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

22 Furthermore, the county is afraid that if you
23 disavow the EPA, you will put us in a position, as the
24 responsible agency, of being unable to make a decision,
25 based on a document which has been deflated significantly,

1 and in our abilities to review it as an entire informational
2 document.

3 Thank you.

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

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

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

20 COMMISSIONER ORDWAY: We realize that--

21 CHAIRMAN MC CARTHY: Commissioner Ordway.

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

1 MS, SLUTSKY: Thank you.

2 COMMISSIONER ORDWAY: That the EPA is not spiffy.

3 CHAIRMAN MC CARTHY: Thank you.

4 All right.

5 Dr. James Case, Professor of Marine Biology.

6 Welcome back, Dr. Case.

7 MR. CASE: I remembered my manners this time.

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

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

12 I am a UC Regent. They may ask me.

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

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

23 [Laughter.]

24 COMMISSIONER ORDWAY: Mr. Chairman.

25 CHAIRMAN MC CARTHY: Commissioner Ordway.

1 COMMISSIONER ORDWAY: Could Article 10 of the
2 CEQA guidelines also apply to all statutes that are developed
3 by members of the Legislature in Sacramento? It would
4 certainly be helpful.

5 MR. CASE: I suspected as much.

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

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

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

19 There are two specific reasons for bringing this
20 to your attention today. First, of course, I hope that
21 you will require revision and clarification of the EIR,
22 so that it can be widely understood. This, very probably
23 will by increasing general understanding of the project,
24 be valuable to all by eliminating needless controversy
25 based on ignorance and misunderstanding.

1 Secondly, and perhaps most importantly, with
2 the Coal Oil Point project you are unavoidably forging
3 new precedents for development of California coastal waters.
4 I hope you will establish a model for optimal coastal development
5 by these actions.

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

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

22 We outsiders know very little about this. We
23 do not know how Chambers Associates were chosen, and from
24 what size pool of competent bidders. The public knows
25 essentially nothing about the experience and the qualifications

1 of Chambers Associates, or about the technical personnel
2 who were consultants to them.

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

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

19 We still believe that the state of the larval
20 population is perhaps the most sensitive indicator of the
21 health of the channel fisheries for abalone, crabs, and
22 lobsters, sea urchins, and fish. Larval populations should
23 most certainly be continuously monitored, as a precaution
24 against possible affects of inadvertent spills of a number
25 of chemicals from the platforms. The battle on behalf

1 of fisheries' protection may well be over before it is
2 joined if the monitoring involves only adult populations.

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

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

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

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

24 This is another argument for delaying exploitation
25 of state petroleum resources, until you are assured that

1 they will be best used in the public interest.

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

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

12 Thank you.

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

15 Commissioner Gray has a question, Doctor.
16 Dr. Case, would you mind? Thanks.

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

20 MR. CASE: I would personally much prefer to
21 see it permitted in the context of a publically announced
22 state coastal development policy. I realize you have
23 problems with streamlining and that sort of thing, but
24 I speak only on theoretical grounds, which I hope will be
25 persuasive.

1 COMMISSIONER DAVIS: I endorse that view, and
2 think that as we approach this important decision we ought
3 to have a better understanding of all the possible drilling,
4 both within state and federal waters in order to make a
5 thoughtful decision.

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

9 COMMISSIONER DAVIS: Thank you, Doctor.

10 CHAIRMAN MC CARTHY: Thank you, Doctor.

11 Dr. Richard Zimmer-Faust. The Marine Sciences
12 Institute. Welcome, Doctor.

13 MR. ZIMMER-FAUST: Thank you very much.

14 I have been a research biologist with the Marine
15 Sciences Institute, University of California at Santa
16 Barbara, since 1963. My research is on the natural history
17 of crustacea: lobsters, crabs.

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

23 It has now been well established that the chemical
24 senses of marine animals are vitally important to the
25 detection and acquisition of resources. Chemical cues

1 are responsible for controlling a wide variety of
2 activities, including larval settlement -- you've heard
3 our arguments about larval -- potential larval mortalities,
4 foraging and feeding, just as well; mate selection and
5 other activities.

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

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

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

21 Perhaps more importantly, I have recently
22 identified both inorganic and organic substances that
23 inhibit lobster and crab feeding. A manuscript detailing
24 some of these results has been published in the Biological
25 Bulletin and has already been submitted as evidence to

1 State Lands.

2 I would like you to know that I am not alone
3 in these observations; several other investigators,
4 particularly Dr. Barry Ache of the University of Florida,
5 Dr. Charles Derby of Georgia State University, Dr. Jelle
6 Atema of the Marine Biological Laboratory at Woods Hole
7 have attained similar findings for a variety of marine
8 animals.

9 One identified inhibitor is ammonia. This substance
10 retards feeding by California spiny lobsters at concen-
11 trations just one-and-a-half times ambient levels in sea-
12 water. Ammonia is a major constituent of processed water
13 and of produced water created during gas treatment.

14 ARCO has proposed, as one of its alternatives,
15 although unlikely as it is, to release produced water from
16 its Las Flores Canyon refinery to the ocean via an outfall.
17 The volume of this discharge is projected to be a staggering
18 6,000,000 liters per day, with ammonia being a predominant
19 constituent.

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

24 However, the important point is not that ammonia
25 acts as an inhibitor, but rather, that investigators such

1 as Professor Case, Daniel Morse and myself at UC Santa
2 Barbara have just developed the analytical tools which
3 allow us to define the role of chemoreception, of
4 olfaction and taste, in natural marine habitats. The Coal
5 Oil Point EIR/EIS does not properly address sublethal effects
6 caused by subtle changes in seawater chemistry associated
7 with offshore drilling. Such effects will undoubtedly
8 impact the fitness of marine organisms with implications
9 to their commercial fisheries.

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

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

23 The yellow crab is the largest contributor to
24 a local fishery in Santa Barbara County. This crab inha-
25 bits areas of hard and soft bottoms to about 100 meters

1 depth and its distribution overlaps significantly with
2 the region proposed by ARCO for offshore drilling.

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

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

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

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

22 In closing, I would like to reiterate an essential
23 point; namely, the Coal Oil Point EIR/EIS only guesses
24 at many of the impacts to be caused by offshore oil drilling.
25 The EIR fails to consider the legitimate concerns of local

1 commercial fisheries. There is insufficient data to state
2 what cumulative long-term effects might result from
3 seemingly minor perturbations of the marine environment.

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

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

10 Thank you.

11 CHAIRMAN MC CARTHY: Thank you.

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

14 MR. SAWYER: Thank you.

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

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

22 In Exhibit D, attached to the announcement of
23 this meeting, there appeared a criticism of some slides
24 shown by Dr. Gebhard portraying Platform Heron against
25 several backgrounds. In particular, it is alleged that

1 Heron is mislocated, and exaggerated in size on these slides.

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

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

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

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

16 CHAIRMAN MC CARTHY: That the slides are distorted?

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

19 CHAIRMAN MC CARTHY: That's fine.

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

23 Well, let me show this slide of a simulation
24 of Platform Heron as seen from Goleta Beach Park, as a
25 prime example. Before addresssing the details, I should

1 say that although Professor Gebhard is an acknowledged
2 expert and experienced expert witness in aesthetic matters,
3 I am a rank amateur on photographic matters.

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

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

12 Thank you, very much.

13 Now, one final shot, thank you.

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

15 Now, I can hardly read what I am--

16 CHAIRMAN MC CARTHY: Does anybody have a pocket
17 flashlight?

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

20 Platform Heron would be situation roughly 17,000
21 feet from Goleta Beach Park. The platform that is pictured
22 here is the single platform alternative, which would rise
23 295 feet above the water, according to the EIR.

24 The 35-millimeter background picture was taken
25 using a zoom lens, set at 120 millimeters focal length.

1 The size of our ghost platform on the photograph itself,
2 therefore, is given by 295 divided by 17,000, times 120
3 millimeters, equals almost exactly two millimeters.

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

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

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

19 The elevation of the bluff at Campus Point, at
20 a maximum it is 45 feet, in fact, it is probably less than
21 40 feet. The USGS bench mark out there is at 38 feet.
22 You can find it on the topo map, so it is 45 feet high--
23 that bluff on the right.

24 The height of Heron is 295 feet, so I hope that
25 everybody has the picture. Heron is almost three times

1 as far away. It is more than six times as high, therefore
2 it extends well above the intervening bluff.

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

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

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

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

24 It doesn't get any clearer upon rereading, but
25 it is perfectly clear that the argument is based on comparing

1 picture with another one, and neither picture having a
2 common element.

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

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

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

24 Clearly, if you draw from Platform Heron through
25 Goleta Point, you hit--and I still can quite see it--you

1 hit Goleta Beach Park a little bit to the east of the intersection
2 with UCSB; therefore, from some points in Goleta Beach
3 Park, the platform will actually be a little bit behind
4 the point, from most points it will stand a little ways
5 out into the ocean.

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

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

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

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

24 Leaving aside the very serious threats to marine
25 research, there are several threats to the welfare of

1 all of the residents, users, and employees, in the immediate
2 area. These include the possibilities of more oil in the
3 water, chronically, even if there are no catastrophes,
4 the certainty of local air quality deterioration, and the
5 ever presence, if unlikely, possibilities of disastrous
6 accidents.

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

10 CHAIRMAN MC CARTHY: Professor?

11 MR. SAWYER: Yes.

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

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

16 CHAIRMAN MC CARTHY: Thank you.

17 Please proceed.

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

21 In my testimony before this Commission at the
22 January 13 hearing, I discussed the potential impacts of
23 Heron on the recruiting of the best faculty, and students--
24 this time speaking as the most expert of witnesses. At
25 the January 28 hearing, Professors Gunn and Srednicki testified

1 as recent recruitees, to some of the same points.

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

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

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

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

19 Thank you.

20 CHAIRMAN MC CARTHY: Thank you.

21 Professor Galen Stucky, Professor of Chemistry
22 at UCSB. Did I pronounce the first name correctly, professor?

23 MR. STUCKY: It is Galen.

24 CHAIRMAN MC CARTHY: Galen. Thank you.

25 MR. STUCKY: I only have a brief comment.

1 CHAIRMAN MC CARTHY: All right.

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

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

13 CHAIRMAN MC CARTHY: Thank you very much.

14 Carolyn Leavens, representing herself.

15 Ms. Leavens.

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

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

20 CHAIRMAN MC CARTHY: Oh!

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

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

25 MS. LEAVENS: So was mine, that's okay.

1 COMMISSIONER DAVIS: Maybe we could have a brief
2 summary?

3 MS. LEAVENS: Nice to see you again.

4 Thank you for the opportunity to address the
5 issues of the ARCO's offshore project request at Coal Oil
6 Point.

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

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

20 What difference does this make to the issue at
21 hand? We believe it to be of the greatest urgency that
22 we not allow ourselves to be further dependent on offshore
23 producers for fuel. We saw the results of fuel dependency
24 in the '70s and we are rapidly becoming far more vulnerable
25 to those overseas sources, than we ought to be.

1 Further delays in this project might well be
2 worthy of consideration if the majority of our citizens
3 were willing to give up our present standard of living,
4 and assume the personal costs of using less petroleum based
5 products; however, it would mean returning to some other
6 means of transportation than the automobile, houses built
7 without plastic pipes, electrical insulation, flooring,
8 kitchen appliances, energy to produce nearly everything
9 else used, a myriad of industrial uses, plastic bags in
10 their endless variety, the majority of our clothing, medical
11 equipment and appliances, the list is endless.

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

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

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

22 We have had a family beach cottage on the Rincon
23 for nearly 60 years, and we find the twinkling lights,
24 and occasional flares from the drilling platforms, an interesting
25 addition to our seascape. That's true. My fisherman husband

1 is especially delighted with the enhanced fishing production
2 that is a by-product of those platforms' presence. We
3 have always had some oil seepage along that coast, and
4 I think we find less tar on the beach now, now that the
5 drilling is taking some of the pressure off of those seeps.

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

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

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

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

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

24 Mr. Chairman, please consider seriously both
25 the risks and the benefits of this proposed project.

1 Thank you very much.

2 CHAIRMAN MC CARTHY: Thank you.

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

5 Mr. Ranger, welcome back.

6 MR. RANGER: Thank you, sir.

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

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

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

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

1 certainly are plural.

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

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

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

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

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

25 ARCO has cooperated fully with the consultant

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

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

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

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

1 own regulations.

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

5 CHAIRMAN MC CARTHY: Certainly.

6 MR. RANGER: --in connection with our project.

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

9 [No response.]

10 Thank y. u.

11 Ms. Gelbs.

12 MS. GELBS: Good morning Commissioners.

13 I am Thalia Gelbs with ARCO Oil and Gas Company.

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

17 The EIR contains a thorough and extremely conservative
18 analyses of the project's potential air quality impacts.
19 Class 1 impacts described in the EIR were based upon predicted
20 exceedances of air quality standards.

21 A Class 1 impact is defined as a significant
22 impact, not mitigable, to insignificant levels; however,
23 to receive a permit from the Santa Barbara Air Pollution
24 Control District, air impacts must be mitigated. If there
25 is a project there can not be Class 1 air impacts, in fact,

1 as the staff report states on page 12:

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

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

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

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

24 The EIR described a project with annual emissions
25 of 906 tons per year of total hydrocarbons. The ATC value

1 is 420 tons per year. The EIR analyzed impacts from 561
2 tons per year of nitrogen oxides, while the ATC value is
3 128 tons per year of nitrogen oxides. Application of appropriate
4 control strategies will achieve minimization of emissions.

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

17 The third criterion is the requirement to provide
18 enough offsets for the project emissions to guarantee an
19 net air quality benefit. The southern portion of Santa
20 Barbara County is presently designated a "non-attainment
21 area" for ozone. ARCO will be required to offset both
22 nitrogen oxides, or NO_x , and reactive hydrocarbons, referred
23 to as RHC, because these are ozone precursors.

24 Under the Santa Barbara Air Pollution Control
25 District's New Source Review rule, we must offset our NO_x

1 and RHC emissions by a ratio of at least 1.2:1. In other
2 words, we must remove 120 tons per year of existing emissions
3 for every 100 tons per year our project emissions add.

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

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

23 Again, offsets do not represent an equivalency
24 but a genuine improvement of the existing air quality.
25 Permitting of Coal Oil Point must, by law, result in a

1 reduction of emissions and a positive effect on air quality.

2 Thank you.

3 CHAIRMAN MC CARTHY: Thank you.

4 Any questions of Ms. Gelbs from the Commission?

5 [No response.]

6 Thank you very much.

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

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

11 CHAIRMAN MC CARTHY: Thank you.

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

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

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

24 After reviewing the EIR, and the thousands of
25 comments received, your staff has recommended that this

1 document be certified. I believe this certification to
2 be in the best interest for all concerned. I realize that
3 with any project of this nature, and its resulting EIR,
4 that there is bound to be disagreement regarding both its
5 contents and interpretation; however, I believe the document
6 represents a good faith effort by all concerned, to objectively
7 present the facts.

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

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

19 Thank you.

20 CHAIRMAN MC CARTHY: Thank you very much.

21 Ruth Saadi, vice President, League of Women
22 Voters.

23 Did I do the pronunciation justice, Ms. Saadi?

24 MS. SAADI: Oh, that's fine.

25 Okay, the League again thanks you for holding

1 a hearing in Santa Barbara. Thank you also for a staff
2 report before the hearing.

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

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

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

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

25 Offshore processing is just not in this county's

1 interest. More to the point, the calendar's single-minded
2 focus on the environmentally preferable alternative is
3 in effect to rewrite the CEQA Section 15126(D)-2. The
4 League submits that CEQA's mandate in that section, that
5 quote:

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

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

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

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

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

25 The League takes issue with staff's spatial conclusion

1 that the \$4.5+ million EIR/EIS provides a state of the
2 art cumulative impact analysis. Data presented in Section 7
3 are admittedly impressive, but they represent some 20 to
4 21 tightly compartmentalized analyses, by almost as many
5 disciplines.

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

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

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

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

22 All right, in closing then, the League submits
23 that the EIR is not certifiable at this time, for the three
24 noted that we have already given, and also for these reasons
25 and others spelled out in the statement made by the Chairman

1 of the Santa Barbara County Board of Supervisors. The
2 League concurs in that statement, and thank you again for
3 this opportunity.

4 CHAIRMAN MC CARTHY: Thank you very much.

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

7 Mr. Sollen.

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

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

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

21 The staff report says that Santa Barbara County
22 has gone so far as to mistake the preferable alternative
23 for a recommended alternative. The "preferred" alternative
24 is not recommended, the staff advises us, and just because
25 an alternative is listed as environmentally preferable

1 in the report issued by the state and the county, doesn't
2 mean that the state or the county prefer it. That is what
3 the report says.

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

10 Now, is there any reason for confusion!

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

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

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

24 I am not sure of the legal ramifications of that,
25 but it drove the Commission to an executive session this

1 morning, but I think the policy ramifications as Naomi
2 Schwartz testified are enormously important.

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

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

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

24 It assured us earlier that this issue was settled
25 in the draft EIR. There is no such assurance in the draft EIR.

1 That report talks about dumping drilling muds.

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

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

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

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

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

19 Thank you very much.

20 CHAIRMAN MC CARTHY: Thank you.

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

1 of them that they certainly will be heard.

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

3 Mr. Costello.

4 MR. COSTELLO: Good afternoon, ladies and gentlemen.

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

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

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

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

23 Something they have talked quite a bit about
24 measuring it, different products, different consistencies,
25 it has got to measure for accurate compensation. Let's see.

1 The objective is to measure it according to its individual
2 constituents, as you know, and I am sure you well know
3 about the different constituents of oil products.

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

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

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

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

25 Maybe I might bring to mind Kern County. There

1 are a number of people over there. The oil production
2 really matters to the people there. That is how they earn
3 their living. Forty percent unemployment, and any of them
4 could come down here and they wouldn't be speaking to you
5 in the tone that I am speaking to you in.

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

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

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

25 I am sorry to have taken so much time. I just

1 think that this bit about metering, taxes, we are no where.
2 Obstructionism gets you no where.

3 CHAIRMAN MC CARTHY: Thank you very much.

4 Let me make one announcement, before we break
5 up.

6 UNIDENTIFIED SPEAKER: Would you be willing to
7 take one more speaker? Because I have an appointment at
8 3:00 p.m. I would like to see the rest of the proceedings,
9 but I won't be able to come back and I would like to--

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

15 UNIDENTIFIED SPEAKER: Could I make my comments
16 now?

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

19 UNIDENTIFIED SPEAKER: I realize that.

20 CHAIRMAN MC CARTHY: --and not stick around,
21 too.

22 UNIDENTIFIED SPEAKER: Okay.

23 CHAIRMAN MC CARTHY: Thank you.

24 All right, we will be back at 2:00 p.m.

25 Recess: 12:00 p.m. - 2:00 p.m.

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

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

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

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

15 My name is Mrs. E. S. Conway. My address,
16 925 Camino Lindo. My husband and I moved from Los Angeles
17 area because we felt the Santa Barbara area was reasonably
18 pollution-free. We worked practically all our lives and
19 our home represents our savings. We are three blocks from
20 the water and one block from Camino Corto. If ARCO
21 succeeds in industrializing the Santa Barbara channel and
22 erecting Heron two miles offshore, we might as well have
23 invested \$170,000 in a home in the center of the City of
24 Industry or alongside the Chicago stockyards.

25 I know what we can expect. For about two years

1 we lived in El Segundo near the Standard Oil plant. On
2 summer nights I often closed the bedroom window to shut
3 out the putrid odors.

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

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

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

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

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

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

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

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

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

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

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

19 Thank you for your time.

20 CHAIRMAN MC CARTHY: Thank you very much,
21 Mrs. Conway.

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

24 MR. KLAUSNER: Thank you, Commissioner McCarthy.

25 I have submitted some testimony for you and

1 I'd like to highlight only four or five points.

2 Earlier in the testimony, Richard Ranger was
3 good enough to describe what the purpose of the EIR is:
4 essentially, a document to enable you to make sound
5 decisions.

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

12 I found this response on the part of staff
13 offensive. My notes here say "garbage." And I use the
14 term advisedly. This is an excuse for a response.
15 It in no way covers the intent of CEQA. It is meant to
16 cover somebody's tracks, to prove that what is being done
17 here is legal. It is an interpretation which we would
18 find totally unsatisfactory, and is not the kind of thing
19 we are used to in Santa Barbara. We have been through
20 quite a few of these things before, and never have we had
21 one that came up like this.

22 If CEQA meant to put in an environmentally
23 preferable alternative for the purpose of saying we have
24 covered our tracks, don't pay any attention to it, I'm
25 sure those legislators would have so stated. The reason

1 for having that environmentally preferable alternative
2 is to give you something that you can dig your teeth into
3 if you're not going to have the environmentally superior
4 alternative.

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

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

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

25 There was one staff meeting where people came

1 up, technicians, and said in effect, you'll have to prove
2 to us that we should do something different tomorrow than
3 we've done yesterday because we're afraid that whatever we might
4 do, won't weather the test of being able to make sure
5 that the state gets their fair share of the take.

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

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

22 Now, earlier in the day, I saw a press release
23 that was issued by Commissioner Davis, indicating that
24 based on the information he has received so far, he was
25 against the project; and also in that press release,

1 there was an indication that he had approved this EIR.

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

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

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

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

22 If you are going to make a decision that is going
23 to impact our lives to the degree that this is going to
24 impact our lives, we want to be able to look you in the
25 eye and you look us in the eye and say, "We're doing

1 this because..." And we're not going to get that if you're
2 doing that up in Sacramento, because all these people can't
3 and won't go up to Sacramento, and one of the nice things
4 that has happened, although we have not achieved our
5 expectations is by virtue of the fact you put yourself
6 out to come down here, at least you've seen and heard
7 where we're coming from. You've heard responsible kind
8 of input here.

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

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

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

22 We have taken no position yet. It's hard to
23 take a position when you don't have an EIR that gives you
24 enough information, despite the fact that it's yea high,
25 \$4 million in the hole.

1 And what we're suggesting is that three of you
2 come down here at any time within the next two months so
3 that we can tell you what we think and you can tell us
4 what you think is the best way to balance the act here
5 between the interests of ARCO and the interests of our
6 community.

7 Thank you.

8 CHAIRMAN MC CARTHY: Commissioner Davis.

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

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

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

23 I would also like to concur with your concern
24 about not having another hearing here. You know, I think
25 it's important -- I hope there is some way that my fellow

1 Commissioners can find that possible, if only on a fact-
2 finding basis, so at the very least, we are aware of the
3 concerns of the community. This is the community most
4 affected by any decision to approve the project that might
5 be forthcoming, and I would hope that there would be some
6 mechanism constructed that could satisfy your concerns.

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

10 CHAIRMAN MC CARTHY: Mr. C. B. Anderson of the
11 Isla Vista Association. The president. Mr. Anderson.

12 MR. ANDERSON: Thank you, sir.

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

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

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

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

1 same time only once a year for an hour.

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

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

11 Nevertheless, the estimate of two tons of sulfur
12 dioxide in one hour seems valid for the worst-case upset.
13 The plume from the flare will have a concentration of SO₂
14 in the order of magnitude of 2,000 parts per million. The
15 extent of the dilution of the plume is where we differ
16 with the conclusions of the EIR.

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

24 To the contrary, I believe the number is actually
25 one mile, and its error limits are at least a factor of

1 two or three, and probably -- probably not more than a
2 factor of ten.

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

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

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

21 The amounts of materials involved in this case
22 were less than a gram. Now, bearing in mind that two tons
23 is nearly a million grams, it seems quite possible that
24 the sulfur dioxide might get to Isla Vista without being
25 sufficiently diluted.

1 Another indication that the plume will not always
2 be dissipated in two miles is the fact that we can smell
3 the Ellwood Oil Terminal and it smells just about as bad
4 as it does sometimes on the Sandpiper Golf Course. We're
5 about in the same order of distance from the Ellwood Terminal.

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

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

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

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

23 Furthermore, some kinds of particulates have
24 been shown to catalyze formation of sulfuric acid very
25 rapidly, in minutes, not in hours. The guy gives a reference

1 there as 1960. Aerosol particles are known to absorb
2 SO₂ and concentrate it. And small particles are deposited
3 deep in the lungs, carrying all of the things that are
4 absorbed on the particles along with them. And this is
5 more efficient than gases.

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

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

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

24 Also, I think it is possible for the State Lands
25 Commission to get a separate -- a second opinion, and it

1 has been done in other places, to get second EIR's. And
2 I think in this particular case, it might not be a bad
3 idea.

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

8 This is from Mr. Lagerquist, who is an engineer
9 of some 25 years' experience.

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

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

23 An error analysis and interpretation of the results
24 is required. Knowing the behavior of the model and the
25 adequacy of the input data, what is the probable error

1 of the recorded figures? State the results as a single
2 value--as a single value, helps to mislead the reader.

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

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

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

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

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

21 I urge that this EIR/EIS not be certified.

22 Signed, Roger L. Laurquist.

23 Thank you.

24 CHAIRMAN MC CARTHY: Thank you.

25 Mr. Scott Gordon, CALPIRG. Welcome.

BEFORE THE STATE LANDS COMMISSION
OF THE STATE OF CALIFORNIA

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

EIR/EIS Public Hearing
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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Gray Davis, State Controller
Nancy Ordway, Office of Director of Finance

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

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

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

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

25 The fact that this project is the first proposed

1 development within state waters in over 20 years makes
2 this a test case. The decision made in this case will
3 have enormous and far-reaching impacts on coastal commu-
4 nities up and down the entire state.

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

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

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

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

25 The compromises made by ARCO do not merit the

1 the approval of this project. The impacts and the risks
2 of this project are too high, and the unity of the
3 opposition shows it.

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

13 Thank you for letting me speak.

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

20 Dee Heckman. Treasurer of the Isla Vista Community
21 Council.

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

25 I don't have very much to say, just a couple

1 sentences. And basically what I'd like to reiterate is
2 that I represent over 25,000 people. I am a member-at-
3 large of this community.

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

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

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

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

23 And I feel that the reason why -- I know that
24 the reason why that it's there is because of the fact there's
25 oil out there, but I also feel one of the other reasons

1 too is because it's Isla Vista, and most people don't care
2 about Isla Vista.

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

9 That's all. Thank you.

10 CHAIRMAN MC CARTHY: Thank you very much.
11 Thank you.

12 Mr. M. V. Scherb, consultant, Risk Management.
13 Welcome back, Mr. Scherb.

14 MR. SCHERB: Thank you.

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

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

24 I might say that the truck problem has never
25 been fairly discussed. I came down the road -- came up

1 the road from L.A., and there was a truck accident this
2 morning. Fortunately, it was dry ice at 9:00 o'clock, instead
3 of some hazardous material. That's one of our major hazards,
4 and in the past, all these EIR's that have come out that
5 I've been associated with since the Exxon Santa Ynez use
6 probablistic analysis -- that was rejected by the county
7 as not being meaningful; they put in resolutions; they're
8 still debating when the impact; are they using railroads
9 or --or perhaps pipelines.

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

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

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

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

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

24 Now, to address specifically the system's safety
25 reliability, I can only quote what Mike McDermott said:

1 it was of no value whatsoever. We get these tired
2 recitations of design basis accidents and the consequences,
3 but when it comes to what to do about it other than the
4 trivial solution, not having the project, is nowhere.

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

9 And there's been a revolution in this area ever
10 since Bopal, and I must say, the State of California is not
11 moving too fast, when the Governor is ready to kill Cal OSHA
12 in July with their special emphasis program, when Prop 65
13 has only 29 chemicals on it, giving Barry Groveman and Hayden
14 heart attack -- and fortunately we have some other bills
15 that are relevant to chemicals; 2185, 2187 -- the bill I
16 was involved with, AB 3777, risk management hasn't been
17 applied yet -- the La Follette bill -- we have -- tonight
18 in Santa Clara will be a big public forum on the toxic gas
19 ordinance that had a study done under Byron Scherrer --
20 we have the Union City California ordinance --

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

25 Now, I found the answer there meaningless. Talk

1 about accidents, when it came to oil spills, it was a
2 give-up deal. You're gonna have to live with it.

3 Maybe it won't happen.

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

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

18 But here we are at a late stage, still looking at off-
19 shore safety

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

23 So what I'm trying to say is the following: we
24 have to have -- if we're gonna have to live with these
25 platforms, we're gonna have to have an effective risk

1 management plan that's going to be very specific in design.
2 It is going to have to have a professional staff.

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

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

14 It's my opinion at this time, that AB 3777, with
15 all the meaning in it and the hard stuff, the best available
16 control technology is applicable as long as you have a
17 55-gallon drum, or--total--or one of 402 chemicals on the
18 EPA list.

19 And, the sooner we apply it to the system, as
20 long as it's in the design stage, and stop talking about
21 probabilities of this, or motherhood statements, such as
22 the gas class Professor Anderson spoke to, the real world
23 is that many of those clouds are staccatic in nature, and
24 as he pointed out, they could go one mile, they could go
25 two miles.

1 You cannot really -- you can use any kind of
2 models, but you've got to run tests under certain condi-
3 tions such as at China Lake or in a wind tunnel such as
4 Colorado State, before you can make a statement.

5 If you have an exposed population of 18,000,
6 I would proceed very carefully with that over the 40 or
7 50-year lifetime of the project.

8 Thank you.

9 CHAIRMAN MC CARTHY: Thank you.

10 Mr. Steve Musick -- is it M-u-s-i-c-k, Mr. Musick?
11 Thank you. Please.

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

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

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

24 It's therefore not surprising that they see
25 nothing wrong with razing an Amazonian rain forest to

1 create temporary pasture for cattle.

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

7 But this is no doubt a quixotic proposal.

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

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

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

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

25 When the Commission recessed, I went to the

1 library and I looked in a atlas of congressional districts
2 of the -- America. I found this quote of James Madison on
3 local control, and he said or wrote, in the Federalist
4 Papers:

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

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

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

25 Now, I'm here because I recognize that you

1 are the representatives of the Lands Commission. In our
2 society, not everyone who lives on the land owns the land,
3 and so I have to ask myself and you, what governs our state
4 of being.

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

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

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

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

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

1 the cost of that benefit.

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

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

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

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

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

24 And the time line of human existence our past
25 nine or ten decades of technological advances represents

1 a fiftieth of recorded history. Each empire has regaled
2 the next with its layer of sand and crumbs, humbled by its
3 fall.

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

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

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

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

24 Thank you.

25 CHAIRMAN MC CARTHY: Thank you.

1 Is there a Prentice Patterson, production
2 supervisor, ARCG? Mr. Patterson?

3 MR. PATTERSON: Thank you.

4 I just have a small brief statement here.

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

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

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

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

22 A good example is our fire safety. We are
23 trained to use fire detection and extinguishing equipment,
24 and the probability of fire occurring in the facility is
25 greatly reduced by several safety features.

1 The first is the use of a heat transfer fluid
2 to meet the heating requirements in the facility. This
3 reduces the total number of fire vessels' stack emissions
4 and the probability of fire.

5 All the fire vessels are centralized in the area
6 to reduce the risk of spreading if a fire started. The
7 fire vessels themselves are designed for maximum protec-
8 tion from fire.

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

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

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

21 CHAIRMAN MC CARTHY: Thank you.

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

24 MS. JOHNSON: Thank you.

25 My name is Teresa Johnson. I am a local resident

1 of Goleta and work on Platform Holly. I am here to support
2 the certification of the EIR.

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

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

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

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

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

23 As an employee of ARCO for over two years, currently
24 assigned on Platform Holly, I have learned that the tar on
25 the beach comes from natural seepage, bubbling up from the

1 ocean floor. Since the placement of the two steel pyramids
2 over the seepage in September of 1982, most of this natural
3 oil and gas has been contained and therefore reducing the
4 amount of tar on the beach.

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

13 CHAIRMAN MC CARTHY: Thank you.

14 Douglas Yates. Student body president. UCBS.
15 Mr. Yates?

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

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

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

25 So in that sense, I might be reiterating what's

1 being said before me, but in a much shorter way.

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

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

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

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

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

20 CHAIRMAN MC CARTHY: Thank you very much.

21 Tatiana Michalenko, representing herself. Welcome.

22 MS. MICHALENKO: Thank you.

23 Good afternoon. I'm a 20-year resident of Isla
24 Vista and have been studying marine biology for five years
25 here. Today I'm talking in defense of the people that live

1 here and the marine life here, and the land. I've lived
2 here since I was about a year old, and I have played and
3 studied the Isla Vista beach all my life. I have witnessed
4 the destruction that happened during the oil spill in 1969
5 and what happened to all the marine life.

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

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

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

1 to the future of our home.

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

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

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

16 CHAIRMAN MC CARTHY: Thank you very much.

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

18 Mr. Michael Phinney. Michael Phinney. All right,
19 Mr. Phinney. Welcome.

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

22 CHAIRMAN MC CARTHY: Thank you.

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

25 I have a question. It didn't come up in the EIR;

1 maybe somebody on staff or maybe one of you could answer
2 this for me.

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

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

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

21 If this were a question of a lease before us
22 for the first time, we have complete latitude to reject
23 every aspect of it; to reject allowing any kind of oil
24 or exploration. Our legal counsel tells us, and I can
25 call upon him now to add any comment to this that he

1 may think appropriate, that there are -- that we stand in
2 the shoes of our predecessor commissioners that have given
3 these five leases that are before us in this application.

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

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

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

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

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

24 MR. TAYLOR: Mr. Chairman. My name is N. Gregory
25 Taylor --

1 CHAIRMAN MC CARTHY: Why don't you step up here
2 for a moment. Mr. Phinney will let you share the micro-
3 phone.

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

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

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

20 These two cases are Union Oil Company of California
21 v. Morton, which is found at 512 FED 2nd 751, Ninth Circuit
22 case in 1975; and the other case which they may be interested
23 in reading is Sun Oil Company v. United States, 572 FED 2nd
24 786.

25 There is a third case called Poly Petroleum case;

1 I -- I think however that those three cases summarize the
2 situation in which the Commission finds itself.

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

5 MR. PHINNEY: Thank you.

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

9 I don't think any of us question the need for
10 petroleum, but it seems very strange to me that we have
11 Texas, Louisiana, Oklahoma oil fields that are shut down,
12 28 percent unemployment in that industry in those areas;
13 the federal government is selling off reserves at Elk Hills;
14 the Santa Barbara Channel has enough oil in it to supply
15 the country for a few days. Something does add up there.
16 Who's kidding who?

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

20 No one knows or addresses or wants to talk about
21 the accumulating -- or cumulative effect of all this off-
22 shore oil activity. We're dealing with one project at a
23 time. Several people have stated this earlier today. We're
24 looking at Exxon one day; at ARCO the next day. Who are we
25 going to be looking at the next day? Nobody's putting the

1 sum and total of this together in an entire comprehensive
2 picture.

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

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

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

8 CHAIRMAN MC CARTHY: Oh, I'm sorry.

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

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

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

25 CHAIRMAN MC CARTHY: Yes. I think, Mr. Phinney,

1 I would insert one point, for whatever salve it might add:

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

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

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

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

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

24 CHAIRMAN MC CARTHY: Thank you, Mr. Phinney.

25 Marc Evans.

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

4 CHAIRMAN MC CARTHY: You want to give us your
5 name, please?

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

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

23 And, you know, we're talking about worldwide
24 ecological system of which human beings are a part, an
25 integral part; and, you know, it's a life and death matter

1 that we're talking about. And this song is called "Before
2 the Deluge."

3

4 [He proceeded to play the guitar and sing.]

5

6 MR. DAY: Thank you.

7 CHAIRMAN MC CARTHY: Thank you for your testimony.

8 Janice Keller, of Get Oil Out. Janice Keller.

9 Welcome. Welcome.

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

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

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

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

24 And I plan for my comments today to be brief,
25 and I will try to not repeat what I said to you at

1 previous hearings; however, the staff report has given
2 rise to some concerns which I feel I must address.

3 First, although it took some effort, I did manage
4 to find responses to most of Get Oil Out's written comments
5 which we submitted at the January 28th hearing. However,
6 as best as I can tell, comments 9, 13, 14, 16, 19, 23,
7 24, 28, 29 and 30 were not considered by the staff.

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

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

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

24 Another example: On Page 48, the response to
25 GOO's oral comment No. 3 is inconsistent with the statement

1 made on Page 12, dealing with disposal of drilling mud.
2 The Page 12 comment indicates that the project description,
3 at least as to Platform Heron, has been modified. On
4 the other hand, the Page 48 response indicates that this
5 hasn't occurred. What is the truth?

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

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

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

22 There are other examples, but I believe that
23 I have just given you enough to support my argument that
24 the staff report is inadequate and does not address some
25 of our concerns.

1 Fourth, the staff report makes some assumptions
2 and omissions that give rise to further question. On
3 Page 9, the staff apparently diminishes the significance
4 of noise from flaring based on the fact that the ARCO
5 that ARCO has stated that operational flaring as analyzed
6 in the EIR/EIS will not occur.

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

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

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

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

25 Additionally, we request a commitment from ARCO

1 that any new platforms resulting from this project be removed
2 in 20 years. In 20 years ARCO will have gotten all of
3 its writeoffs.

4 GOO concurs wholeheartedly with the statements
5 made earlier by Ruth Saadi of the League of Women Voters
6 and Bob Sollen of the Sierra Club regarding the alleged
7 environmentally preferred alternative.

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

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

18 Thank you.

19 CHAIRMAN MC CARTHY: Thank you.

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

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

24 CHAIRMAN MC CARTHY: Oh, Serrano.

25 MR. SERRANO: --and I'm a long-term resident

1 of Goleta and I grew up in Goleta, going to Isla Vista
2 Elementary School and Goleta Valley Junior High School
3 and Dos Pueblos High School, and I was an employee of ARCO
4 Oil and Gas for approximately five years, and that was
5 the first-hand look that I had at the oil industry and
6 at big oil, and I saw a lot over that period of time, and
7 my feelings are, after all of that, still pro-oil and not
8 exactly anti-ARCO.

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

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

24 I brought another picture, and this is a picture--
25 I apologize that it's not an enlargement. It's all the

1 pictures on one roll of film, and a lot of the pictures
2 are of the same thing, and that is the Java Sea. And the
3 Java Sea was the drill ship that drilled all the -- all
4 the wells that we're talking about, and they were right
5 off the coast of Isla Vista for approximately a year.

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

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

23 And the State of California is a partner in that,
24 and I understand that they make 50 percent at the well
25 head, and I think that that's a lot of money to go right

1 to the State of California.

2 And the only thing that I'm going to ask the
3 government is that the criteria that is important as far
4 as oil field workers and guys that eat their lunch, you
5 know, on an oil platform, is that the most important
6 criteria that the government consider when they grant per-
7 mission to go ahead with a project because the oil is there,
8 someday it'll be produced; if it's not today, it will be
9 ten years from now or during a war or some other time,
10 is that the company that gets the right to produce that
11 oil have the best record of safety and the least fatalities
12 on the job.

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

20 And I would like to say that the second responsi-
21 bility that I think that the government has to the commun-
22 nity is that the oil companies that are involved in producing
23 the oil and creating the profit for themselves also be
24 involved with projects that will clean up the beaches,
25 because I have a dream of being able to walk from my office

1 to the beach at Santa Barbara and not having tar on my
2 feet. And I wouldn't mind even being a part of that.

3 CHAIRMAN MC CARTHY: Thank you very much.

4 Mr. Erin Lendrihas. Mr. Ranger?

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

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

8 MR. RANGER: Fair enough.

9 CHAIRMAN MC CARTHY: --the Commission is--

10 MR. RANGER: I appreciate that.

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

13 MR. RANGER: Thank you.

14 CHAIRMAN MC CARTHY: Of course.

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

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

19 CHAIRMAN MC CARTHY: Thank you.

20 MS. LENDRIHAS: My name is Erin Lendrihas, and
21 I've been a citizen here of Santa Barbara for the past
22 25 years, and I think the sole purpose of this hearing
23 is to determine whether the EIR is adequate and should
24 it be certified.

25 My opinion is that it is adequate and it should

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

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

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

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

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

25 I think that our need for oil should far exceed

1 any visual impact that this platform project will have.
2 We really--we've got to have oil, and I think that ARCO
3 is willing to work with the people of Santa Barbara in
4 any way. They have to comply with the state agencies and
5 the county agencies, and I think that they do do that.

6 I support approval of the EIR. Thank you.

7 CHAIRMAN MC CARTHY: Thank you very much.

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

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

12 Paul Lee. Resident of Isla Vista. Mr. Lee?
13 Welcome, Mr. Lee.

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

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

22 I've listened to her tales about what happens,
23 and today she's working. She's an emeritus, but she's
24 still working, and so I couldn't get her to break off an
25 experiment, so I thought I'd just come and spend a few

1 minutes and tell you what we see, having come to live in
2 Isla Vista for the past 25 years.

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

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

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

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

25 And, when we built that house, and bought the

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

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

12 MR. LEE: I do think that there something wrong
13 with this.

14 I read the EIR. I have read lots of other EIRs
15 because I have also been a consultant to the EPA, and then
16 to the Southern California Edison Company, and various
17 companies in working in this kind of thing. I am appalled
18 over the EIR. It doesn't address the subject. I don't
19 think so, and I think you should get another one.

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

24 And, I think also, maybe one should look at one
25 more thing, why if it is such a hot project, to drill this oil?

1 Is it really necessary right now? The oil reserves are
2 necessary, I agree, but who gets the money for it now?
3 And, I think it is quite clear who gets the money, the
4 State of California and ARCO. And, who else does it help?
5 I don't know.

6 That is about all that I wanted to say.

7 CHAIRMAN MC CARTHY: Thank you.

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

13 Peter Muennig? Mr. Muennig here?

14 MR. MUENNIG: Yes.

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

17 [No response.]

18 All right. William Pennings?

19 MR. PENNINGS: Yes.

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

22 MR. POZZI: Here.

23 CHAIRMAN MC CARTHY: Gina Brown? Joanne Emerling?
24 Walter Williams. Andrew Bernal? I think he is coming
25 back late.

1 Kinberley Coy?

2 MS. COY: Yes, I'm here.

3 CHAIRMAN MC CARTHY: Thank you.

4 Mark Alling?

5 MR. ALLING: Here.

6 CHAIRMAN MC CARTHY: Chris Gallery?

7 MS. GALLERY: Yes.

8 CHAIRMAN MC CARTHY: All right, thank you.

9 Let's start with Mr. Peter Muennig.

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

12 MR. MUENNIG: That's Muennig.

13 CHAIRMAN MC CARTHY: Muennig, thank you.

14 MR. MUENNIG: Close enough, though.

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

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

25 CHAIRMAN MC CARTHY: William Pennings.

1 Mr. Pennings, welcome.

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

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

9 "As you walk from the terminal towards your
10 airliner, you notice a man on the ladder
11 busily prying rivets out its wing. Somewhat
12 concerned, you saunter over to the rivet popper
13 and ask him just what the hell he is doing?
14 'I work for the airline, Growth Maria Air
15 Continental,' the man informs you, and the
16 airline has discovered that it can sell the
17 rivets for \$2 a piece.

18 'But, how do you know that you won't fatally
19 weaken the wing doing that?' You enquire.

20 'Don't worry,' he assures you, 'I am certain
21 the manufacturer made this plane much stronger
22 than it needs to be, so no harm is done, and
23 besides, I have taken lots of rivets from
24 the wing, and it hasn't fallen off yet.

25 Growth Mania Airline needs the money. If we

1 didn't pop the rivets Growth Mania
2 wouldn't be able to continue expanding,
3 and I need the commission they pay me,
4 \$.50 a rivet.'

5 'You must be out of your mind!'

6 'I told you not to worry. I know what I
7 am doing. As a matter of fact, I am going
8 to fly on this flight, also, so you can
9 see there is nothing to be concerned about.'

10 Any sane person would, of course, go back
11 and report this fibbering idiot and Growth
12 Mania Airlines to the FAA, and make reservations
13 on another carrier. You never have to fly on
14 an airliner, but unfortunately, all of us are
15 passengers on a very large spacecraft, one which
16 we have no option but to fly, and frightenly
17 it is swarming with rivet poppers, behaving in
18 ways analogous to that just described."

19 And, that is how ARCO is going about tearing up the earth.

20 CHAIRMAN MC CARTHY: Thank you.

21 Emmilio Pozzi.

22 Mr. Pozzi.

23 MR. POZZI: Good afternoon. My name is Emilio Pozzi,
24 and I am an off-campus rep for the AS Leg Council, and
25 I spoke here at the last hearing, and I would like to pass

1 around the bill that was written on this proposal, and
2 there was an election that was taken by the associated
3 students on the 11th of February, 1987, representing 18,000
4 students, and I would just skip all of the "Whereas" and
5 read the "Therefore," which says:

6 "THEREFORE, let it be resolved that the
7 '86 - '87 Leg Council is completed opposed
8 to all aspects of the ARCO Coal Oil Point
9 project, and respectfully asks the State
10 Lands Commission to put the environment ahead
11 of profits."

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

14 CHAIRMAN MC CARTHY: Thank you, Mr. Pozzi.
15 Kimberley Coy? Kimberley Coy?
16 Welcome.

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

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

24 You can go ahead and put the next one on, if
25 you would like. [Referring to the overhead projector.]

1 This was our answer to ARCO's probably \$1400
2 or \$1500 ad in the Santa Barbara News Press. We didn't
3 sell enough buttons to buy the ad, but that is what we
4 said about it, okay.

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

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

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

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

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

23 I don't know this. Were any of you among any
24 of the government officials that filed that class action
25 suit? Or, are you not in that group?

1 CHAIRMAN MC CARTHY: I have personally delivered
2 150,000 petitions to the previous Secretary of Interior,
3 and have taken a number of positions regarding Mr. Hodel's
4 retreat from the compromise of a year ago, so I guess it
5 is fair to say that I am on record on probably two dozen
6 occasions holding press conferences and joining with other
7 officials.

8 MR. COY: Great. Thank you very much.

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

13 MS. COY: Okay.

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

16 MS. COY: Okay, okay, thank you.

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

22 The State Lands Commission has here the chance
23 to start influencing the oil companies to make plans that
24 make sense, not just dollars. You have the chance to influence
25 your staff to rise above the mentality of the bureaucrat,

1 whose job description is to obfuscate and confuse,
2 and you have a chance to tell them that they too hold the
3 public trust. You need to assure them that their heads
4 won't role if they tell you honestly next time that a three-
5 year EIR that cost \$4 million is all screwed up--is all
6 screwed up.

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

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

- 16 1. Not certifying this EIR.
- 17 2. Rejecting the proposal entirely, the no-project
18 alternative.
- 19 3. Reinstating Platform Heron, and allowing--according
20 to Dr. Wallace's speech for the county--development of
21 this lease anyway, so maybe you won't get stuck holding
22 the financial bag.

23 Also, I understand that everybody on the Commission
24 is very busy, and they have full-time jobs elsewhere, but
25 during the last public hearings that we have had on this

1 in Santa Barbara--for which I do personally also thank
2 you for coming--there were several absences by Commissioners
3 during the hearings. Commissioner Ordway was, at that
4 point, the one who stayed and listened to the rest of us.
5 She, at that time, assured us that the rest of you who
6 were not here would read the transcript.

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

14 We are trying real hard not to repeat ourselves.
15 It is hard to do that sometimes. We are not public speakers,
16 and we haven't been trained, but we have tried to keep
17 comments thorough. We have seen people throw pages of
18 speeches away, not to repeat things, but I am not sure
19 that we can all get off work that long to take off up to
20 Sacramento, and it has been nice what you have shown in
21 the past, the interest in hearing public opinion, but as
22 you know what comes last, right before the decision, does
23 probably have more of an impact on what your decision might
24 be, and I think we would all feel better if we knew that
25 we had a chance anyway, to address the issue.

1 I also should remind the Commission, in one more
2 repetition, that the appellate courts of California have
3 repeatedly upheld several cases in which homeowners were
4 granted damages for invasion of their property by environmental
5 influences--not on their land, but nearby. In one case,
6 the smell from sewage treatment plant, in other cases,
7 the noise from freeways. We will have both such impacts
8 on our homes in Isla Vista.

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

13 Thank you.

14 CHAIRMAN MC CALHY: Mr. Mark Alling.

15 Mr. Alling.

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

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

24 These students tend to be reactionary, the way
25 they handle situations, and the way they deal with progress

1 in government.

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

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

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

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

23 And, how ARCO is going to deal with this, and
24 how the state is going to deal with this, is something
25 that I think they need to consider now.

1 The student population, I think, was possibly
2 even targeted by ARCO, because they are a transient population,
3 you know, they come and they stay a few years, and they
4 leave. They are not going to worry about it, right?

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

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

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

24 I think what we are dealing with here is an unpredictable
25 emotional reactionary group of people, who live in a close

1 knit community. When they get blasted by sulfur gas, you
2 can bet they are going to blast back. UCSB is like a container
3 of highly volatile liquid. If you don't disturb it, it
4 will sit quietly on the shelf, but knock it off, and you
5 create a life-threatening situation.

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

10 Thank you.

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

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

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

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

25 I am afraid that the health, the safety, and

1 well being of our children in particular will be jeopardized
2 by the project's toxic fumes, which may pollute our air,
3 and that the quality of life will be diminished by the
4 presence of the platforms, with their attendant adverse
5 impacts on the environment.

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

11 CHAIRMAN MC CARTHY: Thank you very much.

12 Andrew Barnal? Thanks for coming back, Mr. Barnal.

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

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

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

22 I would like to first express some personal opinions
23 that I believe many other people may share as well. I
24 believe the substance of the issue of the oil development
25 off of our coast at this stage of the game is primarily

1 a quality versus a quantity profit situation, okay.

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

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

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

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

24 Of course, they will argue that the consumer
25 will pay these costs, if they were to make a sincere

1 effort to protect our environment. I might suggest that
2 we have always paid, so don't insult our intelligence.
3 They possess our land. They possess much of our coast
4 at this time, and many believe that they also own some
5 of our politicians, okay.

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

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

19 Now, if Ronald Reagan also could have remembered
20 the early '70s, and if he had pressed forward with Mr.
21 Carter's efforts to establish a comprehensive energy policy,
22 there would be no foundation for the argument that our
23 need for energy is now more desperate and our national
24 security at risk, and I give some fault to Nancy Reagan
25 for not telling him.

1 Okay, finally, we are in very unusual times.
2 We have sexual diseases destroying society and individuals,
3 we have sex education proposing to destroy innocence in
4 the classroom, drugs everywhere and they are teaching kids
5 to say, "No." So, I want it on record that Andy Barnal
6 is just saying, "No."

7 Thank you.

8 CHAIRMAN MC CARTHY: Thank you.

9 Dan Zumwinkle, resident assistant, Santa Cruz
10 Hall.

11 MR. ZUMWINKLE: What's that?

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

14 MR. ZUMWINKLE: Oh, yes.

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

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

23 And, I have heard things like how this project
24 is going to benefit the economics of the community, the
25 university, and promote a national security, and this is

1 kind of often, because it seems that the question to me
2 seems to be how much can we get away with stressing our
3 environment? How much stress can we put on it until it
4 breaks? Because ARCO Oil is going to say, "Yes, yes, we
5 are going to pollute, that is inevitable, but it won't
6 be that much. We can get away with it."

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

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

18 Now, if the EIR--the EIR is obviously insufficient,
19 in terms of the damage impact, the emergency response,
20 the cumulative effect you mentioned yourself of all of
21 the oil wells themselves, and this is what we can address,
22 something we can attack, a goal, because like I said, the
23 other level of the environment above our user mentality
24 is just something that is really far off in the distance,
25 unfortunately.

1 The platform as a preferable alternative in the
2 EIR is really scary to me. I mean, as an preferable alternative.
3 Think about that. And, you can say, "Yeah, yeah, we are
4 just going to ignore that part of it," and I even question
5 that, if you can, but the implications and ramifications
6 of certifying this EIR are--could be tremendous to anything
7 that comes down later on any type of environmental issues
8 resulting from platforms wanting to be developed anywhere
9 else.

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

14 Thank you.

15 CHAIRMAN MC CARTHY: Thank you very much.

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

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

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

25 EXECUTIVE OFFICER DEDRICK: Right.

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

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

8 DWIGHT SANDERS: Dwight Sanders, State Lands
9 Commission staff.

10 Both, Mr. Boyd.

11 MR. BOYD: But, okay, well, first what I would
12 like to comment on is in--at the last hearing, I provided
13 some oral comments, and I feel that, at least in one case,
14 it was--that what is reported as what--what is reported
15 that I said isn't what actually what I said, and I went
16 back and I listened to the Cox Cable rebroadcast of the
17 hearing, and everything, and it--and I heard what I said,
18 and it is not correct in here, and I feel that you should
19 go back and maybe listen to the Cox Cable replaying of
20 the hearings, and make sure that the comments that you
21 have from people here are accurately reflected, because
22 in the one that I am specifically talking about, it says
23 that I said there was no fog in I.V., and specifically
24 what I stated was there was fog in I.V. and that it was
25 dissolving my motorcycle, and so I kind of feel that it

1 made it sound like I didn't think there was acid rain affects,
2 and in fact, I feel there is.

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

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

20 Well, I feel that this--you are assuming that
21 in fact that those revenues are going to flow to the impacted
22 population, and as I said at the last hearing, and the
23 hearing previous to that, we believe that in fact those
24 revenues do not flow to the impacted area, and specifically
25 Isla Vista has in the past been cut out of the picture,

1 as far as the tax revenues that come back from these projects.

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

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

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

1 talking about.

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

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

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

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

24 And, finally, I would finish by saying--by reiterating
25 the position of the Board of Directors of the Park and

1 Recreation District, which is that we support the no-project
2 alternative, and that we request that your Commission--
3 that this Commission deny the project with prejudice, on
4 the basis of unmitigated adverse environmental and socioeconomic
5 impacts.

6 Thank you.

7 CHAIRMAN MC CARTHY: Thank you.

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

10 Is Bobbie Rich here?

11 [No response.]

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

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

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

23 And, also I bring this lynx. One time I was
24 hitch hiking through Canada when I was 19, and I got a
25 ride with a gentleman who had some guns in his car, and

1 he saw a lynx alongside of the road. It got out of the
2 car, killed the lynx, went over, looked at it, kind of
3 gloated at the blood flowing out of its mouth, and we drove
4 off. And, it was for me, like whoa, and I feel a lot that
5 way about the oil companies' lack of feeling for the general
6 population, and I hope that changes.

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

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

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

25 Also, I feel that the oil companies have consistently

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

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

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

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

23 It would be impossible for a lot of people here
24 to go to Sacramento, and so I would appreciate any further
25 consideration you would have for that.

1 Also, I want to say that I recently learned from
2 a friend who watches television a lot--I don't have one,
3 but--that the suicide rate in this country now is highest
4 among teenagers, and I would say that is because at this
5 point in time we value the dollar more than we are valuing
6 human rights, and I again think we need to change that.

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

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

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

20 Thank you.

21 CHAIRMAN MC CARTHY: Thank you.

22 Mr. Clem Shute, representing the consultants.

23 EXECUTIVE OFFICER DEDRICK: Mr. Chairman.

24 CHAIRMAN MC CARTHY: Ms. Dedrick, did you have
25 something you wanted to say?

1 EXECUTIVE OFFICER DEDRICK: Yes, I would like
2 to--the Coastal Commission has asked us to put some written
3 comments into the record, and I would like to do that now.

4 CHAIRMAN MC CARTHY: All right, go ahead.

5 EXECUTIVE OFFICER DEDRICK: Thank you.

6 CHAIRMAN MC CARTHY: Mr. Shute.

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

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

15 You have heard many hours of testimony now concerning
16 the quality of the EIR/EIS, and we believe that it is necessary
17 to clarify the record by pointing out the experience and
18 competence of the people who prepared this complex environmental
19 study.

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1 It is a very impressive list, there are lots of Ph.D.'s,
2 years and years and years of field experience in the
3 related areas, a lot of dedication and a lot of high caliber
4 effort that went into this.

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

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

17 An example of that would be these platforms offshore
18 and their aesthetic impact. There has been a lot of discussion
19 and debate about whether the platform would be visible?
20 How high it would be visible? How much intrusion it would
21 be? But, the fact remains that the document says that
22 any offshore platform is a Class 1 impact. That means
23 it is unmitigable. It will have a significant adverse
24 effect on the environment and nothing can be done about
25 it.

1 So, in many ways a lot of the discussions about
2 the precise consequence, and the lens that was used, is
3 irrelevant to the fact that it has been labeled Class 1
4 and the public and you are aware that it is a major impact
5 and not much can be done about it.

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

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

24 But, nevertheless, a good faith effort has been
25 made to include and discuss those areas.

1 There have been lots of arguments with the data
2 or methodology used in providing certain parts of information
3 in the documents. I think that all that demonstrates is
4 that we are in a very complex subject area, trying to project
5 future conditions, in a situation with less than perfect
6 knowledge, and with less than complete scientific data.
7 I don't think that illustrates the deficiency of the document.
8 It illustrates that professional judgments can differ,
9 when you have a lack of certainty as to future conditions.

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

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

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

25 With the marine biology analysis, in fact, the

1 information being provided by the university concerning
2 sub-lethal effects on animals is acknowledged in the report,
3 and sub-lethal effects from pollution are acknowledged
4 as significant environmental impact.

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

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

18 Thank you.

19 CHAIRMAN MC CARTHY: Let me ask you, Mr. Shute,
20 were there any members of the Chambers Group who served
21 as consultants in the writing of this EIR/EIS? Were there
22 any of those present here today, heard any testimony today
23 that is important to be answered with specificity, so that
24 the members of the Commission have that information in
25 front of them as they consider what is in the EIR? All

1 of the testimony that's been heard, plus specific comment
2 on any issues raised today?

3 Have you had an opportunity--

4 MR. SHUTE: Yes, Mr. Chairman--

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

7 MR. SHUTE: Well, thank you.

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

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

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

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

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

25 CHAIRMAN MC CARTHY: Right, I appreciate that.

1 My question now is, do any of the principles
2 from the Chambers Group cite any testimony they heard today,
3 which is something different than we heard at the previous
4 two public hearings?

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

12 CHAIRMAN MC CARTHY: Questions by members of
13 the Commission?

14 [No response.]

15 Comments by the staff?

16 [No response.]

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

19 MOTION] COMMISSIONER ORDWAY: Move to certify.

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

22 COMMISSIONER DAVIS: Will there be any discussion
23 on this?

24 CHAIRMAN MC CARTHY: Certainly, but we need a
25 motion on the floor, first.

1 Would you rather have discussion before the motion?
2 We certainly are at liberty to do either.

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

5 CHAIRMAN MC CARTHY: All right.

6 COMMISSIONER DAVIS: --having the discussion.

7 CHAIRMAN MC CARTHY: Commissioner Gray Davis.

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

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

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

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

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

23 I noticed that the President recently rolled
24 back mileage requirements for new cars, thereby increasing
25 the amount of gas that will have to burn to keep our cars

1 on the road by about three billion barrels of oil, over
2 the next 30 years, and at the same time that's happening
3 Secretary Hodel is saying we are not producing enough energy.
4 We have got to increase our domestic production.

5 It seems to me that we are not moving in the
6 right direction, and I only cite that because I am also
7 impressed by the comments of Dr. Case, Mr. Phinney, the
8 League of Women Voters, and others, that spoke to the need
9 to understand the cumulative effects of drilling both in
10 federal waters and in state waters, before we can make
11 a rational determination on applications before us.

12 I share that view, and would like to ask the
13 Commission if they could develop some preliminary study
14 of a method by which the Commission could undertake a comprehensive
15 study regarding potential offshore development, in both
16 state and federal waters?

17 I don't think that we should make this decision
18 in a vacuum, and I think it is very difficult to be stewards
19 of the public trust, discharge our public trust responsibilities,
20 without understanding all of the matters that are likely
21 to be before us, particularly in this immediate area, but
22 also up and down the state.

23 There are at least ten other lease holds in a
24 position similar to that which ARCO has before us, and
25 presumably they could come before us for action and expect

1 similar treatment. That aggravates an already difficult
2 situation where Santa Barbara finds that it has more drilling
3 platforms, state and federal, off of its coast than any
4 other coastal community.

5 So, all of these are not irrelevant factors,
6 and if you are going to make a rational decision it is
7 helpful--and I would argue, essential--that that information,
8 or at least some attempt to garner that information is
9 important.

10 The path we are on is a piece-meal path. We
11 wait for applications to come before us, and we are asked
12 to make this decision, essentially, in a vacuum, and I
13 for one find it difficult to do that, so I would like to
14 ask that the Commission at least do a preliminary study
15 to see if the larger study that I have suggested makes
16 sense, and could be helpful in our decision-making process?

17 CHAIRMAN MC C. THY: Well, that makes three of
18 us who have asked the Commission staff to do that, so we
19 will try--

20 EXECUTIVE OFFICER DEDRICK: We will be happy to
21 do that.

22 CHAIRMAN MC CARTHY: --get as much of that as
23 we can.

24 I want to make a couple of comments. If I were
25 President of the United States--and I can't be because

1 I was born in New Zealand--but, if I were I could do a
2 great deal about federal energy policies. I will try to
3 do everything that I can to reverse what I see Secretary
4 Hodel doing, and the President supporting, in terms of
5 oil drilling in federal waters. I don't think it is a
6 balanced policy, and I don't think it takes into consideration
7 the thinking of a lot of people in 1987.

8 But, we are members of the State Lands Commission,
9 within the state government, and we control the three-
10 mile jurisdiction off of the coast. We can do something
11 about that one way or the other, at least in the case before
12 us within certain legal parameters, as was discussed very
13 briefly earlier today.

14 If this were a lease application before us, we
15 could reject it entirely. We are going to have to determine
16 in the coming weeks just what we can do to work our will
17 to have some kind of balanced policy, respecting the set
18 of values that has been articulated here repeatedly by
19 many, many witnesses.

20 I am never satisfied with enough planning, nor
21 with enough information, but the governmental process is
22 such that you need to make decisions along the way, and
23 you can't just keep calling for long-term planning.

24 When I was Speaker of the Assembly I insisted
25 that the staff of that Legislative House constantly try

1 to update us and give us things within the immediate short-
2 term framework, and within a 10- to 20-year framework,
3 so we could try to make decisions, understand the impact
4 on people many years down the line.

5 We are trying to do the same thing in this instance.
6 The problem is the political process elects people of contradictory
7 philosophy, and often there is a stalemate in trying to
8 make real your own philosophies. We, in California,
9 have a very different view--or at least, more and more
10 of us--on offshore oil drilling. The people in the White
11 House don't share that view for the most part, so I think
12 we have got to do the best we can to make intelligent decisions,
13 at least within the three-mile jurisdiction over which
14 we have some very serious control, and at the same time
15 try and assert our cumulative opinion--those of us who
16 we can rally together from California--on federal policy
17 making in this area, as well.

18 We are never going to reach the perfect condition,
19 where we are going to have some coherent and happy harmonious
20 policy between the federal government and the state government,
21 in this area. We will do the very best we can.

22 Finally, on the EIR, I am not sure that some
23 of the witnesses understood what the EIR is about. I just
24 want to cite briefly from state law:

25 "An EIR should be prepared with a sufficient

1 degree of analysis to provide decision
2 makers with information which enables
3 them to make a decision which intelligently
4 takes into account environmental
5 consequences. An evaluation of the
6 environmental effects of a proposed
7 project need not be exhaustive, but the
8 sufficiency of an EIR is to be reviewed
9 in the light of what is reasonably
10 feasible."

11 I, and I am sure my two fellow Commissioners,
12 are not just going to look at the EIR, but are going to
13 read, and reread, a lot of the excellent testimony that
14 has been given in three long days of testimony before this
15 Commission, as we met in Santa Barbara.

16 I want to say, incidentally, that this is the
17 first time in the history of the State Lands Commission
18 that we held three days of testimony anywhere in California
19 on one application before this Commission. It was merited
20 in my opinion. The ramifications of the application are
21 profound to the entire state and for the people of Santa
22 Barbara County, and I am glad that we were here. I just
23 wanted you citizens of Santa Barbara County to know that
24 this is a first in the history of this Commission.

25 We have the matter before us on the certification

1 of the EIR, and depending upon our judgment here we must
2 then make a decision within 90 days of this day--if the
3 EIR is certified--on the central issue before us.

4 The matter has been moved and seconded.

5 COMMISSIONER DAVIS: I would just like to make
6 another comment, if I may.

7 CHAIRMAN MC CARTHY: Commissioner Davis.

8 COMMISSIONER DAVIS: I would like to respectfully
9 disagree with some of the Chairman's comments. I don't
10 think we should act with blinders on, and I think to the
11 extent possible, as trustees of public resources, we should
12 do our best to try and fashion a coordinated policy.

13 I recognize that you can study matters ad infinitum,
14 that is not my purpose. My hope is that some study can
15 be done in a reasonable time frame, as the staff thinks
16 appropriate, but particularly as it relates to Santa Barbara,
17 we ought to have some clue as to what the other ten lease
18 holders anticipate doing. That would certainly effect
19 my ultimate decision on the project.

20 I am going to vote for certification, not because
21 I am inclined to vote for the project, quite the contrary,
22 but because I do think it details a number of problems
23 associated with air, noise, visual pollution, and because
24 it details some other deficiencies, so I am hopeful that
25 we can not only discharge our immediate functions, but

1 help bring some clarity and sanity to a national energy
2 policy that I fear is driving us in the wrong direction,
3 and putting pressure on this Commission to make decisions
4 that it might not otherwise want to do.

5 CHAIRMAN MC CARTHY: Let the record show that
6 the Chairman of this Commission agrees with Commissioner
7 Davis, that we should not act with blinders on.

8 Are we ready for a vote on the motion before
9 us?

10 Ay.?

11 Aye?

12 It is unanimous. We certify the EIR before us.

13 That is the conclusion of the Commission's business
14 for this day.

15 Thank you very much.

16
17 4:40 p.m.

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