

MEETING OF THE STATE LANDS COMMISSION

EL SEGUNDO CITY HALL

CITY COUNCIL CHAMBERS

APRIL 20, 2000

TRANSCRIBED BY:

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EL SEGUNDO CITY HALL
CITY COUNCIL CHAMBERS
350 MAIN STREET
EL SEGUNDO, CALIFORNIA 90245
THURSDAY, APRIL 20, 2000

KATHLEEN CONNELL, STATE CONTROLLER, CHAIR
CRUZ BUSTAMANTE, LIEUTENANT GOVERNOR, MEMBER
ANNETTE PORINI, MEMBER

1 COMMISSIONERS:

2 KATHLEEN CONNELL, CHAIRPERSON

3 CRUZ BUSTAMANTE, MEMBER

4 ANNETTE PORINI, MEMBER

5
6
7 ALSO PRESENT:

8 STATE OF CALIFORNIA, STATE LANDS COMMISSION

9 PAUL D. THAYER

10 DAVE PLUMBER

11 DENNIS M. EAGAN, DEPUTY ATTORNEY GENERAL
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1 EL SEGUNDO, CALIFORNIA
2 THURSDAY, APRIL 20, 2000; 9:30 A.M.

3 -0-

4
5 CHAIRPERSON CONNELL: I'M GOING TO CALL THIS
6 MEETING TO ORDER, IF I MAY.

7 TWO OF THE REPRESENTATIVES OF THE
8 COMMISSION ARE AVAILABLE AND ARE PRESENT TODAY, AND
9 WE WILL SOON BE JOINED BY LIEUTENANT GOVERNOR CRUZ
10 BUSTAMANTE. AND WITH ME TODAY IS ANNETTE PORINI,
11 THE DEPARTMENT OF FINANCE. AND I'M KATHLEEN
12 CONNELL, THE CALIFORNIA STATE CONTROLLER.

13 FOR THE BENEFIT OF THOSE WHO ARE IN THE
14 AUDIENCE, THE STATE LANDS COMMISSION, FOR THOSE OF
15 YOU WHO HAVE NOT ATTENDED OUR MEETINGS IN THE PAST,
16 ADMINISTERS REAL PROPERTY OWNED BY THE STATE AND ITS
17 INTERESTS. TODAY WE ARE GOING TO BE HEARING
18 PROPOSALS CONCERNING THE LEASING AND MANAGEMENT OF
19 THESE PUBLIC PROPERTIES.

20 THE FIRST ITEM OF BUSINESS WILL BE THE
21 ADOPTION. MAY I HAVE A MOTION TO APPROVE THE
22 MINUTES?

23 MS. PORINI: MOVE APPROVAL.

24 CHAIRPERSON CONNELL: THAT'S UNANIMOUSLY
25 ADOPTED.

1 THE NEXT ORDER OF BUSINESS IS -- THE
2 EXECUTIVE OFFICER'S REPORT.

3 MR. THAYER: MADAME CHAIR AND COMMISSIONER, I
4 WANT TO REPORT ON JUST A FEW ITEMS HERE. FIRST, THE
5 DALLAS WATER COMPLIANCE RATE.

6 COMMISSIONER IS AWARE FROM ITEMS THAT
7 HAVE BEEN ON THE LAST COUPLE OF MEETINGS, THE
8 COMMISSION HAS BEEN GIVEN THE RESPONSIBILITY THROUGH
9 LEGISLATION TO IMPLEMENT A PROGRAM TO PROTECT THE
10 STATE'S WATERS FROM FOREIGN SPECIES THAT MIGHT COME
11 IN ON SHIPS IN THE BALLAST WATER.

12 CHAIRPERSON CONNELL: CAN YOU SPEAK UP. PEOPLE
13 IN THE AUDIENCE ARE INDICATING THEY CAN'T HEAR YOUR
14 REMARKS.

15 IS THE MICROPHONE WORKING?

16 MR. THAYER: I'M SORRY. I JUST NEED TO BE
17 CLOSER. THANK YOU.

18 WE HAVE ON THE AGENDA TODAY, ON THE
19 CONSENT CALENDAR, AN ADOPTION OF REGULATIONS WHICH
20 WOULD SET THE FEE FOR THE SHIPS COMING IN TO PAY FOR
21 THIS PROGRAM AT \$400.

22 THERE'S NO OBJECTION TO SETTING IT AT
23 THAT RATE, BUT I WANTED TO MAKE SURE THE COMMISSION
24 WAS AWARE THAT THE COMPLIANCE RATE FOR PAYMENT OF
25 THAT FEE, ALTHOUGH CLIMBING, IS STILL DOWN 55

1 PERCENT.

2 WE'RE WORKING WITH THE ATTORNEY GENERAL'S
3 OFFICE. WE'RE WORKING WITH VARIOUS INDUSTRY
4 OVERSIGHT GROUPS TO TAKE WHATEVER ACTIONS ARE
5 NECESSARY TO MAKE SURE THAT WE'RE MEETING THE
6 COMPLIANCE RATE NECESSARY TO KEEP THE FEE TO \$400.

7 WE BELIEVE AT THIS POINT THAT WE WILL BE
8 ABLE TO REACH THAT GOAL, BUT I WANTED TO MAKE SURE
9 THE COMMISSION UNDERSTOOD THAT ALTHOUGH IT'S STILL
10 LOW, THIS COMPLIANCE RATE IS GOING UP.

11 IF NECESSARY, WE'LL BRING BACK ADDITIONAL
12 ITEMS ON THAT IF YOU GIVE US THAT FEE. BUT FOR NOW,
13 WE'RE RECOMMENDING THE COMMISSION STAY THE COURSE
14 WITH THE \$400 FEE.

15 CHAIRPERSON CONNELL: MS. PORINI, DO YOU HAVE
16 ANY QUESTIONS REGARDING THIS MATTER?

17 MS. PORINI: NO. WE HAVE SENT OUT BILLINGS FOR
18 THE COLLECTION OF THE FEE.

19 MR. THAYER: YES, WE HAVE.

20 MS. PORINI: ALL RIGHT.

21 MR. THAYER: THE SECOND ITEM I WANT TO DISCUSS
22 IS TO START THE DISCUSSION ON BOLSA CHICA.

23 AS THE COMMISSIONERS -- AS I KNOW THE
24 COMMISSIONER AND CHAIRWOMAN CONNELL PARTICIPATED IN.

25 CHAIRPERSON CONNELL: MY SPECIAL AGREEMENT,

1 THEN, I MIGHT ADD.

2 MR. THAYER: THERE YOU GO.

3 CHAIRPERSON CONNELL: I BRING IT NOW FOR ALL OF
4 YOU WHO ARE BOLSA CHICA PEOPLE. WE REVERE IT.

5 IT'S SIGNED "BOLSA CHICA AGREEMENT." NO
6 ONE ELSE HAD A FOUNTAIN PEN IN THE ROOM AT THE
7 MOMENT.

8 MR. THAYER: WELL, DOWN THE ROAD THERE WILL BE
9 SOME MORE DECISIONS, AND YOU MAY HAVE AN OPPORTUNITY
10 TO USE THAT PEN AGAIN.

11 THE STATUS IS THAT THERE'S BEEN A LOT OF
12 PLANNING ON HOW TO RESTORE BOLSA CHICA TO
13 APPROPRIATE HABITAT.

14 WE EXPECT AN ENVIRONMENTAL IMPACT REPORT
15 WILL GO OUT, A CIRCULATION OF DRAFT DOCUMENT IN JUNE
16 OR JULY, AND THE COMMISSION WILL NEED TO MAKE A
17 CHOICE AMONG THE VARIOUS ALTERNATIVES IN DECEMBER.

18 PARALLEL TO THAT TRACT THERE IS A TOXIC
19 ASSESSMENT THAT'S ONGOING, WHICH IS EXPECTED TO BE
20 COMPLETED IN NOVEMBER WITH AN IMPLEMENTATION PLAN
21 FOR REMEDIATION OF THOSE TOPICS, DUE NEXT SPRING,
22 ABOUT A YEAR FROM NOW.

23 WE'LL PROBABLY BE SETTING UP SOME
24 BRIEFINGS FOR YOUR STAFF BECAUSE THERE IS A VERY
25 COMPLEX ISSUE AND I WANTED YOU TO KNOW OR BE AWARE

1 THAT IT'S LIKELY TO BE A FAIR AMOUNT OF PUBLICITY
2 AND PUBLIC DISCUSSION FOR THIS VERY IMPORTANT
3 RESTORATION.

4 CHAIRPERSON CONNELL: WOULD YOU KEEP EACH
5 MEMBER OF THE COMMITTEE BRIEFED REGARDING THOSE
6 DISCUSSIONS?

7 MR. THAYER: YES.

8 CHAIRPERSON CONNELL: THANK YOU.

9 MR. THAYER: THE THIRD ITEM THAT I WANTED TO
10 MOVE ON TO, UNLESS THERE ARE SOME OTHER QUESTIONS
11 UPON BOLSA CHICA, I WANTED TO MENTION THAT A BILL
12 HAS BEEN INTRODUCED IN THE SENATE. IT'S SB 2181 BY
13 SENATOR PERATA, WHICH WOULD GIVE THE COMMISSION
14 CEASE AND DESIST AUTHORITY SHOULD THERE BE PROBLEMS
15 ON ANY OF OUR LEASES, PROPOSED HEALTH AND SAFETY AND
16 ENVIRONMENTAL PROBLEMS.

17 THIS IS AN ISSUE THAT THE COMMISSION
18 FOCUSED ON OVER THE LAST YEAR AND HAS BEEN VERY
19 CONCERNED ABOUT WHAT WE CAN DO, WHAT WE HAVE A LEGAL
20 AUTHORITY TO DO IF THERE ARE PROBLEMS OCCURRING OUT
21 ON THE PLATFORMS OR IN OTHER CIRCUMSTANCES THAT
22 MIGHT POSE A THREAT TO THE PUBLIC.

23 CHAIRPERSON CONNELL: EXPLAIN EXACTLY HOW THIS
24 WOULD WORK.

25 SPEAKER: THIS IS A VERY IMPORTANT CALENDAR FOR

1 THE COMMISSION.

2 MR. THAYER: THIS PROGRAM WOULD BE PATTERNED AS
3 AN EXISTING PROGRAM THAT ALREADY EXISTS FOR THE
4 COASTAL COMMISSION AND FOR THE SAN FRANCISCO BAY
5 CONSERVATION DEVELOPMENT COMMISSION. THE EXACT SAME
6 WORDING.

7 BUT BASICALLY IF THERE WAS A VIOLATION OF
8 ONE OF OUR LEASES OR THERE WAS A TRESPASS WHERE A
9 LEASE DIDN'T EXIST ON STATE LAND AND THE ACTIVITY
10 THAT WAS OCCURRING AS A RESULT OF THAT TRESPASS
11 POSED A SERIOUS THREAT TO PUBLIC HEALTH AND SAFETY
12 OR TO THE ENVIRONMENT, THE EXECUTIVE OFFICER WOULD
13 HAVE THE ABILITY TO ORDER THAT THAT ACTIVITY CEASE
14 AND DESIST.

15 THAT ORDER WOULD BE IN EFFECT UNTIL THE
16 NEXT COMMISSION MEETING, AND AT THAT POINT, THE
17 COMMISSION COULD HEAR THE ITEM AND EITHER CHOOSE THE
18 CEASE AND DESIST ORDER OR ORDER THAT IT NOT
19 CONTINUE.

20 AND, AGAIN, THIS IS THE SAME FORM THAT'S
21 BEING USED FOR THESE OTHER AGENCIES.

22 CHAIRPERSON CONNELL: FOR MEMBERS OF THE
23 AUDIENCE, THIS BECAME A CONCERN, I BELIEVE IT WAS
24 LAST AUGUST, WHEN WE HAD A PROBLEM ON ONE OF OUR OIL
25 PLATFORMS OFF THE COAST OF SANTA BARBARA, AND THERE

1 APPEARED TO BE A POTENTIAL ISSUE REGARDING LEAKAGE
2 OF FUEL FROM THE OIL PLATFORM.

3 WE WERE REALLY UNABLE TO DO ANYTHING AT
4 THE MOMENT BECAUSE THERE WAS NO CEASE AND DESIST
5 CAPACITY.

6 SO WE REQUESTED OUR STAFF TO WORK WITH
7 THE ATTORNEY GENERAL'S OFFICE IN HOW WE MIGHT
8 RESOLVE THAT PATTERN.

9 DID YOU WANT TO SPEAK TO THIS ISSUE AS
10 WELL?

11 MR. EAGAN: NO.

12 MR. THAYER: WE'LL KEEP THE COMMISSION INFORMED
13 AS TO THE PROGRESS OF THE LEGISLATION.

14 THE NEXT ITEM I WANTED TO TALK ABOUT IS
15 THE PROGRESS OF THE COMMISSION BUDGET. WE ALREADY
16 HAD HEARINGS NOW BEFORE THE SUBCOMMITTEES IN BOTH
17 THE ASSEMBLY AND THE SENATE THAT DO THE REAL WORK ON
18 THE BUDGET, AND WE SUCCESSFULLY MOVED THE BUDGET
19 PAST THAT PROCESS.

20 WE'VE HAD SEVERAL AUGMENTATIONS IN OUR
21 BUDGET THIS YEAR THAT, AGAIN, RESPOND TO ISSUES THAT
22 THE INDIVIDUAL COMMISSIONERS HAVE RAISED OVER THE
23 LAST YEAR.

24 THE FIRST AND MOST IMPORTANT, I THINK, IS
25 A MORE AGGRESSIVE AUDIT PROGRAM FOR OIL PLATFORMS

1 AND OTHER PRODUCTION FACILITIES.

2 WE'VE ASKED TO BE ABLE TO HIRE, I
3 BELIEVE, FOUR NEW ENGINEERS AND AN ADDITIONAL
4 INSPECTOR THAT WE CAN GO OUT AND BE MORE
5 COMPREHENSIVE ABOUT OUR INSPECTION OF THOSE
6 FACILITIES.

7 I KNOW THAT MADAME CHAIR HAS BEEN
8 CONCERNED ABOUT THE AGING FACILITIES AND WHETHER OR
9 NOT WE'RE KEEPING UP-TO-DATE ON THE SAFETY SYSTEMS
10 ON THOSE FACILITIES.

11 THE INTENT OF THIS PROGRAM IS TO DO A
12 BETTER JOB ENSURING THAT THOSE PLATFORMS ARE WORKING
13 PROPERLY.

14 THE SECOND --

15 CHAIRPERSON CONNELL: WAS THAT APPROVED?

16 MR. THAYER: THOSE WERE APPROVED BY BOTH
17 SUBCOMMITTEES, YES, AND FINANCE AND, I'M HAPPY TO
18 SAY, IS VERY SUPPORTIVE OF THESE.

19 CHAIRPERSON CONNELL: A SMALL CONFLICT OF
20 INTEREST, BUT WE APPRECIATE YOUR SUPPORT.

21 MS. PORINI: THANK YOU.

22 MR. THAYER: THE SECOND OF THE FOUR
23 AUGMENTATIONS I WANTED TO DISCUSS IS GETTING US
24 ADDITIONAL STAFF TO MONITOR OTHER LEASES ON STATE
25 LANDS. THIS GOES HAND AND GLOVE, REALLY, WITH THE

1 CEASE AND DESIST AUTHORITY.

2 BUT THIS MERELY GIVES US THE ABILITY TO
3 GO OUT AND SURVEY THE 3- OR 4,000 LEASES THAT WE
4 HAVE STATEWIDE FOR OTHER SMALLER FACILITIES.

5 THE THIRD PROGRAM, OF COURSE, IS THE NEW
6 BALLAST WATER PROGRAM. WE NEED AUTHORITY TO HIRE
7 THE STAFF.

8 AND THE FOURTH PROGRAM HAS TO DO WITH
9 MANAGEMENT AND PRESERVATION OF OUR RECORDS.

10 I'M SURE THE COMMISSIONERS ARE AWARE THAT
11 WE'RE INVOLVED IN A LOT OF BOUNDARY LINE AGREEMENTS
12 AND DISCUSSIONS. WE RELY ON OVER 3 MILLION
13 DOCUMENTS WE HAVE HOUSED AT THE STATE LANDS
14 COMMISSION AND AT THE ARCHIVES, INCLUDING --

15 CHAIRPERSON CONNELL: MAY THE RECORD PLEASE
16 SHOW THAT THE LIEUTENANT GOVERNOR HAS JOINED US.

17 WELCOME. WE ARE GOING THROUGH THE STAFF
18 REPORT.

19 MR. THAYER: AND I WAS DISCUSSING SOME OF THE
20 AUGMENTATIONS TO OUR BUDGET WHICH ARE INCLUDED,
21 WHICH HAVE PASSED THROUGH THE TWO SUBCOMMITTEES AND
22 THE SENATE AND ASSEMBLY SIDE SUCCESSFULLY.

23 AND THE FINAL ITEM WAS, AGAIN, RECORD
24 MANAGEMENT AND PRESERVATION WITH OVER 3 MILLION
25 ITEMS THAT WILL INCLUDE A LOT OF VERY OLD AND

1 FRAGILE MAPS AND PARCEL OR DEEDS OF TRUST FROM BACK
2 TO THE 1800S, AND, AGAIN, THE LEGISLATURE HAS
3 APPROVED THAT AUGMENTATION AS WELL THROUGH THE
4 SUBCOMMITTEE STAGE.

5 UNLESS THERE ARE ANY QUESTIONS, THE NEXT
6 ITEM I WANTED TO DISCUSS, THE COASTAL COMMISSION MET
7 LAST WEEK AND TOOK UP THE FIBEROPTIC PROJECT, MCI,
8 THAT THIS COMMISSION HAD APPROVED AT ITS LAST
9 MEETING AND APPROVED IT BY A 12-0 VOTE.

10 HOWEVER, COASTAL COMMISSION STAFF CALLED
11 US YESTERDAY AND SAID THAT AT THAT MEETING, THE
12 COASTAL COMMISSION VERBALLY ASKED THAT WE BE
13 NOTIFIED OF THE CONCERNS OF THE COASTAL COMMISSION
14 OVER CUMULATIVE IMPACTS OF THE FIBEROPTIC PROJECTS.

15 CHAIRPERSON CONNELL: WHY DID THEY APPROVE IT
16 IF THEY THINK THERE'S A CUMULATIVE IMPACT? WHAT IS
17 THIS KIND OF SHOT ACROSS THE BOW? ARE WE SUPPOSED
18 TO THEN NOT APPROVE IT?

19 MR. THAYER: I AM --

20 CHAIRPERSON CONNELL: THEY APPROVED IT, BUT WE
21 ARE SUPPOSED TO BE THE LAST --

22 MR. THAYER: IT'S NOT CLEAR TO ME.

23 CHAIRPERSON CONNELL: [UNINTELLIGIBLE.] IS
24 THAT IT?

25 MR. THAYER: IT'S NOT CLEAR TO ME EXACTLY WHAT

1 THE CONCERN IS, AND, YOU KNOW, WE'LL INVESTIGATE
2 THIS FURTHER.

3 I SHOULD NOTE THAT, IN FACT, THE STATE
4 LANDS COMMISSION HAS CHANGED ITS APPROACH TO THESE
5 PROJECTS BY REQUIRING ENVIRONMENTAL IMPACT REPORTS
6 FOR -- OUT OF A SIMILAR CONCERN, SO I THINK WE'RE
7 LOOKING AT THE EXACT SAME ISSUES THAT THE COASTAL
8 COMMISSION'S CONCERNED ABOUT.

9 BUT I WILL SEE IF THERE'S ANY MORE
10 DETAIL.

11 THE NEXT ITEM I WANTED TO MENTION HAD TO
12 DO WITH OUR RIGS TO REEF WORKSHOP. AS MADAME CHAIR
13 ASKED, THAT COMPLETE WORKSHOP AND THE TRANSCRIPT IS
14 NOW ON THE WEB PAGE AND IS AVAILABLE FOR THE PUBLIC
15 TO REVIEW.

16 IT INCLUDES ALL THE COMMENTS OF ALL THE
17 SPEAKERS, AS WELL AS THE WHITE PAPER THAT THE STAFF
18 PREPARED FOR THAT WORKSHOP.

19 CHAIRPERSON CONNELL: PAUL, FOR THOSE WHO ARE
20 SITTING IN OUR AUDIENCE TODAY AND ARE FAMILIAR WITH
21 THE IMPORTANCE OF THAT ISSUE, WOULD YOU JUST GIVE US
22 A COUPLE OF SENTENCES WHAT WE MEAN WHEN WE SAY RIGS
23 TO REEF.

24 MR. THAYER: CERTAINLY. THAT'S THE PHRASE THAT
25 HAS COME TO DESCRIBE PROPOSALS TO TAKE PLATFORMS

1 WHICH ARE NO LONGER GOING TO BE USED FOR OIL
2 PRODUCTION AND WE NEED TO LEAVE THEM IN PLACE OR,
3 OTHERWISE, EITHER THERE OR AT SOME OTHER LOCATION,
4 WILL BE A HABITAT OR AS ARTIFICIAL REEFS WITH THE
5 CONCEPT THAT THAT WOULD PROMOTE EFFICIENT ACTIVITY
6 AND WOULD BE EFFICIENT HABITAT.

7 THERE'S A VERY ACTIVE PROGRAM IN THE GULF
8 WHERE SOMETHING LIKE A HUNDRED PLATFORMS A YEAR ARE
9 BEING CONVERTED TO THAT.

10 WE ONLY HAVE 20-SOMETHING PLATFORMS OFF
11 OF CALIFORNIA, SO THERE ARE FEWER POSSIBILITIES
12 HERE, BUT THERE'S A LOT OF INTENSE DISCUSSION ON
13 THIS AND COMMISSION STAFF FELT THAT THIS WAS
14 SOMETHING WORTHWHILE THAT WE NEED TO GET MORE
15 INFORMATION ABOUT, SO WE HAD THIS HALF-DAY WORKSHOP
16 IN LOS ANGELES IN DECEMBER, PRIOR TO MEETING ON THAT
17 SAME DAY.

18 WE PASSED THE INFORMATION ABOUT THAT WEB
19 SITE ON TO SENATOR ALPERT'S OFFICE, WHO IS CARRYING
20 THE BILL REGARDING RIGS TO REEF, AS WELL AS THE
21 COMMITTEE STAFF WHO HAD TO ANALYZE THAT BILL, AND
22 THEY WERE VERY APPRECIATIVE OF THAT INFORMATION.

23 CHAIRPERSON CONNELL: WHAT IS THE STATUS OF THE
24 ALPERT BILL?

25 MR. THAYER: I BELIEVE IT'S IN THE ASSEMBLY,

1 WAITING HEARING IN THE POLICY COMMITTEE.

2 CHAIRPERSON CONNELL: SO IT HASN'T GONE THROUGH
3 THE SOURCE COMMITTEE YET?

4 MR. THAYER: I BELIEVE IT'S BEEN THROUGH THE
5 SENATE.

6 CHAIRPERSON CONNELL: BUT IT'S NOT IN THE
7 ASSEMBLY? IT'S NOT YET BEGUN THE JOURNEY?

8 MR. THAYER: EXACTLY.

9 TWO MORE ITEMS: THE FIRST ONE IS JUST A
10 NOTE THAT EARTH DAY IS COMING UP AND THAT YOUR STAFF
11 IS PARTICIPATING IN SEVERAL LOCAL AFFAIRS OR AFFAIRS
12 REGARDING EARTH DAY.

13 CHAIRPERSON CONNELL: THE 30TH ANNIVERSARY, TO
14 BE EXACT, PAUL.

15 MR. THAYER: EXACTLY.

16 CHAIRPERSON CONNELL: FOR THOSE OF US OLD
17 ENOUGH TO REMEMBER THE BEGINNING OF EARTH DAY. I
18 WAS BUT A SMALL TODDLER MYSELF.

19 SOME OF YOU MAY HAVE BEEN IN SCHOOL.

20 MR. THAYER: THE STAFF IS PARTICIPATING IN THE
21 RICHMOND EVENT AT A FEDERAL BUILDING THERE IN THE
22 BAY AREA, OUR MARINE FACILITIES WITH RIGS ON OIL
23 SPILLS AND IN VENTURA POWER MINERAL RESOURCES
24 MANAGEMENT DIVISION IS PARTICIPATING.

25 THE THEME OF THIS YEAR'S EARTH DAY IS

1 ENERGY RESOURCES.

2 AND, FINALLY, I JUST WANTED TO NOTE THAT
3 WE'RE GOING TO ATTEMPT TO SCHEDULE OUR NEXT
4 COMMISSION MEETING ABOUT TWO MONTHS FROM NOW. WE'RE
5 TRYING TO HOLD TO ROUGHLY A TWO-MONTH SCHEDULE SO
6 THAT WOULD PUT IT INTO LATE JUNE. IF WE CAN'T
7 SCHEDULE IT IN LATE JUNE, PROBABLY EARLY JULY.

8 HOPEFULLY, ONCE WE'VE HAD THAT MEETING,
9 WE CAN GET THROUGH THE SUMMER AND HAVE THE NEXT
10 MEETING.

11 CHAIRPERSON CONNELL: WE MAY NEED TO DO THIS
12 MEETING EARLIER IN JUNE THAN WE ANTICIPATED. I DO
13 BELIEVE THAT THERE MAY BE SOME ITEMS THAT THE BOARD
14 MAY WISH TO CONSIDER DEFERRING TODAY.

15 SO FOR THAT REASON, WE MAY NEED TO MOVE
16 THAT UP, PAUL. WHEN WE GET THROUGH THE CALENDAR, WE
17 CAN FIGURE THAT OUT.

18 MR. THAYER: OKAY.

19 CHAIRPERSON CONNELL: IS THERE ANYTHING ELSE
20 THAT YOU WISH TO REPORT, MR. THAYER.

21 MR. THAYER: THAT'S IT.

22 CHAIRPERSON CONNELL: THE NEXT ORDER OF
23 BUSINESS, THEN, WILL BE ADOPTION OF THE CALENDAR,
24 AND I WILL AGAIN CALL ON YOU, PAUL, TO INDICATE
25 WHICH ITEM HAS BEEN REMOVED.

1 MR. THAYER: THERE ARE TWO ITEMS THAT ARE BEING
2 REMOVED FROM THE CONSENT CALENDAR WHICH WILL BE
3 HEARD AT FUTURE MEETINGS. THOSE ARE ITEMS 72 AND
4 73.

5 AND THEN THERE ARE THREE ITEMS THAT ARE
6 BEING REMOVED FROM THE CONSENT CALENDAR, BUT WE
7 WOULD PROPOSE TO HAVE THE COMMISSION HEAR AT THE END
8 OF OUR MEETINGS TODAY. THOSE ARE ITEMS 63, 64, AND
9 65.

10 CHAIRPERSON CONNELL: WE'RE REMOVING ITEMS 72
11 AND 73. THOSE HAVE BEEN DEFERRED TO LATER MEETINGS.
12 ITEMS 63, 64, AND 65 WILL BE DISCUSSED TODAY.

13 IS THERE ANYONE WHO WISHES TO SPEAK ON AN
14 ITEM ON THE CONSENT CALENDAR? IF NOT, THE REMAINING
15 ITEMS ON THE CONSENT CALENDAR CAN BE TAKEN UP AS A
16 GROUP FOR A SINGLE VOTE, AND AS CHAIR, I WILL NOW
17 PROCEED WITH THAT VOTE.

18 MAY I HAVE A MOTION TO APPROVE THE
19 CONSENT CALENDAR.

20 MR. BUSTAMANTE: SO MOVED.

21 CHAIRPERSON CONNELL: THANK YOU. IT'S BEEN
22 MOVED AND SECONDED. PLEASE INDICATE.

23 THE CLERK: THAT'S A UNANIMOUS VOTE.

24 LET US GO TO THE ITEMS ON THE REGULAR
25 CALENDAR.

1 ITEM 84 IS A FIBEROPTIC PROJECT PROPOSED
2 BY GLOBAL PHOTON SYSTEMS ALONG THE CALIFORNIA COAST.

3 MR. THEY'RE, WILL YOU BEGIN THE STAFF
4 PRESENTATION ON THAT.

5 MR. THAYER: YES. TO MAKE THIS PRESENTATION
6 FOR THE COMMISSION TODAY, WE HAVE TWO STAFF MEMBERS,
7 BARBARA DUGAL FROM THE LAND MANAGEMENT DIVISION AND
8 KIRK WALKER FROM OUR ENVIRONMENTAL PLANNING UNIT.

9 BARBARA.

10 CHAIRPERSON CONNELL: IS EVERYONE IN THE AISLE
11 ABLE TO SEE OUR PRESENTATION MATERIALS?

12 SPEAKER: GOOD MORNING, MADAME CHAIR. I WILL
13 BE PROVIDING --

14 CHAIRPERSON CONNELL: CAN YOU INTRODUCE
15 YOURSELF FOR THE RECORD.

16 SPEAKER: BARBARA D-U-G-A-L.

17 GOOD MORNING. I WILL BE PROVIDING A
18 BRIEF OVERVIEW OF THE PROPOSED PROJECT.

19 CHAIRPERSON CONNELL: BARBARA, CAN YOU SPEAK
20 INTO YOUR MIKE.

21 SPEAKER: OH, BOY, I'LL TRY.

22 CHAIRPERSON CONNELL: WE SEEM TO HAVE LOW MIC
23 VOLUME, TOO.

24 SPEAKER: THAT BETTER?

25 CHAIRPERSON CONNELL: YES.

1 SPEAKER: THE APPLICATION THAT IS BEFORE YOU
2 TODAY, THE APPLICANT IS A GLOBAL PHOTON SYSTEMS,
3 INC.

4 GLOBAL IS AN INDEPENDENT CALIFORNIA
5 COMPANY THAT WAS ESTABLISHED IN 1994 AND HAS
6 DEVELOPED THE FIRST OFFSHORE FIBEROPTIC
7 TELECOMMUNICATION SYSTEMS THAT WOULD LINK
8 CALIFORNIA'S MAJOR COASTAL CITIES SLO TO SAN
9 DIEGO.

10 THE PROPOSED SYSTEM WOULD HAVE LANDING
11 POINTS LOCATED AT SAN FRANCISCO, MANRESSA BEACH,
12 CARMEL HIGHLANDS, MORRO BAY, SANTA BARBARA,
13 MANHATTAN BEACH, AND SAN DIEGO, DEPICTED IN RED.

14 CHAIRPERSON CONNELL: CAN EVERYONE SEE THE
15 ROUTE THAT IS BEING PROPOSED FOR THE CABLE LINE?
16 THE LIGHTING IS ON, SO I DON'T KNOW THAT YOUR LASER
17 IS ACTUALLY HELPING US CATCH IT.

18 SPEAKER: WELL, THE MAP DEPICTS THE ENTIRE
19 COASTAL ROUTE.

20 THE LENGTH OF THE CABLE PROPOSED TO BE
21 INSTALLED IN STATE WATERS IS APPROXIMATELY 63 MILES.

22 THE MAP ALSO DEPICTS THE LAND ROUTE.

23 THE PROPOSED LAND ROUTE WILL UTILIZE
24 EXISTING CONDUIT AND WILL ALLOW GREATER ACCESS TO
25 THE CABLE SYSTEM AND WILL PROVIDE A REDUNDANT SIGNAL

1 PATH FOR EMERGENCY RESTORATION AND WILL PROVIDE A
2 LINK BETWEEN SAN FRANCISCO AND THE MONTEREY BAY
3 AREA.

4 THE INSTALLATION OF THE OFFSHORE CABLE
5 WILL INVOLVE UTILIZING A CABLE LAY SHIP THAT WILL
6 DEPLOY AN APPROXIMATELY ONE-INCH FIBEROPTIC CABLE,
7 AND WE HAVE TWO SAMPLES OF THE CABLE, TO A TARGET
8 DEPTH OF THREE FEET ALONG THE CALIFORNIA COASTLINE,
9 THREE TO FOUR MILES OFFSHORE.

10 THAT'S IT. THE PROJECT THAT IS BEFORE
11 THE COMMISSION TODAY IS DIFFERENT FROM THE PREVIOUS
12 COASTAL FIBEROPTIC CABLE PROJECTS THE COMMISSION HAS
13 APPROVED.

14 THIS PROJECT IS KNOWN AS THE FESTOON
15 SYSTEM. THIS TYPE OF SYSTEM MEANS THAT THE OCEAN
16 CABLE SEGMENTS ARE TERMINATED PERIODICALLY AT BEACH
17 LANDINGS, AND THEN THE CABLE IS ROUTED INTO THE
18 CITIES NEAR THE LANDING SITES.

19 THIS SYSTEM IS ALSO DIFFERENT FROM THE
20 TRAN-PACIFIC CABLES, NOT JUST BECAUSE IT LOOPS DOWN
21 THE COAST LINE, BUT IT DOES NOT CARRY ELECTRICITY.

22 THE COMMISSION WILL BE CONSIDERING TWO
23 ITEMS TODAY: THE FIRST, THE COMMISSION MUST
24 CONSIDER CERTIFYING THE ENVIRONMENTAL IMPACT REPORT
25 THAT WAS PREPARED FOR THE PROJECT. AND, SECOND, THE

1 COMMISSION MUST CONSIDER ISSUING A PERMIT TO INSTALL
2 FIBEROPTIC CABLE FROM THE MEAN HIGH-TIDE LINE TO THE
3 THREE-MILE LIMIT AS WELL AS FIVE STEEL CONDUITS.

4 WHILE THE EIR DESCRIBES SEVEN LANDING
5 POINTS, THE COMMISSION WILL BE CONSIDERING ISSUING A
6 PERMIT ONLY FOR FOUR OF THESE POINTS. THE REMAINING
7 SITES INVOLVES LAND THAT HAVE BEEN GRANTED, AND THE
8 GRANTEEES WILL BE RESPONSIBLE FOR ISSUING RIGHTS TO
9 THE APPLICANT TO LAY THE CABLES ON LANDS UNDER THEIR
10 JURISDICTION.

11 ADDITIONALLY, PURSUANT TO PUBLIC UTILITY
12 CODE 7901, TELEPHONE CORPORATIONS MAY CONSTRUCT AND
13 OPERATE FACILITIES ALONG ANY PUBLIC ROAD, HIGHWAY,
14 OR NAVIGABLE WATER IN THE STATE WITHOUT PAYMENT OF
15 RENT, PROVIDED THE FACILITIES DO NOT INTERFERE WITH
16 THE PUBLIC USE.

17 STAFF HAS DETERMINED THAT THIS PROJECT
18 QUALIFIES FOR A RENT-FREE PERMIT.

19 I WOULD NOW LIKE TO INTRODUCE MR. KIRK
20 WALKER WITH THE PLANNING DIVISION, WHO WILL BE
21 PRESENTING A BRIEF OVERVIEW OF THE ENVIRONMENTAL
22 PROCESS FOR YOU. THANK YOU.

23 SPEAKER: THANK YOU, BARBARA.

24 MY NAME IS KIRK WALKER, K-I-R-K. I'M
25 WITH THE ENVIRONMENTAL PLANNING DIVISION OF THE

1 STATE LANDS COMMISSION.

2 WHEN THESE APPLICATIONS FOR THE VARIOUS
3 CABLE PROJECTS THAT ARE NOW COMING BEFORE YOU
4 ARRIVED, IT WAS CLEAR THAT ONE OF THE MAJOR ISSUES
5 WOULD BE CONFLICTS BETWEEN THE CABLES AND COMMERCIAL
6 FISHING OPERATIONS.

7 FOR THAT REASON, STAFF JOINED WITH
8 SEVERAL OTHER PUBLIC AGENCIES IN HOSTING A PUBLIC
9 FORUM FOR CENTRAL AND SOUTH COAST FISHERMEN AND THE
10 CABLE COMPANIES TO DISCUSS POTENTIAL ISSUES AND
11 MITIGATIONS.

12 FOR THIS PARTICULAR PROJECT, THAT OF
13 GLOBAL PHOTON, WE RELEASED A NOTICE OF PREPARATION
14 IN FEBRUARY OF 1999 AND FOLLOWED THIS WITH A SERIES
15 OF PUBLIC MEETINGS HELD IN SIX SEPARATE COASTAL
16 CITIES FROM HALF MOON BAY TO SAN DIEGO.

17 INFORMATION FROM THESE MEETINGS AND THE
18 AGENCY RESPONSES TO THE NOTICE OF PREPARATION WAS
19 USED IN THE PREPARATION OF THE DRAFT EIR WHICH WAS
20 CIRCULATED TO JUST UNDER 1,000 PEOPLE AND AGENCIES
21 UP AND DOWN THE COAST.

22 ANOTHER SERIES OF SIX PUBLIC MEETINGS
23 WERE HELD TO RECEIVE COMMENTS ON THAT DRAFT
24 DOCUMENT. IN ADDITION TO THOSE MEETINGS, WE
25 RECEIVED 30 LETTERS OF COMMENT FROM FEDERAL, STATE,

1 AND LOCAL AGENCIES.

2 CONSIDERABLE ADDITIONAL WORK WAS DONE ON
3 THE EIR TO FINALIZE IT IN RESPONSE TO THOSE
4 COMMENTS, RESULTING IN THE DOCUMENT WHICH IS BEFORE
5 YOU FOR CERTIFICATION TODAY.

6 FROM THE BEGINNING OF THIS PROJECT, THERE
7 HAVE BEEN TWO MAJOR AREAS OF ENVIRONMENTAL CONCERN.
8 AS MENTIONED BEFORE, CONFLICT WITH COMMERCIAL
9 FISHING HAS BEEN THE ISSUE THAT HAS GENERATED THE
10 MOST PUBLIC AND AGENCY CONCERN.

11 SO ONE OF THE PRIMARY FOCUSES OF THE
12 ROUTING OF THIS PROJECT HAS BEEN TO AVOID AREAS OF
13 HEAVY FISHING AND TO BURY THE CABLE AS MUCH AS
14 POSSIBLE, FINALLY ENDING UP IN 93 PERCENT OF THE
15 CABLE BEING BURIED THREE FEET UNDER THE MUD.

16 MEETINGS HAVE BEEN HELD WITH FISHERMEN,
17 AND FISHERMEN HAVE SIGNED AGREEMENTS WITH GLOBAL
18 PHOTON AS WELL AS THE OTHER COMPANIES THAT ARE
19 COMING BEFORE YOU THAT HAVE PROPOSED RIGHTS AND
20 OPERATING PROCEDURES THAT WILL AVOID THE CONFLICT
21 THAT WERE ORIGINALLY FORESEEN.

22 AT THIS POINT, THERE ARE ONLY TWO SMALL
23 AREAS WHERE THE ROUTE NEEDS WORK: ONE NEAR MORRO
24 BAY, AND ONE NEAR SANTA BARBARA.

25 THESE AREAS ARE HEAVILY FISHED AND TOO

1 ROCKY TO BURY THE CABLE.

2 IT IS BELIEVED THAT MOVING THE CABLE A
3 SHORT DISTANCE WILL ALLOW THE CABLE TO BE BURIED IN
4 BOTH PLACES, BUT THERE WAS NOT TIME TO COMPLETE
5 SURVEY WORK TO VERIFY THIS.

6 THE APPLICANT HAD COMMITTED TO SURVEYING
7 THE ROUTE AND MOVING THE CABLE TO A LOCATION
8 ACCEPTABLE TO THE FISHERMEN, AND THIS HAS BEEN MADE
9 A CONDITION OF THE LEASE SO THAT IT WILL BE
10 ENFORCED.

11 THE SECOND AREA OF CONCERN IS THE CABLES
12 CROSSING OF THE MONTEREY BAY NATIONAL MARINE
13 SANCTUARY.

14 THE CABLE FROM ESTERRO BAY GOES THROUGH
15 THE SOUTHERN PORTION OF THE SANCTUARY, AND THE CABLE
16 FROM SAN FRANCISCO GOES THROUGH THE NORTHERN
17 PORTION.

18 THERE REMAINS, HOWEVER, A BELIEF THAT
19 CABLE SHOULD NOT BE ALLOWED IN THE SANCTUARY OR THAT
20 THEY ARE POSSIBLY PROHIBITED BY CURRENT REGULATIONS.

21 THE U.S. DEPARTMENT OF COMMERCE, NATIONAL
22 OSHA AND THE PARENT ORGANIZATION OF THE SANCTUARY
23 HAS RELEASED A DRAFT WHITE PAPER ENTITLED "PROPOSED
24 PRINCIPLES FOR LAYING SUBMARINE CABLES IN THE MARINE
25 AND COASTAL ENVIRONMENT," WHICH STATES THAT CABLES

1 ARE NOT PROHIBITED IN THE MONTEREY BAY SANCTUARY,
2 BUT THEY ARE SUBJECT TO THE SANCTUARY'S
3 ENVIRONMENTAL REVIEW.

4 IT IS THE STAFF'S BELIEF THAT THE
5 DECISION OF ALLOWING CABLES WITHIN THE SANCTUARY CAN
6 ONLY BE MADE BY THE SANCTUARY ITSELF.

7 THE DIRECTOR OF THE SANCTUARY HAS
8 INFORMED THE APPLICANT THAT HE WILL REQUIRE A
9 FEDERAL ENVIRONMENTAL DOCUMENT PRIOR TO MAKING A
10 FINAL DECISION ON ALLOWING THE CABLE WITHIN THE
11 SANCTUARY.

12 WE BELIEVE THAT THE EIR BEFORE YOU HAS
13 ADEQUATELY DESCRIBED THE POTENTIAL IMPACTS AND
14 MITIGATIONS THAT REDUCE THOSE IMPACTS UNDER THE
15 STANDARDS OF CEQA BUT DO NOT BELIEVE THAT WE SHOULD
16 PREJUDICE ANY FEDERAL ACTION UNDERNEATH THEM WHICH
17 HAS DIFFERENT STANDARDS.

18 THE APPLICANT STILL REMAINS UNDER THE
19 REQUIREMENT OF OBTAINING PERMITS FROM THE SANCTUARY,
20 OTHER STATE AGENCIES SUCH AS THE COASTAL COMMISSION
21 AND LOCAL AGENCIES.

22 BASED ON THE INFORMATION CONTAINED IN THE
23 EIR, STAFF RECOMMENDS CALIFORNIA STATE LANDS
24 COMMISSION CERTIFY THE EIR, ADOPT THE CEQA FINDINGS
25 AND MITIGATION MONITORING PROGRAM THAT ARE INCLUDED

1 AND INCLUDE THE ISSUE OF A GENERAL PERMIT
2 RIGHT-OF-WAY USE GLOBAL PHOTON FOR THE
3 IMPLEMENTATION OF THE FIBER OPTIC CABLE.

4 BARBARA AND I AND RICK NOBLES OF OUR
5 LEGAL STAFF ARE AVAILABLE TO ANSWER ANY QUESTIONS
6 THAT YOU MAY HAVE, AND TOM UMBERG REPRESENTING THE
7 APPLICANT WOULD LIKE TO MAKE A BRIEF PRESENTATIONS.

8 CHAIRPERSON CONNELL: MR. UMBERG, WOULD YOU
9 COME FORWARD.

10 SPEAKER: THANK YOU, MADAME CHAIR, MEMBERS OF
11 THE COMMISSION. IT'S GOOD TO BE BEFORE YOU.

12 MY NAME IS TOM UMBERG, U-M-B-E-R-G,
13 REPRESENTING GLOBAL PHOTON.

14 LET ME BRIEFLY ADDRESS SEVERAL ISSUES.

15 NO. 1, THE PURPOSE OF THE PROJECT IS
16 TWOFOLD: NO. 1 IS TO INCREASE CAPACITY BANDWIDTH, IF
17 YOU WILL, FROM SAN DIEGO TO SAN FRANCISCO. AND
18 NO. 2 IS TO PROVIDE A VIABLE ALTERNATIVE THAT IS
19 MORE RELIABLE BY TAKING THE COASTAL ROUTE.

20 THE STAFF HAS ANALYZED AND ELOQUENTLY
21 DESCRIBED THE PROJECT. LET ME JUST ADD A FEW
22 ADDITIONAL POINTS.

23 WHY IS THE PROJECT NECESSARY? SAN
24 FRANCISCO, FOR EXAMPLE, HAS THE LARGEST AND HIGHEST
25 BROWN-OUT RATE OF ANY CITY IN THE UNITED STATES AS A

1 CONSEQUENCE OF LIMITED CAPACITY AND BANDWIDTH.

2 VERY RECENTLY, VIRGINIA ELLIS IN THE
3 L.A. TIMES WROTE ABOUT CONSEQUENCES OF REDUCED
4 CAPACITY, SUCH AS, FOR EXAMPLE, CHP NOT BEING ABLE
5 TO ACCESS CRIMINAL RECORDS.

6 THE DEPARTMENT OF HOUSING AND HEALTH AND
7 WELFARE NOT BEING ABLE TO ACCESS RECORDS CONCERNING
8 CHILD ABUSE.

9 DMV IN GLENDALE NOT BEING ABLE TO ACCESS
10 CENTRAL COMMUNICATIONS FOR TWO DAYS IN ORDER TO
11 PROCESS REGISTRATIONS.

12 THE ALTERNATIVE ROUTE, THE COASTAL ROUTE,
13 IS 20 TIMES MORE RELIABLE THAN A TERRESTRIAL ROUTE,
14 A LAND ROUTE, AND THAT'S BECAUSE THE MOST COMMON
15 OCCURRENCE, THE MOST COMMON INCIDENT IS, FOR
16 EXAMPLE, CONSTRUCTION HARMING A FIBER OPTIC CABLE.

17 THERE ARE OTHER INSTANCES AS WELL,
18 NATURAL DISASTERS AND OTHER MAN-MADE DISASTERS.

19 LET ME BRIEFLY TOUCH UPON THE "WHO" PART
20 OF THIS PROJECT.

21 GLOBAL PHOTON IS REALLY TIM STAMNITZ.
22 TIM STAMNITZ, S-T-A-M-N-I-T-Z, AND LUCY DEMAINE IS
23 D-E-M-A-I-N, A HUSBAND AND WIFE TEAM, WHO PUT
24 TOGETHER THIS PROJECT SINCE 1994.

25 TIM HAS EXTENSIVE EXPERIENCE IN THE AREA

1 FOR 20 YEARS. HE'S BEEN WORKING IN UNDERSEA CABLE
2 INSTALLATION, MANUFACTURING, AND DEVELOPMENT.

3 HE HOLDS FOUR PATENTS. HE'S SPENT TEN
4 YEARS WORKING WITH THE UNITED STATES NAVY, FIVE
5 YEARS WITH SCIC, AND HAS WORKED ON PROJECTS IN POINT
6 LOMA, AS WELL AS SAN CLEMENTE.

7 LUCY IS RESPONSIBLE FOR FUNDING THE
8 PROJECT, ARRANGING FUNDING FOR THE PROJECT, AND IS
9 THE SECRETARY-TREASURER OF GLOBAL PHOTON.

10 LET ME ASK TIM TO BRIEFLY EXPLAIN HOW THE
11 PORTION OF THIS PROJECT -- HOW THE CABLE WILL BE
12 INSTALLED.

13 TIM.

14 SPEAKER: MEMBERS OF THE COMMISSION AND THE
15 STATE LAND STAFF, THANK YOU FOR THIS OPPORTUNITY TO
16 TALK ABOUT OUR PROJECT.

17 MY NAME IS TIM S-T-A-M-N-I-T-Z, AND I'LL
18 JUST BRIEFLY TALK ABOUT SOME OF THE THINGS THAT
19 BARBARA DUGAL'S ALREADY MENTIONED, BUT THE CABLE
20 WOULD BE DEPLOYED -- THE CABLE IS A LITTLE UNDER ONE
21 INCH. IT WOULD OCCUPY ABOUT .0089 SQUARE MILES
22 TOTAL OFF OF THE COAST FROM SAN DIEGO TO SAN
23 FRANCISCO. IT'S ABOUT A 575-MILE RUN.

24 THERE ARE FIVE DIFFERENT SEGMENTS WHICH
25 YOU CAN SEE ON THE MAP THERE. THEY ARE ABOUT 115

1 MILES EACH PER SEGMENT.

2 THE CABLE WOULD BE DEPLOYED IN ONE
3 SHIPLOAD. IT'S A RELATIVELY SMALL CABLE SHIP, THE
4 SIZE OF A TYPICAL SUPPLY VESSEL.

5 THE ENTIRE TRANSPORTATION VOLUME OF THE
6 CABLE IS ABOUT 500 CUBIC YARDS. IT FITS INTO ONE
7 SHIPLOAD. IT WOULD REQUIRE ABOUT 44 DAYS TO DEPLOY
8 THE ENTIRE PROJECT FROM SAN DIEGO, HEADING NORTH TO
9 SAN FRANCISCO. THAT'S ABOUT NINE DAYS PER SEGMENT.

10 90 PERCENT OF THIS CABLE WOULD BE LOCATED
11 IN THE THREE TO TWELVE-MILE REGION OFFSHORE, AND 93
12 PERCENT OF THAT CABLE WOULD BE BURIED TO A DEPTH OF
13 APPROXIMATELY THREE FEET UNDER THE SEA BED, AND THIS
14 IS BY USE OF THE SOPHISTICATED REMOTE-OPERATED
15 VEHICLE THAT'S TOWED BEHIND THE SHIP.

16 IT RIDES ON TWO RUDDERS THAT ARE ABOUT
17 THREE FEET WIDE EACH AND HAS A BLADE THAT CUTS A
18 SLIT INTO THE SEA FLOOR SEVERAL INCHES WIDE, A
19 MANIPULATOR ARM THAT THEN PUSHES THE CABLE DOWN INTO
20 THE BOTTOM OF THE TRENCH, AND THE HYDROSTATIC
21 PRESSURE CAUSES THE TRENCH TO REFILL AUTOMATICALLY
22 BY ITSELF WITHIN A MATTER OF MINUTES AFTER PASSING.

23 THE CABLE DOES TRANSITION IN TOWARDS,
24 LAND FALL AT SEVEN LOCATIONS, SO IT TRANSITIONS INTO
25 THE THREE-MILE LIMIT AND BACK OUT.

1 AT THE TRANSITION POINT OF THE BEACHES,
2 WE WOULD USE HORIZONTAL DIRECTIONAL DRILLING WHICH
3 AVOIDS ALL IMPACTS TO THE NEAR SHORE SURF ZONE AREA.

4 THE HORIZONTAL DIRECTIONAL DRILL WOULD BE
5 LOCATED A QUARTER TO ONE MILE BACK ONSHORE, AWAY
6 FROM THE BEACH, AND WOULD PASS 40 TO 50 FEET BELOW
7 THE GROUND AT THE POINT OF THE SEA SHORE LAND
8 INTERFACE AND EXIT ON THE SEA FLOOR A QUARTER TO A
9 HALF MILE OFFSHORE.

10 SO THERE'S A STAND-OFF DISTANCE THERE TO
11 PRECLUDE IMPACTS AND SHALLOW WATER AND TO PRECLUDE
12 ANY INTERACTION WITH ACTIVITIES TAKING PLACE ON THE
13 BEACH.

14 I THINK THAT'S ABOUT ALL I WOULD WANTED
15 TO SAY. THANK YOU.

16 SPEAKER: LET ME JUST ILLUSTRATE, YOU HAVE
17 BEFORE YOU THE CABLE, BUT THIS IS WHAT WE'RE REALLY
18 TALKING ABOUT. THIS IS THE FIBER OPTIC PORTION THAT
19 CARRIES THE INFORMATION FOR TERRABITS, WHICH IS THE
20 EQUIVALENT OF 60 MILLION TELEPHONE CALLS, ALL
21 TRANSMITTED SIMULANTEOUSLY. IT'S HOUSED IN THIS
22 CABLE HERE.

23 CHAIRPERSON CONNELL: ARE YOU ASSURING US, TOM,
24 WE'LL HAVE BETTER CELLULAR PHONE CONNECTIONS?

25 SPEAKER: WELL, SINCE YOU AND I WILL PROBABLY

1 SEE ONE ANOTHER AGAIN, I DON'T WANT TO ASSURE THAT.

2 CHAIRPERSON CONNELL: OKAY.

3 SPEAKER: THANK YOU FOR YOUR TIME.

4 WE'LL BE HAPPY TO RESPOND TO ANY OF YOUR
5 QUESTIONS.

6 CHAIRPERSON CONNELL: I'M GOING TO ASK THE
7 COMMISSIONERS IF THEY HAVE ANY QUESTIONS AT THIS
8 POINT BEFORE I OPEN IT UP TO THE AUDIENCE.

9 MR. BUSTAMANTE: JUST THAT PERSON WHO WAS UP
10 HERE.

11 CHAIRPERSON CONNELL: BARBARA. KIRK.

12 MR. BUSTAMANTE: KIRK.

13 CHAIRPERSON CONNELL: MR. WALKER, COULD YOU
14 JOIN US AGAIN AT THE PODIUM HERE. I BELIEVE THE
15 LIEUTENANT GOVERNOR HAS A QUESTION.

16 MR. BUSTAMANTE: YOU'D INDICATED THAT THERE WAS
17 ONLY TWO PLACES IN WHICH THE CABLE WOULD NOT BE
18 BURIED. ONE NEAR SANTA BARBARA, THE OTHER NEAR
19 MONTEREY.

20 SPEAKER: NO, SIR. THOSE ARE THE TWO AREAS
21 THAT WE DO NOT HAVE COMPLETE AGREEMENT BETWEEN THE
22 FISHERMEN AND GLOBAL PHOTON AS TO WHERE THE CABLE
23 WILL GO.

24 THE ORIGINAL ROUTE WAS LAID OVER AREAS
25 WHERE IT COULD NOT BE BURIED.

1 THE FISHERMEN BEING TROLLERS HAVE A
2 PRETTY GOOD IDEA OF WHAT'S OUT THERE ON THE BOTTOM,
3 AND IT IS THEIR BELIEF THAT VERY CLOSE TO THOSE
4 LOCATIONS ARE SAND AREA WHERE THE CABLE COULD BE
5 BURIED.

6 WE DID NOT HAVE TIME TO ACTUALLY TAKE A
7 BOAT OUT AND SURVEY.

8 MR. BUSTAMANTE: THAT'S WHAT I WAS GETTING TO.
9 HOW MUCH TIME WOULD YOU NEED TO BE ABLE TO COMPLETE
10 THAT SURVEY?

11 SPEAKER: THE CONTRACTS FOR THE SURVEY BOAT ARE
12 BEING LET, DEPENDING ON WHETHER THIS IS PROBABLY A
13 MATTER OF MAXIMUM OF, I BELIEVE, WEEKS TO ACTUALLY
14 GET OUT THERE AND GET THE INFORMATION.

15 MR. BUSTAMANTE: AND YOUR RECOMMENDATION IS TO
16 MOVE FORWARD ON THIS, EVEN THOUGH YOU'VE NOT
17 FINISHED THAT SURVEY?

18 SPEAKER: YES. WE HAVE PUT A LEASE CONDITION
19 IN OUR PERMIT THAT WILL HOLD GLOBAL PHOTON TO
20 COMPLETING THOSE SURVEYS AND COMING UP WITH AN
21 ACCEPTABLE LOCATION PRIOR TO ACTUALLY BEGINNING OF
22 CONSTRUCTION.

23 THEY HAVE A LONG TIME TO GO WITH OTHER
24 PERMITS BEFORE THEY WILL ACTUALLY BE CONSTRUCTING.

25 MR. BUSTAMANTE: ARE ANY OF THOSE AREAS WITHIN

1 THE SANCTUARY AREA?

2 SPEAKER: NO, THEY ARE NOT.

3 MR. BUSTAMANTE: SO THOSE ROCKY AREAS THAT
4 YOU'RE TRYING TO FIND A PLACE TO BURY THE CABLE IS
5 NOT WITHIN THE SANCTUARIES?

6 SPEAKER: NO, THEY ARE NOT.

7 MR. BUSTAMANTE: OKAY. THANK YOU.

8 MS. PORINI: YES. I ALSO HAVE A QUESTION FOR
9 MR. WALKER.

10 I WANT TO UNDERSTAND THE PROCESS WITHIN
11 THE SANCTUARY. YOU INDICATED THAT GLOBAL PHOTON
12 WOULD HAVE TO GO THROUGH FEDERAL ENVIRONMENTAL
13 REVIEW PROCESS THERE.

14 SPEAKER: YES.

15 MS. PORINI: AND DOES OUR PERMIT HAVE ANY
16 IMPACT ON THAT FEDERAL PROCESS?

17 SPEAKER: NO, IT DOES NOT. ALTHOUGH THEY ARE
18 CERTAINLY ABLE TO USE ANY INFORMATION FROM OUR
19 DOCUMENT THAT THEY WISH TO EITHER SPEED UP OR REDUCE
20 THE WORK THEY NEED TO DO ON THEIR DOCUMENT BUT IT IS
21 NOT BINDING ON THEM.

22 AS A FEDERAL SANCTUARY, THEY'RE BOUND BY
23 NEPA AS OPPOSED TO CEQA.

24 CHAIRPERSON CONNELL: I HAD A QUESTION AS WELL.

25 IN GOING THROUGH WHAT YOU THOUGHT WAS, I

1 THINK, A RATHER COMPREHENSIVE EIR ANALYSIS OF THIS,
2 DID YOU HAVE A CHANCE TO SPEAK TO ANYONE DISSENTED
3 ON THE PROJECT? AND IF SO, WHO WERE THOSE PARTIES?

4 SPEAKER: AT THE PUBLIC MEETINGS, THERE WAS
5 SOME PEOPLE WHO HAVE DISSENTED, AND I HAVE SPOKEN TO
6 THEM.

7 MOSTLY THESE WERE INDIVIDUALS. THE
8 ORGANIZATION SAVE OUR SHORES SPOKE IN OPPOSITION TO
9 THE PROJECT IN SEVERAL OF OUR MEETINGS.

10 PEOPLE WHO REPRESENT THE SANCTUARY
11 ADVISORY COUNSEL HAVE SPOKEN TO US IN OPPOSITION.

12 THERE WERE SOME PEOPLE IN BETWEEN THE TWO
13 DOCUMENTS WHO SPOKE IN OPPOSITION WHO HAVE SINCE
14 REMOVED THEIR OPPOSITION.

15 FOR EXAMPLE, THERE WAS CONSIDERABLE
16 DISCUSSION IN BETWEEN THE TWO DOCUMENTS WITH NATIVE
17 AMERICAN GROUPS TO MAKE SURE THEIR CONCERNS WERE
18 MET.

19 AS OF YESTERDAY, I HAVE SPOKEN TO BOTH
20 THEIR COUNSEL AND TO THE CHIEF OF THE TRIBES
21 INVOLVED, AND THEY NO LONGER OPPOSE THE PROJECT.

22 CHAIRPERSON CONNELL: THANK YOU.

23 MR. BUSTAMANTE: JUST ONE OTHER QUESTION.

24 CHAIRPERSON CONNELL: YES.

25 MR. BUSTAMANTE: THERE WAS BOTH A POTENTIAL

1 LAND ROUTE AND A WATER ROUTE; IS THAT CORRECT?

2 SPEAKER: YES, SIR.

3 MR. BUSTAMANTE: YOU SELECTED THE WATER ROUTE
4 OVER THE LAND ROUTE. WHY?

5 SPEAKER: BOTH ROUTES, AS THEY'RE BROUGHT OUT
6 IN THE ENVIRONMENTAL DOCUMENT, WE BELIEVE CAN BE
7 MITIGATED TO A LEVEL OF INSIGNIFICANCE.

8 THE LAND ROUTE -- THERE WERE ACTUALLY
9 SEVERAL ALTERNATE LAND ROUTES, DIFFERENT SEGMENTS
10 THAT WERE LAID OUT.

11 SOME OF THOSE SEGMENTS DO HAVE POTENTIAL
12 ENVIRONMENTAL PROBLEMS. OTHERS, WE BELIEVE, COULD
13 PROBABLY BE MITIGATED.

14 THEY WOULD NOT BE ANY BETTER THAN THE SEA
15 ROUTE WHICH HAS NO IMPACT AS WELL, AND THEY DO NOT
16 MEET THE STATED OBJECTIVE OF THE COMPANY WHICH WAS
17 TO GET AWAY FROM THE LAND ROUTES THAT OTHER
18 COMPANIES ARE IN TO PROVIDE REDUNDANCY.

19 MR. BUSTAMANTE: BUT THE LAND ROUTE WOULD HAVE
20 PROVIDED OR COULD HAVE POTENTIALLY PROVIDED
21 ADDITIONAL ENVIRONMENTAL CONCERNS THAT YOU DON'T SEE
22 IN THE WATER ROUTE?

23 SPEAKER: THAT'S TRUE. IN PARTICULAR, IMPACTS
24 TO CULTURAL RESOURCES WOULD BE MUCH HIGHER ON THE
25 LAND.

1 YOU COULD PROBABLY MITIGATE THEM, BUT
2 THEY ARE THERE, AND THEY ARE NOT IN THE OCEAN.

3 MR. BUSTAMANTE: THANK YOU.

4 CHAIRPERSON CONNELL: I'M NOW GOING TO OPEN IT
5 UP TO PUBLIC TESTIMONY, AND I HAVE TWO INDIVIDUALS
6 WHO HAVE INDICATED THEY WISH TO SPEAK BEFORE THE
7 COMMISSION.

8 AND I APOLOGIZE FOR MASSACRING YOUR
9 NAMES.

10 SIAVASH GHARIB, I BELIEVE, IS THE FIRST
11 PERSON.

12 WOULD YOU PLEASE STEP FORWARD TO THE
13 PODIUM.

14 SPEAKER: I DON'T NEED TO SPEAK.

15 CHAIRPERSON CONNELL: PERFECT.

16 BRUCE -- IS IT MONROE FROM THE SIERRA
17 CLUB? IS BRUCE PRESENT? IS HE OUTSIDE?

18 MR. THAYER: I BELIEVE, MADAME CHAIR, THAT
19 ACCORDING TO THE COPY THAT I HAVE HERE, THAT PERSON
20 WOULD LIKE TO SPEAK DURING THE PUBLIC COMMENT PERIOD
21 AT THE END.

22 CHAIRPERSON CONNELL: ALL RIGHT.

23 WHAT IS THE MOTION, MR. THAYER, THAT YOU
24 WOULD REQUEST FROM THE --

25 MR. THAYER: THERE ARE A COUPLE OF OTHERS --

1 I'M SORRY, PERHAPS THESE HADN'T BEEN CONVEYED. LET
2 ME GIVE THEM TO YOU.

3 CHAIRPERSON CONNELL: I ONLY HAVE TWO.

4 MR. THAYER: I HAVE SEVERAL OTHERS I WANT TO
5 PASS OUT.

6 CHAIRPERSON CONNELL: ALL OF THESE ARE 63, 64,
7 AND 65.

8 MR. THAYER: I'M SORRY FOR ANY CONFUSION.

9 CHAIRPERSON CONNELL: WELL, LET'S SEE. WHY
10 DON'T WE GO TO -- COULD IT BE GLENDA NELSON?

11 SPEAKER: YES.

12 CHAIRPERSON CONNELL: WOULD YOU LIKE TO JOIN
13 US, PLEASE, AT THE PODIUM.

14 AND FOLLOWING MS. NELSON, WE DO HAVE A
15 POLICY HERE OF ASKING SPEAKERS TO LIMIT THEMSELVES
16 TO THREE MINUTES, IF YOU MAY, GLENDA.

17 IDENTIFY YOURSELF ON THE RECORD.

18 AFTER GLENDA WILL BE SCOTT CATHA FROM THE
19 MONTEREY BAY NATIONAL MARINE. THEN WILL BE KAITLIN
20 GAFFNEY FROM THE CENTER FOR MARINE CONTROL.

21 SPEAKER: I'M GLENDA, GLENDA NELSON. I'M
22 EXECUTIVE DIRECTOR FOR EXECUTE, REPRESENTING
23 THOUSANDS OF CONCERNED CITIZENS. WE PROVIDE
24 PROGRAMS TO OVER 100,000 INDIVIDUALS.

25 AND OUR COMMISSION IS TO PROTECT AND

1 EDUCATE ABOUT THE SANCTUARY.

2 AND WE BELIEVE THAT IT SHOULD BE UPHELD.
3 THAT THE FEDERAL REGULATIONS ARE ILLEGAL TO HAVE
4 THIS TYPE OF OPERATION WITHIN THE SANCTUARY.

5 THERE IS NO DRILLING. THERE IS NO LEGAL
6 RIGHT FOR ANYONE TO GO WITHIN THE SANCTUARY ON THIS.

7 NOAH HAS PROVIDED 16 PAGES OF QUESTIONS
8 TO THEIR DRAFT EIR APPROVAL OF PHOTON'S, AND THEY
9 HAVE NOT ANSWERED THESE QUESTIONS ADEQUATELY.

10 WE ARE SUPPORTING AN ALTERNATE LAND ROUTE
11 WHICH WE BELIEVE IS POSSIBLE, AND THEY DO NOT HAVE
12 TO GO THROUGH THE SANCTUARY.

13 LA SELVA BEACH COMMUNITY HAS REFUSED
14 GLOBAL PHOTON LANDING, WHICH MEANS THAT THEY ARE NOW
15 GOING TO GO TO POINT LOBOS, WHICH IS OUR STATE
16 RESERVE, AND IS GOING TO BE A BIG PROBLEM, AND NOW
17 THEY WANT TO GO TO VAN SAN.

18 THE LA SELVA BEACH COMMUNITY IS BUSY
19 GETTING ALL OTHER COMMUNITIES THROUGHOUT THE REGION
20 AS A HUGE GRASS ROOTS UPRISING ON THIS.

21 I ASKED GLOBAL PHOTON'S REPRESENTATIVES
22 ON MONDAY ABOUT THEIR FINANCING, SINCE THEY'RE A
23 START-UP COMPANY, AND THEY INFORMED ME THAT --
24 BECAUSE I SAID, "WELL WHAT HAPPENS, YOU'RE HALFWAY
25 THROUGH AND YOU RUN OUT OF MONEY?"

1 "OH, NO SWEAT. WE HAVE A GERMAN BANK
2 THAT WILL JUST TAKE OVER."

3 I SAY, "WELL, WHAT DOES A GERMAN BANK
4 KNOW ABOUT LAYING CABLE?"

5 SO I'M CONCERNED, OF COURSE, THAT THEY
6 WILL GET THERE AND WILL HAVE CABLE THAT, OF COURSE,
7 IS LAYING. WE'RE CONCERNED ABOUT THEIR LANDINGS.
8 WE'RE CONCERNED ABOUT OUR SEA FLOOR.

9 YOU'VE PROBABLY BEEN READING ABOUT THE
10 GRAY WHALES. THEY'RE BOTTOM FEEDERS.

11 I DO NOT BELIEVE, NOR DOES ANYONE IN MY
12 ORGANIZATION, BELIEVE THAT THEY UNDERSTAND WE HAVE
13 CANYONS. WE DON'T BELIEVE THAT THEY KNOW ANYTHING
14 ABOUT THE SANCTUARY. IN FACT, WE'D LIKE TO KNOW
15 MORE ABOUT THE SANCTUARY.

16 SO THEY CHOSE FORT ORD. WELL, THAT'S ONE
17 OF THE DEEPEST PARTS. THAT WAS THE FIRST PART.

18 WE THINK THAT THEY HAVE NOT ADEQUATELY IN
19 THIS FINAL REPORT ANSWERED ANY OF THE QUESTIONS THAT
20 WE REALLY NEED.

21 WE ALSO ARE DESPERATELY AFRAID THAT IF
22 ONE FIBER OPTIC CABLE COMPANY, THIS IS NOT THE FIRST
23 APPLICANT TO US, TO THE SANCTUARY. IF ONE IS
24 ACCEPTED, THAT WE WILL HAVE DOZENS OF OTHER
25 COMPANIES, AND THEY'RE ALREADY THERE. ALL OF THEM

1 ARE ALL LINING UP.

2 WE WILL HAVE CRISSCROSSING OF FIBER OPTIC
3 CABLES WITHIN THE SANCTUARY.

4 PLEASE SAY NO TO THIS. THANK YOU.

5 CHAIRPERSON CONNELL: THANK YOU. GLENDA, MAY I
6 HAVE STAFF RESPOND TO SOME OF THESE CONCERNS? I
7 DON'T KNOW WHETHER IT BE KIRK OR BARBARA.

8 I THINK, GLENDA -- LET ME SEE IF I CAN
9 RECALL. YOU HAD THREE CONCERNS.

10 SPEAKER: YES.

11 CHAIRPERSON CONNELL: ONE WAS OF THE LANDINGS.
12 THE SECOND WAS THE CRISSCROSSING OF THE CABLES, AND
13 THE FIRST WAS THAT NO ONE HAD LOOKED ADEQUATELY AT
14 THE SANCTUARY EXPOSURE; IS THAT RIGHT?

15 SPEAKER: YES.

16 CHAIRPERSON CONNELL: KIRK, CAN YOU RESPOND TO
17 THOSE CONCERNS.

18 SPEAKER: THERE IS, WITHOUT A DOUBT, A
19 DIFFERENCE OF OPINION BETWEEN US AND THE SANCTUARY
20 AS TO THE ADEQUACY OF THE DOCUMENT.

21 SOME OF THAT IS AN HONEST DIFFERENCE OF
22 OPINION ON THE SCIENCE. SOME OF IT IS THE
23 DIFFERENCE BETWEEN THE CEQA REQUIREMENTS AND THE
24 NEPA REQUIREMENTS.

25 WE BELIEVE THAT POTENTIAL IMPACTS OF THIS

1 PROJECT HAVE BEEN PROPERLY ANALYZED.

2 WE ALSO RECOGNIZE THE SANCTUARY'S RIGHT
3 TO MAKE A CALL WITHIN THEIR OWN JURISDICTION.

4 THE LADY'S ABSOLUTELY CORRECT ABOUT THE
5 CHANGING OF LOCATIONS. WE CHANGED, ACTUALLY, BOTH
6 OF THE LANDING LOCATIONS AFTER SURVEY ROUTES AND
7 SHOWED THAT THE FORT ORD ROUTE WAS NOT REACHABLE IN
8 AN ENGINEERING SENSE, AND SO THAT WAS MOVED NOT TO
9 POINT LOBOS BUT ACTUALLY SOUTH OF POINT LOBOS.

10 IT'S DESCRIBED IN THERE AS CARMEL
11 HIGHLANDS AND THE NORTHERN LANDING IS NOW COMING
12 ASHORE ON MANRESSA BEACH AS OPPOSED TO LA SELVA
13 BEACH.

14 ALL OF THOSE LANDINGS WERE PROPOSED AS
15 ALTERNATIVE LANDING SITES IN THE DRAFT EIR AND WERE
16 ANALYZED.

17 WE DO NOT HAVE AT THIS TIME ANY OTHER
18 CABLE APPLICATIONS FOR NORTH SOUTH CABLES.

19 IT IS TRUE THAT THERE ARE A CONSIDERABLE
20 NUMBER OF EAST-WEST CABLES THAT WE'VE HEARD ABOUT OR
21 ARE TALKING ABOUT, AND THERE ARE NOW A CONSIDERABLE
22 AMOUNT OF CABLES ON LAND.

23 I SUSPECT THAT THE DIFFICULTY OF GETTING
24 THE NORTH-SOUTH CABLE THROUGH ALL OF THE VARIOUS
25 PERMITTING AGENCIES HAVE CONVINCED MANY COMPANIES

1 WHO ARE THINKING ABOUT IT NOT TO THINK ABOUT IT.

2 I WILL ALSO SAY THAT THERE ARE
3 CURRENTLY -- ONE OF THE COMMENTS THAT WE HAVE HEARD
4 HERE IS THE DIFFICULTIES IN DEALING WITH THE
5 CANYONS.

6 IF YOU TOOK THE WATER AWAY FROM THAT
7 STRETCH OF COAST, YOU WOULD NOT BELIEVE WHAT IT
8 LOOKS LIKE IN TERMS OF BEING CUT UP BY CANYONS.
9 THIS IS ACCURATE.

10 THERE ARE ALSO A CONSIDERABLE NUMBER OF
11 CABLES THAT HAVE BEEN OUT THERE FOR 25 YEARS AS PART
12 OF THE U.S. NAVY SUBMARINE DETECTION SYSTEM.

13 NONE OF THOSE CABLES IN 25 YEARS HAVE
14 FAILED DUE TO LANDSLIDES, HAS BEEN CAUGHT BY A WHALE
15 OR ANY OTHER ANIMAL. IT IS PRETTY GOOD HABITAT FOR
16 A LOT OF SEA LIVING ORGANISMS.

17 WE BELIEVE, FOR THAT REASON, THIS CABLE
18 WILL NOT HARM THE SANCTUARY. BUT, AGAIN, WE BELIEVE
19 IT IS THE SANCTUARIES' CALL AS TO WHETHER IT SHOULD
20 GO THERE AND NOT OURS.

21 CHAIRPERSON CONNELL: MAY I HAVE A
22 CLARIFICATION.

23 ISN'T THAT CABLE, KIRK, BURIED, AS YOU
24 SAID, THREE FEET UNDER LAND?

25 SPEAKER: UNDER THE MUD. IN MOST CASES, THERE

1 ARE -- AND I WOULD HAVE TO CHECK. I BELIEVE THERE
2 IS A TOTAL OF ABOUT 30 MILES OUT OF THE ENTIRE ROUTE
3 THAT ARE NOT BURIED.

4 CHAIRPERSON CONNELL: AND WHERE IS THE CABLE AT
5 THAT JUNCTURE?

6 SPEAKER: AT THAT POINT, IT IS LAYING ON THE
7 SURFACE.

8 CHAIRPERSON CONNELL: ON THE SURFACE OF THE --

9 SPEAKER: OF THE MUD. NOTHING SHOWS ABOVE
10 WATER.

11 THIS HAPPENS IN AREAS OF WHAT WE'VE
12 DEFINED AS LOW-RELIEF HARD BOTTOM, WHICH MEANS THE
13 ROCKS DON'T STICK UP ANY MORE THAN THREE FEET.

14 ANY AREA WHERE THE ROCK STICKS UP MORE
15 THAN THAT IS A SPECIAL HABITAT, AND THE CABLE MUST
16 GO AROUND THEM.

17 BUT ON LOW REEF, IT IS INFORMATION
18 THAT -- INFORMATION ON THE CALIFORNIA COAST IS THAT
19 THOSE ORGANISMS ARE VERY COMMON. THEY REPRODUCE
20 VERY QUICKLY AND PUTTING THE CABLE ON TOP OF THEM
21 WILL NOT IMPACT.

22 CHAIRPERSON CONNELL: I'D LIKE YOU TO RESPOND
23 TO GLENDA'S CONCERN ABOUT THE WHALES, NOT THE
24 ORGANISMS.

25 SPEAKER: OKAY. THIS IS A QUESTION THAT HAS

1 PLAGUED US AND THE COASTAL COMMISSION FOR SOME TIME.
2 THERE WAS A REPORT IN 1957 OF WHALES THAT WERE
3 CAUGHT IN SUBMARINE CABLES OFF THE COAST OF SOUTH
4 AMERICA IN THE 1890'S AND 1910'S.

5 THIS WAS A COPPER CABLE THAT CARRIED A
6 LOT OF CURRENT. IT WAS LAID FROM A STEAM SHIP WITH
7 NO CONTROL ON THE CABLE TENSION, SO IT JUST LAID ON
8 THE BOTTOM IN GIANT LOOPS. THERE WERE AT LEAST FIVE
9 WHALES THAT BECAME ENTANGLED IN THESE LOOPS AND
10 DIED.

11 WE'VE HAD DISCUSSIONS WITH NATIONAL
12 MARINE FISHERY SERVICE WHALE EXPERTS. WE HAVE HAD
13 DISCUSSIONS WITH THE INTERNATIONAL WHALING
14 COMMUNITY, AND THERE HAS BEEN NO INSTANCE OF WHALE
15 ENTANGLEMENT IN ANY CABLE OF ANY KIND CERTAINLY AS
16 FAR BACK AS 1960.

17 THE OTHER ISSUE -- AND IT IS AN ISSUE
18 THAT IS DISCUSSED IN THERE -- IS THE POSSIBLE IMPACT
19 ON GRAY WHALE BOTTOM FEEDING.

20 THEY TEND TO STAND ON THEIR NOSES AND
21 ROOT UP THE BOTTOM AND SIEVE UP THE ORGANISMS.

22 THE INFORMATION FROM THE NATIONAL MARINE
23 FISHERY SERVICE IS THEY NEVER GO BELOW ABOUT ONE AND
24 A HALF FEET IN DEPTH BELOW THE MUD IN THAT
25 OPERATION, AND OUR CABLE IS BURIED A FURTHER FOOT

1 AND A HALF BELOW THAT. WE BELIEVE THAT IS SAFE. IT
2 IS CERTAINLY A JUDGMENT.

3 CHAIRPERSON CONNELL: THANK YOU. I THINK YOU
4 COMPLETELY RESPONDED TO THOSE ISSUES, NOT THAT YOU
5 DON'T STILL HAVE THOSE ISSUES, GLENDA, BUT AT LEAST
6 THAT WE HAVE GOTTEN A RESPONSE ON THE RECORD HERE.

7 MAY I HAVE SCOTT, PLEASE, NEXT.

8 WHILE SCOTT IS COMING TO THE MICROPHONE,
9 PAUL, CAN YOU ADVISE THE COMMISSION ON WHAT OTHER
10 ENTITIES WE'RE GOING TO HAVE TO SIGN OFF ON THIS
11 PROJECT BEFORE IT RECEIVES FINAL APPROVAL?

12 DOESN'T THE MONTEREY BAY CONSERVATORY
13 HAVE A SIGNATURE ON THIS AS WELL?

14 MR. THAYER: YES. THE MONTEREY BAY SANCTUARY,
15 WHICH IS THE MOST OF THE OPPOSITION INTENDS TO
16 PROTECT, HAS THE ABILITY TO PASS JUDGMENT ON THIS
17 PROJECT, OR DO YOU KNOW IF THEY DON'T WANT IT IN
18 THERE, THEY DON'T HAVE TO ISSUE A PERMIT AND IT
19 WON'T GO IN THERE.

20 THEY ALSO HAVE THE ABILITY THROUGH NEPA
21 TO DRAFT THEIR OWN ENVIRONMENTAL DOCUMENT WITH THEIR
22 OWN ENVIRONMENTAL REVIEWS SO ANY WAY THAT THEY FIND
23 OUR DOCUMENT INSUFFICIENT TO ANSWER THEIR QUESTIONS,
24 THEY HAVE THEIR INDEPENDENT AUTHORITY TO GATHER THAT
25 ADDITIONAL INFORMATION FOR THEIR DECISION.

1 THERE ARE OTHER ENTITIES AS WELL. I KNOW
2 THE COASTAL COMMISSION HAS TO GRANT A PERMIT, AND I
3 THINK PROBABLY KIRK KNOWS THAT THERE ARE PROBABLY
4 SEVERAL OTHERS AS WELL.

5 CHAIRPERSON CONNELL: THANK YOU. SCOTT.

6 SPEAKER: MADAME CHAIR, I REQUEST AN EXTENSION
7 OF TIME TO ADDRESS SOME OF THE COMMENTS MADE BY
8 STAFF, AND WE HAVE THE POINTS IN OUR COMMENTS TODAY
9 WHICH WILL ADDRESS SEVERAL ISSUES THAT YOU RAISED
10 TODAY.

11 CHAIRPERSON CONNELL: HOW MUCH TIME DO YOU FEEL
12 YOU NEED, SCOTT?

13 SPEAKER: EIGHT MINUTES, PLEASE.

14 CHAIRPERSON CONNELL: FINE, WE WILL GIVE YOU 8
15 MINUTES.

16 SPEAKER: THANK YOU.

17 MY NAME IS SCOTT KATHEY, K-A-T-H-E-Y. I
18 REPRESENT THE MONTEREY BAY NATIONAL MARINE
19 SANCTUARY, WHICH IS A COMPONENT OF THE NATIONAL
20 OCEAN AND ATMOSPHERIC ASSOCIATION KNOWN AS "NOAA,"
21 WITHIN THE U.S. DEPARTMENT OF COMMERCE.

22 I'M PROVIDING TESTIMONY TODAY ON THE
23 ADEQUACY OF THE FIBER OPTIC CABLE PROJECT.

24 WE BELIEVE THAT THE FINAL ENVIRONMENTAL
25 IMPACT REPORT PREPARED FOR THE PROJECT LACKS

1 SUFFICIENT ANALYSIS OF ENVIRONMENTAL IMPACTS WITHIN
2 THE MONTEREY BAY NATIONAL MARINE SANCTUARY TO ALLOW
3 OUR AGENCY TO MAKE A DETERMINATION WHETHER TO
4 APPROVE OR DENY THE PROPOSAL.

5 THE SANCTUARY PROTECTS THE WATERS,
6 SUBMERGED LANDS AND MARINE RESOURCES FROM A HIGH
7 TIDE LINE OUT TO ABOUT 50 MILES OFFSHORE, ALONG
8 NEARLY 300 MILES OF CALIFORNIA CENTRAL COAST FROM
9 CAMBRIA TO MARIN COUNTY. NEARLY 200 MILES OF GLOBAL
10 PHOTON'S PROPOSED PROJECT CROSSES THROUGH THE
11 SANCTUARY.

12 THE SANCTUARY'S DESIGNATION IN 1992
13 RECEIVED THE GOVERNOR OF CALIFORNIA'S ENDORSEMENT
14 FOR INCLUSION OF THE WATERS OF THE STATE OF
15 CALIFORNIA WITHIN THIS SPECIAL PROTECTED AREA.

16 DURING THE LENGTHY PUBLIC REVIEW PROCESS
17 FOR SANCTUARY DESIGNATION, FEDERAL REGULATIONS WERE
18 DEVELOPED TO SPECIFICALLY PROHIBIT, QUOTE:

19 "DRILLING INTO, DREDGING, OR
20 OTHERWISE ALTERING THE SEA BED OF THE
21 SANCTUARY, OR CONSTRUCTING, PLACING, OR
22 ABANDONING ANY STRUCTURE, MATERIAL OR
23 OTHER MATTER ON THE SEA BEDS OF THE
24 SANCTUARY," UNQUOTE.

25 WITH A LIMITED LIST OF EXCEPTIONS, WHICH

1 CABLES ARE NOT INCLUDED.

2 THEREFORE, THE GLOBAL WEST PROJECT WOULD
3 VIOLATE GENERAL SANCTUARY PROHIBITIONS WITHIN AND
4 OUTSIDE STATE WATERS AND OUR COMMENTS FOCUS ON THIS
5 ASPECT OF YOUR DECISION TODAY.

6 THE SANCTUARY DOES HAVE SOME DISCRETION
7 TO APPROVE ACTIVITIES OTHERWISE PROHIBITED BUT ONLY
8 IF THE SANCTUARY HAS SATISFACTORY EVIDENCE
9 OBJECTIVELY ANALYZED THAT AN ACTIVITY CAN BE
10 CONDUCTED CONSISTENT WITH SANCTUARY.

11 SUCH PROTECTION IS THE PRIMARY PURPOSE OF
12 A NATIONAL MARINE SANCTUARY PROGRAM.

13 THE ENVIRONMENTAL IMPACT REPORT LACKS
14 CRITICAL INFORMATION NECESSARY TO DETERMINE IF THE
15 CABLE INSTALLATION, OPERATION, MAINTENANCE, REPAIR,
16 AND RECOVERY MEETS SUCH A STANDARD.

17 WE HAVE SUBMITTED A LETTER TO THE
18 COMMISSION THAT DESCRIBES THE MAJOR FLAWS WE SEE IN
19 THE ENVIRONMENTAL DOCUMENT AND REQUEST THAT YOU READ
20 THAT IF YOU'VE NOT ALREADY DONE SO.

21 INSTEAD OF READING THE LETTER IN SESSION
22 TODAY, I PLAN TO COVER THE HIGHLIGHTS OF OUR MAIN
23 CONCERNS.

24 THE EIR DOES NOT REFLECT ANY SPECIAL
25 CRITERIA FOR STATE WATERS INCLUDED WITHIN THE

1 MONTEREY BAY NATIONAL MARINE SANCTUARY. AN AREA
2 THAT THE STATE ENDORSED FOR INCLUSION WITHIN THE
3 STATE BOUNDARIES FOR SPECIAL PROTECTION.

4 THE EIR'S SIGNIFICANCE CRITERIA FOR
5 MARINE BIOLOGICAL IMPACT REGARDS TRENCHING EFFECTS
6 WITHIN THE SANCTUARY THE SAME AS FOR AREAS NOT
7 WITHIN THE SANCTUARY.

8 EIR REPEATEDLY USES THE PERCENTAGE OF THE
9 OVERALL SANCTUARY SEA FLOOR AS A BASIS FOR
10 DETERMINING WHETHER IMPACTS ARE SIGNIFICANT OR NOT.

11 IMPACTS OF SOFT SEDIMENT AREAS ARE
12 DETERMINED TO BE INSIGNIFICANT IN THE REPORT BECAUSE
13 ALLEGEDLY NO PROTECTED SPECIES EXIST IN THOSE AREAS
14 AND/OR THE OVERALL PERCENTAGE OF THE SANCTUARY THAT
15 WILL BE DISTURBED IS SMALL.

16 THIS COULD BE ANALOGOUS TO STATING THAT
17 THE CONSTRUCTION OF A RAILROAD LINE THROUGH THE
18 HEART OF YOSEMITE NATIONAL PARK IS NOT SIGNIFICANT
19 SINCE THE RIGHT-OF-WAY WOULD ONLY COMPRISE A SMALL
20 PERCENTAGE OF THE OVERALL AREA OF THE PARK, AND
21 ALLEGEDLY NO SPECIES LYING UNDER THE AREA OF THE
22 TRACKS IS ENDANGERED.

23 THE ESSENTIAL ISSUE IS WHETHER THE
24 CONSTRUCTION WILL TAKE PLACE IN AN AREA OF THE
25 NATIONAL TRUST.

1 REGARDLESS OF THE SIZE OF THE IMPACTED
2 AREA AND THAT APPROPRIATE STUDIES SHOULD BE
3 CONDUCTED TO PROVIDE THE BEST ATTAINABLE INFORMATION
4 TO RESOURCE MANAGERS CHARGED WITH PROTECTING THAT
5 TRUST.

6 IMPACT ON HARD BOTTOM AREAS ARE LIKEWISE
7 UNDERSTATED IN THE REPORT. THE REPORT CONCLUDES
8 THAT THERE ARE NO SPECIES OF CONCERN IN THESE AREAS
9 AREA; HOWEVER, NO FIELD BIOLOGICAL STUDIES OF LOW
10 RELIEF HARD BOTTOM AREAS HAVE BEEN CONDUCTED.

11 FURTHERMORE, NOT JUST SPECIES OF CONCERN.
12 PROPOSED ACTIONS WITHIN THE SANCTUARY MUST MEET
13 HIGHER STANDARDS OF ENVIRONMENTAL PROTECTION AS DO
14 PROPOSED ACTIONS WITHIN ANY NATIONAL PARK OR STATE
15 ECOLOGICAL RESERVE.

16 THE EIR DOES NOT ADEQUATELY ASSESS THE
17 POTENTIAL MARINE BIOLOGICAL IMPACTS OF SUSPENDED OR
18 EXPOSED CABLE. I WANT TO MAKE THIS POINT CLEAR.

19 ACROSS SOME 12 SUBMARINE CANYONS WITHIN
20 THE SANCTUARY, YOU'LL SEE THAT SYSTEM OF CANYONS
21 ALONG THE BIG SUR COAST.

22 THEY HAVE AVOIDED THE MONTEREY BAY
23 CANYON, WHICH IS THE LARGEST, BUT THERE ARE STILL 12
24 OTHERS. THE CABLE WILL CROSS AND WILL NOT BE BURIED
25 ACROSS THOSE CANYONS. CABLE WILL BE SUSPENDED IN

1 THE WATER COLUMN IN SOME PLACES ACROSS THOSE
2 CANYONS, AND THEY CANNOT GUARANTEE THAT IT WON'T BE.

3 ALSO, WHEN WE TALK ABOUT THIS THREE-FOOT
4 DEPTH, WE'RE NOT TALKING ABOUT THREE FEET IN ALL
5 PLACES. WE'RE TALKING ABOUT AN AVERAGE OF THREE
6 FEET. SOME PLACES IT WILL BE THREE, SOME PLACES
7 ONE, SOME PLACES ON THE SURFACE AND GLOBAL PHOTON
8 HAS ACKNOWLEDGED THAT THEY CANNOT GUARANTEE THAT
9 THIS WILL BE BURIED THROUGHOUT THE ENTIRETY OF THE
10 ROUTE. I THINK IT'S AN IMPORTANT POINT TO MAKE.

11 NO FIELD SURVEYS OF MARINE RESOURCES WERE
12 CONDUCTED IN THE PART OF THE CABLE ROUTE THROUGH THE
13 CANYON SYSTEM.

14 DESPITE DOCUMENTED CASES OF SPERM WHALE
15 ENTANGLEMENT IN SUSPENDED MARINE CABLES PRESENCE,
16 AND THE PRESENCE OF SPERM WHALES IN THAT PART OF THE
17 SANCTUARY. THE REPORT DISMISSES THE POTENTIAL FOR
18 IMPACT AS INSIGNIFICANT, OFFERING NO ADEQUATE
19 JUSTIFICATION OR MODELING TO SUPPORT SUCH
20 CONCLUSIONS.

21 FURTHERMORE, THE FEASIBILITY OF
22 CONSTRUCTING THE CABLE ACROSS THE BIG SUR CANYON
23 COMPLEX IS ONLY BRIEFLY ANALYZED IN THE DOCUMENT.

24 SINCE THE PRIMARY GOAL OF THE PROJECT IS
25 TO BUILD AN OFFSHORE ROUTE THAT ARE MORE RELIABLE

1 THAN ONSHORE ROUTES, WE CANNOT BE SURE THAT THE
2 ROUTE ALONG A HIGHLY UNSTABLE BIG SUR COMPLEX CAN BE
3 ACHIEVED.

4 IN ADDITION, THE REPORT DOES NOT ADDRESS
5 THE POTENTIAL IMPACTS FROM THE REPEATED REPAIR AND
6 MAINTENANCE OF THE CABLE IN THE EVENT OF FAILURE
7 FROM THE MANY SUBMARINE LANDSLIDES THAT OCCUR IN THE
8 BIG SUR CANYON COMPLEX.

9 THE REPORT ALSO FAILS TO ADDRESS THE
10 POTENTIAL CUMULATIVE IMPACT OF FUTURE CABLE
11 INSTALLATIONS WHICH MAY BE A PRECEDENT-SETTING
12 EVENT.

13 NOW, THAT CURRENT TECHNOLOGY HAS MADE
14 MARINE CABLE INSTALLATION MORE FEASIBLE, IT IS
15 REASONABLE TO CONCLUDE THAT THERE WILL BE PRESSURE
16 TO ADD ADDITIONAL CABLES POSSIBLY CONSOLIDATED ALONG
17 EXISTING CORRIDORS IN THE FUTURE.

18 THE EIR DOES NOT ADDRESS SUCH POTENTIAL,
19 OR FUTURE IMPLICATIONS OF INSTALLING THE PROPOSED
20 GLOBAL WEST CABLE.

21 NEW CABLE LANDING SITES COULD BECOME
22 GATEWAYS FOR FUTURE CABLE PROJECTS AND NO ATTENTION
23 IS GIVEN TO THIS PROSPECT.

24 WE ALSO HAVE SERIOUS CONCERNS ABOUT THE
25 ACCURACY OF THE EIR IN NUMEROUS PLACES.

1 FOR EXAMPLE, THE REPORT MINIMIZES THE
2 PARTICIPATED IMPACTS TO THE MARINE ENVIRONMENT
3 SURROUNDING WHAT APPEARS TO BE A PREFERRED LANDING
4 SITE NEAR POINT LOBOS STATE RESERVE.

5 INCONSISTENCIES EXIST CONCERNING
6 PROXIMITY OF CONSTRUCTION ACTIVITIES TO AND FROM THE
7 AREA.

8 POINT LOBOS IS RECOGNIZED BY BOTH THE
9 STATE AND THE SANCTUARY AS A RICH BIOLOGICAL AREA,
10 DESERVING OF A MORE DETAILED ANALYSIS OF IMPACTS
11 THAN THAT PROVIDED IN THE EIR.

12 FINALLY, WHILE THE APPLICANT HAS STATED
13 THAT IT WILL NOT ACCEPT ANY PROJECT APPROVAL THAT
14 DOES NOT ALLOW FOR AN ALL-OFFSHORE ROUTE BETWEEN SAN
15 FRANCISCO AND SAN DIEGO, AN ESSENTIAL PURPOSE OF THE
16 EIR TO IS EVALUATE ALTERNATIVE ROUTE CONFIGURATIONS
17 AND DETERMINE IF THEY REDUCE IMPACT WHILE ALLOWING
18 THE APPLICANT TO MEET THE BASIC OBJECTIVES OF THE
19 PROJECT.

20 WE BELIEVE THAT INFORMATION IS LACKING IN
21 THE EIR TO MAKE AN OBJECTIVE DETERMINATION ABOUT THE
22 EFFECTIVENESS AND FEASIBILITY OF ONSHORE OUT OF
23 SANCTUARY ROUTES TO AVOID IMPACTS TO THE SANCTUARY.

24 OUR LETTER THAT WE'VE PROVIDED TO YOU
25 PROVIDES MORE INFORMATION REGARDING THAT CONCERN.

1 IN SUMMARY, WE DO NOT BELIEVE THE FINAL
2 ENVIRONMENTAL IMPACT REPORT HAS ADEQUATELY AND
3 OBJECTIVELY ADDRESSED THE POTENTIAL IMPACTS FROM THE
4 PROPOSED PROJECT WITHIN THE MONTEREY BAY NATIONAL
5 SANCTUARY SO DESIGNATED AND PROTECTED BECAUSE OF ITS
6 INCREDIBLE BIOLOGICAL DIVERSITY, PRODUCTIVITY, AND
7 CULTURAL.

8 SHOULD THE STATE PLANNED SIGNIFICANCE
9 CERTIFY THE FINAL EIR IN ITS FINAL FORM, TO REMEDY
10 DEFICIENCIES IN THE FINAL EIR SO THAT WE MAY SATISFY
11 FEDERAL ENVIRONMENTAL REVIEW LAWS FOR THE GLOBAL
12 WEST PROJECT.

13 CHAIRPERSON CONNELL: NOW I'M GOING TO ASK
14 KIRK, OF COURSE, TO COME BACK AND RESPOND TO A
15 COUPLE OF ISSUES.

16 I'M PARTICULARLY INTERESTED IN THREE,
17 KIRK, AND OTHER MEMBERS OF THE COMMISSION MAY HAVE
18 QUESTIONS AS WELL.

19 COULD YOU ADDRESS THE ISSUE OF FUTURE
20 CABLES, WOULD YOU ADDRESS THE NEED FOR THE FINAL
21 EIR, AND WOULD YOU ADDRESS THE ISSUE OF WHETHER THE
22 SANCTUARY ITSELF -- OR I GUESS IT'S THE MONTEREY
23 BAY NATIONAL MARINE SANCTUARY COULD ALSO ADDRESS
24 THESE ISSUES IN THEIR OWN HEARINGS IF THEY HAVE
25 CONCERNS.

1 SPEAKER: IN TERMS OF THE LAST QUESTION, YES.

2 IF, AS THEY HAVE THE RIGHT AND, I
3 BELIEVE, THE OBLIGATION TO DO, THE SANCTUARY DOES
4 ITS OWN DOCUMENT. REGARDLESS OF WHAT TYPE OF
5 FEDERAL DOCUMENT THEY DO, THEY WILL HAVE TO USE A
6 PUBLIC PROCESS, AND THEY MAY PROPOSE ANY STANDARDS
7 THEY WISH, INCLUDING NOT ALLOWING THE CABLE IN THE
8 SANCTUARY. THAT IS A CHOICE THEY HAVE TO MAKE.

9 CHAIRPERSON CONNELL: AND IF THAT OCCURS, WHERE
10 WILL THE CABLE GO? OUT FURTHER TO SEA?

11 SPEAKER: THERE ARE -- NO. THIS PARTICULAR
12 CABLE, BECAUSE IT IS NONREPEATED AND CARRIES NO
13 POWER, CANNOT GO AROUND THE SANCTUARY AT SEA.

14 THERE IS A MAXIMUM LENGTH THAT THE CABLE
15 CAN GO. IF THE SANCTUARY DOES NOT ALLOW THE CABLE
16 TO GO THROUGH IT, IT WILL HAVE TO GO THROUGH ON
17 LAND.

18 THERE ARE FOUR SEPARATE ROUTES ANALYZED
19 THAT WOULD TAKE THE CABLE FROM WHERE IT COMES ASHORE
20 ON SAN LUIS OBISPO UP THROUGH SALINAS AND FROM
21 SALINAS UP THROUGH SAN JOSE. THAT IS ONE OPTION.

22 THERE IS AN OPTION THAT THEY COULD LEASE
23 EMPTY SPACE FROM OTHER CABLE COMPANIES.

24 OBVIOUSLY, NEITHER OF THESE IS
25 PARTICULARLY WELL THOUGHT OF BY THE APPLICANT, BUT

1 THOSE POSSIBILITIES DO EXIST.

2 THE ONLY ONE THAT IS ABSOLUTELY OUT WOULD
3 BE TO GO FURTHER OUT AND GO AROUND THE SANCTUARY.
4 THAT IS NOT POSSIBLE WITH THIS PARTICULAR
5 TECHNOLOGY.

6 WE HAVE ONLY HAD ONE OTHER REQUEST FOR A
7 NORTH-SOUTH CABLE. IT DID NOT GET TO THE STAGE
8 WHERE A SPECIFIC ROUTE WAS ADDRESSED. SO I CANNOT
9 SPEAK TO WHETHER OR NOT WE HAVE IT WOULD HAVE GONE
10 THROUGH THE SANCTUARY.

11 SEVERAL OF THE TRANS-PACIFIC CABLES IN
12 ORDER TO FORM WHAT YOU SEE IN SAN JOSE, WHAT THE
13 CABLE COMPANIES LIKE TO HAVE PROPOSED NORTH-SOUTH
14 CABLES THAT GO DIRECTLY FROM WASHINGTON TO SAN LUIS
15 OBISPO, BUT THESE CABLES ARE ROUTED OUT AND BEYOND
16 THE SANCTUARY, BECAUSE THEY ARE POWERED AND THEY ARE
17 NOT SUBJECT TO THE SUBJECT LENGTH LIMIT.

18 THERE WAS ONE OTHER.

19 CHAIRPERSON CONNELL: I THINK YOU ASKED THE
20 QUESTION ON MONTEREY BAY AND THE SANCTUARY, THE
21 CABLES, AND THE QUESTION WAS THE CONDITION OF THE
22 EIR.

23 AT WHAT POINT DO --

24 SPEAKER: OUR CONCLUSION IN THE EIR IS THAT
25 THERE ARE NO SIGNIFICANT IMPACTS FROM LAYING THIS

1 CABLE IN THE SANCTUARY.

2 WE ACKNOWLEDGE ALL THE WAY THROUGH THE
3 DOCUMENT THAT THE FINAL CALL FOR THAT DECISION IS
4 THE SANCTUARY'S.

5 CHAIRPERSON CONNELL: KAITLIN, I DIDN'T MEAN TO
6 ASK YOU.

7 MR. BUSTAMANTE: WITH THIS WITNESS AND STAFF,
8 PLEASE.

9 CHAIRPERSON CONNELL: KIRK.

10 MR. BUSTAMANTE: AND YOU, TOO.

11 YOU'D INDICATED THAT LAYING THIS CABLE IN
12 THE SANCTUARY WOULD BE TANTAMOUNT TO RAILROAD TRACK
13 ALONG YOSEMITE.

14 IT WOULDN'T BE THE SAME AS PUTTING A
15 CABLE THREE FEET UNDERGROUND IN YOSEMITE, NOT A
16 RAILROAD TRACK.

17 SPEAKER: I THINK THAT YOU COULD USE THAT
18 ANALOGY AS WELL, BUT ALSO UNDERSTANDING THAT THE
19 CABLE MIGHT NOT ALWAYS BE UNDERGROUND IN SOME PARTS
20 OF THE PARK.

21 MR. BUSTAMANTE: ACCORDING TO STAFF, THEY
22 INDICATED THAT THROUGH THE SANCTUARY, ALL THE CABLE
23 WOULD BE BURIED.

24 SPEAKER: THAT'S NOT -- I'LL LET KIRK --

25 SPEAKER: THERE ARE AREAS WITHIN THE SANCTUARY

1 THAT WILL NOT BE BURIED, PRIMARILY IN THE CANYONS
2 AREA.

3 WE BELIEVE THAT IN THE CHANGES IN CABLE
4 TECHNOLOGY, THAT THE CABLES WILL BE LAID FLAT ON THE
5 FLOOR. THEY WILL NOT BE SUSPENDED ACROSS THESE
6 CANYONS.

7 WE BELIEVE THE PROOF OF THE PUDDING IS IN
8 THAT IS BASICALLY THE NAVY CABLES THAT ARE, IN FACT,
9 DIRECTLY IN THE BIG SUR CANYON.

10 ONE CABLE GOES DIRECTLY DOWN THE CANYON.
11 TWO CABLES CROSS THE CANYON.

12 THEY'VE BEEN THROUGH FOR 25 YEARS. THEY
13 ARE NOT SUSPENDED. THEY LAY FLAT ON THE CANYON
14 FLOORS AND WALLS.

15 WE DON'T WANT TO TRY AND BURY CABLES IN
16 THE CANYONS, BECAUSE AS MR. KATHEY POINTED OUT,
17 THOSE AREAS DO HAVE UNSTABLE MATERIAL ON THEM, AND
18 WE FEEL THAT ATTEMPTING TO BURY THE CABLE IN THOSE
19 AREAS COULD CAUSE LANDSLIDES, SUBMARINE LANDSLIDES.

20 WE BELIEVE THE CABLE CAN BE LAID DIRECTLY
21 FLAT ON THE FLOOR. IT WILL NOT BE SUSPENDED.

22 WE HAVE ORDERED THE COMPANY TO PERFORM
23 POST-LAY INSPECTION WITH CAMERAS TO PROVE THAT THEIR
24 CABLE IS ON THE FLOOR AND NOT SUSPENDED.

25 IN FACT, THERE ARE SUSPENSIONS, WE WILL

1 MAKE THEM GO BACK AND REDO.

2 MR. BUSTAMANTE: SO THE ISSUE WHICH YOU RAISED,
3 SIR, ABOUT THE SUSPENDED MARINE CABLES -- SO YOU'RE
4 SAYING THAT YOU DON'T HAVE SUFFICIENT EITHER --
5 WELL, YOUR CONCERN REMAINS. REGARDLESS OF WHAT THE
6 EIR SAYS, REGARDLESS OF WHAT THE STAFF SAYS, YOUR
7 CONCERN REMAINS.

8 SPEAKER: RIGHT. WE FEEL THAT THE INFORMATION
9 THAT THAT CONCLUSION IS BEING MADE ON IS VERY
10 SCARCE, AND IT IS NOT ADEQUATE TO MAKE THAT
11 CONCLUSION, BASICALLY.

12 ALSO, THE NAVY CABLES TEND TO RUN
13 EAST-WEST, LINEAR, ALONG THE LENGTH OF THE CANYON,
14 AND THE CONCERN, ABOUT ENTANGLEMENT OR PROBLEMS FOR
15 THE ENVIRONMENTAL IS A LITTLE DIFFERENT FROM WHAT
16 THE NAVY CABLES ARE.

17 AS I SAID, THEY RUN THE LENGTH OF THE
18 CANYON, AND AS FAR AS MARINE MAMMALS, WHALES, FOR
19 INSTANCE, BOTTOM FEEDING THROUGH THAT AREA -- WE
20 HAVE 20,000 GRAY WHALES THAT GO UP AND DOWN THE
21 COAST EACH YEAR ON MIGRATION.

22 THIS CABLE RUNS THE LENGTH OF THEIR
23 ROUTE. THEY'RE NOT CROSSING IT IN ABOUT 15, 20
24 SECOND PASSOVERS.

25 MR. BUSTAMANTE: THE EAST-WEST VERSUS

1 NORTH-SOUTH -- WHAT'S YOUR RESPONSE TO THAT?

2 SPEAKER: HERE'S A MAP OF THE NAVY SOGUS SYSTEM
3 AND THE LARGE SCALE MAP.

4 THIS AREA HERE IS THE CANYON, AND YOU'LL
5 SEE THERE'S ONE CABLE THAT CUTS DIRECTLY ACROSS IT
6 AND A SECOND CABLE THAT THEN GOES DOWN THE CANYON.
7 THEY GO IN BOTH DIRECTIONS.

8 THERE'S NO QUESTION THERE ARE CABLES THAT
9 GO DOWN THE CANYON, BUT THERE ARE CABLES THAT CROSS
10 THE CANYONS.

11 MR. BUSTAMANTE: WELL, THE ONE THAT GOES ACROSS
12 THE CANYON -- IS IT SUSPENDED, OR IS IT LAYING FLAT?

13 SPEAKER: IT'S LAYING FLAT ON THE BOTTOM. IT
14 HAS BEEN FOR 25 YEARS.

15 MR. BUSTAMANTE: THE OTHER ISSUE THAT YOU
16 RAISED WAS THE ONSHORE ROUTES AROUND THE SANCTUARY?

17 SPEAKER: RIGHT.

18 MR. BUSTAMANTE: THOSE WERE REVIEWED BY STAFF?

19 SPEAKER: YES.

20 MR. BUSTAMANTE: YOU SAID THERE WERE FOUR
21 ROUTES?

22 SPEAKER: THERE ARE FOUR VARIATIONS ON THE
23 ROUTE.

24 AND LET ME SAY THAT THIS PARTICULAR PART
25 OF THE DISCUSSION ONLY FOCUSES ON THE ROUTES THAT

1 WOULD CONNECT SALINAS WITH SAN LUIS OBISPO, BECAUSE
2 THAT WAS THE -- THOSE ROUTES WERE EXAMINED MORE
3 INTENSELY, SPECIFICALLY BECAUSE THEY WENT AROUND THE
4 SANCTUARY.

5 THE CABLE COULD BE BUILT THERE, WITHOUT
6 SIGNIFICANT IMPACT, WE BELIEVE, BUT YOU CANNOT
7 DECLARE THAT AS ENVIRONMENTALLY PREFERABLE BECAUSE,
8 IN OUR OPINION, THE SEA ROUTE IN THAT AREA ALSO HAS
9 NO SIGNIFICANT IMPACTS.

10 IT IS PHYSICALLY POSSIBLE AND
11 ENVIRONMENTALLY POSSIBLE TO TAKE ANY ONE OF THOSE
12 FOUR ROUTES IF WE HAVE TO.

13 MR. BUSTAMANTE: SO EITHER ROUTE, EITHER THE
14 ONSHORE OR THE OFFSHORE ROUTES -- THE ONSHORE ROUTE
15 AROUND THE SANCTUARY IS AS GOOD AS THE -- WELL,
16 YOU'RE SAYING YOU CAN'T MAKE A DECISION BETWEEN
17 THEM.

18 SPEAKER: IT WOULD BE A JUDGMENT CALL.

19 I HAVE DONE ONE.

20 MR. BUSTAMANTE: WELL, THAT'S WHY WE HAVE YOU
21 HERE.

22 SPEAKER: I HAVE DONE THE ENVIRONMENTAL WORK
23 FOR ONE LONG ONSHORE CABLE, AT&T'S ROUTE FROM
24 BRANDON, OREGON, TO CLEAR LAKE. IT WAS A VERY
25 DIFFICULT PROJECT, IN SPITE OF ALL SORTS OF PLANS TO

1 MITIGATE.

2 THERE WAS DAMAGE DONE. WATERWAYS WERE
3 FILLED WITH MATERIAL WHEN CABLES WERE ATTEMPTED TO
4 BE BORED AND THE WATERS BROKE.

5 WE RAN INTO UNEXPECTED CULTURAL
6 ARTIFACTS, IN ONE CASE A GRAVEYARD THAT ACTUALLY HAD
7 TO STOP THE PROJECT AND WAIT TILL THAT WAS CLEARED.

8 IF YOU GO IN THE WATER, ONCE YOU PASS THE
9 LAST AREA WHERE THE SEA LEVEL WAS LOW, YOU
10 COMPLETELY ELIMINATE ANY CULTURAL RESOURCES.

11 SO I BELIEVE THAT THE OVERALL IMPACT OF
12 THE SEA ROUTE IS LESS THAN A LAND ROUTE.

13 I WILL ALSO SAY, HOWEVER, THAT I BELIEVE
14 THE LAND ROUTE COULD BE BUILT. I DO NOT BELIEVE IT
15 WOULD BE BETTER OR WORSE.

16 CHAIRPERSON CONNELL: MAY I SUPPLEMENT THAT
17 RESPONSE.

18 JUST TO CLARIFY A POINT, THE LAND ROUTE
19 ALSO DOESN'T MEET THE OBJECTIVES OF THE PROJECT.
20 THE OBJECTIVES ARE TO BUILD A MORE RELIABLE CABLE
21 ROUTE THAT PROVIDES ADDITIONAL BANDWIDTH CAPACITY.

22 IF YOU'RE GOING TO USE THE SAME ROUTE
23 THAT'S IN EXISTENCE RIGHT NOW, IT'S NOT ANY MORE
24 RELIABLE, AND IT DOESN'T PROVIDE THE BENEFITS THAT
25 WOULD BE PROVIDED, FOR EXAMPLE, IN THE EVENT OF A

1 NATURAL CATASTROPHE OR A MAN-MADE CATASTROPHE.

2 CHAIRPERSON CONNELL: KAITLIN GAFFNEY.

3 KAITLIN, WOULD YOU IDENTIFY YOURSELF FOR
4 THE RECORD.

5 SPEAKER: MY NAME IS KAITLIN G-A-F-F-N-E-Y,
6 K-A-I-T-I-L-I-N.

7 I'M THE CALIFORNIA CENTRAL COAST PROGRAM
8 DIRECTOR FOR THE CENTER FOR MARINE CONSERVATION.
9 WE'RE A NATIONAL ORGANIZATION WITH 120,000 MEMBERS
10 THAT FOCUSES ON COASTAL AND MARINE ISSUES. WE'RE
11 VERY CONCERNED ABOUT -- SLOW.

12 I WANTED TO START WITH THE PROCESS ISSUE.
13 I AM CONCERNED ABOUT THE PUBLIC PROCESS ASSOCIATED
14 WITH THIS PROJECT.

15 SPECIFICALLY, WE DID NOT RECEIVE NOTICE
16 OF THIS MEETING. I HAD HOPED THAT THAT WOULD GO OUT
17 TO FOLKS WHO HAD COMMENTED ON THE EIR OR ASKED FOR
18 THE EIR. WE DID NOT RECEIVE THAT, AND I CHECKED THE
19 WEB SITE. THE MEETING WASN'T POSTED. IT SAID THE
20 NEXT MEETING HADN'T BEEN SET YET.

21 THE STAFF REPORT WAS ONLY AVAILABLE TO US
22 AS OF TUESDAY AFTERNOON. IT MADE IT VERY DIFFICULT
23 TO REVIEW A 71-PAGE STAFF REPORT IN A DAY AND A
24 HALF. SO THAT'S MY FIRST ISSUE.

25 BUT TO GO TO THE SUBSTANCE, THE CENTER

1 FOR MARINE CONSERVATION IS VERY CONCERNED ABOUT THE
2 PRECEDENTIAL NATURE OF THIS CABLE. ALTHOUGH THERE
3 ARE MANY EXISTING TRANSOCEANIC CABLES THAT TOUCH ON
4 CALIFORNIA WATERS, RIGHT NOW ALL OF THOSE CABLES
5 ENTER STATE WATERS IN THE POINT MARINA AREA AND THE
6 MORRO BAY AREAS.

7 THE IMPACTS ASSOCIATED WITH FIBER OPTIC
8 SUBMARINE CABLES.

9 THIS IS A VERY DIFFERENT KIND OF PROJECT.
10 THIS SPANS COASTAL WATERS FOR 920 KILOMETERS. WHAT
11 THAT MEANS IS IT SPANS, AS THE APPLICANT STATED, 63
12 MILES IN STATE WATERS. THAT'S MORE, I WOULD
13 RECKON -- MAYBE SOMEBODY CAN CHECK AND CONFIRM
14 THIS -- THAT'S MORE TIME THAN ALL THE OTHER CABLES
15 COMBINED SPEND IN STATE WATERS.

16 SO IT RAISES DIFFERENT ISSUES. THE
17 NEARER YOU COME TO SHORE, THE MORE SIGNIFICANT
18 HABITAT ISSUES, SPECIES ISSUES YOU'RE DEALING WITH
19 TYPICALLY.

20 SO THIS PROJECT HAS DIFFERENT IMPACTS
21 THAN THE TRANSOCEANIC CABLES AND I BELIEVE WOULD SET
22 A PRECEDENT.

23 WE CAN EXPECT MORE OF THESE. CERTAINLY,
24 THE PROCESS IS A DIFFICULT ONE, AND PERHAPS THAT'S
25 WHY OTHERS HAVEN'T BEEN HERE.

1 AS SOON AS SOMEBODY'S BEEN THROUGH THE
2 PROCESS, IT IS PROVED THAT IT CAN HAPPEN. I WOULD
3 SUGGEST THAT THE FIRST ONE IS WHAT COULD OPEN THE
4 FLOODGATES, AND WE ARE VERY CONCERNED ABOUT THAT.

5 I'D ALSO LIKE TO MAKE A POINT THAT THERE
6 ARE ALTERNATIVES TO THIS PROJECT.

7 THE CITIES THAT THIS PROJECT WOULD SERVE
8 ARE ALREADY SERVED. THEY ARE SERVED BY LAND-BASED
9 SYSTEMS.

10 IT'S CERTAINLY PERCEIVED BY THE
11 APPLICANT, I ASSUME, TO BE EASIER TO GO OFFSHORE,
12 CHEAPER TO GO OFFSHORE. THEY SAY THAT THEIR
13 INTEREST HAS INCREASED RELIABILITY IN GOING
14 OFFSHORE.

15 WELL, WE ARE ALREADY SERVED BY LAND-BASED
16 SYSTEMS, AND THERE COULD BE A LAND-BASED ALTERNATIVE
17 THAT BYPASSES THE SANCTUARY, AND PERHAPS HALF THE
18 PROJECT COULD GO OFFSHORE IN AREAS OUTSIDE OF
19 MONTEREY BAY, MARINE SANCTUARY. SO I'D LIKE YOU TO
20 KEEP THAT IN MIND.

21 THE CENTER FOR MARINE CONSERVATION IS
22 LIKE THE SANCTUARY, STAFF AND THE SANCTUARY ADVISORY
23 COUNSEL, CONCERNED ABOUT THE IMPACTS WITH THIS
24 PROJECT.

25 THE DRAFT ENVIRONMENT IMPACT REPORTS

1 STATE THAT THERE ARE NO SIGNIFICANT IMPACTS
2 ASSOCIATED WITH THIS PROJECT THAT CANNOT BE
3 MITIGATED.

4 MY CONCERN IS THAT THAT SAYS MORE ABOUT
5 HOW DIFFICULT IT IS TO KNOW WHAT IMPACTS ARE WHEN
6 THEY'RE OFFSHORE, WHEN THEY'RE UNDERWATER, WHEN
7 THEY'RE A THOUSAND FEET DOWN UNDERWATER THAN IT SAYS
8 ABOUT WHETHER THERE ARE IMPACTS OR NOT.

9 THIS ROUTE WAS SELECTED BASED LARGELY ON
10 SONAR BETHOMETRY [PHONETIC].

11 SOME SITES THEY DID SEND ROB'S DOWN AND
12 ACTUALLY LOOK AT EXACTLY WHERE THEY WERE PLANNING TO
13 GO, BUT IN MOST CASES THAT DIDN'T HAPPEN.

14 THE LAND EQUIVALENT TO THIS WOULD BE
15 SETTING A CABLE IN THE LAND SYSTEM BASED ON AERIAL
16 PHOTOGRAPHY.

17 YOU'RE NOT SENDING A MARINE BIOLOGIST
18 DOWN TO LOOK AT THE IMPACT. WHAT'S THERE. IS THIS
19 REALLY GOING TO BE A PROBLEM?

20 YOU'RE LOOKING AT THE SONAR AND SAYING,
21 "WELL, IT DOESN'T LOOK LIKE THERE'S MUCH HIGH RELIEF
22 IN THIS AREA." ALTHOUGH THERE'S SOME AREAS WHERE
23 THEY DIDN'T THINK THERE WAS LOW RELIEF. THERE IS.
24 THAT'S WHY THEY'RE STILL IN NEGOTIATION AND DON'T
25 EVEN KNOW WHERE THE EXACT ROUTE WILL BE AT THIS

1 POINT.

2 SO WE HAVE A LOT OF CONCERNS ABOUT THE
3 STATUS OF THE INFORMATION, AND, BASICALLY, I THINK
4 THAT THE ASSESSMENT THAT THERE ARE NO IMPACTS IS
5 BASED MORE ON THE LACK OF INFORMATION THAN ON A REAL
6 ASSESSMENT OF WHAT THE IMPACT COULD BE.

7 FINALLY, TO TOUCH ON THE ISSUE OF THE
8 SANCTUARY ITSELF, AS SCOTT MENTIONED, THE SANCTUARY
9 PROTECTS RESOURCES THAT ARE BOTH NATIONAL RESOURCES
10 AND STATE RESOURCES. IT'S AN EXCEPTIONAL AREA.

11 IT'S AN AREA THAT'S RECOGNIZED FOR ITS
12 INCREDIBLY GEOLOGY, THE SUBMARINE CANYONS THAT HAVE
13 BEEN SPOKEN OF. FOR THE DIVERSITY OF SPECIES THAT
14 RELY ON IT.

15 THE THREATENED AND ENDANGERED SPECIES
16 LIVE IN THE MONTEREY BAY SANCTUARY. WHEN THE
17 SANCTUARY DESIGNATION WAS COMING BEFORE KNOW KNOW
18 AND THE STATE, 10,000 CALIFORNIA CITIZENS WROTE
19 LETTERS OF SUPPORT FOR THIS SANCTUARY, AND WHEN THEY
20 DID THAT, THEY DID IT BECAUSE THEY WANTED SPECIAL
21 PROTECTION FOR THIS AREA.

22 THIS IS NOT LIKE EVERYWHERE ELSE. THIS
23 IS MORE SPECIAL. THIS IS MORE IMPORTANT. THIS IS
24 MORE VULNERABLE. AND THE SANCTUARY REGULATIONS ARE
25 VERY STRICT. I MEAN, WE ADMIT THAT.

1 THEY SAY YOU CAN'T DO A LOT OF THINGS
2 THAT SOME WOULD ARGUE, "WELL, WHY NOT? IT'S NOT
3 THAT SIGNIFICANT."

4 MY POINT TO YOU IS THAT LOOKING AT HOW
5 SIGNIFICANT THIS LITTLE TINY CABLE IS THE WRONG
6 QUESTION. INSTEAD, WE SHOULD BE LOOKING AT HOW
7 IMPORTANT THE SANCTUARY IS. AND MY ANALOGY FOR YOU,
8 COMPARABLE, I GUESS, SOMEWHAT TO SCOTT'S ANALOGY
9 WITH YOSEMITE, WE'RE TALKING ABOUT A CRACK ON THE
10 MONA LISA. IT MAY BE A TINY LITTLE CRACK.

11 THAT'S WHAT THE APPLICANT SAYS. THAT'S
12 WHAT YOUR STAFF IS SAYING. IT'S JUST A TINY LITTLE
13 CABLE. BUT OUR POINT IS IT'S THE MONA LISA.

14 THE MONTEREY BAY NATIONAL MARINE
15 SANCTUARY IS UNIQUE, PHENOMENALLY IMPORTANT TO THE
16 CITIZENS OF THIS STATE, AND MUST BE PROTECTED.
17 THANK YOU.

18 CHAIRPERSON CONNELL: THANK YOU. I REALLY HAVE
19 FOUND ALL OF YOUR TESTIMONY VERY COMPELLING.

20 MR. THAYER.

21 MR. THAYER: I WANTED TO RESPOND TO THE PUBLIC
22 NOTICE ISSUE THAT WAS RAISED.

23 YOU KNOW, IF CENTER FOR MARINE
24 CONSERVATION WAS NOT NOTICED, OF COURSE, WE
25 APOLOGIZE. I'D HAVE TO GO BACK AND LOOK AT THE LIST

1 AND SEE IF THEY WERE OFF THE LIST. WE DID MAIL OUT
2 ABOUT 4,000 NOTICES FOR THIS MEETING. THEY DID
3 COMMENT ON THE DRAFT EIR.

4 SPEAKER: I DID NOT COMMENT.

5 MR. THAYER: KIRK?

6 WHILE HE'S CHECKING, I ALSO SPOKE ABOUT
7 THIS PROJECT BOTH DIRECTLY WITH WARNER SHABEAU AND
8 BURTON OMAN WHO WORKS FOR THE CENTER FOR MARINE
9 CONSERVATION.

10 AGAIN, I CAN'T SAY FOR SURE THAT NOTICE
11 WAS MAILED TO THEM BECAUSE I DON'T HAVE THAT LIST
12 WITH ME TODAY. OUR NORMAL ROUTINE WOULD BE TO
13 PROVIDE THESE KIND OF NOTICES TO PEOPLE WHO ARE
14 INVOLVED.

15 MR. BUSTAMANTE: SHE SAID IT WASN'T ON THE WEB
16 SITE UNTIL FRIDAY.

17 MR. THAYER: I'M NOT SURE. I CAN'T ANSWER. IT
18 WAS PUT UP ON THE WEB SITE. I DID VIEW IT ON THE
19 WEB SITE. I DON'T KNOW EXACTLY WHEN IT WAS PUT UP.

20 SPEAKER: I MIGHT ADD THAT THE WEB SITE CRASHED
21 LAST WEEK AS WELL.

22 CHAIRPERSON CONNELL: SEE, THAT GIVES US FEAR
23 FOR THESE CABLES.

24 WHAT IS THE DIRECTION OF THE COMMISSION?
25 MR. BUSTAMANTE, WOULD YOU LIKE TO COMMENT ON THIS

1 PROJECT?

2 MR. BUSTAMANTE: I WAS TOLD BY STAFF THAT WE
3 HAVE CERTAIN PARAMETERS UNDER WHICH WE WORK UNDER
4 FOR DECISION ON THIS PARTICULAR PROJECT.

5 COULD YOU OUTLINE THOSE PARAMETERS.

6 MR. THAYER: GENERALLY, I GUESS THEY'RE
7 TWOFOLD: THE FIRST AND PROBABLY MOST IMPORTANT IS
8 THE CEQA REQUIREMENTS THAT ARE PLACED ON THIS
9 COMMISSION.

10 BEFORE IT CAN MAKE ANY DECISION, IT MUST
11 DETERMINE WHETHER OR NOT THERE ARE SIGNIFICANT
12 ENVIRONMENTAL IMPACTS AND, WHERE FEASIBLE, MITIGATE
13 ALL THOSE IMPACTS, AS WELL AS ANY OTHER PUBLIC
14 AGENCY IN REVIEWING ANY APPLICATION.

15 THEN THE SECOND GENERAL REQUIREMENT IS
16 THE PUBLIC TRUST OPTION TO ENSURE THAT ANY ACTIVITY
17 THAT WE PERMIT ARE CONSISTENT WITH THE PUBLIC TRUST
18 DOCUMENT, AND I THINK, YOU KNOW, IT'S THE STAFF'S
19 POSITION THAT THE CEQA REQUIREMENTS HAVE BEEN
20 COMPLIED WITH AND THAT WILL LIST VERY CAREFULLY
21 WHETHER OR NOT THERE ARE SIGNIFICANT ENVIRONMENTAL
22 IMPACTS FROM THIS PROJECT, AS WE DID WITH THE OTHER
23 FIBER OPTIC PROJECTS.

24 IN FACT, AS I THINK I INDICATED EARLIER,
25 THESE PROJECTS WERE FELT NOT TO HAVE SIGNIFICANT

1 IMPACTS, AND FOR SEVERAL YEARS, LEASES WERE GRANTED
2 HISTORICALLY WITHOUT ANYTHING FURTHER THAN A
3 NEGATIVE DECLARATION, WHICH IS A VERY ABBREVIATED
4 ENVIRONMENTAL DOCUMENT.

5 WE WERE CONCERNED, THOUGH, AT THE
6 PROLIFERATION OF APPLICATIONS THAT WE WERE
7 RECEIVING, AND SO WE CHANGED OUR CEQA REVIEW TO
8 REQUIRE A MUCH MORE THOROUGH ONE. TO DO
9 ENVIRONMENTAL IMPACT REPORTS WITH THE KIND OF PUBLIC
10 DISCUSSION THAT KIRK OUTLINED OUT OF CONCERN, OVER
11 WHETHER OR NOT THESE INCREASING NUMBERS WOULD
12 CONCERN CUMULATIVE IMPACTS THAT WE WERE NOT
13 ADEQUATELY PAYING ATTENTION TO.

14 WE CHANGED OUR APPROACH A NUMBER OF YEARS
15 AGO, AND A NUMBER OF THE APPLICANTS WERE QUITE
16 CONCERNED WITH WHAT WE WERE PUTTING THEM THROUGH.

17 NONETHELESS, WE THOUGHT BECAUSE OF THE
18 ISSUES RAISED BY THE OPPONENTS TODAY, WE FEEL WE
19 NEED DO THAT.

20 MR. BUSTAMANTE: ONE OF THE GENTLEMEN INDICATED
21 THAT IN ORDER FOR THEM TO PROCEED IN A REVIEW WITH
22 THE SANCTUARY, THAT THEY WOULD HAVE TO REQUEST A
23 DOCUMENT OR AN EIR TO FIX OR TO REVIEW AREAS THAT
24 WERE NOT TOUCHED UPON BY THE EIR BY STAFF.

25 AND ARE WE NOT REQUIRED TO TOUCH UPON ALL

1 THOSE AREAS THAT HE'S SUGGESTED? I'M A LITTLE
2 CONCERNED.

3 THERE SEEMS TO BE SEVERAL PIECES OF THIS
4 THING, ALBEIT THE STAFF IS INDICATING THERE ARE
5 SEVERAL SMALL PIECES, THAT STILL HAVE NOT YET BEEN
6 WORKED OUT, AND THERE ARE CONDITIONS TO THE LEASE IN
7 ORDER FOR THAT TO BE, AT LEAST TO FEEL CONFIDENT
8 THAT THOSE MINOR ISSUES COULD BE ADJUSTED AS YOU GO
9 THROUGH THE PROCESS OF ALLOWING THE PROJECT TO MOVE
10 FORWARD, BUT, ALSO, THE EIR THAT WAS ESTABLISHED, IS
11 NOW BEING QUESTIONED BY ANOTHER ENTITY.

12 IF YOU COULD COMMENT ON WHY ONE EIR WOULD
13 BE DIFFERENT THAN THE OTHER OR WHY THE EIR THAT WE
14 TOOK UP WOULD COVER CERTAIN AREAS IN ORDER TO BE
15 ABLE TO MEET OUR REGULATORY RESPONSIBILITIES AND YET
16 SOMEONE ELSE WOULD HAVE A DIFFERENT KIND OF EIR TO
17 MEET THEIRS.

18 MR. THAYER: WE -- IN PREPARATION OF OUR EIR,
19 WE CERTAINLY CONSIDERED THE COMMENTS MADE BY THE
20 SANCTUARY AND ATTEMPTED TO RESPOND TO THEIR REQUESTS
21 FOR ADDITIONAL INFORMATION.

22 HOWEVER, THEY ARE PREPARING A DOCUMENT
23 THAT RESPONDS TO A DIFFERENT SET OF CRITERIA.

24 AS A FEDERAL AGENCY, THEY'RE NOT BOUND BY
25 CEQA, THE CALIFORNIA ENVIRONMENTAL EQUALITY ACT,

1 WHICH IMPOSES THE REQUIREMENT ON US TO PREPARE AN
2 EIR.

3 INSTEAD, THEY RESPOND TO THE CRITERIA
4 THAT ARE IN THE NATIONAL ENVIRONMENTAL PROTECTION
5 ACT. THAT ESTABLISHES AN ENVIRONMENTAL REVIEW
6 PROCEDURE WHICH CAN LEAD TO AN ENVIRONMENTAL IMPACT
7 STATEMENT, AND THE REQUIREMENTS OF EACH ACT ARE A
8 LITTLE BIT DIFFERENT.

9 MR. BUSTAMANTE: SO THE FEDERAL REGULATIONS ARE
10 STRONGER REGULATIONS? THEY'RE MORE RESTRICTED
11 REGULATIONS OR --

12 MR. THAYER: I THINK THEY'RE MOSTLY DIFFERENT.

13 MR. BUSTAMANTE: THEY HAVE A HIGHER STANDARDS
14 AT THE FEDERAL LEVEL THAN WE DO IN CALIFORNIA?

15 MR. THAYER: I DON'T BELIEVE THEY NECESSARILY
16 HAVE HIGHER STANDARD.

17 I THINK -- I'M TRYING TO REMEMBER WHETHER
18 THE ALTERNATIVE ANALYSIS IS SUPPOSED TO BE MORE
19 COMPLETE PURSUANT TO CEQA.

20 THERE IS A COUPLE OTHER DIFFERENCES WHERE
21 WE WOULD SAY OUR STATE IS STRONGER. NONETHELESS,
22 THERE ARE SOME DIFFERENCES.

23 I GUESS THE FUNDAMENTAL POINT IS THEY
24 RETAIN THE ABILITY TO DEVELOP THE ADDITIONAL
25 INFORMATION.

1 THEY'RE NOT TOTALLY RELIANT ON OUR
2 PROCESS TO HAVE THE INFORMATION THEY FEEL THEY NEED
3 TO DETERMINE WHETHER OR NOT THAT CABLE SHOULD GO
4 THROUGH ESSENTIALLY.

5 CHAIRPERSON CONNELL: I HAVE JUST BEEN HANDED,
6 COMMISSIONERS, ANOTHER REQUEST TO SPEAK ON THIS
7 ITEM. IS GORDON COTA IN THE AUDIENCE?

8 GORDON, I'M SORRY. WE SEEM TO NOT HAVE
9 GOTTEN YOUR REQUEST TO SPEAK EARLIER.

10 WOULD YOU PLEASE IDENTIFY YOURSELF FOR
11 THE RECORD.

12 SPEAKER: MY NAME IS GORDON COTA. I'M WITH THE
13 COMMERCIAL FISHERMEN OF SANTA BARBARA, INCORPORATED.
14 A MEMBER SPEAKING ON BEHALF OF THE SOUTHERN
15 CALIFORNIA TRAWLERS ASSOCIATION.

16 YOU DON'T NEED TO APOLOGIZE FOR NOT
17 SEEING THE SPEAKER SLIP BECAUSE I WAS STILL ON THE
18 ROAD FROM SANTA BARBARA, WHICH I LEFT AT 7:00
19 O'CLOCK THIS MORNING.

20 CHAIRPERSON CONNELL: YOU NEED TO GET BEHIND MY
21 TRANSPORTATION BILL. RUSH-HOUR COMMUTE TRAFFIC
22 WOULD BE A LOT BETTER IF IT PASSES.

23 GO ON, GEORGE.

24 SPEAKER: I NEED TO FIGURE OUT HOW TO KEEP THE
25 WATER OUT OF MY DIESEL IN MY TRUCK.

1 ANYWAY, I APPRECIATE THIS OPPORTUNITY,
2 AND I WISH I COULD HAVE BEEN HERE EARLIER TO HEAR
3 OTHER PEOPLE'S PRESENTATION, AND IF I GO OVER WHAT
4 THEY'VE SAID, FEEL FREE TO TELL ME TO SHUT UP AND
5 SIT DOWN.

6 WE HAVE, SINCE THE VERY BEGINNING,
7 LOOKING AT THE ROUTE THAT GLOBAL PHOTON WAS
8 TAKING -- WE HAVE TRIED TO GET THEM TO SEE IF THEY
9 COULD MOVE THE ROUTE THAT'S NEAR SANTA BARBARA,
10 WHERE WE FISH.

11 ONE OF THE THINGS THAT THEY DISCUSS ALL
12 THE TIME IS THE 97 PERCENT BURIAL, AND BECAUSE OF
13 THAT, THEY TIE THAT TO BEING VERY INSIGNIFICANT
14 IMPACT TO COMMERCIAL FISHING FOR CONTROL FISHING.

15 IN THE AREA THAT I FISH OUT OF IN SANTA
16 BARBARA, WE HAVE THREE LOCATIONS WHERE THE CABLE
17 WILL BE UNBURIED -- EXCUSE ME, TWO PLACES WHERE THE
18 CABLE WILL BE UNBURIED.

19 SO I WOULD THINK THAT OUR IMPACT IS MORE
20 SIGNIFICANT THAN OTHER PLACES.

21 CHAIRPERSON CONNELL: WELL, WHERE ARE THOSE
22 AREAS, GORDON? I KNOW THE SANTA BARBARA CHANNEL
23 WELL, HAVING SAILED THERE MANY TIMES.

24 SPEAKER: HERE WE ARE IN SANTA BARBARA, AND
25 THEY'RE JUST WEST OFF THE POINT OF LEDBETTER, GOING

1 TOWARD GOLETA, IN THAT AREA, AND THEN IN ANOTHER
2 AREA DIRECTLY SOUTH OF SANTA BARBARA -- BOTH THOSE
3 AREAS, THEY WERE UNABLE TO BURY THE CABLE ON THEIR
4 INITIAL SURVEY BECAUSE OF ROCK OUTCROPPING OF WHICH
5 THEY REFERRED TO AS "LOW RELIEF ROCK."

6 WE FISH IN THAT AREA WHERE THAT LOW
7 RELIEF ROCK IS, AND ALL WE'VE DONE IS ASKED AT THE
8 BEGINNING OF THIS PROCESS TO SEE IF THEY COULD MOVE
9 THE CABLE EITHER INSIDE OR OUTSIDE OR IN THE AREA
10 THAT'S SOUTH OF SANTA BARBARA. THEY WOULD MOVE THAT
11 TO THE EAST.

12 YOU GUYS ARE ALL GOING, "EAST, WEST --
13 WHAT'S HE TALKING ABOUT?" SANTA BARBARA'S UNIQUE.
14 WE ALL KNOW THAT; RIGHT? BECAUSE THE COAST RUNS
15 EAST-WEST. OKAY.

16 CHAIRPERSON CONNELL: MAY I JUST INTERRUPT YOU,
17 GORDON, FOR A MINUTE.

18 WAS THIS ONE OF THE CONDITIONS OF THE
19 LEASE THAT THEY WERE GOING TO -- WE MAY HELP YOU OUT
20 HERE, GORDON, IF MY MIND IS GOING TO BECOME TIRED,
21 IT SEEMED TO ME THIS WAS A CONDITION OF THE LEASE.

22 WAS IT NOT, KIRK?

23 SPEAKER: YES, IT IS. THE AREAS HAVE BEEN
24 IDENTIFIED BOTH BY GORDON AND BY THE OTHER TRAWLERS
25 ASSOCIATION.

1 I BELIEVE THAT WE HAVE AGREEMENT AS TO
2 WHERE THE AREAS ARE, AND THAT CONDITION IS IN THE
3 LEASE UNDER "COMMERCIAL FISHING." THAT THE SURVEYS
4 WILL BE COMPLETED AND THAT THE WORDING IS A ROUTING.
5 AN AGREEMENT WILL BE REACHED ON THE ROUTING WHICH IS
6 SATISFACTORY TO THE FISHERMEN BEFORE CONSTRUCTION
7 BEGINS.

8 SO WE ORDERED THEM, BASICALLY.

9 CHAIRPERSON CONNELL: GORDON, WE PROTECTED YOU
10 EVEN IN YOUR ABSENCE.

11 SPEAKER: THAT'S WHY MY OPENING COMMENT IS I
12 DON'T MIND BEING TOLD TO SIT DOWN AND SHUT UP.

13 CHAIRPERSON CONNELL: GORDON, I WOULD NEVER SAY
14 THAT TO ANYONE.

15 SPEAKER: YOU HAVE A MUCH NICER VERSION ON THE
16 ONE THAT I HAVE.

17 LET ME JUST -- AND I APPRECIATE THAT.
18 WE'VE TALKED TO KIRK, AND HE'S BEEN VERY HELPFUL IN
19 THIS, AND THAT IS WHAT WE KIND OF CAME UP WITH TO
20 HAVE IT AS PART OF THE AGREEMENT.

21 LET ME JUST ILLUSTRATE THIS AS AN EXAMPLE
22 THAT WE CAME TO GLOBAL PHOTON TO STATE LANDS
23 PROBABLY SEVEN MONTHS AGO, TO WHAT WE THOUGHT WAS A
24 SIMPLE REQUEST.

25 WE'VE BEEN STONEWALLED DURING THE WHOLE

1 PROCESS.

2 I WOULD LIKE SOME OTHER LANGUAGE BY STATE
3 LANDS, WHO WE LOOK AT AS THE PERSON THAT WILL BE
4 TAKING CARE OF OUR INTEREST, AND THAT IS TO MAKE
5 SURE THAT ON OTHER ISSUES AND OTHER AGREEMENTS THAT
6 WE HAVE, THAT SORT OF BEHAVIOR DOES NOT CONTINUE AND
7 THAT WE WORK IN THE SPIRIT OF COOPERATION.

8 THIS IS A WONDERFUL, GREAT THING OF
9 PUTTING THIS CABLE OUT.

10 JUST THINK OF ALL THE OTHER PEOPLE IN THE
11 DOT COM INDUSTRY THAT HAVE A CHANCE TO LOSE MONEY IN
12 THE FUTURE WHEN THE STOCK MARKET GOES DOWN, AND WE
13 DON'T WANT TO DEPRIVE THEM OF THAT OPPORTUNITY.

14 THANK YOU. AND THE FISHING BUSINESS HAS
15 BEEN IN BUSINESS FOR A LONG TIME.

16 THIS IS A NEW BUSINESS, AND LET ME JUST
17 FINISH. WE HAVE A LONG HISTORY, WITH THE HELP OF
18 STATE LANDS, THE CALIFORNIA COASTAL COMMISSION, OF
19 DEALING WITH OTHER INDUSTRIES THAT COME OUT INTO THE
20 OCEAN; NAMELY, THE OIL INDUSTRY. THAT WE HAVE A
21 LONG HISTORY OF TRYING TO COOPERATE, POINTING OUT
22 THINGS THAT WOULD CAUSE PROBLEMS TO US, THAT SOME
23 COMPANIES, FOR WHATEVER REASON, HAVE IGNORED.

24 OF WHICH CASE, AGENCIES LIKE STATE LANDS,
25 THE COASTAL COMMISSION, MINERALS AND MANAGEMENT,

1 HAVE TO STEP IN AND TIDY IT UP SO WE CAN BOTH
2 CO-EXIST.

3 LET'S DO IT BEFORE THOSE HAPPEN, AS
4 OPPOSED TO AFTER IT HAPPENS. THANK YOU.

5 CHAIRPERSON CONNELL: THANK YOU VERY MUCH.

6 KIRK OR BARBARA, CAN YOU RESPOND TO THAT.
7 AND I WOULD LIKE TO GET A RESPONSE ON HOW YOU'RE
8 GOING TO GO ABOUT SATISFYING THE NEEDS OF THE
9 COMMERCIAL FISHERMEN SO THAT WE DON'T, AFTER THE
10 FACT, SHOULD THIS PROJECT BE APPROVED BY THIS
11 COMMISSION, FIND THAT WE ARE GOING TO BE DEALING
12 WITH GORDON AND HIS COLLEAGUES IN A DISGRUNTLED
13 MANNER.

14 SPEAKER: I LIKE FISH TOO MUCH TO GET THEM
15 REALLY UPSET MYSELF.

16 I WOULD LIKE TO MAKE ONE OTHER COMMENT
17 THAT CAME OUT OF ONE OF THE PREVIOUS COMMENTERS.

18 THERE IS NOBODY IN THE CABLE INDUSTRY OR
19 IN ANY OF THE ENVIRONMENTAL CONSULTANTS WHO WORK FOR
20 THEM WHO ANYMORE HAS ANY DOUBT THAT IT IS NOT EASY
21 TO LAY CABLE OFF OF CALIFORNIA IN WATER.

22 THE ACTUAL CONDITION THAT WE HAVE WRITTEN
23 FOR THE IMMEDIATE QUESTION READS:

24 "PRIOR TO LAYING OF ANY CABLE, THE
25 CABLE OWNER SHOULD RESURVEY ROUTE SEGMENTS

1 28 AND 30 IN THE SANTA BARBARA AREA AND
2 PROPOSE ANY MINOR REROUTES FEASIBLE TO
3 AVOID FISHING AREAS THAT ARE ACCEPTABLE TO
4 THE FISHERMEN."

5 THERE IS ALSO A CONDITION OF THIS LEASE
6 THAT AFTER THE CABLE IS LAID, IT WILL BE SURVEYED
7 FROM ONE END TO THE OTHER WITH A CAMERA TO VERIFY
8 THAT IT IS BURIED WHERE THEY SAID THEY WERE GOING TO
9 BURY IT; THAT IT IS NOT SUSPENDED ANYWHERE THAT IT
10 IS NOT BURIED.

11 THERE IS ANOTHER CONDITION IN THIS LEASE
12 THAT SAYS:

13 "WHILE THE CABLE IS BEING LAID,
14 THERE WILL BE A MONITOR ACCEPTABLE TO THE
15 STATE LANDS COMMISSION, IF NOT STATE LAND
16 STAFF WHO WILL BE ON THE BOAT, WHO WILL
17 MONITOR THE DEPTH OF BURIAL IN THIS, THE
18 SPECIFIC LOCATIONS LAID."

19 WE BELIEVE WE HAVE ENOUGH PROTECTION TO
20 MAKE SURE THE COMPANY WILL DO WHAT THEY SAY THEY
21 WILL DO. IF NOT, WE WILL MAKE THEM GO BACK AND DO
22 IT AGAIN.

23 CHAIRPERSON CONNELL: THANK YOU.

24 WE SEEM TO BE MISSING THE LIEUTENANT
25 GOVERNOR, SO WHAT I'M GOING TO DO HERE IS CLOSE THE

1 HEARING ON THIS MATTER, MR. THAYER.

2 I WILL DELAY ANY CONSIDERATION BY THE
3 COMMISSION ON THIS UNTIL THE LIEUTENANT GOVERNOR
4 RETURNS TO THE MEETING.

5 WE WILL, THEREFORE, TABLE THIS ACTION AT
6 THIS MOMENT, AND I WILL TAKE IT OFF THIS CHAIR WHEN
7 THE GOVERNOR JOINS US AGAIN.

8 WE ARE NOW UPON ITEM 85, AND FOR THOSE OF
9 YOU WHO ARE WAITING FOR ITEM 85, ITEM 85 CONCERNS
10 THE ASSIGNMENT OF THE LONG BEACH OIL FIELD
11 OPERATIONS FROM ARCO TO OCCIDENTAL PETROLEUM AND
12 MAYBE HAVE THE SECOND PRESENTATION, STAFF
13 PRESENTATION ON THAT.

14 MR. THAYER: THE RECORDER'S ASKED FOR A BREAK
15 FOR ABOUT FIVE MINUTES, IF THAT'S OKAY.

16 CHAIRPERSON CONNELL: WE WILL RECONVENE EXACTLY
17 AT FIVE MINUTES, BECAUSE WE NEED TO MOVE THIS AGENDA
18 FORWARD -- THE MEETING.

19 (BRIEF RECESS TAKEN.)

20 CHAIRPERSON CONNELL: I WOULD FEEL COMFORTABLE
21 THAT THE MONTEREY BAY COMMISSION WOULD REVIEW THESE
22 CONCERNS. SO I WOULD MAKE MY MOTION CONDITIONAL ON
23 THEIR COMPLETION OF THEIR STUDY AND THEIR
24 ENLIGHTENED REVIEW OF THIS PROJECT.

25 MR. THAYER: THAT WOULD BE THE MONTEREY BAY

1 SANCTUARY, THEN?

2 CHAIRPERSON CONNELL: THAT'S CORRECT.

3 MR. THAYER: YOU WOULD NEED TO APPROVE THIS IN
4 ORDER TO MAKE OUR APPROVAL VALID?

5 CHAIRPERSON CONNELL: THAT'S RIGHT.

6 I'M NOT WILLING TO GIVE MY APPROVAL
7 WITHOUT SIGN OFF FROM THEM ON SOME OF THE CONDITIONS
8 AND THE CONCERNS THAT HAD BEEN EVIDENCED TODAY.

9 MR. BUSTAMANTE: CLARIFICATION: HAVE WE EVER
10 DONE THAT BEFORE?

11 MR. THAYER: AGENCIES --

12 CHAIRPERSON CONNELL: WE DID IT ONCE A FEW
13 YEARS AGO, I THINK, IN NORTHERN CALIFORNIA ON AN
14 INLAND WATERWAY THING.

15 DO YOU HAVE A PROBLEM WITH THAT,
16 MR. ATTORNEY GENERAL?

17 MR. EAGAN: NO, I DON'T. I THINK THE COASTAL
18 COMMISSION ON OCCASION WILL GRANT APPROVAL FOR A
19 PROJECT IN ADDITION OF APPROVAL ON THE STATE LANDS
20 COMMISSION.

21 SPEAKER: POINT OF CLARIFICATION WITH RESPECT
22 TO MADAME CHAIR'S MOTION: DOES THAT MEAN THAT THE
23 EIR IS CERTIFIED? THERE'S TWO DIFFERENT QUESTIONS
24 BEFORE THE COMMISSION.

25 MR. THAYER: THE COMMISSION WOULD HAVE TO

1 CERTIFY.

2 CHAIRPERSON CONNELL: YES, IT WOULD CERTIFY THE
3 EIR, BUT IT WOULD MAKE OUR APPROVAL, CONDITIONAL ON
4 THEIR APPROVAL.

5 WE SHOULDN'T BE DISCUSSING UNTIL WE HAVE
6 A SECOND.

7 MR. BUSTAMANTE: I'LL MAKE A SECOND ON THAT.

8 CHAIRPERSON CONNELL: THANK YOU.

9 WE NOW HAVE MOVED. WE NOW HAVE IT
10 SECONDED. NOW IT'S OPEN FOR DISCUSSION.

11 I'M JUST TRYING TO FIND A WAY ON WHAT I
12 FEEL ARE SOME CONTINUING ISSUES THAT NEED TO BE
13 EXPLORED WITH MONTEREY BAY SANCTUARY.

14 ARE YOU STILL HERE, THE MONTEREY PEOPLE?

15 MR. THAYER: MADAME CHAIR, IF I COULD ASK THE
16 CLARIFYING QUESTION ABOUT THE MOTIONS.

17 THE QUESTION'S COME UP AS TO WHETHER OR
18 NOT THAT CONDITIONAL APPROVAL WOULD APPLY TO
19 CONSTRUCTION ON THE SOUTHERN END OF THE PROJECT DOWN
20 TOWARD SOUTHERN CALIFORNIA OUTSIDE OF THE
21 SANCTUARIES.

22 CHAIRPERSON CONNELL: WHEN IS THE SANCTUARY'S
23 BOARD MEETING TO REVIEW THIS MATTER?

24 MR. THAYER: WELL, I THINK THE SANCTUARY
25 REPRESENTATIVE COULD BEST DESCRIBE WHEN THEY WOULD

1 BE ABLE TO ACT ON IT, BUT GIVEN THEIR DISCUSSION
2 ABOUT WANTING TO CONDUCT THEIR OWN ENVIRONMENTAL
3 REVIEW, THAT MAY VERY WELL BE AFTER SOME TIME.

4 MR. BUSTAMANTE: I DON'T THINK ANY OF THE
5 ISSUES THAT WERE RAISED HERE, HOWEVER, TODAY, PAUL,
6 WOULD INDICATE CONCERN, EITHER BY COMMISSION OR
7 EITHER BY STAFF, THAT ANYTHING DEALING WITH THE
8 SOUTHERN END IS OF CONCERN.

9 CHAIRPERSON CONNELL: SOMETHING UNDER THE
10 PROJECT DOES NOT APPEAR APPROVED. THAT'S WHY I
11 CONDITIONED IT ONLY ON THAT ONE ISOLATED.

12 MR. BUSTAMANTE: IN ADDITION, THE REASON THAT I
13 WOULD SECOND THE MOTION IS BECAUSE IN AND AROUND
14 THAT AREA, SHOULD THEY CHOOSE TO PROCEED, THERE'S
15 ALWAYS A LAND ROUTE THAT COULD BE IDENTIFIED THAT
16 COULD GO AROUND THE SANCTUARY IF IT'S FOUND THROUGH
17 WHATEVER EIR PROCESS IS INVOLVED THAT THERE ARE
18 ALTERNATIVE ROUTES AROUND THE SANCTUARY.

19 CHAIRPERSON CONNELL: YOU KNOW, I THINK THIS
20 ALLOWS THE PROJECT TO MOVE FORWARD WITH EFFORTS TO
21 BEGIN THE LAYING OF CABLE IN SOUTHERN WATERS ON
22 WHICH APPEAR TO BE LESS COMPLICATED AREAS.

23 SPEAKER: THE STAFF HAS PREPARED LANGUAGE TO
24 ALLOW CERTIFICATION OF THE EIR, PERMISSION FOR THE
25 CABLE FROM SAN LUIS OBISPO SOUTH, AND FOR THE

1 CONDUITS THAT ARE IN STATE WATERS SOUTH OF SAN LUIS
2 OBISPO, IF YOU WOULD LIKE TO DO THAT.

3 CHAIRPERSON CONNELL: I WOULD BE WILLING TO
4 AMEND MY MOTION.

5 MR. BUSTAMANTE: MAYBE WE CAN GET
6 CLARIFICATION.

7 SPEAKER: IF I COULD JUST ASK THE QUESTION: MY
8 UNDERSTANDING OF THE CURRENT LEASE CONDITIONS
9 PROVIDE THAT THE LEASE IS CONDITIONED UPON ALL
10 PERMITS BEING APPROVED.

11 SO, IN OTHER WORDS, THE MOTION MADE BY
12 MADAME CHAIR IS ALREADY PART OF THE LEASE AGREEMENT
13 AS IT EXISTS RIGHT NOW.

14 YOUR CONCERN IS THE MONTEREY BAY
15 SANCTUARY APPROVE THE PROJECT, BUT THE LEASE IS
16 CONDITIONED UPON THAT APPROVAL.

17 MR. BUSTAMANTE: I THINK HE'S RIGHT.

18 MR. THAYER: I THINK HE IS.

19 MR. BUSTAMANTE: JACK.

20 MR. PLUMBER: I THINK THAT'S CORRECT.

21 MR. THAYER: HOWEVER, IF I MAY, ALTHOUGH THIS
22 IS A DETERMINATION, REALLY, FOR THE COMMISSION, I AM
23 PRESUMING THE COMMISSION WOULD LIKE TO MAKE VERY
24 EXPRESS THE TERMS.

25 CHAIRPERSON CONNELL: I HAVE VERY SEVERE

1 CONCERNS ABOUT THE SANCTUARY.

2 NOW, I ASSUME THAT WE ARE GOING TO HAVE
3 APPROVALS. THEY CAN'T MOVE FORWARD ILLEGALLY ON
4 CONSTRUCTION OF A CABLE WITHOUT THE NECESSARY
5 APPROVALS, BUT I THINK THIS PARTICULAR GEOGRAPHY
6 NEEDS TO BE REVIEWED MORE CLOSELY.

7 I THINK THE REST OF THE COAST LINE
8 APPEARS TO BE, AT LEAST FROM MY VIEWPOINT OF THESE
9 KINDS OF ISSUES. THEREFORE, I THINK THEY SHOULD
10 MOVE FORWARD ON THE PROJECT.

11 I WILL CERTIFY -- I MOVE TO CERTIFY THE
12 EIR. I WOULD MOVE FORWARD ON THE SOUTHERN END OF
13 THE PROJECT FROM SAN LUIS OBISPO SOUTH, AND I WOULD
14 URGE THAT WE HAVE MONTEREY BAY SANCTUARY DO THEIR
15 NECESSARY REVIEWS.

16 IT THEN IS UP TO MONTEREY BAY SANCTUARY
17 TO DECIDE WHAT THEY'RE GOING TO DO ABOUT THE CABLE
18 WITHIN THAT GEOGRAPHY, AND IF THEY CAN MEET THE
19 REVIEWS, THEN THEY WILL PLACE IT IN THE WATER, OR
20 THEY WILL MAKE SOME OTHER ALTERNATIVE.

21 THE CABLE CAN BE CONTINUED TO BE
22 CONSTRUCTED IN THE INTERIM.

23 MR. THAYER: MY UNDERSTANDING WOULD BE, THEN,
24 THAT THE COMMISSION'S DECISION ON THE MONTEREY
25 PORTION OF THE PROJECT TODAY IS CONDITIONAL UPON THE

1 SANCTUARY APPROVING THE PROJECT, AND ONCE THAT
2 SANCTUARY -- IF THE SANCTUARY DOES APPROVE THE
3 PROJECT, THEN THE COMMISSION'S ACTION TODAY TO
4 APPROVE THE OVERALL PROJECT WOULD TAKE FORCE WITH
5 RESPECT TO THE SANCTUARY AREA.

6 CHAIRPERSON CONNELL: THAT'S CORRECT.

7 MR. THAYER: OKAY.

8 MS. PORINI: ONE CLARIFICATION: THAT DOES NOT
9 ELIMINATE ANY OF THE OTHER CONDITIONS THAT STAFF HAD
10 ALREADY SPELLED OUT.

11 MR. THAYER: I UNDERSTAND.

12 CHAIRPERSON CONNELL: I WANT ALL THE OTHER
13 CONDITIONS IN PLACE, OF COURSE, THAT WERE SPELLED
14 OUT IN OUR EARLIER DISCUSSION TODAY, PAUL.

15 MR. THAYER: I UNDERSTAND.

16 CHAIRPERSON CONNELL: NOW WE'VE THOROUGHLY
17 CONFUSED EVERYONE IN THE AUDIENCE WITH THIS MOTION.

18 MR. BUSTAMANTE: LET'S FIND OUT WHAT THE
19 DISCUSSION, THOUGH, ALSO -- MAYBE THE STAFF CAN
20 INTERPRET IN ONE SINGLE, BRIEF SUMMARY OF EXACTLY
21 WHAT THIS IS THAT WE'RE TALKING ABOUT HERE.

22 MR. THAYER: I WOULD -- MY INTERPRETATION OF
23 WHAT HAS BEEN STATED IN TERMS OF THE SENSE OF WHERE
24 THE COMMISSION WOULD LIKE TO GO WOULD BE THAT THE
25 MOTION WOULD BE FOR CERTIFICATION OF THE

1 ENVIRONMENTAL IMPACT REPORT, APPROVAL OF THE PROJECT
2 WITH ALL OF THE CONDITIONS AND ADDITIONAL CONDITION
3 THAT NO -- THAT THE APPROVAL OF THE COMMISSION'S
4 APPROVAL OF THE SEGMENT OF THE PROJECT WITHIN THE
5 SANCTUARY IS CONDITIONAL UPON APPROVAL BY THE
6 SANCTUARY OF THE PROJECT.

7 MR. BUSTAMANTE: I THINK THAT'S CORRECT.

8 CHAIRPERSON CONNELL: ALL RIGHT.

9 WE HAVE A MOTION THAT'S BEEN MOVED AND IS
10 SECONDED. ALL THOSE IN FAVOR OF THIS MOTION, SAY
11 "AYE."

12 MS. PORINI: AYE.

13 MR. BUSTAMANTE: AYE.

14 CHAIRPERSON CONNELL: WE NOW HAVE A UNANIMOUS
15 VOTE ON ITEM 84, AND WE WILL MOVE FORWARD, THEN,
16 UPON ITEM 85.

17 ITEM 85 CONCERNS THE ASSIGNMENT OF THE
18 LONG BEACH OIL FIELD FROM ARCO TO OCCIDENTAL
19 PETROLEUM. WE WERE IN THE MIDDLE OF HAVING -- WE
20 WILL NOW GO TO ITEM 85.

21 MR. THAYER: MADAME CHAIR, ITEM 85 HAS TO DO
22 WITH THE ASSIGNMENT OF THE LONG BEACH UNIT FROM ARCO
23 TO OCCIDENTAL, AND GREG SCOTT, ONE OF OUR ENGINEERS
24 FROM MRM, WILL MAKE THAT PRESENTATION.

25 SPEAKER: GOOD MORNING, MADAME CHAIR AND

1 COMMISSIONERS.

2 MY NAME IS GREGORY SCOTT. I'M
3 SUPERVISING MINERAL RESOURCES ENGINEER FOR THE STATE
4 LANDS COMMISSION, AND I WORK FOR THE MINERAL
5 RESOURCES MANAGEMENT DIVISION OFFICE IN LONG BEACH.

6 FOR THIS AGENDA ITEM, I WILL BE MAKING A
7 SHORT PRESENTATION TO YOU ON THE REQUEST TO TRANSFER
8 ARCO'S INTEREST FROM THE LONG BEACH UNIT TO
9 OCCIDENTAL PETROLEUM CORPORATION.

10 THIS IS A SLIDE SHOW PRESENTATION, SO I'M
11 GOING TO HAVE TO DIM THE LIGHTS A LITTLE BIT. SO I
12 THINK YOU'LL STILL BE ABLE TO SEE.

13 I WOULD LIKE TO BEGIN MY PRESENTATION
14 WITH AN OVERVIEW, GO OVER SOME OF ITS PRODUCTION AND
15 REVENUE HISTORY, AND THEN BRIEFLY GO OVER
16 OCCIDENTAL'S --

17 I WILL THEN CONCLUDE BY SHOWING YOU THE
18 HIGHLIGHTS OF THE TRANSACTION AND THE APPROVALS
19 REQUIRED BY THE CITY OF LONG BEACH AND THE STATE
20 LANDS COMMISSION.

21 THIS IS A MAP OF THE LONG BEACH COAST
22 SHOWING THE LOCATION AND AERIAL EXTENT OF THE LONG
23 BEACH UNIT.

24 THE LONG BEACH UNIT IS SHOWN IN RED HERE
25 AND IS ONE OF THE LARGEST UNITS. IT'S IN THE

1 WILMINGTON FIELD, ONE OF THE LARGEST OIL FIELDS IN
2 THE UNITED STATES.

3 THIS IS A CLOSE-UP OF THE AREA THAT WAS
4 IN RED ON THE PREVIOUS SLIDE. THIS SLIDE SHOWS THE
5 UNIT PARTICIPANTS AND THE APPROXIMATE UNIT
6 PERCENTAGES IN TERMS OF OIL RESERVES.

7 AND THE STATE IS A BENEFICIARY OF
8 REVENUES OF TRACT 1 AND TRACT 2 AND A PORTION OF THE
9 REVENUES FROM THE TOWN LIBRARY.

10 THIS IS A DIAGRAM OF THE LONG BEACH UNIT
11 SURFACE FEATURES, SHOWING THE LOCATION OF THE FOUR
12 MAN-MADE ISLANDS, ISLAND GRISOM, WHITE, CHAFFE AND
13 FREEMAN, IN PROXIMITY TO THE SHORELINE, THE
14 SHORELINES HERE, SHOWING THE PIPELINE ROUTES WHICH
15 CARRY THE PRODUCED OIL TO SHORE.

16 YOU CAN SEE THAT THE UNIT IS VERY NEAR
17 ONE OF THE MORE RECOGNIZABLE LANDMARKS, THE QUEEN
18 MARY, WHICH IS LOCATED RIGHT THERE. THIS IS A PHOTO
19 OF ISLAND GRISOM, ONE OF THE FOUR MAN-MADE ISLANDS
20 AND THE ONE THAT IS NEAREST TO SHORE, AND IT SHOWS
21 DOWNTOWN LONG BEACH IN THE BACKGROUND.

22 AND THIS IS ANOTHER PHOTO OF ONE OF THE
23 OTHER ISLANDS, ISLAND WHITE, WHICH WAS TAKEN DURING
24 THE EVENING.

25 THIS IS A SLIDE OF THE RELATIONSHIP OF

1 THE PARTIES INVOLVED IN THE LONG BEACH UNIT. THE
2 CITY OF LONG BEACH IS THE UNIT OPERATOR AND TRUSTEE,
3 CALIFORNIA STATE LANDS COMMISSION IS A UNIT
4 PARTICIPANT AND THE OWNER OF TRACT 2.

5 ARCO, LONG BEACH, INC., OR KNOWN AS
6 "ALBI," IS THE FIELD CONTRACTOR FOR THE CITY OF LONG
7 BEACH.

8 AND THUMBS IS THE AGENT FOR THE FIELD
9 CONTRACTOR, AND THEY ARE THE ONES WHO CARRY OUT THE
10 DAY-TO-DAY ACTIVITIES IN THE OIL FIELD.

11 THIS IS A SLIDE SHOWING SOME OF THE MORE
12 SIGNIFICANT STATISTICS OF THE UNIT'S HISTORY,
13 PARTICULARLY IN THE AREA OF PRODUCTION REVENUE.

14 THE UNIT HAS PRODUCED OVER 870 MILLION
15 BARRELS OF OIL SINCE PRODUCTION BEGAN IN 1965.
16 PRODUCTION PEAKED IN 1969 AT OVER 148,000 BARRELS
17 PER DAY.

18 PRODUCTION HAS DECLINED GRADUALLY SINCE
19 THEN AND IS CURRENTLY AVERAGING A LITTLE OVER 37,000
20 BARRELS OF OIL PER DAY.

21 THE UNIT CONTINUES TO PROVIDE SIGNIFICANT
22 REVENUES TO THE STATE, AND CUMULATIVE REVENUES TO
23 DATE ARE OVER \$4-1/2 BILLION.

24 PROJECTED STATE REVENUES FOR THE CURRENT
25 FISCAL YEAR, 1999 TO 2000, ARE ESTIMATED TO BE \$35

1 MILLION AS A RESULT OF THE HIGH PROCESS CRUDE PRICE,
2 WILMINGTON CRUDE.

3 MR. THAYER: MR. SCOTT, I UNDERSTAND WE'RE
4 RUNNING A LITTLE BIT LATE.

5 IF YOU CAN MAKE YOUR PRESENTATION AS
6 PRECISE AS POSSIBLE.

7 SPEAKER: GOING THROUGH SOME OF THE PURCHASE
8 HIGHLIGHTS, OXY AND ARCO ENTERED INTO A PURCHASE
9 AGREEMENT IN LAST NOVEMBER, WHEREBY OXY AGREED TO
10 PURCHASE ALL OF ARCO'S STOCK IN ALBI, AND THEN OXY
11 WOULD BECOME THE CONTRACTOR TO THE CITY FOR THE LONG
12 BEACH UNIT.

13 THE APPROVALS REQUIRED FOR THE TRANSFER
14 ARE THAT THE LONG BEACH CITY COUNCIL MUST CONSENT TO
15 THE ASSIGNMENT OF INTEREST, WHICH IT HAS DONE TWO
16 DAYS AGO, APRIL THE 18TH, AND ALSO THE STATE LANDS
17 COMMISSION MUST APPROVE THE CITY'S CONSENT AND THE
18 ASSIGNMENT CONSENT AGREEMENT. AND BOTH THOSE
19 DOCUMENTS ARE ATTACHED TO THE CONTRACT.

20 THIS IS A SLIDE SHOWING OCCIDENTAL'S
21 FINANCIAL STRENGTH. WE HAD DONE AN EVALUATION OF
22 OCCIDENTAL PETROLEUM, PARTICULARLY IN THE AREA OF
23 FINANCE, OPERATIONAL SAFETY, AND ENVIRONMENTAL
24 RECORD.

25 THESE ARE STATISTICS SHOWING OCCIDENTAL'S

1 FINANCIAL STRENGTH, AND I WON'T GO OVERALL OF THEM,
2 BUT I WILL MAKE MENTION THAT OCCIDENTAL HAS BEEN IN
3 THE TOP TEN OF ALL PRODUCING OIL AND GAS COMPANIES
4 IN THE UNITED STATES IN THE LAST, PROBABLY, FOUR OR
5 FIVE YEARS IN THE FIRST THREE CATEGORIES.

6 INCIDENTALLY, THE STATE LANDS COMMISSION
7 HAD DONE AN INDEPENDENT ASSESSMENT OF OCCIDENTAL'S
8 FINANCIAL STRENGTH.

9 CHAIRPERSON CONNELL: I DON'T THINK THIS IS AT
10 ISSUE. CAN WE MOVE ON?

11 SPEAKER: CERTAINLY.

12 WE HAVE DONE A SAFETY ASSESSMENT OF
13 OCCIDENTAL'S RECORD, AND THEY ARE AN EXTREMELY SAFE
14 COMPANY. THESE WERE SAFETY STATISTICS.

15 WE HAVE LOOKED AT THEIR OIL SPILL RECORD,
16 AND THEY ARE VERY GOOD HAVING ONLY TWO BARRELS
17 SPILLED OFFSHORE OFF THE GULF COAST AREA IN THE LAST
18 THREE YEARS.

19 WE HAVE PERFORMED A SERIES OF AUDITS --
20 THREE, TO BE EXACT -- ONE GOING OVER ALBI'S
21 FINANCIAL HISTORY, PARTICULARLY AN AGREED-UPON
22 PROCEDURES REVIEW.

23 WE REVIEWED ALBI'S SAFETY AND REGULATORY
24 COMPLIANCE DURING THE LAST TWO YEARS AND FOUND BOTH
25 OF THEM TO BE IN COMPLIANCE WITH THE REQUIRED

1 PERMITS.

2 AND THIS IS THE LAST SLIDE, PERTAINING TO
3 THE AGREEMENTS. THE AGREEMENTS ARE GOING TO BE
4 BETWEEN THE STATE, THE CITY, OXY, AND ARCO.

5 THERE ARE CONDITIONS WITHIN THE
6 AGREEMENTS THAT REQUIRE THE INSTALLATION OF
7 AUTOMATIC SHUTDOWN VALVES. A FOLLOW-UP SAFETY AUDIT
8 AND A FOLLOWUP FINANCIAL AUDIT, AND THEN THE LAST
9 ITEM IS THAT ARCO HAS REQUESTED TO BE RELEASED AS
10 GUARANTOR, AND THAT WILL BE DONE AFTER 120 DAYS FROM
11 THE SATISFACTORY COMPLETION OF THE ABOVE THREE
12 CONDITIONS OF THE AGREEMENT. AND THAT'S THE FINAL
13 PRESENTATION.

14 CHAIRPERSON CONNELL: THANK YOU VERY MUCH.

15 WE HAVE ONE INDIVIDUAL WHO WISHES TO
16 SPEAK ON ITEM 85. SIAVASH GHARIB.

17 SPEAKER: NO COMMENTS.

18 CHAIRPERSON CONNELL: I GOTTA TELL YOU --

19 MR. THAYER: MADAME CHAIR, I HAVE SOMEONE NAMED
20 CRAIG MOYER LISTED AS WANTING TO SPEAK AS WELL IN
21 OPPOSITION.

22 CHAIRPERSON CONNELL: WHY DON'T I HAVE THOSE
23 FORMS TODAY?

24 GO AHEAD.

25 SPEAKER: GOOD MORNING. I'M CRAIG MOYER,

1 M-O-Y-E-R.

2 I'M HERE TODAY TO EXPRESS MY CONCERN
3 ABOUT ACCESS TO CRUDE OIL. I WILL BE BRIEF.

4 I WANT TO TALK ABOUT SOME FAIRLY
5 REMARKABLE CHANGES IN THE STATE OF CALIFORNIA CRUDE
6 OIL MARKET IN THE LAST TWO YEARS AND DISCUSS HOW
7 THAT HAS AFFECTED THE PETROLEUM PRODUCT MARKET, IN
8 PARTICULAR, THE GASOLINE PRICES, WHICH SEEMS TO BE A
9 FAIRLY HOT TOPIC.

10 FIRST, I DO WANT TO EXPRESS APPRECIATION
11 FOR THE EFFORTS OF YOUR STAFF AND THE CITY OF LONG
12 BEACH. THEY DO BID OUT THEIR SHARE OF THE ROYALTY
13 OIL AND ENSURE THAT COMPANIES OTHER THAN THE MAJOR
14 OIL COMPANIES HAVE AN ACCESS, AND THAT'S REALLY WHAT
15 WE'RE TALKING ABOUT -- IS ACCESS, NOT VALUE.

16 ADDITIONALLY, WE'VE AGREED TO WORK WITH
17 YOUR STAFF TO ENSURE THAT OTHER OIL THAT THE STATE
18 HAS, OTHER ROYALTY OIL THAT THE STATE HAS, WOULD BE
19 MADE AVAILABLE, WOULD BE BID, AND THAT YOU WOULD
20 TAKE IT IN KIND.

21 STAFF HERE, ALSO, BECAUSE OF CONCERNS
22 THAT I'VE EXPRESSED, HAS TALKED TO OCCIDENTAL TO
23 SECURE SOME AGREEMENT THAT OCCIDENTAL WILL NOT
24 PERMIT MORE THAN 60 PERCENT OF THE CRUDE OIL FROM
25 THIS UNIT TO LONG-TERM CONTRACTS, AND WHAT THAT

1 MEANS IS THAT OCCIDENTAL'S SHARE OF THIS LONG BEACH
2 CRUDE WILL BE ABOUT 10,000 BARRELS A DAY THAT WILL
3 BE MADE AVAILABLE ON LESS THAN ONE-YEAR TERM, BUT
4 ONLY FOR TWO YEARS. THEY'VE ONLY MADE THAT
5 AGREEMENT FOR TWO YEARS, AND THAT'S THE RUB.

6 TWO YEARS IS JUST TOO SHORT. TWO YEARS
7 PASSES IN THE BLINK OF AN EYE.

8 THAT IS 15 TIMES WHAT THE LAST EARTH DAY
9 WAS, AND THAT SEEMS TO HAVE GONE BY IN A BLINK OF AN
10 EYE.

11 BUT LET ME TALK ABOUT LIQUIDITY AND
12 EXPLAIN WHY I'M SO CONCERNED ABOUT THIS.

13 SINCE 1998, CALIFORNIA CRUDE OIL HAS GONE
14 FROM A RELATIVELY LIQUID MARKET TO A MARKET IN WHICH
15 FOUR OIL COMPANIES CONTROL THE VAST MAJORITY OF
16 CRUDE OIL.

17 YOU HAVE 50,000 BARRELS A DAY THAT IS
18 PRODUCED BY AN INDEPENDENT OIL COMPANY CALLED
19 "TORCH," WHICH IS NOW TIED UP LONG TERM TO TOSCO.

20 YOU HAVE 50,000 BARRELS A DAY PRODUCED BY
21 AN INDEPENDENT OIL COMPANY CALLED NUEVO, TIED UP 50
22 YEARS LONG TERM WITH TOSCO.

23 YOU HAVE -- ABOUT TWO YEARS AGO,
24 OCCIDENTAL ACQUIRED FROM THE UNITED STATES
25 GOVERNMENT THE ELK HILLS NAVAL PETROLEUM RESERVE AND

1 IMMEDIATELY THEREAFTER ANNOUNCED A 15-YEAR TERM FOR
2 THE VAST MAJORITY OF THAT OIL WITH TOSCO.

3 ARCO WESTERN WAS A PRODUCTION -- ONSHORE
4 PRODUCTION WAS ACQUIRED BY MOBIL, WHICH IS A JOINT
5 VENTURE PARTNER WITH SHELL IN A COMPANY CALLED ERA,
6 E-R-A.

7 AND BARE HAS RECENTLY ANNOUNCED A
8 LONG-TERM DEAL WITH AQUIVA, TEXAS.

9 SO THE STATE OIL IS ABOUT ALL THAT'S
10 LEFT, AND THIS IS NOT ABOUT VALUE. IT'S ABOUT
11 ACCESS.

12 WE DON'T HAVE ANY PROBLEM WITH ANYBODY
13 GETTING THE MAXIMUM VALUE FOR THEIR CRUDE OIL, BUT I
14 BELIEVE THAT THE STATE OUGHT TO ENSURE THAT OIL FROM
15 STATE LANDS IS NOT ALLOCATED IN A WAY THAT FURTHER
16 MAJOR OIL MEGALOPOLY.

17 EVERY FTC AND ATTORNEY GENERAL CONSENT
18 DECREE WHICH HAS BLESSED AN OIL COMPANY MERGER HAS
19 INVOLVED CRUDE OIL ACCESS TRANSACTIONS, AND ALL OF
20 THOSE PROVIDE A TERM OF FIVE OR TEN YEARS, AND
21 THAT'S WHAT I'M HERE ASKING YOU FOR TODAY. THAT'S
22 10,000 BARRELS A DAY FOR TEN YEARS.

23 IT'S REALLY MEANINGLESS IN THE BIG
24 PICTURE.

25 OCCIDENTAL IS ONE OF THE LARGEST

1 PRODUCTIONS AND, INDEED, THERE'S PROBABLY A MILLION
2 BARRELS A DAY THAT'S PRODUCED -- IN EXCESS OF A
3 MILLION BARRELS A DAY THAT ARE PRODUCED OR CONSUMED
4 BY REFINERIES IN THE STATE OF CALIFORNIA.

5 SO 10,000 BARRELS A DAY IS REALLY
6 MEANINGLESS IN THE BIG PICTURE, BUT IT'S CRITICAL TO
7 SMALL OIL COMPANIES WHO OTHERWISE HAVE NO ACCESS
8 BECAUSE OF THIS RECENT LACK OF LIQUIDITY IN THE
9 CALIFORNIA MARKET.

10 YOU WERE TALKING ABOUT ASPHALT. A
11 HUNDRED PERCENT OF THE ASPHALT IN SOUTHERN
12 CALIFORNIA IS PRODUCED BY SMALL AND INDEPENDENT
13 REFINERS, AND FOUR OF THOSE COMPANIES CURRENTLY BUY
14 CRUDE OIL FROM THE LONG BEACH UNIT HERE, AND IF THEY
15 WERE TO LOSE THAT CRUDE OIL, THEY WOULD BE OUT OF
16 BUSINESS, AND THE ROADS -- YOUR ROAD PROGRAM, MADAME
17 CHAIR, WOULD BE MUCH TOUGHER TO ACCOMPLISH.

18 NOW, OCCIDENTAL MAY SAY THAT -- THEY
19 DON'T HAVE ANY REFINING AND MARKETING ASSETS AND ALL
20 THEY'RE INTERESTED IN IS MAXIMIZING THE VALUE FOR
21 THEIR CRUDE, BUT THE SAME THING WAS SAID AFTER THEIR
22 ACQUISITION OF ELK HILLS, AND AS I MENTIONED,
23 IMMEDIATELY AFTER CLOSING THE VAST MAJORITY OF THAT
24 CRUDE WAS TIED UP FOR A 15-YEAR TERM WITH TOSCO.

25 SO, AGAIN, IN CLOSING, I WOULD, AGAIN,

1 ASK THAT YOU MAKE YOUR APPROVAL OF THIS TRANSACTION
2 CONTINGENT ON OCCIDENTAL CONTINUING TO MAKE THAT
3 CRUDE AVAILABLE, THAT IT HAS AGREED TO MAKE
4 AVAILABLE FOR TWO YEARS. INSTEAD, MAKE IT
5 AVAILABLE, NOT TIE IT UP LONG TERM FOR AT LEAST TEN
6 YEARS.

7 THANK YOU FOR YOUR TIME.

8 CHAIRPERSON CONNELL: PAUL, YOU WANT TO COMMENT
9 ON THAT?

10 MR. THAYER: ACTUALLY, I'D LIKE TO CALL UPON
11 THE ATTORNEY GENERAL'S OFFICE AS TO WHETHER OR NOT
12 THE COMMISSION HAS THE LEGAL ABILITY TO IMPOSE THAT
13 CONDITION.

14 SPEAKER: I'M ALAN HAGEN FROM THE AG'S OFFICE.
15 I'LL MAKE A COUPLE OF COMMENTS.

16 WE'RE NOT TALKING ABOUT A MERGER HERE.
17 WE'RE TALKING ABOUT AN ASSIGNMENT. IT'S AN
18 ASSIGNMENT OF SPECIFIC CONTRACT RIGHTS THAT ARE
19 PROVIDED IN PART BY LEGISLATION.

20 LEGISLATION HAS PROVIDED THAT 12-1/2
21 PERCENT OF THE OIL, THE SELL-OFF OIL, IS TO BE MADE
22 AVAILABLE TO INDEPENDENT REFINERS. THAT WILL NOT
23 CHANGE.

24 THE CONTRACTOR HAS THE RIGHT TO TAKE AND
25 SELL THE REMAINDER OF THE OIL, AND THAT'S REQUIRED

1 OF THE CONTRACT INTERESTS HERE THAT'S BEING
2 ASSIGNED, AND THE COMMISSION, AS APPROVING THE
3 ASSIGNMENT, CAN MAKE CONDITIONS THAT GO TO ASSURING
4 ITSELF THAT THE ASSIGNEE HAS THE FINANCIAL AND
5 OPERATIONAL CAPABILITY TO TAKE OVER THE CONTRACT,
6 THAT IT CAN FULFILL THE CONTRACT REQUIREMENTS.

7 TO REQUIRE OCCIDENTAL TO DO SOMETHING
8 THAT IS NOT REQUIRED OF ARCO IS CHANGING THE
9 FUNDAMENTAL CONDITION OF THE CONTRACT, WHICH WE
10 BELIEVE THE COMMISSION DOES NOT HAVE THE POWER TO DO
11 AS A CONDITION TO THE ASSIGNMENT.

12 CHAIRPERSON CONNELL: GREAT. THANK YOU.

13 WELL, I PERSONALLY HAVE WANTED TO SAY,
14 I'M DELIGHTED THAT WE HAVE OCCIDENTAL WILLING TO
15 STEP UP. WE'VE RAISED THIS ISSUE OF WHETHER WE'RE
16 GOING TO HAVE FINANCIAL STRENGTH OF THE COMPANY TO
17 TAKE OVER THESE OIL OPERATIONS ALONG THE CALIFORNIA
18 COAST, AND IT IS IMPERATIVE THAT WE HAVE PEOPLE WHO
19 HAVE FINANCIAL DEPTH TO OPERATE THESE FACILITIES SO
20 THAT WE DO NOT HAVE MAINTENANCE PROBLEMS AND
21 OPERATIONAL DIFFICULTIES INTO THE FUTURE.

22 I'M READY TO MAKE A MOTION.

23 MR. BUSTAMANTE: CAN I ASK OCCIDENTAL -- IS
24 THERE A REPRESENTATIVE HERE?

25 MR. THAYER: YES, THERE IS.

1 MR. BUSTAMANTE: I NOTICE THAT YOU'VE INDICATED
2 THAT THERE'S 40 PERCENT SET ASIDE FOR TWO YEARS.
3 WHAT IS YOUR COMMENT TO THE GENTLEMAN WHO BASICALLY
4 LAYS OUT A SUBSTANTIAL POINT IN THAT A HUNDRED
5 PERCENT OF A PARTICULAR PRODUCT THAT THEY HAVE TO
6 DEAL WITH HERE LOCALLY, WOULD COME FROM THIS FIELD
7 AND TYING UP OR PUTTING THAT PRODUCT OUT IN THE
8 GLOBAL MARKETPLACE WOULD HAVE A TREMENDOUS IMPACT,
9 FINANCIALLY, ECONOMICALLY, ON THESE LOCAL
10 REFINERIES?

11 SPEAKER: GOVERNOR, MEMBERS OF THE COMMISSION,
12 LET ME STRESS, WE HAVE NOT CLOSED THE TRANSACTIONS.
13 WE HAVEN'T MARKETING BARRELS OF CRUDE. WE'RE STILL
14 DEVELOPING A MARKETING STRATEGY. WE'VE VISITED WITH
15 ALL THE REFINERS WHO COULD PHYSICALLY TAKE AND
16 REFINE THE CRUDE.

17 I THINK THEY HAVE SOME CONCERNS, AND WHEN
18 WE WERE APPRISED BY YOUR STAFF OF THESE CONCERNS, WE
19 TOOK NOTE AND HAD A SENIOR OFFICER OF OCCIDENTAL
20 WRITE A LETTER STATING THAT WE'D BE WILLING TO SAY
21 THAT 40 PERCENT OF THE CRUDE WE WILL BE SELLING ON A
22 SHORT-TERM BASIS FOR AT LEAST TWO YEARS.

23 WE FELT LIKE WE HANDCUFFED OURSELVES
24 ALREADY FOR TWO YEARS WITHOUT EVEN KNOWING WHAT OUR
25 MARKETING STRATEGY REALLY EVEN IS. BUT WE FELT THAT

1 WE COULD LIVE WITH THAT FOR TWO YEARS.

2 YOU SAW HOW THE MARKETS ARE. 200 PERCENT
3 IN OIL CHANGE OVER THE LAST TWO MONTHS. AND SO IT'S
4 DIFFICULT FOR US TO FORESEE WHAT MIGHT HAPPEN MORE
5 THAN TWO YEARS.

6 AND WE WANT TO CONTINUE TO DO BUSINESS
7 WITH THE PEOPLE WHO WANT TO PAY THE VALUE FOR THE
8 OIL, AND WE FEEL IT'S IN THE BEST INTEREST OF
9 OCCIDENTAL AND THE OTHER LONG BEACH UNIT PARTNERS TO
10 DO THAT.

11 MR. BUSTAMANTE: IS THIS -- THIS IS, THEN, A
12 VOLUNTARY ACTION ON THEIR PART THAT IS NOT
13 ASSOCIATED WITH THE LEASE; IS THAT CORRECT?

14 MR. THAYER: YES, SIR. IT'S NOT CONTAINED IN
15 ANY CONDITIONS OF THE LEASE.

16 CHAIRPERSON CONNELL: I THINK THAT'S WHAT THE
17 ATTORNEY GENERAL JUST SPOKE TO. THAT YOU CANNOT PUT
18 THAT CONDITION IN BECAUSE IT'S AN ASSIGNMENT OF A
19 LEASE, AND IT WOULD BE A VIOLATION OF THE TERMS OF
20 THE ARCO LEASE.

21 MR. BUSTAMANTE: SO ARE THEY -- YOU COULD
22 CHANGE YOUR MIND NEXT MONTH?

23 SPEAKER: I THINK WE HAVE A PRETTY BINDING
24 LETTER FROM A SENIOR OFFICER OF THE COMPANY THAT
25 STATES EXACTLY WHAT WE'LL DO. AND I KNOW THE STATE

1 LANDS STAFF, LEGAL STAFF, HAS LOOKED AT THAT. THEY
2 COULD COMMENT ON THAT.

3 MR. THAYER: DID YOU WANT TO HEAR FROM THE
4 STAFF?

5 MR. BUSTAMANTE: IS TWO YEARS BINDING IN ANY
6 WAY?

7 SPEAKER: MY NAME IS RICK LUDLOW, ASSISTANT
8 CHIEF COUNSEL, STATE LANDS COMMISSION.

9 UNDER THE CIRCUMSTANCES OF THIS
10 TRANSACTION, IT'S A WRITTEN DOCUMENT, AND WE WILL
11 HOLD THEM TO THAT REPRESENTATION.

12 CHAIRPERSON CONNELL: OKAY. CAN WE HAVE A
13 MOTION ON THIS ITEM, PLEASE?

14 MR. BUSTAMANTE: MOVE.

15 MS. PORINI: MOVED.

16 CHAIRPERSON CONNELL: IT'S SECONDED. THAT'S A
17 UNANIMOUS ACTION TO APPROVE THE ASSIGNMENT OF THE
18 LONG BEACH OIL FIELD FROM ARCO TO OCCIDENTAL
19 PETROLEUM.

20 WE ARE -- NOW, THAT CONCLUDES, I BELIEVE,
21 THE REGULAR CALENDAR; IS THAT CORRECT?

22 MR. THAYER: EXCEPT, MADAME CHAIR, OF COURSE,
23 WE NEED TO RETURN TO --

24 CHAIRPERSON CONNELL: ITEM 63, 64, AND 65. ALL
25 RIGHT.

1 WE WILL NOW MOVE TO ITEM 63.

2 MR. THAYER?

3 MR. THAYER: I WOULD CALL ON DAVE PLUMBER TO
4 PRESENT THESE ITEMS. I THINK WE'RE GOING TO PRESENT
5 THESE ALL AT THE SAME TIME BECAUSE OF THE ISSUES
6 INVOLVED.

7 I WOULD ASK DAVE TO PLEASE MAKE HIS
8 COMMENTS AS CONCISE AS POSSIBLE.

9 CHAIRPERSON CONNELL: AND WE DO HAVE A NUMBER
10 OF SPEAKERS ON THIS ITEM. I WILL CALL UPON YOU
11 FOLLOWING THE STAFF PRESENTATION.

12 SPEAKER: MADAME STAFF, COMMISSIONERS, MY NAME
13 IS DAVE PLUMBER. I'M A REGIONAL MANAGER WITH THE
14 LAND MANAGEMENT DIVISION.

15 THERE ARE THREE ITEMS BEFORE YOU: ITEM
16 63, 64, AND 65. FOR YOUR CONSIDERATION, IT ALL
17 INVOLVES WILLIAMS FIBER OPTIC NETWORK OF CALIFORNIA.

18 THE OVERALL CALIFORNIA NETWORK INCLUDES
19 11 ROUTES AND ITEMS BEFORE YOU TODAY INVOLVE TWO
20 ROUTES.

21 ITEMS NO. 64 AND 65 INVOLVE APPLICATION
22 FOR PERMITS TO USE SOVEREIGN LANDS.

23 ITEM 64 RECOMMENDS APPROVAL WITH PERMIT
24 FOR A TELEPHONE RIGHT-OF-WAY FOR A CROSSING OVER THE
25 AMERICAN RIVER IN SACRAMENTO, WHICH IS A PORTION OF

1 THE ROUTE FROM SACRAMENTO TO THE NEVADA BORDER.

2 THE PERMIT WILL ALLOW THE ATTACHMENT OF
3 THEIR TEN-INCH CONDUIT, INSTALLATION OF THREE
4 INTERDUCTS AND ONE FIBER OPTIC CABLE TO BE ATTACHED
5 TO THE EXISTING UNION PACIFIC RAILROAD BRIDGE.

6 ITEM 65 INVOLVES THE RIVERSIDE ARIZONA
7 ROUTE, WHICH INVOLVES A CROSSING THAT WILL BE
8 INSTALLED THROUGH DIRECTIONAL BORING UNDER THE
9 COLORADO RIVER. IT WILL CONTAIN AN EIGHT-INCH
10 CONDUIT, THREE INTERDUCTS, AND ONE FIBER OPTIC
11 CABLE.

12 BASED ON THE INFORMATION PROVIDED AND THE
13 REPRESENTATIONS MADE BY THE APPLICANTS, STAFF
14 BELIEVES THAT WILLIAMS COMMUNICATIONS IS ENTITLED TO
15 RENT FREE PERMITS FOR THESE TWO CROSSINGS UNDER 7901
16 OF THE PUBLIC UTILITIES CODE.

17 ITEM 63 INVOLVES AN APPLICATION FOR THE
18 USE OF SCHOOL LANDS. WILLIAMS COMMUNICATIONS
19 PROPOSES TO INSTALL AN EIGHT-INCH CONDUIT ALONG WITH
20 THREE INTERDUCTS AND A FIBER OPTIC CABLE WITHIN AN
21 EXISTING 12-INCH DIAMETER THAT RUNS FOR A TOTAL
22 LENGTHS OF 350 MILES.

23 THE SECTION OF PIPELINE THAT IS THE
24 SUBJECT OF THIS ITEM CROSSES APPROXIMATELY TWO MILES
25 OF STATE-OWNED LANDS. THIS PIPELINE, ALONG WITH A

1 20-INCH PIPELINE, ARE CURRENTLY UNDER LEASE TO SFPP
2 FOR USE TO TRANSPORT PETROLEUM PRODUCTS.

3 CURRENTLY, THE 12-INCH LINE IS IDLE AND
4 AVAILABLE TO BE USED AS A FIBER OPTIC CONDUIT.

5 STAFF ALSO RECOMMENDS OR STAFF PROPOSES
6 TO DELETE THE 12-INCH PIPELINE FROM THE EXISTING
7 LEASE AND TO ISSUE A NEW LEASE ALLOWING FOR ITS USE
8 OF THE FIBER OPTIC CONDUIT.

9 STAFF ALSO RECOMMENDS THAT SFPP BE
10 AUTHORIZED TO SUBLEASE TO WILLIAMS COMMUNICATION FOR
11 FIBEROPTICS USE CONSISTENT WITH THE TERMS AND
12 CONDITIONS OF THE PROPOSED NEW LEASE SFPP.

13 THE 12-INCH PIPELINE IS CURRENTLY SUBJECT
14 TO AN EXISTING ENCUMBRANCE AGREEMENT, AND STAFF
15 RECOMMENDS THAT THE NEW LEASE BE MADE SUBJECT TO AND
16 IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THAT
17 ENCUMBRANCE AGREEMENT.

18 THE PUBLIC UTILITIES COMMISSION, AS THE
19 LEAD AGENCY, PREPARED AND ADOPTED A MITIGATED
20 NEGATIVE DECLARATION AND MITIGATION MONITORING PLAN
21 FOR THE WILLIAMS COMMUNICATION CALIFORNIA FIBER
22 OPTIC NETWORK.

23 THE COMMISSION IS A RESPONSIBLE AGENCY
24 UNDER CEQA AND MUST USE THE LEAD AGENCY'S DOCUMENT.
25 IN CONJUNCTION WITH THE DOCUMENTATION, STAFF

1 OBTAINED AND ANALYZED ADDITIONAL INFORMATION THROUGH
2 OUR LEASE APPLICATION PROCESS.

3 STAFF CREATED CONDITIONS IN OUR LEASE AND
4 PERMITS TO ENSURE THAT THE PROJECT BEFORE THE
5 COMMISSION IS GOVERNED BY PROPER ENGINEERING
6 ENVIRONMENTAL STANDARDS.

7 THE COMMISSION HAS RECENTLY RECEIVED
8 CORRESPONDENCE REGARDING THE APPROPRIATENESS OF THE
9 MITIGATED NEGATIVE DECLARATION THAT WAS ADOPTED FOR
10 THIS PROJECT BY THE CALIFORNIA PUBLIC UTILITIES
11 COMMISSION.

12 STAFF HAS REVIEWED THE CONCERNS RAISED IN
13 THAT CORRESPONDENCE AND HAS CONSULTED WITH THE
14 OFFICE OF THE ATTORNEY GENERAL.

15 BASED UPON THE RESULT OF OUR LEASE
16 APPLICATION PROCESS AND OF OUR CONSULTATION WITH THE
17 ATTORNEY GENERAL'S OFFICE, STAFF BELIEVES THAT ANY
18 POTENTIAL ENVIRONMENTAL IMPACTS ASSOCIATED WITH
19 THESE PERMITS AND LEASE HAVE BEEN ADDRESSED AND THAT
20 THE MATTER IS CORRECTLY BEFORE YOU TODAY AND THAT
21 THERE IS NO BAR TO THE COMMISSION ACTING ON THESE
22 LEASES AT THIS TIME.

23 THEREFORE, STAFF RECOMMENDS THE
24 COMMISSION APPROVAL OF THE ITEMS AS PRESENTED.

25 CHAIRPERSON CONNELL: THANK YOU.

1 I'M GOING TO GO TO THOSE WHO REQUEST AN
2 OPPORTUNITY TO SPEAK.

3 JAMES POWERS FROM WILLIAMS
4 COMMUNICATIONS, FOLLOWED BY KENNETH BOGDEN FROM
5 WILLIAMS COMMUNICATION, AND THEN MICHAEL --

6 SPEAKER: SCHIWERGER.

7 CHAIRPERSON CONNELL: THANK YOU.

8 (CONTINUING) -- FROM KENDER MORGAN.

9 MR. THAYER: GENTLEMEN, MADAME CHAIR, IF I
10 COULD, MY UNDERSTANDING IS THAT A REPRESENTATIVE
11 FROM CATELLUS'S -- THAT'S THE ORGANIZATION THAT
12 CAUSES THE ITEM TO BE REMOVED -- IS NOT PRESENT.

13 SO I'M NOT SURE IF YOU WOULD LIKE ME TO
14 SUMMARIZE THE CONCERNS THAT THEY'VE EXPRESSED AND
15 THEN THE WILLIAMS PEOPLE COULD RESPOND TO THAT, OR
16 HOW YOU'D LIKE TO PROCEED. IN EFFECT, THERE'S NO
17 OPPOSITION HERE, OTHER THAN THE LETTERS THAT YOU'VE
18 RECEIVED.

19 CHAIRPERSON CONNELL: CATELLUS IS NOT HERE?

20 MR. THAYER: IS NOT HERE.

21 CHAIRPERSON CONNELL: DID THEY KNOW ABOUT THE
22 MEETING?

23 MR. THAYER: YES. THEY HAD AN ATTORNEY HERE
24 EARLIER TODAY WHO SAID HE COULDN'T STAY FOR THE
25 MEETING AT ALL. HE WAS HERE AROUND 9:00 O'CLOCK.

1 CHAIRPERSON CONNELL: YES. WELL, WHY DON'T YOU
2 SUMMARIZE THEIR CONCERNS, AND THEN WE'LL GO TO THE
3 PEOPLE WHO ARE HERE.

4 MR. THAYER: VERY BRIEFLY, THEIR CONCERN,
5 BASICALLY, IT'S THAT THEY BELIEVE THAT THE CEQA
6 CLIENTS BY THE PUBLIC UTILITIES COMMISSION WAS NOT
7 ADEQUATE FOR A VARIETY OF REASONS.

8 THEY FILED A COMPLAINT WITH THE PUBLIC
9 UTILITIES COMMISSION ASKING THEM TO INVALIDATE THE
10 PREVIOUS APPROVAL BOTH OF THE CEQA DOCUMENT AND OF
11 THE PROJECT ITSELF.

12 CATELLUS HAS ASKED THAT THE COMMISSION
13 TODAY, CONTINUE THIS MATTER WITHOUT MAKING A
14 DECISION UNTIL THIS MATTER'S BEEN RESOLVED AS TO THE
15 CEQA COMPLIANCE OF THE PUBLIC UTILITIES COMMISSION.

16 WE HAVE CONSULTED WITH THE ATTORNEY
17 GENERAL'S OFFICE ON THESE ISSUES, AND MY
18 UNDERSTANDING -- DENNIS COULD SPEAK TO IT IF HE'D
19 LIKE TO -- IS THAT WE DO NOT BELIEVE THE ISSUES
20 RAISED BY CATELLUS BAR THE COMMISSION FROM
21 PROCEEDING TODAY.

22 CHAIRPERSON CONNELL: DENNIS, DO YOU WISH TO
23 SPEAK TO THAT POINT?

24 MR. EAGAN: YES. WE UNDERSTAND THAT CATELLUS'S
25 POSITION IS TWOFOLD: ONE, THEY SAY THE PROJECT HAS

1 CHANGED FROM WHAT IT WAS BEFORE THE PUBLIC UTILITIES
2 COMMISSION, AND THAT IS A CIRCUMSTANCE THAT WOULD
3 REQUIRE THIS COMMISSION TO EITHER DO ITS OWN
4 NEGATIVE DECLARATION OR A FULL-BLOWN EIR ON THE
5 ENTIRE PROJECT, NOT JUST THE THREE CROSSOVERS THAT
6 WE'RE CONCERNED WITH HERE.

7 IT APPEARS FROM THE CORRESPONDENCE THAT
8 THAT CONTENTION IS BASED UPON THE NATURE OF THE
9 PROPERTY RIGHTS, WHICH WILLIAMS IS ATTEMPTING TO
10 OBTAIN IN VARIOUS CONDEMNATION ACTIONS, ONE OF WHICH
11 IS DIRECTLY AGAINST CATELLUS.

12 WE HAVE LOOKED AT THAT, AND IT APPEARS TO
13 BE, TO US, A GARDEN VARIETY CONDEMNATION ACTION IN
14 TERMS OF THE PROPERTY RIGHTS THAT ARE BEING SOUGHT
15 AND IN NO WAY REPRESENTS A CHANGE IN THE ACTION OF
16 THE PROPOSED PROJECT, AS FAR AS APPEARS FROM WHAT WE
17 HAVE BEEN PROVIDED BY CATELLUS.

18 MR. BUSTAMANTE: SIMPLY PUT, YOU DON'T BELIEVE
19 THAT THE ARGUMENT HAS MERIT?

20 MR. EAGAN: YES.

21 CHAIRPERSON CONNELL: OKAY.

22 NOW, JAMES, WOULD YOU LIKE TO BEGIN?

23 SPEAKER: YES. WELL, I'M GOING TO BE VERY
24 BRIEF.

25 CHAIRPERSON CONNELL: I APPRECIATE THAT, JAMES.

1 SPEAKER: I'M REALLY HERE ONLY TO RESPOND TO
2 THE COMPLAINTS OF CATELLUS, AND SINCE THEY AREN'T
3 HERE PRESENTING THEM, I'M NOT GOING TO TAKE UP THIS
4 COURT'S TIME WITH IT.

5 FUNDAMENTALLY, THERE ARE THREE
6 CONDEMNATION ACTIONS INVOLVING CATELLUS AND SOME
7 RELATED COMPANIES.

8 THEY BASICALLY TOLD WILLIAMS TO PAY THEM
9 \$120,000, THAT THEY'D GO TO THE CPUC AND RAISE AS
10 MUCH TROUBLE AS POSSIBLE, BUT THEY'D GO AWAY IF THEY
11 GOT PAID, AND THEY'RE HERE, AND AS WE SEE IT, THEIR
12 POSITION HAS NO MERIT, AND UNLESS THERE ARE SOME
13 QUESTIONS RAISED, I DON'T PROPOSE TO TAKE ANY MORE
14 OF THE COMMISSION'S TIME.

15 CHAIRPERSON CONNELL: I APPRECIATE THAT.

16 KENNETH?

17 SPEAKER: I'M KENNETH BOGDEN. I DON'T NEED TO
18 SPEAK.

19 CHAIRPERSON CONNELL: I TELL YOU, I'M IMPRESSED
20 BY WILLIAMS COMMUNICATION, JUST BY THE BREVITY OF
21 YOUR COMMENTS.

22 MOVING ON, MICHAEL.

23 SPEAKER: SAME HERE.

24 CHAIRPERSON CONNELL: FINE. WE NOW, THEN, HAVE
25 THE MATTER BEFORE US. DO I HAVE A MOTION ON THIS

1 MATTER?

2 MS. PORINI: MAY I JUST MAKE ONE COMMENT?

3 CHAIRPERSON CONNELL: YES.

4 MS. PORINI: FOR THE RECORD, I'M SORRY THAT
5 CATELLUS ISN'T HERE, BECAUSE I WAS A LITTLE
6 CONCERNED ABOUT THE LETTERS WE RECEIVED. I
7 APPRECIATE THE ATTORNEY GENERAL'S CLARIFICATION ON
8 THAT, BUT I WOULD HAVE LIKED TO HAVE HEARD FROM THE
9 COMPANY.

10 MR. BUSTAMANTE: AND JUST, THERE IS ALWAYS
11 CONCERN, AS I RAISE WITH STAFF, ANY TIME ISSUES OF
12 WATER CROSSINGS AND SUCH ARE IN PROGRESS, AND SINCE
13 STAFF HAS ASSURED ME THAT THOSE ISSUES HAVE BEEN
14 REVIEWED AND DISPENSED WITH, I'LL MAKE A MOTION TO
15 MOVE FORWARD ON THIS.

16 CHAIRPERSON CONNELL: FINE. IT'S BEEN MOVED
17 AND -- ARE YOU GOING TO SECOND?

18 MS. PORINI: I AM GOING TO ABSTAIN ON THE
19 MATTERS.

20 CHAIRPERSON CONNELL: WELL, THEN, I WILL SECOND
21 IT.

22 IT'S BEEN MOVED AND SECONDED, AND IT WILL
23 BE PASSED WITH A MAJORITY OF THE COMMISSION.

24 ALL RIGHT. I HAVE A NUMBER OF PEOPLE,
25 MR. THAYER, WHO WISH TO SPEAK IN THE PUBLIC COMMENT

1 SESSION. IS THAT APPROPRIATE AT THIS POINT?

2 MR. THAYER: YES, IT IS.

3 THE ONLY OTHER ITEM WE HAVE ON THE AGENDA
4 IS THE CLOSED SESSION REGARDING THAT ONE ITEM. I'M
5 NOT SURE WHAT ALL THESE PEOPLE WANT TO SPEAK TO.

6 CHAIRPERSON CONNELL: IN FACT, THAT IS WHAT I'M
7 GOING TO ASK TO. I'VE NEVER RECEIVED SO MANY
8 REQUESTS FOR SPEAKING WITHOUT ANY SPECIFIC COMMENT
9 BEFORE.

10 BUT GIVEN OUR REQUIREMENT, AND THAT WE
11 ARE PLEASED TO ALWAYS ALLOW MEMBERS OF THE PUBLIC TO
12 SPEAK, PERHAPS THEY WISH TO SPEAK TO US BECAUSE WE
13 ARE NOW IN SOUTHERN CALIFORNIA.

14 WE WILL CALL THEM FORWARD ONE AT A TIME.

15 I WILL LIMIT YOU SEVERELY TO THE THREE
16 MINUTES.

17 MR. THAYER: I WOULD JUST SUGGEST THAT I
18 SUSPECT THESE HAVE TO DO WITH THE SAME CONCERN THAT
19 MR. DENEVAN RAISED TO THE COMMISSION, THE
20 DEVELOPMENT IN LONG BEACH.

21 CHAIRPERSON CONNELL: LET US START WITH LIZ.

22 SPEAKER: THANK YOU. I'M HERE --

23 CHAIRPERSON CONNELL: LIZ, JUST A MOMENT,
24 PLEASE. AFTER LIZ WILL BE LESTER DENEVAN, AND
25 FOLLOWING LESTER WILL BE DON MAY:

1 SPEAKER: MY NAME IS LIZ GARHOLY, AND I'D LIKE
2 TO TALK ABOUT THE DECISION YOU MADE AT THE END OF
3 NOVEMBER ON NOT TO LET THE FEDERAL GOVERNMENT HAND
4 OVER EL TORO TO ORANGE COUNTY.

5 I'M VERY DISAPPOINTED WITH THE 2-1 VOTE.
6 I'M PARTICULARLY DISAPPOINTED WITH YOUR NEGATIVE
7 VOTE, MR. BUSTAMANTE, SEEING AS MY TOWN HAS GIVEN MY
8 MAYOR, MIKE GORDON, OVER A MILLION DOLLARS TO STOP
9 LAX EXPANSION AND DEVELOP A REGIONAL APPROACH. HE
10 BRAGS ABOUT BEING A PERSONAL FRIEND OF YOURS.

11 HOWEVER, NONE OF THIS MONEY WAS USED TO
12 EDUCATE YOU ON THE VOTE. I MAKE THAT STATEMENT
13 BECAUSE ON PAGE 53 OF THE COURT REPORTER'S DOCUMENT,
14 WHICH IS AT MY HOME, YOU STATE THAT YOU --

15 MR. BUSTAMANTE: EXCUSE ME, WHO'S THE MAYOR?

16 SPEAKER: GORDON. OH, PARDON ME, MIKE GORDON.

17 MR. BUSTAMANTE: MIKE GORDON. PERSONAL FRIEND.

18 SPEAKER: PERSONAL FRIENDS. TALKS ABOUT IT ALL
19 THE TIME.

20 ON PAGE 53, YOU STATED YOUR VOTE WAS
21 GOING TO BE "NO" BECAUSE YOU WERE NOT WELL INFORMED
22 ON THE MATTER, AND WHAT UPSETS ME -- AND I'M UPSET
23 WITH MY TOWN AND MY MAYOR -- IS -- IS WE GAVE HIM
24 OVER A MILLION DOLLARS TO EDUCATE PEOPLE ON THE
25 REGIONAL APPROACH, AND HE FAILED TO EDUCATE YOU.

1 I'M REALLY UPSET ABOUT THAT.

2 ACCORDING TO -- BUT I WOULD LIKE TO THANK
3 MS. CONNELL FOR YOUR "YES" VOTE IN HANDING IT TO THE
4 FEDERAL GOVERNMENT TO HAND OVER EL TORO TO ORANGE
5 COUNTY. THANK YOU VERY MUCH.

6 CHAIRPERSON CONNELL: THANK YOU.

7 I AM NOW ON, I BELIEVE, LESTER DENEVAN.

8 HI, LESTER. IT'S NICE TO SEE YOU AGAIN.
9 LESTER, WOULD YOU KEEP YOUR COMMENTS BRIEF AS WELL.

10 SPEAKER: YES. MY NAME IS LESTER DENEVAN,
11 PRESIDENT OF THE CITY OF LONG BEACH.

12 I AM CONCERNED ABOUT THE QUEENS WAY BAY
13 PROJECT, WHICH I'LL JUST MENTION VERY BRIEFLY TODAY.

14 THE DETAILS ARE IN THIS LETTER THAT I'LL
15 HAND OUT TO YOU IN ANTICIPATION THAT THERE WILL BE A
16 PUBLIC HEARING ON THIS WITHIN A REASONABLE AMOUNT OF
17 TIME.

18 CAN I PASS THESE AROUND?

19 CHAIRPERSON CONNELL: DO WE KNOW WHEN THE
20 PUBLIC HEARING WILL BE, PAUL?

21 MR. THAYER: I BELIEVE, AS MR. DENEVAN WILL
22 SAY, HE'S CONCERNED ABOUT WHAT USES ARE OCCURRING OF
23 THE LONG BEACH TRUST LANDS AND HAS REQUESTED THAT WE
24 HAVE A HEARING.

25 THAT'S STILL AT THE DISCRETION OF THE

1 COMMISSION AS TO WHETHER THEY WANT TO PROCEED, AND
2 AS A STAFF, WE'VE BEEN IN DISCUSSIONS WITH THE
3 ATTORNEY GENERAL'S OFFICE IN ORDER TO DEVELOP SOME
4 ADVICE FOR THE COMMISSION AS TO WHETHER OR NOT THEY
5 WANT TO HOLD THIS HEARING.

6 THE COMMISSION DOES NOT HAVE ANY SPECIFIC
7 JURISDICTION OVER THIS DEVELOPMENT. WE'VE ASKED,
8 AND SO ANY HEARING THAT WE WOULD HOLD WOULD BE
9 EMOTIONAL.

10 THE ONLY RECOURSE THE COMMISSION WOULD
11 HAVE, IF IT AGREED WITH MR. DENEVAN THAT THE USES
12 WERE INAPPROPRIATE, WOULD BE TO SUE LONG BEACH.

13 CHAIRPERSON CONNELL: CONTINUE, MR. DENEVAN.

14 SPEAKER: HERE IS MY --

15 MR. BUSTAMANTE: WE CAN DO THAT WITHOUT
16 JURISDICTION.

17 MR. THAYER: THE ONLY OVERSIGHT THAT WE WOULD
18 HAVE WOULD BE THE GENERAL OVERSIGHT THAT WE HAVE
19 OVER PUBLIC TRUST LANDS THAT ENABLES US TO GO TO
20 COURT WHERE A GRANTEE, AS WE ARE DOING IN THE COURT
21 OF LOS ANGELES LITIGATION. WE DON'T HAVE AN
22 ADMINISTRATIVE OVERSIGHT.

23 SPEAKER: THIS A HUNDRED MILLION DOLLAR PROJECT
24 ON THE STATE, AND I CAN'T UNDERSTAND WHY THIS WOULD
25 NOT GO TO THE COMMISSION FOR REVIEW.

1 I AM WORRIED ABOUT AND CONCERNED ABOUT
2 THE LACK OF OVERSIGHT ON THE PROJECT IN SACRAMENTO.

3 I HAVE TALKED TO THE STAFF AT LENGTH HERE
4 ABOUT THE PROJECT, AND I LEARNED THAT THERE HAS BEEN
5 NO REQUEST BY THE CITY FOR REVIEW BY THE LANDS
6 COMMISSION, AND THERE ARE NO FILES ON THIS PROJECT
7 IN LONG BEACH, IN SACRAMENTO WITH THE LANDS
8 COMMISSION STAFF.

9 NO RECORDS. NO PUBLIC DISCOURSE, AND I'M
10 CONCERNED ABOUT THE PROCESS.

11 ALSO, THE PROJECT IS COMING TO A HEAD.
12 ACCORDING TO THE NEWSPAPER IN LONG BEACH, THEY WANT
13 TO START CONSTRUCTION IN SEVERAL WEEKS.

14 SO I'D LIKE TO ASK THE LAND COMMISSION TO
15 CONSIDER A CONDITION PROPOSED ON THE CITY OF LONG
16 BEACH BY THE COASTAL COMMISSION, AND THAT'S
17 CONDITION NUMBER 25, WHICH STATES THAT:

18 "PRIOR TO ISSUANCE OF THE COASTAL
19 DEVELOPMENT PERMIT, THE APPLICANTS SHALL
20 PROVIDE WRITTEN DOCUMENTATION TO THE
21 EXECUTIVE DIRECTOR, INCLUDING SPECIFIC
22 CITATION OF THE RELEVANT SECTION OF THE
23 APPLICABLE STATE LANDS GRANT, SPECIFICALLY
24 DEMONSTRATING THAT THE PROPOSED PROJECT IN
25 ITS ENTIRETY IS CONSISTENT. THE TERMS AND

1 CONDITIONS OF THE LEGISLATURE'S GRANT OF
2 THIS PORTION OF DOWNTOWN INTO THE CITY OF
3 LONG BEACH."

4 IN CONCLUSION, I'D LIKE TO LEAVE THIS
5 QUESTION FOR YOU AND YOUR STAFF, CONCERNING THIS
6 MATTER, THAT ACCORDING TO RICK LUDLOW, LONG BEACH IS
7 NOT REQUIRED TO NOTIFY THE LANDS COMMISSION OF THE
8 PROPOSED PROJECTS OF THE COASTAL ZONE.

9 I CAN'T UNDERSTAND THE RELATIONSHIP OF
10 THE LANDS COMMISSION TO THESE LARGE PROJECTS IN LONG
11 BEACH.

12 THANK YOU.

13 CHAIRPERSON CONNELL: THANK YOU, LESTER.

14 PAUL, WOULD YOU RESPOND.

15 AND COULD WE HAVE OUR NEXT SPEAKER COMING
16 FORWARD.

17 MR. THAYER: WE ARE SIMPLY REVIEWING THE
18 PROJECT TO DETERMINE WHETHER OR NOT MR. DENEVAN'S
19 CONCERNS ABOUT THE CONSISTENCY OF THAT PROJECT WITH
20 A LEGISLATIVE GRANT ARE VALID.

21 BUT AS I SAID EARLIER, WE'RE DOING THAT
22 FROM THE PERSPECTIVE OF OUR GENERAL OVERSIGHT,
23 RESPONSIBILITY OVER STATE TIDE LANDS.

24 BUT THE TERMS OF THE LEGISLATIVE GRANT
25 AND THE LEGISLATURE, IN EFFECT, TRANSFER THIS

1 PROPERTY FOR MANAGEMENT AND DEVELOPMENT TO THE CITY
2 AND LEFT NO ROLE, FORMAL ROLE, FOR THE STATE LANDS
3 COMMISSION TO BE INVOLVED IN A REVIEW OR
4 ADMINISTRATIVE WAY.

5 WE DID LOOK AT THE ENVIRONMENTAL IMPACT
6 REPORT WHICH CAME IN ON THAT. THE PROPOSAL HAS GONE
7 THROUGH THE COASTAL COMMISSION WHERE IT HAS BEEN
8 APPROVED.

9 AGAIN, OUR RESPONSIBILITY IS CERTAINLY TO
10 RESPOND TO THIS KIND OF INPUT FROM THE PUBLIC WHERE
11 THERE IS SOME DOUBT BECAUSE WE HAVE THIS OVERALL
12 RESPONSIBILITY, AND WE'LL CONTINUE WITH THAT REVIEW.

13 BUT IN TERMS OF ANY SPECIFIC REQUIREMENTS
14 THAT IS TO BE BROUGHT TO THE LANDS COMMISSION, THERE
15 IS NONE, AND WE HAVE NO AUTHORITY OTHER THAN IF WE
16 FEEL THERE'S BEEN AN ABUSE TO TAKE LONG BEACH TO
17 COURT.

18 CHAIRPERSON CONNELL: THANK YOU. I APPRECIATE
19 THAT.

20 SPEAKER: YES. I WILL BE QUICK.

21 CHAIRPERSON CONNELL: COULD SOMEBODY DEAL WITH
22 THE AIR CONDITIONING? I THINK THE COMMISSIONERS ARE
23 GETTING COLD UP HERE. MAYBE IT'S BECAUSE FEWER
24 BODIES ARE IN THE ROOM, AND WE'RE NOT HAVING HEAT.

25 SPEAKER: I CERTAINLY HOPE THIS ISSUE WARMS YOU

1 UP A TAD.

2 IF YOU'RE CORRECT, THIS LEAVES THE CITY
3 IN A VERY DIFFICULT POSITION.

4 CALIFORNIA EARTH CORPS HAS A COUPLE
5 PREOCCUPATIONS, ONE OF WHICH IS WITH PUBLIC TRUST
6 DOCTRINE. THE SECOND IS WITH THE COASTAL
7 COMMISSION. BOTH OF THOSE ARE RAISED IN THIS ISSUE.

8 THE COMMISSION, INDEED, HAS ISSUED A
9 PERMIT, BUT IT'S CONDITIONAL UPON APPROVAL BY YOUR
10 ORGANIZATION OR YOUR AGENCY, AS IN THE PRIOR ISSUE
11 THAT WAS BEFORE YOU, WHERE YOU PUT A CONDITION ON
12 MONTEREY BAY.

13 THAT SAYS "PROPOSED PROJECTS, PUBLIC
14 SERVING." THAT'S TRUE, BUT IT'S NOT OCEAN RELATED,
15 WHICH IS ANOTHER'S REQUIREMENT. IN THE SENSE THAT
16 IT'S VISITOR, SERVING STATE LANDS COMMISSION HAS
17 REVIEWED THE PROPOSED PROJECT.

18 INDEED, HAVE YOU? IT DOESN'T SEEM TO BE
19 ANYTHING CONSISTENT WITH CITY TIDE LANDS GRANTS PART
20 OF THE EIR.

21 I UNDERSTAND YOU HAVEN'T REALLY LOOKED AT
22 LAND USE, WHICH IS THE ISSUE HERE.

23 SECOND, THEY RAISE SOME CONCERNS ABOUT
24 PUBLIC TRUST DOCTRINE. WE DO FEEL THAT THERE IS A
25 REQUIREMENT THAT THIS COMMISSION ACT FORMALLY TO

1 APPROVE THIS AS A CONDITION OF THE COASTAL PERMIT.

2 THEREFORE -- AND WE THINK THERE ARE
3 SIGNIFICANT ISSUES RAISED, PARTICULARLY WITH PUBLIC
4 TRUST DOCTRINE OF LAND USE AS APPLIES TO THE TOWN
5 LOT SECTION THAT YOU SAW JUST BEFORE -- I SAW A NICE
6 MAP.

7 THEREFORE, WE WOULD ASK YOU TO AGENDIZE
8 THIS ITEM, AND, FURTHER, THAT IT BE AGENDIZED FOR
9 THE NEXT TIME YOU'RE BACK IN SOUTHERN CALIFORNIA,
10 WHERE WE MIGHT HAVE A LITTLE EASIER OPPORTUNITY TO
11 APPEAR BEFORE YOU.

12 CHAIRPERSON CONNELL: THANK YOU.

13 AND BRUCE? BRUCE MONROE?

14 SPEAKER: YES. THANK YOU. GOOD MORNING. MY
15 NAME IS BRUCE MONROE. I'M A RESIDENT OF SEAL BEACH.
16 I'M SPOKESPERSON TODAY FOR THE SIERRA CLUB.

17 THE PROJECT THAT'S UNDER CONSIDERATION IN
18 LONG BEACH HAS CHANGED SUBSTANTIALLY OVER THE YEARS,
19 AND WE AT THE SIERRA CLUB AND SEVERAL THOUSAND
20 MEMBERS HAVE CONCERN THAT THEY HAVEN'T HAD
21 SUFFICIENT OPPORTUNITY FOR PUBLIC COMMENT, AND WE
22 ARE HOPING THAT YOU WILL ELEVATE THIS MATTER TO A
23 STATEWIDE CONCERN.

24 WE CONSIDER IT A REGIONAL RESOURCE AND
25 ARE CONCERNED ABOUT A NUMBER OF MATTERS, BOTH IN THE

1 COASTAL ACT AND OTHER STATE LAWS.

2 THANK YOU.

3 CHAIRPERSON CONNELL: THANK YOU.

4 NOW, WE HAVE MARK WILDER, AND FOLLOWING
5 MARK, WE'LL HAVE ADREA STOKER AND THEN DIANA MANN.

6 SPEAKER: THANK YOU, LADIES AND GENTLEMEN. MY
7 NAME IS MARK WILDER. I'M A RESIDENT OF THE CITY OF
8 LONG BEACH, FORMER CITY COUNCILMAN FOR THE DOWNTOWN
9 AND VICE MAYOR OF THE CITY OF LONG BEACH.

10 I RESPECT THAT YOU HAVE GENERAL
11 OVERSIGHT, BUT THE CITY OF LONG BEACH IS IN A TRUST
12 SITUATION. WE HAVE A TRUST FUND, AND ACCORDING TO
13 THREE CITY MANAGERS OF THE CITY OF LONG BEACH, I
14 QUOTE, "THE TIDE LANDS TRUST IS BROKE. IS BANKRUPT.
15 HAS NO FUNDS. DOESN'T KNOW WHAT TO DO," UNQUOTE.

16 THE FIDUCIARY RESPONSIBILITY OF THE CITY
17 OF LONG BEACH IS IN A RAMPART FINANCIAL SITUATION,
18 READY TO BREAK LOOSE.

19 FOR EXAMPLE, THE QUEEN MARY HAS \$173
20 MILLION OF PUBLIC FUNDS INVESTED IN IT, AND IT WAS,
21 ACCORDING TO THE CITY, IN SUCH A DILAPIDATED STATE
22 THAT WE LEASED IT, AND 44 ACRES OF LAND THAT IS
23 OVERSEEN BY THIS AGENCY, FOR \$250,000 A YEAR FOR THE
24 NEXT 66 YEARS FOR PRIVATE USE, WHICH INCLUDES, YOU
25 KNOW, THE WAVE OF THE HANDBOOK STORES AND

1 TOURIST-RELATED ACTIVITIES, \$250,000.

2 NOW, WHAT IS THE FIRST PROPOSAL UNDER THE
3 QUEEN MARY? TO TAKE A MAJOR CRUISE LINE FROM THE
4 PORT OF L.A. THAT'S PAYING INTO THE PUBLIC COFFERS
5 AND PAYING TARIFFS FOR OFFLOADING PASSENGERS AND
6 MOVING THAT SHIP OVER TO THE PRIVATE DOCK THAT IS
7 NOW THE QUEENS WAY BAY PROJECT. THE QUEEN MARY
8 PROJECT.

9 THAT'S THE KIND OF THING THAT'S HAPPENING
10 IN LONG BEACH, AND THE SHIPPING LINE IS SPECIFICALLY
11 THE CARNIVAL CRUISE LINE.

12 YOU HAVE AN AQUARIUM THAT'S ON THE LAND
13 THAT YOU OVERSEE. THAT IS \$450 MILLION IN DEBT. IT
14 IS UNDER THE GUIDANCE OF A PRIVATE CORPORATION. THE
15 AQUARIUM OF THE PACIFIC. IT'S A NONPROFIT
16 CORPORATION.

17 THEY ISSUED CLOSE TO \$200 MILLION IN
18 BONDS NOW THAT HAVE AN INDEBTEDNESS OF BETTER THAN
19 \$450 MILLION.

20 IT IS NOW ALREADY THROUGH THE RESERVE AND
21 ON THE VERGE OF BANKRUPTCY, IF I CAN BELIEVE THE
22 PRESS TELEGRAM WHICH SUPPORTS THEM A HUNDRED
23 PERCENT.

24 WE --

25 CHAIRPERSON CONNELL: SIR, I THINK YOUR TIME IS

1 UP.

2 SPEAKER: WE ARE IN A SHORT-SIGHTED OVERSIGHT,
3 AND I THINK THAT THE QUESTIONS NEED TO BE CALLED
4 INTO A PUBLIC VIEW.

5 CHAIRPERSON CONNELL: THANK YOU.

6 ADREA -- AM I SAYING THAT RIGHT?

7 SPEAKER: YES. MY NAME IS ADREA STOKER. I
8 LIVE IN LONG BEACH, AND I REPRESENT THE LONG BEACH
9 CHAPTER OF THE SURF RIDERS, AND I JUST WANT TO ECHO
10 THE FIRST THREE SPEAKERS. THANK YOU.

11 CHAIRPERSON CONNELL: THANK YOU.

12 I WANT ALL OF THE LONG BEACH RESIDENTS --
13 AND I KNOW THE AREA WELL. MY FAMILY AND I COME TO
14 LONG BEACH ABOUT ONCE A MONTH TO GO BIKING IN LONG
15 BEACH, SO IF YOU CAN GIVE US DIVERTED ROUTES, WE'D
16 APPRECIATE IT.

17 DIANA MANN. AND AFTER DIANA, WE'RE GOING
18 TO HAVE REGINA TAYLOR, AND THEN DIANA MANN.

19 YOU HAVE TWO DIANA MANN CARDS IN.

20 SPEAKER: THANK YOU. I'LL BE VERY BRIEF.

21 I CHAIR AN ORGANIZATION CALLED ECOLINK,
22 AND ECOLINK. IT IS A CONSORTIUM OF ENVIRONMENTAL
23 ORGANIZATIONS IN LONG BEACH, AND WE WILL DEFINITELY
24 ECHO THE CONCERNS OF THE PREVIOUS SPEAKERS, AND,
25 ALSO, WE'D LIKE TO REQUEST THAT IF WE DO HAVE A

1 HEARING, IT IS IN AN AREA WHERE THE ORGANIZATIONS OF
2 LONG BEACH CAN BE PRESENTED OR CAN EASILY PRESENT
3 THEIR CONCERNS OVER THOSE ISSUES.

4 THANK YOU.

5 CHAIRPERSON CONNELL: AND I BELIEVE REGINA,
6 YOU'RE THE LAST SPEAKER.

7 SPEAKER: YES.

8 CHAIRPERSON CONNELL: HAVE I LEFT ANYONE OFF ON
9 THE LIST?

10 SPEAKER: NO. REGINA TAYLOR. I'M A RESIDENT
11 OF LONG BEACH.

12 IN VIEW OF THE COMMENTS THAT HAVE BEEN
13 MADE REGARDING THE TIDE LANDS AND ALL THE AREA THAT
14 IS UNDER THE TRUST OF LONG BEACH, I AM REQUESTING
15 THAT THE STATE LANDS COMMISSION PERFORM AN AUDIT AS
16 TO THE FIDUCIARY RESPONSIBILITY OF THE CITY OF LONG
17 BEACH AS TRUSTEES ON THE TIDE LANDS GRANT.

18 IF ONE HAS BEEN DONE RECENTLY AND I DON'T
19 KNOW ABOUT IT, I'D APPRECIATE KNOWING WHEN AND WHERE
20 I MIGHT OBTAIN A COPY.

21 CHAIRPERSON CONNELL: THAT IS AN INTERESTING
22 QUESTION. WHO DOES THE AUDIT?

23 MR. THAYER: I'M NOT SURE. I'LL FIND OUT.

24 CHAIRPERSON CONNELL: IT CERTAINLY ISN'T THE
25 CONTROLLER'S OFFICE. IT CERTAINLY WOULD BE

1 INTERESTING TO KNOW WHO IS SUPPOSED TO AUDIT THAT
2 TRUST.

3 MR. THAYER: IT DEPENDS UPON THE LEGISLATIVE
4 GRANT. THAT SETS UP THE RULES FOR HOW THEY RUN THAT
5 PROPERTY, AND WE ARE INVESTIGATING THAT AS WELL AS
6 ALL THE OTHER ISSUES THAT HAVE BEEN RAISED HERE.

7 CHAIRPERSON CONNELL: ARE YOU FINISHED, REGINA?

8 SPEAKER: I DID WANT TO MENTION THAT I DID
9 REVIEW THE FINANCIAL AUDIT REPORTS YESTERDAY, AND
10 THERE'S NO REFERENCE IN THERE THAT THEIR SCOPE
11 INCLUDED ANYTHING RELATED TO THE FIDUCIARY
12 RESPONSIBILITY, UNLESS I MISSED IT, BUT IT DID NOT
13 APPEAR TO BE IN THERE.

14 ANY COMMENT?

15 SO THERE IS A FINANCIAL AUDIT REPORT IN
16 WITH THE TIDE LANDS, BUT THERE ISN'T THE TYPE OF
17 AUDIT THAT I'M REQUESTING HERE NOW.

18 CHAIRPERSON CONNELL: PAUL, I SUGGEST SOMEONE
19 AT THE STATE CONTROLLER'S OFFICE DO IT. SO DON'T
20 ASK US TO DO IT.

21 SPEAKER: THANK YOU VERY MUCH.

22 MR. THAYER: GIVEN THE NUMBER OF SPEAKERS HERE,
23 IF THE COMMISSIONERS AGREE, I THINK MAYBE THE FIRST
24 STEP SHOULD, PERHAPS, BE FOR THE STAFF TO HOLD A
25 PUBLIC WORKSHOP DOWN IN LONG BEACH.

1 CHAIRPERSON CONNELL: I WOULD CERTAINLY ENDORSE
2 THAT. I THINK THAT WOULD BE HEALTHY.

3 AND MAY I SUGGEST THAT WE ASK THE CITY
4 COUNCIL AND THE MAYOR TO SUPPORT US IN DOING THAT.
5 WE HAVE A VERY FORWARD-THINKING MAYOR HERE IN THE
6 CITY OF LONG BEACH, AND I'M SURE THAT THEY COULD
7 GAIN FROM SITTING IN ON TESTIMONY AS WELL.

8 MR. THAYER: CERTAINLY. AND I THINK, YOU KNOW,
9 IF WE'VE HAD THIS MANY SPEAKERS COME TO US, THERE
10 ARE PROBABLY SOME OTHERS THAT HAVE SOME CONCERNS AS
11 WELL, AND IF WE HOLD A NOTICE OF PUBLIC WORKSHOP, WE
12 SHOULD BE ABLE TO UNDERSTAND THE FULL SCOPE OF
13 CONCERN ON THIS.

14 MR. BUSTAMANTE: I'D ALSO LIKE TO HAVE
15 SOMETHING PREPARED BY STAFF THAT TALKS SPECIFICALLY
16 ABOUT WHAT OUR RESPONSIBILITIES ARE UNDER THIS TRUST
17 ARRANGEMENT, AND WHETHER OR NOT, IN FACT, WE HAVE
18 THE ABILITY TO AUDIT OR TO, IN FACT, DO ANYTHING
19 MORE THAN HOLD A PUBLIC HEARING AND THEN SUE THE
20 CITY OF LONG BEACH.

21 I'D LIKE TO FIND OUT ALL OF THE POSSIBLE
22 OPTIONS THAT WE HAVE.

23 MR. THAYER: WE'LL CONSULT WITH THE ATTORNEY
24 GENERAL'S OFFICE, AND WE'LL PREPARE THAT REPORT.

25 MR. BUSTAMANTE: THANK YOU.

1 CHAIRPERSON CONNELL: IF THERE'S NOTHING ELSE
2 ON THE AGENDA, PAUL, I WOULD LIKE TO RECESS THIS
3 MEETING NOW TO CLOSED SESSION.

4 THANK YOU.

5 (WHEREUPON, THE PROCEEDINGS
6 WERE ADJOURNED AT 12:00 P.M.)

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1 STATE OF CALIFORNIA)
2) SS.
3 COUNTY OF LOS ANGELES)

4 I, KATERI A. FLOT, A CERTIFIED SHORTHAND
5 REPORTER IN AND FOR THE STATE OF CALIFORNIA, DO
6 HEREBY CERTIFY:

7 THAT THE FOREGOING PROCEEDINGS HELD THURSDAY,
8 APRIL 20, 2000, WERE TAKEN DOWN IN STENOGRAPH
9 WRITING BY ME AND THEREAFTER TRANSCRIBED INTO
10 TYPEWRITING UNDER MY DIRECTION.

11 I FURTHER CERTIFY THAT I AM NEITHER COUNSEL FOR
12 NOR RELATED TO ANY PARTY TO SAID PROCEEDINGS, NOR IN
13 ANYWISE INTERESTED IN THE OUTCOME THEREOF.

14 IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED
15 MY NAME THIS 15th DAY OF June,
16 2000.

17 
18 _____
19 CERTIFIED SHORTHAND REPORTER
20
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22
23
24
25