MEETING OF THE STATE LANDS COMMISSION

EL SEGUNDO CITY HALL

CITY COUNCIL CHAMBERS

APRIL 20, 2000
MEETING

STATE OF CALIFORNIA

STATE LANDS COMMISSION

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
COMMISSIONERS:

KATHLEEN CONNELL, CHAIRPERSON
CRUZ BUSTAMANTE, MEMBER
ANNETTE PORINI, MEMBER

ALSO PRESENT:

STATE OF CALIFORNIA, STATE LANDS COMMISSION
PAUL D. THAYER
DAVE PLUMBER
DENNIS M. EAGAN, DEPUTY ATTORNEY GENERAL
EL SEGUNDO, CALIFORNIA
THURSDAY, APRIL 20, 2000; 9:30 A.M.
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CHAIRPERSON CONNELL: I'M GOING TO CALL THIS MEETING TO ORDER, IF I MAY.

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

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

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

MS. PORINI: MOVE APPROVAL.

CHAIRPERSON CONNELL: THAT'S UNANIMOUSLY ADOPTED.
THE NEXT ORDER OF BUSINESS IS -- THE
EXECUTIVE OFFICER'S REPORT.

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

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

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

IS THE MICROPHONE WORKING?

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

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

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

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

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

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

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

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

MR. THAYER: YES, WE HAVE.

MS. PORINI: ALL RIGHT.

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

AS THE COMMISSIONERS -- AS I KNOW THE COMMISSIONER AND CHAIRWOMAN CONNELL Participated IN.

CHAIRPERSON CONNELL: MY SPECIAL AGREEMENT,
THEN, I MIGHT ADD.

MR. THAYER: THERE YOU GO.

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

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

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

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

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

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

WE'LL PROBABLY BE SETTING UP SOME BRIEFS FOR YOUR STAFF BECAUSE THERE IS A VERY COMPLEX ISSUE AND I WANTED YOU TO KNOW OR BE AWARE
THAT IT'S LIKELY TO BE A FAIR AMOUNT OF PUBLICITY
AND PUBLIC DISCUSSION FOR THIS VERY IMPORTANT
RESTORATION.

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

MR. THAYER: YES.

CHAIRPERSON CONNELL: THANK YOU.

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

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

CHAIRPERSON CONNELL: EXPLAIN EXACTLY HOW THIS
WOULD WORK.

SPEAKER: THIS IS A VERY IMPORTANT CALENDAR FOR
MR. THAYER: THIS PROGRAM WOULD BE PATTERNED AS AN EXISTING PROGRAM THAT ALREADY EXISTS FOR THE COASTAL COMMISSION AND FOR THE SAN FRANCISCO BAY CONSERVATION DEVELOPMENT COMMISSION. THE EXACT SAME WORDING.

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

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

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

CHAIRPERSON CONNELL: FOR MEMBERS OF THE AUDIENCE, THIS BECAME A CONCERN, I BELIEVE IT WAS LAST AUGUST, WHEN WE HAD A PROBLEM ON ONE OF OUR OIL PLATFORMS OFF THE COAST OF SANTA BARBARA, AND THERE
APPEARED TO BE A POTENTIAL ISSUE REGARDING LEAKAGE
OF FUEL FROM THE OIL PLATFORM.

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

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

DID YOU WANT TO SPEAK TO THIS ISSUE AS
WELL?

MR. EAGAN: NO.

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

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

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

THE FIRST AND MOST IMPORTANT, I THINK, IS
A MORE AGGRESSIVE AUDIT PROGRAM FOR OIL PLATFORMS
AND OTHER PRODUCTION FACILITIES.
WE'VE ASKED TO BE ABLE TO HIRE, I
BELIEVE, FOUR NEW ENGINEERS AND AN ADDITIONAL
INSPECTOR THAT WE CAN GO OUT AND BE MORE
COMPREHENSIVE ABOUT OUR INSPECTION OF THOSE
FACILITIES.

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

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

THE SECOND --

CHAIRPERSON CONNELL: WAS THAT APPROVED?

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

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

MS. PORINI: THANK YOU.

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

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

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

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

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

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

WELCOME. WE ARE GOING THROUGH THE STAFF
REPORT.

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

AND THE FINAL ITEM WAS, AGAIN, RECORD
MANAGEMENT AND PRESERVATION WITH OVER 3 MILLION
ITEMS THAT WILL INCLUDE A LOT OF VERY OLD AND
FRAGILE MAPS AND PARCEL OR DEEDS OF TRUST FROM BACK TO THE 1800s, AND, AGAIN, THE LEGISLATURE HAS APPROVED THAT AUGMENTATION AS WELL THROUGH THE SUBCOMMITTEE STAGE.

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


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

MR. THAYER: I AM --

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

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

CHAIRPERSON CONNELL: [UNINTELLIGIBLE.] IS THAT IT?

MR. THAYER: IT'S NOT CLEAR TO ME EXACTLY WHAT
THE CONCERN IS, AND, YOU KNOW, WE'LL INVESTIGATE THIS FURTHER.

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

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

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

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

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

MR. THAYER: CERTAINLY. THAT'S THE PHRASE THAT HAS COME TO DESCRIBE PROPOSALS TO TAKE PLATFORMS
WHICH ARE NO LONGER GOING TO BE USED FOR OIL PRODUCTION AND WE NEED TO LEAVE THEM IN PLACE OR, OTHERWISE, EITHER THERE OR AT SOME OTHER LOCATION, WILL BE A HABITAT OR AS ARTIFICIAL REEFS WITH THE CONCEPT THAT THAT WOULD PROMOTE EFFICIENT ACTIVITY AND WOULD BE EFFICIENT HABITAT.

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

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

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

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

MR. THAYER: I BELIEVE IT'S IN THE ASSEMBLY,
WAITING HEARING IN THE POLICY COMMITTEE.

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

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

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

MR. THAYER: EXACTLY.

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

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

MR. THAYER: EXACTLY.

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

SOME OF YOU MAY HAVE BEEN IN SCHOOL.

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

THE THEME OF THIS YEAR'S EARTH DAY IS
ENERGY RESOURCES.

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

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

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

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

MR. THAYER: OKAY.

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

MR. THAYER: THAT'S IT.

CHAIRPERSON CONNELL: THE NEXT ORDER OF BUSINESS, THEN, WILL BE ADOPTION OF THE CALENDAR, AND I WILL AGAIN CALL ON YOU, PAUL, TO INDICATE WHICH ITEM HAS BEEN REMOVED.
MR. THAYER: THERE ARE TWO ITEMS THAT ARE BEING REMOVED FROM THE CONSENT CALENDAR WHICH WILL BE HEARD AT FUTURE MEETINGS. THOSE ARE ITEMS 72 AND 73.

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

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

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

MAY I HAVE A MOTION TO APPROVE THE CONSENT CALENDAR.

MR. BUSTAMANTE: SO MOVED.

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

THE CLERK: THAT'S A UNANIMOUS VOTE.

LET US GO TO THE ITEMS ON THE REGULAR CALENDAR.
ITEM 84 IS A FIBEROPTIC PROJECT PROPOSED BY GLOBAL PHOTON SYSTEMS ALONG THE CALIFORNIA COAST. MR. THEY'RE, WILL YOU BEGIN THE STAFF PRESENTATION ON THAT.

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

BARBARA.

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

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

CHAIRPERSON CONNELL: CAN YOU INTRODUCE YOURSELF FOR THE RECORD.

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

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

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

SPEAKER: OH, BOY, I'LL TRY.

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

SPEAKER: THAT BETTER?

CHAIRPERSON CONNELL: YES.
SPEAKER: THE APPLICATION THAT IS BEFORE YOU TODAY, THE APPLICANT IS A GLOBAL PHOTON SYSTEMS, INC.

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

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

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

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

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

THE MAP ALSO DEPICTS THE LAND ROUTE. THE PROPOSED LAND ROUTE WILL UTILIZE EXISTING CONDUIT AND WILL ALLOW GREATER ACCESS TO THE CABLE SYSTEM AND WILL PROVIDE A REDUNDANT SIGNAL.
PATH FOR EMERGENCY RESTORATION AND WILL PROVIDE A LINK BETWEEN SAN FRANCISCO AND THE MONTEREY BAY AREA.

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

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

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

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

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

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

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

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

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

SPEAKER: THANK YOU, BARBARA.

MY NAME IS KIRK WALKER, K-I-R-K. I'M WITH THE ENVIRONMENTAL PLANNING DIVISION OF THE
STATE LANDS COMMISSION.

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

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

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

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

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

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

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

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

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

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

THESE AREAS ARE HEAVILY FISHED AND TOO
ROCKY TO BURY THE CABLE.

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

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

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

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

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

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

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

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

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

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

BASED ON THE INFORMATION CONTAINED IN THE
EIR, STAFF RECOMMENDS CALIFORNIA STATE LANDS
COMMISSION CERTIFY THE EIR, ADOPT THE CEQA FINDINGS
AND MITIGATION MONITORING PROGRAM THAT ARE INCLUDED
AND INCLUDE THE ISSUE OF A GENERAL PERMIT RIGHT-OF-WAY USE GLOBAL PHOTON FOR THE IMPLEMENTATION OF THE FIBER OPTIC CABLE.

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

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

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

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

LET ME BRIEFLY ADDRESS SEVERAL ISSUES.

NO. 1, THE PURPOSE OF THE PROJECT IS TOWFOLD: NO. 1 IS TO INCREASE CAPACITY BANDWITH, IF YOU WILL, FROM SAN DIEGO TO SAN FRANCISCO. AND NO. 2 IS TO PROVIDE A VIABLE ALTERNATIVE THAT IS MORE RELIABLE BY TAKING THE COASTAL ROUTE.

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

WHY IS THE PROJECT NECESSARY? SAN FRANCISCO, FOR EXAMPLE, HAS THE LARGEST AND HIGHEST BROWN-OUT RATE OF ANY CITY IN THE UNITED STATES AS A
CONSEQUENCE OF LIMITED CAPACITY AND BANDWIDTH.

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

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

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

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

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

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

GLOBAL PHOTON IS REALLY TIM STAMNITZ.


TIM HAS EXTENSIVE EXPERIENCE IN THE AREA
FOR 20 YEARS. HE'S BEEN WORKING IN UNDERSEA CABLE
INSTALLATION, MANUFACTURING, AND DEVELOPMENT.

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

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

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

TIM.

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

JUST BRIEFLY TALK ABOUT SOME OF THE THINGS THAT
BARBARA DUGAL'S ALREADY MENTIONED, BUT THE CABLE
WOULD BE DEPLOYED -- THE CABLE IS A LITTLE UNDER ONE
INCH. IT WOULD OCCUPY ABOUT .0089 SQUARE MILES
TOTAL OFF OF THE COAST FROM SAN DIEGO TO SAN
FRANCISCO. IT'S ABOUT A 575-MILE RUN.

THERE ARE FIVE DIFFERENT SEGMENTS WHICH
YOU CAN SEE ON THE MAP THERE. THEY ARE ABOUT 115
MILES EACH PER SEGMENT.

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

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

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

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

THE CABLE DOES TRANSITION IN TOWARDS,
LAND FALL AT SEVEN LOCATIONS, SO IT TRANSITIONS INTO
THE THREE-MILE LIMIT AND BACK OUT.
AT THE TRANSITION POINT OF THE BEACHES,
WE WOULD USE HORIZONTAL DIRECTIONAL DRILLING WHICH
AVOIDS ALL IMPACTS TO THE NEAR SHORE SURF ZONE AREA.

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

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

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

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

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

SPEAKER: WELL, SINCE YOU AND I WILL PROBABLY
SEE ONE ANOTHER AGAIN, I DON'T WANT TO ASSURE THAT.

CHAIRPERSON CONNELL: OKAY.

SPEAKER: THANK YOU FOR YOUR TIME.

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

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

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

CHAIRPERSON CONNELL: BARBARA. KIRK.

MR. BUSTAMANTE: KIRK.

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

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

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

THE ORIGINAL ROUTE WAS LAID OVER AREAS WHERE IT COULD NOT BE BURIED.
THE FISHERMEN BEING TROLLERS HAVE A PRETTY GOOD IDEA OF WHAT'S OUT THERE ON THE BOTTOM, AND IT IS THEIR BELIEF THAT VERY CLOSE TO THOSE LOCATIONS ARE SAND AREA WHERE THE CABLE COULD BE BURIED.

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

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

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

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

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

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

MR. BUSTAMANTE: ARE ANY OF THOSE AREAS WITHIN
THE SANCTUARY AREA?

SPEAKER: NO, THEY ARE NOT.

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

SPEAKER: NO, THEY ARE NOT.

MR. BUSTAMANTE: OKAY. THANK YOU.

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

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

SPEAKER: YES.

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

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

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

CHAIRPERSON CONNELL: I HAD A QUESTION AS WELL. IN GOING THROUGH WHAT YOU THOUGHT WAS, I
THINK, A RATHER COMPREHENSIVE EIR ANALYSIS OF THIS, DID YOU HAVE A CHANCE TO SPEAK TO ANYONE DISSENTED ON THE PROJECT? AND IF SO, WHO WERE THOSE PARTIES?

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

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

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

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

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

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

CHAIRPERSON CONNELL: THANK YOU.

MR. BUSTAMANTE: JUST ONE OTHER QUESTION.

CHAIRPERSON CONNELL: YES.

MR. BUSTAMANTE: THERE WAS BOTH A POTENTIAL
LAND ROUTE AND A WATER ROUTE; IS THAT CORRECT?

SPEAKER: YES, SIR.

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

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

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

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

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

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

SPEAKER: THAT'S TRUE. IN PARTICULAR, IMPACTS TO CULTURAL RESOURCES WOULD BE MUCH HIGHER ON THE LAND.
YOU COULD PROBABLY MITIGATE THEM, BUT THEY ARE THERE, AND THEY ARE NOT IN THE OCEAN.

MR. BUSTAMANTE: THANK YOU.

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

AND I APOLOGIZE FOR MASSACRING YOUR NAMES.

SIAVASH GHARIB, I BELIEVE, IS THE FIRST PERSON.

WOULD YOU PLEASE STEP FORWARD TO THE PODIUM.

SPEAKER: I DON'T NEED TO SPEAK.

CHAIRPERSON CONNELL: PERFECT.

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

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

CHAIRPERSON CONNELL: ALL RIGHT.

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

MR. THAYER: THERE ARE A COUPLE OF OTHERS --
I'M SORRY, PERHAPS THESE HADN'T BEEN CONVEYED. LET ME GIVE THEM TO YOU.

CHAIRPERSON CONNELL: I ONLY HAVE TWO.

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

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

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

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

SPEAKER: YES.

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

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

IDENTIFY YOURSELF ON THE RECORD.

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

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

AND OUR COMMISSION IS TO PROTECT AND
EDUCATE ABOUT THE SANCTUARY.

AND WE BELIEVE THAT IT SHOULD BE UPHELD.

THAT THE FEDERAL REGULATIONS ARE ILLEGAL TO HAVE

THIS TYPE OF OPERATION WITHIN THE SANCTUARY.

THERE IS NO DRILLING. THERE IS NO LEGAL

RIGHT FOR ANYONE TO GO WITHIN THE SANCTUARY ON THIS.

NOAH HAS PROVIDED 16 PAGES OF QUESTIONS

TO THEIR DRAFT EIR APPROVAL OF PHOTON'S, AND THEY

HAVE NOT ANSWERED THESE QUESTIONS ADEQUATELY.

WE ARE SUPPORTING AN ALTERNATE LAND ROUTE

WHICH WE BELIEVE IS POSSIBLE, AND THEY DO NOT HAVE

TO GO THROUGH THE SANCTUARY.

LA SELVA BEACH COMMUNITY HAS REFUSED

GLOBAL PHOTON LANDING, WHICH MEANS THAT THEY ARE NOW

GOING TO GO TO POINT LOBOS, WHICH IS OUR STATE

RESERVE, AND IS GOING TO BE A BIG PROBLEM, AND NOW

THEY WANT TO GO TO VAN SAN.

THE LA SELVA BEACH COMMUNITY IS BUSY

GETTING ALL OTHER COMMUNITIES THROUGHOUT THE REGION

AS A HUGE GRASS ROOTS UPRISING ON THIS.

I ASKED GLOBAL PHOTON'S REPRESENTATIVES

ON MONDAY ABOUT THEIR FINANCING, SINCE THEY'RE A

START-UP COMPANY, AND THEY INFORMED ME THAT --

BECAUSE I SAID, "WELL WHAT HAPPENS, YOU'RE HALFWAY

THROUGH AND YOU RUN OUT OF MONEY?"
"OH, NO SWEAT. WE HAVE A GERMAN BANK
THAT WILL JUST TAKE OVER."
I SAY, "WELL, WHAT DOES A GERMAN BANK
KNOW ABOUT LAYING CABLE?"
SO I'M CONCERNED, OF COURSE, THAT THEY
WILL GET THERE AND WILL HAVE CABLE THAT, OF COURSE,
IS LAYING. WE'RE CONCERNED ABOUT THEIR LANDINGS.
WE'RE CONCERNED ABOUT OUR SEA FLOOR.
YOU'VE PROBABLY BEEN READING ABOUT THE
GRAY WHALES. THEY'RE BOTTOM FEEDERS.
I DO NOT BELIEVE, NOR DOES ANYONE IN MY
ORGANIZATION, BELIEVE THAT THEY UNDERSTAND WE HAVE
CANYONS. WE DON'T BELIEVE THAT THEY KNOW ANYTHING
ABOUT THE SANCTUARY. IN FACT, WE'D LIKE TO KNOW
MORE ABOUT THE SANCTUARY.
SO THEY CHOSE FORT ORD. WELL, THAT'S ONE
OF THE DEEPEST PARTS. THAT WAS THE FIRST PART.
WE THINK THAT THEY HAVE NOT ADEQUATELY IN
THIS FINAL REPORT ANSWERED ANY OF THE QUESTIONS THAT
WE REALLY NEED.
WE ALSO ARE DESPERATELY AFRAID THAT IF
ONE FIBER OPTIC CABLE COMPANY, THIS IS NOT THE FIRST
APPLICANT TO US, TO THE SANCTUARY. IF ONE IS
ACCEPTED, THAT WE WILL HAVE DOZENS OF OTHER
COMPANIES, AND THEY'RE ALREADY THERE. ALL OF THEM
ARE ALL LINING UP.

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

PLEASE SAY NO TO THIS. THANK YOU.

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

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

SPEAKER: YES.

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

SPEAKER: YES.

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

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

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

WE BELIEVE THAT POTENTIAL IMPACTS OF THIS
PROJECT HAVE BEEN PROPERLY ANALYZED.

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

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

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

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

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

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

I SUSPECT THAT THE DIFFICULTY OF GETTING THE NORTH-SOUTH CABLE THROUGH ALL OF THE VARIOUS PERMITTING AGENCIES HAVE CONVINCED MANY COMPANIES
WHO ARE THINKING ABOUT IT NOT TO THINK ABOUT IT.

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

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

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

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

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

CHAIRPERSON CONNELL: MAY I HAVE A
CLARIFICATION.

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

SPEAKER: UNDER THE MUD. IN MOST CASES, THERE
ARE -- AND I WOULD HAVE TO CHECK. I BELIEVE THERE IS A TOTAL OF ABOUT 30 MILES OUT OF THE ENTIRE ROUTE THAT ARE NOT BURIED.

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

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

CHAIRPERSON CONNELL: ON THE SURFACE OF THE --

SPEAKER: OF THE MUD. NOTHING SHOWS ABOVE WATER.

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

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

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

CHAIRPERSON CONNELL: I'D LIKE YOU TO RESPOND TO GLENDIA'S CONCERN ABOUT THE WHALES, NOT THE ORGANISMS.

SPEAKER: OKAY. THIS IS A QUESTION THAT HAS
State Lands Commission Meeting

Plagued us and the Coastal Commission for some time. There was a report in 1957 of whales that were caught in submarine cables off the coast of South America in the 1890's and 1910's.

This was a copper cable that carried a lot of current. It was laid from a steam ship with no control on the cable tension, so it just laid on the bottom in giant loops. There were at least five whales that became entangled in these loops and died.

We've had discussions with National Marine Fishery Service whale experts. We have had discussions with the International Whaling Community, and there has been no instance of whale entanglement in any cable of any kind certainly as far back as 1960.

The other issue -- and it is an issue that is discussed in there -- is the possible impact on gray whale bottom feeding.

They tend to stand on their noses and root up the bottom and sieve up the organisms. The information from the National Marine Fishery Service is they never go below about one and a half feet in depth below the mud in that operation, and our cable is buried a further foot.
AND A HALF BELOW THAT. WE BELIEVE THAT IS SAFE. IT IS CERTAINLY A JUDGMENT.

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

MAY I HAVE SCOTT, PLEASE, NEXT.

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

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

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

THEY ALSO HAVE THE ABILITY THROUGH NEPA TO DRAFT THEIR OWN ENVIRONMENTAL DOCUMENT WITH THEIR OWN ENVIRONMENTAL REVIEWS SO ANY WAY THAT THEY FIND OUR DOCUMENT INSUFFICIENT TO ANSWER THEIR QUESTIONS, THEY HAVE THEIR INDEPENDENT AUTHORITY TO GATHER THAT ADDITIONAL INFORMATION FOR THEIR DECISION.
THERE ARE OTHER ENTITIES AS WELL. I KNOW
THE COASTAL COMMISSION HAS TO GRANT A PERMIT, AND I
THINK PROBABLY KIRK KNOWS THAT THERE ARE PROBABLY
SEVERAL OTHERS AS WELL.

CHAIRPERSON CONNELL: THANK YOU, SCOTT.

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

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

SPEAKER: EIGHT MINUTES, PLEASE.

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

SPEAKER: THANK YOU.

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

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

WE BELIEVE THAT THE FINAL ENVIRONMENTAL
IMPACT REPORT PREPARED FOR THE PROJECT LACKS
SUFFICIENT ANALYSIS OF ENVIRONMENTAL IMPACTS WITHIN
THE MONTEREY BAY NATIONAL MARINE SANCTUARY TO ALLOW
OUR AGENCY TO MAKE A DETERMINATION WHETHER TO
APPROVE OR DENY THE PROPOSAL.

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

THE SANCTUARY'S DESIGNATION IN 1992
RECEIVED THE GOVERNOR OF CALIFORNIA'S ENDORSEMENT
FOR INCLUSION OF THE WATERS OF THE STATE OF
CALIFORNIA WITHIN THIS SPECIAL PROTECTED AREA.
DURING THE LENGTHY PUBLIC REVIEW PROCESS
FOR SANCTUARY DESIGNATION, FEDERAL REGULATIONS WERE
DEVELOPED TO SPECIFICALLY PROHIBIT, QUOTE:
"DRILLING INTO, DREDGING, OR
OTHERWISE ALTERING THE SEA BED OF THE
SANCTUARY, OR CONSTRUCTING, PLACING, OR
ABANDONING ANY STRUCTURE, MATERIAL OR
OTHER MATTER ON THE SEA BEDS OF THE
SANCTUARY," UNQUOTE.

WITH A LIMITED LIST OF EXCEPTIONS, WHICH
CABLES ARE NOT INCLUDED.

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

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

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

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

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

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

THE EIR DOES NOT REFLECT ANY SPECIAL
CRITERIA FOR STATE WATERS INCLUDED WITHIN THE
MONTEREY BAY NATIONAL MARINE SANCTUARY. AN AREA THAT THE STATE ENDORSED FOR INCLUSION WITHIN THE STATE BOUNDARIES FOR SPECIAL PROTECTION.

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

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

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

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

THE ESSENTIAL ISSUE IS WHETHER THE CONSTRUCTION WILL TAKE PLACE IN AN AREA OF THE NATIONAL TRUST.
REGARDLESS OF THE SIZE OF THE IMPACTED
AREA AND THAT APPROPRIATE STUDIES SHOULD BE
CONDUCTED TO PROVIDE THE BEST ATTAINABLE INFORMATION
TO RESOURCE MANAGERS CHARGED WITH PROTECTING THAT
TRUST.

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

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

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

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

THEY HAVE AVOIDED THE MONTEREY BAY
CANYON, WHICH IS THE LARGEST, BUT THERE ARE STILL 12
OTHERS. THE CABLE WILL CROSS AND WILL NOT BE BURIED
ACROSS THOSE CANYONS. CABLE WILL BE SUSPENDED IN
THE WATER COLUMN IN SOME PLACES ACROSS THOSE
CANYONS, AND THEY CANNOT GUARANTEE THAT IT WON'T BE.

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

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

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

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

SINCE THE PRIMARY GOAL OF THE PROJECT IS
TO BUILD AN OFFSHORE ROUTE THAT ARE MORE RELIABLE
THAN ONSHORE ROUTES, WE CANNOT BE SURE THAT THE
ROUTE ALONG A HIGHLY UNSTABLE BIG SUR COMPLEX CAN BE
ACHIEVED.

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

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

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

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

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

WE ALSO HAVE SERIOUS CONCERNS ABOUT THE
ACCURACY OF THE EIR IN NUMEROUS PLACES.
For example, the report minimizes the participated impacts to the marine environment surrounding what appears to be a preferred landing site near Point Lobos State Reserve.

Inconsistencies exist concerning proximity of construction activities to and from the area.

Point Lobos is recognized by both the state and the sanctuary as a rich biological area, deserving of a more detailed analysis of impacts than that provided in the EIR.

Finally, while the applicant has stated that it will not accept any project approval that does not allow for an all-offshore route between San Francisco and San Diego, an essential purpose of the EIR to is evaluate alternative route configurations and determine if they reduce impact while allowing the applicant to meet the basic objectives of the project.

We believe that information is lacking in the EIR to make an objective determination about the effectiveness and feasibility of onshore out of sanctuary routes to avoid impacts to the sanctuary. Our letter that we've provided to you provides more information regarding that concern.
IN SUMMARY, WE DO NOT BELIEVE THE FINAL ENVIRONMENTAL IMPACT REPORT HAS ADEQUATELY AND OBJECTIVELY ADDRESSED THE POTENTIAL IMPACTS FROM THE PROPOSED PROJECT WITHIN THE MONTEREY BAY NATIONAL SANCTUARY SO DESIGNATED AND PROTECTED BECAUSE OF ITS INCREDIBLE BIOLOGICAL DIVERSITY, PRODUCTIVITY, AND CULTURAL.

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

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

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

COULD YOU ADDRESS THE ISSUE OF FUTURE CABLES, WOULD YOU ADDRESS THE NEED FOR THE FINAL EIR, AND WOULD YOU ADDRESS THE ISSUE OF WHETHER THE SANCTUARY ITSELF -- OR I GUESS IT'S THE MONTEREY BAY NATIONAL MARINE SANCTUARY COULD ALSO ADDRESS THESE ISSUES IN THEIR OWN HEARINGS IF THEY HAVE CONCERNS.
SPEAKER: IN TERMS OF THE LAST QUESTION, YES.

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

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

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

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

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

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

OBVIOUSLY, NEITHER OF THESE IS
PARTICULARLY WELL THOUGHT OF BY THE APPLICANT, BUT
THOSE POSSIBILITIES DO EXIST.

THE ONLY ONE THAT IS ABSOLUTELY OUT WOULD
BE TO GO FURTHER OUT AND GO AROUND THE SANCTUARY.

THAT IS NOT POSSIBLE WITH THIS PARTICULAR
TECHNOLOGY.

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

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

THERE WAS ONE OTHER.

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

AT WHAT POINT DO --

SPEAKER: OUR CONCLUSION IN THE EIR IS THAT
THERE ARE NO SIGNIFICANT IMPACTS FROM LAYING THIS
CABLE IN THE SANCTUARY.

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

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

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

CHAIRPERSON CONNELL: KIRK.

MR. BUSTAMANTE: AND YOU, TOO.

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

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

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

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

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

SPEAKER: THERE ARE AREAS WITHIN THE SANCTUARY
THAT WILL NOT BE BURIED, PRIMARILY IN THE CANYONS AREA.

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

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

ONE CABLE GOES DIRECTLY DOWN THE CANYON.

TWO CABLES CROSS THE CANYON.

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

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

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

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

IN FACT, THERE ARE SUSPENSIONS, WE WILL
MAKE THEM GO BACK AND REDO.

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

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

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

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

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

MR. BUSTAMANTE: THE EAST-WEST VERSUS
NORTH-SOUTH -- WHAT'S YOUR RESPONSE TO THAT?

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

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

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

MR. BUSTAMANTE: WELL, THE ONE THAT GOES ACROSS
THE CANYON -- IS IT SUSPENDED, OR IS IT LAYING FLAT?
SPEAKER: IT'S LAYING FLAT ON THE BOTTOM. IT
HAS BEEN FOR 25 YEARS.

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

MR. BUSTAMANTE: THOSE WERE REVIEWED BY STAFF?
SPEAKER: YES.

MR. BUSTAMANTE: YOU SAID THERE WERE FOUR
ROUTES?
SPEAKER: THERE ARE FOUR VARIATIONS ON THE
ROUTE.

AND LET ME SAY THAT THIS PARTICULAR PART
OF THE DISCUSSION ONLY FOCUSES ON THE ROUTES THAT
WOULD CONNECT SALINAS WITH SAN LUIS OBISPO, BECAUSE THAT WAS THE -- THOSE ROUTES WERE EXAMINED MORE INTENSELY, SPECIFICALLY BECAUSE THEY WENT AROUND THE SANCTUARY.

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

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


SPEAKER: IT WOULD BE A JUDGMENT CALL.

I HAVE DONE ONE.

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

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

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

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

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

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

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

CHAIRPERSON CONNELL: MAY I SUPPLEMENT THAT RESPONSE.

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

IF YOU'RE GOING TO USE THE SAME ROUTE THAT'S IN EXISTENCE RIGHT NOW, IT'S NOT ANY MORE RELIABLE, AND IT DOESN'T PROVIDE THE BENEFITS THAT WOULD BE PROVIDED, FOR EXAMPLE, IN THE EVENT OF A
NATURAL CATASTROPHE OR A MAN-MADE CATASTROPHE.

CHAIRPERSON CONNELL: KAITLIN GAFFNEY.

KAITLIN, WOULD YOU IDENTIFY YOURSELF FOR THE RECORD.


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

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

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

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

BUT TO GO TO THE SUBSTANCE, THE CENTER
FOR MARINE CONSERVATION IS VERY CONCERNED ABOUT THE 
PRECEDENTIAL NATURE OF THIS CABLE. ALTHOUGH THERE 
ARE MANY EXISTING TRANSOCEANIC CABLES THAT TOUCH ON 
CALIFORNIA WATERS, RIGHT NOW ALL OF THOSE CABLES 
Enter state waters in the Point Marina area and the 
Morro Bay areas.

The impacts associated with fiber optic 
submarine cables.

This is a very different kind of project. 
This spans coastal waters for 920 kilometers. What 
that means is it spans, as the applicant stated, 63 
miles in state waters. That's more, I would 
reckon -- maybe somebody can check and confirm 
this -- that's more time than all the other cables 
combined spend in state waters.

So it raises different issues. The 
nearer you come to shore, the more significant 
habitat issues, species issues you're dealing with 
typically.

So this project has different impacts 
than the transoceanic cables and I believe would set 
a precedent.

We can expect more of these. Certainly, 
the process is a difficult one, and perhaps that's 
why others haven't been here.
AS SOON AS SOMEBODY'S BEEN THROUGH THE PROCESS, IT IS PROVED THAT IT CAN HAPPEN. I WOULD SUGGEST THAT THE FIRST ONE IS WHAT COULD OPEN THE FLOODGATES, AND WE ARE VERY CONCERNED ABOUT THAT.

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

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

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

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

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

THE DRAFT ENVIRONMENT IMPACT REPORTS
STATE THAT THERE ARE NO SIGNIFICANT IMPACTS
ASSOCIATED WITH THIS PROJECT THAT CANNOT BE
MITIGATED.

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

THIS ROUTE WAS SELECTED BASED LARGELY ON
SONAR BETHEMETRY [PHONETIC].
SOME SITES THEY DID SEND ROB'S DOWN AND
ACTUALLY LOOK AT EXACTLY WHERE THEY WERE PLANNING TO
GO, BUT IN MOST CASES THAT DIDN'T HAPPEN.

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

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

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

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

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

IT'S AN AREA THAT'S RECOGNIZED FOR ITS
INCREDIPLY GEOLOGY, THE SUBMARINE CANYONS THAT HAVE BEEN SPOKEN OF. FOR THE DIVERSITY OF SPECIES THAT
RELY ON IT.

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

THIS IS NOT LIKE EVERYWHERE ELSE. THIS
IS MORE SPECIAL. THIS IS MORE IMPORTANT. THIS IS
MORE VULNERABLE. AND THE SANCTUARY REGULATIONS ARE
VERY STRICT. I MEAN, WE ADMIT THAT.
THEY SAY YOU CAN'T DO A LOT OF THINGS
THAT SOME WOULD ARGUE, "WELL, WHY NOT? IT'S NOT
THAT SIGNIFICANT."

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

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

THE MONTEREY BAY NATIONAL MARINE
SANCTUARY IS UNIQUE, PHENOMENALLY IMPORTANT TO THE
CITIZENS OF THIS STATE, AND MUST BE PROTECTED.

THANK YOU.

CHAIRPERSON CONNELL: THANK YOU. I REALLY HAVE
FOUND ALL OF YOUR TESTIMONY VERY COMPPELLING.

MR. THAYER.

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

YOU KNOW, IF CENTER FOR MARINE
CONSERVATION WAS NOT NOTICED, OF COURSE, WE
APOLOGIZE. I'D HAVE TO GO BACK AND LOOK AT THE LIST
AND SEE IF THEY WERE OFF THE LIST. WE DID MAIL OUT
ABOUT 4,000 NOTICES FOR THIS MEETING. THEY DID
COMMENT ON THE DRAFT EIR.

    SPEAKER: I DID NOT COMMENT.

    MR. THAYER: KIRK?

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

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

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

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

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

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

    WHAT IS THE DIRECTION OF THE COMMISSION?

    MR. BUSTAMANTE, WOULD YOU LIKE TO COMMENT ON THIS
MR. BUSTAMANTE: I WAS TOLD BY STAFF THAT WE
HAVE CERTAIN PARAMETERS UNDER WHICH WE WORK UNDER
FOR DECISION ON THIS PARTICULAR PROJECT.

COULD YOU OUTLINE THOSE PARAMETERS.

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

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

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

IN FACT, AS I THINK I INDICATED EARLIER,
THESE PROJECTS WERE FELT NOT TO HAVE SIGNIFICANT
IMPACTS, AND FOR SEVERAL YEARS, LEASES WERE GRANTED HISTORICALLY WITHOUT ANYTHING FURTHER THAN A NEGATIVE DECLARATION, WHICH IS A VERY ABBREVIATED ENVIRONMENTAL DOCUMENT.

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

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

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

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

AND ARE WE NOT REQUIRED TO TOUCH UPON ALL
THOSE AREAS THAT HE'S SUGGESTED? I'M A LITTLE CONCERNED.

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

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

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

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

AS A FEDERAL AGENCY, THEY'RE NOT BOUND BY CEQA, THE CALIFORNIA ENVIRONMENTAL EQUALITY ACT,
WHICH IMPOSES THE REQUIREMENT ON US TO PREPARE AN EIR.

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

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

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

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

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

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

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

I GUESS THE FUNDAMENTAL POINT IS THEY RETAIN THE ABILITY TO DEVELOP THE ADDITIONAL INFORMATION.
THEY'RE NOT TOTALLY RELIANT ON OUR
PROCESS TO HAVE THE INFORMATION THEY FEEL THEY NEED
TO DETERMINE WHETHER OR NOT THAT CABLE SHOULD GO
THROUGH ESSENTIALLY.

CHAIRPERSON CONNELL: I HAVE JUST BEEN HANDED,
COMMISSIONERS, ANOTHER REQUEST TO SPEAK ON THIS
ITEM. IS GORDON COTA IN THE AUDIENCE?
GORDON, I'M SORRY. WE SEEM TO NOT HAVE
GOTTEN YOUR REQUEST TO SPEAK EARLIER.
WOULD YOU PLEASE IDENTIFY YOURSELF FOR
THE RECORD.

SPEAKER: MY NAME IS GORDON COTA. I'M WITH THE
COMMERCIAL FISHERMEN OF SANTA BARBARA, INCORPORATED.
A MEMBER SPEAKING ON BEHALF OF THE SOUTHERN
CALIFORNIA TRAWLERS ASSOCIATION.
YOU DON'T NEED TO APOLOGIZE FOR NOT
SEEING THE SPEAKER SLIP BECAUSE I WAS STILL ON THE
ROAD FROM SANTA BARBARA, WHICH I LEFT AT 7:00
O'CLOCK THIS MORNING.

CHAIRPERSON CONNELL: YOU NEED TO GET BEHIND MY
TRANSPORTATION BILL. RUSH-HOUR COMMUTE TRAFFIC
WOULD BE A LOT BETTER IF IT PASSES.
GO ON, GEORGE.

SPEAKER: I NEED TO FIGURE OUT HOW TO KEEP THE
WATER OUT OF MY DIESEL IN MY TRUCK.
ANYWAY, I APPRECIATE THIS OPPORTUNITY,
AND I WISH I COULD HAVE BEEN HERE EARLIER TO HEAR
OTHER PEOPLE'S PRESENTATION, AND IF I GO OVER WHAT
THEY'VE SAID, FEEL FREE TO TELL ME TO SHUT UP AND
SIT DOWN.

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

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

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

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

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

SPEAKER: HERE WE ARE IN SANTA BARBARA, AND
THEY'RE JUST WEST OFF THE POINT OF LEDBETTER, GOING
TOWARD GOLETA, IN THAT AREA, AND THEN IN ANOTHER
AREA DIRECTLY SOUTH OF SANTA BARBARA -- BOTH THOSE
AREAS, THEY WERE UNABLE TO BURY THE CABLE ON THEIR
INITIAL SURVEY BECAUSE OF ROCK OUTCROPPING OF WHICH
THEY REFERRED TO AS "LOW RELIEF ROCK."

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

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

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

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

WAS IT NOT, KIRK?

SPEAKER: YES, IT IS. THE AREAS HAVE BEEN
IDENTIFIED BOTH BY GORDON AND BY THE OTHER TRAWLERS
ASSOCIATION.
I believe that we have agreement as to
where the areas are, and that condition is in the
lease under "commercial fishing." That the surveys
will be completed and that the wording is a routing.
An agreement will be reached on the routing which is
satisfactory to the fishermen before construction
begins.

So we ordered them, basically.

Chairperson Connell: Gordon, we protected you
even in your absence.

Speaker: That's why my opening comment is I
don't mind being told to sit down and shut up.

Chairperson Connell: Gordon, I would never say
that to anyone.

Speaker: You have a much nicer version on the
one that I have.

Let me just -- and I appreciate that.
We've talked to Kirk, and he's been very helpful in
this, and that is what we kind of came up with to
have it as part of the agreement.

Let me just illustrate this as an example
that we came to Global Photon to State Lands
probably seven months ago, to what we thought was a
simple request.

We've been stonewalled during the whole
STATE LANDS COMMISSION MEETING

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

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

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

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

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

OF WHICH CASE, AGENCIES LIKE STATE LANDS, THE COASTAL COMMISSION, MINERALS AND MANAGEMENT,
HAVE TO STEP IN AND TIDY IT UP SO WE CAN BOTH
CO-EXIST.

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

CHAIRPERSON CONNELL: THANK YOU VERY MUCH.

KIRK OR BARBARA, CAN YOU RESPOND TO THAT.

AND I WOULD LIKE TO GET A RESPONSE ON HOW YOU'RE
GOING TO GO ABOUT SATISFYING THE NEEDS OF THE
COMMERCIAL FISHERMEN SO THAT WE DON'T, AFTER THE
FACT, SHOULD THIS PROJECT BE APPROVED BY THIS
COMMISSION, FIND THAT WE ARE GOING TO BE DEALING
WITH GORDON AND HIS COLLEAGUES IN A DISGRUNTLED
MANNER.

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

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

THERE IS NOBODY IN THE CABLE INDUSTRY OR
IN ANY OF THE ENVIRONMENTAL CONSULTANTS WHO WORK FOR
THEM WHO ANYMORE HAS ANY DOUBT THAT IT IS NOT EASY
TOLAY CABLE OFF OF CALIFORNIA IN WATER.

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

"PRIOR TO LAYING OF ANY CABLE, THE
CABLE OWNER SHOULD RESURVEY ROUTE SEGMENTS
28 AND 30 IN THE SANTA BARBARA AREA AND
PROPOSE ANY MINOR REROUTES FEASIBLE TO
AVOID FISHING AREAS THAT ARE ACCEPTABLE TO
THE FISHERMEN."

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

THERE IS ANOTHER CONDITION IN THIS LEASE
THAT SAYS:

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

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

CHAIRPERSON CONNELL: THANK YOU.

WE SEEM TO BE MISSING THE LIEUTENANT
GOVERNOR, SO WHAT I'M GOING TO DO HERE IS CLOSE THE
HEARING ON THIS MATTER, MR. THAYER.

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

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

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

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

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

(BRIEF RECESS TAKEN.)

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

MR. THAYER: THAT WOULD BE THE MONTEREY BAY
SANCTUARY, THEN?

CHAIRPERSON CONNELL: THAT'S CORRECT.

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

CHAIRPERSON CONNELL: THAT'S RIGHT.

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

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

MR. THAYER: AGENCIES --

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

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

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

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

MR. THAYER: THE COMMISSION WOULD HAVE TO
CERTIFY.

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

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

MR. BUSTAMANTE: I'LL MAKE A SECOND ON THAT.
CHAIRPERSON CONNELL: THANK YOU.

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

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

ARE YOU STILL HERE, THE MONTEREY PEOPLE?

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

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

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

MR. THAYER: WELL, I THINK THE SANCTUARY REPRESENTATIVE COULD BEST DESCRIBE WHEN THEY WOULD
BE ABLE TO ACT ON IT, BUT GIVEN THEIR DISCUSSION
ABOUT WANTING TO CONDUCT THEIR OWN ENVIRONMENTAL
REVIEW, THAT MAY VERY WELL BE AFTER SOME TIME.

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

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

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

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

SPEAKER: THE STAFF HAS PREPARED LANGUAGE TO
ALLOW CERTIFICATION OF THE EIR, PERMISSION FOR THE
CABLE FROM SAN LUIS OBISPO SOUTH, AND FOR THE
CONDUITS THAT ARE IN STATE WATERS SOUTH OF SAN LUIS OBISPO, IF YOU WOULD LIKE TO DO THAT.

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

MR. BUSTAMANTE: MAYBE WE CAN GET CLARIFICATION.

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

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

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

MR. BUSTAMANTE: I THINK HE'S RIGHT.

MR. THAYER: I THINK HE IS.

MR. BUSTAMANTE: JACK.

MR. PLUMBER: I THINK THAT'S CORRECT.

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

CHAIRPERSON CONNELL: I HAVE VERY SEVERE
CONCERNS ABOUT THE SANCTUARY.

Now, I assume that we are going to have approvals. They can't move forward illegally on construction of a cable without the necessary approvals, but I think this particular geography needs to be reviewed more closely.

I think the rest of the coast line appears to be, at least from my viewpoint of these kinds of issues. Therefore, I think they should move forward on the project.

I will certify -- I move to certify the EIR. I would move forward on the southern end of the project from San Luis Obispo south, and I would urge that we have Monterey Bay Sanctuary do their necessary reviews.

It then is up to Monterey Bay Sanctuary to decide what they're going to do about the cable within that geography, and if they can meet the reviews, then they will place it in the water, or they will make some other alternative.

The cable can be continued to be constructed in the interim.

Mr. Thayer: My understanding would be, then, that the Commission's decision on the Monterey portion of the project today is conditional upon the
SANCTUARY APPROVING THE PROJECT, AND ONCE THAT
SANCTUARY -- IF THE SANCTUARY DOES APPROVE THE
PROJECT, THEN THE COMMISSION'S ACTION TODAY TO
APPROVE THE OVERALL PROJECT WOULD TAKE FORCE WITH
RESPECT TO THE SANCTUARY AREA.

CHAIRPERSON CONNELL: THAT'S CORRECT.

MR. THAYER: OKAY.

MS. PORINI: ONE CLARIFICATION: THAT DOES NOT
ELIMINATE ANY OF THE OTHER CONDITIONS THAT STAFF HAD
ALREADY SPelled OUT.

MR. THAYER: I UNDERSTAND.

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

MR. THAYER: I UNDERSTAND.

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

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

MR. THAYER: I WOULD -- MY INTERPRETATION OF
WHAT HAS BEEN STATED IN TERMS OF THE SENSE OF WHERE
THE COMMISSION WOULD LIKE TO GO WOULD BE THAT THE
MOTION WOULD BE FOR CERTIFICATION OF THE
ENVIRONMENTAL IMPACT REPORT, APPROVAL OF THE PROJECT
WITH ALL OF THE CONDITIONS AND ADDITIONAL CONDITION
THAT NO -- THAT THE APPROVAL OF THE COMMISSION'S
APPROVAL OF THE SEGMENT OF THE PROJECT WITHIN THE
SANCTUARY IS CONDITIONAL UPON APPROVAL BY THE
SANCTUARY OF THE PROJECT.

MR. BUSTAMANTE: I THINK THAT'S CORRECT.

CHAIRPERSON CONNELL: ALL RIGHT.

WE HAVE A MOTION THAT'S BEENMOVED AND IS
SECONDED. ALL THOSE IN FAVOR OF THIS MOTION, SAY
"AYE."

MS. PORINI: AYE.

MR. BUSTAMANTE: AYE.

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

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

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

SPEAKER: GOOD MORNING, MADAME CHAIR AND
COMMISSIONERS.

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

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

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

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

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

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

THE LONG BEACH UNIT IS SHOWN IN RED HERE AND IS ONE OF THE LARGEST UNITS. IT'S IN THE
WILMINGTON FIELD, ONE OF THE LARGEST OIL FIELDS IN THE UNITED STATES.

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

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

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

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

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

THIS IS A SLIDE OF THE RELATIONSHIP OF

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

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

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

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

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

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

PROJECTED STATE REVENUES FOR THE CURRENT FISCAL YEAR, 1999 TO 2000, ARE ESTIMATED TO BE $35
MILLION AS A RESULT OF THE HIGH PROCESS CRUDE PRICE, WILMINGTON CRUDE.

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

IF YOU CAN MAKE YOUR PRESENTATION AS PRECISE AS POSSIBLE.

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

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

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

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

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

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

SPEAKER: CERTAINLY.

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

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

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

WE REVIEWED ALBI'S SAFETY AND REGULATORY COMPLIANCE DURING THE LAST TWO YEARS AND FOUND BOTH OF THEM TO BE IN COMPLIANCE WITH THE REQUIRED
AND THIS IS THE LAST SLIDE, PERTAINING TO THE AGREEMENTS. THE AGREEMENTS ARE GOING TO BE BETWEEN THE STATE, THE CITY, OXY, AND ARCO.

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

CHAIRPERSON CONNELL: THANK YOU VERY MUCH. WE HAVE ONE INDIVIDUAL WHO WISHES TO SPEAK ON ITEM 85. SIAVASH GHARIB.

SPEAKER: NO COMMENTS.

CHAIRPERSON CONNELL: I GOTTA TELL YOU -- MR. THAYER: MADAME CHAIR, I HAVE SOMEONE NAMED CRAIG MOYER LISTED AS WANTING TO SPEAK AS WELL IN OPPOSITION.

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

GO AHEAD.

SPEAKER: GOOD MORNING. I'M CRAIG MOYER,
I'M HERE TODAY TO EXPRESS MY CONCERN
ABOUT ACCESS TO CRUDE OIL. I WILL BE BRIEF.
I WANT TO TALK ABOUT SOME FAIRLY
REMARKABLE CHANGES IN THE STATE OF CALIFORNIA CRUDE
OIL MARKET IN THE LAST TWO YEARS AND DISCUSS HOW
THAT HAS AFFECTED THE PETROLEUM PRODUCT MARKET, IN
PARTICULAR, THE GASOLINE PRICES, WHICH SEEMS TO BE A
FAIRLY HOT TOPIC.
FIRST, I DO WANT TO EXPRESS APPRECIATION
FOR THE EFFORTS OF YOUR STAFF AND THE CITY OF LONG
BEACH. THEY DO BID OUT THEIR SHARE OF THE ROYALTY
OIL AND ENSURE THAT COMPANIES OTHER THAN THE MAJOR
OIL COMPANIES HAVE AN ACCESS, AND THAT'S REALLY WHAT
WE'RE TALKING ABOUT -- IS ACCESS, NOT VALUE.
ADDITIONALLY, WE'VE AGREED TO WORK WITH
YOUR STAFF TO ENSURE THAT OTHER OIL THAT THE STATE
HAS, OTHER ROYALTY OIL THAT THE STATE HAS, WOULD BE
MADE AVAILABLE, WOULD BE BID, AND THAT YOU WOULD
TAKE IT IN KIND.
STAFF HERE, ALSO, BECAUSE OF CONCERNS
 THAT I'VE EXPRESSED, HAS TALKED TO OCCIDENTAL TO
SECURE SOME AGREEMENT THAT OCCIDENTAL WILL NOT
PERMIT MORE THAN 60 PERCENT OF THE CRUDE OIL FROM
THIS UNIT TO LONG-TERM CONTRACTS, AND WHAT THAT
MEANS IS THAT OCCIDENTAL'S SHARE OF THIS LONG BEACH CRUDE WILL BE ABOUT 10,000 BARRELS A DAY THAT WILL BE MADE AVAILABLE ON LESS THAN ONE-YEAR TERM, BUT ONLY FOR TWO YEARS. THEY'VE ONLY MADE THAT AGREEMENT FOR TWO YEARS, AND THAT'S THE RUB.

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

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

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

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

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

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

YOU HAVE -- ABOUT TWO YEARS AGO, OCCIDENTAL ACQUIRED FROM THE UNITED STATES GOVERNMENT THE ELK HILLS NAVAL PETROLEUM RESERVE AND
IMMEDIATELY THEREAFTER ANNOUNCED A 15-YEAR TERM FOR
THE VAST MAJORITY OF THAT OIL WITH TOSCO.

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

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

SO THE STATE OIL IS ABOUT ALL THAT’S
LEFT, AND THIS IS NOT ABOUT VALUE. IT’S ABOUT
ACCESS.

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

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

IT'S REALLY MEANINGLESS IN THE BIG
PICTURE.

OCCIDENTAL IS ONE OF THE LARGEST
PRODUCTIONS AND, INDEED, THERE'S PROBABLY A MILLION
BARRELS A DAY THAT'S PRODUCED -- IN EXCESS OF A
MILLION BARRELS A DAY THAT ARE PRODUCED OR CONSUMED
BY REFINERIES IN THE STATE OF CALIFORNIA.

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

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

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

SO, AGAIN, IN CLOSING, I WOULD, AGAIN,
ASK THAT YOU MAKE YOUR APPROVAL OF THIS TRANSACTION CONTINGENT ON OCCIDENTAL CONTINUING TO MAKE THAT CRUDE AVAILABLE, THAT IT HAS AGREED TO MAKE AVAILABLE FOR TWO YEARS. INSTEAD, MAKE IT AVAILABLE, NOT TIE IT UP LONG TERM FOR AT LEAST TEN YEARS.

THANK YOU FOR YOUR TIME.

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

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

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

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

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

THE CONTRACTOR HAS THE RIGHT TO TAKE AND SELL THE REMAINDER OF THE OIL, AND THAT'S REQUIRED
OF THE CONTRACT INTERESTS HERE THAT'S BEING
ASSIGNED, AND THE COMMISSION, AS APPROVING THE
ASSIGNMENT, CAN MAKE CONDITIONS THAT GO TO ASSURING
ITSELF THAT THE ASSIGNEE HAS THE FINANCIAL AND
OPERATIONAL CAPABILITY TO TAKE OVER THE CONTRACT,
THAT IT CAN FULFILL THE CONTRACT REQUIREMENTS.

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

CHAIRPERSON CONNELL: GREAT. THANK YOU.

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

I'M READY TO MAKE A MOTION.

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

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

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

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

WE FELT LIKE WE HANDCUFFED OURSELVES ALREADY FOR TWO YEARS WITHOUT EVEN KNOWING WHAT OUR MARKETING STRATEGY REALLY EVEN IS. BUT WE FELT THAT
WE COULD LIVE WITH THAT FOR TWO YEARS.

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

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

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

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

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

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

SPEAKER: I THINK WE HAVE A PRETTY BINDING LETTER FROM A SENIOR OFFICER OF THE COMPANY THAT STATES EXACTLY WHAT WE'LL DO. AND I KNOW THE STATE
LANDS STAFF, LEGAL STAFF, HAS LOOKED AT THAT. THEY COULD COMMENT ON THAT.

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

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

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

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

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

MR. BUSTAMANTE: MOVE.

MS. PORINI: MOVED.

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

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

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

CHAIRPERSON CONNELL: ITEM 63, 64, AND 65. ALL RIGHT.
WE WILL NOW MOVE TO ITEM 63.

MR. THAYER?

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

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

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

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

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

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

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

ITEM 64 RECOMMENDS APPROVAL WITH PERMIT FOR A TELEPHONE RIGHT-OF-WAY FOR A CROSSING OVER THE AMERICAN RIVER IN SACRAMENTO, WHICH IS A PORTION OF
THE ROUTE FROM SACRAMENTO TO THE NEVADA BORDER.

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

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

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

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

THE SECTION OF PIPELINE THAT IS THE SUBJECT OF THIS ITEM Crosses APPROXIMATELY TWO MILES OF STATE-OWNED LANDS. THIS PIPELINE, ALONG WITH A
20-INCH PIPELINE, ARE CURRENTLY UNDER LEASE TO SFPP FOR USE TO TRANSPORT PETROLEUM PRODUCTS. CURRENTLY, THE 12-INCH LINE IS IDLE AND AVAILABLE TO BE USED AS A FIBER OPTIC CONDUIT.

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

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

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

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

THE COMMISSION IS A RESPONSIBLE AGENCY UNDER CEQA AND MUST USE THE LEAD AGENCY'S DOCUMENT. IN CONJUNCTION WITH THE DOCUMENTATION, STAFF
OBTAINED AND ANALYZED ADDITIONAL INFORMATION THROUGH OUR LEASE APPLICATION PROCESS.

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

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

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

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

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

CHAIRPERSON CONNELL: THANK YOU.
I'M GOING TO GO TO THOSE WHO REQUEST AN OPPORTUNITY TO SPEAK.

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

SPEAKER: SCHIWERGER.

CHAIRPERSON CONNELL: THANK YOU.

(CONTINUING) -- FROM KENDER MORGAN.

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

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

CHAIRPERSON CONNELL: CATELLUS IS NOT HERE?

MR. THAYER: IS NOT HERE.

CHAIRPERSON CONNELL: DID THEY KNOW ABOUT THE MEETING?

MR. THAYER: YES. THEY HAD AN ATTORNEY HERE EARLIER TODAY WHO SAID HE COULDN'T STAY FOR THE MEETING AT ALL. HE WAS HERE AROUND 9:00 O'CLOCK.
CHAIRPERSON CONNELL: YES. WELL, WHY DON'T YOU
SUMMARIZE THEIR CONCERNS, AND THEN WE'LL GO TO THE
PEOPLE WHO ARE HERE.

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

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

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

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

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

MR. EAGAN: YES. WE UNDERSTAND THAT CATELLUS'S
POSITION IS TWOFOLD: ONE, THEY SAY THE PROJECT HAS
CHANGED FROM WHAT IT WAS BEFORE THE PUBLIC UTILITIES COMMISSION, AND THAT IS A CIRCUMSTANCE THAT WOULD REQUIRE THIS COMMISSION TO EITHER DO ITS OWN NEGATIVE DECLARATION OR A FULL-BLOWN EIR ON THE ENTIRE PROJECT, NOT JUST THE THREE CROSOVERS THAT WE'RE CONCERNED WITH HERE.

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

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

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

MR. EAGAN: YES.

CHAIRPERSON CONNELL: OKAY.

NOW, JAMES, WOULD YOU LIKE TO BEGIN?

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

CHAIRPERSON CONNELL: I APPRECIATE THAT, JAMES.
SPEAKER: I'M REALLY HERE ONLY TO RESPOND TO
THE COMPLAINTS OF CATELLUS, AND SINCE THEY AREN'T
HERE PRESENTING THEM, I'M NOT GOING TO TAKE UP THIS
COURT'S TIME WITH IT.

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

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

CHAIRPERSON CONNELL: I APPRECIATE THAT.
KENNETH?
SPEAKER: I'M KENNETH BOGDEN. I DON'T NEED TO
SPEAK.

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

MOVING ON, MICHAEL.

SPEAKER: SAME HERE.

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

MS. PORINI: MAY I JUST MAKE ONE COMMENT?

CHAIRPERSON CONNELL: YES.

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

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

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

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

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

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

ALL RIGHT. I HAVE A NUMBER OF PEOPLE, MR. THAYER, WHO WISH TO SPEAK IN THE PUBLIC COMMENT
SESSION. IS THAT APPROPRIATE AT THIS POINT?

MR. THAYER: YES, IT IS.

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

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

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

WE WILL CALL THEM FORWARD ONE AT A TIME.

I WILL LIMIT YOU SEVERELY TO THE THREE MINUTES.

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

CHAIRPERSON CONNELL: LET US START WITH LIZ.

SPEAKER: THANK YOU. I'M HERE --

CHAIRPERSON CONNELL: LIZ, JUST A MOMENT, PLEASE. AFTER LIZ WILL BE LESLTER DENEVAN, AND FOLLOWING LESLTER WILL BE DON MAY:
SPEAKER: MY NAME IS LIZ GARHOLY, AND I'D LIKE TO TALK ABOUT THE DECISION YOU MADE AT THE END OF NOVEMBER ON NOT TO LET THE FEDERAL GOVERNMENT HAND OVER EL TORO TO ORANGE COUNTY.

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

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

MR. BUSTAMANTE: EXCUSE ME, WHO'S THE MAYOR?
SPEAKER: GORDON. OH, PARDON ME, MIKE GORDON.
MR. BUSTAMANTE: MIKE GORDON. PERSONAL FRIEND.
SPEAKER: PERSONAL FRIENDS. TALKS ABOUT IT ALL THE TIME.

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

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

CHAIRPERSON CONNELL: THANK YOU.

I AM NOW ON, I BELIEVE, LESTER DENEVAN.

HI, LESTER. IT'S NICE TO SEE YOU AGAIN.

LESTER, WOULD YOU KEEP YOUR COMMENTS BRIEF AS WELL.

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

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

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

CAN I PASS THESE AROUND?

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

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

THAT'S STILL AT THE DISCRETION OF THE
COMMISSION AS TO WHETHER THEY WANT TO PROCEED, AND AS A STAFF, WE'VE BEEN IN DISCUSSIONS WITH THE ATTORNEY GENERAL'S OFFICE IN ORDER TO DEVELOP SOME ADVICE FOR THE COMMISSION AS TO WHETHER OR NOT THEY WANT TO HOLD THIS HEARING.

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

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

CHAIRPERSON CONNELL: CONTINUE, MR. DENEVAN.

SPEAKER: HERE IS MY --

MR. BUSTAMANTE: WE CAN DO THAT WITHOUT JURISDICTION.

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

SPEAKER: THIS A HUNDRED MILLION DOLLAR PROJECT ON THE STATE, AND I CAN'T UNDERSTAND WHY THIS WOULD NOT GO TO THE COMMISSION FOR REVIEW.
I AM WORRIED ABOUT AND CONCERNED ABOUT
THE LACK OF OVERSIGHT ON THE PROJECT IN SACRAMENTO.
I HAVE TALKED TO THE STAFF AT LENGTH HERE
ABOUT THE PROJECT, AND I LEARNED THAT THERE HAS BEEN
NO REQUEST BY THE CITY FOR REVIEW BY THE LANDS
COMMISSION, AND THERE ARE NO FILES ON THIS PROJECT
IN LONG BEACH, IN SACRAMENTO WITH THE LANDS
COMMISSION STAFF.

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

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

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

"PRIOR TO ISSUANCE OF THE COASTAL
DEVELOPMENT PERMIT, THE APPLICANTS SHALL
PROVIDE WRITTEN DOCUMENTATION TO THE
EXECUTIVE DIRECTOR, INCLUDING SPECIFIC
CITATION OF THE RELEVANT SECTION OF THE
APPLICABLE STATE LANDS GRANT, SPECIFICALLY
DEMONSTRATING THAT THE PROPOSED PROJECT IN
ITS ENTIRETY IS CONSISTENT. THE TERMS AND
CONDITIONS OF THE LEGISLATURE'S GRANT OF THIS PORTION OF DOWNTOWN INTO THE CITY OF LONG BEACH."

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

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

THANK YOU.

CHAIRPERSON CONNELL: THANK YOU, LESTER.

PAUL, WOULD YOU RESPOND.

AND COULD WE HAVE OUR NEXT SPEAKER COMING FORWARD.

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

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

BUT THE TERMS OF THE LEGISLATIVE GRANT AND THE LEGISLATURE, IN EFFECT, TRANSFER THIS
PROPERTY FOR MANAGEMENT AND DEVELOPMENT TO THE CITY
AND LEFT NO ROLE, FORMAL ROLE, FOR THE STATE LANDS
COMMISSION TO BE INVOLVED IN A REVIEW OR
ADMINISTRATIVE WAY.

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

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

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

CHAIRPERSON CONNELL: THANK YOU. I APPRECIATE
THAT.

SPEAKER: YES. I WILL BE QUICK.

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

SPEAKER: I CERTAINLY HOPE THIS ISSUE WARMS YOU
UP A TAD.

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

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

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

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

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

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

SECOND, THEY RAISE SOME CONCERNS ABOUT PUBLIC TRUST DOCTRINE. WE DO FEEL THAT THERE IS A REQUIREMENT THAT THIS COMMISSION ACT FORMALY TO
APPROVE THIS AS A CONDITION OF THE COASTAL PERMIT.

THEREFORE -- AND WE THINK THERE ARE

SIGNIFICANT ISSUES RAISED, PARTICULARLY WITH PUBLIC

TRUST DOCTRINE OF LAND USE AS APPLIES TO THE TOWN

LOT SECTION THAT YOU SAW JUST BEFORE -- I SAW A NICE

MAP.

THEREFORE, WE WOULD ASK YOU TO AGENDIZE

THIS ITEM, AND, FURTHER, THAT IT BE AGENDIZED FOR

THE NEXT TIME YOU'RE BACK IN SOUTHERN CALIFORNIA,

WHERE WE MIGHT HAVE A LITTLE EASIER OPPORTUNITY TO

APPEAR BEFORE YOU.

CHAIRPERSON CONNELL: THANK YOU.

AND BRUCE? BRUCE MONROE?

SPEAKER: YES. THANK YOU. GOOD MORNING. MY

NAME IS BRUCE MONROE. I'M A RESIDENT OF SEAL BEACH.

I'M SPOKESPERSON TODAY FOR THE SIERRA CLUB.

THE PROJECT THAT'S UNDER CONSIDERATION IN

LONG BEACH HAS CHANGED SUBSTANTIALLY OVER THE YEARS,

AND WE AT THE SIERRA CLUB AND SEVERAL THOUSAND

MEMBERS HAVE CONCERN THAT THEY HAVEN'T HAD

SUFFICIENT OPPORTUNITY FOR PUBLIC COMMENT, AND WE

ARE HOPING THAT YOU WILL ELEVATE THIS MATTER TO A

STATEWIDE CONCERN.

WE CONSIDER IT A REGIONAL RESOURCE AND

ARE CONCERNED ABOUT A NUMBER OF MATTERS, BOTH IN THE
COASTAL ACT AND OTHER STATE LAWS.

THANK YOU.

CHAIRPERSON CONNELL: THANK YOU.

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

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

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

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

FOR EXAMPLE, THE QUEEN MARY HAS $173 MILLION OF PUBLIC FUNDS INVESTED IN IT, AND IT WAS, ACCORDING TO THE CITY, IN SUCH A DILAPIDATED STATE THAT WE LEASED IT, AND 44 ACRES OF LAND THAT IS OVERSEEN BY THIS AGENCY, FOR $250,000 A YEAR FOR THE NEXT 66 YEARS FOR PRIVATE USE, WHICH INCLUDES, YOU KNOW, THE WAVE OF THE HANDBOOK STORES AND
TOURIST-RELATED ACTIVITIES, $250,000.

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

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

YOU HAVE AN AQUARIUM THAT'S ON THE LAND
THAT YOU OVERSEE. THAT IS $450 MILLION IN DEBT. IT
IS UNDER THE GUIDANCE OF A PRIVATE CORPORATION. THE
AQUARIUM OF THE PACIFIC. IT'S A NONPROFIT
CORPORATION.

THEY ISSUED CLOSE TO $200 MILLION IN
BONDS NOW THAT HAVE AN INDEBTEDNESS OF BETTER THAN
$450 MILLION.

IT IS NOW ALREADY THROUGH THE RESERVE AND
ON THE VERGE OF BANKRUPTCY, IF I CAN BELIEVE THE
PRESS TELEGRAM WHICH SUPPORTS THEM A HUNDRED
PERCENT.

WE --

CHAIRPERSON CONNELL: SIR, I THINK YOUR TIME IS
SPEAKER: WE ARE IN A SHORT-SIGHTED OVERSIGHT, AND I THINK THAT THE QUESTIONS NEED TO BE CALLED INTO A PUBLIC VIEW.

CHAIRPERSON CONNELL: THANK YOU.

ADREA -- AM I SAYING THAT RIGHT?

SPEAKER: YES. MY NAME IS ADREA STOKER. I LIVE IN LONG BEACH, AND I REPRESENT THE LONG BEACH CHAPTER OF THE SURF RIDERS, AND I JUST WANT TO ECHO THE FIRST THREE SPEAKERS. THANK YOU.

CHAIRPERSON CONNELL: THANK YOU.

I WANT ALL OF THE LONG BEACH RESIDENTS -- AND I KNOW THE AREA WELL. MY FAMILY AND I COME TO LONG BEACH ABOUT ONCE A MONTH TO GO BIKING IN LONG BEACH, SO IF YOU CAN GIVE US DIVERTED ROUTES, WE'D APPRECIATE IT.

DIANA MANN. AND AFTER DIANA, WE'RE GOING TO HAVE REGINA TAYLOR, AND THEN DIANA MANN.

YOU HAVE TWO DIANA MANN CARDS IN.

SPEAKER: THANK YOU. I'LL BE VERY BRIEF.

I CHAIR AN ORGANIZATION CALLED ECOLINK, AND ECOLINK. IT IS A CONSORTIUM OF ENVIRONMENTAL ORGANIZATIONS IN LONG BEACH, AND WE WILL DEFINITELY ECHO THE CONCERNS OF THE PREVIOUS SPEAKERS, AND, ALSO, WE'D LIKE TO REQUEST THAT IF WE DO HAVE A
HEARING, IT IS IN AN AREA WHERE THE ORGANIZATIONS OF LONG BEACH CAN BE PRESENTED OR CAN EASILY PRESENT THEIR CONCERNS OVER THOSE ISSUES.

THANK YOU.

CHAIRPERSON CONNELL: AND I BELIEVE REGINA, YOU'RE THE LAST SPEAKER.

SPEAKER: YES.

CHAIRPERSON CONNELL: HAVE I LEFT ANYONE OFF ON THE LIST?

SPEAKER: NO. REGINA TAYLOR. I'M A RESIDENT OF LONG BEACH.

IN VIEW OF THE COMMENTS THAT HAVE BEEN MADE REGARDING THE TIDE LANDS AND ALL THE AREA THAT IS UNDER THE TRUST OF LONG BEACH, I AM REQUESTING THAT THE STATE LANDS COMMISSION PERFORM AN AUDIT AS TO THE FIDUCIARY RESPONSIBILITY OF THE CITY OF LONG BEACH AS TRUSTEES ON THE TIDE LANDS GRANT.

IF ONE HAS BEEN DONE RECENTLY AND I DON'T KNOW ABOUT IT, I'D APPRECIATE KNOWING WHEN AND WHERE I MIGHT OBTAIN A COPY.

CHAIRPERSON CONNELL: THAT IS AN INTERESTING QUESTION. WHO DOES THE AUDIT?

MR. THAYER: I'M NOT SURE. I'LL FIND OUT.

CHAIRPERSON CONNELL: IT CERTAINLY ISN'T THE CONTROLLER'S OFFICE. IT CERTAINLY WOULD BE
INTERESTING TO KNOW WHO IS SUPPOSED TO AUDIT THAT TRUST.

MR. THAYER: IT DEPENDS UPON THE LEGISLATIVE GRANT. THAT SETS UP THE RULES FOR HOW THEY RUN THAT PROPERTY, AND WE ARE INVESTIGATING THAT AS WELL AS ALL THE OTHER ISSUES THAT HAVE BEEN RAISED HERE.

CHAIRPERSON CONNELL: ARE YOU FINISHED, REGINA?

SPEAKER: I DID WANT TO MENTION THAT I DID REVIEW THE FINANCIAL AUDIT REPORTS YESTERDAY, AND THERE'S NO REFERENCE IN THERE THAT THEIR SCOPE INCLUDED ANYTHING RELATED TO THE FIDUCIARY RESPONSIBILITY, UNLESS I MISSED IT, BUT IT DID NOT APPEAR TO BE IN THERE.

ANY COMMENT?

SO THERE IS A FINANCIAL AUDIT REPORT IN WITH THE TIDE LANDS, BUT THERE ISN'T THE TYPE OF AUDIT THAT I'M REQUESTING HERE NOW.

CHAIRPERSON CONNELL: PAUL, I SUGGEST SOMEONE AT THE STATE CONTROLLER'S OFFICE DO IT. SO DON'T ASK US TO DO IT.

SPEAKER: THANK YOU VERY MUCH.

MR. THAYER: GIVEN THE NUMBER OF SPEAKERS HERE, IF THE COMMISSIONERS AGREE, I THINK MAYBE THE FIRST STEP SHOULD, PERHAPS, BE FOR THE STAFF TO HOLD A PUBLIC WORKSHOP DOWN IN LONG BEACH.
CHAIRPERSON CONNELL: I WOULD CERTAINLY ENDORSE THAT. I THINK THAT WOULD BE HEALTHY.

AND MAY I SUGGEST THAT WE ASK THE CITY COUNCIL AND THE MAYOR TO SUPPORT US IN DOING THAT. WE HAVE A VERY FORWARD-THINKING MAYOR HERE IN THE CITY OF LONG BEACH, AND I'M SURE THAT THEY COULD GAIN FROM SITTING IN ON TESTIMONY AS WELL.

MR. THAYER: CERTAINLY. AND I THINK, YOU KNOW, IF WE'VE HAD THIS MANY SPEAKERS COME TO US, THERE ARE PROBABLY SOME OTHERS THAT HAVE SOME CONCERNS AS WELL, AND IF WE HOLD A NOTICE OF PUBLIC WORKSHOP, WE SHOULD BE ABLE TO UNDERSTAND THE FULL SCOPE OF CONCERN ON THIS.

MR. BUSTAMANTE: I'D ALSO LIKE TO HAVE SOMETHING PREPARED BY STAFF THAT TALKS SPECIFICALLY ABOUT WHAT OUR RESPONSIBILITIES ARE UNDER THIS TRUST ARRANGEMENT, AND WHETHER OR NOT, IN FACT, WE HAVE THE ABILITY TO AUDIT OR TO, IN FACT, DO ANYTHING MORE THAN HOLD A PUBLIC HEARING AND THEN SUE THE CITY OF LONG BEACH.

I'D LIKE TO FIND OUT ALL OF THE POSSIBLE OPTIONS THAT WE HAVE.

MR. THAYER: WE'LL CONSULT WITH THE ATTORNEY GENERAL'S OFFICE, AND WE'LL PREPARE THAT REPORT.

MR. BUSTAMANTE: THANK YOU.
CHAIRPERSON CONNELL: IF THERE'S NOTHING ELSE ON THE AGENDA, PAUL, I WOULD LIKE TO RECESS THIS MEETING NOW TO CLOSED SESSION.

THANK YOU.

(WHEREUPON, THE PROCEEDINGS WERE ADJOURNED AT 12:00 P.M.)

* * * *
STATE OF CALIFORNIA   }  SS.
COUNTY OF LOS ANGELES)

I, KATERI A. FLOT, A CERTIFIED SHORTHAND
REPORTER IN AND FOR THE STATE OF CALIFORNIA, DO
HEREBY CERTIFY:

THAT THE FOREGOING PROCEEDINGS HELD THURSDAY,
APRIL 20, 2000, WERE TAKEN DOWN IN STENOGRAPH
WRITING BY ME AND THEREAFTER TRANSCRIBED INTO
TYPEWRITING UNDER MY DIRECTION.

I FURTHER CERTIFY THAT I AM NEITHER COUNSEL FOR
NOR RELATED TO ANY PARTY TO SAID PROCEEDINGS, NOR IN
ANYWISE INTERESTED IN THE OUTCOME THEREOF.

IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED
MY NAME THIS 18TH DAY OF JANUARY,
2000.

[Signature]

CERTIFIED SHORTHAND REPORTER