TELECONFERENCE MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

ORIGINAL

STATE CAPITOL
ROOM 1114
SACRAMENTO, CALIFORNIA

STATE CAPITOL
ROOM 1145
SACRAMENTO, CA 95814

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MEETING ROOM
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THURSDAY, JANUARY 26, 2006
3:09 P.M.

KATHRYN S. KENYON, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 13061
APPEARANCES

COMMITTEE MEMBERS
Mr. Steve Westly, State Controller, Chairperson (via teleconference)

Mr. Cruz M. Bustamante, Lieutenant Governor, represented by Ms. Lorena Gonzalez

Mr. Michael C. Genest, Director of Finance, represented by Ms. Anne Sheehan (via teleconference)

STAFF
Mr. Paul Thayer, Executive Officer
Ms. Maurya Falkner, Environmental Program Manager
Ms. Kimberly Lunetta, Executive Assistant

ALSO PRESENT
Mr. John Berge, Pacific Merchant Shipping Association

Mr. David Bolland, Association of California Water Agencies

Mr. Andrew Cohen, San Francisco Estuary Institute (via teleconference)

Mr. Tim Eichenberg, Ocean Conservancy

Mr. Mark Holmes, The Bay Institute

Ms. Shannon McKinney, Legislative Aid for Senator Simitian
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CHAIRPERSON WESTLY: Well, good afternoon, everybody. I apologize for being a little late.

This is Steve Westly, and I would like to call the meeting of the State Lands Commission to order and Mr. Thayer -- and this is a telephone conference meeting -- will you please call the roll of the commissioners in attendance.

EXECUTIVE OFFICER THAYER: Certainly.

Chairman Westly?

CHAIRPERSON WESTLY: Here.

EXECUTIVE OFFICER THAYER: Commissioner Gonzalez?

ACTING COMMISSIONER GONZALEZ: Here.

EXECUTIVE OFFICER THAYER: Commissioner Sheehan?

ACTING COMMISSIONER SHEEHAN: Here.

EXECUTIVE OFFICER THAYER: We have three in attendance.

CHAIRPERSON WESTLY: And for the benefit of those members of the public attending this meeting, the State Lands Commission, which administers properties owned by the State as well as its mineral interests, today we will hear a proposal concerning the management of these public properties.

The first item of business is the adoption of the minutes from the Commissions meeting, and I would like to
ask my colleagues for a motion to approve the minutes.

CHAIRPERSON GONZALEZ: So moved.

ACTING COMMISSIONER SHEEHAN: I'll second.

CHAIRPERSON WESTLY: Great.

All in favor, please say aye.

(All ayes.)

CHAIRPERSON WESTLY: Thank you.

You didn't need a technical roll call for that, do you? Or do you?

EXECUTIVE OFFICER THAYER: I heard three ayes.

CHAIRPERSON WESTLY: Okay. Let's have a roll call vote on that.

ACTING COMMISSIONER SHEEHAN: Sure.

EXECUTIVE OFFICER THAYER: Okay.

Chairman Westly?

CHAIRPERSON WESTLY: Aye.

EXECUTIVE OFFICER THAYER: Commissioner Sheehan?

ACTING COMMISSIONER SHEEHAN: Aye.

EXECUTIVE OFFICER THAYER: Commissioner Gonzalez?

ACTING COMMISSIONER GONZALEZ: Aye.

CHAIRPERSON WESTLY: Okay. The minutes are unanimously adopted.

The next order of business is the Executive Officer's Report.

Mr. Thayer, would you, please?
EXECUTIVE OFFICER THAYER: Thank you, Chairman Westly.

I'm pleased to report that I do not have a report and will have a longer thing to say probably at the February meeting.

CHAIRPERSON WESTLY: All right.

Thank you very much.

Next order of business will be the regular calendar. This item concerns our report for the Legislature on ballast water discharge pursuant to my friend Joe Nation's bill.

EXECUTIVE OFFICER THAYER: Thank you, Mr. Chairman.

The Commission initially heard this at a meeting in San Diego in December. Basically this is a proposal -- this is a staff report which responds to a legislative mandate, as you've identified Assemblymember Nation's bill. It requires the Commission to develop standards for improving ballast water management protection from invasive species in the state of California.

The bill requires that we submit this report by the end of this month.

At the December meeting there was some discussion about some additional enhancements to the report. In particular, in response to input from the audience and the
Commissioners' own concerns, the Commission asked staff to go back and examine whether or not there should be a deadline for meeting a zero detectable emission or discharge of organisms in ballast water. This has been added to the report which has been brought back to you today.

There was also some discussion from the State Water Resources Control Board who asked that language be inserted to make it clear that these standards are -- should be complied with in a way so as to not adversely affect water quality. So that was also added to the bill -- excuse me, added to the staff report.

And the final change that was made in the report that was brought to you today involved changing kind of the wording of the recommendations. The initial report in December stated that these were recommendations to the Legislature for enactment or for codification.

We went back and looked at the AB 433, the bill that mandates the preparation of this report, and it doesn't really require that we make recommendations for legislation; instead that the recommendations be for the appropriate standards in California. And as the report now notes, there are a variety of ways that those standards could be implemented. But the intent of the legislation was to require us to go off and work with a
variety of experts to develop what the standards should be, but not make specific recommendations on how they would be implemented, so that change was made in the report as well.

I have with me today Maurya Falkner who heads up our ballast water program, is on our staff, and she's prepared to give a brief overview of the overall ballast water program in this report, if the Commission would like.

CHAIRPERSON WESTLY: Thank you, Paul.

I just want to thank Maurya for all of her work on this. I know you've done an awful lot of — it's an important issue. It's something a lot of people don't know about, but I'm very eager to hear the report and just wanted to say thank you from all of us for doing that.

ENVIRONMENTAL PROGRAM MANAGER FALKNER: You're welcome.

EXECUTIVE OFFICER THAYER: We have several people here who have submitted speaker slips, and Commissioner Gonzalez could call upon them, if you'd like.

ACTING COMMISSIONER SHEEHAN: And Paul, this is Anne. I have -- Andrew Cohen is here in my office with me, who also would like to speak.

EXECUTIVE OFFICER THAYER: Great.

Is there anybody down there with you,
Mr. Chairman?

CHAIRPERSON WESTLY: There is one member from the public, but she does not want to speak at this time.

But maybe if Commissioner Gonzalez could go ahead and bring members of the public forward as is appropriate.

ACTING COMMISSIONER GONZALEZ: Okay.

Let's just start with Mark Holmes.

MR. HOLMES: Thank you.

I'm Mark Holmes. I'm Program Director for The Bay Institute. We're a nonprofit organization dedicated to restoring the estuary, and we work for the San Joaquin River to San Francisco Bay and the Delta as well.

I was a member of the advisory panel and participated in the development of the report that was submitted by the advisory panel. And I'm here to speak in support of the staff recommendation and to thank the staff for the outstanding work they did, putting this together.

I do want to mention one specific item in here that I talked about briefly with the staff, and have been given reassurance, but I do want to point it out just for your consideration.

The sixth recommendation in the draft report on roman IV asked to establish a recommendation to "establish a testing and evaluation center that provides industry developers and regulators an opportunity to take promising
technologies to working prototypes." And this is in the context of what the recommendations are for the State of California to do.

I have been reassured that the intent here is not for the program to be dependent upon the establishment of this center, but I just want to make it clear that our understanding is that industry is responsible for meeting the standards, meeting the schedule, regardless of whether a testing center is established by the State or not. Since this could bring up an issue of funding beyond any fees that the industry might otherwise be assessed, I think it's important that whether or not the State is able to establish the center, the industry is still responsible to meet the standards in the schedule established in the report. So that's the only other comment I have.

And thank you again very much, Chairman Westly and Commissioners, for your work on this really important measure. So thanks very much.

CHAIRPERSON WESTLY: Thank you.

EXECUTIVE OFFICER THAYER: I might add, as staff, that the issue that Mark raises is important, and we want to make sure that the staff report and the Commissions Action is not misconstrued.

And I note that in the staff report we say that this infrastructure will be essential for the effective
implementation for performance standards, and I'm wondering if a way to deal with Mark's concern would be to change that report to just say, "would strongly contribute to the effective implementation." And the word "essential" kind of implies the concern that Mark's talking about. And by making that wording change, I think it probably makes the direction staff certainly wants to go in, and I presume, the Commission, more clear.

ACTING COMMISSIONER GONZALEZ: Okay. Are there any more questions for Mark?

No?

All right. Moving on to David Bolland from the Association of California Water Agencies.

MR. BOLLAND: Thank you.

My name is David Bolland. I'm Senior Regulatory Advocate for the Association of California Water Agencies. I also served on the advisory committee, and I first of all want to compliment the staff for the excellent work they did to pull together a diverse set of folks and a lot of concerns and interests and put together a solid effort to comply with this piece of legislation.

We are in support of the document as it stands, and we believe that the performance standards for ballast water are an important part of the environmental protections that are necessary in California, specifically
to protect water quality and water supply.

A lot of public water agencies are very concerned about invasive species right now. And we're particularly concerned about the effect of invasive species in the Delta, and we believe that this effort by the State will go some distance to precluding future problems that might have arisen if we didn't -- didn't persue these performance standards.

So we support the standards strongly and appreciate the work of the State Lands Commission in moving these standards forward.

CHAIRPERSON WESTLY: Thank you.

ACTING COMMISSIONER GONZALEZ: Thank you.

Next we have Tim Eichenberg from the Ocean Conservancy.

MR. EICHENBERG: My name is Tim Eichenberg. I am the Director of Pacific Office of the Ocean Conservancy. And the Ocean Conservancy was a member of the advisory panel, and we are speaking in support of the staff report recommendations.

At the risk of embarrassing Maurya, we want to compliment her on her effort again.

There are huge improvement and achievement. They are moving towards a zero discharge, which is called for under the Marine Invasive Species Act, as pointed out in

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the report. A zero discharge is already required in some bodies of water under the Clean Water Act because under the TNDL provisions of the Clean Water Act including the San Francisco Bay. The report also points out that the IMO standards are inadequate and this would move beyond the IMO standards because they would only marginally improve current ballast water exchange requirements and are comparable to unmanaged ballast water for the smaller organisms themselves. This is pointed out on Page 35 of the report.

We also would like to point out that it's important that interim standards be implemented now because we believe that treatment technologies are currently available and achievable. We support ratcheting down the implementation of the interim standards when new technologies are achievable, consistent with Clean Water Act technology-based standards.

In implementing these technology-based standards through regulations as opposed to legislation, as the change is indicated in the report, will ease the implementation significantly rather than having to go back to the Legislature each time these standards would be changed. And we support that.

We urge the Commission to ensure that the triennial reviews and the initial reviews are substantive
and meaningful, that they actually look to provide
significant research and development of the -- of
technologies rather than just reviewing existing research
and so forth.

And finally we would like to support reducing the
final zero discharge standard from 2026 to 2020, because
this will prevent numerous invasions and harm that would
occur during that six-year period where the zero discharge
standard would go into effect.

So that's basically what we had to say.

Thank you.

ACTING COMMISSIONER GONZALEZ: Okay. Thank you.

EXECUTIVE OFFICER THAYER: And, Mr. Chair --

CHAIRPERSON WESTLY: Thank you. I just want to
thank you in particular. I think you did an awful lot of
work with Cindy Aronberg on my staff and frankly all of us
on this Board. It's a historic thing we're doing today,
and I really wanted to single you out and just say thank
you for what you have done.

MR. EICHENBERG: Thank you.

Really the work -- the major work was done by
Sarah Newkirk who is no longer with us, but just carrying
the ball for her. She's left to go back East, so she did
a fantastic job on this.

CHAIRPERSON WESTLY: Thank you.
EXECUTIVE OFFICER THAYER: And also if I could clarify to make sure everyone's aware that the staff had originally considered the 2026 deadline for -- to add to the report when the Commission wanted to have a deadline given. This was a date that we understand was discussed although not adopted by the Committee that developed the draft standards. And after further discussion, staff has modified the report, so the deadline down in 2020 within the report. So the suggestion of Mr. Eichenberg has been adopted.

CHAIRPERSON WESTLY: Okay.

ACTING COMMISSIONER GONZALEZ: And our final speaker here is John Berge from the Pacific Merchant Shipping Association.


I would like to join the rest of the crowd and express my thanks and admiration to the staff at State Lands. I think they also did a great job at facilitating both the working panel as well as this final product. And also thanks to the Commission to have the chance to provide comment today.

To start off with, I just want to reiterate that our industry strongly supports the California ballast water program, and we also support this move to develop or
establish performance standards, because I think, as most people agree, this is what we need to help drive any development of treatment technology.

We are grouped together with a couple of other industry participants, and the working panel did submit a minority report. Although we did agree on, I think, the majority of some of the issues with the Panel, there were a few issues that we did differ with. And if I could just touch on those points a little bit.

Because our industry is international in scope, we are obviously going to prefer international or federal standards as opposed to state-by-state standards. Now, this is not because their science is any better than California's science or vice versa. It's strictly an issue of providing some consistency for the operation of our vessels as in call ports throughout the world.

We also believe in this particular instance that it would likely be international or federal standards that will be the benchmark to drive any kind of a performance technology here.

I just want to point out that in the document or in the report, the staff did make the comment that there is no strong evidence that argues for a specific level of treatment. I think this essentially leaves us having to guess where we should be in terms of treatment technology.
in the future as well as when that should be integrated into the world shipping fleet.

Of course this is balanced against where we hope to be in the future. I just hope that any public policy that's set by the Commission or the Legislature is based primarily on that educated guess and less on a wish.

I would also like to point out that I think one thing is certain, and that's that no matter what standard or target date that is chosen, it will likely not match reality, come 5, 10, or 15 years from now.

For that reason, we strongly support the recommendation in the report to have regular evaluations and reporting on the advancement of technology and management options to help determine whether changes, and I would say here, in either direction, would need to be made.

So in that regard I think we would also agree that regulation, as opposed to legislation, to establish the actual standards and implementation schedule would be the preferable method here to give us the best flexibility.

Finally, I would just also like to comment briefly on the recommendation to change the terminology from "best available technology" to "best achievable technology."

Currently, the statute indicates that it should be drawn on best available technology. And I understand the
staff's recommendation to move to achievable in terms of moving to the next level that's not particularly available today.

However, quite often the case what is best achievable is not necessarily feasible. So in that regard, we would recommend that the requirement for a best achievable technology be amended to say, "best achievable technology that is economically feasible."

And again, I look forward to working with State Lands staff in the future on this issue.

Thank you.

ACTING COMMISSIONER GONZALEZ: That's it here.

CHAIRPERSON WESTLY: Great.

At this point, unless there are other comments from the public, I would like to ask if there are any comments from the commissioners.

ACTING COMMISSIONER SHEEHAN: We do -- this is Anne Sheehan. I do have an individual here with me at Finance who I think I said had wanted to speak, a member of the public.

CHAIRPERSON WESTLY: Terrific, Anne. We would love to hear from your member --

ACTING COMMISSIONER SHEEHAN: Okay.

CHAIRPERSON WESTLY: -- there with you in Finance.

MR. COHEN: My name is Andrew Cohen. I'm a senior
marine biologist and the director of the Biological Invasions Program at the San Francisco Estuary Institute, which is a nonprofit research institute in Oakland.

I have been working on exotic species and ballast water issues for about 15 years. I helped Ted Lempert's office write the first ballast water bill in California in 1999. And I was privileged to serve on the advisory panel this summer, this last summer, and I want to thank the Commission for that opportunity.

I have three areas of concern in the staff's report which I would like to touch on briefly:

The first had to do with the timing of implementation. I think the majority of the Committee was pleased to develop the recommendations for standards that we did. They are, in my view, quite strong standards and will be protective of the environment.

They also, I think, can be achieved if a major enough effort is put into it by the industry to do so by the time frame, but they will have to put in a major effort to do that. And because it is challenging, it is appropriate to review, as is proposed in the staff report, in 2008 or thereafter, whether it can really be achieved on that time frame. But I'm concerned about the basis for that review for what would constitute a case for delaying implementation. In my mind, delay should only be
acceptable if the industry has really made the maximum
effort that can be expected of them. If they really
invested all they can reasonably expect that they will
invest, they put the time and attention into it, at that
point, if they have not been able to develop the
appropriate technology, then it seems appropriate to delay
for a few years. But if that has not happened, then the
implementation should go forward.

What it says on the staff report and all it says,
although it seems to be in reference to this, is that the
industry shall have made a good faith effort. It's
possible that there was some specific legal meaning of
that phrase that staff intended to cover my concerns. But
I would feel better if it were clearer to the industry and
clearer in terms of the State Lands' position, that the
industry really was going to have to make the maximum
effort that was feasible to do this.

The other part of this, and I touch on this
because the issue arose in our advisory committee meetings
and in a different context, but the burden of
demonstrating that the maximum effort has been made really
needs to be on the shipping industry because they are
going to have to bring forward, of their own willingness,
financial data on the industry and what its financial
revenues or profits or in some way what its capacity is so
that the Commission can judge whether they have made the
maximum investment that can be expected of them.

In the committee -- commission work -- excuse me,
the panel work, when we were trying to decide what was
economically feasible, one of the things we wanted to look
at was what was the industry's capacity to pay for
treatment, for high level of treatment. And we asked the
shipping industry representatives to provide us
information, and they very politely were of no use
whatsoever in giving us information, which is entirely
their right when they asked them information on the
finances of the shipping industry, but I think it's not
possible to make a decision about whether they have made
the maximum effort unless they come forward with that.

The second issue has to do with what happens then
in implementation, if there are ships that are not in
compliance, few or many. And at that point I presume the
State Lands Commission would find ships to discharge or
untreated or inadequately ballast water, but under the
current law, unless it's been changed since the
reauthorization in 2003, the maximum penalty that you can
apply to discharging ballast water, untreated ballast
illegally, is $5,000.

The ships have operating costs of 10, 20, $30,000
a day. A ship coming into port may pay close to a hundred
thousand dollars, and when you total up the pilot fees and
wharfage fees and the costs incurred in coming into wharf
and their normal operating costs -- and $5,000 isn't a
serious penalty, or even really a slap on the wrist. It's
kind of pocket change. It's not enough money to induce
industry to invest in costs that -- for example, the staff
report estimates at between $200,000 and $5 million per
ship to install a treatment plan, a $5,000 fine just won't
do it.

I do recommend that as you're addressing the other
issues, that you address this issue as well, because it
will be impossible to enforce this law without higher
penalties being available to the Commission.

I would also recommend that the penalties be
scaled to the size of the discharge if in fact the ships
that carry discharge of the largest ballast water probably
have the largest cost for treating it, and so the fines
available to try and induce them to put in the treatment
plant should also be higher. Or around $50 per metric ton
would probably get you in the right ballpark.

The last issue, and I will mention it very
briefly, has to do with the -- what's the term I'm looking
for -- the facility to assess and evaluate treatment in
order to support a certification program. I'm not so
concerned about the facility. I'm concerned about the
certification program, because I don't understand what it will do. We touched on this a couple of times in a panel discussion. The shipping industry wanted to have certified technology that they could stick on the ships and know that they were done.

The Panel members, at least many of them were wary of this, did not endorse this approach. The concern was that the shipping industry should have to meet the standards respective of whatever certification program there was. So I'm unclear. If technology is certified, the ships put on, do they still have to meet the standards regardless if they fail to meet the standards for whatever reason? Are there penalties? Will they be required to change the treatment?

If they are not, if putting certified equipment on the ship isn't enough to them and they still have to meet the standards, what's the point of the putting certified equipment on there?

So I really don't understand what this certification program does to meet the standards, and if it were my operation, I would be -- I'm willing to move forward with a request for a $10-million facility to support the certification program until it was better spelled out.

I'm sorry if I took too long.
Thank you for listening to my comments.

EXECUTIVE OFFICER THAYER: If I could respond to some of those comments, Mr. Chair.

CHAIRPERSON WESTLY: Go ahead. Why don't you give a brief response.

We will see if anyone else from the public would like to speak, and then I think we probably should take some comments from the commissioners.

Go ahead, Mr. Thayer.

EXECUTIVE OFFICER THAYER: Sure. I will try and expedite this.

I think we're generally in agreement with most of the comments that Dr. Cohen made. Certainly should there be -- the point of the staff report in saying that there should be a good faith effort was not meant to set out a particular legal standard. But clearly we understand that there is going to be a strong burden on industry to demonstrate if it's not feasible to meet a technology standard and on staff, if it's going to recommend that some change occur either to legislation, if these standards are enacted to legislation, or to regulations, if that's how they're implemented.

So I don't see much space between what Dr. Cohen and is describing and us. Of course if and when that time came, and of course we're hoping it won't come -- we are
optimistic that these standards can be met -- that will be something that will be debated fully in public, and Dr. Cohen and others will have an opportunity to review how staff has dealt with that issue.

With respect to the penalties and enforcement issue, I think that's very important. I don't think our charge got into developing enforcement and penalty mechanisms, but clearly that's something that the Legislature should consider when it's deciding how to implement this. And it's something that we can work with the Legislature on, as that legislation is being developed, based on our own experience, and I'm sure Dr. Cohen would have that opportunity as well.

We didn't get into it again because the mandate in 433 didn't suggest that we should. With respect to the tech eval center, I agree entirely with Dr. Cohen that the major thrust of this program should be based on meeting standards and not installing certified equipment.

I think it's important that we provide some assistance in evaluating that equipment so that we all know where we're going at the end of the day, but I think when would you look at our recommendation, we're mostly looking at that center to evaluate these technologies, to see whether they are going to work or not. And clearly if we're in a position where we can say that's not going to
work, the industry can't put it on board and later say, well, we didn't know that wasn't going to work. We've already told them it isn't. So the intent here is not to provide a certification that will get around the standards.

So again, in conclusion, I would say that staff shares many of these concerns, and there will be a lot of opportunities both in the implementation of these standards to work on them further.

CHAIRPERSON WESTLY: Thank you, Mr. Thayer.

At this point I would like to ask if any of the Commissioners would like to ask questions or say a word about this.

ACTING COMMISSIONER GONZALEZ: I'm okay. I have so many notes now. I'm trying to go back to my one concern.

So Anne, do you have anything?

ACTING COMMISSIONER SHEEHAN: The only comment that I would make is I have to compliment the staff since the last meeting and coming back and making the recommendations and then pulling this piece together.

I think it is important to set a standard and to set a goal. I think it's important that we work cooperatively with the industry to get there together so that we are not in an adversarial situation in the future.
on this.

But I have to compliment the work, both of the
task force and the staff, of pulling together what I think
is a very good document.

CHAIRPERSON WESTLY: Commissioner Gonzalez, I will
buy you some time here.

ACTING COMMISSIONER GONZALEZ: I actually found
it.

CHAIRPERSON WESTLY: I understand the issues. I
appreciate the gentleman from the industry coming.

You know, realistically, I think saying we will do
this as long as it's economically feasible, I just --
personally I don't believe we can go there. It's just too
open ended, but I think what we do have here and what we
have shown is that the Commission's willing to work
collegially with the industry. I think we have a
reasonable compromise and I think we are doing something
that, frankly, is clearly in the best interest of the
public. I think it will end up saving the State billions
of dollars by keeping non-native species out of our
habitat and from causing what can and has been shown to be
a lot of damage. So I think we've got a great position.
I'd certainly support it.

And Commissioner Gonzalez, I would like to ask for
a motion, if you'd be willing to make one.
ACTING COMMISSIONER GONZALEZ: I do want to make a motion to support the staff recommendation with the only caveat being the word changing on the sixth recommendation, as proposed by Mr. Holmes, to ensure that we know it is the industry's burden and not the State's burden to make sure we are moving in that direction. But I think that that was a fairly minor change.

So with that change, I would like to make that motion that we accept the staff's recommendation.

EXECUTIVE OFFICER THAYER: Just to clarify, does the language I proposed, would that be considered okay?

MR. HOLMES: Yes.

EXECUTIVE OFFICER THAYER: Okay. Good.

ACTING COMMISSIONER SHEEHAN: Can you -- Paul, can you read -- make sure you read that language. Tell me what page.

ENVIRONMENTAL PROGRAM MANAGER FALKNER: It's on Page 42 of the report. It's recommendation number six. And it's the last sentence of that first paragraph.

And Paul, what did you want to -- it says right now, "This infrastructure will be essential for the effective implementation of performance standards and for the ongoing evaluation of technologies, once approved."

And we will change it to --

EXECUTIVE OFFICER THAYER: "This infrastructure
would" -- I wouldn't put "strongly." How about if we say "would substantially contribute to the effective implementation of performance standards and for the ongoing evaluation of technologies, once approved."

MR. HOLMES: Thank you.

ACTING COMMISSIONER SHEEHAN: All right. I just want to make sure I understand the change.

EXECUTIVE OFFICER THAYER: We would also have to put that towards -- in the forward as well which we could --

ACTING COMMISSIONER SHEEHAN: In the summary.

CHAIRPERSON WESTLY: Commissioner Gonzalez, I think that's absolutely reasonable, and I am more than happy to second the motion.

And a call of the roll, please.

EXECUTIVE OFFICER THAYER: Very well.
Chairman Westly?

CHAIRPERSON WESTLY: Aye.

EXECUTIVE OFFICER THAYER: Commissioner Sheehan?

ACTING COMMISSIONER SHEEHAN: Aye.

EXECUTIVE OFFICER THAYER: Commissioner Gonzalez?

ACTING COMMISSIONER GONZALEZ: Aye.

CHAIRPERSON WESTLY: Okay. I just want to thank the staff again. I want to thank members of the public for being here.
And I want to ask Mr. Thayer, is there other business?

EXECUTIVE OFFICER THAYER: No, that concludes -- that concludes the business that we have on the agenda. Of course, I just want to remind the Commission that our next meeting is February 9th at 10:00 a.m. in Sacramento.

CHAIRPERSON WESTLY: Terrific.
I will call for adjournment.
I want to thank all parties for being here.
I also want to recognize there is a gentleman from Princess Cruise Lines here. I want to thank him for being here as well.

Thank you.
We look forward to seeing you at the next meeting.
Thank you.

(Whereupon the Teleconference Meeting of the California State Lands Commission adjourned at 3:44 p.m.)
CERTIFICATE OF REPORTER

I, KATHRYN S. KENYON, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing Teleconference Meeting of the California State Lands Commission was reported in shorthand by me, Kathryn S. Kenyon, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said workshop nor in any way interested in the outcome of said workshop.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of February, 2006.

KATHRYN S. KENYON, CSR
Certified Shorthand Reporter
License No. 13061