

1 And maybe this study, and maybe, you know, this kind of
2 continual pressure from California and other oil-
3 producing states where the environmental impacts are so
4 great could create more pressure for a better, more
5 comprehensive energy policy at the national level.

6 COMMISSIONER DAVIS: Thank you.

7 CHAIRMAN MC CARTHY: Thank you, Supervisor.

8 Betsy Watson, Assistant Chancellor of UCSB.

9 And then at the request of Assistant Chancellor Watson,
10 we're going to call upon Dr. Case, Associate Vice Chancellor,
11 Professor of Physics.

12 Welcome.

13 MS. WATSON: Good morning, Commissioners. I guess
14 it's on into the afternoon now.

15 You've identified my name as Betsy Watson. I
16 wanted you to know that I'm authorized by Chancellor
17 Aldrich to present UCSB's comments on today's agenda item.
18 And, believe me, if it were possible for the Chancellor
19 to be here, he would.

20 You may recall that he testified before you
21 in Santa Barbara on his opposition to ARCO's proposed
22 project, and particularly to Platform Heron, because of
23 its intrusion upon our teaching and research missions.
24 It's in that context that I offer the following:

25 UCSB strongly supports the conclusions of the

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1 State Land Commission staff on the proposed Coal Oil Point
2 project as found in the calendar item as far as they go,
3 and urges the Commission to accept findings two through
4 twelve with some modifications.

5 It is entirely appropriate that the project be
6 denied at this time to allow two critical activities to take
7 place. First, the implementation and completion of the
8 comprehensive study must have occurred before the
9 Commission entertains a resubmittal of a plan for offshore
10 development at Coal Oil Point and, secondly, technological
11 alternatives to six or even three fixed platforms must
12 have been developed to offset the Class I impacts
13 associated with this project development plan.

14 Specifically, the new project development plan
15 must propose extraction of the resources on leases 308 and
16 309 in a fashion which does not require a fixed platform
17 on a rare environmental habitat which is used extensively
18 for scientific research or one which promulgates extensive
19 socio-economic impacts because of its degradation of
20 aesthetic resources.

21 We don't believe that this is an unreasonable
22 request. What would be unreasonable would be to accept
23 an ARCO application in a few months which meets the
24 criteria found on page 23 of the staff report alone. Your
25 staff, that of the University, and those of county and

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1 ARCO have just completed the exhaustive task of reviewing
2 a proposal that is not acceptable.

3 In the case of the University, the faculty and
4 staff who submitted more than 1200 comments on the ARCO
5 EIR did so while carrying out their other responsibilities
6 and without any compensation. I ask you not to require
7 that they expend this kind of energy on a new application
8 which contains the same defenses as the old ones.

9 Several comments in your staff report support
10 this request. For example, it notes that, quote, "While
11 a satisfactory method for development of the five leases
12 may be available, none has yet been demonstrated," end of
13 quote.

14 It also states that while the Commission may
15 invite ARCO to reapply, it need not do so until, quote,
16 ". . . a satisfactory method for development of the five
17 leases is available."

18 It concludes that the resource will remain in
19 place while other options are considered. And let me add
20 that the resource has been there for 70 million years.

21 What would be a satisfactory method of
22 development? One that does not intrude upon faculty
23 recruitment, upon marine research, and upon a rare
24 environmental community, or the Coal Oil Point Reserve.

25 With regard to the latter, the Regents of the

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1 University 21 years ago established the Natural Reserve
2 System to provide a cross-section of California's
3 extraordinary natural diversity for teaching and research
4 purposes. Today, NRS sites preserve more than 85,000
5 acres for such use and all are indicative of the State's
6 habitat diversity.

7 Totaling only 117 acres, the Coal Oil Point
8 Reserve protects less than one-tenth of one percent of the
9 total acreage in this particular system, yet it ranks in
10 the top third of 27 NRS sites for habitat diversity and
11 for research productivity as measured by published
12 articles, books, reports, dissertations, and theses. It
13 also ranks in the top third in user-days for teaching and
14 research.

15 Moreover, the University shares with the State
16 Lands Commission a responsibility for the public trust,
17 because it holds its natural reserves for the benefit of
18 the people of California. Section 15386 of the California
19 Environmental Quality Act guidelines designate the
20 University, with regard to its NRS reserves, as one of
21 four State trustee agencies charged with protecting the
22 State's interest in its natural resources.

23 Thus, we have an obligation to protect the Coal
24 Oil Point Reserve from the adverse impacts generated by
25 ARCO's proposed project.

1 We have a responsibility to continue to carry out
2 our duty to the citizens of this State and to the University
3 of California to fulfill teaching and research functions
4 on a quality plane equal to UC standards.

5 Clearly, UCSB's hard-earned reputation for
6 academic excellence is threatened by ARCO's project. That
7 is to say, the potential for massive offshore development
8 on our doorstep will not help us to attract outstanding
9 scholars to our campus, a highly competitive undertaking
10 at best; rather, several faculty have told you the
11 opposite effect would occur; moreover, the UCSB study has
12 identified in the new campus plan as one of the greatest
13 advantages, this as a result of the campus survey on
14 UCSB's advantages and disadvantages, in which faculty
15 participated.

16 In the next decade, the nation's universities
17 will have to undertake vigorous faculty recruitment
18 efforts to fill a staggering number of faculty positions
19 created by the retirement of a great many professors
20 who were appointed in the enrollment boom of the 1960s.
21 So, competition for outstanding scholars with such
22 institutions as Stanford, Harvard, Texas, and others will
23 become even more difficult very soon.

24 Although you've heard a great deal about the
25 excellence of UCSB's marine sciences, I would be remiss if

1 I didn't mention a few of the matters again. Our claim
2 to be one of the top centers for marine research in the
3 country is supported internally by a statement, which your
4 staff has, from the Office of the President, but -- in
5 which the Director of Academic Planning Program Review
6 exists, and it cites the fact that among 85 marine
7 institutions in the country, UCSB is ranked in the top three
8 in the amount of financing we receive from the National
9 Science Foundation. The marine teaching program is also
10 among the top in the nation.

11 We have about 300 undergraduate majors and some
12 1400 undergraduate students who study living marine
13 organisms as part of their coursework. Our graduate
14 study applicants must have a 3.5 grade point average and
15 scores on the Graduate Record Exam in the 90 percentile
16 range.

17 The research of the marine science faculty
18 conducted in waters off of UCSB use marine animals to
19 test the suitability and effectiveness of prescription
20 drugs, develops hybrid kelp which may increase food production
21 from that source, or could generate energy in the form of
22 methane from natural kelp. Our mariculture work is of
23 great value to commercial fishing interests with regard
24 to spawning and production of abalone, the location and
25 management of lobster habitats, and the protection of

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1 Dungeness crabs from parasites.

2 Moreover, a UCSB faculty member contributes to
3 national defense in the study of bioluminescence of marine
4 organisms, work which has tactical applications in the
5 detection and communication of submarines.

6 The work I have described and other research
7 will be greatly enhanced by the construction we will begin
8 in two months of a state-funded \$8 million biotechnology
9 seawater laboratory.

10 I'd like to mention the uses UCSB has
11 specifically for the site proposed for Platform Heron.
12 Contrary to ARCO's belief, this hardbottom habitat provides
13 rock fish and other fish species for a variety of research
14 projects, as well as classroom teaching. Moreover,
15 eight additional research projects use the water column
16 directly above the site. A scientist from Lawrence
17 Livermore Laboratories also conducts bottom sampling in the
18 area.

19 I want to emphasize that, although UCSB has a
20 proprietary interest in the Coal Oil Point area, many
21 other institutions conduct research there and in adjacent
22 channel areas. These include UC Santa Cruz, Moss Landing
23 Marine Lab, Cal State Long Beach, Scripps Institute of
24 Oceanography, and the University of Southern California.

25 The California cooperative fisheries

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1 investigation program, a long-term State-supported
2 undertaking, routinely samples three stations in the
3 channel -- one at Coal Oil Point.

4 These stations provide data on water chemistry,
5 plankton abundance, and physical oceanography dating
6 back to 30 years ago.

7 The item before you would increase oil
8 production more than eight times over that which is
9 currently produced by Platform Holly, a fact which ARCO
10 overlooked in its testimony early today.

11 Perhaps you will understand our apprehension
12 about such expansion if I cite a few facts associated with
13 present small-scale production of Platform Holly. Over a
14 number of years, complaints related to Holly's operations
15 have been made regularly to the Air Pollution Control
16 District, Campus Police, the County Fire Department, and
17 UCSB's Office of Environmental Health and Safety.

18 The latter office has received 36 complaints in
19 the past two years, while the Air Pollution Control
20 District heard 53 complaints from 1986 to the present
21 time.

22 We have moved our art studio from our west
23 campus as a result, and we've cancelled numerous art
24 classes in that area. The main campus was afflicted with
25 such sickening odors on several occasions in 1985, that

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1 classes on both the east and west boundaries of the campus
2 were dismissed. Complaints were so widespread,
3 evacuation of the campus was contemplated and voluntary
4 evacuation was actually achieved.

5 Eventually, a good many students and employees
6 went home complaining of nausea and headaches. And
7 finally, UCSB was forced to evacuate the Coal Oil Point
8 caretaker from her lodging at Coal Oil Point and had to
9 provide housing elsewhere for her at the University's
10 expense.

11 All that I have said supports your staff's
12 recommendation that ARCO's project be denied at this
13 time. As painful as it may be for the State of California
14 and ARCO to forego income from this offshore project for
15 now, it is in the best interest of the people of
16 California to do so. I remind you again of Professor
17 Walter Mead's observation about taking into account the
18 social costs of this project.

19 Thank you for hearing and responding to the
20 University's concerns in this matter.

21 Chancellor Aldrich has asked me to submit
22 some proposed rewording of Findings 13 and 14. And I will
23 do that now.

24 Are there any questions?

25 CHAIRMAN MC CARTHY: Any questions for Miss

1 Watson?

2 MS. WATSON: Dr. Case will be --

3 CHAIRMAN MC CARTHY: Dr. Case.

4 EXECUTIVE OFFICER DEDRICK: Mr. Chairman, excuse
5 me.

6 CHAIRMAN MC CARTHY: Yes.

7 EXECUTIVE OFFICER DEDRICK: Before we go
8 on, the court reporter needs a break.

9 CHAIRMAN MC CARTHY: We'll have a five-minute
10 break.

11 (Thereupon a brief recess was taken
12 to allow the court reporter to
13 replenish her stenograph paper.)

14 CHAIRMAN MC CARTHY: Our next witness is Dr.
15 James Case, Associate Vice Chancellor at UCSB. Dr. Case.

16 DR. CASE: I'm here today to represent UCSB
17 briefly on two matters. I want to discuss generally the
18 importance of its marine research efforts and to respond
19 to some details of the call by the Commission staff for a
20 research plan.

21 First, I wish to thank the Commissioners and
22 staff for their careful hearing they provided us over
23 these many months of hearings. We feel that we're
24 virtually neighbors after all of this exercise. And I wish
25 to emphasize how important it is to the development of a

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1 rational resource utilization, not only in California,
2 but in the nation, for you to have considered this matter
3 in terms of the concept of public trust.

4 I also wish to acknowledge ARCO's generally
5 interested attitude regarding UCSB's concerns, which is not
6 to say by any means that we think they've been interested
7 enough obviously.

8 But to give the oil company its due, the
9 Commission should realize that ARCO has supported for the
10 past several years a joint science panel with UCSB.
11 Don Keane of ARCO's environmental staff has led their
12 participation in trying to resolve some of our problems, and
13 have supported some preliminary research relating to the
14 resolution of the problems that are quite obvious to us.

15 Their action in doing this expresses more than a
16 pro forma interest in public problems with offshore oil
17 development and, of course, at the same time, decisively
18 shows that they know there are serious problems with this
19 project.

20 Professor Alice Aldrich usually leads our
21 presentation on the importance of marine research
22 programs. I think Regent McCarthy will be touched by the
23 fact that Alice could not be with us today because of a
24 teaching requirement of an undergraduate course. At other
25 hearings, Dr. Aldrich has detailed the value of the UCSB

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1 marine program. Beyond this, I would like to call to your
2 attention how important research on marine organisms has
3 been and continues to be to advancement of biomedical
4 sciences in general.

5 This stems in part from the fact that the oceans
6 were the cradle of life, and they are still relatively a
7 benign environment, hosting a far greater variety of life
8 forms than exist on land or fresh waters.

9 Biomedical scientists have found in this
10 variety of organisms certain exotic forms which are
11 exactly suitable to their research owing to useful
12 peculiarities of structure and function. Thus, the squid
13 provided the giant nerve cells that made possible the
14 experiments leading to a Nobel Prize in biology and
15 medicine by Huxley who determined the nature of the nerve
16 impulse.

17 And even today, the nervous system in certain
18 large sea slugs are making possible rapid advances in the
19 study of the basic processes of learning and memory.
20 These processes many believe are the most important
21 and difficult biomedical problems left to be solved.

22 Marine laboratories thus are critically important
23 sites for innovative research and should be vigorously
24 protected as essential to the progress of biomedical
25 science. Good marine laboratories, such as the University

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1 of California has, are rare. There are perhaps fewer than
2 six in the United States with facilities such as exist
3 at UCSB.

4 The UCSB laboratory is an even more valuable
5 resource when it is considered that it exists on a general
6 campus of a major university. There are perhaps only
7 two or three laboratories in this category in the United
8 States.

9 Tremendous advantages stem from such a location.
10 As compared with the relative isolation of most marine
11 laboratories on a general campus, the power of other
12 academic disciplines can readily be brought to the
13 assistance of research in the marine area.

14 Mathematics, physics, chemistry, and engineering
15 the powerful stimulatory effects of research have crossed
16 traditional borders of science become an everyday fact
17 in the operation of a marine laboratory in such an
18 environment.

19 Presence of the marine laboratory on a general
20 university campus provides rare opportunities for the
21 education of our future scientists. At most universities,
22 if students are to benefit from studies on marine
23 organisms, they must disrupt their regular program and go
24 to a marine laboratory for a brief and often extremely
25 expensive stay. In contrast, marine studies are a normal

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1 part of the curriculum at UCSB and are fully integrated
2 in instruction.

3 Dr. Aldrich described in her presentation to
4 Commission staff last week the quality of the UCSB
5 research and instructional program in the marine area, and
6 Betsy Watson has reminded you of some details of that
7 already today.

8 She pointed out that tangible recognition of
9 this quality is clear from the fact that within a few
10 weeks we shall begin construction of a unique new
11 State-funded facility at UCSB, a marine biotechnology
12 laboratory. This will support the most advanced research
13 in biochemistry, genetic engineering, and physiology of
14 marine organisms.

15 Research at UCSB that has justified construction
16 of this new facility is not only of great value in
17 disciplines ranging from biomedicine to defense, but also
18 establishes UCSB as an ideal center for a very significant
19 part of research that we believe is necessary to implement
20 the staff's report call for research.

21 UCSB scientists working on the molecular biology
22 and neurophysiology of senses which govern critical
23 life stages of commercially important organisms -- such
24 as abalone, crabs, and lobsters -- have shown how
25 defective the present water quality standards are when it

1 comes to assessing long-term subtle, but ultimately life-
2 threatening effects of pollutants.

3 We know of only two other laboratories in the
4 United States conducting work of this type and quality.

5 Here I would like to parenthetically comment on
6 a statement made by Mr. Ranger with respect to the fact
7 that petroleum is not a great problem to us at UCSB,
8 because it resides almost exclusively at the surface of the
9 water. He should be reminded that when investigators
10 look at the toxicity of petroleum in the ocean, they're
11 not really interested in the glop itself, which has an
12 obvious mechanical effect, but in the so-called water
13 accommodated fraction, that fraction of petroleum that
14 goes into solution. And that, of course, exists
15 throughout the entire water column,

16 I should also point out that when we have heavy
17 weather, which is quite common in the Santa Barbara
18 Channel, such oil at the surface would itself be mixed
19 throughout the water column.

20 Other UCSB scientists are doing fundamental
21 research on cultivation of kelp and, most importantly,
22 the genetic improvement of this species. Since a
23 prominent effect of marine development in California is
24 damage to kelp, which is a vital nursery to much marine
25 life, these scientists have much to offer in assessing the

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1 effects of proposed development and in seeking remedies
2 for such damage as may be unavoidable.

3 UCSB marine ecologists and biological
4 oceanographers know the habitats of the channel like the
5 back of their hands, having worked there since 1956. And
6 they are thus ideal judges in the health of the channel.

7 UCSB has an internationally respected remote
8 sensing expert who can bring to bear the power of remote
9 sensing technology to help solve the tremendous problems
10 of monitoring large marine ecosystems which must be
11 achieved if the staff recommendations are to be realized.

12 Among our geologists and engineers are experts
13 on physical oceanography and are able to assess the
14 physical properties that drive the biology of the channel.
15 And one prominent in our engineering school has expertise
16 in marine safety. Finally, UCSB has economists who are
17 expert in natural products and in marine policy. All of
18 these skills are resident at the present site of greatest
19 interest and have been developed to a very great extent
20 by investigation of channel problems.

21 We have two basic problems with the staff
22 call for research and have presented at least one
23 recommendation to you already today with respect to
24 Finding 14. And I would like to illustrate that point
25 now.

1 We note first, with dismay, that there's no
2 indication that the University of California should play
3 a role in planning or conduct of this work. For many
4 years as a land grant institution, the University has had
5 a decisive role in conducting research for the public
6 benefit.

7 Surely, there is no difference between this
8 situation, one in which research is essential to proper
9 use of the public trust; that is, the California coastal
10 province.

11 Specifically, for the reasons cited already,
12 UCSB is an ideal center for such activity as it affects
13 the Santa Barbara Channel.

14 Our second problem with the staff call for
15 research has to do with its scope. We believe this plan
16 will be defective if it considers only oil and gas. All
17 human intrusions -- oil and gas, agricultural runoff,
18 waste disposal, commercial and sports fisheries, and
19 transportation -- must be taken into account if the
20 condition of the California marine public trust is to be
21 properly assessed.

22 The entire marine ecosystem, State and Federal,
23 in terms of all intrusions must be considered. While we
24 certainly compliment the staff for their enlightened call
25 for research planning on such a large geographical scale --

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1 and as I have said, we hope that you will make the plan
2 even larger by considering all human intrusions -- we
3 have to urge, in a preliminary way for practical
4 considerations, that you begin with a more restricted
5 program of research which we believe should be centered
6 in the Santa Barbara Channel.

7 This would have two important effects. It would
8 be a proving ground for what may be practically
9 accomplished in the proposed Statewide study, and it would
10 be a decisively important input to any further
11 consideration of the ARCO development program.

12 The Santa Barbara Channel is an optimal site
13 for such a study. It is a defined oceanographic realm of
14 large, but probably manageable size. It possesses all of
15 the problems that make up the essentials of such a
16 study -- oil, and active fisheries, sewage, agricultural
17 runoff, heavy ship traffic.

18 At the same time and most uniquely in the State
19 of California, the channel possesses a natural controlled
20 environment -- the Channel Islands themselves. These
21 islands are still almost in their natural state and if
22 properly studied, can assist us to differentiate between
23 many natural and human-induced effects on the channel's
24 ecosystems.

25 The channel is also an ideal site for testing

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1 a statewide research initiative, because of the great
2 and constructive interest on the part of the local
3 government, the channel fishermen, who are already
4 veterans in accommodating to oil and other developments,
5 and, of course, because it is the site of UCSB.

6 We believe that such a program focused on the
7 channel should begin as soon as possible and run for about
8 three years before further consideration of permitting of
9 the ARCO project. Our reasoning and an indication of the
10 types of research that should be conducted were presented
11 to your staff at last week's hearing.

12 Your staff has requested ideas on how this
13 research has (sic) been funded. And there was actually one
14 question from the Commission this morning.

15 We simply believe the cost of such research
16 should be borne by all users of the channel in proportion
17 to the benefits they receive from the use of this public
18 trust.

19 In conclusion, we commend the Commission again
20 for its efforts to attain optimal use of California's
21 State waters and wish to state that UCSB is ready to
22 help in this fundamental and farsighted activity along the
23 lines of the general plan which we have already presented.
24 Thank you.

25 CHAIRMAN MC CARTHY: Thank you very much.

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1 Any questions of Dr. Case? Thank you, Doctor.
2 Dr. Raymond Sawyer, Professor of Physics, UCSB.

3 DR. SAWYER: Thank you. I'm a professor at
4 UCSB and formerly the vice chancellor of the campus. You've
5 seen me two times already. And I won't repeat testimony
6 that I've already given.

7 Thank you for listening patiently the previous
8 times. Now I'm down to two short paragraphs, and I think
9 you have copies of my remarks already, but here's one
10 if you do not.

11 I wish to suggest one change in the motion
12 which was drafted by the Commission staff. In suggesting
13 that ARCO reapply possibly after a period in which new
14 studies are carried out, the Commission should add
15 an explicit admonition to the effect that neither Platform
16 Heron nor any equivalent structure or set of structures
17 be proposed for the area east of present Platform Holly.

18 A research program, as described by Dr. Case,
19 will be invaluable in better determining the risks to the
20 biological environment and to marine science at UCSB, and
21 in determining what safeguards or mitigations should be
22 incorporated into a new project proposal.

23 But as the staff report recognizes, the Heron
24 project, in close proximity to the most densely populated
25 part of the coastline, would have serious unmitigatable

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1 impacts on the human environment. The citizens who have
2 spent their time reading EIRs, attending hearings, writing
3 letters should be spared going through it all over
4 again in the case of Platform Heron.

5 I do have a suggestion for something which could
6 be added to the list of 14 recommendations which are
7 being presented to the Commission this morning. I have
8 entitled it thirteen and a half. And I'll read it with a
9 preface.

10 It is not quite as sweeping a statement as the one
11 submitted by Assistant Chancellor Watson. I actually
12 prefer the one submitted by Assistant Chancellor Watson,
13 which has to do with delaying any future project until
14 there is significant advancement in technology. But
15 I'm reading it anyway in case the Commission would like to
16 have different choices in considering this issue.

17 This is in the format of advice from the staff
18 to the Commission, and it reads: Inform ARCO that a new
19 application should not propose the construction of
20 platforms east of present Platform Holly, and that the
21 exploitation of the reserves accessible only from this
22 region be delayed until such time as a combination of
23 economic factors and improvements in subsea technology
24 allow the profitable extraction of the resource without
25 large negative impact on UCSB and Isla Vista. Thank you.

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1 CHAIRMAN MC CARTHY: Thank you very much. Any
2 uestions by the members of the Commission? Thank you.

3 Paula Carrell, legislative representative for
4 the Sierra Club.

5 MS. CARRELL: Thank you. Good morning,
6 Commissioners. These will be very brief comments. I don't
7 wish to repeat all the points that have been made by our
8 representatives at the three hearings that were held
9 locally, nor many of the same points that have been made
10 this morning.

11 I just want to state on behalf of the Sierra
12 Club, that we very strongly support the recommendations
13 made to you in the staff report on this matter; that you
14 deny the project at this time and most particularly, that
15 you authorize the research project that has been
16 proposed.

17 It is precisely the kind of thing that the
18 Sierra Club has been looking for in dealing with the various
19 offshore oil applications, both in the Federal and State
20 level, for the last several years. We have a very strong
21 feeling there is a need for a comprehensive look at
22 offshore oil development as it is proposed in
23 California and most particularly, a look at ways in which
24 we can have a cumulative facilities planning and a clear
25 review of some of the extraction options that may be

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1 available; for instance, in this particular case, the
2 possibility of accessing some of this oil with some -- by
3 virtue of some sort of cooperative agreements with the
4 Federal agencies that are drilling in the region rather
5 than the construction of new platforms.

6 But at any rate, we think that the research can
7 help us to answer some of these questions. And we very
8 strongly support that aspect of your staff's recommendations.

9 The impacts that this project would have on the
10 environment in the Santa Barbara Channel are many and
11 familiar, and I don't -- will not restate them at length.
12 But they are of very grave concern, not only to the Sierra
13 Club members in Santa Barbara, but also to those statewide
14 membership (sic) who is considering the resource in the
15 Santa Barbara Channel and the coastal resource as a
16 value -- an environmental value to us statewide.

17 There will be a written copy of more extensive
18 comments for this hearing coming from the members in
19 Santa Barbara. It was mailed by them last week with the
20 intention that I deliver it to you today, but the U.S. Mails
21 have not seen fit to deliver it to me yet. Anyhow, it will
22 be coming in, and I appreciate very much the opportunity
23 to make our simple statement this morning.

24 CHAIRMAN MC CARTHY: Commissioner Ordway.

25 COMMISSIONER ORDWAY: Just a question. You said

1 something very intriguing. Do you have any indication from
2 the Department of the Interior that they would be willing
3 to enter into a cooperative arrangement whereby State oil
4 under State lands could be obtained via platform from the
5 OCS?

6 MS. CARRELL: I don't have such indication, but --

7 COMMISSIONER ORDWAY: You were just hypothesizing
8 that this would be a nice thing?

9 MS. CARRELL: We have suggested previously that
10 it is something that should be looked at by both parties.

11 COMMISSIONER ORDWAY: Okay. I thought maybe you
12 had discussions with Secretary Hodel and thought this was
13 nice and you could pursue that.

14 (Laughter.)

15 MS. CARRELL: Discussions with Secretary Hodel
16 are not a regular part of our business I'm afraid,
17 unfortunately. Thank you very much.

18 CHAIRMAN MC CARTHY: Nicole Silk, Pacific Coast
19 Federation of Fishermen's Association.

20 MS. SILK: Good afternoon. I'm here to read the
21 Pacific Coast Federation of Fishermen's Association's letter
22 of statement.

23 The Pacific Coast Federation of Fishermen's
24 Association representing the working men and women --
25 excuse me -- California's commercial fishing industry

1 supports the staff recommendations of the State Lands
2 Commission to deny at this time the permit request by
3 ARCO for its Coal Oil Point project offshore Santa Barbara
4 County.

5 Our opposition to this ARCO project has nothing
6 to do with the merits of the project or the applicant,
7 rather our concern is with the cumulative impacts of this
8 project, together with others proposed for State waters
9 offshore Santa Barbara and San Luis Obispo Counties.

10 We urge the State Lands Commission to deny
11 any new permits until such time as a study's conducted
12 and completed assessing the impacts of all the development
13 proposals by the different companies for offshore
14 Santa Barbara and San Luis Obispo Counties.

15 As you know, it is the commercial fishing industry
16 that is the first to feel the effects of offshore oil
17 development, whether it be from fish dispersal, displacement
18 from fishing grounds, or the loss of fish and shellfish
19 resources.

20 If the State is to maintain a visible commercial
21 fishing industry in the wake of offshore oil development,
22 then care must be taken to thoroughly study and wisely plan
23 for that development.

24 That is what we are asking the State Lands
25 Commission to undertake. If you, the Commission, or your

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1 staff have any questions regarding this recommendation,
2 please call the offices of the Pacific Coast Federation
3 of Fishermen's Association.

4 Your attention to these comments is greatly
5 appreciated. And I have copies of the statement.

6 CHAIRMAN MC CARTHY: Thank you.

7 MS. SILK: Thank you.

8 CHAIRMAN MC CARTHY: Robert Klausner, Chairman
9 of the Oil Committee, Citizens Planning Association of
10 Santa Barbara.

11 Mr. Klausner, welcome.

12 MR. KLAUSNER: Thank you, Chairman McCarthy,
13 Commissioners.

14 Before I go into this, I'd like to go back to
15 the findings that you passed out today.

16 I have no problems with those findings. Last
17 week we sent you -- and I don't know whether the mails
18 got here -- and a copy to your Executive Director -- some
19 observations in regard to findings about making a finding
20 of inconsistency of the project with a significant lands
21 inventory which came in under your --

22 EXECUTIVE OFFICER DEDRICK: I don't believe we
23 received that, Mr. Klausner.

24 MR. KLAUSNER: Okay. I'd like to give you then
25 a copy, because I think that this is something that's in

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1 your jurisdiction and would further strengthen your findings
2 in this case. And I'd like you to give that some
3 consideration before you make your final statement.

4 CHAIRMAN MC CARTHY: Do you have some other
5 testimony?

6 MR. KLAUSNER: Yes. I'm sorry.

7 CHAIRMAN MC CARTHY: Why don't you proceed with
8 that.

9 MR. KLAUSNER: Obviously, I would like to
10 thank you folks for having spent as much time as you have
11 with us in Santa Barbara. We really appreciate that.

12 We would like to support, obviously, your staff
13 report in the sense that we believe that Heron should be
14 denied and is unequivocally inappropriate until
15 technology changes the facts as they are today, and perhaps
16 putting off the other two platforms until a study is done
17 would be appropriate.

18 We think that review should be undertaken in
19 concert with the county and other interested agencies up
20 and down the coast. And it should establish thresholds
21 for development of this and other State leases under
22 scenarios with and without a national energy policy in
23 place.

24 We believe that the thresholds-- obviously, if
25 there is a national energy policy in place, the thresholds

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1 are different than if there is no policy in place. And
2 I think, Mr. Davis, you sort of touched on that subject.
3 And we are very concerned that until something's in place,
4 we are unwilling to sacrifice our local economy, our
5 quality of life, or the prospects of our university for
6 this type of development.

7 I think as loyal Americans, we in Santa Barbara
8 have demonstrated that we're willing to accommodate
9 oil development. How much, however, ties in with what
10 the national government's policy is. I would suggest also
11 that the lack of people here from Santa Barbara is not
12 because of a lack of interest. I guess you have a quiet
13 thank you from all of them, and they didn't feel it was
14 justified to spend the time and energy and money to come
15 up here. But from every indication we've gotten, they're
16 all sympathetic to the staff report.

17 We think it should be made clear to ARCO, the
18 industry, and the Federal Government that the reason for
19 denial is not quite as simple as Mr. Ranger as sort of
20 indicated in indicating that people in Santa Barbara don't
21 like the looks of oil platforms. Many of us living in
22 Santa Barbara are accustomed to viewing oil platforms.
23 As a matter of fact, the oil platforms -- I live on the
24 beach. They were there before I came. I do not find them
25 objectionable. And probably if another one were put in

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1 off my quarters, I would be used to it and not be offended
2 by it.

3 However, people coming from other parts of the
4 country to enjoy the scenic quality of our coast don't
5 feel the same way. And I can give you chapter and verse,
6 people who have come, who visit us, and say, "My God!
7 What are they doing there? Don't let them do anymore."

8 So, it's not so much the people who are there
9 and used to it as the people who come to visit, take
10 advantage of our tourism. Frankly, common sense would
11 indicate to me that you're not going to go to a
12 destination resort to look at oil rigs. I mean, that's
13 too absurd.

14 Since the quality of the University and tourism
15 and so important to our community, the visuals and its
16 implications do have substantial impact that would other-
17 wise be unreasonable in places where industry and oil
18 development is the heart of the local economy. That ties
19 in with something that Bill Wallace was talking about --
20 residential-industrial conflict.

21 We have a general plan. And if you look where
22 those -- Heron was or is projected relative to I.V. as
23 a focal point, it's closer to I.V. than some parts of the
24 University. So, our general plan and our local coastal
25 plan call for urban lines moving outward from Isla Vista,

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1 with residential and visitor serving--namely, hotels
2 and parks-- are the appropriate uses.

3 Industrial applications are not appropriate.
4 And what may have been appropriate in 1947, is not longer
5 so, because events have overtaken the leases, and may
6 very well overtake those two platforms that you're
7 temporarily deferring, because if you wait long enough
8 on those, that coastline is going to be developed to
9 a greater extent. What is applicable now to Heron
10 relative to a urbanized coastline, may very well be
11 applicable to those platforms as you move further up the
12 coast, because the coast is changing. And it's a
13 question of priorities. Who gets there first. And first
14 come is the one that dictates, in effect, what shall be
15 until time marches on and you get an evolution or whatever's
16 going to happen.

17 Most people in Santa Barbara are there by choice
18 and not by need. And whether they be retired people, or
19 visitors, or working people, the place is the attraction.
20 And that's significant. Visual solution is inconsistent
21 with the surrounding beauty (sic). I mean, we've gone
22 so far as to pull down pole signs. Now, the people who
23 don't come from an area where that's so, you can't
24 appreciate what a difference that has made in our quality
25 of life. It may sound silly to people who are in

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1 communities who have pole signs and they don't realize
2 how different it could be, but to us it's very important
3 where we live and that's why we're living there. A lot of
4 people are living there, despite the fact that they could
5 make more money living someplace else, because of their
6 environment.

7 And there has to be a place like that. And we
8 don't see any reason under the circumstances to sacrifice
9 that. As a matter of fact, a year ago, somebody had
10 found -- or thought that they had some oil under their
11 land in Carpenteria, which is in the South Coast, and
12 they wanted to put an oil drilling -- one of those things
13 that go up and down -- on agricultural land, and the
14 County said no. It's incompatible with the surrounding
15 use. So, I think we're being consistent, unless there's
16 a very good reason for us to make some other adjustment.
17 We're not willing to do that. And we think that what
18 staff has come in with is consistent with where we are.

19 In summary, if a large number of people can see
20 the platforms, hear the development, and from time to time
21 smell the project, it should not be permitted. It's as
22 simple as that. Standards, however, to ensure a greater
23 certainty of the process for everybody -- the public,
24 ARCO, the rest of the oil companies, must be established
25 and established quickly. This is a crazy process. It's

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1 unreasonable to go around in circles the way we have.
2 It's much too unproductive. It costs too much, and we
3 just can't afford as a society or a nation to continue
4 operating this way.

5 So we would urge you to proceed with the study
6 in a logical way -- not in an antagonistic way, not with
7 a preconceived notion of what you're going to end up
8 with, but something that will end up with better guidelines
9 so everybody can go in a straight direction.

10 We thank you for your leadership in this regard.

11 CHAIRMAN MC CARTHY: Thank you, Mr. Klausner.
12 Any questions by the Commissioners?

13 Thank you very much.

14 Michael Phinney, Isla Vista Association,
15 representing himself.

16 MR. PHINNEY: And myself.

17 CHAIRMAN MC CARTHY: And yourself, both.

18 MR. PHINNEY: Chairman McCarthy, Commissioner
19 Ordway, Commissioner Davis, nice to see you again.

20 The Isla Vista Association and a lot of other
21 people who couldn't afford to fly up here asked me to
22 convey to you that we heartily concur with the staff's
23 recommendations to you, especially the two modifications
24 today. Of course, we heartily endorse Dr. Wallace's
25 statement.

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1 A couple of brief remarks, and then I'll get
2 off here.

3 There was some allusion to an inverse
4 condemnation this morning. I wrote you all a rather
5 lengthy letter on that subject. I hope you remember
6 getting it.

7 We'd like to emphasize again and concur with
8 the comprehensive study of the cumulative effects of
9 offshore oil development.

10 We talked about -- there's been some testimony
11 about jobs this morning. I'd like to speak to that. I
12 would suggest that our national lack of an overall energy
13 development plan -- program has created an absolutely
14 Madd Comics situation. We've got thousands of people right
15 down here in Kern County out of work in the oil industry
16 and associated fields. We've got thousands and thousands
17 of people out of work in Texas, Louisiana, Oklahoma. I
18 haven't heard any testimony about the sad plight they're
19 in, and yet we're talking about developing some pretty low
20 grade crude oil here. It's not going to do those people
21 any good. Why aren't we doing something about reactivating
22 those fields? We need an overall energy plan for this whole
23 nation. I hope that message will go back to Washington.

24 There was some mention made of an oil spill.
25 We've got an oil spill going on down at Seal Beach. It may

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1 not be a frequent occurrence, but those of us who were in
2 Santa Barbara in 1969 will never forget the one we had. It
3 takes only one.

4 Air quality, I've spoken about that. I presented
5 some testimony at your staff hearing last Thursday. I'll
6 give you little brief comment on that again if I may.

7 We had a suspected hydrogen sulfide leak up the
8 coast at one of the platforms. Apparently everybody was
9 so worried about hydrogen sulfide that they evacuated
10 a large percentage of the platform personnel as a routine
11 precaution. It turned out it was air bubbles. But they
12 didn't mess around. They hauled those people right out.
13 Dangerous stuff.

14 We do not want to live next door to that
15 right off our beach with that threat hanging over our
16 heads. No way. Thank you for your time.

17 CHAIRMAN MC CARTHY: Thank you, Mr. Phinney.
18 Any questions by the Commissioners?

19 The staff has proposed an amendment to the
20 findings and they were distributed to the members of the
21 audience at the beginning of this hearing.

22 I'd first like to take up that issue before the
23 members of the Commission. Do either of the Commissioners
24 have any comment on the proposed staff amendment to the
25 staff findings? Do I hear a motion to adopt?

1 COMMISSIONER DAVIS: I would move their
2 adoption.

3 CHAIRMAN MC CARTHY: The proposed amendments
4 to the proposed findings are adopted.

5 COMMISSIONER ORDWAY: I would like to be
6 recorded as a no.

7 CHAIRMAN MC CARTHY: All right. Two to one.
8 Those proposed amendments are adopted, have now been
9 adopted to the findings.

10 CHAIRMAN ORDWAY: Question on the recommendation
11 to staff?

12 CHAIRMAN MC CARTHY: Yes.

13 CHAIRMAN ORDWAY: Item 14, where it discussed
14 the staff would be directed to develop a plan for a
15 comprehensive study of the overall effects of all oil and
16 gas development in all federal and state waters off the
17 coast of California; to investigate and develop potential
18 funding sources for the program; to inquire about
19 participation by the oil and gas industry and by federal,
20 state, and local governments; and to return to the
21 Commission at the end of a six-month period to report on
22 the feasibility and proposed agenda for the program.

23 One question would be, would it be -- isn't the
24 intention of Item 14 to continue to conduct a comprehensive
25 study, state and federal OCS if there's no involvement by

1 the Department of Interior?

2 CHAIRMAN MC CARTHY: I'm sorry. Was that a
3 question you're posing to staff?

4 COMMISSIONER ORDWAY: The question I'm proposing
5 to anybody, staff probably.

6 CHAIRMAN MC CARTHY: Well, Commissioner Davis
7 says he'd like to answer that.

8 COMMISSIONER DAVIS: About two months ago I
9 proposed the development of a cumulative impact study. My
10 view is that any effort to develop a vision for the
11 coast allows us to make more thoughtful and responsible
12 decisions.

13 I had a chance to visit with a congressional
14 delegation back in April under Don Edwards' leadership.
15 They seemed to be responsive. My staff had a chance to
16 visit with the GAO, and they seemed to be responsive.

17 Obviously, the preferable -- the preferable
18 situation from my perspective -- I know from my perspective
19 and I presume from the staff's and Chairman McCarthy,
20 that Interior participate. But I would hope that we would
21 undertake the study whether or not Interior participates.

22 COMMISSIONER ORDWAY: This is just a question,
23 because I don't -- I'm not opposed to a cumulative impact
24 study. I think it's something that we've all been talking
25 about for a lot of years. But I really have to question

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1 how beneficial that can be without the input, the knowledge,
2 and the data base that's only held by the Department of
3 Interior. Otherwise, wouldn't it just be sort of a whole
4 collection of assumptions and guesses? And I'm just
5 wondering what that is going to generate as far as the
6 document upon which future judgments will be made?

7 So, it's just query. I'm looking for some
8 guidance on 14. I'm trying to find an item here that I
9 can support.

10 COMMISSIONER DAVIS: My own view, again, would
11 be that in cooperation with the Coastal Commission staff,
12 with the Congress, we could piece together our best
13 estimate of what we expect to happen, not only with the
14 State waters, but what's likely to happen in federal
15 waters, which would clearly put us in a preferable
16 situation, which may not be a totally accurate prediction
17 of the future, but would give us a better sense of
18 what we ought to be doing in the decisions that we'll be
19 confronted with.

20 COMMISSIONER ORDWAY: That's true. Does staff
21 have any additional comments?

22 CHAIRMAN MC CARTHY: Claire? Miss Dedrick?

23 EXECUTIVE OFFICER DEDRICK: Not really. I think
24 what we need is some time to talk to the people involved.
25 There was a lot of testimony today requesting or suggesting

1 that the scope be enlarged. I think what we need to do
2 is have some meetings with various interested parties,
3 of which there are a whole bunch, and try to bring this
4 into some, you know, to personalize the issues that we can
5 realistically address.

6 Certainly, the cooperation of the Department of
7 Interior is a critical one. But I also think that we have
8 to go forward and if we can't get Interior's assistance,
9 we just have to do the best we can without it.

10 I believe, however, that the majority of
11 information that is on the public record is useful
12 information. The cooperation of the oil industry is a
13 pretty important part of this and, obviously, because
14 their own plans are propriety. And we cannot get -- you
15 can't get them from the public record the way you can
16 other things.

17 So that's an area that's going to take some
18 careful thought. Beyond that, it's difficult to come up
19 with a funding number until a scope is established. And,
20 of course, we do have a rather serious problem in regard
21 to funding as you all know. The budget is virtually
22 closed at this point for the next fiscal year. And we
23 need to come up with some kind of working number to -- the
24 reason staff suggested a six-month period to put it
25 together was -- this has been tried before and it's never

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1 worked. And I believe the reason it hasn't worked is
2 simply that you couldn't focus the players on the same
3 goal. Now, perhaps there's now a goal. There's enough
4 interest in a common goal now that there wasn't years back,
5 that we would be able to get the kind of focus that I think
6 we require for this kind of project. At any rate, those
7 are the primary, immediate staff technical kind of
8 problems that we've been worrying about the last few
9 weeks.

10 Mr. Chairman, is there anything else you'd like
11 me to --

12 CHAIRMAN MC CARTHY: Well, I think that should
13 the staff recommendation be supported by a majority of
14 this Commission, it would be the intent of those
15 supporting the recommendations that staff proceed
16 expediently to try to obtain funding and to define the
17 scope of this in cooperation with all parties, instead of
18 having to insert that when we mention the State of
19 California, we do include all parts of the State
20 Government, including the University of California.

21 And I think that requires us to try to obtain
22 funding at this session of the Legislature and not wait
23 till next year.

24 On the point raised by Commissioner Ordway,
25 I agree with her that total lack of cooperation with the

1 Department of Interior would be harmful. It wouldn't
2 totally destroy the effort we would set about in should
3 this Recommendation 14 be supported by the Commission.
4 But it would damage it. I think we do need to make every
5 effort to involve the Department of Interior.

6 Of great concern to me is how we would work with
7 other State agencies, notably the Coastal Commission,
8 which has a very significant responsibility under State
9 law. That was alluded to by Commissioner Davis. I just
10 wanted to reaffirm that I think we go nowhere with this
11 undertaking unless it starts with a premise that there is
12 a clear cooperative definition of the scope of the plan
13 that would be developed, particularly with the Coastal
14 Commission, but also with others.

15 There is going to be some difference of opinion
16 as to how expansive the study would be in the development
17 of the plan. To make it useful, of course, we would want
18 it to be as broad as possible. That's going to be to some
19 degree determined by the availability of funding. Now,
20 this session ends --

21 COMMISSIONER ORDWAY: September 11th.

22 CHAIRMAN MC CARTHY: September 11th. The recess
23 ends when? When do they come back?

24 COMMISSIONER ORDWAY: They recess the 17th of
25 July and return the 18th -- 17th of August. They then are

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1 scheduled for their fall recess the 11th of September
2 and would return -- depending on when the 1st of January
3 or shortly after that time.

4 CHAIRMAN MC CARTHY: Well, the budget will be soon
5 closed. As a practical matter, what we're discussing here
6 is separate legislation and an attempt to try to persuade
7 the Legislature and the Governor to support that
8 legislation for the State of California's part in this.
9 Therefore, all of this must be done in a very short
10 period of time. That is difficult, but it can be done.
11 And I think that all the parties would want the answers
12 that would be developed from this, this study.

13 Any other questions on Item 14?

14 COMMISSIONER ORDWAY: One other question, and
15 that was we were handed during part of the testimony a
16 letter from the Mayor of the City of Santa Barbara, and
17 asked that that be put into the record. Can we put that
18 into the record?

19 CHAIRMAN MC CARTHY: That's next.

20 COMMISSIONER ORDWAY: Thank you.

21 CHAIRMAN MC CARTHY: I would like to finish the
22 conversation on the amendments in front of us first. Are
23 there any other comments on -- pardon me, not on the
24 amendments, on the 14, the 14 recommendation. Any other
25 discussion on this? All right. Let's put into the record

1 the letter from the Mayor of the City of Santa Barbara,
2 dated May 27th -- May 26th. Mayor Sheila Lodge. I don't
3 have to read it, do I? We'll submit to you this
4 original and put it into the record as part of the
5 evidence of the day.

6 Mr. Ranger, do you want this opportunity to
7 sum up or close on arguments based on anything you've
8 heard? Have you completed your presentation?

9 MR. RANGER: Thank you, Governor McCarthy. We
10 have completed our presentation and have no further
11 remarks at this time.

12 CHAIRMAN MC CARTHY: The recommendations of the
13 staff are before the Commission. What's the pleasure of
14 the Commission?

15 COMMISSIONER DAVIS: Is it appropriate to make
16 a comment at this time?

17 CHAIRMAN MC CARTHY: It is appropriate to make
18 some comments. Commissioner Davis, you're recognized.

19 COMMISSIONER DAVIS: I'd like to comment on --
20 obviously, I'm not going to comment on everything I've
21 heard today. But I'd like to comment on just a few
22 things that were developed.

23 First of all, ARCO's contention that rights of
24 existing lease holders essentially allow them to develop
25 their resources and that this Commission cannot influence,

1 adjust, or reject a development on those leases, it's my
2 judgment -- in my judgment, it would be irresponsible for
3 this Commission to permit unrestricted development of oil
4 on all existing leases. There are some 51 leases up and
5 down the State of California, including ARCO. There's 16
6 in the immediate Santa Barbara community. ARCO's asking
7 for permission to approve some 240 leases. It's
8 reasonable to expect that there will be at least a
9 thousand leases sought by the applicants of the other 15
10 leaseholds. I think you can see that in relatively short
11 order, Santa Barbara, which is today a mecca for tourism,
12 could be converted into a heavily industrialized area.
13 I don't think that's what they want. I'm not sure that's
14 what anybody wants. But that is the logical extension
15 of ARCO's argument, that this Commission is essentially
16 powerless to affect development on existing leases. I
17 reject that notion. I'm confident the courts will reject
18 that notion. In any event, they will be the ultimate
19 arbitors of that decision.

20 As it relates to a study to develop the
21 cumulative impacts of drilling in State and Federal waters,
22 I'm delighted the staff recommends it; as I said earlier,
23 I called for it a couple of months ago, and believe there's
24 enough cooperation at the Federal level to make the study
25 worthwhile. In any event, anything is better than the

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1 current system. We are essentially flying blind. We have
2 virtually no context against which to make these decisions.
3 And were we to permit ARCO -- were we to approve ARCO's
4 application today, I think we would be very hard-pressed
5 to do anything but approve the other applications of the
6 other 15 leaseholds.

7 Again, the plan will give us some sense of how
8 to deal with existing leases as well any future
9 applications for leases.

10 Another thing that disturbs me that did not come
11 up today, but came up at the hearings -- and which is not
12 ARCO's fault -- which, I think as Commissioners we have
13 to take into account -- the affected counties by law now
14 only get one percent of the royalties. And that's simply
15 not fair. I think we should share the royalties equally
16 between the affected county, the State, and the Federal
17 Government. If the Federal Government was not willing to do
18 that, then we ought to consider sharing the State portion
19 of the royalties, because clearly all the adverse impacts
20 of drilling are absorbed in the affected county. And they
21 are being shortchanged. They're not getting anywhere near
22 the economic benefits that the State and Federal Government
23 realize. Again, it's not the oil companies' fault. They
24 sensed that it was important enough to change that. You
25 know, before we begin approved additional leaseholds, I

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1 think that's a change that definitely should be made.

2 And finally, on this national energy notion,
3 I think it's very important that we speak with one voice.
4 And it's clear that we are not. Secretary Hodel is
5 saying we have to develop more oil and the Reagan
6 Administration, on the other hand, is vetoing efforts to
7 apply conservation measures for manufacturers of
8 appliances, rejecting notions to increase the mile range
9 efficiencies, permitting the 65 mile speed limit. All
10 those policies drive consumption up at the same time
11 that Secretary Hodel is saying we have to produce more
12 oil. If you had to characterize the national energy
13 policy, I think what in effect is happening is the
14 Reagan Administration is stimulating the nation's
15 appetite for oil and Hodel is demanding that the coastal
16 communities satisfy that need.

17 And I think I would be more responsive to
18 producing oil if I saw a clear -- I know I would be more
19 responsive if I saw a clear national policy that said we
20 were going to conserve oil, but there's a need to develop
21 it. That would make sense and certainly would make me
22 more responsive, and I expect this Commission.

23 Those are the comments I wanted to make.

24 CHAIRMAN MC CARTHY: Do you wish to make any
25 comments at this point, Commissioner Ordway?

1 COMMISSIONER ORDWAY: I believe that the
2 applicants made a good-faith effort to comply with the
3 prescribed process and with the numerous concerns raised
4 by all parties, not just the Lands Commission. I believe
5 the mitigation measures that have been suggested during the
6 EIR process and subsequent to that process are, in fact,
7 feasible. And I believe this project should go forward.

8 CHAIRMAN MC CARTHY: Is there a motion before
9 the Commission?

10 COMMISSIONER DAVIS: I would move to adopt
11 the staff recommendations.

12 COMMISSIONER ORDWAY: I would vote no.

13 CHAIRMAN MC CARTHY: Ready for the vote?

14 I would only comment that I think the staff's
15 recommendations meet the public trust responsibilities
16 of the State Lands Commission. I intend to support the
17 motion. The vote is two to one. The staff's findings
18 and recommendations are accepted and affirmed.

19 COMMISSIONER ORDWAY: In the absence of further
20 business, I'll move we adjourn.

21 CHAIRMAN MC CARTHY: We do adjourn.

22 (Thereupon the meeting was adjourned
23 1:45 p.m.)

24 --oOo--
25

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