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IN RE:

ALPINE SATELLITE
DEVELOPMENT PLAN

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PUBLIC HEARING

Pages 1 - 68 inclusive
Monday, February 23rd, 2004, 7:00 p.m.
3600 Denali Street
Z.J. Loussac Library
Wilda Marston Room
Anchorage, Alaska

Taken by Britney Chonka, Court Reporter for Alaska Stenotype
Reporters and Notary Public for the State of Alaska.

1 MR. WILSON: Okay. I guess we might as
2 well get started here. Good evening, it's now
3 7:00 p.m., the appointed time to start. And I
4 would like to call this hearing into order.

5 My name is Curtis Wilson and I'm tonight's
6 hearing officer. This hearing is being held for
7 the purpose of providing you an opportunity to
8 make oral comments on the Bureau of Land
9 Management's Alpine Satellite Development Plan
10 draft environmental impact statement. Unlike
11 the open house, this is a formal hearing and as
12 such, we will not be entertaining questions.

13 However, several individuals from BLM and
14 three of the cooperating agencies in this EIS,
15 the core of engineers, EPA and the State of
16 Alaska are here, as well as representatives of
17 ConocoPhillips, who has proposed the development
18 and ENTRIX, the contractor assisting in
19 developing the EIS. They will be available to
20 answer questions after the meeting, if time
21 allows.

22 At this time I'd like to turn the floor
23 over briefly to Jim Ducker to tell you something
24 about where BLM is in the development of EIS.
25 Jim is the project manager for BLM.

1 MR. DUCKER: Thank you. One of the things
2 I'd ask you to do is talk into the mic here
3 closely. This draft EIS analyzes the impacts of
4 a proposal that has been submitted to us by
5 ConocoPhillips to develop five new drilling pads
6 near their Alpine facility.

7 Maps at the back of the room, I know a lot
8 of you had a chance to look at before the formal
9 hearing, shows their proposal and alternatives,
10 too.

11 This process began a year ago. We held
12 meetings in March 2003 to determine the scope of
13 issues and concerns. The current draft EIS is
14 out for public comments until March 1st, after
15 which BLM and the cooperating agencies will
16 develop a preferred alternative which we will
17 release to the public and the final EIS in
18 July.

19 We anticipate issuing decisions in August.
20 Your comments are crucial to this project. I
21 thank all of you for coming here tonight and I
22 look forward to hearing what you have to say.
23 Thank you.

24 MR. WILSON: Thanks, Jim.

25 Additional information on the DEIS and EIS

1 process is available at the sign-in table. The
2 draft EIS is available on the internet at Alpine
3 -- I'm sorry, Alpine-Satellites-EIS.com. And
4 that is -- is that address at the table out
5 there, too, Jim?

6 MR. DUCKER: It's in the -- the newsletter
7 has that address.

8 MR. WILSON: And the newsletter is
9 available out at the desk.

10 All comments provided to BLM and its
11 contractor will be compiled, analyzed and
12 considered in preparing the final EIS. In
13 addition to speaking tonight or filling out one
14 of the comment forms provided at the sign-in
15 table, comments can be provided through the
16 website or by mailing them to ENTRIX at 3701
17 East Tudor Road, Suite 208, Anchorage, Alaska
18 99507. The website and ENTRIX's address are
19 listed in the newsletter. And as I already
20 said, that's available out at the sign-in desk.

21 Again, the deadline for submitting comments
22 is March 1st, 2004. This hearing is one of a
23 series being conducted to obtain the public's
24 comments. In addition to tonight's meeting,
25 meetings have been held in Barrow, Nuiqsut,

1 Anaktuvuk Pass, and next week will be held at
2 Atqasuk.

3 So is that next week?

4 MR. DUCKER: I am sorry, that's tomorrow.

5 MR. WILSON: Yeah. So that we accurately
6 record your comments tonight, I will call the
7 names of those who have indicated they wish to
8 speak and invite you to come up to the
9 microphone. You will then state your name,
10 state the organization you represent, if any,
11 and then make your comments.

12 If you have written comments, I will ask
13 that you to provide them at the reporter's
14 table, which is here, and they will be included
15 as part of the record of this hearing. I will
16 ask each speaker to limit his comments to five
17 minutes. When you reach four minutes, I'm going
18 to hand up this very sophisticated sign here to
19 let you know you have one more minute.

20 If you reach the time limit, I will ask you
21 for a summary of your comments and then request
22 that you step down to let another speak. When
23 we complete the list of people wishing to speak,
24 and if time allows, I may offer you another
25 opportunity to speak, as well as ask if there

1 are any others who wish to comment.

2 Before we begin to take comments, I would
3 like to stress that our meeting tonight is
4 specifically to hear comments and concerns
5 related to the Alpine Satellite Development
6 Plan.

7 Your comments will serve several purposes.
8 They will tell us if we are correct -- have
9 correctly identified the resources in the area,
10 uses of these lands and the potential effects of
11 the different alternatives in the DEIS. If you
12 can suggest other alternatives that would reduce
13 or eliminate effects on lands and resources, we
14 would be interested in hearing it.

15 As you begin now to take comments, I
16 request that the audience be considerate of the
17 speaker and give him or her the courtesy of your
18 attention.

19 I now call the first person to speak and
20 that is Tom Maloney.

21 While Tom's coming down, the next speaker
22 will be Bob Elder, that's sort of, you're in the
23 on deck circle, Bob.

24 MR. MALONEY: Well, thank you. Good
25 evening. It's nice to be ringside. My name is

1 Tom Maloney. I live and work here in Anchorage
2 and I work with VECO. And my comments tonight
3 are in regards to both myself and to VECO and
4 its, roughly, 2000 employees in the state of
5 Alaska.

6 VECO does three services in Alaska. We do
7 engineering, construction and operations and
8 maintenance. Most of my comments tonight will
9 be in both the support of alternative A
10 ConocoPhillips has proposed, along with the
11 benefits both to -- economic benefits both to
12 VECO and to the state of Alaska as a whole.

13 Again, engineering, construction and
14 operations maintenance are the three activities
15 we're involved in in this state. Last week I
16 had an individual ask me, I'm not sure if he was
17 being a smart-ass or whatever, if ConocoPhillips
18 was outsourcing their engineer design work to
19 China, India or other places, much like certain
20 American companies are doing, or if they were
21 doing it in Texas, California or Louisiana.

22 I thought about that. And I said, well, I
23 guess we ought to clarify a few things. One is
24 on these satellites the engineering design work
25 is getting done right here in Anchorage over on

1 C Street by VECO.

2 This is a blown-up picture of some of the
3 project people that we took last Friday right
4 here in Anchorage. So the engineering design
5 work is getting done here in Anchorage.

6 I then went on to ask people how many went
7 to Charter College. Quite a few designers
8 raised their hands. How many went to UAA, UAF,
9 quite a people went there. Then I asked about
10 some other fine universities and lo and behold,
11 we had a Stanford, a Texas, and even a couple of
12 Aggies in the audience that worked in the
13 chemical engineering group. Bottom line is
14 ConocoPhillips is hiring Alaskans, not just
15 VECO, other engineering firms here in the state
16 of Alaska.

17 The next thing was on Modular Construction
18 and what is ConocoPhillips doing for Alpine
19 Modular Construction and other related
20 activities in the state?

21 Once again, ConocoPhillips is hiring
22 Alaskan contractors, Alaskan companies like
23 VECO, like some other companies that provide
24 those services I see here in the audience
25 tonight.

1 So last Tuesday I was over at Modular
2 Construction yard and we had roughly 75 people
3 here in Anchorage working on Alpine capacity
4 expansion.

5 Now, I don't necessarily know every reason
6 that ConocoPhillips is planning on expanding
7 Alpine, but I have a feeling they want to
8 increase the capacity to handle more oil from
9 satellites. Including amongst those 75 people
10 were roughly a dozen people working with Nanuq,
11 one of our subcontractors and a wholly owned
12 Kuukpik subsidiary. They are doing a lot of
13 architectural, structural work and doing an
14 outstanding job. Not just Cubic shareholders,
15 Arctic Slope shareholder but a lot of other
16 Alaskans.

17 We're also, we are also applying over there
18 three Cubic shareholders doing structural steel
19 welding, apprenticing and actually a couple of
20 them have done some certification there in
21 structural steel welding. So they're doing a
22 great job.

23 Later this year VECO and other companies
24 will be involved in Alpine capacity expansion
25 work in the field. That will employ another 200

1 or 300 Alaskans. So in total, just for the work
2 that's going on this year, 400, 500 Alaskans
3 just on VECO's side of things, not counting
4 other companies that have major work activity
5 out there.

6 In summary I think it's amazing that 97
7 acre development, if you look at numbers, I'm a
8 numbers guy, over a thousand barrels of oil per
9 acre out there in the Alpine. It's truly a
10 tremendous field, a tremendous resource, and
11 ConocoPhillips and others are spending a lot
12 money to expand those facilities.

13 I encourage, BLM to go forward with
14 Alternative A. I think it's very good for
15 Alaska, very good for the treasury, very good
16 for my household. Thank you.

17 MR. WILSON: Thank you.

18 Bob Elder.

19 And he will be followed by John Whitehead.

20 MR. ELDER: Good evening. I'm Bob Elder
21 with Anadarko Petroleum Corporation. I live
22 here in Anchorage. And I appreciate the
23 opportunity tonight to address you in comments,
24 Anadarko, on the Alpine Satellite Development
25 Plan EIS.

1 Anadarko Petroleum Corporation is a large
2 independent oil and gas exploration and
3 production company. Our only business is to
4 find and produce oil and gas. Unlike the
5 majors, we do not operate refineries,
6 transportation systems or retail outlets. In
7 Alaska we are a partner in the Alpine
8 Development Project as well as in the proposed
9 Alpine Satellite Development Plan. We are also
10 engaged in exploring for oil and gas elsewhere
11 on the North Slope. For example, with operating
12 our first exploration well within the NPR-A as a
13 100 percent Anadarko-owned project in 2001.

14 Anadarko supports Alternative A as the most
15 technologically sound and economically feasible
16 of the alternatives presented on the Draft EIS.
17 Project economics and technology ultimately
18 decide any project's viability. Alternative A
19 has the added benefit of representing an
20 environmentally balanced approach.

21 The oil and gas industry has demonstrated
22 it can and will operate using technologies that
23 are protective of North Slope environmental
24 resources and subsistence activities. This can
25 be accomplished with Alternative A.

1 The Alpine Satellite Development Plan
2 provides benefits, including property tax,
3 revenue and impact funds for the North Slope
4 Borough. Additionally, nearly \$600 million in
5 taxes and royalties will be paid to the State
6 and federal governments as a result of the
7 project.

8 The local and regional employment
9 opportunities, especially during construction,
10 will provide jobs to the workforce. All of
11 these are important economic benefits to the
12 North Slope Borough and to the State of Alaska,
13 especially in the face of increasing budget
14 constraints. The project also helps extend the
15 life of the Trans Alaska Pipeline System which
16 is vital to the economic interests of the North
17 Slope and Alaska.

18 Additionally, development of the Alpine
19 Satellites and the National Petroleum
20 Reserve-Alaska is consistent with the intent of
21 a petroleum reserve, and is consistent with the
22 President's Executive Order from May 18, 2001
23 directing federal agencies to prioritize
24 energy-related projects.

25 Anadarko, as well as other independents,

1 lead a predictable, timely and cost-effective
2 permitting process that can, at the same time,
3 provide adequate protection for environmental
4 and local concerns. This is necessary in order
5 to maintain an interest in the future
6 exploration and development interests in Alaska.

7 Anadarko, therefore supports maintaining
8 the current EIS permitting schedule, the
9 selection of the applicant's proposed
10 alternative, Alternative A, and the issuance of
11 a Record of Decision that allows this project to
12 proceed on schedule with cost-effective
13 technologically-achievable social, cultural and
14 environmental stipulations.

15 Thank you.

16 MR. WILSON: Thank you.

17 Go ahead.

18 MR. WHITEHEAD: I'm John Whitehead. I work
19 with ConocoPhillips. I am the vice-president
20 for the Western North Slope, the Alpine field
21 and the five Alpine satellite developments.

22 ConocoPhillips is largest producer of oil and
23 gas in Alaska. The largest holder of state and
24 federal leases and the most active explorer.

25 I'm pleased to have this opportunity to

1 voice ConocoPhillips' support for Alternative A
2 of the Environmental Impact Statement for the
3 Alpine Satellites Development Plan.

4 Alternative A represents a balance among
5 minimizing environmental impact, the geology of
6 satellites, respect for the subsistence way of
7 life of the Native people and a competitive cost
8 of development.

9 ConocoPhillips has a proven track record on
10 Alaska's North Slope and in the National
11 Petroleum Reserve-Alaska. In fact, the Alpine
12 oil field has been used by state and federal
13 agencies and even non-governmental organizations
14 as an example of doing it right.

15 The Alpine satellite development project
16 has been designed using best practices and
17 technology learned from 30 years of Arctic
18 development experience. We use that experience
19 to minimize the environmental impact and the
20 size of our footprint.

21 Our project already voluntarily
22 incorporates more than 80 mitigation measures.
23 These measures include everything from
24 consultation with local residents on subsistence
25 issues to waste-minimization efforts and a

1 constant vigilance to reduce the size of our
2 footprint.

3 The entire area impacted by five satellites
4 would be three-tenths of one percent of the area
5 being considered by this EIS.

6 Alternative A asks for a few stipulation
7 modifications but without significant impact to
8 the surrounding area. Without these
9 modifications the entire project will be in
10 jeopardy.

11 I expect to hear concerns of some tonight
12 including some North Slope residents.
13 Alternative A includes the Nigliq Bridge
14 crossing. We recognize there are questions and
15 issues about the first proposed crossing of the
16 Colville River.

17 However, ConocoPhillips is committed to
18 working close with our neighbors to address
19 their concerns in operating in a way that will
20 respect the subsistence way of life of the North
21 Slope residents. As an example, at the
22 Meltwater development in the Kuparuk Unit, we
23 raised pipeline heights to seven feet to address
24 concerns about caribou passage raised by
25 subsistence hunters, though studies show five

1 feet is adequate.

2 We developed these satellites in an
3 environmentally sound manner and a manner that
4 respects the lifestyle and culture of the North
5 Slope residents.

6 What benefits will this development bring
7 to Alaska? Oil and gas development in the
8 National Petroleum Reserve-Alaska will have
9 economic benefits for Alaska, the Native people
10 and the nation. In fact, for more than 30 years
11 oil and gas development has been the economic
12 engine that provides jobs and tax revenues for
13 Alaska.

14 The Alpine Satellite Development Project
15 will generate 3.7 million man hours of work, and
16 over the next six to seven years employ an
17 average of 270 people each year, peaking at
18 about 550 construction jobs.

19 ConocoPhillips has a strong history of
20 hiring Alaskans. Of the approximately 800
21 employees on our staff, 91 percent declare
22 Alaska as their home. In addition, this project
23 will generate more than \$600 million for the
24 federal government and the State of Alaska.

25 Who in the audience tonight believes

1 there's enough investment in the state or that
2 we have enough good jobs? Clearly continued
3 investment on the North Slope will benefit
4 everyone who lives in Alaska through State and
5 local revenues, better jobs and better schools
6 for our children.

7 I strongly urge the BLM and the Department
8 of the Interior to support Alternative A and
9 find it is in the best interest of development
10 for the residents of Alaska and the nation to
11 bring about the first commercial oil production
12 from the National Petroleum Reserve-Alaska.

13 Thank you.

14 MR. WILSON: Tadd Owens. And the next
15 after Tadd would be Maynard Tapp.

16 MR. OWENS: Good evening. Thank you. For
17 the record, my name is Tadd Owens, I'm the
18 executive director of the Resource Development
19 Council for Alaska.

20 REC is a statewide, private non-profit
21 trade association. We represent individuals and
22 companies doing gas mining, timber, tours and
23 the fisheries industries. Our membership also
24 includes Native regional and village
25 corporations, local communities, organized labor

1 and industry support firms.

2 REC commits to help grow Alaska's economy
3 through the response to development of the
4 state's natural resources. And I'm very
5 pleased tonight to have the opportunity to
6 provide comments in support of Alternative A on
7 behalf of that diverse statewide membership.

8 REC supports Alternative A because we
9 believe it strikes a balance between the growing
10 economic needs of Alaska and the traditional
11 lifestyles of the local residents on the North
12 Slope.

13 We believe it also balances the development
14 of new energy resources with sound environmental
15 protection measures. Development of these
16 resources will help satisfy the demand of a
17 continued supply of domestic oil and gas. It
18 will decrease our country's dependence on
19 foreign oil and will contribute to new economic
20 activity in Alaska and the nation.

21 Alpine satellites, as has been mentioned,
22 will generate nearly \$600 million in tax
23 revenues to the state and federal governments.
24 These benefits, as I'm sure everybody is aware,
25 are crucial during an age of massive deficit

1 spending on both the state and federal level.

2 An expanded property tax faces the
3 Borough -- (inaudible) -- local government
4 services. The Borough and Village corporation
5 will also receive benefits from increased
6 economic activity and the direct employment
7 of local residents.

8 Economic benefits are only one part of the
9 equation. Alternative A features habitat
10 conservation and wildlife protection measures
11 that will significantly reduce environmental
12 impacts.

13 Moreover the combination of stringent
14 agency regulations, continually improving
15 industry practices and advancement in technology
16 all serve to reduce the footprint in the
17 development of Alternative A. In fact the
18 project will affect only about three
19 one-hundredths of one percent of the entire
20 project area under consideration.

21 ConocoPhillips has proven it can operate
22 safely in the Arctic and in a manner that
23 respects the environment and traditional
24 lifestyles of local residents.

25 Much has been learned in the 30 years that

1 the company and it's predecessor, ARCO Alaska
2 have been exploring for and producing oil on the
3 North Slope.

4 Alaska's oil and gas industry has an
5 impressive track record of safe, successful
6 operations across the North Slope. It has
7 continued to innovate and invest in
8 environmentally sound business practices and it
9 operates under the most advanced and stringent
10 regulations and oversight in the world.

11 This is a good project. It's being
12 proposed by an acceptable corporate citizen.
13 Under this set of circumstances it is
14 appropriate for BLM to implement Alternative A.
15 Thank you for the opportunity to provide
16 comments.

17 MR. WILSON: Thank you.

18 Maynard. And then next up would be Lynn
19 Johnson.

20 MR. MAYNARD: My name is Maynard Tapp. I
21 am President of Hawk Construction Consultants,
22 an Alaska company and member of the Alaska
23 Support Industry Alliance.

24 Hawk is a contractor that supplies
25 supplemental personnel to the oil and gas

1 industry in Alaska since 1985, and usually as
2 part of the producers management team. So we
3 have a pretty good idea how they work.

4 I strongly support Alternative A as it
5 represents a fair balance of environmental
6 concern for sensitive Arctic wildlife habitat
7 and petroleum resource development.

8 Three of the Alpine satellites are in
9 NPR-A. I've experienced this part of Alaska. I
10 worked in Barrow from 1972 to '74. And the
11 company I worked for had DOD clean-up projects
12 near Umiat.

13 Also, at that time NPR-A actually stood for
14 the Department of Navy Petroleum Reserve-Number
15 4. So for years it's actually been identified
16 as an existing petroleum reserve that eventually
17 would be developed.

18 Even though Hawk is not a ConocoPhillips
19 contractor, the jobs and man hours projected for
20 the work are ultimately -- and ultimately the
21 revenue gained by the State of Alaska is
22 important to Alaska's future considering our
23 decline in reserves.

24 With today's technology, the area affected
25 by these five satellites is minimal compared to

1 the total area considered by BLM.

2 In the past personnel from Hawk have worked
3 indirectly for the producers on the North Slope.
4 Without exception and without question the first
5 priority of all those producers is a project
6 that is environmentally sound and worked in a
7 zero tolerance for safety and health
8 endangerments.

9 Again, I support Alternative A with 100
10 percent that ConocoPhillips' high standards will
11 make this project a success for all stake
12 holders.

13 Thank you.

14 MR. JOHNSON: Good evening. My name is
15 Lynn Johnson. I'm the president and co-founder
16 of Dowland-Bach corporation. Dowland-Bach is a
17 29-year-old specialty manufacturing company
18 based here in Anchorage, Alaska.

19 We started this manufacturing company in
20 May of 1975 with a contract to design and build
21 wellhead safety systems for the North Slope of
22 Alaska. My firm currently employs 16 highly
23 skilled engineers and craftsmen year round right
24 here in Anchorage.

25 In May of 2002 Dowland-Bach received the

1 Alaska Governor's Small Business Exporter of The
2 Year Award for specialty instrumentation
3 equipment that we designed and built right here
4 in Anchorage and shipped to many other petroleum
5 area productions of the world, primarily South
6 America.

7 We are one of the few manufacturers in the
8 state of Alaska, and I credit the extremely high
9 quality control standards and environmental
10 consciousness demanded of us by ConocoPhillips
11 and other producers as a key element of our
12 success.

13 ConocoPhillips has continuously raised the
14 bar and we have met the challenge, which has
15 allowed our firm to grow and prosper here in
16 Alaska while at the same time build and export
17 our manufactured equipment to other areas of
18 the world.

19 I'm here this evening to voice my strong
20 support for Alternative A. ConocoPhillips has
21 proven with clear and convincing evidence that
22 they can produce oil and gas safely in one of
23 the highest environmental standard areas of the
24 world. Compared with other North Slope
25 oilfields, the total of the five Alpine

1 satellite areas impacted is very small. These
2 five proposed satellites are approximately
3 three-tenths of one percent of the total area
4 being considered by BLM. Three of these five
5 satellite areas are within the NPR-Alaska,
6 previously known as the Naval Petroleum Reserve
7 or Pet 4.

8 The very name given this area demonstrates
9 that oil and gas has been destined to be
10 discovered and produced for future generations
11 by generations past and present. To place any
12 restrictions on leasing or production in this
13 already designated area sacrifices and
14 challenges national security and economic
15 well-being.

16 Until additional economic alternatives to
17 fossil fuels and petroleum can be developed, it
18 is imperative that we found and utilize our
19 natural petroleum resource wealth, particularly
20 in the North Slope where many pipelines and
21 infrastructures are already in place and very
22 accessible to satellite areas like Alpine.

23 In summary, Alpine A -- Alternative A is
24 the best alternative. ConocoPhillips has proven
25 they have done it right in the past 30 years and

1 they will do it here in the next 30 years.

2 Thank you very much.

3 MR. WILSON: Thank you.

4 Deborah Williams. And after Deborah is
5 Rachael Janis. I'm having a hard time reading
6 that, so --

7 Go Ahead.

8 MS. WILLIAMS: Good evening. My name is
9 Deborah Williams. I'm the executive director of
10 the Alaska Conservation Foundation. And I'm
11 testifying on behalf of myself and the
12 Conservation Foundation this evening.

13 Our mission is to protect intact ecosystems
14 and promote sustainable communities. In 1998 I
15 was a special assistant to the Secretary of the
16 Interior for Alaska and I was involved in every
17 aspect of the 1998 ROD. So my testimony is
18 based in large part on my experiences in being
19 special assistant and intimately involved in the
20 1998 ROD.

21 I'm here to testify explicitly about the
22 importance of respecting the stipulations in
23 protected areas in the 1998 ROD, and urge BLM,
24 most of whom were very involved in every aspect
25 of the 1998 ROD, to reject any alternatives that

1 violate those protected areas specified in the
2 1998 ROD, and also which to violate any
3 alternatives and to reject any alternatives that
4 violate the stipulations that were so carefully
5 crafted in the 1998 ROD.

6 As we heard throughout the 1998 ROD
7 process, Alpine was to be a model. As we heard
8 during the 1998 ROD process from ARCO, again and
9 again and again, ARCO could do it right and meet
10 the stipulations in protected areas in the 1998
11 ROD.

12 The 1998 ROD was based on an extraordinary
13 public process effort, an extraordinary
14 scientific analysis effort, an extraordinary
15 effort which brought together the Native
16 corporations on the North Slope, the tribes and
17 the affected individuals on the North Slope, as
18 well as other Alaskans.

19 The protected areas and the stipulations in
20 the 1998 ROD were necessary then to achieve the
21 balance that is appropriate for this state and
22 this nation and are even more necessary now.

23 I would like to talk about a few of the
24 stipulations in protected areas that are
25 proposed to be violated by Alternatives A, C and

1 D. For example, Judy Creek and Fish Creek, as
2 people from BLM, as everyone working on that
3 knows it was incredibly important to the people
4 of Nuiqsut and the people of the North Slope to
5 make sure that Judy and Fish Creek were
6 adequately protected.

7 It was determined through extraordinary,
8 efforts that a three-mile buffer zone was
9 necessary. Unfortunately, Alternatives A, C and
10 D seem to violate that three mile setback.
11 Before BLM even considers doing so, you have to
12 ask yourself are the subsistence needs of the
13 people in Nuiqsut or the North Slope less
14 important now than they were before? Is there
15 some reason that ARCO said that they could do
16 this before but ConocoPhillips says they can't
17 do it now?

18 This was a careful balance. The
19 conservation community believed and trusted in
20 that balance and as did the people of Alaska, as
21 did particularly the people on the North Slope.
22 I do not believe there is any justification,
23 whatsoever, for invading that critical
24 three-mile buffer zone. What are we suggesting
25 if we do? Is it bait and switch? We promise

1 that something as important as this three-mile
2 buffer zone for the subsistence needs of the
3 people on the North Slope will be protected, and
4 then when the first development project comes
5 along, we're sorry, we go into the three-mile
6 zone? Is that what BLM stands for? Is that
7 what the Department of Interior stands for? Is
8 that what the people of the state of Alaska have
9 to expect for this in future projects? Is that
10 the law that Alpine is to represent? I don't
11 think so. I think you're better than that.

12 Another example, it was very important
13 NPR-A, of course, has extraordinary water
14 potential. One of the critical stipulations was
15 that infrastructure would not be within five
16 hundred feet of certain water bodies. Now are
17 you proposing to violate that stipulation, are
18 those water bodies less important than they were
19 several years ago?

20 One of the most critical portions, as you
21 well know, was not -- was that Alpine was going
22 to be a satellite field. It was not going to be
23 connected. When we brought the Secretary out,
24 ARCO stood there and said this is a satellite
25 field. It never needs to be connected.

1 The 1998 ROD was based on that condition on
2 that representation, you know that. And now
3 we're going to violate that? Bait and switch?
4 Is this what the people in the state of Alaska
5 have to expect from model projects, the people
6 of the North Slope? I don't think so.

7 I'm just going to mention one other because
8 my time is up. It was -- there are three
9 critical species up there, among others,
10 caribou -- and Eiders. You're now proposing
11 exceptions to the stipulations regarding
12 facilities in the NPR-A for caribou and Eider
13 breeding? Are Eiders recovering? Are they any
14 less endangered or threatened than they were
15 before? I don't think so.

16 Is the area any less important than it was
17 before? I don't think so. Again, I urge BLM to
18 stay with the commitments you and the Department
19 of Interior have made. To have Alpine be indeed
20 a model project, where we balance production and
21 protection, do not engage in bait and switch.
22 You will lose the confidence of Alaskans and
23 Americans if you do.

24 Thank you very much.

25 MR. WILSON: Is it Rachel?

1 And then Jack Laasch, I believe, is next.

2 MS. JAMES: My name is Rachel James,
3 J-A-M-E-S, for the record. I represent the
4 Alaska Coalition. And I'm a lifelong Alaskan.

5 I'd like to provide brief comment on the
6 Alpine Satellite Development plan draft EIS and
7 the proposed action. My organization does not
8 oppose balanced responsible oil and gas
9 development in the NPR-A.

10 However, I am concerned about the proposed
11 action, and after reviewing the draft, find it
12 not to be balanced. This is the first
13 commercial oil development in NPR-A, should
14 proposed action be accepted. This is a
15 significant planning process that will shape the
16 future development plan in the NPR-A. I took
17 this analysis very seriously.

18 (Inaudible) I'd like to suggest that the
19 planning team, consider the following while
20 drafting the final EIS in choosing a preferred
21 alternative. Do not overturn the protective
22 measures from the 1998 Record of Decision. If
23 modifications are to be made, they should be
24 made more protective, not less, with the facts
25 that we have learned in the past five years.

1 Inclusion of the hypothetical oilfield
2 scenario should not absolve the agency's
3 responsibility to a thorough and site specific
4 analysis, as well as a cumulative and fact
5 analysis later.

6 The public should also have the opportunity
7 to be involved in all future development of
8 NPR-A. Overall, I found the draft EIS to fall
9 short in the following areas, cumulative
10 impacts. National Academy of Sciences report
11 findings that oil and gas development has
12 profound impacts in the region's natural and
13 human environment, did not shape the scope of
14 the analysis in the draft EIS.

15 It should have an (inaudible) final bill,
16 specifically I hope that it addresses the
17 following: potential long-term impact on
18 wildlife, ecosystem processes, potential
19 long-term social impacts on residents as well as
20 health impacts on residents.

21 I hope that the final will address
22 dismantling, removal and restoration. Despite
23 the June 2002 GAO report, the draft did not
24 fully address DRI (phonetic), as well as the
25 cumulative impact of abandonment of roads and

1 infrastructure in the planning area.

2 I did not find the draft to provide
3 adequate range of alternatives. There is no
4 alternative that provides more protective
5 measures than no action.

6 In addition, the draft did not include the
7 cumulative impact from proposed Alaska DOT road
8 from the Dalton Highway to NPR-A which includes
9 a bridge over the Colville ten miles upstream
10 from Conoco's proposed channel bridge.

11 The EIS did not clearly address the wildlife,
12 social and subsistence impacts from increased
13 aircraft access. All four alternatives will
14 include impacts on the subsistence resources.
15 Three of the four will require to be able to
16 change the decisions that were made by NPR-A
17 ROD.

18 I believe that the draft should quantify
19 the cash value for the subsistence economy and
20 also take into effect -- take into account
21 indirect impacts to the subsistence.

22 Subsistence has important cultural value
23 and also puts groceries on the table which
24 otherwise would be paid for in cash. This needs
25 to be accounted for and analyzed in the final

1 EIS. The draft EIS stated no direct
2 environmental impact to the community health and
3 welfare is expected as a result of the proposed
4 project or oil field development.

5 I'd like to see the final specifically cite
6 information that supports that statement for
7 health impacts to local residents. And I'd
8 also like to request that the deadline for
9 comments be extended beyond March 1st. There
10 are many federal processes going on at this time
11 and it's too much too fast. It's not enough
12 time for the public to craft intelligent
13 comments on all of these processes. I'd like to
14 request a 30-day extension.

15 Finally I'd like to share a concern
16 regarding the science that's being done in
17 association with the planning processes on the
18 North Slope in general. I'm concerned that, not
19 including in Section 2.66 long-term studies on
20 North Slope habitat, wildlife and health
21 requested by some North Slope Borough residents
22 will never be able to address fully cumulative
23 impacts, should the RMT, research and monitoring
24 team not continue, I'd like to see some plan of
25 EIS that will address those concerns that are

1 seen in section 2.66.

2 Thank you for letting me provide comments.

3 MR. WILSON: Thank you.

4 Larry Houle, you're up next.

5 MR. LAASCH: Good evening. My name is Jack
6 Laasch. I'm the immediate past president of the
7 Alaska Support Industry Alliance. My employer
8 is ACRC Energy Services, and we're a subsidiary
9 of Arctic Slope Regional Corporation. I
10 function as their executive vice-president of
11 Strategic Development and External Affairs. I'm
12 speaking on behalf of the Alliance and of my
13 company.

14 I'm here to speak in support of the
15 Alternative A proposal identified in the draft
16 environmental impact statement in the future
17 development of the Alpine satellite
18 development.

19 I came to Alaska in 1974 to work on the
20 Pipeline Haul Road. I continued working through
21 the construction of the TAPS Pipeline and much
22 of the infrastructure built on the North Slope.
23 I am very familiar with the technology that has
24 been developed and the measures that have been
25 taken to minimize the impact on the

1 environment. I was also president at the time
2 of the construction that built and installed
3 most of the Alpine infrastructure. So
4 I'm also familiar with how sensitive development
5 is to villages like Nuiqsut.

6 Responsible development of satellites
7 identified in the draft EIS will have
8 significant benefit to, not only the State of
9 Alaska, but also to the residents of the North
10 Slope of Alaska. For my past experience, I'm
11 confident that a local consultative process will
12 take place during the development with the
13 Village of Nuiqsut that will address and ensure
14 that the sensitive subsistence and environmental
15 issues important to the residents will be
16 handled responsibly.

17 Three of those satellites are within the
18 National Petroleum Reserve, which I remember as
19 the Naval Petroleum Reserve, an area that has
20 been designated by Congress for the production
21 of oil and gas resources.

22 Development of these satellites will
23 provide millions of man-hours of work to
24 Alaskans including North slope residents that
25 have already realized new career opportunities

1 to past projects.

2 State of Alaska is looking for
3 opportunities to close its fiscal gap.
4 Development of these satellites will help in
5 positively addressing this issue by generating
6 millions of dollars in taxes and revenues.

7 My company, as in the case of other service
8 providers to the oil and gas industry, many have
9 come here tonight too, have continually improved
10 environmental and safety performance. Spills
11 today are measured and tracked in quantities as
12 small as a cup. First aid incident rates today
13 resemble those of past lost time incident rates.
14 These improvements in HSE performance will
15 continue because the industry as a whole is
16 committed to improvement. The goal is always
17 zero.

18 Alternative A represents a balance of
19 environmental concerns, important sensitive
20 habitat areas and respect for wildlife that will
21 take place during the development of the
22 satellites. The industry is used to operating
23 in compliance with the stringent local, state
24 and federal requirements and will continue to
25 perform responsibly in developing these fields

1 also.

2 Thank you.

3 MR. WILSON: Thank you.

4 John Miner will be next.

5 MR. HOULE: Thank you. My name is Larry
6 Houle. I'm with the Alaska Support Industry
7 Alliance, statewide non-profit association made
8 up of about 400 company and individual members.
9 The employment membership is well over 20,000
10 Alaska residents. The Alliance supports
11 Alternative A. Under Alternative A the Arctic
12 wildlife environment will be preserved while
13 resources are being developed.

14 Advances in technology helped progressively
15 lower field size threshold for commercial
16 development. For the past 30 years the industry
17 and the contractors in the community have
18 demonstrated that they operate in a sense --
19 they can operate in sensitive habitat areas with
20 respect for the environment. Alternative A
21 represents a balance of environmental concerns.
22 The areas of impact represented by the satellite
23 development represent a less than three-tenths
24 of one percent of the total planned area
25 considered by BLM.

1 There is no reason to exclude any land from
2 the lease sale. Like it or not we live in a
3 world that's driven by hydrocarbon consumption.
4 Responsible hydrocarbon development in Alaska
5 takes place under the most stringent local,
6 state and federal requirements in the world. In
7 fact, on a worldwide scale we believe it is
8 almost environmentally irresponsible not to
9 develop in the state of Alaska.

10 Alliance North Slope contractors have a
11 zero tolerance for spills, unsafe work behavior
12 wildlife (inaudible) for impact on subsistence
13 lifestyles. Alternative A allows access for
14 development under the most prospective areas all
15 located within 25 miles of the shoreline where
16 every commercial discovery on the North Slope
17 has been made.

18 (Inaudible) that the National Petroleum
19 Reserve enhances our nation's energy and
20 economic security, Alternative A, and only
21 Alternative A, will allow those most prospective
22 areas along the Barrow Arch to be readily
23 available to being developed.

24 Contrary to earlier testimony, the
25 stipulations in the 1998 Record of Decision were

1 in large part based, over 90 stipulations, based
2 on motions. Stipulations need to be
3 performance-based, they need to be based on
4 legitimate science and legitimate technology.

5 In summary, the Alaska Support Industry
6 Alliance endorses and recommends Alternative A
7 as the most viable developmental alternative
8 proposed in the development plan.

9 Thank you.

10 MR. WILSON: Thank you.

11 John. And John will be followed by Jim
12 Gilbert.

13 MR. MINIER: Good evening. My name is John
14 Minier. I'm the president of NANA Colt
15 Engineering here in Anchorage, Alaska. I
16 appreciate the opportunity to testify tonight in
17 support of Alternative A For the Alpine
18 Development EIS.

19 NANA Colt Engineering provides engineering
20 and design services for ConocoPhillips and both
21 the Alpine and Kuparuk facilities, as well as BP
22 at Prudhoe and many projects, the entirety of
23 the North Slope areas.

24 NANA Colt engineering is equally owned by
25 NANA Colt Development Corporation and Colt

1 Engineering, and is one of the many NANA
2 businesses heavily involved in the oil sector.
3 As a Native association company, we fully
4 understand the importance of working in harmony
5 with the indigenous residents and their way of
6 life, and for protecting the environment in
7 which the residents live.

8 NANA Colt provides services on the North
9 Slope and has an exemplary environmental health
10 and safety record with a zero tolerance program
11 for environmental compliance infractions.
12 That's not only because it's the right thing to
13 do, but because our clients and companies like
14 ConocoPhillips demand such excellence in the
15 areas for health, safety, environmental.

16 I personally have lived in Alaska for over
17 30 years and have worked in the oil industry
18 developing the North Slope on the gas reserves
19 for 25 of those years. But I'm not here
20 tonight as ConocoPhillips or anyone in the oil
21 industry's dominion. I appreciate and laud the
22 BLM's process to ensure the protection of the
23 proposed development areas. If I had not
24 thoroughly reviewed ConocoPhillips' development
25 plan, the EIS or the draft EIS and did not

1 believe that they have the potential to develop
2 this area in an environmentally sound manner, I
3 would be here opposing it. And I have spoken in
4 the past in opposition to development plans.

5 Tonight you're going to hear supporters of
6 Alternative A speak of the revenues that this
7 project will generate, of the jobs in
8 construction, of the jobs in operations over the
9 long term. You're also going to hear opponents
10 of the alternative speak, primarily of the 1998
11 ROD stipulations that were made for
12 development. I'm here to speak balance.

13 In a perfect world we wouldn't need oil, we
14 wouldn't need hydrocarbon fuels. Be great if
15 you could say "nope, don't need your oil, but
16 thanks for asking." But we don't live in a
17 perfect world. And there is an increasing demand
18 for fuel of all types.

19 So in that case, you must carefully pick
20 the areas that we are going to allow
21 development, and even more carefully pick those
22 that we're going to entrust our confidence in
23 developing in those areas. I strongly feel
24 Alternative A represents the best compromise in
25 identifying development areas that can help with

1 this country's energy demands while protecting
2 the environment. I feel more strongly that
3 ConocoPhillips is a company in which we can
4 place our trust in that endeavor.

5 I've worked on the Slope, and believe it or
6 not, I vacationed on the Slope because it's a
7 pristine and beautiful place. I've taken many
8 visitors to the Slope, wife, parents, in-laws,
9 and each and every one of them have been totally
10 awed and impressed by the beauty of the Slope,
11 but even more so by the amazing development on
12 the Slope. They come away totally impressed and
13 amazed by the cleanliness of the facilities and
14 the knowledge and skills of the operators and
15 preparedness of the operators for any event.

16 Any visitor that goes there comes away
17 realizing that balance has been struck. And
18 that is a balance that you have the opportunity
19 to preserve by approving Alternative A.

20 Thank you.

21 MR. WILSON: Thank you.

22 MR. GILBERT: Good evening. My name is Jim
23 Gilbert, I'm the president of Udelhoven Oil
24 Field Services Systems Incorporated. We're a
25 company that employs something over three

1 hundred Alaskans. And we do work with
2 ConocoPhillips at Alpine, Kuukpik, work with BP
3 and all of their operating fields except for
4 Badami and Endicott.

5 Now, I'll talk a little about the work that
6 can be expected to be generated by this
7 satellite draft development. This project will
8 require 3.7 million man hours of work of which
9 you'll hold, with our 300 employees in Alaska,
10 we're very interested in that.

11 Employment is expected to peak at 550 jobs
12 during construction, but we're here for the
13 long-term also. We're a company that's been in
14 Alaska since 1970 and we think our 34 years
15 experience speaks for itself.

16 Alternative A represents a balance of
17 environmental concerns, important sensitive
18 habitat areas and respect for the Arctic
19 wildlife that can and will be preserved while
20 petroleum resources are developed. The industry
21 has proven it can operate safely and in a manner
22 that protects the environment.

23 As a North Slope contractor, my company has
24 zero tolerance for spills, unsafe behavior,
25 wildlife harassment or impact to the local

1 residents' way of life. This zero tolerance
2 applies all across the North Slope region,
3 including new developments and is demanded by
4 companies like ConocoPhillips.

5 Thank you very much.

6 MR. WILSON: Thank you.

7 Lee Smith.

8 And Michael O'Connor is next.

9 MR. SMITH: Good evening. We appreciate
10 the opportunity to present our comments and we
11 do respect the process that we're going through
12 in this proposed project. I work in the oil and
13 gas industry and live in Alaska. We are a
14 member of the Alliance organization. We support
15 Alternative A as it represents a good compromise
16 between all parties involved. And we support
17 that the project be and proceed on schedule.

18 My personal background is I've worked in
19 the oil and gas industry for over 25 years and
20 I've worked in -- on a global basis, I think,
21 Prudhoe Bay and North Slope represents one of
22 the state of the art oil fields in the world. I
23 first started working only in Prudhoe Bay on the
24 North Slope in mid 1980's and we have seen some
25 tremendous technology changes since then. And I

1 believe that as this technology progresses that
2 there's room for all parties involved.

3 I will enter into the record a paper that's
4 going to be presented next week at a global
5 engineering conference which documents the
6 introduction to some of this technology that's
7 being utilized at the Alpine field. And
8 basically what we're talking about is the
9 technology allows the wells to be drilled twice
10 as fast and much longer, much more complex well
11 designs.

12 What this means to people is that you can
13 drill within a smaller footprint, you can have
14 less impact. And for us, we look forward to
15 being able to participate in those projects. I
16 think that the comments in relationship to
17 regulations that were noted in 1998, I think
18 that the introduction of new technology allows
19 for, and is part of this process is to be able
20 to review and take a look at new alternatives.
21 That's what we support.

22 Thank you.

23 MR. WILSON: Thank you.

24 MR. WILSON: Pamela Miller will be next.

25 MR. O'CONNOR: Good evening. I'd like to

1 thank you again for giving us the chance to
2 speak on behalf the EIS that's going on. And
3 also I'd like to thank you guys, all the
4 presence in this room, pretty amazing that that
5 many would come out here and try to get oil
6 development.

7 Anyway, my name is Mike O'Connor. I work
8 with Peak Oil Field Service Company. I also
9 want to support Alternate A. I also have some
10 self-serving interests and at least 400, 500
11 other people that will also support Alternate A
12 that are working up in Prudhoe Bay at this
13 point.

14 Basically I think some of the people that
15 have spoken against this thing also have to
16 realize that the Record of Decision in '98 I
17 don't think anybody knew where the oil was going
18 to be found. Economic fundamentals of producing
19 oil are that you have to be -- you have to find
20 it. Where you find it is not always known,
21 five, six, eight, ten years.

22 Anyway, going on to discuss it, the
23 advantages and whether this state is broke was
24 discussed last week at length. And whether it's
25 not broke is still a question being bandied

1 around here. But the economic advantages are
2 very important to everybody in this room, still
3 present or not present.

4 So from that perspective I think the
5 question is really should Alpine or the Colville
6 Delta, should it be developed? I think the
7 answer is the oil companies here and oil
8 companies that are not here that haven't spoken,
9 we've worked up there since, actually before I
10 came to Alaska in '68. We built ice roads and
11 NPR-A for ConocoPhillips, for ARCO, for BP, for
12 Anadarko. And I think each and every one of
13 them has shown the principle -- I mean the
14 environmental principals that there is not going
15 to be any damage to the environment, from the
16 tundra all the way down to the animals
17 themselves.

18 So I guess that the ice roads have been
19 used, basically, to delineate the wells that are
20 drilled. None of the gravel roads that are
21 proposed in this Alternate A are going to be
22 placed where there's no oil. Several years ago
23 we build a ice roads every five miles to trail
24 placing for BP. And I don't think anyone in
25 this room could go up there and find where that

1 road was put.

2 I think we've gone out to lookout, we've
3 gone out to Grizzly, gone out 20 miles south, 60
4 miles west, we've gone north to the exposed
5 areas in Alternate A, and I don't think there's
6 anybody in this room that could go find or
7 identify any damage.

8 Anyway, lastly I think that everybody needs
9 to understand the infrastructure of Pipeline
10 that put 2 million barrels a day in about 1990.
11 The Pipeline is there, the infrastructure is
12 there, the oil is there. And without any doubt,
13 I think Alternate A has the most benefit for
14 each and every one of us left in the room.

15 Thank you.

16 MR. WILSON: Mark Huber will be next.

17 MS. MILLER: Hello. My name is Pamela A.
18 Miller. I'm speaking on behalf of myself.
19 First I'll mention a couple of interesting
20 economic facts. The Republican energy bill
21 currently before the U.S. Congress has a
22 provision that will allow the Interior Secretary
23 to completely waive royalties on oil and gas
24 development in NPR-A. That will be no state
25 royalties or federal royalties out of that

1 potential development. That would include the
2 Alpine satellites.

3 Secondly, one of the key Alpine leases
4 where the biggest oil reserve was found has a
5 royalty holiday subsidy which decreased the
6 royalty grade from the normal 12.5 percent, I
7 believe, down to five percent. So we have not
8 gotten the full benefit to the State of Alaska
9 from the existing development that has happened
10 there. Perhaps, without that, it might not have
11 happened, but I'm skeptical. And to give the
12 Interior Secretary the full ability to waive
13 royalties doesn't make any sense to me. So you
14 might want to look closely at the pending energy
15 bill.

16 ConocoPhillips' proposed action Alternative
17 A includes five production pads, 25 miles of
18 permanent roads, pipelines, airstrips, a large
19 bridge over the Nigliq Channel. And
20 ConocoPhillips themselves said they expected
21 maybe ten future satellites in that area.

22 In the summer the impact statement
23 estimates this kind of road traffic in summer of
24 2005, up to 2,300 round trip vehicle trips per
25 month, 206, 600 to 3,100, summer of 2007, around

1 3,000, summer of 2008, 7,500 to 8,200, summer of
2 2009, that's because it shifts into the joint
3 production base, so there is around 400 trips
4 per month. Summer of 2010, 6,300 to 6,700
5 vehicle trips per month. This is a major
6 industrial operation.

7 I have questions about what new technology
8 we're talking about. I think for the actual
9 drilling of the well and in that aspect we are,
10 but the proposal on the table, Alternative A, is
11 the same old technology. It's connecting up
12 with gravel pads, gravel roads, and doing the
13 same old thing. I really don't think that it's
14 anything new.

15 What's the reality of what we call the
16 Alpine model? I think today the Alpine model
17 should be called a project that is 27 pads 150
18 miles of permanent roads and eight airstrips,
19 that's what's called for under the full field
20 development that the BLM has used to (inaudible)
21 impacts in this impact statement.

22 I don't think what they've done with this
23 oil field development is sufficient for
24 analyzing cumulative impacts of what ultimately
25 will happen from -- this project, as well as

1 everything else to the west in NPR-A, we've got
2 a new lease sale going on at the Northwest NPR-A
3 coming right up, this impact statement assumes
4 absolutely nothing will be happening over
5 there. That seems kind of surprising to me.

6 Also -- I'll go to a new point. There's a
7 lot of provisions, that you've heard that
8 violate the 1998 promises that were made in the
9 Record of Decision. There's violation of the
10 Fish and Judy Creek buffer zone. One of those
11 pads that will be put in the buffer zone is only
12 3.2 miles away from an existing pad -- actually
13 -- anyway, there's a proposed pad within a
14 buffer zone and there's no need for it.

15 If we truly live up to, not only the
16 stipulations, which was pretty simple, that
17 there should be economically feasible
18 extended-reach drilling in the planning area.
19 If that's not possible, in order to waive that
20 stipulation, there's supposed to be an economic
21 analysis that goes with it that says, yeah, it's
22 economically infeasible. There's no such
23 economic analysis for any of the waiving of the
24 stipulations throughout this impact statement.

25 Finally, other stipulations that are waived

1 are the connection of the road into, from this
2 planning area out to connect with existing oil
3 field infrastructure, there's a way in which the
4 stipulations have to do with plans and DRR
5 (phonetic) of the field.

6 Finally, there's very little information
7 about the amount of oil that actually is
8 expected to come out of this. And to do the
9 balancing, you really need to know what you're
10 talking about in terms of our national
11 resources. I'm not -- I cannot support
12 Alternative A. There's not an alternative in
13 the document that I could support that lives up
14 to the old stipulations and makes that careful
15 balance between, are you going to build roads,
16 are you going to have airports? How are you
17 going to do this? I think a lot of the plans
18 that have been made before are very hollow. And
19 you're building roads, you're not doing anything
20 differently.

21 Thank you.

22 MR. WILSON: Thank you.

23 Mark. And then the next person would be
24 George Varalis.

25 MR. HUBER: My name is Mark Huber,

1 vice-president for Doyon Universal Services and
2 President of the Alaska Support Industry
3 Alliance.

4 Thank you for the opportunity to testify
5 tonight. As a previous speaker just spoke about
6 miles and miles of road development and the
7 airport developments, I can tell you, my friend
8 Mike O'Connor with Peak Oil Field Services gets
9 real excited about moving dirt and maintaining
10 roads. If there is any kind of development out
11 there, my experience is there is a need for
12 airfields in the oil and gas industry
13 Slope-wide. There's a total of three that I've
14 had out there.

15 In any case, Doyon Universal Services is a
16 partnership of Doyon Unlimited, one of the
17 thirteen regional corporations out of Fairbanks
18 and Universal Services. Universal Services was
19 founded in Alaska in 1946 and has operated
20 continuously since then. We have 800 employees
21 in Alaska supporting the oil and gas, mining and
22 construction industries, providing catering,
23 security and facility maintenance services.

24 You've heard many people tonight testify
25 and provide facts about the satellite

1 development in the national petroleum reserves
2 an area set aside for Congress for oil and gas
3 and energy resource development. You've heard
4 about 550 jobs there during the construction
5 period, I would note on the Alpine development
6 now it supports a couple hundred jobs just after
7 the construction and through the operations and
8 maintenance. You've heard about \$600 million in
9 tax revenues, both to the feds and to the state,
10 heard about the small size of the development
11 representing three-tenths of one percent of the
12 planned area being considered by BLM.

13 I wanted to talk tonight about our
14 experience at Doyon Universal in working for the
15 industry and particularly working for
16 ConocoPhillips, also add to my comments tonight,
17 am testifying in support of the Alpine Satellite
18 Development Plan EIS Alternative at A.

19 Doyon Universal Services a contractor of
20 ConocoPhillips and Kuparuk in Anchorage and the
21 Cook Inlet. ConocoPhillips is committed to
22 doing it right. Doing it right in the sense of
23 developments that are safe, environmentally
24 sensitive and responsible developments.

25 Primary concerns of ConocoPhillips and of

1 their contractors, certainly myself being one of
2 them, is employee safety and an environmentally
3 sensitive development and operations on the
4 Slope. We show continuous improvements in both
5 of those.

6 In employee safety at Kuparuk we have shown
7 an 80 percent reduction in safety-related
8 instances since 2001. We certainly strive to
9 improving that in the coming years.

10 The current Alpine development has set
11 standards for modern day development. The size
12 of the footprint, roadless development, the
13 centers that the wells are drilled on, the
14 drilling technology that's gone into it, the
15 logical design and technology that's gone into
16 it, all set standards for the industry and for
17 future developments.

18 The industry has learned a lot and
19 continues to improve their practices and
20 technology. I grew up in Western Montana.
21 Western Montana was built by copper. One of
22 those companies that was large in that
23 development was the Anaconda (phonetic) Copper
24 Company, one of the predecessors to ARCO Company
25 here in Alaska.

1 The development took place and my
2 grandfather and great-grandfather worked in the
3 mines in Montana in developing those copper
4 industries. The technology available at the
5 time and techniques at the time were appropriate
6 at that time, were best technology at that time.
7 However, as we look back today and look back to
8 my grandfather and my great-grandfather's day,
9 those standards have changed. We've learned and
10 we continue to learn.

11 Our economy needs the development, needs
12 the energy. The state of Alaska needs the
13 revenue. Alaskans need the jobs that this
14 development will support. We strongly support
15 the Alpine Satellite Development EIS Alternative
16 A. We believe it represents balance between
17 environmental sensitivity, protecting the
18 wildlife, respect for the guarding the
19 environment and look forward to working and
20 supporting ConocoPhillips and Anadarko in this
21 development.

22 Thank you.

23 MR. VERALIS: I'm George Veralis, chairman
24 of the Board of Directors at the Anchorage
25 Chamber of Commerce. The Anchorage Chamber of

1 Commerce represents nearly 1,200 member
2 organizations representing 55,000 employees.
3 Last Friday at a Board of Director's meeting the
4 Anchorage Chamber of Commerce voted to approve a
5 resolution in support of Alternative A. I'd
6 like to read into the record the resolution.

7 Whereas ConocoPhillips and their partner,
8 Anadarko Petroleum have made multiple
9 discoveries in the vicinity of the Alpine field
10 and are proposing to develop them as satellites.
11 And whereas the Bureau of Land Management has
12 released a draft environmental impact statement
13 with five alternatives and has asked the public
14 to comment, and whereas three of the Alpine
15 satellites are within the National Petroleum
16 Reserve-Alaska, an area designated by Congress
17 for the production of energy resources that will
18 enhance our nation's energy and economic
19 security, and whereas this development project
20 will generate almost \$600 million in revenues to
21 the state of Alaska and the federal government,
22 as well as provide new revenue and economic
23 activity for the North Slope Borough.
24 And whereas local and regional employment
25 opportunities, including over five hundred

1 positions during construction will add jobs to
2 the workforce, and whereas the oil and gas
3 industry has demonstrated that it can and will
4 operate safely using technologies that are
5 protective of North Slope environmental
6 resources and subsistence activities, and
7 whereas the surface area impacted by these five
8 satellites is about three-tenths of one percent
9 of the total planned area being considered by
10 BLM, and whereas the Alternative A balances
11 responsible development and environmental
12 concerns and is the most technologically sound
13 and economically feasible of the alternatives
14 presented in the draft EIS.

15 Now, therefore, be it resolved that the
16 Anchorage Chamber of Commerce supports
17 Alternative A as economically balanced --
18 correction, environmentally balanced approach
19 and with the most cost-effective development
20 plan that will provide significant revenue to
21 the local, state and federal governments, as
22 well as provide jobs and income for Alaska
23 workers.

24 And that was approved last Friday. And a
25 hard copy will be followed.

1 Thank you.

2 MR. WILSON: Thank you.

3 Is there anyone else that wanted to speak?

4 MR. WILSON: Did you sign up? I missed
5 you.

6 MR. NUKAPIGAK: My name is Joe Nukapigak,
7 chairman of the Board of the Kuukpik. I'm a
8 resident of the Village of Nuiqsut, eight miles
9 away from Alpine. And I'm here to testify,
10 although I have testified at Nuiqsut, seems like
11 that majority of the people here who has
12 testified supported Alternative A. As I
13 represent majority of the people in my home I
14 represent about 450 people, residents. And when
15 this Alpine project was being proposed in 1998,
16 we had worked closely with BLM, as particular
17 (inaudible).

18 And with that in mind, there are many
19 unanswered questions, there are many questions,
20 more than what we can -- we would like to see
21 some answers -- questions being answered. And
22 there are times when we support Alpine projects
23 in the process, that we are told that there
24 would be the smallest footprint, and that we
25 would have to -- we have been working with oil

1 industry from the day one when we started
2 working with them at the villages. And that's
3 allowed some of our villagers to be employed as
4 well.

5 Then again when this proposed Alpine
6 satellite project now being proposed as we are
7 speaking today, and with BLM with 1,200 some
8 pages of draft EIS, most of our villagers can't
9 read that 1,200 some pages. We're asking for
10 some time extended, maybe some 30 to 45 days so
11 that we can adequately address some of the
12 concerns that we might have over the migration
13 of caribou, the bridge crossing and other
14 issues, because there are many elements, missing
15 elements here that, where migrating is
16 concerned. Especially with the bridge crossing,
17 it's only, to my understanding, it's about 30
18 percent complete, it's not a hundred percent
19 complete in a design form.

20 And not only that, majority of my people,
21 they hunt and fish, especially caribou, Western
22 Arctic caribou and Porcupine caribou that
23 migrate to the Colville Delta. That's a
24 concern. I plead that some of the issues that
25 there should be a long-term study, a wildlife

1 study on some of these migratory caribou. My
2 (inaudible) don't oppose your development, but
3 sometimes (inaudible) to see that there's no
4 promise to it.

5 Lot of times we have seen people
6 (inaudible) because where (inaudible), but in
7 this case the North Slope we are the one that
8 have to carry that burden. The other one be
9 impacted and within our (inaudible). Although
10 we pay employment and pay taxation in the
11 Borough that I am a resident, too.

12 Again, if this satellite vote today that it
13 will be all right (inaudible). Then these are
14 the concerns. Otherwise, if not, we are the
15 people in my home town will have to carry the
16 burden and my children will have to carry the
17 burden.

18 And here's a letter (inaudible) I am the one
19 that have to. Who I live in Nuiqsut, that I
20 have cared for the rest of my life until my
21 children come of age as well.

22 MR. WILSON: You can give us the letter and
23 we'll put that into the record for you.

24 MR. NUKAPIGAK: Is my time up?

25 MR. WILSON: Yeah, you've got a --

1 MR. NUKAPIGAK: I'm sorry, with this kind
2 of time limit, I don't agree with that, but in
3 the end, you have to realize so many people
4 here, whoever supported Alternative A, for me, I
5 support Alternative C because it will connect to
6 the village. And that will allow my people to
7 have meaningful employment, having to come at
8 home, go to work shouldn't have had to spend two
9 to three weeks in the Alpine when it's only
10 eight miles away.

11 There are a lot of issues, but with the
12 time constraint imposed on me, if somebody would
13 yield to me another five minutes, I got a lot of
14 things here that -- to hear me on. But with
15 that in mind, here's what I -- and I hope in the
16 future that you keep an unbiased intervention
17 decision, because we are the ones that are going
18 to be most affected.

19 Thank you.

20 MR. WILSON: Thank you.

21 Anybody else?

22 MS. IMM: Over here. I didn't sign up.

23 I'm Theresa Imm with Arctic Slope Regional
24 Corporation. I'm going to reiterate on some of
25 the comments that maybe were made in Barrow at

1 the public hearing as well as some expanding
2 comments following that.

3 Kind of over-arching in our comments, ASRC,
4 as with the development of Alpine, would like to
5 see any version of the development of the five
6 satellites, recognizing that it has a
7 significant impact on the community of Nuiqsut,
8 to -- that the BLM and the oil industry take
9 steps to see that the concerns of Nuiqsut
10 residents are reasonably mitigated through the
11 measures in the plan.

12 I've worked a lot with Kuukpik Corporation
13 and Joe, who just testified, and I can say that
14 they're not against development, however
15 development has to be done in a responsible
16 manner as it relates to the community.

17 Also with the development of the five
18 satellites, they should follow the -- now it's
19 established a local consultative process, and
20 must respect the people, the land, the
21 environment, fish and wildlife resources in the
22 Inupiat traditional way of life. ASRC, Arctic
23 Slope Regional Corporation, supports responsible
24 development of the five satellites,
25 because the Satellites hold promise for

1 ownership by Arctic Slope and the Kuukpik
2 Corporation as well as providing a tax base for
3 North Slope Borough, so they can contribute
4 significantly to the property taxes.

5 However, we're not going to comment on the
6 full field development. We're really only
7 responding to the five satellites, but we have
8 some recommendations.

9 ASRC encourages the alignment of the
10 pipeline, powerlines and roads along a single
11 right-of-way, while maintaining adequate
12 separation for caribou migration which is
13 imperative to the local community for
14 subsistence and survival.

15 We also support a minimum pipeline height
16 of seven feet for open land pipelines to all the
17 satellite developments where practicable, to
18 allow for caribou movement through the area.

19 Also in the no surface area along the Fish
20 Creek buffer, which is the development option CD
21 6 (inaudible) we would like that the operator
22 look very closely at that to see if that could
23 be paralleled along the buffer and not
24 necessarily put in the buffer. And to
25 reevaluate the need for generation, power

1 generation within that particular path.

2 The Nigliq Channel crossing is another area
3 of importance to the local community for
4 subsistence and fish resources. We would like
5 to better understand the engineering with
6 respect to that crossing. And we would like and
7 encourage both the BLM and the industry to
8 consultate with the local community in a manner
9 that would mitigate any issues that the
10 community may have with respect to the bridge
11 crossing at the Nigliq Channel.

12 And we also support the avoidance of
13 migration for the CE 3 Fiord (inaudible) which
14 mandates the winter-only drilling. This is a
15 very important area for waterfowl on North Slope
16 and in the Colville Delta. And, you know,
17 recognizing that it's a winter-only drilling, we
18 very strongly support the industry in that
19 proposed plan there.

20 So we appreciate the efforts to date of the
21 operator at BLM to get input on these issues to
22 be ready for exploration and development of
23 NPR-A.

24 Development of the five satellites should
25 follow the now well established local

1 consultative process establish for the Alpine
2 field itself, as well as for later exploration
3 efforts in and near NPR-A. I would point to
4 Puviak and McCovey exploration wells as examples
5 for industry worked very closely with the local
6 communities to allow for those projects to move
7 forward.

8 The process followed by these projects have
9 been proven to respect the people, the land and
10 the environment, fish and wild life resources
11 and the Inupiat traditional way of life.

12 Thank you.

13 MR. WILSON: Thank you.

14 Anybody else?

15 BY MR. UDELHOVEN: Good evening. My name
16 is James Udelhoven. Thank you for letting me
17 speak. I came to Alaska in 1968 and I'm CEO of
18 Udelhoven Companies. I'll be very brief. I
19 have seven children, and six live here in
20 Alaska. These issues are very important to me
21 personally. And I'm also, we employ about 300
22 employees, we do military work, we work on the
23 North Slope, we work in Kenai. I was here when
24 Alaska Pipeline got voted down by Congress.

25 The issue was later approved by one vote in

1 Congress. We built Alyeska Pipeline and you
2 heard all the comments of many individuals on
3 the success of the oil Industry and the
4 environmental process, safety process. I'm very
5 much in support of Alternate A. It's good for
6 the nation, good for Alaska.

7 And the decision that you have to make is
8 one, I think that you can see very clearly for
9 the good of the people. And I think the issues
10 that were raised here can be worked out in
11 smaller meetings between individual parties.
12 And I believe the oil industry has done very
13 well at that. And I urge you very much to
14 approve Alternate A.

15 Thank you.

16 MR. WILSON: Thank you.

17 Anybody else?

18 MR. WILSON: Okay. Well, then that's it.
19 I remind you that your written comments are due
20 March 1st. Thanks very much. Good night.

21 (Whereupon, the hearing was concluded at 8:40
22 p.m.)

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REPORTER'S CERTIFICATE

I, Britney E. Chonka, Court Reporter, hereby certify:

That I am a Court Reporter for Alaska Stenotype Reporters and Notary Public in and for the State of Alaska at large. I certify Hereby that the forgoing transcript is a true and correct transcript of said proceedings taken before me at the time and place stated in the caption therein.

I further certify that I am not of counsel to either of the parties hereto or otherwise interested in said cause.

In witness whereof, I hereunto set my hand and affix my official seal this 1st day of March, 2004.

BRITNEY E. CHONKA, REPORTER
Notary Public - State of Alaska