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BUREAU OF LAND MANAGEMENT

PUBLIC HEARING

Bethel, Alaska

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 In Re:)
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 Amendment to the Northeast)
 National Petroleum Reserve-Alaska)
 Integrated Activity Plan/)
 7 Environmental Impact Statement)
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TRANSCRIPT OF PROCEEDINGS

Bethel, Alaska

Yupiiit Piciryarait Museum

and Cultural Center

August 17, 2004

6:00 p.m.

APPEARANCES:

14 BOB SCHNEIDER: Bureau of Land Management
 Anchorage, Alaska

15 SUSAN CHILDS: Bureau of Land Management
 Anchorage, Alaska

17 GEORGE OVIETT: Bureau of Land Management
 Anchorage, Alaska

18 STEVE ELLSWORTH: ENSR International
 Anchorage, Alaska

20
 ALSO PRESENT:

21 Translator: Pat Sampson, Bethel, Alaska
 Y'upik Translator

23 Court Reporter: Janice Scott,
 Metro Court Reporting,
 Anchorage, Alaska

* * *

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P R O C E E D I N G S

(On record)

MR. SCHNEIDER: Let's get started this evening. First of all, thank you for your warm welcome, and I guess it is warm here in Bethel. This is my first chance to be here. My name is Bob Schneider, I'm the field manager for the Bureau of Land Management's Northern Field Office in Fairbanks.

We're here this evening to acquaint you with a Plan Amendment to the existing 1998 Plan for Northeast National Petroleum Reserve-Alaska.

Before I begin and before we go through an orientation presentation, I want to introduce some of the people that are with me this evening. First, Jan Scott who is our court reporter, and Susan Childs sitting here, she is the Project Lead. George Oviatt, who is the Associate State Director for the Bureau. And let's see, Steve Ellsworth, who is the contractor that is working with us on the Plan. And let's see, Pat Sampson over here, who is going to do translation for those of you who think you need translation. I told him to translate into Japanese just to keep it interesting, and he said he could accommodate us.

What I have is a presentation to orientate you to the Plan Amendment for Northeast National Petroleum Reserve-Alaska. It's a Planning efforts that's been going on for

about a year and so this is the final of eight public hearings that we're having on the Plan. And we were invited here by the President of the Association of Village Council Presidents, Mr. Nanning, and we thank you for your invitation and we're glad to be here. And we will make sure that information is made available to your organization so that it can be distributed to your membership for those that aren't here this evening.

Based upon the letter that we received from you, we decided that we needed to reschedule our meetings. We needed to hold a hearing here in Bethel. There is a tie between the North Slope of Alaska and the YK Delta and the villages and communities in the YK Delta, and that is the water fowl that move back and forth between the two areas. And so, we're here tonight because of that indirect connection with the North Slope.

We also added a meeting here as a result of the request that you had made. We are extending the comment period, or we had extended the comment period that started, I guess it was to have ended sometime in July, we moved it back to the 23rd of August so that we could allow for greater public comment.

I'm going to give an information briefing about the Plan Amendment, and then we will open it up for public testimony. Two things, we'll stay here as long as anybody

wants to speak, and the second thing is -- and it sounds like we may not have a translation problem, but up on the North Slope we had received some comments from people that said the translator wasn't exactly saying what I was saying, and there was a little bit of confusion from time to time. It's a difficult job, and so we just said, if you've said something and we didn't quite get it correct, let us know and we will make sure that we get whatever you're saying on the record the way you want to have it be said.

Prior to receiving formal public comments, BLM would like to provide you with some background information about a Plan Amendment that we are considering to amend, the 1998 National Petroleum Reserve-Alaska Plan.

The Plan will address a number of issues; subsistence concerns, impacts to fish and wildlife resources, opportunities to provide additional access for oil and gas leasing, exploration and development in the Northeast portion of the Petroleum Reserve.

And before going on, we're often asked, well, why are we doing a plan amendment at this time? The Plan is only five years old. Well, first of all, five years if half way through the lease terms that occurred in the 1998 and 1999 Plan. And it's often common for BLM and other agencies like BLM to look at mid course corrections as we go along to see whether or not what we were doing and the decision that we made initially are

correct.

Second, it's in the national interest to look for oil and gas resources from domestic sources rather than going out after oil and gas from foreign sources, and the National Petroleum Reserve is thought to contain significant oil and gas resources. And so, we wanted to go back and take a look and see if there was any way that we could make additional acreage available for oil and gas leasing, development and production.

The Northeast Planning area is this area that I have cross hatched. It's in the eastern portion of the 23 million acre National Petroleum Reserve-Alaska. NPR-A, as we call it, is an area that's about the size of the State of Indiana, to give you a perspective. The Planning area is roughly 60 miles west of Prudhoe Bay and about 120 miles west of the Arctic National Wildlife Refuge, or ANWR. The entire planning area contains 4.6 million acres, all of which is administered by the Bureau of Land Management.

In 1998, a decision was made to lease 4 million acres of the Planning area for oil and gas leasing. Lease sales were held in the Northeast portion of the NPR-A in 1999, and again in 2002. Approximately 1.4 million acres have been leased thus far, and those leases have earned about \$165 million in bonus bids and lease payments.

Immediately west of the Northeast Planning area is the

Northwest Planning area, and we recently completed a Plan in January for the Northwest portion of NPR-A, and on June of 2004, we had a lease sale and sold leases that raised \$53.9 million. A total of 1.4 million acres was leased, making it the largest onshore federal lease in Alaskan history. So, there is a lot of interest and a lot of potential in the Petroleum Reserve, and so those are some of the reasons that we are going back and taking a look at the Northeast portion. Now, contrary to what you may have heard, we have not made any decisions. For instance, we have not made decisions to change any of the stipulations in the Northeast portion of the planning area. We've not made decisions to lease additional areas for oil and gas, and we've not made any decisions to reduce any of the setbacks that were developed in that Northeast NPR-A Plan.

And while we haven't made any decisions yet, we certainly are considering some decisions. One of them would be is to go back and take a look at the stipulations that were developed for the Northeast portion of the Petroleum Reserve. And to re-format those into a performance based plan versus a prescriptive plan, which has currently been developed. We also want to separate out lease stipulations from required operating procedures. Now, required operating procedures really are stipulations, but they are rules in which they would require anybody that's operating in the National

Petroleum Reserve to operate under that fall-out side of their actual leases. Lease stipulations apply to the actual ground that's leased.

We also want to take another look at lands that are available for oil and gas leasing and to see if we can make additional lands available. And finally, we want to look at the mitigation measures that were developed in the original plan and see if changes are warranted.

What I would like to do now is to give you an overview of the Alternatives that we were looking at. First of all, we have to follow the law, which is the National Environmental Policy Act or NEPA, and it requires federal agencies like BLM to look at a full range of alternatives when we consider making changes or developing land use plans, such as the plan that we're considering.

We must consider the end points and look at things in the middle and see what we can do to be able to make those plans work and make the optimum decision.

And recognizing the fact that the final plan may not look anything like the alternatives that I'm going to show you because based upon the public comment that we receive, based upon the written comments that we will receive during the comment period, we may make some changes in what those Alternatives look like. So, that's why it's very important to have hearings like this and also to have public comment

periods.

Now, if I can just get the thing to work. This is a No Action Alternative, and it's really a misnomer. It's the 1998 Plan. If we were to stop doing anything right now. If we were to stop the planning process today, this is the plan that we would be operating under. It makes 4 million acres of the planning area available for oil and gas leasing, for example.

The green area that's shown, where the arrow is pointing, is an area of about 600,000 acres that was not made available for oil and gas leasing in the 1998 Plan. There's an area to the south that surrounds this location of no oil and gas leasing that contains about 200,000 acres, which is available for leasing, but it's not available for any surface activities, and that would include even winter exploration activity.

The Plan establishes some special caribou stipulations. The Teshekpuk Lake area is known for being the home land of the Teshekpuk Lake caribou herd and so there are special timing and location stipulations that have been established in the Plan to protect and mitigate and reduce impacts to caribous.

There's a number of arrows you see going here. We've created a number of areas along major rivers and drainages that are no-surface development areas, or no-surface occupancy

areas. Within these areas leases could be sold, but no permanent facilities would be allowed. And again, they are primarily along the major rivers and streams.

In the center there is a blue area and we'll talk about that a little bit later, but this is an area where there is a number of lakes that are greater in depth, it's about 7 feet. We call them deep water lakes. And these lakes don't freeze in the winter time to the bottom, so therefore, they provide over wintering habitat for important subsistence species of fish. They also provide year round sources of water and they also provide of water for oil and gas activity when and if an activity may be there. For example, the construction of an ice road. It's a permanent source of water that would be available even in the winter time. And we've established setbacks around the shore line of those lakes in order to insure that we don't pollute a lake, we don't get anything into the lake and keep permanent facilities away from the shore line of the lake. There is a quarter mile setback away from those lakes.

And then finally, you'll notice some yellow areas around the no surface occupancy areas. These are areas of special consultation zones. And what this was done in 1998, it was intended that if an activity was proposed for one of those no-surface occupancy areas, that that would trigger additional consultation with the Native Tribal Government,

with the local community that's close by. It sort of serves as a red flag for us to highlight areas that are most sensitive from the local public standpoint as far as subsistence activities.

Consistent with the requirements of the National Environmental Policy Act, BLM has identified two Alternatives, and I'm going to talk about those first. The first Alternative is Alternative B. It makes all of the area, the Planning area available for oil and gas leasing with the exception of 213,000 acres to the north and east of Teshekpuk Lake, and that's the area shown in the light green on the map. All the stipulations, all the special stipulations and general stipulations would apply in the areas that are available for leasing, but what this would do is take 213,000 acres off the table. It would open the other 387,000 acres that was previously closed to oil and gas leasing.

Alternative C is the same as Alternative B except it makes all 4.6 million acres, or it opens that area that was in green and the No Action Alternative and makes it all available for oil and gas leasing. Again, all the general and specific stipulations that have been proposed, and I will talk about those in a few moments, would apply in that area.

Now, BLM has identified Alternative B as our preferred Alternative. Together these three Alternatives provide that full range that we have to consider as part of

the National Environmental Policy Act. And when I say Preferred Alternative, that's BLM's best guess, if you will, of optim- -- how we can optimize all of the issues that are there, try to make oil and gas leasing available protecting sensitive wildlife species, protecting subsistence. We see this as the best way, at least at this point in time, in the absence of other public comments, how we can accomplish those goals. Again, between these three Alternatives, we may not end up with any one of these Alternatives, there may be something else that comes up through the public process.

I would like to now talk about site specific stipulations. These deal with rivers and deep water lakes and they deal with a number of other geographical features in the Northeast Planning area where we have identified in the past, that there is some very sensitive resources. Both of these Alternatives B and C, will be addressed here with some minor exceptions.

Rivers. All the setbacks and buffer zones that were established in the 1998 Plan remain in tact in both Alternatives B and C. Alternative B adds an additional river, and this is the river that is located near the village of Nuiqsut, it was left off of the original plan, it establishes a half mile buffer along that river. Tingmiksikik (ph) River. See, I can say that and nobody knows what it is, so that's -- this river was not included in the 1998 Plan.

We talked a little bit about deep water lakes before.

Deep water lakes are an important feature on the North Slope because of a variety of reasons. One, they provide habitat -- over-wintering habitat for fish and a source of year-round water. Any pollution in these lakes would be very difficult to clean up and so therefore, we continued with the setbacks around those lakes.

Going back to the 1998 Plan, the area that's shown in blue was the area that the original plan identified for the no surface occupancy stipulations around those lakes. And as you can see, Alternatives B and C, there are lakes that are outside that blue area, so we've actually expanded the area that's being protected by looking at the specific lakes, and rather than just showing a shaded area in the middle of it, we've actually identified the lakes that meet those criteria and there are lakes that are outside that. So, we've actually expanded the protections, we believe, for deep water lakes.

Teshkepuk Lake is probably one of the most controversial issues that we're going to have to address in this plan. It covers about 160,000 acres. It's the largest lake on the North Slope. It ranges in depths from 50 feet all the way up to just a few feet. Alternatives B and C establish similar deep water lake stipulations of a quarter of a mile on the shore line and three-quarters of a mile on the water, for a total mile buffer zone. We thought it was -- it was at

least our belief that the shoreline areas were the most sensitive locations in the lake. And so therefore, we wanted to keep any developments that might take place away from the shoreline and so we've established a buffer than spans both the shore line and the lake itself.

Standards for exploration and development in Teshekpuk Lake are intentionally set very high. And the proof of whether or not activity would be approved or not rests with the oil and gas industry to prove that they can accomplish it and meet the objectives that we've established. And these would include year around spill response capability, for example. Currently that doesn't exist. Including broken ice and open water situations. Right now, that's not a technology that exists. So, until that protection and those procedures are established and we are able to be able to deal with broken ice and open water clean up situations, we're not going to allow work on the lake.

We want to avoid conflict with subsistence users and seasonal concentration of fish and wildlife resources, so there's going to be timing restrictions that would have to take place. Daily operations, if there was an oil and gas operation in the lake, for example, it would have to be conducted in a manner that would not conflict with people's use of that area. And what we're looking at is if something had to be serviced by boat or aircraft, that flight patterns

would be established so that we can stay away from sensitive locations. Cabin sites, bird nesting areas, those kinds of things.

Facilities may be approved beyond the three quarter mile setback on the lake, and seismic activities may also be approved on the lake.

Northeast of Teshekpuk Lake, and this is really where the tie to local communities here is, is an area known for its importance as a habitat for geese. This is especially critical for molting geese due to its remoteness, lack of predators, lack of disturbance. During the molting season, geese lose their feathers and are extremely vulnerable to predators because they are flightless while molting. They are reactive to virtually any disturbance. It's a very stressful time for the birds and every time they have to avoid a predator or react to a disturbance they burn energy and that energy is energy that they would use for migration later on. The three-quarter mile setback has been established on the water, and a quarter mile setback has been established on shore around these large lakes that are in the goose molting area, to prevent conflicts with molting geese. Now, this is a result of a survey that was done a few years ago that shows the most important lakes for molting geese, and the lakes that are in tan are lakes that have an excess of a thousand birds on the lake.

Alternative B takes the core area that are important for molting geese off the table for leasing. And this is about a 213,000 acre area. There's roughly nine townships that are within this area and these would be unavailable for oil and gas leasing.

Now, the shores of Teshekpuk Lake are also important for caribou. The area surrounding the lake is a seasonal home, as I said, of the Teshekpuk Lake caribou herd. The lands immediately southeast of the lake are the current core calving area for the herd. And the land shown in maroon, the colored areas, are key summertime insect relief routes. During the day the caribou go over to the shoreline, get near the ocean where it's cooler, get away from the bugs, then they come back in to feed and they use these traditional migration routes back and forth to get away from the insects and get insect relief. This is a very stressful time for the caribou as well.

The lease stipulations that would apply for any leases in this area would require three years of study to identify where those specific caribou migration routes would be located, and this information would then be used to identify where we might be able to site a facility, if one was purposed. So, before we would allow a permanent facility in this area, we would be looking to see where caribou actually move and then be locating facilities in a location that would

minimize the conflict.

Along the shoreline, again is a very important area for insect relief, but it also -- because of marine mammals, waterfowl habitat and subsistence activities are also important. And we've established the three-quarter mile setback all along the coast. And this is consistent with planning in the Northwest Planning Area, which is on the left side of the map where we've continued that three-quarter mile setback.

The Colville River special area, which is the area shown in pink on the map, was established back in the 1970's by the Secretary of the Interior as a way of protecting for high concentrations of raptors, birds of prey. It's an area that they forge for food, it's an area where they nest, and so it was established as a protection zone. It didn't prevent for leasing to take place there, it just said that we needed to consider raptors and location of raptor nests and foraging areas when we did our leasing plans.

In the Northwest NPR-A Plan in the Colville River special area, we made the decision to defer leasing until we completed a river management plan for the Colville River. That was a decision that was in original Northeast Plan that we're not looking at amending, but as we did the Northwest Plan, we found a lot of the comments were that the Colville River, as the longest river on the North Slope, we needed to

do a management plan for that entire river. And so therefore, we decided that within this pink area that we will defer leasing until that river management plan is done. And that will be done as part of a planning effort that we will begin next spring in the southern portion of the National Petroleum Reserve. And we will consider developing a river management plan along with the plan for the southern portion of NPR-A. The Pik Dunes is kind of a unique geological location, located sort of in the central part of the Petroleum Reserve in the part of the Planning Area. These Dunes are an old remanent Dune system that provide insect relief for caribou, there's not a lot of vegetation on them, they get up and they can get into the wind and get away from the bugs. But because of it's interesting soils and unique soils for the area, there are some potential for some unique plants to be located there, so therefore, in the original 1998 Plan the area was made off limits to any surface occupancy, or no surface occupancy stipulations. It could be leased, but you couldn't build a facility on the Pik Dunes. And we've continued with that requirement of no surface occupancy on the Pik Dunes. So, both Alternatives B and C continue the same setback and no surface occupancy stipulations that the 1998 Plan have. I want to talk briefly about consultation because we have expanded the consultation requirements in the Plan. If you remember, in the No Action Alternative we established some

special consultations on these yellow areas around the areas of no surface occupancy. What we've done is we've said that in the plan, if there's an activity anywhere within the Planning Area, we will consult, as we have been consulting ever since the plan was implemented back in 1999, to go to the community, to deal with -- to meet with the Native Tribal Governments of the area, to meet with the local city entities, meet with the Native Corporation of the area that surrounds or that's in the vicinity, and talk to them about what we're purposing to do. We also require the oil industry to do that. They hold public meetings -- they've put out periodically, newsletters to inform people, it's both in Inupiat and in English, to let people know what's going on in the local community, what they're planning, when the planning meetings are to be held, what kinds of work are going to be done in the wintertime.

We also established a subsistence advisory panel in the original plan. We will continue with the subsistence advisory panel. This represents the Native Tribal Governments that are located within the NPR-A as well as the North Slope Borough, and we meet about four times a year and talk about activities that are going to take place and what has taken place and get recommendations on how we can insure that we can minimize impacts to subsistence users.

We also conduct, as I said, government to government

consultation with Tribal Governments when there's an activity that may have a substantial impact on their tribal members or their assets. We will be doing that for all activities, not just limited to those yellow areas that we're showing on the map as special subsistence zones.

Now, the preferred Alternative C also establish some special procedures for seismic operations. Seismic operations cover a large land area when they're done. It could be thousands of square miles. And so what we've set up is in addition to the normal subsistence consultation procedures, when a company comes in and wants to do seismic work, they need to identify the area that they're going to work in, and all cabin owners and allotments owners that have cabins or have allotments within that area will be contacted in writing. And then we will work through the Native Tribal Government to address their concerns and their issues.

Seismic work seems to be one of the areas of greatest contention because it's one of the first things that happens when companies go in and take a look, is they will have a large operation and they will cover a great deal of country. There are also requirements to hire subsistence representatives from local communities. They know where people's cabins are, where their roots -- ice cellars are, be able to point those things out and keep vehicles from straying and getting too close to where these facilities, these

properties are.

I would like to briefly touch on the planning schedule. This is -- on a calendar basis, this is where we are in terms of the plan. We started last year in the fall and we hope to complete the plan sometime around the first of this coming year, 2005. We held meetings over the Christmas holidays and into the New Year's with the Kuukpik Corporation from Nuiqsut, along with the Native Tribal Government in Nuiqsut and the City of Nuiqsut and Barrow, to discuss what we were proposing, what issues were of most importance to them. And it helped us to try and formulate the alternatives that we're coming to you on this evening.

Now, we conducted Scoping meetings to identify issues, late last fall. We're now in the public comment period where we have a draft plan and we're asking people to comment and to give us their feelings about what we're proposing. Now, we've extended the comment period from its original July date through August the 23rd, so it's a 75 day comment period, partially in response to a request from you here in the community, and the people of the YK Delta as well as the North Slope Borough. So, we are nearing the end of that comment period, but we're hoping that we're going to get some useful comments so that as we start looking and adjusting and making some changes to the -- to what we've seen in the preferred Alternative, if they're going to be changes, that we will have

some good information.

Regardless of whether or not we made changes or regardless of whether or not if we go back to Alternative A, which the No Action Alternative, we are on a two year schedule to do lease sales. We've had lease sales in 1999 and 2002. We took a year hiatus, this year to do this plan, but we would anticipate that in 2005 we would hold a lease sale in Northeast NPR-A. It may not be in the area that's closed currently, but it would be in the area that's currently open under that original decision. And we would hope to have lease sales every two years. If we do identify additional areas for oil and gas leasing, then they would be incorporated into that leasing schedule every two years. In Northwest NPR-A we hope to have a two-year leasing schedule that sort of fills in the holes in between the Northeast NPR-A lease sales so that we have lease sales every year, alternative between Northeast and Northwest.

The hearing schedule we've had, this is the last of eight hearings here in Bethel. We've met in Anchorage and Fairbanks. We've met across the North Slope in the major communities that are affected by this plan. We had a meeting on July 1st in Washington, D.C. to hear from national organizations and people that were interested in the proposed plan alternatives and amendments, and so we're here this evening to hear your comments.

And that concludes my part of the briefing, and now it's our turn to hear from whoever wants to speak. And again, as I said, we'll stay here as long as people want to talk. We'll make ourselves available after we close the comments. If people have questions they want to ask us one on one, we will be glad to answer those. So, with that, I'm going to turn the meeting over to Steve. Steve is the hearing officer this evening and he will actually run the hearing. So, Steve, do you want to come on up and we'll go from there.

MR. ELLSWORTH: Good evening. As Bob said, my name is Steve Ellsworth. I'm with ENSR, a contractor with BLM assisting in the preparation of the EIS.

It's now 7:45 p.m., and I would like to bring the official part of the meeting where public comments are submitted, either verbally or on paper. And I have a list here and I'm going to call your name, and when you do, please come up to the microphone here and state your name, and if you're talking on behalf of an organization, please let us know that.

There's just a couple here tonight that have put their names on the list to speak. We will have time after those are done, if anybody decides that they do want to speak, we'll ask you again at that time to see if anybody would like to step up. So, with that said, I would like to call up the first speaker, I believe it's Myron Nanning. Please step up here

and state your name and who you're representing, or yourself, and go from there.

STATEMENT BY MYRON MANNING

Thank you, Steve. Thank you for having responded to our request to have a public hearing on this important matter that affect our people here in the YK Delta, even though we might seem so far removed, we are directly impacted by the potential of the future oil and gas leases that may occur up there, and any seismic and exploration that may occur up there.

First, my name is Myron Nanning. I'm the president of the Association of Village Council Presidents, and I'm also chairman of the AVCP Waterfowl Conservation Committee.

One of the reasons why we requested that the public hearing be held here in Bethel is because back in 1998 when the original request to put -- when the Environment Impact Statement was put together, we were invited to make our comments and to share our comments regarding the potential impacts of migratory birds that our people rely on for subsistence purposes, especially the black brant. That the majority of them nest here in the YK Delta. And some of the birds that are not able to nest during the summer seasons are the ones that fly up there, and those that are not successful in laying eggs, I believe also are -- go up to the North Slope to the Teshekpuk area to molt and prepare for their migration

down south.

052
Birds

There's a large number of black brant that nest in the YK Delta. We've seen the numbers decline for sometime back in the early 80's where the -- where our people here in the YK Delta were placed on restrictions under the goose management plan, which was put into effect like under the Hooper Bay Agreement back in 1984. Our people were limited in being able to gather eggs from the birds that were molting, the ones that have laid eggs in the region, and even hunt them while they were in flight because there was a certain decrease in the number of black brant, the population of black brant that nest in our region or even fly through the area.

053
Birds

Black brant is hunted primarily during the spring time by our people in western Alaska. And potential impacts of any oil and gas exploration on the molting birds, it's going to have a big impact because we've seen it even with the impacts by hunters within our own region when birds are molting, or even flightless. They tend to disappear after a while if there is human presence around. And we are concerned that if there is oil and gas exploration during the time when birds are molting up there, those birds will no longer be going there to molt and prepare for flight, they like to go back to their winter grounds.

054
Birds

So, we are concerned about those, and also we don't want to go back to the days where we will be restricted on our

054 (Cont'd)
Birds

ability to harvest black brant. And this has done -- this plan of -- this plan of goose management plan, which black brant is part of, is considered every two years, so we are keeping a close watch on the populations, the numbers of the birds, and we put a plan together that will impact our people and their use for black brant for subsistence purposes. So, I would highly recommend that BLM take precautionary steps that will not drastically or negatively affect the migratory birds that molt up there. And it may not necessarily be the black brant, but there are other large number of birds that nest within the region, and some of them do go up there to molt. So, we would request strongly, maybe demand that certain precautions are taken to protect the migratory birds that our people rely on for subsistence purposes.

With that, I thank you for the opportunity.

MR. ELLSWORTH: Thank you. If you have something in writing that you want to submit, please drop it off with Jan here. Thank you. Sally Rothwell?

STATEMENT BY SALLY ROTHWELL

Good evening. My name is Sally Rothwell and I'm an Environmental Coordinator for Conoco-Phillips Alaska. Conoco-Phillips is the largest producer of oil and gas, and the most active explorer in Alaska. We have also been a long time stake-holder in Alaska communities. I appreciate the opportunity to share my comments with you here tonight.

Our company has a proven track record of high quality environmental performance on Alaska's North Slope, including the NPR-A. Conoco-Phillips is a leader in innovative solutions that protect the environment, such as the minimal footprint of the Alpine production facilities. Conoco-Phillips has participated in 15 exploration wells in the NPR-A, all without significant environmental incident.

In 2001, Conoco-Phillips and our partner Anadarko Petroleum announced several discoveries in the NPR-A. Since that time, an EIS process has begun for new satellite field developments in both the NPR-A and on state and Native corporation lands near the Alpine oil field. These new developments confirm the strategic potential for oil and gas in the NPR-A.

As the draft plan points out, much has been learned since the Record of Decision for the Northeast area was first issued in 1998. Conoco-Phillips endorses continued leasing in the Northeast portion of the NPR-A and the opening of Teshekpuk Lake by the BLM. This will allow access to some of the most important prospective areas, which are located near the crest of the Barrow Arch.

Conoco-Phillips believes that the most sensitive areas north of Teshekpuk Lake, such as the lakes which have the highest use by molting geese, should remain off limits. We understand the importance of these geese as a subsistence

species in the YK Delta, and we also acknowledge that there should be a buffer around these lakes as a further measure for protection of these species.

However, we are concerned in general that BLM has recommended the blanket exclusion from leasing of the 350 square miles of additional prospective acreage north of Teshekpuk Lake.

We are also concerned that BLM has not addressed some of the extensive stream setbacks in the area. In our opinion, the current three-mile setback at Fish Creek is unnecessary and is double the 1.5 miles originally recommended in the 1998.

Conoco-Phillips supports the BLM's proposed "performance-based" stipulations and required operating procedures for the Northeast NPR-A. These revised stipulations would provide a framework to make compliance efforts more efficient, where we can continue to operate in a safe and environmentally-sound manner and respect the important subsistence usage of the area.

Conoco-Phillips remains committed to environmental excellence and responsible development. Exploration activities take place with minimal impacts using ice roads and ice pads to access prospects during the Arctic winter. Future oil and gas development in the NPR-A will have economic benefits for Alaska, for the communities of the North

Slope and for the nation. For more than 30 years, oil and gas development has been the economic engine for the North Slope Borough and the State of Alaska.

In 2003, the State of Alaska received more than \$1 billion from the oil industry in taxes and royalties. The three previous lease sales in the NPR-A have generated more than \$222 million in bonus payments, split between the state and federal governments. Clearly, continued investment on the North Slope benefits everyone who lives in Alaska, through monies for state and local governments that result in better services and better schools.

Conoco-Phillips also understands that economic benefit from continued oil and gas development is only part of the picture. We are keenly aware that the land and water of the North Slope, and the subsistence environment and traditions it supports, are fundamental to the Native culture. These values must continue to be a vital part of our collective future.

Conoco-Phillips has proven that we can work closely with our neighbors and operate in a manner that respects the way of life of the residents of Alaska's North Slope and the YK Delta. This takes constant effort on both parts and we are committed to working with the residents to ensure development happens in a way that respects their heritage and subsistence way of life.

In conclusion, Conoco-Phillips is pleased to offer

these comments. Continued lease sales in the NPR-A will enhance the nation's energy and economic security, and our nation needs to secure its energy future. We are confident that the BLM and the residents of the North Slope will find a way to balance the needs of the nation with the needs of the Native people. Conoco-Phillips pledges to see that the balance defined from this effort is the balance that is maintained for generations to come.

In addition to my comments today, Conoco-Phillips plans to submit written comments for this draft plan review process.

Thank you.

MR. ELLSWORTH: Thank you. I forgot to ask Myron, would you -- is there anybody in the audience that wish to have either or those comments translated? We have translation capabilities here tonight? (No Response) Is there anybody else who would like to speak that did not get on the list? All right. Please state your name and who you represent? Would you like this translated?

MS. PHILLIPS: No.

MR. ELLSWORTH: Okay.

STATEMENT BY AGNES PETE PHILLIPS

My name is Agnes Pete Phillips. My great grandmother was born in the late 1880's on Nelson Island and she was left out to die because there wasn't enough food. Her sisters felt

sorry for her and they stuck seal blubber in her mouth and brought her back to the village and she lived to be 101 and passed away in 1978. And what I learned from my great grandmother was the subsistence way of life and a taste for all these good Native foods.

People ask us, why do we live in Bethel. We have access here to both our Native foods. The YK Delta is our huge office. My son who is 14 knows the YK Delta very much. And my husband also knows the Delta almost, you know, they have travelled around. When they've come -- when we come back from the village, one time they said they come by the way the wind blows, it's going this way, so Bethel is that way.

And when I was growing up, I learned the taste and acquired the taste for Native food, and nowadays when I -- I went to a function where they served spaghetti and I made this big yucky taste like oh, and I asked this guy who saw me to please don't tell anyone, the spaghetti tastes wonderful, but I'm not used to eating beef because it doesn't have the wild taste of our Native food.

And so I really appreciate people like Myron Nanning, who fight for our subsistence rights because even though it's way up in Barrow, it affects us here in the YK Delta. I'm unemployed, I don't work, but our freezer is full of things that we value. All the Native food, fish, berries, and we're going to hunt pretty soon.

And my brother called the other day and asked if I wanted to go up and eat fermented fish, but I was busy, but it's things like that, you know, people will scrounge around looking for, you know, one time there was a story about my aunt and uncle went to my mother's fish camp to look for our favorite food, but like it was said at the meeting today, we are cash poor, but we have our resources.

And I understand the need for development because the United States is the biggest user of fuels, fossil fuels in the world. And the United States is the biggest user of products. Our good ole MBA's and whatever it worked to make the greatest amount of money. The hands of -- there are great cash in the hands of a few. And those of us who rely on subsistence are very cash poor, and we rely on good decisions because some people like me, you know, we cringe at eating regular spaghetti. And I came today to the meeting and some of our guests said, well, I miss your Native food that you bring to the meetings, but as you can see, I was working on a quilt for my daughter.

And so, we've been doing this for many thousands of years, millions of years, and in the event right now, you look at your federal grants every day, more and more there's more grants going to war, for the war things and for -- to fight against governments and this and that. And we're seeing more money put into things and not the people because of the war in

Iraq. And those of us who depend on government agencies to preserve our subsistence rights, in the end we might be the only survivors in this world because those few who take on learning how to hunt, fish and pick berries, know where all our natural resources are. Today you look at the darkest of dark people around here, they're the ones who know where to fish, where the eddy is, where to get that fish. They know which lakes and where to go hunting.

I'm their friend. I want to be with them because -- but I also admire the men that take both things into consideration with our modern world and our way of life that we've preserved for many years. My daughter's going into sixth grade Y'upik immersion. We've had our loss of language. And my son is 14 with ADHD, but he's (indiscernible). His office is not in school, it's the YK Delta. And he has the knowledge of a hunter, of a man. In the old days men used to get married at 13 or 14, and he would be ready to get married. All these things that we value about our way of life, you look at the many government agencies that exist today, and all the people whose qualifications are in the -- you have your four year degrees, your masters, doctorates, whatever, accountants, lawyers, drawing up our documents. And our way of life isn't written like we hear at so many meetings, the knowledge of our elders. They know and learn by what the animal does or animal or whatever bird or animal they're

hunting. They -- you talk to them, they know where their nests and how they act and what they do. And then you're coming up with the regulations to protect our wildlife and it's our wildlife that's going to maintain our indigenous people for ions. Through the ions, these people will survive and we will have used up all their fuel, fossil fuel, and hopefully go onto other things if we still exist.

Anyway, I really want to thank you. Especially great thanks to Myron. Myron deserves a big pat on the back. He helped my mother with her Native Allotment and I really appreciate that.

Thank you very much. Oh, and I forgot my title. I'm a mom. I'm -- in the gusuk (ph) world, I have a double major Bachelor's in journalism and political science. I have a Master of Business Administration and 31 law credits from year's ago, but I have to give my priority to being a mom and subsistence user. Thank you.

MR. ELLSWORTH: Thank you, Agnes. Anybody else like to speak? If not, we'll.....

MR. SENNER: Myron had wanted to make a comment, maybe he should go ahead.

MR. ELLSWORTH: Okay.

MR. SENNER: I'll bring up the rear.

MR. ELLSWORTH: All right.

MR. NANNING: I'm back again. My name is

Myron Nanning. I'm president of the Association of the Village Council, and also the Chairman of the Waterfowl Conservation Committee.

I'm glad that there is an industry representative here to make a presentation regarding their responsible -- responsible citizens, corporate citizens in trying to deal with the issues that we are affected with and trying to get a better understanding of the impacts, but I just wanted to say one thing, that you know, a big, a large amount of oil is extracted from the North Slope, it's within the State of Alaska, but the people here within the YK Delta, in some of the villages, pay the highest fuel prices than anybody else. When we start seeing the news on CNN that people down there in the states that they're complaining that they're paying two dollars per gallon, we can grin and smile and we say, what are they complaining about, our people up here pay as much as five dollars a gallon and they don't have as many jobs available here within our region or in the villages than those in the urban areas.

So, I just wanted to share that fact. So, thank you.

MR. ELLSWORTH: Thank you, Myron. The floor goes to you. Please state your name and who you represent.

STATEMENT BY STAN SENNER

I'm Stan Senner, Executive Director of Audubon Alaska, and I'm based in Anchorage. I had not intended to speak

tonight, I came here to listen, but since there are no speakers and you're a captive audience, I'll go ahead and made a few comments. These are a little bit random because I had not prepared a statement.

088
Birds

The first item is that the description of molting geese in the Draft Environmental Impact Statement is inadequate and does not do justice to the importance of the area north of Teshekpuk as a molting area for brant. In fact, it even fails to mention that greater white-fronted geese are molting there and only makes reference to breeding birds. And simply does not do justice to the fact that for brant in particular, this is the single most important molting area in the entire circumpolar Arctic. Up to 30 percent of all Pacific fly away brant may be found there in any given year molting. And I think that needs more emphasis in the Draft EIS.

089
Birds

The link to the YK Delta is a strong one and of the banded brant recovered at Teshekpuk Lake, 70 percent of them originated in the YK Delta. And so that link is a very very strong one.

090
Birds

As several people have mentioned, most of those brant nesting -- or molting at Teshekpuk Lake are failed breeders or non-breeders. Some may think that means they are unimportant, and that certainly is not the case because one year's failed breeders may be next year's breeders. And having that time on

the North Slope where they can molt and build energy supplies may very well determine nesting success in a subsequent season.

091
Traffic

I also find in viewing the Draft Environmental Statement that the description of impacts are inadequate with respect to molting geese. For example, there is an extended discussion of disturbance by air traffic, and it doesn't mention brant. Astonishing. There's also, for example, much discussion of a report by Johnson, et al., 2003 at the Alpine Satellite fields, a study on aircraft disturbance, the Draft Environmental Statement says this is the most comprehensive study of air traffic disturbance on the North Slope. That's great, it all concerns nesting birds. It's not a study of molting geese. And hence again, the discussion air traffic impacts and other disturbance on molting geese is simply completely inadequate.

092
Birds

Myron Nanning mentioned the restrictions on brant harvests in the YK Delta back in the 80's and the hardship that that caused on residents here, and I don't presume to speak for any of those subsistence users, and that's not my role, but what I can report is that the population of brant in the Pacific fly way right now is within 4,000 birds of triggering once again, a round of harvest restrictions which will affect subsistence harvest, harvesters as well as sport hunters all the way from the YK Delta to Baja Mexico. So,

092 (Cont'd)
Birds

we're within 4,000 birds of a trigger point and any loss of habitat or disturbance at a place like Teshekpuk Lake could well be translated into the loss of some birds in future populations.

093
Cumulative

Another item is that missing from the discussion of cumulative effects and the analysis of cumulative effects, there is no discussion of the interaction with climate change. And one of the phenomena that we're seeing on the North Slope is an invasion of woody vegetation moving farther north. The geese are at Teshekpuk Lake to molt because of the abundance of fine grasses and sedges. Geese are grazers and that's what they need. It's a rich in feeding environment and it's also a relatively predator free and it's also relatively disturbance free. That's why they're there.

094
Cumulative

If through climate change we see an invasion of woody vegetation in that area, the actual -- the area available to molting geese is going to shrink. And if you then further fragment and diminish that habitat with the infrastructure, the oil industry, that's an interactive or synergistic effect, and I think that the Draft Environmental Statement needs to consider that possibility.

095
Birds

This then leads to the next point, and that is that the area proposed by BLM in Alternative B, would set aside 213,000 acres as a no lease zone. One of the things that biologists who have looked at the molting geese over the last

095 (Cont'd)
Birds

25 years have noticed that the distribution within that area, -- the distribution of molting geese within that area is not the same. It shifts over time, depending upon plant succession in these drained lake basins. The smaller the area that's set aside and where leasing is prohibited, the greater the probability in fact, that molting geese will not always be using that area. It's a little bit like setting aside a postage stamp-size reserve for -- to protect some value which may be in place now, and only 10, 20 or 30 years later, to discover that those conditions no longer pertain, and one's postage size reserve is no longer any good. So again, the smaller the area set aside that's free of oil industry infrastructure, the greater the probability that that will not be a value to the molting geese over time.

096
Stips &
ROPs

Just a couple more items and then I'll conclude. One of the stipulations that BLM is looking at is a one-quarter mile setback around lakes, and I've yet to see one shred of evidence that that is an adequate distance for a setback to protect molting geese. Much of their activity is on the shoreline, they're really only out in the water to escape predators and disturbance. And often they're ranging farther than a quarter of a mile from lake shores. So as a setback, a quarter of a mile is simply inadequate, or I believe that it's inadequate and have seen no evidence justifying that value.

097
ANILCA

One of the most interesting sections of the

097 (Cont'd)
ANILCA

Environmental Statement is the analysis of impacts on subsistence harvests, and this is an analysis required under INOLKA, and I just noted, I read it on the plane as I flew in here today, that that analysis of subsistence impacts doesn't mention the word brant, and it doesn't mention impacts on YK Delta communities. The only discussion, the only substantive discussion in that section is caribou with reference to Nuiqsut, Barrow, Atqasuk and Anaktuvuk Pass. So there's again a huge inadequacy in that environmental statement by the failure to mention brant and YK Delta communities.

Lastly, Audobon's primary concern is development and production phase, not the exploration work. Most of that work is accomplished in winter. We don't see major problems there, and certainly not problems from the standpoint of the molting geese. Our concern is development and production. The loss of habitat, the ongoing disturbance especially from aircraft, and I was just in the Colville Delta a couple of weeks back and learned that -- and I believe I have this straight, that in the month of July, the Alpine airstrip at the main Alpine facility had 2,700 flights in and out. Way more than anyone had predicted would be there, and I cringe to think of a major facility being placed in the middle of that area north of Teshekpuk Lake, even with the closure of 213,000 acres. With that kind of air traffic in and around the area, I think the effective value of that closure or the effective size of that

closed area will in fact be much smaller than 213,000 acres. Audobon, the bottom line for us is that we support Alternative A, the so-called No Action Alternative. We will be submitted extensive comments for the written record. So, thank you very much for this opportunity to make these comments.

MR. ELLSWORTH: Thank you, Stan. Is there anybody else who would like to provide some oral testimony. There will be ample opportunity, also you can submit your written comments to us at this time, or you can submit them via the web at www.nenpra.ensr.com or you can mail them via regular post, to the BLM, the address is on the abstract sheet that's on the table at the doorway.

The public comment ends on August 23rd, you have until that date to submit comments. If there's nobody else, I will end the official public testimony session for this meeting. We will be available for a short time afterwards to answer any questions you might have.

Thank you very much.

* * END OF PROCEEDINGS * * *

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C E R T I F I C A T E
UNITED STATES OF AMERICA)
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STATE OF ALASKA)
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I, Jerri Young, Notary Public in and for the State of
Alaska and Reporter with Metro Court Reporting, do hereby
certify:
11

THAT the foregoing pages numbered 02 through 41
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DATED at Anchorage, Alaska this 9th day of September,
2004.
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SIGNED AND CERTIFIED BY:

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Jerri Young

Notary Public in and for Alaska

My Commission Expires: 11-03-07

