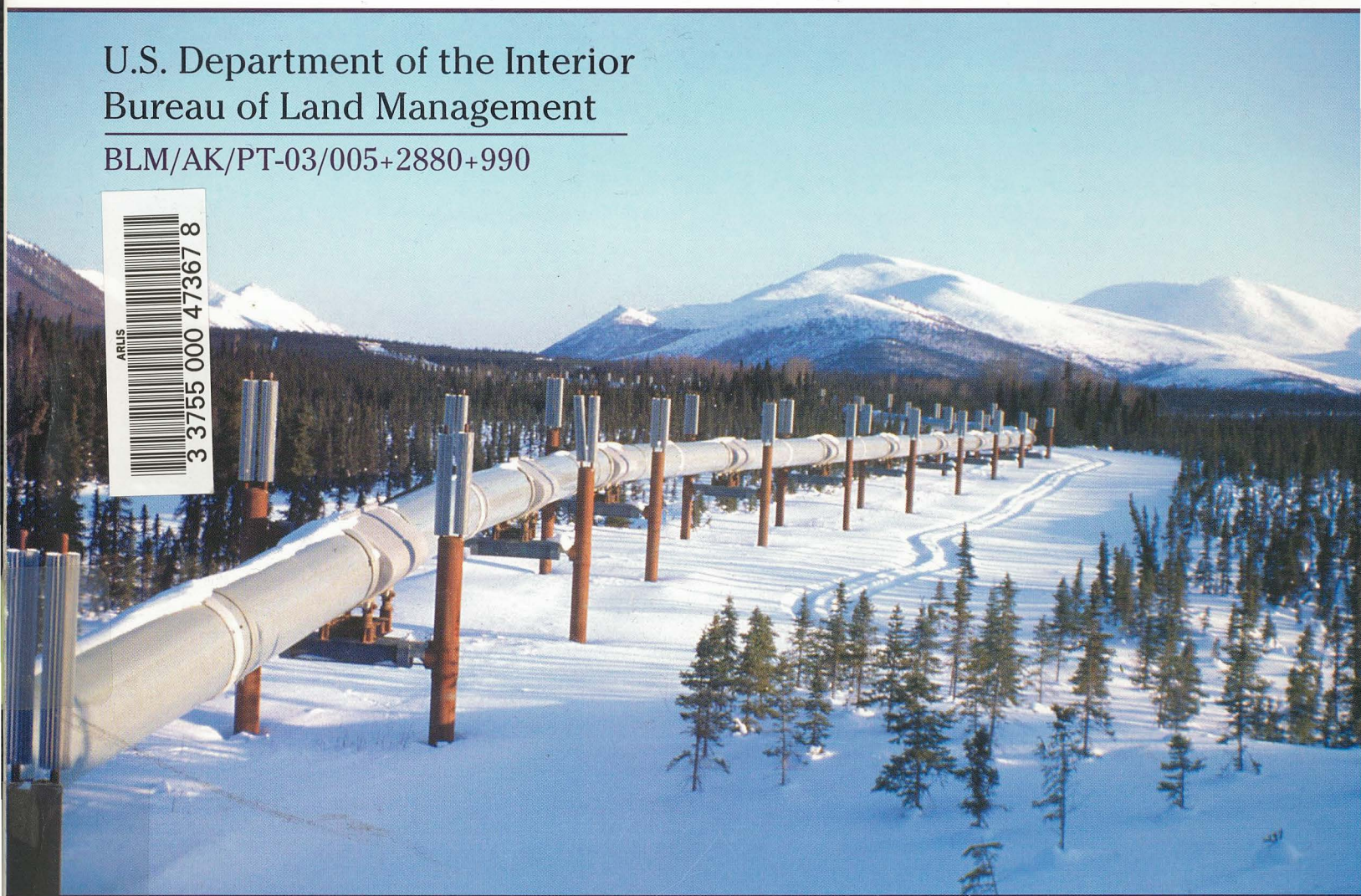


Renewal of the Federal Grant for the Trans-Alaska Pipeline System Right-of-Way

November 2002

U.S. Department of the Interior
Bureau of Land Management

BLM/AK/PT-03/005+2880+990



*Volume 6: Comment and Response
Document – Part 3*

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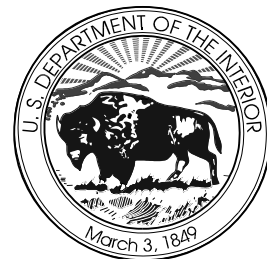
Final Environmental Impact Statement

Renewal of the Federal Grant for the Trans-Alaska Pipeline System Right-of-Way

Volume 6: Comment and Response Document, Part 3

U.S. Department of the Interior
Bureau of Land Management

November 2002



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Notation

The following is a list of acronyms and abbreviations (including units of measure) used in this document.

Acronyms and Abbreviations

AAAQS	Alaska Ambient Air Quality Standards
AAC	Alaska Administrative Code
AADT	annual average daily traffic
ACEC	area of critical environmental concern
ACM	asbestos-containing material
ACMA	Alaska Coastal Management Act
ACMP	Alaska Coastal Management Program
ACS	Alaska Clean Seas
ADEC	Alaska Department of Environmental Conservation
ADF&G	Alaska Department of Fish and Game
ADGC	Alaska Department of Government Coordination
ADNR	Alaska Department of Natural Resources
ADPS	Alaska Department of Public Safety
ADT	average daily traffic
AFB	Air Force Base
AFFF	aqueous film-forming foam
AFN	Alaska Federation of Natives
AK	Alaska
AKOSH	Alaska Occupational Safety and Health
ALOHA	Areal Locations of Hazardous Atmospheres
AMHS	Alaska Marine Highway System
AMM	asset maintenance management
ANCSA	Alaska Native Claims Settlement Act
ANILCA	Alaska National Interest Lands Conservation Act
ANSI	American National Standards Institute
ANUA	Alaska Native Utilization Agreement
ANWR	Arctic National Wildlife Refuge
AO	Authorized Officer (Joint Pipeline Office)
AOGCC	Alaska Oil and Gas Conservation Commission
APHIS	Animal and Plant Health Inspection Service
API	American Petroleum Institute
APSC	Alyeska Pipeline Service Company
AQCR	Air Quality Control Region
AQRV	air-quality-related value
ARCO	Atlantic Richfield Company
ARRC	Alaska Railroad Corporation
ARRT	Alaska Regional Response Team
AS	Alaska Statute
ASME	American Society of Mechanical Engineers
ATV	all-terrain vehicle
BE	biological evaluation
BLM	Bureau of Land Management (U.S. Department of the Interior)
BLS	Bureau of Labor Statistics
BMP	best management practice

BOD	biochemical oxygen demand
BOD ₅	biochemical oxygen demand measured over a five-day period
BP	British Petroleum
BPXA	British Petroleum Exploration (Alaska), Inc.
BS&W	basic sediments and water
BTEX	benzene, toluene, ethylbenzene, xylene
BTT	biological treatment tank
BWT	ballast water treatment
BWTF	Ballast Water Treatment Facility
BWTS	ballast water treatment system
CBR	Constitutional Budget Reserve
CBRF	Constitutional Budget Reserve Fund
CCP	Central Processing Plant
CDMS	Corrosion Data Management System
CEO	chief executive officer
CEQ	Council on Environmental Quality
CFC	chlorofluorocarbon
CFR	Code of Federal Regulations
Cir.	Circuit Court
CMP	Coastal Management Program
	or
	Comprehensive Monitoring Program
CNG	compressed natural gas
CO	carbon monoxide
CO ₂	carbon dioxide
CP	Contingency Plan
CPF	Central Production Facility
CPlan	Contingency Plan
CS	containment site
CSU	conservation system unit
CY	calendar year
CZ	coastal zone
CZM	coastal zone management
CZMA	Coastal Zone Management Act
DAF	dissolved air flotation
DBGC	designated big-game crossing
DCE	design contingency earthquake
DDT	dichloro-diphenyl-trichloro-ethane
DEIS	draft environmental impact statement
DHCMA	Dalton Highway Corridor Management Area
DOD	U.S. Department of Defense
DOE	U.S. Department of Energy
DOI	U.S. Department of the Interior
DOT	U.S. Department of Transportation
DOT/OPS	U.S. Department of Transportation, Office of Pipeline Safety
DRA	drag reducing agent
DRO	diesel-range organics
DS	drill site
DSMA	digital strong-motion accelerograph
EIA	Energy Information Administration
EFH	essential fish habitat

e.g.	exempli gratia (for example)
EGHP	exhaust-gas horsepower
EIA	Energy Information Administration
EIS	environmental impact statement
EMS	environmental monitoring system
	or
	earthquake monitoring system
EPA	U.S. Environmental Protection Agency
EPCRA	Emergency Planning and Community Right-to-Know Act
ER	environmental report
ERPG	emergency response planning guideline
ESA	Endangered Species Act
et al.	and others
ETT	enhanced tractor tug
FAA	Federal Aviation Administration
FACA	Federal Advisory Committee Act
FDA	U.S. Food and Drug Administration
FDS	Fire Dynamics Simulation (computer model)
Fe	iron
Fe ₂ O ₃	ferric oxide
FEIS	final environmental impact statement
FEOC	Fairbanks Emergency Operations Center
FLIR	forward looking infrared
FOSC	Federal On-Scene Coordinator
FR	Federal Register
FSIH	Fire Safety and Industrial Hygiene
FTE	full-time equivalent
GAO	General Accounting Office
GC	Gathering Center
GHG	greenhouse gas
GIS	geographic information system
GMU	Game Management Unit
GNOME	General NOAA Oil Modeling Environment
GRO	gasoline-range organics
GSP	gross state product
H ₂ O ₂	hydrogen peroxide
H ₂ S	hydrogen sulfide
HAP	hazardous air pollutant
HAZCORE	Hazardous Materials Consolidation and Redistribution
HAZMAT	hazardous material
HAZWOPER	hazardous waste operations
HC	hydrocarbon
HCFC	hydrochlorofluorocarbon
HCl	hydrogen chloride
Hg	mercury
HRR	heat release rate
HVAC	heating, ventilation, and air conditioning

ICS	Incident Command System
i.e.	that is (id est)
IMPROVE	Interagency Monitoring of Protected Visual Environments
IRIS	Integrated Risk Information System
IRT	Initial Response Team
ISC3	Industrial Source Complex Model (Version 3)
ISCST	Industrial Source Complex Short Term
IWSS	industrial wastewater sewer system
JPO	Joint Pipeline Office
L _{dn}	day-night average sound level
L _{eq}	equivalent steady sound level
LEFM	leading-edge flow meter
LNG	liquefied natural gas
LVB	line volume balance
MAP	Man in the Arctic Program
MCCF	mobile contingency camp facility
MCL	maximum contaminant level
MEI	maximally exposed individual
MEK	methyl ethyl ketone
MGV	manual gate valve
MLA	Mineral Leasing Act
MLR	Mainline Refrigeration
MMC	Marine Mammal Commission
MMPA	Marine Mammal Protection Act
MMS	Minerals Management Service
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MP	milepost
MSDS	Material Safety Data Sheets
MSFCMA	Magnuson-Stevens Fisheries Conservation and Management Act
MSGP	Multi-Sector General (NPDES) Permit
MSWLF	municipal solid waste landfill
N	nitrogen
NAAQS	National Ambient Air Quality Standards
NADP	National Atmospheric Deposition Program
NAICS	North American Industry Classification System
NANA	Northwest Alaska Native Association
NEPA	National Environmental Policy Act
NF	National Forest
NFRAP	no further remedial action planned
NGL	natural gas liquid
NH ₃	ammonia
NHPA	National Historic Preservation Act
NMDS	National Missile Defense System
NMFS	National Marine Fisheries Service
no.	number
NO _x	nitrogen oxides
NO ₂	nitrogen dioxide
NO ₃ ⁻	nitrate
NOA	Notice of Availability

NOAA	National Oceanic and Atmospheric Administration
NOD	Notice of Disposal
NOI	Notice of Intent
NORM	naturally occurring radioactive material
NP	national park
NPDES	National Pollutant Discharge Elimination System
NPP	national park and preserve
NPR	National Petroleum Reserve
NPR-A	National Petroleum Reserve-Alaska
NPS	National Park Service
NRA	national recreation area
NRHP	National Register of Historic Places
NS	North Slope
NSB	North Slope Borough
NSC	National Safety Council
NSPTS	North Slope Production and Transportation System
NTP	Notice to Proceed
NWR	national wildlife refuge
NWS	National Weather Service
O ₃	ozone
O&M	operation and maintenance
OCC	Operations Control Center
OCS	Outer Continental Shelf
ODC	ozone-depleting chemical
ODP	ozone-depleting potential
ODS	ozone-depleting substance
OMB	Office of Management and Budget
OMS	operational material site
OPA	Oil Pollution Act
OPS	Office of Pipeline Safety (U.S. Department of Transportation)
ORC	oxygen-releasing compound
ORV	off-road vehicle
OSHA	Occupational Safety and Health Administration
OSHTF	(Alaska) Oil Spill Health Task Force
OSPFR	Oil Spill Prevention, Preparedness, and Response
OSV	oil spill volume
P	phosphorus
PA	Programmatic Agreement
PAH	polycyclic aromatic hydrocarbon
PAI	Phillips Alaska, Inc.
Pb	lead
PBT	persistent, bioaccumulative, and toxic
PCB	polychlorinated biphenyl
PDF	pipeline design flood
PELs	permissible exposure limits
PF	Permanent Fund
PG	Pasquill-Gifford
pH	hydrogen ion concentration
P.L.	Public Law
PM	particulate matter
PM _{2.5}	particulate matter with a diameter less than or equal to 2.5 micrometers
PM ₁₀	particulate matter with a diameter less than or equal to 10 micrometers

PMP	probable maximum precipitation
PO ₄ ³⁻	phosphate
POP	persistent organic pollutant
POTW	publicly owned treatment works
PPE	personal protective equipment
PPV	peak particle velocity
PRT	prevention and response tug
PS	pump station
PSD	Prevention of Significant Deterioration
PWS	Prince William Sound
QA	quality assurance
RAC	Resource Advisory Council
RCAC	Regional Citizens' Advisory Council
RCM	reliability-centered maintenance
RCRA	Resource Conservation and Recovery Act
REAA	Regional Educational Attendance Area
RGV	remote gate valve
RMP	Resource Management Plan
ROD	Record of Decision
ROS	recreation opportunity spectrum
ROW	right-of-way
RRO	residual-range organics
RSC	reduced sulfur compounds
SARA	Superfund Amendments and Reauthorization Act
SCADA	supervisory control and data acquisition
SD	standard deviation
SDWA	Safe Drinking Water Act
SERVS	Ship Escort/Response Vessel System
SHPO	State Historic Preservation Officer
Si	silicon
SIC	Standard Industrial Classification
SIP	state implementation plan
SO ₂	sulfur dioxide
SOSC	State On-Scene Coordinator
SO _x	sulfur oxides
SPC	State Pipeline Coordinator
spp.	species
SRS	state recreation site
Stat.	statute
SWDS	solid waste disposal site
SWPPP	Storm Water Pollution Prevention Plan
SWTP	sanitary waste treatment plant
TAPAA	Trans-Alaska Pipeline Authorization Act
TAPS	Trans-Alaska Pipeline System
TAGS	Trans-Alaska Gas System
TCA	1,1,1-trichloroethane
TCC	Tanana Chiefs Conference
TCP	traditional cultural property
TEEL	temporary emergency exposure limit
TEF	toxic equivalency factor

TFE	tetrafluoroethylene
TLV	threshold limit value
TPQs	Threshold Planning Quantities
TRI	Toxics Release Inventory
TSDf	treatment storage and disposal facility
TSP	total suspended particulates
TSS	total suspended solids
TVB	transient volume balance
TVR	tanker vapor recovery
UAA	University of Alaska-Anchorage
UC	Unified Command
UIC	underground injection control
USACE	U.S. Army Corps of Engineers
USC	United States Code
USCG	U.S. Coast Guard
USDA	U.S. Department of Agriculture
USFS	U.S. Forest Service
USFWS	U.S. Fish and Wildlife Service
USGS	U.S. Geological Survey
UV	ultraviolet
VAHS	Valdez Air Health Study
VHF	very high frequency
VHS	viral hemorrhagic septicemia
VMT	Valdez Marine Terminal
VOC	volatile organic compound
VRM	visual resource management
VSM	vertical support member
VTs	Vessel Traffic Service
WSR	Wild and Scenic River
ZRAs	Zone of Restricted Activities

Units of Measure

acre-ft	acre-foot (feet)	m ³	cubic meter(s)
bbl	barrel(s)	mg	milligram(s)
Btu	British thermal unit(s)	mi	mile(s)
°C	degree(s) centigrade	mi ²	square mile(s)
cm	centimeter(s)	min	minute(s)
cm ³	cubic centimeter(s)	mL	milliliter(s)
cSt	centistoke(s)	mm	millimeter(s)
d	day(s)	mmole	millimole(s)
dB	decibel(s)	mph	mile(s) per hour
dBA	A-weighted decibel(s)	MW	megawatt(s)
°F	degree(s) Fahrenheit	MYA	million year(s) ago
ft	foot (feet)	ng	nanogram(s)
ft ²	square foot (feet)	pCi	picocurie(s)
ft ³	cubic foot (feet)	ppb	part(s) per billion
g	gravitational acceleration	ppm	part(s) per million
gal	gallon(s)	psi	pound(s) per square inch
GW	gigawatt(s)	psig	pound(s) per square inch gauge
h	hour(s)	rpm	revolution(s) per minute
ha	hectare(s)	s	second(s)
hp	horsepower	scf	standard cubic foot (feet)
in.	inch(es)	scfm	standard cubic foot (feet) per minute
in. ²	square inch(es)	wk	week(s)
j	joule(s)	YA	year(s) ago
K	kelvin degree(s)	yd	yard(s)
kg	kilogram(s)	yd ³	cubic yard(s)
km	kilometer(s)	yr	year(s)
km ²	square kilometer(s)	μg	microgram(s)
knot(s)	nautical mile(s) per hour	μg-atoms	microgram-atom(s)
kW	kilowatt(s)	μm	micrometer(s)
L	liter(s)	μmoles	micromole(s)
lb	pound(s)	μR	microrentgen(s)
m	meter(s)	\$/bbl	dollar(s) per barrel
m ²	square meter(s)		

Index to Comment Documents

Introduction

This Volume 6 of the Final Environmental Impact Statement (FEIS) for the Renewal of the Federal Grant for the Trans-Alaska Pipeline System Right-of-Way contains public comments on the draft environmental impact statement (DEIS) and Bureau of Land Management (BLM) responses to those comments. The BLM prepared the DEIS, which was published on July 5, 2002, in accordance with Council on Environmental Quality (CEQ) regulations for implementing the procedural provisions of the National Environmental Policy Act (NEPA). These procedures include a period of public comment on a DEIS prior to publication of an FEIS.

The comment documents are presented in numerical order by document number. Each comment document is immediately followed by the responses to those comments, except for comments presented at the public hearings (see below). To view a specific comment document and its associated responses, the reader should consult the following index to determine the document number. Two indices are provided: (1) the Individuals index contains all of the comment documents received and (2) the Agencies, Organizations and Tribal Governments index contains a subset of the Individuals index, to aid readers who may not know the names of specific people affiliated with those organizations.

The transcripts of the public hearings are presented in this volume as a set of comment documents; therefore, instead of the response immediately following the comment document, the response follows in numerical order immediately after the entire transcript document. To aid the reader, the following lists the comment documents associated with the transcripts of each public hearing. Responses to those comments follow the last document number listed for each set (e.g., responses to document number 00115 would follow document number 00140, the last comment document for the Cordova hearing).

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¹ This listing of agencies, organizations, and Tribal governments was compiled on the basis of comment documents submitted on official letterheads. It is not necessarily a complete list of all agencies, organizations, and Tribal governments that commented on the Draft EIS. This listing does not include any organization that provided verbal testimony, but did not submit written comments. The Individuals index for specific speaker names can be consulted to find testimony that may also be affiliated with specific agencies, organizations, or Tribal governments.

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TAPS RENEWAL DEIS
PUBLIC HEARING

Anchorage, Alaska

August 5, 2002

COMPUTER MATRIX COURT REPORTERS, LLC

310 K Street, Suite 200

Anchorage, AK 99501

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1 Trans-Alaska Pipeline system.

2 In addition to myself, Federal and State
3 representatives from the Joint Pipeline Office are here
4 to listen to your comments.

5 MR. BROSSIA: I'm Jerry Brossia,
6 authorized officer of the Bureau of Land Management. And
7 I'd like to welcome everyone to the hearing tonight.
8 With me here tonight is Drew Pearce. I think you all
9 know that Drew is the senior advisor.

10 MR. REIMER: I'm Gary Reimer from Bureau
11 of Land Management, Joint Pipeline Office. And thank you
12 all for coming.

13 MS. LAUGHLIN: I'm Kaye Laughlin, with
14 the Division of Governmental Coordination.

15 MR. KERRIGAN: John Kerrigan, State
16 Pipeline Director for Department of Natural Resources,
17 Joint Pipeline Office.

18 HEARING OFFICER GEARY: Notice of
19 availability of the Draft Environmental Impact Statement
20 on the TAPS Right of Way Renewal appeared in the Federal
21 Register on July 5th, 2002 in Volume 67, Number 129 at
22 Page 44832. The State of Alaska has also provided notice
23 of the availability of the Commissioner's Proposed
24 Determination on July 3rd, 2002. Notification about the
25 date, time and location for this hearing as well as the

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1 six other hearings scheduled to receive comments on the
2 Draft Environmental Impact Statement, subsistence and the
3 Commissioner's Determination was announced in the media
4 including newspaper, radio and the internet. In
5 addition, notices about the hearing were sent to
6 individuals and organizations that have requested to be
7 kept informed about this project. If you would like to
8 be on that list and to receive information about this
9 project, you can sign up at the registration table at the
10 back of the room.

11 Both oral and written comments will be
12 taken tonight. In addition, comments can be submitted to
13 the BLM by fax, mail, telephone, the internet or hand-
14 delivered to the Joint Pipeline Office in Anchorage. The
15 State will accept additional written comments sent by
16 mail, fax or e-mail. We will accept additional comments
17 received or postmarked by August 20th, 2002, which is the
18 closing date of the public comment period for the Draft
19 Environmental Impact Statement and the Commissioner's
20 Proposed Determination. Information for providing
21 additional comments is on the registration table. All
22 oral and written comments received by the end of the
23 public comment period will be treated equally and will be
24 analyzed and considered in the preparation of the Final
25 Environmental Impact Statement and the Commissioner's

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1 Final Determination. In addition, both the Final
2 Environmental Impact Statement and the Commissioner's
3 Final Determination will contain written responses to the
4 comments received on the respective draft documents.

5 In order to ensure a complete and
6 accurate record of the hearing, it's necessary that only
7 one person speak at a time. It's also requested that
8 everyone remain as quiet as possible while the hearing is
9 in process.

10 At this time please turn all cell phones
11 off or to a vibrate only mode. If you wish to speak,
12 please sign in at the registration table first. Speakers
13 will be called in the order in which they're registered.
14 In the event that a speaker is not present when their
15 name is called, we'll proceed and that person's name will
16 be called again later. In order to give everyone who
17 wishes to speak an opportunity to do so we have limited
18 the time for each speaker to 10 minutes. This box light
19 will help you know when your time is nearly up. The
20 light will turn green as you begin your comments, it will
21 turn yellow when you have one minute remaining and will
22 turn red when your time is up.

23 A court reporter will record the oral
24 comments and prepare a verbatim transcript. If you have
25 an extra written copy of your comments, please provide it

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1 to me for any clarification which may be necessary. In
2 any event, your remarks will be recorded as you state
3 them. If you wish to supplement your oral comments with
4 additional written material, please provide that material
5 to me and it will be marked as an exhibit and made a part
6 of this hearing.

7 Are there any questions regarding the
8 hearing process?

9 UNIDENTIFIED VOICE: Yes, there's a
10 question.

11 HEARING OFFICER GEARY: State your
12 question.

13 UNIDENTIFIED VOICE: I notice that DGC is
14 here and (indiscernible - away from microphone)
15 authorized officer approval of the TAPS contingency plan,
16 I noted that DGC did not conduct the joint review of the
17 contingency plan and is not conducting the joint review
18 of DEIS as required by the ACMP.

19 HEARING OFFICER GEARY: Sir, you can
20 state those comments, if you'd like into the record.....

21 UNIDENTIFIED VOICE: But is DGC.....

22 HEARING OFFICER GEARY: but this --
23 do you have any questions regarding the process of.....

24 UNIDENTIFIED VOICE: going to comply
25 with the law -- this is a question about the process,

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1 sir, is DGC going to comply with the ACMP and conduct
2 this hearing?

3 HEARING OFFICER GEARY: Are there any
4 other questions that have to do with the process of
5 tonight's hearing?

6 MR. WHITTAKER: Yeah, I'd like to ask a
7 question. You said that all the testimony would be
8 treated equally and unfortunately I don't subscribe to
9 the Federal Register and there is not a copy of the EIS
10 in the room at present, therefore, I'm at a disadvantage
11 to some of these people like.....

12 HEARING OFFICER GEARY: What's your
13 question, sir?

14 MR. WHITTAKER: My question is, how can
15 you treat testimony equally when people from the oil
16 industry and Alyeska are better prepared than us? Thank
17 you. I mean doesn't that mean you're sort of
18 discriminatory?

19 HEARING OFFICER GEARY: When I call your
20 name, please come forward to the microphone, state your
21 name, the organization you represent, if any, and whether
22 you're also providing written comments. Also, for
23 administrative purposes, please specify whether you're
24 commenting on the Draft Environmental Impact Statement or
25 whether you're commenting on subsistence under .810 of

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1 ANILCA or whether you're commenting on the Commissioner's
2 Proposed Determination.

3 We have approximately 40 speakers
4 scheduled so far. Based on past experience, that means
5 that the last speakers will be speaking sometime after
6 midnight so I'm going to hold everyone to a pretty tight
7 schedule. When your time is up, we're going to move on
8 to the next speaker. 00173

9 The first speaker I have is Maynard Tapp.

10 MR. TAPP: My name is Maynard Tapp. I'm
11 representing a group called Alaska Pipeline Builder's
12 Association and I'll be commenting on the DEIS.

13 Thank you for this opportunity to speak.
14 The Alaska Pipeline Builder's Association is an
15 organization of former and current staff managers and
16 engineers who participated in the design, construction
17 and operations of TAPS. The organization represents
18 approximately 400 members. Our organization held an
19 annual meeting this last week to celebrate and reflect on
20 25 years of successful operation of TAPS. We also
21 discussed extensively the Draft Environmental Impact
22 Statement and the Commissioner's Report and I'm here to
23 provide our organization's comments.

24 We support a 30 year grant and lease for
25 TAPS. The pipeline has had an outstanding record of

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1 operations. It has experienced reliability of over 99
2 percent and if this isn't the best in the work in this
3 type of product, I would like to know one that's better.

173-2
(Cont.)

4 It's environmental and safety
5 performances are similarly high and well exceeds national
6 standards and norms. As designers and builders of TAPS
7 and other major projects, we know the redundancies,
8 factors of safety of TAPS that was in the original design
9 and Alyeska has improved this every year since. We have
10 high confidence based on our knowledge of the design and
11 actual record of performance that the pipeline will
12 continue to improve and to provide a safe, reliable
13 environmental protective transportation link for the
14 North Slope crude for at least another 30 years and most
15 likely much longer.

173-3

16 One personal comment. This pipeline is
17 important to not only the state's economics but to the
18 national security. It is a way that we can build a
19 bridge to the energies and the energy supplies of the
20 north.

173-4

21 Thank you very much.

22 HEARING OFFICER GEARY: Thank you for
23 your comments. All right, I'm going to mark the letter
24 from Mr. Laasch as Exhibit 24.

25 (Hearing Exhibit 24 marked)

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1 MR. HANLEY: Good evening. My name is
2 Mark Hanley. I'm the public affairs manager for Anadarko
3 Petroleum here in Alaska. I'd like to start by thanking
4 you for holding these hearings and having them across the
5 state so that people from all over Alaska can actually
6 comment on this. I think it's important to hear from all
7 sides so I appreciate you guys coming here and having
8 these hearings.

9 Anadarko's one of the largest independent
10 exploration companies in the world and we have a large
11 acreage position in Alaska, both State, Native and
12 Federal land. We see a lot of prospectivity up here. We
13 think there's a lot of opportunity for finding more oil.
14 And for companies like ours to make investment decisions
15 we need to have the stability and the length that's being
16 recommended so we support the 30 year recommendation in
17 the Draft EIS. It takes a long time to develop a
18 prospect and actually get it into production and once it
19 is in production we hope those fields last for 15, 20 or
20 longer years, so that's a crucial element for us in being
21 able to invest in the state and continue explorations,
22 having that length of the extension.

23 We're not an owner of TAPS but we do have
24 production already from Alpine and like I said, we have a
25 lot of acreage that we think is prospective.

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1 The other issue for us is Alaska's got to
2 be competitive in its environment and it has the
3 potential to provide a lot of energy for the United
4 States and revenue, both to the Federal government and
5 the state of Alaska, but the costs of developing have to
6 be competitive world-wide, so we would encourage any
7 costs that don't add value not be added to this
8 particular project.

174-2

9 So just to summarize, I would say we have
10 the interest, the acreage and the technology to find oil
11 in Alaska. We are excited about the prospects but we
12 have to make long-term investments and decisions about
13 reauthorizing the pipeline Right of Way, will affect
14 those. We encourage a 30 year authorization and keeping
15 the costs of Alaska oil exploration down through lower
16 transportation costs is important also to help Alaska
17 continue to be a supplier of energy in the United States.
18 So we encourage you to authorize the pipeline for 30
19 years, keep the costs as low as possible while still
20 providing a safe transportation system.

174-3

174-4

21 Thank you.

22 HEARING OFFICER GEARY: Thank you, Mr.
23 Hanley. Tom Maloney.

00175

24 MR. MALONEY: Good evening. My name's
25 Tom Maloney. I'm a resident here of Anchorage, Alaska.

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11

1 And I work with Veco Alaska, which is also headquartered
2 here in Anchorage, Alaska. I previously provided written
3 testimony and I'm commenting on the EIS.

4 First of all, like Mr. Hanley, I'm very
5 pleased to be here tonight. I'm glad you're taking the
6 time to listen to Alaskans around the state. Last week
7 was very instrumental in that it was the 25th anniversary
8 of the Cordova Trans-Alaska Pipeline startup and I must
9 say, since I worked on it in 1977, everything regarding
10 the pipeline has greatly exceeded all of my expectations
11 and I think most Alaskans. Just look at the Draft EIS
12 that was out and the Final EIS that was out in the early
13 1970s, take a look at what was predicted then and what
14 has become reality after 25 years of operation.
15 Tremendous performance.

16 I have a hundred percent support for a
17 full 30 year Right of Way renewal. Why 30 years? Could
18 be longer but I guess that's the maximum allowed by law.
19 My wife, when I asked her that question, she says, geez,
20 we all have 30 year mortgages. Like Mr. Hanley said, it
21 takes a long time, first of all, to develop a project.
22 Second of all to get economic return; many times that
23 takes a 10 to 12 year period.

24 So why 30 years? First of all the
25 reliability of the pipeline that's been proven by the

175-1

175-2

175-3

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12

1 TAPS owners and the operating company Alyeska Pipeline,
2 the reliability percentages, 99.6 percent speak for
3 themselves. The pipeline has safely operated at over two
4 million barrels a day during its peak in the late 1980s
5 and currently operates at about half of that level.

175-3
(Cont.)

6 Spill rate comparisons, comparing Alyeska
7 with national pipelines show that TAPS is 50 to 100 times
8 better on a per barrel, per mile basis than the average
9 pipeline in the United States. The safety record of
10 Alyeska and its contractors is roughly three times better
11 than the national general industry rates that have been
12 published.

175-4

13 What economic benefits are the pipeline
14 to the state and local communities that it operates in?
15 Well, at a price of roughly 20 to \$25 a barrel, at
16 current production levels of around a million, the
17 pipeline generates about seven to nine billion dollars in
18 revenues a year. Roughly 70 to 80 percent of our state
19 budget revenues come from oil and gas developments, most
20 all of it going down TAPS. Local governments, like the
21 North Slope Borough, the community of Valdez and other
22 communities, you know, depend heavily on TAPS as a
23 property tax base. Alaska contractors and their
24 employees, the TAPS owners and Alyeska Pipeline have gone
25 out of their way to hire qualified Alaskan companies and

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1 Alaskan individuals to work on their projects. The
2 Alaska Permanent Fund Dividend is a nice bonus for
3 residents of Alaska every October. I know my family
4 enjoys receiving them. Refineries, Alaska Native
5 Corporations and their shareholders, Veco employees, 19
6 percent of its Alyeska work force is Alaska Native and
7 they come from some of the finest universities in the
8 country, like UAA, UAF and then also some of the Lower 48
9 ones like Stanford, Texas A&M and a host of other fine
10 universities. Possible gas commercialization is another
11 strong state and local incentive to continue on with
12 TAPS.

13 What are some of the Federal benefits?
14 Federal revenues that they've obtained through things
15 like NPRA lease sales, we would certainly like to see
16 NPRA developed and safely transported down the TAPS in
17 the future. All the major oil companies pay pretty major
18 Federal tax receipts. Improve balance of trade. Reduce
19 dependence on foreign oil. Multiple other industries
20 throughout the country benefit. I've seen Phillip, BP
21 building double-hull tankers. It's been great for
22 shipyards that have pretty much been decimated throughout
23 the Lower 48. Jobs have been created throughout the
24 country.

25 In summary, the TAPS owners and the

175-5
(Cont.)

175-6

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1 regulatory agencies, especially the JPO should continue
2 doing an outstanding job. We do not need additional
3 oversight by other individuals that do not have the
4 professional experience to review the many complex issues
5 surrounding the pipeline. The big challenge that we all
6 face is finding and developing new fields in a timely
7 basis to increase production. I, for one, would like to
8 go back and see those two million barrels a day that was
9 safely transported throughout TAPS during the late 1980s.
10 I urge you all to grant TAPS a 30 renewal.

11 I thank you very much for allowing me the
12 opportunity to speak tonight. Thanks.

13 HEARING OFFICER GEARY: Thank you, Mr.
14 Malone. Alastair Graham. 00176

15 MR. GRAHAM: Good evening. My name is
16 Alastair Graham. I'm commercial manager for BP
17 Exploration Alaska. Thank you for the opportunity to
18 make comments this evening. I'd like to comment on the
19 Commissioner's Proposed Determination and on the Draft
20 EIS.

21 I'm here to urge renewal of the TAPS
22 Right of Way for a period of 30 years because of its
23 importance to our business here in Alaska. Our industry
24 is a capital intensive one. We risk large sums of money
25 up front to develop resources that will be produced over

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(Cont.)

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1 periods of 20 to 30 years or longer. We're still
2 investing well over \$500 million a year in Alaska to
3 develop new production and to move that production to
4 market.

5 The investments we are contemplating here
6 today in oil and the potentially huge investment we're
7 considering in gas are both predicated on the long-term
8 availability of TAPS to move our liquids to market.
9 Without certainty of our ability to sell the associated
10 liquids, there can't be no gas project. Because of the
11 importance of this transportation system, the industry
12 has invested billions of dollars over the last 25 years
13 in the maintenance and upkeep of the system and will
14 continue to do so into the future. This is reflected in
15 the JPO finding that the line is in good shape today.
16 And with continued investment it will remain in good
17 shape into the future.

18 Given that track record, it's also
19 essential that we avoid new requirements that add
20 significantly to the costs of operating and maintaining
21 the line with no commensurate benefit.

22 Because the North Slope of Alaska is
23 disadvantaged by its distance from the market, higher
24 costs of transporting North Slope oil to market is four
25 times BP's global average, that makes it more difficult

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1 for the North Slope oil to compete in the global market
2 and more difficult for companies like BP Alaska to
3 compete for the investment dollars required to sustain
4 production from our existing fields.

5 So in summary, the future of BP's
6 business here is dependent upon getting our oil to market
7 for at least the next 30 years and we need this renewal
8 to do that.

00177

9 Thank you.

10 HEARING OFFICER GEARY: Thank you, Mr.
11 Graham. Steve Wright.

12 MR. WRIGHT: Good evening. My name's
13 Steve Wright and I work as Chevron/Texaco's Alaska
14 Project Development Advisor here in Anchorage. I'll be
15 providing brief oral and written comments tonight on the
16 Draft EIS.

17 Chevron/Texaco has a broad and very
18 diverse portfolio of North Slope assets ranging from a
19 large exploration acreage position to a very significant
20 working interest at Point Thompson field. We're in the
21 process now of assessing and potentially developing many
22 of these assets which could help provide for the long-
23 term energy security of our nation. Point Thompson field
24 alone may have a 30 year production life with reserves of
25 approximately 400 million barrels of condensate and could

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17

1 be one of the largest on shore new developments in the
2 United States in the last 20 years. The magnitude of our
3 potential investment at Point Thompson may overshadow all
4 of our previous expenditures within the state of Alaska.

5 As we assess these development
6 opportunities, key criteria in our evaluation process is
7 access to a certain and stable infrastructure for moving
8 this large reserve base to market. A critical link in
9 that transportation network is the Trans-Alaska Pipeline
10 system. Although, Chevron/Texaco is not a Trans-Alaska
11 Pipeline owner at this point, we believe that it is vital
12 that the 30 year TAPS Right of Way renewal term be
13 approved to provide the assurance of continued access to
14 this transportation network, without which, no future
15 development of North Slope reserves can take place.

16 As a committed North Slope explorer and
17 producer, Chevron/Texaco strongly supports the
18 reauthorization of the 30 year Right of Way renewal term
19 for the Trans-Alaska Pipeline system.

20 Thank you for allowing me an opportunity
21 to provide comment this evening.

22 HEARING OFFICER GEARY: Thank you, Mr.
23 Wright.

24 MR. WRIGHT: Thank you.

25 HEARING OFFICER GEARY: I'm going to

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1 enter this in as Exhibit 25.

2 (Hearing Exhibit 25 marked)

3 HEARING OFFICER GEARY: Tara Sweeney. 00178

4 MS. SWEENEY: Good evening. I'm speaking
5 to the DEIS that I downloaded free from the internet. My
6 name is Tara McClain-Sweeney. I am an Inupiat Eskimo and
7 the government affairs officer for Houston Contracting
8 Company, Alaska Limited.

9 Houston Contracting Company is a member
10 of the Arctic Slope Regional Corporation family of
11 companies. Our subsidiary company, Houston NANA, LLC is
12 the prime contractor for Alyeska Pipeline Service Company
13 in charge of maintaining the Trans-Alaska Pipeline
14 system.

15 The production from the North Slope
16 fields and the creation of TAPS has had and continues to
17 have positive impacts on all Alaskans. From Venetie to
18 Wainwright, from Anchorage to Nome, residents from the
19 entire state have benefited from TAPS. More important,
20 to my people, Alaska Natives, from every region have
21 benefited, both directly through Federal and State
22 opportunities and directly through employment on the line
23 or in the field. As an Alaska Native contractor with
24 superior Arctic pipeline construction experience, an
25 employer of over 640 Alaskans and a work force made up of

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1 20 percent Alaska Natives, we fully support a 30 year
2 renewal process.

178-2
(Cont.)

3 The length of the renewal process
4 dictates, to a certain extent, the level of investments
5 made in the North Slope production. If potential
6 operators are required to go through an extensive renewal
7 process in a time span shorter than 30 years, this could
8 raise the cost of doing business on the North Slope. The
9 increased costs will detract investors away from Alaska
10 as we will no longer compete on a global scale. This
11 will severely impact the state of Alaska and Alaska
12 Natives in terms of jobs, training and economic
13 independence.

178-3

14 I'd like to stress that this issue is not
15 only a local or state issue, it is an issue of national
16 security. As America's largest producing oil region, the
17 North Slope provides the United States with roughly 20
18 percent of its domestic oil, roughly one million barrels
19 per day. If the cost of doing business on the North
20 Slope is unattractive, America will be forced to replace
21 the oil traditionally extracted from the North Slope with
22 imported oil. Many times that oil comes from unstable
23 regions of the world where there is little or no
24 environmental protection.

178-4

25 Maintaining the 30 year cycle will enable

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20

1 Alaska Native contractors like Houston Contracting
2 Company and Houston NANA to continue to employ, train,
3 educate and promote Alaskans, especially Alaska's Native
4 population. Houston NANA has been so successful in its
5 quest to provide employment opportunities for Alaska
6 Natives that upon the award of the initial contract, we
7 exceeded the 20 percent Alaska Native hire goal two years
8 ahead of schedule. In the first three months we peaked
9 at 25 percent Alaska Native hired and we have
10 consistently maintained Alaska Native hire employment
11 levels between 18 and 20 percent. We are eager to
12 continue the existing programs designed for Alaska
13 Natives and we are eager to implement more innovative
14 programs designed to enhance our business operations.

15 Finally, we are eager to continue
16 providing excellent maintenance service on TAPS for
17 Alyeska while providing quality employment for all
18 Alaskans.

19 Thank you for your time and your
20 consideration. I'm submitting a copy of my request for
21 the record. (In Native - thank you)

22 HEARING OFFICER GEARY: Thank you, Ms.
23 Sweeney. We'll mark this as Exhibit 26.

24 (Hearing Exhibit 26 marked)

25 HEARING OFFICER GEARY: Terry Casdorph.

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178-5
(Cont.)

21

1 MR. CASDORPH: Well, I do thank you for
2 the opportunity to come this evening. I'm not hear
3 representing anyone other than myself.

4 And I was thinking as I was listening to
5 the others speak, there are milestones that happen in a
6 person's life and my milestone occurred in 1975 when
7 Alyeska Pipeline hired me as an engineer during the
8 design phase and construction phase of the pipeline. And
9 during that time in 1975, I can personally attest to the
10 remarkable things that was going on on the pipeline.
11 When we arrived in Anchorage in December of that year, my
12 wife and three year old and one year child in tow, it was
13 3:00 o'clock in the afternoon, it was dark, it was 30
14 below zero and she said, what have you done to me and I
15 said, honey, don't worry about it, it's only an 18 month
16 contract. I'm very proud to say that the 18 month
17 contract turned into 23 years with Alyeska Pipeline.

18 And during that 23 years, I can testify
19 from first-hand knowledge, the experience and the design
20 that occurred for the pipeline. It was truly an
21 engineering marvel and to this day it's truly wondrous of
22 what has occurred and what continues to occur on the
23 pipeline. During the last 25 years it has truly been
24 remarkable.

25 I can personally attest to the quality of

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1 maintenance and reliability and the redundance of the
2 systems. I can remember very vividly back years and
3 years ago as we developed the processes and procedures of
4 just excavating the pipeline, that there was zero
5 tolerance. If anyone ever even bumped the pipeline with
6 a piece of equipment you were immediately terminated,
7 absolutely no if's, and's or but's. We used to go around
8 with a ticket in our pocket and joke, this is my ticket
9 to Mexico if I bump the pipeline and I can tell you that
10 on several crews that I was one that actually did occur,
11 where we actually let people go if that -- I mean even
12 came close. It was just intolerable, it was not
13 tolerated at all.

14 All of this has made the Trans-Alaska
15 Pipeline the safest and most reliable pipeline in the
16 world and the record, I think, speaks for itself. You've
17 heard those talk of the record so far and I'm sure you're
18 going to hear a lot more of that. But the pipeline is
19 all about people. You know, we can talk about the
20 records and we can talk about those things but it's about
21 people. And I'm proud of my 23 years that I was with
22 Alyeska Pipeline. I'm proud of TAPS, the TAPS
23 outstanding record of achievement and dedication and
24 commitment to the environment and the people -- the
25 people who live daily with that work ethic, with that

179-2
(Cont.)

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23

1 commitment, that commitment to the environment.

2 And I urge the renewal of the Right of
3 Way for 30 years. Thank you. 00180

179-3

4 HEARING OFFICER GEARY: Thank you, Mr.
5 Casdorff. I apologize, I know I'm going to slaughter
6 this name because I can't read it, Sheri Buretta.

7 MS. BURETTA: Thank you. Thank you for
8 your time tonight, ladies and gentlemen. My name is
9 Sheri Buretta. I'm the chairman of the board for Chugach
10 Alaska Corporation. We will be providing written
11 comments that speak specifically to the Draft, because
12 it's so large we haven't had a chance to even get through
13 half of it so we're working on that and hopefully we'll
14 be able to get those comments completed. But I just
15 wanted to give my own testimony as far as the process and
16 Section 29 and Section 30 and the maintenance.

17 My mother was born in the village of
18 Tatitlek and I was born at Elmendorf Air Force Base
19 Hospital here in Anchorage and was raised here. And I do
20 remember the Alaska Native Claims Settlement Act,
21 although I was only six years old, and I remember how
22 excited everybody was about the opportunity for jobs and
23 there were jobs at that time. But unfortunately things
24 slip through the cracks for whatever reason and I'm
25 speaking to Section 29, and I think that the concern that

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1 I have in regards to Section 29 is that, you know, people
2 woke up to the fact that it wasn't being accurately
3 complied with in '95 and now there's a big push to get
4 that back to where it should be. And my concern is that
5 there aren't any mitigating enforcement opportunities to
6 penalize, if that falls below that, and who's to say
7 that, you know, this will just be a big push to get this
8 Draft and get all the issues complied with and then
9 suddenly we're back to where we were.

180-1
(Cont.)

10 Which is, where I'd like to speak to as
11 far as Chugach Alaska Corporation. We were able to get
12 contracts initially and reading through the history and
13 the documentation, it appears that executives at Alyeska
14 change frequently and one of them just decided that the
15 days of the free lunch for the Natives were over so they
16 pull our contracts, and that was in the spill response,
17 and that brought us to 1989 and there was no accurate
18 response in place. We do now, currently, have a contract
19 through TCC with Tatitlek and Chenega and Chugach Alaska
20 Corporation but I have the same concerns, that the
21 executive level of Alyeska will change and suddenly we
22 will have, at the whim of whoever's in charge, changing
23 the structure of our opportunities because of economics
24 that they feel like they have to comply with the owners
25 and I think that the responsibility of the oil companies

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1 to maintain that relationship and not only consider the
2 bottom line is very important to this whole renewal. I
3 think that we all will agree that the oil industry is
4 important to Alaska, we depend on it for the state, but
5 if we have an accountability and a responsibility and a
6 partnering that we can establish and that there's -- you
7 know, that it's not only beneficial to one side and that
8 they don't feel that they can rip the carpet out from
9 under us at any given moment, it will be a much better
10 partnering opportunity. And those are the things that
11 I'm hoping will happen.

12 In regards to the oil spill, you know,
13 this whole process being pushed through so quickly is
14 just appalling as far as I'm concerned when you look at
15 the time that has been allowed for the double-hull tanker
16 issue to, you know, the industry's been allowed decades
17 to get that into place. And look at where the Exxon
18 punitive damages that have affected our people that live
19 in the region so dramatically, emotionally, economically
20 but they still continue to hold this up and until that
21 gets settled, we will not be whole and we continue to be
22 affected by that. And so, you know, to push this process
23 through just because you can is not really fair. So
24 that's my, you know, two cents about that one.

25 In regards to Section 30, subsistence.

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(Cont.)

180-3

180-4

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1 The concern that we had all along was that, you know,
2 some guy from Chicago writing about subsistence wasn't
3 going to get it and, you know, 500 pages later, you know,
4 he still doesn't capture it. It's not -- the essence of
5 subsistence has been such a controversial issue here in
6 this state and we're struggling to maintain a way of life
7 for our people and to allow an individual that, you know,
8 didn't have the time to go around and talk to people who
9 live this lifestyle is not fair. And we're hoping that
10 we can integrate some of the traditional knowledge of our
11 people that have lived this way for so long that, you
12 know, it's just -- it's scary that this is being kind of
13 compared to just economy. That the Permanent Fund
14 Dividend should somehow compensate the people that have
15 lived this lifestyle is just amazing in the document, as
16 we read through it.

180-4
(Cont.)

17 Some of the things that we hope to
18 accomplish through this process are that the owners
19 negotiate an amendment to the Alaska Native Utilization
20 Agreement which provides financial penalties if Alyeska
21 does not meet its goals in the agreement. Such penalties
22 should be based on some multiple of income loss to
23 Natives as a result of Alyeska not meeting its targets.
24 And that the grant contain a new stipulation requiring
25 the collection of data which can clearly show the trends

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1 in subsistence taking of fish and game and the impacts on
2 those trends of non-subsistence hunting and fishing.
3 Tribal governments and other Native organizations should
4 be directly involved in the gathering of this data. And
5 then the Draft should also contain information relating
6 to the discussion of village economies and how they
7 differ from urban economies. This discussion should
8 conclude with the finding about the vital need for
9 subsistence now and into the future.

10 My hope is that, you know, we can
11 continue to move ahead and understand the difference in
12 the cultures and the lifestyles and we all have to live
13 together and we want to, you know, provide good working
14 relationships for now and in the future because 30 years
15 from now I don't want my daughter to ask me, you know,
16 what happened? What were you guys doing? Because that's
17 kind of what I'm looking at when I see that we gave up
18 the Valdez Terminal for a dollar and promises of jobs and
19 contracts and the State, you know, the Federal government
20 ends up giving the land to the state who sell the land to
21 the oil companies for \$9 million dollars. Somewhere
22 along there it just doesn't make a lot of sense to me.

23 And so I know my time's running out and I
24 have to go to the Discovery Zone to pick up my children
25 and I appreciate your time.

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Thank you.

HEARING OFFICER GEARY: Thank you for
your comments. 00181

MR. McCLEARY: Good evening. Thank you
for the opportunity to make comments. My name is Neil
McCleary and I'm a senior vice president with BP
Exploration Alaska, Inc. My comments are directed to the
DEIS.

I'm here tonight to support and urge the
Bureau of Land Management to grant a 30 year renewal of
the Trans-Alaska Pipeline Right of Way under its current
terms. I work with the talented men and women who
operate the Prudhoe Bay field, North America's largest
oil and gas field. I am proud of what has been
accomplished on the Slope. The quality of our people is
second to none. Our safety and our care for the
environment is world class. The industry made up of real
people with real capability can and will keep oil and gas
flowing safely and cleanly for decades to come.

For over 25 years Prudhoe Bay and other
fields on the North Slope have collectively provided a
peak rate of 25 percent of all of U.S. oil production and
currently provides approximately 20 percent of all U.S.
oil production. Every cup of which must be transported
through the Trans-Alaska Pipeline system. With proper

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1 management and fiscal stability, there is another 30 plus
2 years of oil production capability on the North Slope.
3 These long-lived assets provide jobs for men and women
4 who work in the fields and in the service industries.
5 North Slope production provides tax revenues and job
6 opportunities to the Native communities on the Slope and
7 Alaskans overall. Revenue goes to the state of Alaska
8 and to the Federal government.

181-2

9 The benefit of a reliable energy source
10 is provided to all Americans. Our country needs the
11 North Slope as a reliable energy resource.

12 To date, the North Slope production has
13 reduced the U.S. balance of trade deficit by nearly \$300
14 billion. According to the Department of Energy over the
15 30 year TAPS renewal period, Alaska North Slope oil is
16 worth an additional \$374 billion in 2000 year terms.

181-3

17 We hope that our future also includes a
18 gas pipeline from the North Slope to the Lower 48
19 markets. Construction of the gas pipeline is
20 inconceivable if the TAPS Right of Way is not renewed on
21 favorable terms. Construction and operations of a gas
22 pipeline would not be viable without current oil
23 production, which entirely depends on TAPS. Beyond the
24 gas pipeline there's a strong link between the health of
25 the Alaska business statewide. Since the Alaska economy

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1 is so heavily influenced by the oil industry, the risk to
2 the long-term viability of TAPS would greatly reduce the
3 economic activity in other Alaskan industries.

181-4
(Cont.)

4 A 30 year renewal term appears to be long
5 to some. Let me put it into perspective. Prudhoe Bay
6 has the potential produce beyond 30 years given today's
7 known reserves. Additional drilling success and
8 satellite fields, development of the huge viscous oil
9 potential and further exploration successes could extend
10 well beyond this time period. However, all of these
11 opportunities are dependent on a predictable, reliable
12 transportation system.

13 TAPS is, indeed, a technical marvel and
14 it has a 25 year proven track record of providing
15 reliable, safe and environmentally prudent oil
16 transportation. Alaska has a world class system. It is
17 designed and can be safely operated beyond the renewal
18 period. And I once again, urge the BLM to expeditiously
19 renew the TAPS Right of Way under its current terms.

181-5

20 Thank you.

21 HEARING OFFICER GEARY: Thank you, Mr.
22 McCleary. Stan Stephens.

00182

23 MR. STEPHENS: Thanks for letting me
24 testify tonight. I actually represent the Alaska Forum
25 for Environmental Responsibility. I have never worked

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1 for the oil industry nor have I ever financially gained
2 from them. I've been in Prince William Sound most of my
3 life. And this is my fourth testimony, having testified
4 in Cordova, Valdez and Glennallen.

5 I've always started by listing certain
6 recommendations. These recommendations are listed in
7 Richard Fineberg's June 2002 status report on the Trans-
8 Alaska Pipeline system, the Emperor's New Hose. Also, I
9 have always asked for more time to review the 1,700 page
10 document. I wasn't surprised that BLM Director Clarke
11 not extending the comment period on the DEIS, we really
12 expected this.

13 BLM is missing a real opportunity to work
14 with the public in bringing a system up to modern day
15 technology. We were hoping we would be able to work with
16 BLM. We couldn't comment ahead of the release of the
17 report without any knowledge of its content. We now feel
18 that BLM abused the reviewing process with the public to
19 be necessary evil. In fact, BLM seems to consider its
20 purpose to be protecting big oil. Interior calls this a
21 public disclosure process. I call it deception. A
22 pretense to deceive. BLM's real motive is to limit
23 public input.

24 On May 2nd, JPO said that the DEIS would
25 be out July 2nd and that the comment period would run

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1 from July until September. Why the change of heart? Why
2 now has the comment period been cut in half. Is it
3 because the Norton Interior Department is showing its
4 sympathy for big oil in choosing an annversarial approach
5 in its dealings with the general public? That is
6 probably why the hearings are in the middle of the summer
7 when many concerned citizens are busy making their living
8 by fishing or tourism. This may be difficult for
9 bureaucrats to understand. But making a years living in
10 a few short months is reality for many Alaskans.

11 I am surprised that an Interior Director
12 who is supposed to understand land issues would make a
13 statement like, an extension of the comment period is
14 unnecessary for a Right of Way renewal situation where
15 the existing system has been in place and fully
16 operational for 25 years.

17 Let me tell you why it's necessary.
18 There are things the public has a right to know, we
19 should not operate on blind faith as JPO is doing when
20 the basis of compliance findings on RCM program. We know
21 Alaska is warming up. More than half of the pipeline
22 crosses permafrost areas.

23 We know more than 25,000 vertical support
24 members of the 78,000 that exist are currently subject to
25 movement.

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(Cont.)

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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	We also know that 84 percent of all heat pipes on TAPS have some degree of blockage potentially diminishing the load-bearing capacity of VSMS. Is there a detailed action plan to correct each of these VSMS? We know there are problems with above ground sections of pipe mounted on slipping anchors and sliding support shoes. We have many questions and many concerns about many of these sections of pipe. We would like to know what the smart pigs that check pipe curvature and corrosion are finding. Are some of the pipe curvatures that are under our rivers getting worse or are they stabilized? We do know that the 420 miles above ground pipe has major insulation problems. With the colder oil temperature, increased sludge and paraffin and slower movement of oil through the line, how are these insulation issues being addressed? We do know that there are major corrosion problems from the North Slope to the terminal and it's getting worse. We suspect warming climate trends are affecting pipeline foundations and bridge structures and need to be brought up to to date so it can handle a major earthquake. We do know the leak detection system on the pipeline cannot measure a loss between 4,000 barrels	182-5 182-6 182-7 182-8 182-9 182-10 182-11

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1	a day.	182-11 (Cont.)
2	We do know that a major pipeline	
3	communication system, the microwave system doesn't	182-12
4	function properly and that the newly installed fiber-	
5	optic system has major problems.	
6	We do know they have cut back on major	182-13
7	inspection flights on an aging pipeline and when they do	
8	fly they have missed major problems.	
9	We do know that Port Valdez has suffered	
10	badly from discharges into its waters the last 25 years.	182-14
11	What will the impact of marine resources be the next 30	
12	years.	
13	We do know that the Balast Water	182-15
14	Treatment plant is not working right and hasn't for quite	
15	awhile.	
16	We do know that the terminal is emitting	182-16
17	five times more hazardous air pollutants into the Valdez	
18	Basin than the law allows.	
19	We do know that we have hydrocarbons from	182-17
20	the BWT outside the mixing zone.	
21	We do know that there is not an inventory	
22	of pipeline clamps placed in different spots up and down	182-18
23	the pipeline to help shorten the time lag if a leak	
24	should occur.	
25	We do know our a c-plan for oil spill	182-19

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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	response on rivers is totally inadequate. We do know that we haven't figured out how to handle none of the species in the segregated ballast. We do know that best available technology has changed in the last 30 years. How should we and when should we apply it to the next 30 years? We do know that oil is more toxic than originally thought. How does this affect Port Valdez and the BWT? We do know that photosynthesis increases toxicity which we didn't know before. We do know that Alyeska is drastically cutting their budget and reducing personnel. Let me speak for a moment about the North Slope and accumulative impacts that the Draft EIS did not consider. We do know that there is no leak detection system, which is required by law, on BP's section of the North Slope. We do know that there are major spills on the North Slope and they are not always reported. We do know and, in fact, there was just one last week -- we do know that there are many leaking pipeline valves on the North Slope facilities and the rest of the pipeline.	182-19 (Cont.) 182-20 182-21 182-22 182-23 182-24 182-25

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1 We do know that there are open pads on
2 the North Slope which get encased in ice in the winter
3 and crews cannot get to the frozen shut down valves.
4 We do know that they cannot cleanup an
5 oil spill on the North Slope on the tundra, on the ice or
6 in the water.
7 We do know that of the 800 different
8 rivers or tributaries which the pipeline crosses under or
9 over the water, that we have no real oil response system
10 in place for a spill along the corridor.
11 I can go on and on but I only have 10
12 minutes. Do I understand Kathleen Clarke correctly, when
13 she said the extension of the comment period is
14 unnecessary because Alyeska had been in operation for 25
15 years? This is far more critical than a new construction
16 project. Alaska has warmed up a lot during the last 25
17 years, causing melting of permafrost, which in turn has
18 caused Slope stability changes affecting the pipeline
19 from Pump Station One to the Valdez Terminal. There is
20 no reason we cannot have a safe and dependable oil
21 delivery system. To attain that, far more money needs to
22 be put into maintenance, not defer the work. Today the
23 owner companies, led by BP are slashing budgets and
24 ignoring safety to increase profits.
25 We, as human beings sometimes lose sight

182-25
(Cont.)

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1 as to what is really important. We are caretakers of a
2 planet that as far as we know today is the only one like
3 it anywhere else in the solar system. We are badly
4 abusing the privilege of living here for short-term
5 personal gain and outright greed. We must all work
6 together and make responsible protection for the earth,
7 air, land and water our first priority. We must be sure
8 that when we use resources, we use them for the benefit
9 of mankind, we must prevent damage to the lands we have
10 been so privileged to be part of during our short lives.
11 This can only be done by spending money, not cutting
12 budgets and by doing all the work in a responsible
13 manner.

14 BLM should be working for the greater
15 power of the average human being, not big oil. We need
16 to tell big oil, if they want to operate in Alaska, they
17 need to do it right. This DEIS does not do this. The
18 pipeline is old, it is tired, it is underfunded. DEIS
19 did not deal with the six recommendations crafted by the
20 Alaska Forum to deal with the serious problems that were
21 identified and documented in its recent report. Instead
22 the government monitors appear to be collaborating with
23 the industry to renew the grant and lease without
24 considering public recommendations to ensure safe
25 delivery of oil for another 30 years.

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1 Let the agencies and the public have time
2 to collaborate for the good of the industry and the
3 state.

4 Thank you.

00183

5 HEARING OFFICER GEARY: Thank you, Mr.
6 Stephens. Don Dunham.

7 MR. DUNHAM: Thank you for the
8 opportunity to comment on this important topic. My name
9 is Don Dunham. And my wife and I and our two children
10 live, work and play here in Alaska and call it home.
11 During the day I work for BP Alaska as asset manager for
12 the Point Thompson Development Project in which BP owns a
13 third. I'm commenting on the DEIS.

14 It is critically important to Alaska that
15 a long-term reliable oil transportation system exist for
16 continued development of North Slope resources. My focus
17 on the timely evaluation and development of the Point
18 Thompson Gas Condensate Resource, this represents one of
19 the largest undeveloped known hydrocarbon resources on
20 the North Slope. It contains more than 400 million
21 barrels of oil equivalent that all of us need every day
22 of our lives and it is recoverable over a 30 year period
23 of time.

24 Development of this resource is enhanced
25 by the use of existing infrastructure including the

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1 Podomi and Endicott pipeline systems but is critically
2 important that the use of the Trans-Alaska Pipeline is
3 there.

4 This project is important to BP and its
5 partners, including the state of Alaska and its citizens
6 which stand to reap revenues for the state of over a
7 billion dollars over the life of the project. Given the
8 costs and complexities surrounding this project, it is
9 vital that we have certainty regarding the liquid
10 production and transportation of the Point Thompson.
11 That is why BP strongly supports the reauthorization of
12 the 30 year TAPS Right of Way renewal term as do I and my
13 family. A TAPS Right of Way renewal term of less than 30
14 years would create significant commercial risk for this
15 project and as we make decisions about its development.

16 But the Right of Way is not only about a
17 liquid transportation. As many of you may know, Point
18 Thompson field is expected to play a significant role in
19 the development of natural gas, a very clean fuel for our
20 world. Point Thompson is the second largest gas field
21 North Slope containing over eight trillion cubic feet of
22 reserves. Any future gas development must be built on
23 strong foundation of secure, efficient liquids
24 transportation. The establishment of a 30 year TAPS
25 renewal term will help to support Point Thompson

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1 development and will also improve the prospects and
2 likelihood of a natural gas pipeline in the future.

3 I want to thank you for the opportunity
4 to comment on my support for the Right of Way renewal of
5 the TAPS line. And I'm providing a written copy of my
6 comments.

183-3

7 Thank you.

8 HEARING OFFICER GEARY: Thank you, Mr.
9 Dunham. I'm going to mark those comments as Exhibit 27.

10 (Hearing Exhibit 27 marked)

11 MR. FINEBERG: Good evening. I am 00184
12 Richard Fineberg. I am testifying for the Alaska Forum
13 for Environmental Responsibility once more.

14 The Federal Draft EIS and key reports by
15 the state of Alaska supporting renewal of the TAPS Right
16 of Way contains significant flaws in their respective
17 fundamental approaches as well as numerous substantive
18 errors. These shortcomings lead to optimistic but
19 erroneous conclusions in the State and Federal reports
20 concerning the safety of the pipeline that the
21 President's National Energy Policy calls the single most
22 important crude oil pipeline in the United States.

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23 The web of faulty assumptions and
24 inaccurate information invalidate the conclusions of both
25 the DEIS and the State's Proposed Determination that TAPS

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1 is in compliance with all operational requirements and
2 will continue to operate safely if the grant and lease
3 are renewed without modification.

4 Review of the applications should provide
5 a unique opportunity to chart a new course for safe
6 operation of the pipeline during the next 30 years, but
7 instead the stewards of our public resources seem hell-
8 bent on ignoring public concerns and whitewashing the
9 dubious performance on TAPS. By taking this course,
10 public officials place at needless risk the quality of
11 the spectacular wild lands that TAPS crosses, as well as
12 the flow of oil that sustains Alaska economy and
13 constitutes a significant portion of the West Coast's oil
14 supply, not to mention the subsistence users down stream
15 from the 800 streams the pipeline crosses.

16 The primary purpose of my testimony
17 tonight which is in writing as usual and which I will
18 submit for the record later, is to identify some of those
19 fundamental flaws in the approach taken by the monitoring
20 agencies.

21 In discussing these problems tonight, I
22 have specifically selected cases that are documented in
23 my report, the Emperor's New Hose, How Big Oil Gets Rich
24 Gambling With Alaska's Environment. I'd like to also
25 refer, briefly to the growing list of factual problems

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1 contained in the Federal DEIS. Because of time
2 limitations, I will submit at a later date my questions
3 about the raw data reported in the DEIS for North Slope
4 oil production and price. Those are specific areas I
5 work in when I'm not doing environmental work, so I will
6 do those in writing later.

7 Right now I'd like to just list some of
8 the flaws in the writing. We obviously won't have time
9 to go through them.

10 The key State and Federal renewal
11 documents did not consider modifying the grant and lease
12 terms. The key grant and lease renewal documents did not
13 provide sufficient reason for refusal to consider
14 significant citizen concerns raised during scoping.
15 Again, I provide documented specifics on each of these in
16 the written testimony. The subjects that are considered
17 by key grant and lease documents appear to be selected
18 arbitrarily and not by consistent and well defined
19 standards.

184-3

20 The grant and lease renewal documents
21 rely on unverifiable assumptions about future
22 performance. One is the aggressive maintenance,
23 quote/unquote, that depends on the level of funding. The
24 existence of requirements and statements of intentions
25 should not be confused with performance.

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1 The proposed decisions rely on regulatory
2 agency conclusions that are either inadequately supported
3 or are contradicted by the record.

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4 And finally, and I will try to do this
5 one to give the listeners the flavor in some detail, the
6 interpretation of compliance with grant and lease terms
7 is subject to question. Two areas here to deal with are
8 the concept of substantial versus full compliance and
9 specific agency and enforcement actions that call into
10 question the undefined standard of substantial
11 compliance.

184-6

12 First substantial compliance. JPO and
13 the State pipeline coordinator defined their task
14 regarding compliance as ensuring Alyeska obtain all
15 permits, know all requirements and these are the big two
16 I want to deal with, reasonably detect deficiencies
17 related to these requirements and correct them in a
18 timely manner. While this interpretation sounds
19 reasonable it also appears to contradict the State's
20 Right of Way Leasing Act which requires the lessee to be
21 in full compliance with all state law, not to bring
22 yourself into compliance at some unspecified later time.
23 Now, let us assume for the sake of argument, since
24 nobody's perfect, even a pipeline with 99.99999 percent
25 reliability. That was not a stutter by the way. Let's

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1 assume that full compliance with all state law can be
2 interpreted to mean substantial compliance as described
3 by JPO. JPO has not defined or set guidelines to
4 determine what constitutes timely identification and
5 abatement of non-compliance issues. Therefore, it's very
6 difficult to answer questions such as these: How many
7 years in a row of restart problems does it take for the
8 TAPS owners to be non-complaint with grant and lease
9 requirements for failure to prevent and abate a hazard?
10 Section 22 of the State Lease and 24 of the Federal
11 Grant. How many times can Alyeska fail to detect
12 significant pipe movement that it caused through
13 operational errors, by the way, for months on end before
14 the monitors determine that the TAPS owners are violating
15 grant and lease stipulations requiring safe operation and
16 engineering practices? The question what it takes for
17 the agency to find the owners non-compliant is raised by
18 two recent US/DOT enforcement action notices against
19 Alyeska. I do not have time to go into the detail here
20 but I have summarized them for you.

21 Again, it is our belief that these relate
22 and I believe we can demonstrate how these continual
23 problems relate to the funding pressure from the owners
24 and I do so in the written testimony tonight. I'm sorry
25 we do not have adequate time to deal in the details.

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(Cont.)

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1 In closing, I want to note that citizens
2 in three prior hearings have noticed numerous factual
3 mistakes in the DEIS, I'm sure you will learn of more as
4 you move to the north to take later testimony this week.
5 It is unfortunate that private citizens must waste their
6 valuable time correcting simple factual errors made by
7 the well-paid creators of the voluminous grant and lease
8 documents that we were given 45 days to review. I feel
9 that we're more in the role of fact-checkers than -- and
10 unpaid fact-checkers than being given the right to review
11 policy in a meaningful way.

12 I thank you for your time and your
13 consideration.

14 HEARING OFFICER GEARY: Thank you, Mr.
15 Fineberg. I'll mark your comments as Exhibit 28. 00185

16 (Hearing Exhibit 28 marked)

17 HEARING OFFICER GEARY: Val Molyneux.

18 MR. MOLYNEUX: Good evening. Thank you
19 for giving me the privilege to speak before this panel
20 this evening. My name is Val Molyneux and I'm president,
21 regional manager for Veco Alaska. I've been in the state
22 of Alaska for 25 years, 20 years connected with the
23 pipeline, the Oilfield Service Company along with work on
24 the North Slope and along with various projects with
25 various clients on the North Slope and on the pipeline.

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1 And in these 25 years I've been very fortunate to raise a
2 family here and believe it or not they're still here and
3 believe it or not I want to keep them here.

4 The Alaska Pipeline, as you know,
5 delivers the oil to various markets in the U.S., a needed
6 resource indeed. The Alyeska Pipeline is the lifeline
7 for continued delivery to U.S. and Alaska depends on the
8 pipeline for the future of Alaska. You all know that we
9 have a Permanent Fund and right now it's amount is around
10 22 billion in spite of the stock fall.

11 Over the past 25 years of actual pipeline
12 operation, TAPS has greatly exceeded virtually everyone's
13 expectations regarding reliability and health and safe
14 and environment performance. I personally have been
15 involved in many projects, many operations in both
16 environments and I can assure you both the clients that I
17 work for and the contractors that work for them behave in
18 a very safe manner and we do the best we possibly can
19 under the circumstances and sometimes that's not enough.
20 The client is 100 percent for safety and environmental
21 management.

22 It's unbelievable to me that Alyeska is
23 consistently 99 to 100 percent reliability over the 800
24 mile pipeline. Alyeska and the people of Alyeska and
25 various regulatory bodies have always made health, safety

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1 and environmental issues their number 1 priority.

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(Cont.)

2 In my opinion, Alyeska should obtain the
3 30 year Right of Way renewal. The primary reason being
4 that Alyeska has consistently demonstrated its
5 outstanding performance in all areas over the past 25
6 years. TAPS has already safely transported almost 14
7 billion barrels of North Slope crude oil from Prudhoe Bay
8 to Valdez. This is approximately 40 percent more than
9 was originally planned.

185-3

10 As previously noted, major investors in
11 our state like BP, Phillips, Anadarko and many others
12 have invested billions of dollars in new development
13 since Prudhoe Bay began to flow oil in 1977. Major
14 investors need to have confidence that TAPS will be
15 continue to be safe and reliable pipeline in the years
16 ahead. In order for investors to make multi-million and
17 multi-billion dollar development investments they need to
18 know that TAPS has regulatory approval to continue with
19 their operations. Investments typically are not made if
20 there are too many unknown risks, which are outside a
21 particular company's control. I urge you to continue
22 allowing Alyeska to operate for another 30 years. Their
23 performance during this time period, hopefully major new
24 discoveries and developments will continue in the years
25 ahead.

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1 Thank you for allowing me the opportunity
2 to testify before you here today.

3 HEARING OFFICER GEARY: Thank you, Mr.
4 Molyneux. Joe Tracanna. 00186

5 MR. TRACANNA: Thank you for allowing me
6 to speak here tonight. My name is Joe Tracanna. I'll
7 speak on the DEIS. I'm here representing myself. I'm a
8 former Alyeska employee and pipeline electrical
9 inspector. I worked on the original construction back in
10 1976 and '77.

11 My experience and comments here have to
12 do with Alyeska's behavior over the last 30 years and I
13 find it interesting, based on my comments that I'm about
14 to give, that BLM's preferred alternative is for an
15 additional 30 years.

16 Alyeska Pipeline Service Company
17 management has repeatedly and continuously, through the
18 years, regarded [sic] its responsibility for compliance
19 with regulatory requirements, that was disregarded,
20 excuse me. This blatant disregard created a safety
21 threat to its employees who raised concerns to the
22 environment and the pipeline integrity. Alyeska Pipeline
23 whistleblower, inspectors and other employees have lost
24 their jobs and have been threatened, harassed and
25 intimidated for reporting safety problems on the

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1 pipeline. The U.S. Department of Labor has concluded in
2 various complaints filed against Alyeska that Alyeska was
3 in violation of whistleblower laws by refusing to rehire
4 inspectors fired after the reporting safety and
5 environmental violations to Federal regulators.
6 Alyeska's promises to Congress to live up to its
7 commitments have been disregarded and ignored.
8 Congressional hearings have been going on at various
9 times from the beginning of the pipeline. In 1976, the
10 subcommittee on Energy and Power held hearings concerning
11 the collapse of the Quality Assurance/Quality Control
12 system during the construction of the pipeline. Among
13 the issues discussed were thousands of faked X-rays of
14 welds, intimidation and harassment of inspectors
15 including death threats. It was learned of a total
16 collapse at that time of Alyeska's inspection system and
17 the total absence of Federal government oversight. In
18 fact, Congressman Dingle described government oversight
19 agencies as nothing but one-eyed, toothless watchdogs.

186-1
(Cont.)

20 Beginning in 1985, Alyeska whistleblowers
21 started to come forward to government agencies and to the
22 Congress using Chuck Hammel as a conduit, information
23 about critical deficiencies being covered up by Alyeska.
24 Rather than fixing the problems identified by their own
25 inspectors, Alyeska, in response, engaged in the services

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1 of Wackenhut Security Agency to conduct surveillance
2 operations whose purpose was to identify the
3 whistleblowers. These actions including setting up fake
4 companies, bugging the home and hotel rooms of Chuck
5 Hammel, using undercover agents, operation an electronic
6 surveillance van outside Mr. Hammel's home and stealing
7 documents. Congressional testimony revealed that
8 Congressman George Miller, Chairman of the House
9 Committee on Natural Resources, who had been vigorously
10 investigating pipeline environmental issues was also
11 targeted by Alyeska for surveillance along with Mr.
12 Hammel. Congressman Dingle went on to say that Alyeska's
13 attempt to interfere with these constitutional rights is,
14 quite frankly, outrageous.

15 July 1993. The House of Representatives,
16 Committee on Energy and Congress subcommittee on
17 oversight and investigations held hearings examining
18 Alyeska's ability to manage and operate the Trans-Alaska
19 Pipeline system safely and effectiveness of the Federal
20 government oversight of Alyeska. Discussed was
21 information about critical deficiencies being covered up
22 by Alyeska. I personally testified about my experiences
23 as an Alyeska inspector and bringing forward safety
24 concerns and issues involving harassment, intimidation
25 and retaliation.

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186-3
(Cont.)

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1 In August of 1993, as a result of the
2 allegations revealed in the congressional hearings, the
3 BLM contracts with Quality Technology Company to audit
4 TAPS operations. QTC submitted two reports, one in late
5 '93 and one in early 1994. The majority of allegations
6 by the Alyeska inspectors were validated in the report.
7 QTC also identified 22 imminent threats, including other
8 conditions adverse to quality. It was noted that the
9 greatest non-hardware imminent threat to safety was
10 Alyeska management mind set.

186-4

11 Alyeska's practices were criticized in a
12 report released by the Joint Pipeline Office after an
13 investigation into the death of a worker at the Valdez
14 Marine Terminal, which Alyeska operates for the owner oil
15 companies citing lack of safety and work procedures that
16 led to the fatal accident.

186-5

17 The Alaska Office of Occupational Safety
18 and Heath, OSHA, cited Alyeska with five work place
19 safety violations and fines. Alyeska's Valdez Marine
20 Terminal was put under scrutiny when a spark flashed off
21 the deck of an oil tanker. A seven member team,
22 including officers from the United States Coast Guard
23 headquartered in Washington, D.C., conducted a week long
24 safety assessment and abroad review of Alyeska procedures
25 at the terminal and on the water of oil operations in

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1 Prince William Sound. An Alyeska vice president called
2 the event a near miss for the company. The results, the
3 Coast Guard commander recommended civil fines against
4 Alyeska for shoddy procedures that led to the spark.

186-6
(Cont.)

5 Alyeska, in 1999 found itself rushing to
6 learn whether the fire suppression system at the terminal
7 tanker loading dock in Valdez would function properly
8 during an emergency. Earlier that year concerns were
9 raised by the State Fire Marshall's Office that the
10 system will not operate as designed if challenged by a
11 fire. The problem with the fire suppression system made
12 by public by Alyeska critic Chuck Hammel on his
13 whistleblower internet site. Numerous problems,
14 including overdue maintenance, missing fire hydrants,
15 frozen water pipes and now clogged water pipes inside the
16 foam suppression system. A fire would be an
17 environmental catastrophe and could cripple oil
18 production from Alaska. A spokesman for the Joint
19 Pipeline Office stated, the overwhelming problem is that
20 Alyeska knew about some of the problems as far back as
21 1996, that was three years prior and did virtually
22 nothing to begin fixing them until the State Fire
23 Marshall's Office inspected in April of that year.

186-7

24 Alyeska took over 36 hours to stop a leak
25 on the pipeline after it was penetrated by a bullet.

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1 Alyeska has claimed it has a variety of clamps and
2 sleeves for emergency patching or repair but safety
3 concerns prevented moving sooner. An Alyeska vice
4 president stated, Alyeska did the best they could. This
5 was the same Alyeska vice president pictured in the
6 Anchorage Daily Newspaper with his hands in his pockets
7 conferring with other officials as almost 300,000 gallons
8 of crude oil spews from the bullet hole in the pipeline.
9 Regulators, including Alaska's Governor, praise Alyeska
10 for doing a good job responding to the spill. But if
11 this large a spill and a 36 hour delay are acceptable,
12 some say it raises troubling questions about the adequacy
13 of what the State requires of Alyeska, how can this be
14 acceptable?

186-8
(Cont.)

15 I have some further comments about the
16 State regulators here and why they have no incentive to
17 regulate.

18 Because other State bureaucrats and
19 politicians want to control a bigger share of the oil
20 industry money that is spent in the state, the
21 politicians want the money that should be going to
22 pipeline maintenance for political contributions and pet
23 projects. The Executive Branch wants to preserve and
24 keep its hands on the State's share of oil royalty money.
25 Although the oil is free at the well head, the State has

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1 to pay to transport the oil down the pipeline, the cost
2 to properly maintain the pipeline are passed on to the
3 State for its share of the oil. When money is spent to
4 maintain the pipeline, the State has to pay its share, so
5 the State bureaucrats fear maintenance costs. They fear
6 that if the Trans-Alaska Pipeline were being properly
7 maintained, the State would have to pay more to transport
8 its royalty share to market. State bureaucrats hire and
9 fire regulators, the regulators that enforce health and
10 life safety regulations and requirements. It seems that
11 some regulators have no incentive to regulate if they
12 want jobs in the future in the industry. The oil
13 industry pays better than the State. If regulators were
14 regulating there would be more maintenance projects,
15 which means more jobs and economic viability for Alaska.

16 The pipeline is 25 years old. Like an
17 old car, it requires more maintenance, not less.

18 On the basis of hundreds, if not
19 thousands of incidents, close calls, scandals, spills,
20 poor judgment and disregarding the agreement and grant of
21 Right of Way on the Trans-Alaska Pipeline, it is now time
22 to consider if Alyeska should be given renewal of the
23 Trans-Alaska Pipeline system. Alyeska's actions and
24 failure to act over the last 25 years have led to a
25 myriad amount of violations of the current TAPS

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(Cont.)

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1 agreement. The circumstances surrounding some of these
2 violations are nothing less than a public disgrace. I
3 see nothing in the DEIS that would change Alyeska's mind
4 set. Nothing is changed but we're expected to see
5 different results. How did that old saying go, you can
6 fool some of the people all the time and all the people
7 some of the time?

8 Now, that being said, BLM has identified
9 the proposed action of renewing the Federal grant for an
10 additional 30 years as its preferred alternative. BLM
11 states, in part, that this conclusion is based on
12 knowledge about the impacts and experience gained over
13 the last 25 years. Did this experience include any of
14 the foregoing history that I just revealed?

15 I have two alternatives.

16 1. Don't renew the Federal grant for
17 Alyeska Pipeline Service Company.

18 2. I would suggest a combination of
19 alternatives considered but eliminated from detailed
20 analysis. Give the BLM the authority to fine TAPS owners
21 and Alyeska for violations of the Federal grant
22 provisions that protect pipeline integrity, worker
23 safety, human health or the environment substantiated
24 harassment or intimidation to prevent whistleblowing by
25 employees and retaliation against whistleblowers.

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186-13

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1 Reasons given on this can't be
2 accomplished is new rulemaking regulations would be
3 required to give BLM such authority. Can rulemaking
4 regulations be that difficult to create? I can certainly
5 understand how their economic bottom line could be
6 affected with the multitude of allegations against them.

7 Enforce the current Federal grant rules
8 and regulations. The Federal grant obligates the TAPS
9 owners to comply with the applicable Federal laws and
10 regulations and lawful orders of the Secretary of
11 Interior. The Federal grant states that the Secretary
12 can suspend or terminate the ROW if the TAPS owners fail
13 to comply substantially with the requirements of the
14 Mineral Leasing Act.

15 HEARING OFFICER GEARY: Thank you, Mr.
16 Tracanna.

17 MR. TRACANNA: You're welcome. Almost.

18 HEARING OFFICER GEARY: I'll mark your
19 comments as Exhibit 29.

00187

20 (Hearing Exhibit 29 marked)

21 HEARING OFFICER GEARY: Daryl Kleppin.

22 MR. KLEPPIN: First of all, I'd like to
23 thank the panel for taking the time to hear the comments
24 from me and the others that are assembled here this
25 evening. This is an issue, obviously, that's important

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(Cont.)

1 to all Alaskans and, indeed, all the citizens of the
2 United States. My name is Daryl Kleppin. I'm a 17 year
3 resident of Alaska an employee in commercial management
4 for BP Exploration Alaska. I'd like to comment this
5 evening on the Draft EIS and the Commissioner's Proposed
6 Determination.

7 Let me begin by stating the obvious, that
8 the Trans-Alaska Pipeline is fundamental to oil sales and
9 liquid sales off the citizen's North Slope of Alaska
10 which people have been alluding to all evening.

11 Now, what benefits flow from that? Past
12 and current benefits include those to the citizens of the
13 North Slope Borough and the North Slope Borough
14 government in the form of property taxes. Benefit to the
15 citizens of Fairbanks, Anchorage and Valdez in terms of
16 jobs and also property taxes. Benefits to the state of
17 Alaska in royalty, corporate income taxes, severance
18 jobs, et cetera. And as previous speakers have quoted a
19 significant portion of the State budget is derived from
20 these revenues. Benefits to the producers, obviously.
21 Currently TAPS carries about one million barrels of
22 production per day. Benefits to the citizens of the
23 Lower 48, California included and other states. And also
24 benefits to the Federal government in terms of reducing
25 our trade deficit from imported oil.

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1 So those are some of the current benefits
2 of TAPS.

3 Future benefits of TAPS are all of the
4 above plus continued exploration in NPRA and ANWR. New
5 developments like North Star and investment in mature
6 fields and EOR projects and also viscous oil development.
7 These future benefits are only derived if the 30 year
8 term is continued.

187-3

9 Thirty years is critical because of the
10 cycle time for new developments on the North Slope.
11 Indeed, previous speakers have talked about 30 years and
12 beyond production life, possibly from Prudhoe Bay and
13 given the long time between exploration appraisal,
14 development and field life, a 30 year term is vital.

15 So in conclusion, I support the
16 continuation and renewal of the TAPS Right of Way for 30
17 years under current terms and conditions.

187-4

18 Thank you.

19 HEARING OFFICER GEARY: Thank you, Mr.
20 Kleppin. At this time we're going to take a 10 minute
21 break. When we come back we're going to start with Mr.
22 Steve Jones and he's number 15. We stand in recess for
23 10 minutes.

24 (Off record)

25 (On record)

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1 HEARING OFFICER GEARY: All right, I'll
2 call the hearing back to order. The next speaker is
3 Steve Jones, number 15. 00188

4 MR. JONES: Good evening. My name is
5 Steve Jones. I'm the manager of the Trans-Alaska
6 Pipeline System Right of Way Renewal Project.

7 I'm here tonight to testify on behalf of
8 the TAPS owners regarding their applications to the
9 Bureau of Land Management and the Alaska Department of
10 Natural Resources for a 30 year renewal of the pipeline's
11 Right of Way permits. My remarks are in response both to
12 the Draft Environmental Impact Statement and the Proposed
13 Commissioner's Determination.

14 Last May the six TAPS owners applied for
15 a 30 year renewal of the Federal grant and the State
16 lease that compromised the TAPS Right of Way. The right
17 to renewal is clear so long as TAPS is in compliance with
18 applicable State and Federal requirements and in
19 commercial operation. If those conditions are met, the
20 regulatory authorities must decide the duration of the
21 renewal period. The TAPS owners believe these conditions
22 have been satisfied and that renewal should be granted
23 for another 30 years.

24 The central question that many have asked
25 is, can TAPS operate safely for another 30 years? The

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1 answer is, unequivocally, yes, for several reasons.
2 First the pipeline was originally designed for the long-
3 term. Contrary to what some have suggested, the pipeline
4 was not designed for a specific number of years. The
5 original life of field estimate for Prudhoe Bay was only
6 one consideration. More importantly, pipeline design was
7 based on TAPS being a highly reliable, long-term
8 transportation facility. It was, for example, engineered
9 and constructed to state of the art seismic standards
10 with redundant pumping capability and an extremely stout
11 and versatile above ground support system designed to
12 ensure stability in a wide variety of permafrost
13 environments and conditions, including climate change.

188-2
(Cont.)

14 When there was a question about
15 durability or safety, the engineers always defaulted to
16 the most conservative design parameters.

188-3

17 Second, Alyeska as operator of TAPS and
18 the TAPS owners have maintained and upgraded the system
19 regularly and prudently. The pipeline has been referred
20 to as aging, implying that it is deteriorating. Quite
21 the opposite is true. It has been cared for and enhanced
22 over the years. In many respects it is in better shape
23 today than when it first went into service. The what ifs
24 of 25 years ago were well addressed in the original
25 design and in the 25 years of operation, the challenges

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1 of operating in Alaska's environment have become well
2 understood and managed.

188-4
(Cont.)

3 In addition, new technologies have been
4 developed. New information has been applied and Alyeska
5 continues to improve maintenance and operational
6 approaches. For example, when it comes to the very
7 important function of corrosion prevention and control,
8 TAPS is considered a leader in the use of state of the
9 art technology.

188-5

10 Another part of the answer to the
11 question regarding TAPS condition rests with its role in
12 Alaska's oil industry. Quite simply, a sound TAPS is
13 central to the continuation of the oil business in
14 Alaska. To suggest that the owners of the line would
15 allow it to deteriorate or become unreliable through
16 inadequate maintenance makes no sense. The system must
17 remain in good operating condition because the industry
18 depends on it. And that dependability is proven. TAPS
19 has operated over 25 years with a reliability factor as
20 you've all heard tonight, in excess of 99 percent.

188-6

21 Additionally, in the last 15 years alone,
22 the TAPS owners have invested over \$9 billion in
23 operations, maintenance and upgrades, that's more than
24 the original cost of construction.

25 In addition to the question of future

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1 performance, TAPS renewal raises the issue of
2 accountability. TAPS is not only a leader in the field
3 of pipeline maintenance and operations, but it's owners
4 and operator have demonstrated a commitment to the
5 public. Along with safe and environmentally sound
6 operations, one of the primary commitments is to
7 Alaska's Native community. The success Alyeska has
8 demonstrated in development of its programs to train,
9 hire and retain Native Alaskans is a model for all
10 businesses in Alaska.

11 In addition, Alyeska contracts with
12 Native-owned businesses. Last year those contracts
13 represented over \$170 million worth of work. The TAPS
14 owners and Alyeska remain committed to these programs.

15 TAPS also acknowledges its responsibility
16 to the pipeline corridor communities and to the public in
17 general. TAPS operates in the public eye and will
18 continue to do so for the duration of its operation.
19 Leaders from all across Alaska have access to Alyeska
20 management and can obtain information on pipeline
21 operations, both the good news and the challenges from
22 company management and from visits to TAPS facilities.
23 Communication is direct with those community leaders,
24 organizations and individuals interested in learning more
25 about TAPS. Open operations will continue to define

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1 Alyeska's way of doing business in Alaska.

2 Public accountability is also central to
3 the mission of the staff and agencies of the Joint
4 Pipeline Office. The technical and regulatory expertise
5 collected in this office represents a unique approach to
6 oversight of a private industry. The JPO's review and
7 examination of all facets of TAPS operation is thorough
8 and transparent and the public has access to their
9 reports, to their data and to their staff and management.
10 TAPS operations are now and will continue to be conducted
11 with an unparalleled level of public oversight and the
12 JPO concept is the effective and responsible way to
13 achieve that oversight.

14 The Bureau of Land Management and the
15 State, DNR, have conducted three hearings prior to this
16 one in Anchorage and there's been a bunch of testimony
17 presented at these hearings, it's covered a wide range of
18 subjects and that's all commendable and many of the
19 comments have proved valuable and I think provide the BLM
20 with help in preparing its Final Environmental Impact
21 Statement. However, I'd like to take a moment to express
22 my concern and disappointment at some testimony that has
23 been offered at each hearing that is, at best, unfounded
24 and inaccurate and, at worst, intentionally misleading.
25 This testimony is a disservice to the men and women who

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1 built the pipeline, operate and maintain it. And those
2 who work everyday to inspect and regulate it. These
3 people work daily to ensure the pipeline operates safely
4 and in an environmentally sound manner. Nothing is taken
5 for granted. They search continually for new
6 technologies and approaches to enhance future
7 performance. This is dedication, not complacency.

8 I wanted to take this opportunity to
9 publicly recognize the thousands of employees,
10 contractors and public officials who are responsible for
11 making this system the marvel that it is and will
12 continue to be. Their positive approach and
13 extraordinary capabilities and skills and their
14 commitment to learn from the past and build for the
15 future should neither be overlooked nor slighted.

16 We believe the TAPS record on
17 environmental, operational and accountability issues has
18 been exemplary over the past 25 years and we look forward
19 to maintaining the high standards for another 30 years of
20 service.

21 In addition to this testimony tonight,
22 the TAPS owners will be submitting additional formal
23 written comments by the end of the public comment period.
24 And I have a copy of these remarks for the record.

25 HEARING OFFICER GEARY: Thank you. Thank

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1 you, Mr. Jones. I'll mark your comments as Exhibit 30.

2 (Hearing Exhibit 30 marked)

3 HEARING OFFICER GEARY: Kris Anderson,
4 number 16.

00189

5 MR. ANDERSON: Good evening. Thank you
6 for allowing us to comment tonight. My name is Kris
7 Anderson. I work Veco Alaska Incorporated. I manage
8 their Alaska Native Utilization Program and I'm an Alaska
9 Native shareholder in Cook Inlet Region, Koniag and
10 Afognak Village.

11 My program is funded primarily or almost
12 entirely with TAPS money. And it involves the
13 recruitment and the retention and training of Alaska
14 Natives coming to work at Veco Alaska. We also have a
15 very important intern program that allows students,
16 primarily from the engineering fields, as well as others,
17 an opportunity to gain valuable, hands-on, meaningful
18 experience for up to 10 weeks each summer in this
19 program. It also involves a scholarship program that,
20 this summer alone we will be handing out to these
21 students, up to \$60,000. We work very closely with
22 Alyeska Pipeline as well as other oil companies and
23 support companies and they are the reason that we are
24 able to offer this particular program.

25 My testimony is on the EIS and I

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1 certainly am in favor of that.

2 We also work with local, national
3 colleges and universities to attract minorities, Alaska
4 Natives, Indians and all other minorities.

5 In closing, basically I just wanted to
6 say that I am certainly in favor of the renewal and very
7 grateful for all of the assistance and financial
8 contribution that comes to this program from TAPS.

9 Thank you.

10 HEARING OFFICER GEARY: Thank you, Mr.
11 Anderson. Once again, I apologize, I think it was River
12 Ott.

00190

13 MS. OTT: Close enough. I stopped
14 signing in as Fredricki because everybody got it as
15 Frederick. My name is Dr. Riki Ott and I've lived in
16 Cordova, Alaska since 1985. It's an honor to follow Joe
17 Tracanna, who I recognize as dedicated TAPS employee. I
18 have served on the Board of the Alaska Forum for
19 Environmental Responsibility since its inception,
20 however, these comments are my own.

21 My community is still reeling from the
22 aftershocks of the Exxon Valdez Oil Spill 13 years ago.
23 That spill was in the marine portion of TAPS. I am very
24 concerned that the next major spill will be along the
25 over land or upstream portion of TAPS. The Draft EIS

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(Cont.)

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1 acknowledges that economic damage occurred to the fishing
2 and tourism industries in Prince William Sound but claims
3 that such damages were offset by economic benefits to the
4 state. However, the United States Congress and the oil
5 companies promised that public resources underpinning
6 local tourism and fishing industries in the subsistence
7 communities would be protected, restored, replaced or
8 rehabilitated, not just in Prince William Sound but
9 everywhere that the TAPS oil might spill, including
10 dozens of subsistence based communities within or
11 downstream of the TAPS corridor. Oil spills are
12 expensive to clean up. I'm sorry that I can't see this
13 as good for the economy but that's really irrelevant.
14 Even if there was zero economy as measured by exchange of
15 dollars, the oil companies are authorized to operate only
16 if they take steps to minimize risk of oil spills and
17 damages from spills. It's your job to see that the oil
18 companies are held to this standard.

19 You have made our job of public
20 commenting more difficult by holding the public hearings
21 during the summer when people are extremely busy with
22 seasonal work, commercial fishing and subsistence
23 activities.

24 Over a year ago the Joint Pipeline Office
25 stated that the comment period would run from July to

190-2
(Cont.)

190-3

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1 September but in keeping with 25 years of broken promises
2 by TAPS operators and government regulators you have
3 broken that promise, too.

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(Cont.)

4 Further, you have made our job difficult
5 by trying to dismiss the Alaska Forum's key
6 recommendations without any consideration on your part,
7 which seems to be in violation of the spirit of the NEPA
8 process. Despite all the obstacles for public testimony,
9 I offer the following comments for improving TAPS
10 operations for the next 30 years.

11 First of all, I recommend that there are
12 stiff penalties for failure to comply with the operating
13 permits. It's often said that TAPS is the most regulated
14 pipeline system in the world, but while the regulators
15 and industry speak to the quantity of oversight, I am
16 more concerned with the quality. There are three parts
17 to meaningful oversight. Setting standards and
18 stipulations, monitoring compliance and enforcing
19 oversight in enforcing compliance. We have out of date
20 standards, questionable monitoring and virtually non-
21 existent enforcement. I don't care if TAPS is the most
22 regulated pipeline system in the world, I care whether
23 the regulation works and it doesn't and it hasn't for the
24 past 25 years. The regulatory system is broken largely
25 because of questionable monitoring, no meaningful

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1 enforcement and hobbled regulators.

2 All of the laws, regulations and I guess
3 I'd want to -- I have written arguments to substantiate
4 each of those but actually Joe Tracanna did a wonderful
5 job in his testimony. All the laws, regulations,
6 stipulations and oversight in the world are forever
7 inadequate without meaningful penalties and enforcement.
8 These examples send a clear message to the oil company
9 permittees that the laws and regulations don't matter and
10 are secondary to economic considerations. This is not
11 what the American public was originally promised or led
12 to believe would happen. Some possibilities for
13 meaningful penalties for non-compliance by the oil
14 companies include things like requiring the companies to
15 report the circumstances of their non-compliance to their
16 shareholders in quarterly newsletters as the events
17 unfold. This is similar to the requirement for reporting
18 violations under the Federal Racketeering and Conspiracy
19 Act. And it would help the public understand that a
20 contract has been broken and the public trust breached.
21 Further, CEO's and other responsible officers of oil
22 companies in non-compliance could be required to conduct
23 public service in the TAPS corridor communities most at
24 risk from the consequences of the non-compliance. Every
25 instance of monetary fines for non-compliance should also

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1 include a public service component.

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(Cont.)

2 Recommendation two is to establish a
3 citizen's oversight group for the TAPS. Following the
4 Exxon Valdez Oil Spill tragedy in 1989 the state of
5 Alaska created the Alaska Oil Spill Commission to
6 investigate the root causes of the spill. One of the
7 commission's central findings was that institutional
8 complacency, both industry and government was a root
9 cause. The commission recommended citizen's oversight
10 for both the marine and overland sections of the Trans-
11 Alaska Pipeline system. We've got the regional citizen
12 advisory councils for the marine portion only and they
13 have a legacy of, indeed, strengthening oil spill
14 prevention and environmental pollution efforts. I would
15 like to see this extended to the full Trans-Alaska
16 Pipeline system. And I'd like to see it operate
17 completely independently of government regulators and
18 industry, incorporating government and industry into
19 citizen's oversight creates an oxymoron. Establishment
20 of the TAPS COG should be required as a condition of the
21 grants and permits. Also the contract should be
22 negotiable in the same time frame as the Right of Way
23 permit, 30 years with audits required as frequently as
24 they're required for the overall pipeline system.

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25 The third recommendation is to charge

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1 penalties if more than 10 percent of the employees are
2 afraid to speak out. And this follows Joe Tracanna's
3 testimony. In the original Right of Way documents, the
4 public was assured that there would be quality control.
5 I don't believe we've had that ever. We've X-ray weld
6 falsification and continuing harassment all the way
7 through the 1990s. Industry employees are the public's
8 first line of defense in reducing oil spills. The
9 workers know what's wrong and how to fix it, they need to
10 be allowed to do their jobs without fear of reprisal.
11 And I suggest adopting the Nuclear Regulatory Standards
12 which closes their facilities if more than 10 percent of
13 plant employees are afraid to speak out.

14 Instead of closing the TAPS, which I
15 don't believe is realistic, we could have stiff penalties
16 and public service and reporting to shareholders.

17 The fourth recommendation is to require
18 independent long-term epidemiology studies of workers and
19 residents affected by TAPS spills. The stipulations
20 attached to the original documents promised the American
21 people that permittees will take all measures necessary
22 to protect the health and safety of all persons affected
23 by their activities performed in connection with,
24 basically TAPS.

25 Oil spills were and still are an

190-6
(Cont.)

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1 anticipated side effect of TAPS construction,
2 maintenance, operation and termination. Therefore, I
3 believe that the original documents also apply to TAPS
4 oil spills and cleanups which are now considered
5 hazardous waste cleanups under OSHA regulations.

6 There is evidence from oil spills around
7 the world that residents and cleanup workers get sick
8 from exposure to oil aerosols, oil mists and oil fumes.
9 In 1989 Tatitlek residents became sick from the fumes
10 from the test burn. Thousands of cleanup workers
11 reported sinus, respiratory problems, headaches, cough,
12 nausea, dizziness, sore throats, burning eyes, mood
13 swings, et cetera, et cetera. These were similar to what
14 the residents experienced after the Briar spill in
15 Shetland in '92 and the Sea Empress oil spill in Milferd
16 Haven, these were all tested by researchers.

17 Basically after this I pretty much take
18 on what the Alaska Forum has recommended.

19 And so I'd like to summarize my concerns
20 and I'll submit the rest in writing.

21 Over 13 years ago I gave a talk, the
22 evening before the Exxon Valdez disaster. In it, I
23 summarized concerns of the Cordova fishing community by
24 stating that it was not a question of if but when the big
25 one would occur in Prince William Sound. It didn't feel

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(Cont.)

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1 good to be right then and it still doesn't now.

2 Believe it or not, I witnessed a lot of
3 fishing families forced to leave Cordova because of that
4 spill. Families who wished they could stay and still
5 make a living. Once again, I am echoing the concerns of
6 people in Cordova who are concerned about imminent danger
7 of a TAPS spill. More promises like the Reliability
8 Center Maintenance Program will not avert disaster
9 without independent management and a stable source of
10 funding. The biggest challenge we all face is keeping
11 oil in that aging pipeline. I wish I could age as well
12 as the owner companies allege that pipeline is aging.

190-9

13 We are going to have to get very creative
14 to prevent a pipeline spill. We can't keep doing the
15 same thing we've done in terms -- for the past 25 years.
16 To continue past practices, is to steer our TAPS ships
17 straight towards Bligh Reef, we've got to change course.
18 We have simply run out of time for bickering over whether
19 public comments do or do not fall within the scope of the
20 NEPA hearing process. The Alaska Forum is one of your
21 strongest critics or your staunchest ally, depending on
22 how you choose to take our comments. We have always
23 pointed out genuine problems and realistic solutions.
24 We've even figured out ways to pay for the increase
25 protection from spills without additional cost to the oil

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1 industry. The money can come by plugging the leaks of
2 profit the oil companies were not entitled to in the
3 first place, the TAPS DR&R funds.

4 Listen to us. Believe us. Work with us.
5 We should all be on the same team. We should all be
6 working to prevent the big one from happening on the
7 Trans-Alaska Pipeline system. Don't make me write again.

8 HEARING OFFICER GEARY: Thank you, Dr.

9 Ott. Bill Stamps, number 18. 00191

10 MR. STAMPS: Thank you. I'll be speaking
11 about the DEIS. My name is Bill Stamps and I'm the
12 immediate past president of the Alaska Support Industry
13 Alliance commonly referred to as the Alliance. I'm
14 manager of business development and external affairs for
15 Peak Oilfield and Service Company and I've been in
16 Alaskan for over 20 years and I'll submit a copy of my
17 testimony.

18 The Alliance is a non-profit trade
19 association comprised of over 420 member companies who
20 derive their livelihood from Alaska's oil and gas
21 industry. This equates to more than 35,000 employees
22 statewide many of whom were involved in the pipeline's
23 original state of the art construction. Of approximately
24 249 vendors providing direct services to Alyeska
25 Pipeline, about 21 percent are Alliance members and of

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1 those member contractors 18 are Alaska Native owned or
2 enjoy partnerships with Native entities.

3 At its completion in 1997, \$8 Billion was
4 invested in the project and now in it's 25th year of
5 operation oversight and maintenance of TAPS continues to
6 be unparalleled. As you've heard TAPS overall
7 performance reliability rate is in excess of 99 percent.
8 Alyeska's corrosion and control program, valve
9 maintenance program and spill response plans are the
10 leaders in the industry. Millions of dollars are spent
11 each year for maintenance.

12 The financial investment in maintaining
13 the pipeline and continued throughput weighs heavily on
14 future decisions by businesses and state government. A
15 renewal of the pipeline Right of Way for less than 30
16 years would disenfranchise new investment in the North
17 Slope and increase business risk for Alaskan operators
18 ultimately leading to a downward spiral of employment,
19 population, state product and income. Concurrently, the
20 state of Alaska would experience increased budget
21 shortfalls further impacting the State's ability to
22 provide necessary services and programs.

23 I'd like to share some data compiled in a
24 study entitled Economic Impact of the Oil and Gas
25 Industry in Alaska and I'll also include a copy of that

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1 with my submittal.

2 The study was commissioned by the
3 Alliance and the Alaska Oil and Gas Association. This
4 study found that the industry spends \$2.1 Billion
5 annually, a dollar value equal to the state of Alaska's
6 general fund. In other words, the oil industry provides
7 approximately 80 percent of the state's unrestricted
8 revenue. Some other key findings of this study include
9 the industry directly spends \$422 million on payroll in
10 Alaska, \$1.7 billion on goods and services in the state.
11 Overall, this spending generates over 33,000 jobs, \$1.4
12 billion in payroll and value added to Alaska's economy of
13 1.8 billion.

191-3

14 Now, more than ever, Alaska's
15 contribution to the domestic supply is critical to
16 diminishing our reliance on foreign oil, particularly
17 from nation's whose governments are unstable, are often
18 anti-American and some who actively support terrorists
19 acts against the U.S.

191-4

20 Regulatory oversight of the Alyeska
21 pipeline is unprecedented to others in North America.
22 The Alliance believes that the Joint Pipeline Office, a
23 body consisting of 13 Federal and State agencies serves
24 as a unique model for the way government and industry
25 work together to solve problems avoid duplication of

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1 effort and bring about best practices in government and
2 industry.

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(Cont.)

3 As contractors with first-hand experience
4 working with regulatory agencies, we know that
5 regulations, permitting and oversight bear heavy costs,
6 often in excess of basic transaction costs. Adding an
7 additional layer to this regulatory oversight, in other
8 words a concept of a citizen's advisory group to the 13
9 Federal and State agencies would only increase production
10 costs and reduce state revenues. Such increases can only
11 mean that our contractors will experience similar
12 increases in their costs to provide services. This,
13 today, in an environment where the contractor is already
14 pinched to provide professional and technical labor for
15 nominal margins. Additionally, we know that production
16 is declining as the North Slope field ages. As field
17 production slows and throughput declines, emissions and
18 discharges to air and water quality will be lowered.
19 Adding any additional oversight for the next renewal term
20 simply doesn't make good sense, in concept or justify
21 additional costs.

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22 Ladies and gentlemen, the Alliance urges
23 you to renew the Alyeska pipeline Right of Way for 30
24 years.

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25 Thank you for this opportunity.

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1 HEARING OFFICER GEARY: Thank you, sir.
2 I'll mark this packet as Exhibit 31.

3 (Hearing Exhibit 31 marked)

4 HEARING OFFICER GEARY: Joe Mathis,
5 number 19. 00192

6 MR. MATHIS: Thank you. My remarks will
7 be to the DEIS. My name is Joe Mathis. I'm a senior
8 operations manager for NANA Development Corporation. I
9 am responsible for oversight of a number of our business
10 operations. The Endicott Working Interest Owners, the
11 Houston/NANA Joint Venture. Our engineering operations
12 and NANA Oilfield Services.

13 I appreciate the opportunity to provide
14 testimony in support of a 30 year renewal of the Right of
15 Way of the Trans-Alaska Pipeline system or TAPS. My
16 comments will focus on the economic, social and
17 environmental aspects that should be considered in the
18 development of the Environmental Impact Statement for
19 the Right of Way renewal.

20 NANA Development Corporation is a wholly
21 owned subsidiary of NANA Regional Corporation that
22 encompasses 11 communities and 38,000 square miles in the
23 Northwest portion of Alaska. NANA Regional Corporation
24 is one of 13 Native Corporations formed by the passage of
25 the 1971 Alaska Native Claims Settlement Claims Act,

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1 ANCSA. Today the corporation represents over 10,000
2 Inupiat Eskimo shareholders, NANA Corporation which is a
3 business arm of NANA Regional is involved in 35
4 subsidiaries or partnerships operating in multiple
5 industries including government contracting, professional
6 and management services, oil, mining, tourism and hotels.
7 We also own the land of the largest zinc deposit in the
8 Western World, the Red Dog Mine. And are partners with
9 Teck Cominco in developing the resource and employing
10 1,800 people. NANA is Alaska's largest employers.

11 The TAPS is one of the most important
12 economic infrastructure assets of the United States. The
13 economic future of Alaska and the oil supply of this
14 country depends on the continued operation of this
15 critical energy transportation system. TAPS contributes
16 approximately 17 percent of the nation's domestic oil
17 production reducing dependence on national -- or foreign
18 oil sources. Petroleum revenues also provide over 80
19 percent of Alaska's general fund revenues. The long-term
20 economic benefits of the TAPS and the development of the
21 North Slope oil fields have transformed Alaska and
22 generated 10s of thousands of quality jobs. The impact
23 has been felt in every community and by every Alaskans.

24 NANA and its shareholders, like many
25 other organizations in Alaska have benefited from oil

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1 development. Development that would have been impossible
2 without TAPS. Much of NANA's revenue today comes from
3 the oil industry despite our company's strong
4 diversification effort in the last five years. 30
5 percent of NANA's business is providing critical services
6 to the oil industry including camp and facility
7 maintenance, safety training, engineering, fuel products,
8 security and many others.

9 In addition, NANA participates in the
10 Houston/NANA joint venture, a partnership that has a
11 major contract with the operator of the TAPS, Alyeska
12 Pipeline Service Company, to provide maintenance,
13 equipment and warehousing services. NANA contracts with
14 the oil industry, not only contributes to the
15 corporation's revenue stream but it also provides needed
16 jobs for our shareholders. Shareholder wages combined
17 with State revenues derived from oil development has
18 supported the local economy and the infrastructure
19 development in the NANA region such as functional water
20 and sewer systems, landfills and health facilities.
21 Alyeska's record of safely moving oil through TAPS is
22 remarkable. NANA is also committed to developing our
23 natural resources in an environmentally sound way because
24 it is part of our culture and tradition. Our
25 environmental ethic has guided our development of the Red

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1 Dog Mine in a manner that does not harm subsistence
2 resources. And Alyeska has demonstrated a similar
3 commitment to bring safely an important resource to
4 market and has continued to make improvements to ensure
5 safe operation and protection of the environment along
6 the rugged 800 mile corridor.

7 The TAPS is already the most heavily
8 regulated pipeline in the world and Alyeska has a strong
9 track record.

10 So we urge the regulatory agencies to
11 carefully examine the affects of any additional
12 regulations imposed on the TAPS through the renewal
13 process.

14 Alyeska has come a long way in fulfilling
15 its commitment to the 20 percent Native hire provision in
16 Section 29 of the Right of Way agreement. Alyeska's
17 scholarship commitment to Alaska Natives, vocational as
18 well academic will provide over \$750,000 this year and
19 with \$500,000 awarded to contractors to prepare Alaska
20 Natives for jobs associated with TAPS.

21 NANA looks forward to working with
22 Alyeska to continue improving on the initiatives already
23 underway. NANA is encouraging Alyeska to reach higher to
24 incorporate Alaska Natives within its own technical,
25 professional and managerial ranks as well as those of its

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1 subcontractors. NANA's own goal at Red Dog Mine is 100
2 percent shareholder hire. Higher expectations will mean
3 higher achievement and more training opportunities for
4 higher level jobs on the TAPS.

5 NANA urges the renewal of the Alyeska
6 Right of Way application. The TAPS has provided a
7 tremendous economic benefit for the United States, the
8 state of Alaska, local governments and the residents of
9 Alaska.

10 On a personal note, I'd like to say that
11 there is a situation of unattended consequences, I came
12 up here in 1975 to work on the Trans-Alaska Pipeline
13 working at the pipeline camps and pump stations -- and
14 one of the unintended consequences is that I met the love
15 of my life on the North Slope and she is my bride today
16 so I am eternally grateful for TAPS for that.

17 Thank you.

18 HEARING OFFICER GEARY: Thank you. I'll
19 mark your comments as Exhibit 32.

20 (Hearing Exhibit 32 marked)

21 HEARING OFFICER GEARY: Fritz Gunkel.

22 MR. GUNKEL: Thank you. I'll be 00193
23 commenting on the DEIS. My name is Fritz Gunkel. I'm
24 the BP manager for the North Star Field on the North
25 Slope.

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1 I urge the Bureau of Land Management to
2 grant a 30 year renewal of the Trans-Alaska Pipeline
3 Right of Way under its current terms. The merits of the
4 long-term renewal can be described through the example of
5 the North Star development. North Star field began
6 production from a man-made five acre island in offshore
7 Beaufort in November 2001. We have quickly reached the
8 production rate of 76,000 barrels of oil a day while we
9 import and inject over 70 million standard cubic feet of
10 Prudhoe Bay gas as part of the Enhanced Oil Recovery
11 Project. North Star oil production comes from the
12 offshore of the Ivashak Reservoir that's part of the same
13 formation produced by the Prudhoe Bay field. The North
14 Star field is expected to produce economically for at
15 least 16 years.

16 But the history of pursuit of North Star
17 production dates back to the exploration of other
18 operators beginning in the early '80s. In fact, eight
19 exploration wells were drilled over many years and
20 evaluation was done for a number of years before the
21 investment of offshore development was undertaken by BP.
22 The level of long-term determination to solve daunting
23 development challenges can only exist in an economic
24 client that provides confidence in the fundamental
25 stability of the business environment.

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1 The 30 year renewal of the Trans-Alaska
2 Pipeline Right of Way is crucial to provide the economic
3 stability necessary for the determined pursuit of the
4 future challenges of North Slope development. It's never
5 been easy to develop oil on the North Slope and we
6 continue to develop technology and build on our past to
7 extend the future of oil and gas recovery on the Slope.
8 To meet the challenges of the future, the industry will
9 require the stable transportation structure that has
10 existed to date.

11 Thank you.

12 HEARING OFFICER GEARY: Thank you, Mr.
13 Gunkel. Bob Henrichs. I apologize, I went by Bob. 00194

14 MR. HENRICH: I'm Bob Henrich. I'm
15 president of the Native Village of Eyak, the largest
16 tribe in Prince William Sound. Thank you for the
17 opportunity to speak tonight.

18 Our tribe was heavily impacted by the oil
19 that was carried through the Trans-Alaska Pipeline.

20 In previous hearings our staff has
21 assured us -- or me, the Native Village of Eyak Staff
22 that they will get through the entire Environmental
23 Impact Statement and we'll get our concerns in before the
24 45 day comment period is up. Knowing we have resources
25 that others don't in our region, we have offered

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1 technical assistance to the other tribes and
2 organizations in our region. In Glennallen, we extended
3 the offer of technical assistance to Prince William Sound
4 Regional Citizen's Advisory Council. Tonight we'll
5 extend the offer of technical assistance to Argonne Labs.

6 Now, I will get into my written
7 statement. Section 3.25.1.2 inaccurately portrays events
8 related to the passage of the Alaska Native Claims
9 Settlement Act. It does not accurately reflect that
10 there were many Alaska Natives left out of the process of
11 the passage of ANCSA or the fact that the sovereignty of
12 Indian tribes is inherent. IT did not emerge as the
13 Draft EIS repeatedly states, with the passage of ANCSA.

14 The Draft EIS incorrectly states that
15 with the onset of statehood, land claims became an area
16 of dispute and Alaska Natives began to organize
17 themselves. (Section 3.25.1.2, Page 3.25-15) Tribes had
18 long before filed land claims that had never been
19 addressed or resolved by the Federal government. Neither
20 statehood nor pipeline construction was the original
21 impetus for land claims. Aboriginal rights to land were
22 at the issue long before Alaska was a state. Further,
23 tribes have had extremely complex, organized social
24 structure and complex political systems since time
25 immemorial. The Europeans and the Americans did not

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1 introduce nor invent politics.

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(Cont.)

2 The Draft EIS implies that the village
3 and regional corporations disperse large amounts of cash
4 and land to individuals (Page 3.25-16). This is simply
5 not true.

194-4

6 The Draft EIS states as sociocultural
7 systems initially consisted of semi-nomadic egalitarian
8 bands with little formal organized leadership structure
9 and limited relationships to others outside extended kin
10 units and that the settlement into permanent villages
11 required the emergency of a leadership structure (Page
12 3.25-16). It has long been established that complex
13 leadership structures existed amount tribes and they were
14 not semi-nomadic but instead established traditional and
15 customary use areas better characterized as seasonal
16 occupation. The Draft EIS is also incorrect in stating
17 that the Indian Reorganization Act of 1934 established
18 elected formal tribal councils, concepts fundamentally
19 foreign to all of those sociocultural systems. Tribal
20 councils are an ancient form of government that have
21 existed as part of tribe sovereignty. Tribal councils
22 are not a foreign concept although state-chartered for
23 profit corporations were. The IRA of 1934 was merely the
24 Federal governments initial recognition in the law of
25 well established form of tribal government. It did not

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1 even anything, it described something that already
2 existed.

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(Cont.)

3 We disagree with the statement that
4 Alaska Native peoples today live in sedentary settlements
5 and maintain vestiges of their traditional sociocultural
6 system (Page 3.25-16). To characterize the wealth of
7 cultural values, resources, heritage, traditional and
8 customary use areas, homelands, subsistence harvest
9 techniques, Alaska Native languages, art, handicrafts and
10 oral history passed down from generation to generation
11 that is alive and well and has persisted despite attempts
12 to eliminate it as a vestige is an absolute insult to
13 tribes and aboriginal peoples across the world.

194-7

14 The Draft EIS incorrectly states that
15 those living in villages formally elect a village
16 governing body and are associated with both a village and
17 a regional corporation (Page 3.25-16) Federally-
18 recognized tribes are governed by elected tribal
19 councils. Those tribes may be in the middle of a
20 municipality or borough, they are not confined to
21 villages. Further, Federally-recognized tribes are not
22 associated with state-chartered corporations. In most
23 cases board members of the corporations are separate and
24 apart from tribal council members and tribal members may
25 or may not be shareholders and vice versa.

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1 The preparers of this Draft EIS obviously
2 have little to no knowledge of tribes in Alaska, their
3 history, pre-history and present day status.

194-9

4 Section 3.25.1.3 focuses on social
5 problems that befall not only Alaska Natives, but also
6 the world at large. The Draft EIS does not mention the
7 multitude of programs and services that tribes provide,
8 the progress that they have made and the fact that they
9 are leaders in research, health and social services. It,
10 instead, lists substance abuse and suicide as prevalent
11 and does little to place this in context with the larger
12 population or even to compare rates with Lower 48 tribes.
13 Citing rates of suicide and alcoholism among Alaska
14 Natives means little when it is not done in an
15 appropriate comparative manner. This section serves to
16 belittle Alaska Natives and to suggest that limited
17 financial resources are at the core of these problems and
18 that money would solve these problems. This comes on the
19 heels of extolling the virtues of Alaska Native
20 Corporations and all the economic benefit they have
21 brought. To state Alaska Natives experience high levels
22 of violence, substance abuse and behavior leading to
23 personal and social destruction (Section 3.25.1.3, Page
24 3.25-16) is misleading. These are social ills that plague
25 society as a whole and not solely Alaska Natives.

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1 Moreover, it is not quantified with appropriate
2 comparative statistical analyses as stated above. This
3 section also relies too heavily on one source for the
4 conclusions it draws.

194-10
(Cont.)

5 An Overview of Modern Alaska Native
6 Sociocultural Concerns and Benefits should include,
7 instead, the true concerns that were expressed again and
8 again by tribes and individual Alaska Natives,
9 subsistence has been affected and will continue to be
10 affected by TAPS and mitigation with tribal involvement
11 must be implemented to deal with it effectively. If this
12 section is an attempt to convey the present day status of
13 tribes in Alaska, it has failed miserably.

194-11

14 Thank you for listening to the Native
15 Village of Eyak's comments and concerns.

16 HEARING OFFICER GEARY: Thank you, Mr.
17 Henrich. I'll mark your comments tonight as Exhibit 33.

18 (Hearing Exhibit 33 marked)

19 HEARING OFFICER GEARY: Michael Kean,
20 please, number 23. 00195

21 MR. KEAN: Good evening. I'd also like
22 to thank you for the opportunity to speak for, not only
23 myself, but for everybody in the audience. I speak
24 tonight on behalf of the Anchorage Economic Development
25 Corporation. My name is Michael Kean, I'm the

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1 transportation director and we're speaking in favor of
2 the DEIS. And I'll leave a copy of the comments from the
3 Anchorage Economic Development Corporation.

4 The Anchorage Economic Development
5 Corporation strongly supports the 30 year renewal
6 alternative of the Trans-Alaska Pipeline Right of Way
7 renewal Draft Environmental Impact Statement. This is
8 simply a renewal of the permit to operate an existing
9 pipeline over Federal and State land. The AEDC believes
10 the permit renewal process should be straightforward and
11 sees no reason to prolong the process. The pipeline has
12 been in existence for 25 years and the companies involved
13 in its operation are large and experienced.

14 The oil and gas industry is a major
15 contributor to Alaska's economy. In Anchorage alone, the
16 oil and gas industry directly employs 2,367 people, pays
17 \$239 million in payroll and spends \$847 [sic] million for
18 goods and services annually. This industry is critical
19 to the long-term health and growth of Alaska's economy.
20 A renewal period less than 30 years would reduce growth
21 rates in gross state product, employment and income. Tax
22 revenues could also decrease which would increase annual
23 state budgets deficits and jeopardize existing services
24 and programs. The negative effects of a shorter renewal
25 to the public and private sector would be significant.

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1 A health economy and good paying jobs are
2 important components of a high quality of life. The oil
3 and gas industry is a large part of the local economy and
4 makes up the majority of our state revenue. The
5 additional jobs and revenue that this key industry brings
6 to our state helps to provide the programs and services
7 that we enjoy in Alaska. The oil and gas industry has
8 been a good corporate citizen. It has been a responsible
9 developer and has taken protective actions to safeguard
10 Alaska's wildlife and natural landscape.

195-4

11 A renewal period of less than 30 years
12 would also result in the oil and gas companies operating
13 in a riskier business environment which could result in
14 the companies reducing investments in the state. Also
15 Alaska competes with other global opportunities available
16 to these multi-national firms.

195-5

195-6

17 The AEDC supports the 30 year renewal
18 alternative of the Trans-Alaska Pipeline Right of Way
19 renewal Draft Environmental Impact Statement. In order
20 to successfully foster growth in Anchorage's economy we
21 must protect our major statewide economic drivers and
22 take the necessary steps to encourage their future growth
23 and development.

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24 I thank you.

25 HEARING OFFICER GEARY: Thank you, sir.

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1 I'll mark your comments as Exhibit 34.

2 (Hearing Exhibit 34 marked)

3 HEARING OFFICER GEARY: Jeannie Sayre,
4 number 24.

00196

5 MS. SAYRE: Hello. My name is Jeannie
6 Sayre and I used to work for the pipeline until I was
7 fired for whistleblowing.

196-1

8 A fellow testified earlier about how good
9 of a company Veco is. Veco fired me. Veco has two
10 Department of Labor complaints against them that were
11 found in my favor for retaliation, against individuals
12 who raise concerns on the pipeline. There is a third
13 outstanding decision that we were waiting on concerning
14 Veco and their inability to get along with individuals
15 who raise concerns on the pipeline.

16 Alyeska has a complaint against them that
17 was found in my favor. David D. Denardi, ALJ Judge found
18 that Alyeska had discriminated against me for raising
19 concerns on the pipeline. Alyeska was found guilty of
20 retaliation against me.

196-2

21 We have another one outstanding that we
22 haven't received a decision on regarding retaliation for
23 individuals who raise concerns on the pipeline.

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24 I raised concerns about the North Pole
25 metering facility not being in compliance with the

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1 current BLM Right of Way agreement. Specifically this
2 facility was a new metering facility that was going to
3 feed oil to the refineries in North Pole. It was a new
4 facility on the existing land. Veco wanted to close out
5 this project and turn it over or Triple-C it to Alyeska.
6 It was my job and I was asked by the ATL at Pump Station
7 Seven to review the documentation and see if this
8 closeout package was correctly done per the quality
9 program requirements, per code and per the Right of Way
10 agreement. I made up this list right here, it was passed
11 on to the folks at the JPO. The folks at the JPO did not
12 understand what was being said on this list so Joe Caria
13 had asked me to make it idiot-proof for him, to tell me
14 where Alyeska was in violation of their own quality
15 program, the Alyeska specifications and the Federal codes
16 and regulations. I turned this into the JPO, they were
17 going to investigate in conjunction with the State OSHA.
18 I was requested by John Stallone at the State OSHA
19 department to be there when they conducted this
20 investigation. I was deliberately kept from going out to
21 the North Pole metering facility and assisting two
22 individuals from OSHA who were investigating these
23 violations here.

24 This is the report the Joint Pipeline
25 Office had made regarding my concerns. This was in

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(Cont.)

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1 September of 2000. Yet nowhere in the weekly reports
2 that the Joint Pipeline Office sends to Congress will you
3 find any reference to this report where I got fired for
4 raising these concerns.

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(Cont.)

5 There is a lot of issues within this
6 report that are totally inadequate and inaccurate and the
7 reason they are that way is because there is not one
8 electrical designer or electrical engineer on staff at
9 the JPO. Now, you say that we have an electrical
10 inspector, that's like you saying that you have a
11 physician, you have an physician's assistant and you have
12 a radiologist. The radiologist reads X-rays, the
13 inspector does inspections. They physician's assistant
14 is underneath the control of a doctor, underneath their
15 supervision and the doctor is advising the physician's
16 assistant to prescribe medicine, do miner surgery or
17 whatever and that's the same relationship as the
18 engineer, the designer and the inspector. It is not the
19 inspector's decision to determine whether area
20 classification plan for the North Pole metering facility
21 is adequate or not. That is completely out of his area
22 of expertise. I had asked the engineer at Alyeska if he
23 had any training or if he knew of any engineer at Alyeska
24 that had training in determining area classifications at
25 North Pole metering, his response was no. And I got

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1 fired for raising these concerns.

2 I raised the concern that the North Pole
3 Metering Project which was one of the latest stellar
4 examples of Alyeska's inability to comply with the Right
5 of Way agreement, I pointed out that in the stipulation
6 on the Right of Way, 3.1 general, that underneath Section
7 3.2.1.1 it clearly states, all design, material and
8 construction, operation, maintenance and termination
9 practices employed in the pipeline system shall be in
10 accordance with safe and proving engineering practice and
11 shall meet or exceed the following standards and it goes
12 on to list the standards.

13 The North Pole Metering technology that
14 was in use was not tested, it was not proven and that is
15 why they had two years of this facility not working, in
16 direct violation of this existing Right of Way agreement.

17 You're asking that they extend this Right
18 of Way agreement, as is, for an additional 30 years, I
19 not only say no, I object to that, but I demand that you
20 establish a citizen's oversight agency to where people
21 like myself who raise concerns and who get fired or
22 receive discriminatory treatment can go to these
23 individuals if they can't go to their supervisor, if they
24 can't go to Alyeska's ECP, if they won't go to the Joint
25 Pipeline Office because of their history and their record

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(Cont.)

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1 of being Alyeska's lap dog. This citizen's oversight
2 committee would be one last avenue for individuals to
3 express concerns in order to have an open work
4 environment and to make this pipeline a safe effective
5 way to move oil from Valdez onto the terminal.

6 I'm not in any way, shape or form against
7 development of oil in this state, but we need to put
8 somebody in charge of the fox that's guarding the hen
9 house and that person or that group would be a citizen's
10 oversight committee.

11 Thank you for listening to me and I
12 appreciate your hearing my comments. I will write a
13 written form later on and submit it.

14 Thank you.

15 HEARING OFFICER GEARY: Thank you. I've
16 been asked to take somebody out of order for medical
17 considerations, we'll do that at this time and we'll take
18 a break immediately thereafter. Tom Lakosh. 00197

19 MR. LAKOSH: Thank you for this
20 opportunity to testify. My name is Tom Lakosh, P.O. Box
21 100648 Anchorage, Alaska 99510, phone/fax 563-7380.

22 I'd like to adopt and incorporate other
23 documents into my testimony today. These documents are
24 in possession of the JPO and its member agencies. The
25 DEC held documents include the case file for 3AN-00-3683

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1 civil, 3AN-01-7993 civil, 3AN-01-11891 civil, 3AN-97-
2 02572 civil and it's the subsequent Supreme Court
3 decision in that matter, the BAT lawsuit S09619. The
4 administrative appeals to Commissioner Brown for the '97
5 and 2000 Valdez Marine Terminal approvals for their
6 contingency plans. I'd also like to adopt and
7 incorporate DNR documents including the decision and the
8 record of the decision and briefing in my appeal of the
9 '97 VMT C-plans. The decision was issued on 4/17/98.
10 And the record, the complete record, not the suppressed
11 record produced by BLM in the IBLA appeal 2002361 and the
12 IBLA appeal on the VMT contingency plan approval filed on
13 3/5/97 and all subsequent documents.

14 I'd also like to adopt and incorporate
15 the testimony of Joe Tracanna, it's probably the best
16 I've heard. It reminds me of a conversation I had with
17 John Shively when I was asking for new tugs, fire tugs at
18 the Valdez Marine Terminal and his first response was,
19 well, you know, who's got to pay for that, referring to
20 the cost that the State would incur through the TAPS
21 tariffs.

22 I'd also like to incorporate the oral and
23 written testimony given to date of Walt Parker, Dr. Riki
24 Ott, Stan Stephens and Richard Fineberg.

25 I ask that these documents be

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1 incorporated and most pertinent my pending appeal of
2 Jerry Brossia's recent approval of the TAPS contingency
3 plan. And it's particularly pertinent and consistent
4 with the comments which I adopted here, in that, there is
5 no seeming need to have compliance with the Right of Way
6 grant and stipulations prior to approval of contingency
7 plans.

8 I'll give you a primary example here. I
9 submitted comments to BLM and DEC on this. BLM is now
10 alleging, the BLM solicitor general is now alleging that
11 I wasn't a party to that proceeding, despite specific
12 comments which only I made and were mentioned in this
13 particular document dated April 4, 2002 by the authorized
14 officer, Jerry Brossia -- where I had suggested the use
15 of the unmanned aerial reconnaissance for a more timely
16 and consistent surveillance of the pipeline for spills
17 for security and so forth. And although the idea of UAV
18 was rejected, Mr. Brossia goes onto state, but the
19 concern for improved surveillance for oil spills is
20 valid, the work with JPO summarized in government letter
21 02-18-151 dated 2/4/02 needs to be finalized. Leak
22 detection needs a significant enhancement ability in the
23 next one or two years at high risk areas. So the
24 authorized officer is saying, oh, no, we'll approve your
25 c-plans, we'll approve c-plans for the next two years and

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1 we'll approve your renewal of lease but you really don't
2 have to comply with the lease provisions which require
3 detection of spills and you allowed a two year lag time
4 for meeting the grant provisions. And it also goes on to
5 say this work also needs to be part of your
6 reconfiguration plan.

7 And I bring up this issue of spill
8 response which all of these documents refer to and
9 deficiencies therein and as you may have seen and as the
10 DEIS cites, the Supreme Court decision in my case S09619
11 where the Supreme Court found that the DEC regulations
12 did not comport with the plain meaning of the statute
13 requiring the best technology available at the time a
14 contingency plan is submitted or renewed.

15 Now, I say that not only in relation to
16 the DNR determination regarding renewing of the lease,
17 but there is similar standards in the Right of Way grant
18 as well, in that, there has to be permittee shall manage
19 with sound....in accordance with sound engineering and
20 practice to the extent allowed by the state of the art
21 and development of technology.

22 Now, Mr. Jones of Alyeska was stating
23 that Alyeska's recognized as the leaders in technology
24 throughout the world and lest we forget Alyeska's idea of
25 state of the art technology in 1989 was one dinky barge

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(Cont.)

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1 with a hole in it on the beach under seven feet of snow.
2 And although they've improved their quality of equipment
3 somewhat it still leaves many gaps when there is
4 absolutely no possibility of mitigating damage from oil
5 spills whatsoever. Recent DEC personnel that were
6 pushing the fact that there is still no ability to
7 respond to oil spills in North Slope waters when ice is
8 present was recently let go and before that she had put
9 restrictions on when North Star could be drilling out
10 there and probably McCovey as well. But that has never
11 been translated by the authorized officer into his
12 mandate to ensure that there be specific steps taken to
13 avoid damage to resources and where there is no ability
14 to recover oil spills whatsoever in break up conditions
15 along the pipeline, he still allows the oil to flow.
16 There's absolutely no way to mitigate damage to the
17 subsistence uses and other uses of natural resources that
18 are protected by the grant, by Federal law, by ANILCA, by
19 the State Constitution, by the ACMP and so we have a
20 situation here where there is a total disregard for the
21 requirement to stop oil when they can't recover it during
22 a spill.

23 I've talked to reviewers of spill
24 technology around the world and, in particularly, at MMS,
25 just recently I was speaking to the manager of the Omset

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(Cont.)

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1 facility (ph) for MMS who was saying that the ACS
2 equipment on the North Slope to work in ice-bearing
3 waters was a joke. A little grill that's placed in front
4 of a brush skimmer has absolutely no capability to get
5 oil to the brush skimmer. It would stop the oil before
6 it ever got to the collection point.

197-7
(Cont.)

7 Now, the industry has been researching a
8 project called moreice (ph), which would tractor that --
9 using a conveyor belt, tractor the ice out of the way and
10 spray some of the oil off of it, but they've been doing
11 this since '95 and now they're only getting to the point
12 where they're writing the report on this. In that period
13 of time they could have built two pipelines end on end.
14 So when the industry wants to build its pipeline or
15 develop petroleum resources, it uses its heavy lift
16 helicopters, it uses the biggest, badest construction
17 equipment, the most qualified personnel, but when it
18 comes to protecting our resources in accordance with law
19 and our constitution, we get a barge with a hole in it
20 under snow. And there is a clear mandate to the
21 authorized officer to make an assessment of technology,
22 not only in Paragraph 3 on Page 1 of the Right of Way
23 grant, but also in Section 9, Section 24, Section 30,
24 grant stipulations, 1.3.2, 2.2.1.1, et cetera, et cetera.
25 It's all in the notice of appeal listed for your

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1 consideration as adopted and incorporated.

2 HEARING OFFICER GEARY: Thank you for
3 your comments Mr. Lakosh.

4 MR. LAKOSH: Lakosh.

5 HEARING OFFICER GEARY: We'll now take a
6 10 minute recess and reconvene in 10 minutes. Off
7 record.

8 (Off record)

9 (On record)

10 HEARING OFFICER GEARY: We're back on the
11 record. The next speaker -- before I get to the next
12 speaker, we had a submittal for an exhibit to this
13 hearing from Bob Reynolds statement and I've entered that
14 and marked it as Exhibit 35.

15 (Hearing Exhibit 35 marked)

16 HEARING OFFICER GEARY: The next speaker
17 is Bill Warnock, number 25. 00198

18 MR. WARNOCK: Good evening. My name is
19 Bill Warnock. I'm an intern at Trustees for Alaska, a
20 non-profit environmental law firm that works solely to
21 protect Alaska's natural environment.

22 Trustees has a long history of working to
23 ensure the Trans-Alaska Pipeline system or TAPS operate
24 safely and with the best interests of Alaskans and the
25 environment in mind. In fact, Trustees for Alaska was

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1 founded in 1974 in order to provide support to
2 environmental organizations and community groups
3 concerned about the impacts of the construction of TAPS
4 on the environment.

5 Thank you for the opportunity to comment
6 tonight.

7 I'll direct comment towards the TAPS
8 Right of Way renewal and Impact Statement. In addition
9 to this oral testimony we will soon be submitting written
10 comments.

11 First let me begin by saying that the
12 Department of Interior rejected our requests for an
13 extended public comment period refusing to extend the
14 comment period from 45 to 90 days. We're disappointed
15 with this rejection particularly in light of the broad
16 coalition who sought expanded public process,
17 conservation groups, Alaska Native organizations and
18 community groups. This rejection will hamper the
19 public's ability to provide valuable comment on the Draft
20 EIS. More time is simply necessary to comment
21 intelligently on an issue of such severity as renewing
22 the TAPS Right of Way.

23 Next, I'd like to discuss the limited
24 scope of the Draft EIS. The TAPS Draft EIS fails to
25 comply with National Environmental Policy Act regulations

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1 outlining the requirements for an EIS because it
2 considers an unreasonably narrow scope of impacts. NEPA
3 regulations require the Department of Interior to
4 consider direct, indirect and cumulative impacts of the
5 proposed action in the alternatives. However, the TAPS
6 Draft EIS constricts the scope of the impact so narrowly
7 that it fails to consider the full geographic area and
8 the full length of time that the proposed action will
9 affect. Courts have interpreted NEPA as requiring
10 agencies to examine site specific impacts when the agency
11 makes a, quote, critical decision, to act on the physical
12 site. Because the TAPS cannot continue to operate unless
13 the Department of Interior renews the lease, this action
14 represents a critical decision and therefore requires the
15 Department of Interior to examine site specific impacts.

16 Nonetheless, the Department of Interior
17 fails to evaluate numerous impacts of renewing the lease.
18 One of these overlooked impacts is that over the next 30
19 years for which the Interior is proposing to renew the
20 Right of Way we can expect the number oil spills to
21 continue at the rate witnessed during the previous 25
22 year period, that is, 1,500 North Slope crude oil spills,
23 2,300 diesel fuel spills and more than 70 saltwater
24 spills.

25 The scope of direct, indirect and

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1 cumulative impacts that the Department of Interior must
2 consider also includes chronic maintenance failures on
3 the pipeline system. For example, restart problems have
4 consistently caused oil spills at remote pump stations.
5 The Federal head of the Joint Pipeline Office himself
6 called one such restart which led to three remote oil
7 spills last September, quote, sloppy.

198-4
(Cont.)

8 Another threat to the integrity of the
9 TAPS is the failure of TAPS emergency response system to
10 stop oil leaks. In October 2001, TAPS owners response
11 system failed for 36 hours to plug a leak caused by a
12 bullet hole. If emergency response plans cannot protect
13 the pipeline from a stray bullet, one should question
14 whether the emergency response actions could effectively
15 prevent disaster in the face of seismic incident or
16 permafrost heaving.

198-5

17 Another overlooked impact is the effect
18 of the marked warming trend of the past 20 years in
19 Alaska on the TAPS above ground support system in
20 combination with the seismic risks that are greatest in
21 the southern portion of the pipeline where structures
22 built on permafrost are most vulnerable to the effects of
23 climate change.

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24 By failing to consider these vast
25 temporal and geographical impacts of the proposed action,

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1 the Draft EIS fails to meet the requirements of NEPA.
2 Furthermore, the failure to consider all the impacts of
3 the proposed action prevents the agencies from evaluating
4 the reasonable range of alternatives they're required to
5 consider.

198-7
(Cont.)

6 Next, I'll discuss the improperly limited
7 purpose and needs statement in the Draft EIS. NEPA
8 requires the Department of Interior to specify the
9 purpose and need for the Environmental Impact Statement.
10 How the agency defines the purpose and need establishes
11 what range of alternatives the agency must consider. So
12 agencies largely control the range of alternatives for
13 consideration by how they define the purpose and need for
14 the Impact Statement.

198-8

15 The TAPS Draft EIS identifies the purpose
16 and need of the document so narrowly as to ignore the
17 alternative options to simply renewing the Right of Way
18 in its present form. Courts have held that the
19 Department of Interior cannot define its objective in
20 unreasonably narrow terms warning agencies not to define
21 the purpose and need of an impact statement so as to
22 fulfill their own agency prophecies. However, the TAPS
23 Draft EIS excludes alternatives not proposed in the TAPS
24 owners application for lease renewal. The TAPS Draft EIS
25 defines the purpose and need as, quote, to assess the

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1 positive and negative environmental, social and economic
2 impacts associated with the application for leases
3 renewal.

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(Cont.)

4 This purpose and needs statement limits
5 the range of alternatives to a consideration of whether
6 to grant the renewal. Instead the Department of Interior
7 should have examined alternatives in addition to whether
8 to renew the lease. By defining the purpose of the study
9 to exclude alternatives not included in the application
10 for renewal, the Draft EIS fails to meet the requirements
11 of NEPA.

198-9

12 Finally, I'll discuss the Impact
13 Statement's failure to evaluate a reasonable range of
14 alternatives. The TAPS Draft EIS appears to run afoul of
15 NEPA by failing to evaluate all reasonable alternatives
16 to the proposed action. NEPA requires the Department of
17 Interior to evaluate a reasonable range of alternatives
18 in addition to the proposed action.

198-10

19 For example, NEPA regulations require the
20 Department of Interior to, quote, rigorously explore and
21 objectively evaluate all reasonable alternatives, end
22 quote. Agencies must explore reasonable alternatives
23 even if they are outside the jurisdiction of the agency.
24 Further, agencies must evaluate the alternative of taking
25 no action. The TAPS Draft EIS evaluates only three

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1 alternatives.

2 Renewing the Right of Way for 30 years.

3 Renewing the Right of Way for less than
4 30 years.

5 Or not renewing the Federal Right of Way.

6 This list of three options does not
7 explore the full reasonable range of alternatives as
8 required by NEPA.

9 Scoping comments submitted to the
10 Department of Interior suggested several reasonable
11 alternatives to the proposed action. Among the
12 reasonable alternatives ignored by the Department of
13 Interior are:

14 1. Establishment of citizen's oversight
15 group. Such a group is necessary to ensure that the
16 pipeline is maintained and operated in a manner that
17 safeguards the natural resources of Alaska and ensures
18 the safety of continued oil shipment. Citizen's
19 oversight of TAPS was raised by an overwhelming number of
20 comments at the scoping stage, yet the Draft EIS refuses
21 to consider this as an alternative measure in lease
22 renewal.

23 2. The Draft EIS does not evaluate the
24 suggested action of requiring TAPS owners to deposit
25 funds for the dismantlement, removal and restoration or

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(Cont.)

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1 DR&R of TAPS. TAPS owners are required to pay for the
2 removal of TAPS infrastructure and these companies have
3 collected funds for DR&R from oil shippers on an
4 accelerated basis since 1977 totally \$1.6 billion.
5 However, instead of setting aside these funds to ensure
6 that they were available when needed, the TAPS owners
7 have passed them on to their parent companies creating a
8 windfall for the oil companies. These unintended
9 beneficiaries are reaping the interest earned on these
10 funds required to finance TAPS DR&R. However, there's
11 nothing to ensure that these companies will manage these
12 funds so that when it's time to remove the TAPS the
13 required funds will be available to restore the land to
14 its previous state. Especially in this time of corporate
15 mismanagement of funds requiring the TAPS owners to
16 deposit DR&R funds is an option which the Department of
17 Interior must evaluate. To provide funds to ensure safe
18 and environmentally sound operation of TAPS, TAPS owners
19 should be required to A) place funds necessary for DR&R
20 into an escrow account and B) contribute a small portion
21 of the excess income they will earn from past DR&R
22 collections to establish the citizen's oversight group
23 ensuring that this money is actually is available rather
24 than just available in financial statements will protect
25 the State and Federal land over which the pipeline

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1 crosses by guaranteeing the facilities will be taken care
2 of at the end of their life.

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(Cont.)

3 The Department of Interior decided not to
4 evaluate the alternative establishing an escrow account
5 with DR&R funds because doing so would require further
6 administrative process. However, NEPA requires the
7 Department of Interior to consider reasonable
8 alternatives even if they would cause administrative
9 difficulty. Therefore, the Department of Interior must
10 perform its statutory duty of evaluating its alternative
11 in the Final Environmental Impact Statement.

198-13

12 The entire purpose behind the National
13 Environmental Act is so broad and sometimes myopic view
14 of agencies focused on completing a proposed action, if
15 the Department of Interior fails to consider the mandated
16 reasonable range of alternatives and makes a sham out of
17 the law, for this reason the Department must broaden the
18 scope of its analysis, expand the purpose of the needs
19 statement and most importantly evaluate the full
20 reasonable range of alternatives.

198-14

21 In closing, let me emphasize the
22 importance to Alaskans, the Alaska economy and the
23 state's natural environment of the DR&R funds. If the
24 Draft EIS does not responsibly evaluate the option of
25 requiring the deposit of DR&R funds into an escrow

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1 account, it will not meet the NEPA requirement of
2 evaluating the range of reasonable alternatives. By not
3 requiring the deposit of funds, the Department of
4 Interior may not be able to collect the required funds
5 when they are needed. This shortcoming of the Impact
6 Statement could prevent the success removal of TAPS and
7 the required restoration of the affected lands to their
8 previous state and this way, the inadequacy of the Impact
9 Statement could cause serious harm to Alaskans and to the
10 state in the future.

11 Again, thank you for this opportunity to
12 provide public comment.

13 HEARING OFFICER GEARY: Thank you. Lois
14 Epstein, number 26. 00199

15 MS. EPSTEIN: Good evening and thank you
16 for offering the Anchorage public this opportunity to
17 provide comments on the Draft Environmental Impact
18 Statement for the Trans-Alaska Pipeline system Right of
19 Way renewal and for staying awake after many hours of
20 testimony.

21 As many commenters have pointed out,
22 given the issuance of the Draft EIS during the Alaskan
23 summer and its extensive length, Cook Inlet Keeper, like
24 others needed more time for adequate review and input on
25 the draft document for both this hearing and for final

198-15
(Cont.)

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1 submittal of comments. The Bureau of Land Management's
2 contention that because TAPS does not involve new
3 construction, it requires less public review is belied by
4 development of a four volume Draft EIS rather than, for
5 example, a 20 page document. With that background, I'll
6 provide you with my preliminary comments on the Draft
7 EIS.

8 My name is Lois Epstein and I am a
9 licensed senior engineer with Cook Inlet Keeper in our
10 Anchorage office. Prior to my joining Keeper I was a
11 senior engineer for over 13 years with Environmental
12 Defense, a national environmental advocacy organization
13 with approximately 300,000 members nationwide. My
14 background is in both mechanical engineering and I have
15 worked on technical and policy issues involving pipelines
16 for approximately seven years and on environmental
17 issues, in general, for 18 years in the private sector
18 and the Federal government and for two non-profits, which
19 I mentioned. Currently I serve on the U.S. Department of
20 Transportation, Office of Pipeline Safety's Federal
21 Advisory Committee for Hazardous Liquid Pipelines.

22 In previous Congressional and other
23 testimony and comments to Federal and State agencies,
24 I've identified numerous shortcomings of Federal pipeline
25 safety and environmental protection requirements and

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1 their enforcement. My analyses of pipeline regulatory
2 and oversight deficiencies are based largely on the work
3 of the National Transportation Safety Board, the U.S.
4 Department of Transportations Inspector General and the
5 U.S. General Accounting Office. Given the well
6 recognized deficiencies in pipeline safety and
7 environmental protection, the nearly 30 year old nature
8 of the Federal grant and State lease stipulations and the
9 focus of the Joint Pipeline Office on compliance rather
10 than continuous improvement and performance, it's clear
11 that the stipulations require extensive review, updating
12 and filling of gaps prior to finalizing the EIS. Only by
13 strengthening the stipulations to address current
14 technologies and circumstances will the public gain
15 confidence in both government and Alyeska's ability to
16 remedy the safety, environmental and economic
17 consequences from an accident, those concerns posed by
18 TAPS.

199-2

19 My comments address the following issues.

- 20 1. The need for revised stipulations.
- 21 2. Why BLM must not ignore JPO and OPS'
22 difficulties in ensuring pipeline safety and
23 environmental and economic protection.
- 24 3. The need for spill scenario revisions
25 as they are discussed in Section 4.4 of the Draft EIS.

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1 4. The need for a shorter renewal
2 period.

3 1. Stipulations. The 30 year old
4 stipulations are in many respects out of date and thus,
5 do not sufficiently prevent pipeline accidents. As
6 examples, the stipulations contain nothing on pipeline
7 leak detection and the appropriate sensitivity needed,
8 nothing on internal pipeline inspections using high
9 resolution smart pigs and nothing on ensuring structural
10 integrity related to climate change. The EIS process
11 needs to include an alternative that contains a full
12 review of the stipulations with an eye toward updating
13 and filling the gaps in this 30 year old document.

199-3

14 2. BLM as gatekeeper. When accidents
15 incur on pipelines that disrupt flow, the economic
16 consequences for downstream consumers can be significant.
17 For example, according to the Energy Information
18 Administration, the El Paso pipeline rupture in August
19 2000 substantially increased natural gas costs in
20 California and I have a citation in my written material.
21 Likewise, failures of the Explorer pipeline in Texas and
22 the Wolverine pipeline in Michigan contributed to high
23 gasoline prices to consumers in the summer of 2000 in the
24 Chicago and Detroit areas, respectively, thus, although
25 BLM is not directly responsible for preventing pipeline

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1 accidents, its role as, quote/unquote, gatekeeper and
2 granting Right of Way authorization means that it has
3 some responsibility for protecting economic as well as
4 safety and environmental interests. If those interests
5 are not sufficiently protected by JPO and OPS, BLM needs
6 to impose accident prevention conditions through specific
7 stipulations on TAPS. Such stipulations differ from the
8 updating and gap filling mentioned earlier and include
9 identification and widespread use of the most advanced
10 technologies for leak detection, repairs, support
11 structure movement detection, strain detection, in line
12 inspections, shut down technologies following release
13 detections and fail safe mechanisms for start up and
14 ongoing operations.

15 3. Spill scenarios. The Draft EIS used
16 poor widely-critiqued U.S. Department of Transportation
17 data for its spill scenarios. BLM's contractor should
18 not have used DOT natural gas transmission data at all in
19 its analyses and the DOT hazardous liquid pipeline are so
20 poor that the industry reanalysis of these data done by
21 the American Petroleum Institute is far preferable and
22 what is commonly used for analysis purposes and, again, I
23 have a citation for that. Additionally, historic data
24 may be inapplicable in cases where climate change related
25 accidents might occur. Scenario 15 in the EIS, for

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(Cont.)

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1 example, focuses on a, quote, leak due to pipeline
2 settlement or subsidence, unquote, which may not be a
3 quote/unquote, unlikely occurrence in the future though
4 it is classified as such in the Draft EIS.

199-6
(Cont.)

5 Keeper urges BLM to redo Section 4.4 of
6 the Draft EIS taking into account these comments.

7 4. Renewal Period. Keeper believes
8 there is great value in a renewal period of five to 10
9 years which is not adequately recognized in the Draft
10 EIS. A shorter renewal period can accomplish several
11 purposes.

12 1. It can serve as leverage to obtain
13 better performance by Alyeska prior to the next renewal.

199-7

14 2. Increase monitoring of pipeline
15 components likely to impacted by climate change such as
16 vertical support members and those likely to be impacted
17 by age-related factors and I understand that not all
18 pipeline components fall into that category. Increased
19 monitoring can occur and conditions can be placed on TAPS
20 to address these factors more frequently than with a 30
21 year renewal.

22 3. More frequent review and requirements
23 for the use of advanced technologies could occur.

24 Keeper notes that the Draft EIS does not
25 sufficiently describe the environmental benefits

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1 achievable with a shorter renewal period including fewer
2 spills, less air pollution and likely reduced impacts
3 from climate change due to U.S. based contributions
4 should the pipeline prior to 30 years of additional
5 operations.

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(Cont.)

6 Finally, in the interest of confronting
7 statistics with statistics, the reliability figures for
8 TAPS quoted here today are misleading, at best. The
9 Exxon Valdez spilled less than two percent of one day's
10 oil use in the United States yet no one would argue that
11 that size spill was acceptable. Where and when a spill
12 occurs are what's important.

199-9

13 Thank you very much for this opportunity
14 to provide comments on the TAPS Right of Way renewal
15 process. I'll give you a copy of my remarks.

16 HEARING OFFICER GEARY: Thank you. I'll
17 mark those as Exhibit 36.

18 (Hearing Exhibit 36 marked)

19 HEARING OFFICER GEARY: Jed Whittaker,
20 number 27. 00200

21 MR. WHITTAKER: Hello. My name is Jed
22 Whittaker.

23 My find this hearing is kind of a deja-vu
24 thing because when British-Petroleum was trying to
25 acquire ARCO it would have created a monopoly on the

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1 North Slope and our Governor, who is pretty much owned by
2 British-Petroleum had a public hearing that was
3 perfunctory, it was just to go through the process, it
4 didn't affect anything and thank God there's something
5 called the Federal Trade Commission which required
6 British Petroleum to sell off part of the assets of ARCO
7 so that there would be competition on the North Slope.
8 Why is it deja-vu? It's deja-vu because you get the oil
9 industry people coming and they tell you all these
10 wonderful things and everything is rosy. And if you
11 believe them it would have been okay for BP to buy ARCO
12 and then we wouldn't have any competition on the North
13 Slope.

14 This hearing tonight is very similar
15 because there isn't an EIS here in this room. You say
16 you welcome the public to come and talk to you about this
17 but the document is not in this room. I can't look at
18 it. I can't refer to it, okay. And most people don't
19 read the Federal Register. It's only been roughly 30
20 days since that happened. And I think this idea of
21 rejecting additional comment period is ridiculous.
22 Because like you measure twice and cut once.

23 The thing about oil when it spills, it's
24 a mess, you can't clean it up. So everything you can do
25 to prevent spills is beneficial, okay. And I don't think

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1 that it is detrimental to the overall process. You're
2 not going to stop the flow of oil while this is reviewed
3 for an extra amount of time to prepare and make certain
4 to do the best possibly job to make sure that we don't
5 have any oil spills.

6 I mean if you look at the history of it,
7 the oil industry does not have a good track record.
8 Exxon lied. Alyeska lied about the contingency plan and
9 they were not capable of doing anything to clean up the
10 Exxon Valdez, you know.

11 And the industry itself does not act like
12 good corporate citizens. Nobody went to jail from the
13 Exxon Valdez spill but it's a crime to spill oil. If you
14 or I went out and did it and the Coast Guard saw you, we
15 could go to jail but nobody went to jail on that, you
16 know. And over this last decade with all the fraud in
17 corporations and what not, WorldCom executive finally got
18 arrested, but still nobody has gone to jail for this
19 crime that was committed in 1989. And so the industry is
20 saying to you, yes, trust us, trust us, we'll do this and
21 we'll do right by you when the facts are different, they
22 have not done right by us. There's \$5 billion in
23 outstanding damages from the Exxon Valdez that Exxon has
24 fought tooth and nail all the way and those people may
25 never see their money but they were damaged. They were

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1 damaged. And that's not what integrity is all about.

2 I see your role in this is to protect
3 little people because the big people walk all over the
4 little people all the time. And that's what the oil
5 industry is in this state, they control our Governor,
6 they control our Legislature. They make tremendous
7 political contributions that your average person doesn't
8 make. They have an inordinate amount of power, okay. So
9 I see you as having an opportunity to make amendments to
10 make improvements, not just rubber-stamp this pipeline
11 renewal, but to say, you know, we think we -- you know,
12 oil is good, let's let the oil flow but we need to make
13 improvements, we need to make a lot of improvements.

14 Thank you very much for your time.

15 HEARING OFFICER GEARY: Thank you for
16 your comments. Bob Stinson, number 28. 00201

17 MR. STINSON: Good evening. My comments
18 will be brief so as not to be redundant with some of the
19 other speakers that have spoken in support of the Right
20 of Way renewal tonight. My name is Bob Stinson. I'm
21 president of the ConAm Construction Company in Anchorage.
22 I'm also the current president of the Alaska Support
23 Industry Alliance for which we had a speaker here
24 previously. I'm here to say a few short comments in
25 support of the Trans-Alaska Pipeline Right of Way renewal

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1 and I'll be speaking to the Draft EIS.

2 As a person who worked on the
3 construction of the pipeline and have continued to work
4 in Alaska for the oil and gas industry, specifically on
5 design and construction of pipelines, other pipelines
6 here in Alaska, I can attest to the integrity of the
7 Trans-Alaska Pipeline system. It is the safest pipeline
8 in the United States with regard to leaks or spills
9 measured by barrels per delivered mile. IT continues to
10 operate safely and will continue to do so well over the
11 next 30 years.

201-1

12 I've worked as an Alaskan resident
13 directly or indirectly for the pipeline and the Prudhoe
14 Bay oil fields for 27 years. 27 years ago my hair was a
15 lot darker brown than it is now and for the record, since
16 I'm not going to be submitting these as written comments,
17 it's white now. In reference to a previous comment about
18 the pipeline aging, I've aged, obviously 27 years, and if
19 I'd have aged like the pipeline, my hair would probably
20 still be brown today.

201-2

21 The oil fields and the pipeline have
22 provided the only income for me and my family and can
23 continue to do so without harming the environment for
24 many years to come. The pipeline has also provided
25 income to the state of Alaska. Without the pipeline the

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1 economy and the lives of the people in Alaska would be
2 devastated.

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(Cont.)

3 With regard to some comments made earlier
4 about recommended oversight, citizen's oversight
5 committee or organization, an organization of that type
6 on the Alyeska Pipeline Service Company's operation of
7 the pipeline and the Joint Pipeline Office's regulatory
8 function is not necessary, in fact, it is redundant.
9 Citizen's elect representatives to both our State and
10 Federal governments to provide regulatory oversight
11 through the Joint Pipeline Office. Why reinvent the
12 wheel plus add costs and bureaucracy to a system that has
13 been scrutinized more than any other pipeline in the
14 world. People who propose that idea should focus their
15 efforts on other areas of the world that are far behind
16 Alaska's world class oil and gas industry. They should
17 also use Alaska and the Trans-Alaska Pipeline system as
18 the benchmark for environmental and safety performance.

201-4

19 I urge you as an Alaskan resident and
20 someone who relies on the pipeline for my livelihood as
21 someone who is concerned with the Alaskan environment and
22 as someone who helped build the pipeline to grant an
23 extension to the TAPS Right of Way for another 30 years.

201-5

24 Thank you.

25 HEARING OFFICER GEARY: Thank you for

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00202

1 your comments. Jim Gilbert, number 29.

2 MR. GILBERT: Thank you. And good
3 evening. My name is Jim Gilbert. I'm the president of
4 Udelhoven Oil Field Services Incorporated and I am
5 commenting on the Draft EIS application and submittal.

6 We, too support a 30 year renewal. We
7 have high confidence based on the past 25 years of
8 operation. Alyeska has been a good corporate citizen and
9 a good manager of the pipeline. The safety record and
10 the spill record are an exemplary example, they are
11 without equal in the industry.

12 25 years of operation in many pristine
13 environments with little or no long-term damage. I
14 consider that an excellent record.

15 Thank you for your time. And please note
16 that we do support the 30 year EIS ROW renewal. Thanks.

17 HEARING OFFICER GEARY: Thank you for
18 your comments. Kevin Meyers, number 30.

00203

19 MR. MEYERS: Good evening or, perhaps I
20 should say good night, hopefully it won't be good morning
21 before we're done here. My name is Kevin Meyers. I am
22 the president of Phillips Alaska, Inc. Tonight I will be
23 providing both verbal and written comments. First, I
24 want to thank you for your patience and perseverance in
25 listening to public comments tonight. In many ways I

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1 feel we've come to the point in the evening when just
2 about everything has been said but not necessarily
3 everyone has said it yet. Nonetheless, I'm going to add
4 my comments but I will follow the rules of Eleanor
5 Roosevelt and I will try to follow the three B's of
6 speaking and that is I will be brief, sincere and then
7 seated and hopefully in that order.

8 Phillips is the largest producer of oil
9 and gas in Alaska with production of 349,000 barrels of
10 oil equivalent per day. Our company has approximately
11 950 employees in the state and operates both on the North
12 Slope and on the Kenai Peninsula.

13 I'm here today to voice Phillips' support
14 for the 30 year Right of Way renewal for the Trans-Alaska
15 Pipeline system. Phillips is not only a 26.7 percent
16 interest owner of TAPS, but is also one of the original
17 six companies that joined together in 1969 to take on one
18 of the most challenging engineering feats ever
19 undertaken, that is the design and construction of TAPS.

20 Now, when I first joined ARCO in 1980,
21 the estimated recoverability from Prudhoe Bay was just
22 9.6 billion barrels of oil. I say just for 9.6 billion.
23 In 1997 we surpassed that target and currently believe
24 that we will ultimately produce over 13 billion barrels
25 from the Prudhoe Bay field alone. Now, Phillips holds a

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1 36.5 percent ownership in Prudhoe Bay.

2 Over the last 25 years of exploration on
3 the North Slope we've discovered and developed five of
4 the United States 10 largest producing fields, that's
5 Prudhoe Bay, Kuparuk, Point McIntyre, Endicott and
6 Alpine. The North Slope of Alaska currently produces 17
7 percent of our domestic production. And all of this
8 production flows to the market through the Trans-Alaska
9 Pipeline.

10 Clearly TAPS is an economic engine that
11 provides tax revenues for the State and the communities
12 along the pipeline corridor. In 2001, six communities in
13 the state of Alaska received more than \$60 million from
14 pipeline property taxes alone. The State and communities
15 also received an additional \$2.2 billion from corporate
16 income taxes, production taxes, royalty and other
17 property taxes paid by the oil and gas industry.

18 It's clear that the original engineers
19 designed TAPS for the long haul and with environmental
20 protection in mind. The pipeline was uniquely designed
21 for Alaska's harsh environment at an initial cost of 8.5
22 billion. This investment has paid off. TAPS has
23 operated safely for 25 years and this level of continued
24 safe operations could not have been achieved without
25 Alyeska's proactive maintenance programs which provide

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1 for continued investment in new and advanced
2 technologies. With this continued investment, TAPS will
3 operate safely for another 30 years.

203-3
(Cont.)

4 I would like to take a moment to address
5 the need for a 30 year renewal. Now, Phillips Alaska is
6 an exploration and production company. This year, we
7 will invest \$600 million in new exploration and
8 production projects on the North Slope. We're also
9 investing \$200 million in the construction of our five
10 new double-dull Endeavor-Class tankers.

11 These investments not only benefit us but
12 the benefit everyone in this room through State and
13 Federal revenues and jobs, not just today but for years
14 to come.

203-4

15 Our Alaska projects, of course, must
16 compete for capital dollars with other worldwide
17 exploration and production opportunities. At Phillips
18 Alaska we recognize this and work very hard to reduce our
19 costs while simultaneously maintaining the integrity of
20 our assets and improving our safety and environmental
21 performance. Maintaining a stable, low cost
22 transportation system is critical to our ability to
23 attract new investment in Alaska.

24 Our investments in exploration occur
25 years before a field starts producing oil. In the oil

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1 and gas industry you have to believe that the future has
2 enough certainty to justify the billion dollar
3 investments required by new fields like Alpine. You have
4 to have confidence in your transportation system and
5 assurance that you have a stable fiscal and regulatory
6 regime. Uncertainty in these areas decreases the
7 attractiveness of our investments.

203-4
(Cont.)

8 Extending the pipeline Right of Way for
9 less than 30 years will add uncertainty to oil and gas
10 development and investment in Alaska and will make Alaska
11 a less attractive place to explore. A reduced extension
12 will add unnecessary costs, is unnecessary and
13 unjustified.

203-5

14 Alaska continues to be an important
15 worldwide asset for Phillips Petroleum but we need
16 confidence that the U.S. government will continue to plan
17 and act in a manner that is consistent with the long-term
18 responsible development of Alaska's North Slope.

19 I urge you to renew the Trans-Alaska
20 Pipeline system Right of Way for a term of 30 years, not
21 only for the economic future of my company but for the
22 future of Alaska and generations yet to come.

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23 Phillips Alaska will be submitting
24 additional written comments during this public comment
25 period.

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1 Thank you very much.

2 HEARING OFFICER GEARY: Thank you, sir.

3 We'll mark this submittal as Exhibit 37.

4 (Hearing Exhibit 37 marked)

5 HEARING OFFICER GEARY: Tom Kuckertz,

6 number 31. 00204

7 MR. KUCKERTZ: Hi. My name is Tom
8 Kuckertz and I'm making these comments for the Prince
9 William Sound Regional Citizen's Advisory Council. I'm
10 also a licensed engineer in the state of Alaska.

11 Basically we want the DEIS to be right
12 and without errors because it's likely to become the last
13 word in publicly available information on TAPS.

14 The comment period of 45 days is
15 inadequate. We've talked about this before. But a
16 comment period this short, in effect, denies interested
17 citizens opportunity to participate in the public input
18 process. The purpose of the public comment period is to
19 give citizens the opportunity to provide information that
20 might affect the decision-making processes. Many of the
21 decisions that could benefit from citizen input already
22 appear to have been made. We note that the citizen input
23 process here appears to be a pro forma and it also
24 appears to be largely lacking in substance.

25 And just to illustrate the point, we have

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1 pictures of the DEIS as we've tried to analyze it and one
2 can very easily tell that looking at one of these in 45
3 days and getting all the substance out of it is pretty
4 much impossible.

204-2
(Cont.)

5 We now want to address some other issues
6 that we haven't looked at before. The DEIS places
7 considerable reliance upon data provided by Alyeska and
8 the owners. In citations of TAPS owners 2001A. This
9 is a draft environmental report provided by the owners
10 and in citations of personal communications.

11 Considerable amounts of data are taken from cited
12 literature. Data from recent measurements appear to be
13 used less frequently. Very little validation of the data
14 provided by the owners can be found in the DEIS. One
15 interesting aspect of TAPS owners 2001A is that it claims
16 to be a draft. It is unreasonable that the DEIS should
17 place so much use of a draft report, i.e., a report for
18 which the authors will not take responsibility and then
19 fail to include published works by experts. The TAPS
20 owners 2001A should not be used in the DEIS unless the
21 authors sign off on it.

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22 Equivalence of regulatory compliance and
23 environmental impact. Regulatory compliance has been
24 cited in the DEIS as an indication of lack of
25 environmental impact. These two concepts are not

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1 equivalent. It is important to know the environmental
2 impact associated with an operation regardless of whether
3 it's in compliance with existing rules and regulations.
4 In fact, new rules and regulations originate from
5 situations wherein adverse environmental impact is being
6 caused by a process that is in full compliance with
7 existing rules and regulations. The DEIS should
8 acknowledge the difference between regulatory compliance
9 and environmental impact and should not cite regulatory
10 compliance as evidence of benign environmental impact,
11 especially when evidence to the contrary exists.

12 Normal operations and off normal
13 operations. A considerable portion of the Draft
14 Environmental Impact Statement assumed that TAPS operates
15 normally in accord with its design basis assumptions.
16 The operational difficulties now occurring in the gravity
17 separation processes at the Balast Water Treatment
18 Facility indicate that this facility has not been
19 operated in full accord with its design for the previous
20 two years. Maintenance of fire protection assets has
21 been deferred to the extent that the probability that
22 some assets will work according to design is
23 questionable. Off-normal operations needs consideration
24 in the DEIS. A fairly egregious example can be cited.

25 During July 2002, RCAC became aware of an

204-4
(Cont.)

204-5

204-6

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1 ongoing problem in the operation of the Balast Water
2 Treatment Facility. The first stage of the treatment
3 process is designed such that oil floats to the top of
4 the water in gravity separation tanks and is skimmed to
5 the recovered crude tanks. In recent years, large
6 accumulations of paraffin-like solids have interfered
7 with operation of the skimmers and have resulted in
8 considerably greater accumulation of oil being retained
9 in these tanks than what was allowed by the design.
10 Increased risks of fire and pollutant discharge are being
11 evaluated by Alyeska. JPO has recently requested an
12 action plan for correcting the problem.

204-6
(Cont.)

13 Additionally, Alyeska has taken one of
14 the three tanks out of service to inspect for, repair and
15 to prevent corrosion damage. Consequently, the gravity
16 separation process is operating at less than 50 percent
17 of design capacity. The risk of environmental impact
18 from fire is greatly increased because the fire
19 protection assets in place to extinguish fires in these
20 tanks has not been designed for the greatly increased
21 fuel loading now present. Because more oil is likely
22 entering the secondary stage of processing, the risk of
23 increased pollutant discharge may also have increased.
24 However, measurements regarding this risk appear not to
25 have been taken. How does the DEIS address issues of

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1 off-normal operation?

2 I also want to talk a little bit about
3 reliability centered maintenance. The reliability
4 centered maintenance paradigm is cited in the DEIS as
5 assuring that TAPS is now well maintained and will be
6 properly maintained throughout the lifetime of any
7 renewal. The RCM process is formal and structured. In
8 general, it is a very useful methodology by which to
9 accomplish maintenance and, in concept, is appropriate
10 for TAPS. It appears that the implementation of the RCM
11 for TAPS is flawed because 1) there is no evidence that
12 RCM exercises are covering all of TAPS. 2) The decision-
13 making processes by which TAPS components and facilities
14 and subsystems are subjected to RCM analysis has not been
15 formalized and appears to be ad hoc. 3) And action plans
16 regarding implementation and maintenance of the
17 activities indicated by the RCM processes have varying
18 and undocumented levels of implementation. Consequently,
19 one cannot use the RCM processes as currently being
20 practiced to verify that TAPS is adequately maintained.

21 Consider the problems cited regarding the
22 gravity separation process of the Balast Water Treatment
23 Facility. Several issues indicate that the RCM analysis
24 did not achieve the desired results. The problem has
25 been ongoing for at least two years. An RCM analysis

204-7
(Cont.)

204-8

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1 appears to exist for this process. The draft report, for
2 reasons unknown, was not available when RCAC examined the
3 other reports. And the action plan resulting from the
4 RCM for the gravity separation process appears not to
5 have been implemented.

204-9
(Cont.)

6 Additionally, you know, the RCM documents
7 are not available in general to the public so we cannot
8 verify the maintenance of TAPS.

9 The DEIS should not be citing RCM
10 activities as evidence of benign environmental impact
11 when there is additional evidence that indicates the
12 level of implementation is substantially incomplete and
13 where there is no evidence to indicate that the RCM
14 program will be used throughout the proposed renewal
15 period.

204-10

16 We have some recommendations.

17 Assumptions cited or implied in DEIS and
18 the Commissioner's Determination should be included as
19 conditions of renewal and their validity needs
20 verification every five years. If the assumptions are
21 found not to be valid reevaluation of potential impact
22 should be required.

204-11

23 The DEIS should also consider cumulative
24 and potential impact for off-normal operations such as
25 those that have been observed in operation of the Balast

204-12

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1 Water Treatment Facility and in the maintenance of fire
2 protection assets.

204-12
(Cont.)

3 The renewal should require that the
4 present mechanical condition of TAPS be determined and
5 ensure that its condition has been maintained to a level
6 that assures that all of the assumptions underlying the
7 probable impact assessments in the DEIS remain valid for
8 five years.

204-13

9 Additionally, it should be required that
10 the mechanical condition of TAPS be reevaluated every
11 five years with regard to its integrity and level of
12 maintenance as a condition for continued operations.
13 Note, that we don't oppose the 30 year renewal period, we
14 do oppose operating for 30 years with a pipeline that's
15 not been properly and verifiably maintained.

204-14

16 And we will be submitting more written
17 comments but here is the text of tonight's comments. And
18 the RCAC and I appreciate our opportunity to talk
19 tonight.

20 HEARING OFFICER GEARY: All right, and
21 we'll mark your submittal as Exhibits 38, 39 and 40.

22 (Hearing Exhibits 38 through 40 marked)

23 HEARING OFFICER GEARY: All right, the
24 next speaker is Tony Parkin, number 32.

25 MR. PARKIN: Good evening. My name is

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1 Tony Parkin. I am also with the Prince William Sound
2 RCAC. Even though this is more of a personal comment,
3 I've left the more technical input to Tom and others.

4 I'm with the RCAC. I'm based in Valdez.
5 Primarily involved with oil spill prevention and response
6 but also using my marine environmental engineering
7 background, I'm involved with the long-term studies of
8 the effects of the Exxon Valdez Oil Spill and the ongoing
9 operations of the Valdez Marine Terminal. I'd like to
10 add my comments to the record tonight broadly regarding
11 the DEIS and the Proposed Determination.

12 I have attended the three hearings, so
13 far in Cordova, Valdez and Glennallen and I must say that
14 I'm saddened but not wholly surprised by the indifference
15 being shown to the citizens of Alaska that are concerned
16 about the future of this pipeline. The fact that BLM
17 could not wait until the public hearings to be over to
18 announce that there will not be an extension to the
19 comment period shows to me the level of contempt that the
20 opinions of the public are held in this process.

21 I did not testify in the first three
22 hearings, I felt it was more the role of the people
23 living in these regions for certainly longer than I have
24 to be heard before my opinion was given. I was greatly
25 encouraged by the levels of concern and the emotional

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1 attachment that many people have to the area particularly
2 that of the Copper River drainage. The enormity and
3 environmental significance of this area is mind-boggling,
4 not only for the fish, the migratory birds and the people
5 that live and work there but also to the ecosystem as a
6 whole. The other reason I did not speak earlier, I'm
7 obviously not Native Alaskan, actually not American but I
8 came to the U.S. with the dream of living in Alaska and
9 all the grandeur that that means. I'm from the UK, born
10 in England, which can only be described as an overcrowded
11 little island. Recently when I went back I'm amazed
12 there's any clean water there. The bears have long gone.
13 There's very few salmon. And Alaska, now that I live
14 here, I find, is truly a world treasure and we're
15 responsible for its protection and upkeep.

16 I left England in 1980, came to Alaska in
17 '84 actually working for the oil companies on the North
18 Slope at that time in the Beaufort Sea and have worked
19 all over the state and have now settled in Valdez. Today
20 I drove up, I normally fly up, I fly all over the place
21 and consume petroleum products as much as anybody else.

22 My analogy for the pipeline actually has
23 already been used but my analogy involves my first car.
24 My first nice car was a 1959 Austin-Healy convertible. I
25 bought it when it was 20 years old. When it was first

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1 designed it was definitely state of the art and using the
2 best available technology. By the time I got it, it
3 still looked good, sounded good but in reality it was far
4 from being the best available technology and, in fact,
5 was far from being reliable. It began to let me down. I
6 had to start spending more money on it. But eventually
7 it became unsafe. The brakes were suspect and, in fact,
8 I took it off the road. And in the UK, the government
9 will make you take unsafe things off the road. This is
10 how I view the pipeline. Certainly it still functions.
11 It looks good from a distance. But in order for the
12 pipeline to keep functioning in a safe manner, the
13 maintenance and surveillance programs have to be
14 increased and adequately funded and not cut back as was
15 recently requested by one of the main oil companies that
16 pump their oil along the TAPS.

17 Although my role at RCAC is oil spill
18 prevention and response in the marine environment, I want
19 to address two things this evening, risk assessment and
20 best available technology.

21 Prior to joining RCAC I worked as a
22 contractor for a major oil company in Southeast Asia
23 conducting an offshore risk assessment survey for a new
24 gas field development. I spent two months off shore
25 collecting data, both sub-sea and sea bed data and then

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1 two months analyzing this data to assess the risks for
2 this new field. One aspect of the field development was
3 installing sea bed pipelines. This area in Asia is
4 equally if not more so seismically active than the area
5 through which the TAPS passes. And the sea bed soil
6 stability is a major concern due to liquefaction of the
7 sands in the event of an earthquake. We analyzed this
8 data to death as this was a risk money project to the oil
9 company, they had an acceptable level of risk that they
10 would tolerate so for the chance of the pipeline
11 rupturing due to an earthquake, say the risk that was
12 acceptable was 10 to the minus seven, this would be
13 multiplied by the cost to repair the pipeline and the
14 loss of revenue at the time and this would give them a
15 dollar of exposure that they were willing to live with.
16 This risk will increase with each year that the pipelines
17 are in place.

18 I assume this has been done for TAPS.
19 Into the next 30 years, is the risk acceptable that we
20 can cut back on funding for surveillance and monitoring,
21 I imagine it is in their minds. In my mind there should
22 be as close to zero risk as possible.

23 We have seen in the event of a major
24 spill, as in the case of the Exxon Valdez, yes, it did
25 cost a lot of money to the responsible party but this is

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1 still in litigation and will be for decades to come and
2 the true costs and the true penalties to the responsible
3 party are still unknown.

4 The second point I'd like to address is
5 best available technology and I'm becoming more involved
6 with this in oil spill response and particularly the
7 recovery of oil in iced water. And in that area we are
8 trying, we are striving to have the best available
9 technology for oil spill response. When I joined RCAC I
10 heard Stan Stephens say, he testified earlier that spill
11 response is vital but prevention is the key to any
12 impending disaster on the TAPS, on a TAPS rupture. So
13 BAT, we will agree it's a good idea and certainly the
14 SERVS escort vessel system is a fine example of BAT,
15 thanks in part to the citizen's group, RCAC pushing and
16 forcing the system to be in place. There's obviously
17 some room for improvement as the technology changes but
18 generally this is a good effort.

19 I'd like to talk about leak detection.
20 The TAPS is now pumping half of the volume of oil that it
21 was a few years ago, there is a problem with leak
22 detection and this has been agreed, in principle, by
23 ADEC. The leak detection system is unable to detect a
24 leak equivalent to the one that occurred by the bullet
25 hole in Livengood. A hole of this magnitude and the leak

205-4

205-5

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1 would not be detected by the current system. Could you
2 imagine what damage this would be done in the Copper
3 River if this happened to one of the many rivers that the
4 TAPS passes that drain into the Copper River. Technology
5 is constantly changing and the TAPS engineering needs to
6 be updated constantly.

205-5
(Cont.)

7 As this is a personal comment, I've left
8 in some of the words and, you know, I find, I mean in my
9 view it was an insult that BLM stated that the Right of
10 Way comment period will not be extended and I was further
11 appalled to see that the statement that the reason there
12 is no extension is because this is a system that has been
13 in place for 25 years, not a new project with major new
14 impacts. This, I think, is precisely the reason why this
15 whole procedure needs to be reviewed. This is like an
16 old car again, sure you love it, but you're not going to
17 drive it to Fairbanks every weekend and certainly not in
18 the winter.

205-6

19 Just reflect on this statement from the
20 BLM as to why the period of public comment will not be
21 extended. The reason the period will not be extended is
22 because this is [sic] a new project with no new major
23 impacts, there will be impacts and this DEIS in my view
24 has not adequately addressed this.

205-7

25 In this day and age with the technology

205-8

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1 that allows us to communicate with each other it is
2 unforgivable that the Eyak people were not consulted on
3 the impacts of the first 25 years of TAPS or on the next
4 30 years. It is absolutely incredible to me that the
5 people along the pipeline in the Copper River watershed
6 should have to beg and plead for adequate spill response
7 equipment to be staged at river crossings and the speed
8 of the river and the difficulty of containing a spill are
9 not adequate arguments for listening to the demands of
10 the people in the Copper River watershed.

205-8
(Cont.)

11 Prior to the development of the North
12 Slope reserves, I'm sure it was considered too hard and
13 expensive to bring this product to market. The same was
14 said about oil in deep water gulf of Mexico, this was
15 originally considered to be an impossible task, both took
16 place, I'd like to see the same level or a similar
17 engineering marvel or miracle to occur to have the best
18 spill response system in the Copper River watershed.

205-9

205-10

19 RCAC and myself, we are not asking for
20 the pipeline to be closed. We are not asking for the 30
21 year renewal to be stopped in any way or not granted.
22 We're asking for it to be closely looked at prior to the
23 renewal to operate. We'd like to see another citizen's
24 group similar to ours to be set up along the pipeline.
25 We'd like to see the pipeline adequately maintained over

205-11

205-12

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1 the next 30 years and we're looking for an independent
2 engineering audit every five years along TAPS.

3 Prevention is the key. And I understand
4 that on the Hillside in Anchorage right now, Federal
5 dollars are being spent to clear away dead trees and
6 brush to protect the homes there. This is called
7 prevention. Once the oil hits the water it is all over.

8 Thank you for my chance to comment.

9 HEARING OFFICER GEARY: Thank you for
10 your comments. All right, we're going to take a 10
11 minute break and we'll start back up with Wesley Nason,
12 number 33. And I am informed that we've got a number of
13 folks who have submitted comments in lieu of their
14 testimony and so I'll enter those into the record when we
15 get back on the record. We stand adjourned for 10
16 minutes.

17 (Off record)

18 (On record)

19 HEARING OFFICER GEARY: All right, I'm
20 going to call the hearing back to order. Before we ask
21 Mr. Nason to come up, I'm going to enter into the record
22 some exhibits. The first on is Exhibit 42, a statement
23 from Pete Kompkoff. Exhibit 42 is a statement from
24 Jeanine St. John. Exhibit 43 is an exhibit from Carolyn
25 Smith. Exhibit 44 are comments of Stan Jones. Exhibit

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1 45, comments from Ed Lafehr. Exhibit 46 is comments from
2 Scott Semans. Exhibit 47 are comments from James Boltz.

3 (Hearing Exhibits 42 through 47 marked)

4 HEARING OFFICER GEARY: For those of you
5 who are left, I might point out that oral comments are
6 only one way to make submittal to the record. You can do
7 that either through the written comments by submitting e-
8 mail, faxes or even phoning the Joint Pipeline Office
9 where your input will be recorded. So for those of you
10 who want to take advantage of that alternate way, might
11 cut the evening a little shorter.

00206

12 All right, Wesley Nason.

13 MR. NASON: Thank you. My name is Wesley
14 Nason. I'm currently employed by Veco Alaska as manager
15 of pipeline construction responsible for constructability
16 studies on the Alaska to Gas pipeline studies and also
17 the McKenzie pipeline studies in Canada. I've been a
18 resident of Alaska since 1973.

19 As one who helped built TAPS and who has
20 lived in Alaska since before construction was begun and
21 who has also spent years working as a contractor to help
22 maintain the TAPS system, I'd like to contribute my
23 reasons for supporting renewal of the grant of Right of
24 Way for a full 30 year term.

25 1. The system's original design has

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206-2

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1 fulfilled its intent of providing a reliable and safe
2 system for transporting up to 20 percent of our nation's
3 crude oil needs.

206-2
(Cont.)

4 2. The system's integrity remains a top
5 priority of its maintenance program under operator
6 Alyeska Pipeline Service Company.

206-3

7 3. Alyeska and the TAPS owner companies
8 have shown steadfast dedication to updating the system
9 hardware and annually expend large sums of money to
10 implement these changes. Whether it be the systemwide
11 electrical code upgrades which we completed in 1998 or
12 complete replacement of 8.5 miles of main line pipe in
13 Atigun Pass in 1993 to name just two projects. Alyeska
14 and the owners have not flinched at investigating the
15 dollars needed to thoroughly comply with the
16 responsibility to maintain system integrity through
17 professional engineering, planning and implementation.

206-4

18 4. Alyeska has made timely improvements
19 to the system monitoring and communication systems.
20 Their internal pipeline monitoring using smart pigs is
21 word renowned as being state of the art. The 1997 remote
22 gate valve monitoring upgrades were thoroughly planned
23 and implemented. In the rare instance where an upgrade
24 does not meet system integrity standards such as the
25 installation of a fiberoptic backbone system built in

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1 1996 and '97, Alyeska has shown that it is willing to
2 swallow costs and do it right before implementation.

206-5
(Cont.)

3 5. Besides being a well-designed and
4 functional system, TAPS has truly become Alaska's
5 economic umbilical cord. It's daily throughput has
6 provided the state government with the bulk of its
7 revenues, provided jobs and training to thousands of
8 Alaskans and its major cities as well as rural locations
9 along the Right of Way and provided feedstock for local
10 refineries, Valdez and Fairbanks. Without TAPS Alyeska's
11 [sic] economy would collapse.

206-6

12 While fully supporting the TAPS Right of
13 Way renewal for the above reasons, I would like to speak
14 out against suggestions to increase citizen oversight by
15 creating new panels or boards. Because TAPS is so
16 important to Alaska's economy and because the Joint
17 Pipeline Office was created to monitor Alyeska's
18 compliance with the grant of Right of Way, there's always
19 been very good visibility of TAPS operations and always
20 will be with the continued oversight by the JPO.
21 Creation of new review boards would serve as an
22 impediment to the current process of oversight by the JPO
23 and would drain funds which could otherwise increase the
24 economic return on the pipeline's assets or be used for
25 maintenance.

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1 Since crude oil is a commodity whose
2 price is largely determined by worldwide supply and
3 demand factors, the economic delivery of Alaska's oil
4 cannot be taken for granted. No extraneous costs or
5 barriers should be erected which might lessen the ability
6 of the pipeline owners to recover their costs and achieve
7 a return on their investment. In a world economy if an
8 asset such as TAPS fails to deliver economic returns to
9 all stakeholders, the state of Alaska and the people of
10 Alaska will risk losing the centerpiece of the state's
11 economic infrastructure.

206-8

12 Thank you for hearing my comments and
13 please expedite the renewal of the TAPS grant of Right of
14 Way.

15 Parenthetically, I might mention, I've
16 heard a few comments this evening about some concerns of
17 thaw settlement at VSMS or geotechnical concerns due to a
18 warming climate and I might suggest to those concerned
19 about those types of things to visit and maybe research
20 some problems encountered in the pipeline industry in
21 Canada. Just last summer I had an opportunity to do some
22 reconnaissance work there and in one area they have
23 regional land slides which have pushed and buried 30 and
24 36 inch diameter gas pipelines above ground and yet the
25 operating companies have been able to mitigate this type

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1 of ground movement by putting the pipelines above ground
2 on sleepers and designed drainage structures. In other
3 cases, they have deep muskegs over there instead of
4 permafrost which are basically saturated peat bogs and
5 they actually clothesline the pipeline through these
6 areas making them inaccessible during summer months
7 whereas here TAPS has virtually full access to its entire
8 length if something does go wrong. And in a third
9 instance, they have a buried warm oil pipeline that's run
10 through permafrost coming up the McKenzie Valley. This
11 pipeline was successfully designed and operated for 25
12 years and without any catastrophic results due to thaw
13 settlement and the problems they have had have been
14 successfully mitigated in the field.

15 Thanks again for a chance to make my
16 comments.

17 HEARING OFFICER GEARY: Thank you, sir.
18 We'll include your comments as Exhibit 48.

19 (Hearing Exhibit 48 marked)

20 HEARING OFFICER GEARY: Mark Huber. 00207

21 MR. HUBER: Good evening. Well, we've
22 lasted long enough, we've out lasted the rain outside and
23 the evening is waning. But I wanted to thank you for the
24 opportunity to comment on TAPS Right of Way renewal Draft
25 Environmental Impact Statement. My name is Mark Huber

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1 and I'm vice president of Doyon Universal Services and a
2 15 year resident of the state of Alaska.

3 Doyon Universal Services is a 50/50 joint
4 venture with Doyon Limited Regional Corporation and
5 Universal Services. We provide catering, housekeeping,
6 maintenance, security, medical and fire support services
7 within the state of Alaska. Our clients include Phillips
8 Alaska, BP Alaska, Nabors Drilling, Doyon Drilling, Peak
9 Oilfield Services and Alyeska Pipeline Service Company.
10 DUS or Doyon Universal Services employee 750 people with
11 an annual payroll of \$25 million.

12 Our association with the Trans-Alaska
13 Pipeline system and Alyeska began more than 25 years ago.
14 During construction of the pipeline, Universal Services
15 provided catering and housekeeping services to all of the
16 construction camps north of the Yukon River.

17 Today, Doyon Universal Services provides
18 catering and housekeeping services for all the pump
19 stations and security and medical services for all the
20 Alyeska facilities in Alaska. Doyon Universal also
21 provides fire service in response to the Valdez Marine
22 Terminal.

23 We employ 275 people providing services
24 to Alyeska. Of the Doyon Universal employees assigned to
25 Alyeska, 95 percent are Alaska residents and 26 percent

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1 are of Alaska Native descent.

2 Alyeska is a good neighbor and partner
3 for Doyon Universal Services. Alyeska holds itself and
4 its contractors to the highest standards of performance
5 in work place safety, quality and environmental
6 practices. Alyeska is a strong advocate of employment
7 and training and advancement of Alaska Native
8 individuals. Alyeska is joined with Doyon Universal in
9 investing thousands of dollars in training and
10 internships for Doyon shareholders and Alaska Native
11 individuals.

12 We appreciate Alyeska's support of Doyon
13 villages and the communities in which they operate.
14 Alyeska and its employees are active in making a
15 difference in their communities. From Anchorage to
16 Fairbanks, Delta Junction to Valdez, a red truck and a
17 friendly Alyeska smile are never far away.

18 As you can hear, Doyon Universal Services
19 is deeply involved in the oil and gas industry and with
20 Alyeska Pipeline Service Company. We literally live with
21 the pipeline, from the Brooks Range to the Alaska Range,
22 50 percent of the pipeline runs through the Doyon region.
23 And you'll hear tomorrow night, in Fairbanks, from
24 stakeholders of the Doyon region in the Fairbanks
25 community.

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207-1

207-2

1 Doyon Universal strongly supports renewal
2 of the TAPS Right of Way for a 30 year period. The
3 pipeline is the backbone of Alaska's economy. The oil
4 and gas industry provide thousands of jobs and provide a
5 majority of our state's revenue base. Today, it is more
6 critical than ever to provide long-term stability for the
7 pipeline. While a stable environment for TAPS will
8 result in less investment and development by the industry
9 resulting in decreased population growth, employment,
10 income and tax revenues within the state of Alaska.

207-3

11 In the last 25 years TAPS has moved 13
12 billion barrels of oil through the system with a 99
13 percent reliability. Alyeska measures the annual volume
14 of oil spilled in increments of teaspoons. Over 20 State
15 and Federal agencies oversee operations and maintenance
16 of TAPS. We believe this oversight of TAPS is
17 comprehensive and sufficient. TAPS should not be
18 burdened with the additional cost of oversight and
19 regulation without solid benefits to operational safety
20 and the environment.

207-4

207-5

207-6

207-7

21 TAPS is posed to the backbone of Alaska's
22 economy for the next 30 years.

23 Doyon Universal Services urges you to
24 renew the Right of Way agreement for the next 30 years
25 without additional oversight.

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1 HEARING OFFICER GEARY: Thank you for
2 your comments. I'll include these as Exhibit 49.

3 (Hearing Exhibit 49 marked)

4 HEARING OFFICER GEARY: Tadd Owens,
5 number 35. 00208

6 MR. OWENS: Thank you. For the record,
7 my name is Tadd Owens. I'm executive director of the
8 Resource Development Council for Alaska. RDC is a
9 private non-profit trade association representing
10 individuals and companies from Alaska's mining, timber,
11 tourism, fisheries and oil and gas industries. Our
12 membership also includes business associations, labor
13 unions, Native corporations, local governments and
14 hundreds of individuals. Our mission is to grow Alaska's
15 economy through the responsible development of our
16 State's natural resources.

17 My comments today are in strong support
18 of a 30 year renewal of the Trans-Alaska Pipeline system.
19 The economic impact of TAPS and the over 13 and a half
20 billion barrels of oil that have flowed through it are
21 both significant to the public and private sectors in
22 Alaska.

23 Thousands of jobs, funding of State
24 programs and services through royalties and providing
25 nearly 20 percent of the nations domestic oil supply are

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208-2

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1 a few of the benefits resulting from TAPS. In addition,
2 TAPS directly and indirectly helps fund local non-profits
3 like RDC, AMref (ph), the United Way and the Nature
4 Conservancy.

208-2
(Cont.)

5 The oversight and maintenance of TAPS is
6 unparalleled boasting an extremely high rate of
7 reliability since start up. Alyeska's corrosion control
8 program, valve maintenance program and spill response
9 plans are leaders in the industry.

208-3

208-4

10 In addition, over 20 State and Federal
11 agencies regulate the pipeline and millions of dollars
12 are spent annually on its upkeep. Any additional
13 regulation resulting from the reauthorization must be
14 supported by clearly defined benefits to safety in the
15 environment. TAPS should not be burdened by unnecessary
16 costs. An example of unnecessary costs would be the
17 creation of a citizen's advisory group to oversee
18 pipeline operations. This concept was not deemed
19 appropriate for evaluation in the DEIS and RDC urges BLM
20 to refrain from including such a group in the Final
21 Environmental Impact Statement. Not only would the costs
22 for such a group be significant but also Federal and
23 State laws traditionally do not favor the creation of
24 citizen's oversight groups with regulatory authority.
25 Such a group would be duplicative as TAPS is already

208-5

208-6

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1 heavily regulated with intense and comprehensive
2 oversight.

208-6
(Cont.)

3 One alternative recommends a renewal
4 period of less than 30 years. The impact of such a
5 renewal would be significant. It would threaten
6 investment in new North Slope production and subsequently
7 decrease throughput levels. TAPS is so important to
8 Alaska that a renewal period shorter than 30 years would
9 reduce growth rates and population, gross State product,
10 employment, income and tax revenues.

208-7

11 Finally the DEIS mentions climate change
12 and its possible affect on the pipeline. TAPS design
13 represents state of the art engineering for cold
14 climates. The design was based on protecting the
15 permafrost from pipeline impacts and the pipeline from
16 permafrost problems. The notion that some soil
17 conditions may change over time has been built into the
18 current design. Alyeska's ongoing monitoring approach
19 with JPO oversight is more than sufficient to provide
20 adequate maintenance and response.

208-8

21 In conclusion, I'd like to reiterate
22 RDC's strong support for a 30 year renewal of TAPS and
23 thank you for both your patience and the opportunity to
24 testify.

208-9

25 HEARING OFFICER GEARY: Thank you. Jack

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1 Williams, number 39.

2 MR. WILLIAMS: Thank you. My name is
3 Jack Williams. I'm the Alaska production manager for
4 Exxon Mobile Production Company. Exxon Mobile
5 appreciates the opportunity to provide comments on
6 alternatives under consideration by the Bureau of Land
7 Management of the Environmental Impact Statement related
8 to TAPS Right of Way renewal. This statement is delivered
9 from the perspective of a major North Slope producer and
10 my comments tonight will apply to both the Federal grant
11 and State lease Right of Way renewal hearings.

12 As a North Slope producer, we want to
13 emphasize the importance of a long-term, low cost
14 reliable oil transportation system for continued
15 development of Alaska's North Slope resources. Renewal
16 of the TAPS Right of Way will support continued North
17 Slope development, thus creating jobs, providing a
18 continued market for local goods and services and
19 generating additional government revenues through taxes
20 and royalties. We view this as a long-term win for those
21 who live and work in Alaska.

22 Of immediate concern to Exxon Mobile is
23 the timely evaluation and development of the Point
24 Thompson Gas Condensate Resource. As many are aware,
25 Exxon Mobile along with other Point Thompson owners is

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1 currently evaluating a gas cycling project which will
2 recover an estimated 400 million barrels of condensate
3 over a 30 year project life. The project involves
4 producing approximately 1.5 trillion cubic feet of gas
5 per day, separating the condensate, reinjecting the lean
6 gas and transporting the condensate to Pump Station one
7 for delivery through TAPS to the market. Project costs
8 is estimated to be over one billion dollars on money
9 forward basis with startup currently envisioned in late
10 2006. Given the high development costs, long project life
11 and resource complexities, the Point Thompson Gas Cycling
12 Project carries significant development risks from the
13 economic standpoint.

14 As such, Exxon Mobile supports the
15 reauthorization a 30 year TAPS Right of Way renewal to
16 provide greater certainty of liquid transportation costs
17 over the expected life of the project.

18 A TAPS Right of Way renewal term of less
19 than 30 years would introduce an additional commercial
20 risk that would need to be factored into the final
21 funding decision for Point Thompson.

22 In addition, the continued development
23 existing North Slope resources, such as Prudhoe Bay and
24 nearby Satellite fields is dependent on a low cost
25 transportation system and stable physical terms. Prudhoe

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209-3

209-4

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1 owners spend hundreds of millions of dollars every year
2 in incremental development projects to recover oil over
3 10, 20 and 30 year time spans. For resources to continue
4 to be attractive, the transportation costs from the oil
5 field to refinery must be kept certain and kept to a
6 reasonable minimum over the long term.

209-4
(Cont.)

7 Over the past 25 years Alyeska has
8 demonstrated the ability to operate and maintain the
9 pipeline in a safe and environmental acceptable manner
10 with a high reliability. Exxon Mobile is confident
11 Alyeska remains committed to continue this exemplary
12 performance which is necessary to maintain economic
13 returns on North Slope investments.

209-5

14 The State and people of Alaska will
15 benefit the most from maximum oil and gas production from
16 existing fields as well as development of new North Slope
17 resources like Point Thompson. The 30 year Right of Way
18 renewal provides the greatest likelihood that this will
19 occur.

209-6

20 Thank you.

21 HEARING OFFICER GEARY: Thank you.
22 Number 42, Bruce Tiedeman. David Comins, 43. Tom
23 Krzewinski, K-R-Z-E-W-I-N-S-K-I. Julie Bator.

24 MS. BATOR: Do I say good morning yet?

25 HEARING OFFICER GEARY: Not yet.

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1 MS. BATOR: I didn't wear my watch
2 purposely. Thank you for hearing me tonight.

3 I am here to speak on the DEIS. I'm
4 representing myself as an Athabascan Indian born and
5 raised in the Copper River Basin and also representing
6 the Ahtna, Inc. Right of Way Renewal Committee as well as
7 being the vice president of the Native Village of
8 Tazlina.

9 You can picture a blue sky, green
10 hillside with fireweed and spruce and birch growing tall,
11 the pipeline glinting the sun as you drive along the
12 Richardson Highway. It's become a regular tourist
13 attraction and something we've grown and it's just become
14 a part of our lives. The snaking pipe hauling the crude
15 to supply all of our homes, vehicles and pocketbooks,
16 everyone enjoys it and is apparently proud of it here.
17 Please do not misunderstand, this is the widely
18 representing view amongst the eight villages that Ahtna
19 incorporates, we do not wish its non-existence. We are
20 simply concerned, as you all would be if this went
21 through your backyard.

22 The pipeline goes over the Tazlina River
23 which is less than one quarter of a mile from my home. I
24 can look out my bedroom window and see the pipeline, I
25 don't think anybody else in this room can say that.

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1 The supplier of the aquifer for my well,
2 my home, my neighbors home, my grandparents home and a
3 trailer park and our local businesses is the Tazlina
4 River. We are Alaska Natives and able to trace our
5 ancestors back to at least 300 years in our valley. And
6 just six miles away, also on the TAPS corridor, KluDeeKah
7 Ahtna Native peoples have inhabited the valley for four
8 to seven thousand years. This is by no accident. We
9 have a variety of wildlife, fish and vegetation with four
10 major rivers to travel on and over. Our way of life
11 today may not be totally reliant on the land but this is
12 not by choice.

13 The DEIS represents the Federal
14 government and it is disregarding the subsistence issues
15 in socio-economic problems created by increased traffic
16 inability to develop our lands or have clear access to
17 them amongst other things.

18 Over my lifetime, caribou have changed
19 their migratory path from one within three miles of our
20 homes to one of 70 miles away. Why? I guess that is for
21 biologists to say for sure but 90 year old people in our
22 valley, in our village, can distinctly mark the change
23 with the arrival of TAPS. Where I come from we value and
24 respect the knowledge of our elders. I had hoped that
25 BLM, with no pun intended, tap into this.

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210-3

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1 I had hoped to have a much more detailed,
2 new material to reveal to you tonight but due to the
3 summertime release of the DEIS I spoke at Glennallen's
4 hearing on the timeline. This timeline provides little
5 time to get representatives together from our eight
6 different villages to exchange data and each of our own
7 studies. This is the busiest time of the year for our
8 people. We're reliant on subsistence gathering, not only
9 for food but traditionally gathered food is culturally
10 and nutritionally more of a priority than the DEIS. I
11 think everybody could understand that if they had only to
12 look in their freezer and not drive four hours to get to
13 a grocery store here.

210-4

14 This is why we requested a longer period
15 to review and comment on such an important and vast
16 document. TAPS effects us all. We should all have ample
17 time to review the document. Alas, this was not granted.
18 This is a major disappointment.

19 And at this time I will briefly highlight
20 some of the written comments we will be submitting by the
21 20th of August.

22 Let me start with this. BLM did not have
23 the authority to convey lands nor do they have the
24 authority to renew it or continue to administer it.

210-5

25 Also I'd like to address Section 4.3.9.7

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1 environmental justice. The entire Argonne project should
2 have been contracted out to or at least consulted with
3 Native corporations and villages as to the selection of a
4 firm to develop the DEIS. This is a major Federal
5 action. There was no government to government
6 relationship maintained here. And by definition, a major
7 Federal action that directly affects a tribe demands
8 this. We are a Federally and State recognized tribe. We
9 demand this.

210-6
(Cont.)

10 We would also like to see the JPO have a
11 continued oversight over this. We would like to see a
12 seat on that JPO either be a revolving seat for the eight
13 Ahtna villages or one seat for Ahtna, period.

210-7

14 Another issue that was brought to my
15 attention to be addressed tonight was that there is no
16 adequately tested oil spill contingency plan. Not ever
17 physically successful on any of the four rivers in our
18 valley. They have never been able to successfully boom
19 any of the four major rivers in our valley. You're all
20 familiar with Copper River red salmon, you can kiss those
21 goodbye if it should hit the Copper River.

210-8

22 There's no equipment for oil spills and
23 it would take hours to get it up there. There's no
24 access, winter or summer to the containment sites that
25 they have set up. This is evidenced by 1998 aerial

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1 photos that we have taken and the fact that I live across
2 the street from the pipeline.

3 There's no adequately trained local
4 personnel and not enough of them to operate any plan to
5 date.

6 Excuse me as I turn pages here. I have
7 12 pages of notes that I have to pick from.

8 It was noted in the DEIS, oil spill
9 response planning is a separate process. The oil spill
10 response should be a part of a the EIS and the grant.
11 The ability to respond should be required before the
12 grant is renewed. There needs to be locally equipped and
13 trained, certified spill response teams, such as hot shot
14 teams. The teams need to be State and Federally
15 certified. APSC needs to provide the training and the
16 funding for this. This is vital.

17 As the pipeline ages, they should be
18 spending more time and money working on oil spill
19 contingency plans, not less.

20 The supplies and equipment need to be
21 placed and stationed at all sensitive sites. For
22 example, a sensitive site would be all moving bodies of
23 water.

24 There needs to be continuous subsistence
25 data collection and analysis throughout the life of the

210-8
(Cont.)

210-9

210-10

210-11

210-12

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1 Right of Way. Currently decisions effecting subsistence
2 are based on 20 year old data.

210-12
(Cont.)

3 A hurry for another 30 year renewal is
4 not in the best interest of citizens who live along the
5 corridor. Those who make their living off of non-
6 petroleum products, you must continue to assess benefits
7 and costs to all citizens not just those who have direct
8 gain but consider those who could possibly have
9 catastrophic loss due to TAPS. Please consider other
10 alternatives than to a 30 year renewal.

210-13

11 I'd like to finish with our lands and our
12 people and our way of life are at risk. Please
13 acknowledge this. If the pipeline is going to continue
14 to go through our backyard, this must be considered and
15 compensated for.

16 Thank you for your patience and your
17 attention.

18 HEARING OFFICER GEARY: Thank you. Joe
19 Willing.

00211

20 MR. WILLING: My name is Joe Willing.
21 I'm a former Alyeska employee and also a former Exxon
22 pipeline employee. I'm retired now but I was a pipeline
23 engineer for 42 years.

24 In 1968, in August of '68, I guess I was
25 at the right place at the right time and my boss came in

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1 and put me on a project that was going to affect the best
2 part of my life. I was assigned to a group that was going
3 to put together something that was going to be the Trans-
4 Alaska Pipeline. But at that time it was just recently
5 announced and my first assignment was to be on a task
6 force of pumpability, a pumpability task force to see how
7 this oil coming out of the ground there was going to be
8 pumped, if it could be pumped and there were a number of
9 obstacles that had to be overcome which was something to
10 come over the next 20 years.

11 We had obstacles. I was involved in the
12 mainline pumping equipment, the pump station design, the
13 valves, mechanical equipment. But before it was all
14 over, it seemed like I had my hands into everything.
15 Fake welds, you know, X-rays that were -- the man said
16 today, but you can hardly blame that on Alyeska because
17 they caught the problem, they whipped the problem, they
18 endured the embarrassment and all of the cartoons that
19 came about.

20 And my life with Alyeska and the people,
21 the cream of the crop, so to speak of the owner company
22 consultants and experts in certain phases of equipment
23 and in design was a great experience for me. And I have
24 monstrous faith in the integrity of the pipeline and I
25 left it, I retired in 1988 as an engineer and advisor.

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1 And I haven't been involved with it since 1988 but I have
2 kept up with it through various publications and stuff.
3 And I feel like this pipeline is in better shape today
4 than it was when I left and I had full confidence when I
5 left. I left, retired, after we had already pumped two
6 million barrels a day which was our goal way back in
7 1968. And I had the extinction -- not the extinction but
8 the distinction of being, when I retired, I was the last
9 of the Mohicans, so to speak, I was the last one that was
10 actively involved with Alyeska Pipeline since it was in
11 -- since the inception of the feasibility study in the
12 fall of 1968.

211-1
(Cont.)

13 And I certainly support the continuation
14 of the 30 year grant and I would be not supportive of the
15 additional burden of a citizen's council that would be
16 doing whatever they do.

211-2

17 Thank you. I don't have a written
18 report. 00212

19 HEARING OFFICER GEARY: Thank you, Mr.
20 Willing. Dennis Dooley, 47.

21 MR. DOOLEY: Thank you, gentlemen. I
22 come to this table with 30 years of experience involved
23 in a variety of roles with the TAPS project.

24 The first was as a commission from Sohio
25 to evaluate the marine leg from Valdez to the West Coast.

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1 That effort defined the requirements for the fleet to
2 serve Valdez to have an average 120,000 ton tankers, four
3 berths at Valdez and the fact that there was inadequate
4 berth capacity at that time at the West Coast. Since
5 then, positions with the Governor's office, budget
6 management, where I was the agent for correcting false
7 revenue expectations TAPS had given the State in terms of
8 severance tax. Later I was the staff person responsible
9 for organizing the West Coast Port Oil Policy Group, a
10 forum composed of representatives of the West Coast
11 governors and British Columbia to evaluate the marine
12 transportation leg from Alaska along the West Coast.

13 As an Alaska Pipeline surveillance
14 officer, I was charged with the responsibility to
15 evaluate Alyeska's initial concept of an oil spill
16 contingency plan. Later, as a technical studies director
17 of the Alaska Oil Spill Commission and most recently
18 attempting to digest this DEIS and the Commissioner's
19 Statement, no one and I have attended hearings in Valdez,
20 Glennallen and here, no one denies the justifiable pride
21 of those involved in the TAPS project. No one on record
22 that I know denies the economic impact to the state,
23 nation nor it's contribution to national security.

24 The suggestion that a citizen's advisory
25 committee would put all that at peril is totally without

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1	foundation.	212-1 (Cont.)
2	Now, to the DEIS. This document is a	
3	prime example of minimization. The art of minimizing	
4	facts while presenting a picture that appears to be	
5	adequate, that contains basic flaws. For example,	212-2
6	discussion of an oil spill effecting the Yukon notes the	
7	villages down river will suffer some impact. Nowhere	
8	does it acknowledge the impact for those communities up	
9	river from the spill. It should be known such a calamity	
10	would probably have international implications.	
11	I'm not going to chase the numeric	
12	numerous errors or misrepresentation of facts contained	
13	in this document. There is a major flaw in the	
14	organization and development of the DEIS that I will get	
15	to in a minute. My major concern today is the question,	
16	why the scoping for this document would not address the	
17	possibility of the citizen's oversight committee that has	
18	subpoena powers similar to the committee established for	212-3
19	the marine leg after the Exxon Valdez incident. I note,	
20	no one has testified how that has imperiled marine	
21	transportation. And, in fact, we have on record from	
22	Alyeska, a recognition of its contribution.	
23	No one, to my knowledge, has submitted	
24	shutting the pipeline down. Most suggestions have been	212-4
25	made with an eye to increase security and safety. After	

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1 reading the Emperor's Hose by Mr. Fineberg, I am struck
2 by the array of similar corporate conduct by Alyeska and
3 its governmental oversight agencies as they exercise
4 concern regarding the potential of a catastrophic oil
5 spills, namely, the longer a period of little pollution
6 activity that all concern, including corporate owners and
7 political leaders to treat their responsibilities with
8 little real incentive for pursuing real pollution
9 abatement strategies.

10 The parallels here for the overland
11 segment of the transportation system are striking. I do
12 confess to certain naivety here. This shouldn't have
13 been a surprise. TAPS ownerships traits in this regard
14 have infected the entire project systemically. What is
15 surprising is the degree to which the oversight agencies
16 are also lackadaisical about enforcing drills for oil
17 spill containment, prompt maintenance and training of
18 personnel as required in the Right of Way permit on a
19 schedule which reflects the turnaround of both managers
20 and line employees.

21 I have considerable concern how Argonne
22 with its nuclear plant design and operations expertise
23 could dismiss the human factors in pipeline operations,
24 especially a pipeline that's been experiencing
25 considerable turnover of its in-house expertise. Dr.

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1 Todd LaPort, a member of a recognized organizational
2 theorists on reliability at UC Berkeley examining the
3 effects of technology on a large technical system such as
4 nuclear plants that operate technology that is
5 beneficial, costly and hazardous so their benefits are
6 importantly dependent on failure free operations. During
7 his testimony at the Alaska Oil Spill Commission he
8 emphasized we are insisting increasingly that
9 organizations operating such systems do not make serious
10 errors but then works to import them. The effect of
11 failure are so disastrous that we press them to never
12 fail. He went on to explain, probably for the first time
13 in history the cost and consequences associated with
14 major failure are greater than the value of the lessons
15 we learn from the failure. The time for these
16 organizations to learn from trial and error is past.

17 He characterized the pipeline structure
18 organization is one which 1) the individuals involved
19 share a common goal of efficiency, 2) they share a goal
20 of avoiding operational failures altogether, 3) they
21 perform complex demanding tasks under considerable time
22 pressure and 4) they do this with very low failure rates
23 and almost total absence of catastrophic failure.

24 He went on to suggest there are at least
25 two strategies for such organizations to prepare for the

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1 failure event. First, there must be assessments by the
2 organization for an all-eyes on failure mode. In other
3 words, everyone involved must be empowered to watch and
4 comment without fear of punishment. Secondly, the use of
5 contingency plans should be with repeated response
6 exercise. A contingency plan that is taken seriously.
7 One that asks the question, what about this before you
8 ever have the problem. The question about what you would
9 do to contain the problem with minimum damage. This
10 organization has not thought about that sufficiently.
11 And we all have some degree of angst that it won't be
12 handled adequately.

212-8
(Cont.)

13 This organization is characterized as
14 high hazard and low risk and this is the basic fault of
15 the Argonne report. It is only portraying low risk side
16 of a pipeline structure with no real effort to apply
17 criteria in the event of a major calamity. Pipelines are
18 inherently extremely reliable and low risk, but it isn't
19 the technologies and the design that makes them that way,
20 it is the human beings operating them that makes them
21 that way. Thus there's a requirement for a series of
22 watching groups. Sometimes they are formal regulators
23 such as DEC or the FPO. The danger evident today I see
24 is the same danger we observed in retrospect while
25 examining the Exxon Valdez incident. That, of the

212-9

212-10

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1 watching groups becoming benign and toothless either
2 through political pressure such as tolerance or just
3 plain reluctance to pursue their duties with diligence.

212-10
(Cont.)

4 The solution the AOC came up with was to
5 develop an independent watching group composed of
6 stakeholders to review the actions of both the formal
7 regulatory agencies as well as the operations of Alyeska.
8 Evidence abounds in how pipeline regulators have been
9 compromised. For instance, the reluctance require
10 meaningful oil spill response drills as part of a
11 contingency plan as required in a Right of Way permit.
12 The reluctance to require immediate attention to VSM
13 maintenance is another example.

212-11

14 I'll conclude now, thank you.

15 HEARING OFFICER GEARY: Thank you, Mr.

16 Dooley. Let me repeat, Bruce Tiedeman, David Comins, Tom
17 Krzewinski. Steve Conn. 00213

18 MR. CONN: Thanks very much for letting
19 me speak briefly on the subject at hand. It has been a
20 learning experience for me to listen to the many points
21 of view expressed and well worth the late hour.

22 I am Steven Conn. I am executive
23 director of Alaska Public Interest Research Group, a
24 retired professor from the University of Alaska and like
25 so many who are in this room who are not Alaska Native, a

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1 30 year resident of the state so I've seen the past 30
2 years, too, but not from the perspective of the Veco
3 employees but as an academician and a person consistently
4 concerned with issues related to Alaska Natives.

5 As the BLM and the committee well --
6 probably know, Native issues and the pipeline are
7 intrinsically connected. Mary Clay Berry, University of
8 Indiana Press has written a book, Alaska Native Claims
9 Settlement Act and the Trans-Alaska Pipeline. But for
10 the willingness of the Native population to resolve land
11 issues, there would have been no pipeline. And the
12 creation of corporations such as the Doyon Universal that
13 are now in firm alliance with the pipeline and the
14 pipeline constructors is a fruit of that endeavor.

15 I have asked myself throughout these many
16 hours, why 30 years? Why has the cartel of owners
17 reached for 30 years? At one level, chutzpa. But in an
18 another, they've told us, as Kevin Meyers told us that it
19 has to do with economic planning, but frankly folks
20 that's nonsense. You can look all around the world and
21 see whether 30 year windows are necessary as the oil and
22 gas companies play the world piano, us being one key,
23 whether it's in Russia or the Arabian countries and so
24 forth and so on. They have a sweet deal. The state of
25 Alaska defer to the oil companies in an active blatant

213-1

213-2

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1 cowardness, no doubt, and they own this pipeline that is
2 this lifeline of the petroleum resource that they do not
3 own. They like that deal. They like the arrangement.
4 And so what they're trying to buy here -- they know Ted
5 Stevens and their friends in State and Federal government
6 are going to die in 30 years, they're going to get dis-
7 elected, they're going to go senile and they may not have
8 the same level of friendship so they're looking from you
9 and from the BLM, an interesting agency to pick, for a
10 kind of political immunity so that they can do their
11 thing. Why was it that only one person shot the Trans-
12 Alaska Pipeline in all these years? It wasn't planning
13 or security, it was dumb luck. It was amazing dumb luck.
14 And as the years go on and whatever endeavor actuarial
15 tables will tell you that it is more likely that more
16 people will shoot the pipeline, that it is more likely
17 there will be an earthquake, that it is more likely there
18 will be disastrous accident. They know this. And so
19 they're buying some insurance and have apparently
20 persuaded the perfect agency, the BLM, that is infamous
21 for its loss of millions of dollars of Indian trust money
22 and much under a cloud within the Department of Interior
23 to take this job on for them.

24 So what we have seen in this time frame,
25 however, is somewhat a guide to the future but not

213-2
(Cont.)

213-3

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1 entirely a guide to the future. And the future is being
2 defined under our feet. A few weeks ago, this hearing
3 would not have occurred in a period when every day our
4 public votes against corporate corruption and has no
5 belief in corporate behavior and they do it through the
6 Stock Market. President Bush switched in seven days from
7 being pro-business to handcuff the crooks and take them
8 away. So the question has to be looked at in terms of
9 empirical facts.

10 The company culture that has arisen as
11 testified by the many people who talk about the attitude
12 towards whistleblowers and the attempt to suppress real
13 information, if it's looked at in the context of Enron
14 and in the context of today's public attitude and
15 political attitude, this is entirely reprehensible and
16 entirely unacceptable and inappropriate. It requires
17 some level of oversight. Whether from a citizen's group
18 or from some other group ready to oversee that kind of
19 corporate culture. That's unacceptable today. It wasn't
20 a few weeks ago, it is today and it will be tomorrow.

21 We've seen how Exxon, who rarely comes
22 out of their hole but tonight testified, has worked
23 systematically to undercut all legal penalties. I
24 watched Veco emasculate the tort reform legislation in
25 this state which will guide ultimate criminal penalties.

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1 So they've managed to destroy the use of law as a way to
2 penalize and deter corporate misconduct. Again, this
3 suggests then that it is incumbent on the Federal
4 government, in terms of today's world and to, at least,
5 provide a component that involves citizen oversight.
6 Veco, of course, one and all, can be totally discredited
7 because they've made more money on disasters in the oil
8 field than they have on safe oil production. And the
9 Exxon Valdez and the Exxon Valdez Oil Spill was a
10 cornucopia of wonder for them even though it destroyed
11 Alaska Native villages.

213-4

12 Will there be an earthquake? Most
13 likely. Actuarially, yes, because there wasn't one in the
14 last 30 years that will destroy -- what -- the issue --
15 the fundamental issue though on 30 years and why I would
16 suggest that 30 years is entirely inappropriate is the
17 issue of incentives and dis-incentives. As I've sort of
18 suggested to you in passing, to give a pass to this
19 cartel of owners for 30 years where they feel they will
20 be relatively immune from scrutiny and political
21 oversight is not to encourage them to adopt the best
22 technology, is not to encourage them to do the best job,
23 is to encourage them to continue to punish whistleblowers
24 and to continue them to -- is to encourage them to
25 continue to corrupt the political system and the legal

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1 system to suit their fancy. So the incentives are really
2 wrongly put. A dis-incentive would be a shorter time
3 frame and a level of scrutiny.

4 As to the citizen's advisory board, this
5 is not a pie in the sky, ideological phenomenon, we have
6 track records of citizen advisory boards stemming from
7 the Exxon Valdez spill. They, in their initiatives
8 brought about the double-hull tankers not the oil
9 companies desire to invest in double-hull tankers and
10 that is only one. Everything from the Exxon Valdez Spill
11 Commission forward suggests that intelligent citizens
12 will stay the course and will provide the necessary
13 remedy.

14 I do agree, in passing, and one more
15 thing here, I do agree with the fellow from the -- the
16 nice dressed young fellow, from the Trustees for Alaska,
17 that the DR&R money should be escrowed although I do not
18 think the BLM has any history that suggests it knows how
19 to hold onto money and track it over time if the Indian
20 Trust monies are any clue. But I do believe that that
21 money, it was, in fact, and documentatedly an unintended
22 benefit to cartel of owners. In fact, it's meant to
23 remedy -- to cleanup the mess when they decide to
24 dismantle the pipeline. And if these people are pushing
25 for a 30 year window at this juncture, how can they, in

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213-7

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1 the same breath, not disgorge the DR&R money and put it
2 into hands of some third-party where it can be used for
3 the various scrutiny level and remedies that are being
4 suggested here.

213-7
(Cont.)

5 So at the end of the day if Harvey Pitt
6 was here right now, I don't think he would be inclined at
7 this juncture, the heat he is feeling with the SEC to
8 give a pass to these owners based on their track record
9 because part of it is their intelligence and their
10 expertise but a lot of it, like that shooting of the
11 pipeline, it was just luck, real luck.

12 So I conclude by suggesting to you that
13 the 30 year component of the Right of Way permit is they
14 can ask for it but it's absurd and it's absurd in an era,
15 a political era that even exists in Alaska when corporate
16 corruption is looked at with a lot less sympathy.

213-8

17 Thank you very much.

18 HEARING OFFICER GEARY: Thank you for
19 your comments.

20 We're going to take another short break.
21 But before I do I want to make sure that -- I'm going to
22 read the names that I have remaining here and if you
23 don't hear your name called and you do wish to testify
24 make sure that you check in with the desk at the back.
25 Chip Nordhoff. Soren Wuerth. Carl Wassilie. Cara

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1 Johnson. Walt Parker. Bob Dugan. Donna Schantz. Peter
2 Macksey. Dan Dryden. Steve Mihalik.

3 So if you did not hear your name, please
4 check in at the back table. We'll adjourn for 10
5 minutes. Off record.

6 (Off record)

7 (On record)

8 HEARING OFFICER GEARY: All right, I'm
9 going to reconvene the hearing. The next person that's
10 scheduled to speak is Chip Nordhoff, number 50. 00214

11 MR. NORDHOFF: Hi. I'm Chip Nordhoff.
12 I'm an elementary school teacher here in Anchorage. I
13 think the longevity of the comments tonight really show
14 what an important issue this is and I've noticed a lot of
15 more recent comments, the later in the evening they go,
16 there's a lot more folks who are really concerned about
17 the 30 year lease and the DEIS. I know it's getting late
18 and I know I'm getting kind of loopy. I hope that you
19 all are able to listen at the same attention as you were
20 at the beginning.

21 As far as the TAPS lease renewal goes, I
22 don't believe the 30 year lease is necessary, as we've
23 heard, nor appropriate. If it's renewed, at all, I think
24 it should be for five years at a time. The land on which
25 the pipeline is built is not the same as it was 30 years

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1 ago nor will it remain so. The lowering of the
2 permafrost layer is changing the stability of the
3 pipeline. This needs to be monitored regularly as does
4 the wear and tear from being used for 25 years, 24 hours
5 a day, seven days a week. This monitoring should be
6 performed by an independent citizen's oversight group
7 which is funded by the industry. They definitely have
8 enough money and as we've heard so often that there's no
9 conceivable problem with the pipeline why would the
10 industry have any reason not to increase oversight.

214-2

214-3

11 The way I understand it, the industry is
12 asking for the longest possible lease with the shortest
13 possible comment period. This is not just blatant
14 disregard of the voices of Alaskans, it is also typical
15 of the arrogance of the oil industry here in Alaska.

214-4

16 It outrages me to hear the oil executives
17 tonight take credit for the PFD like it was their idea.
18 Exxon, Mobil continues to shirk responsibility for the
19 Exxon Valdez disaster while Alaskans continue to suffer
20 for their and Alyeska's mistakes. Their trust attitude
21 didn't work 13 years ago at Bligh Reef, nor did it cover
22 up the ridiculous wait time up in Livengood. Even the
23 millions of dollars the industry spends can't clean up
24 the fact that their response is woefully inadequate and
25 always an afterthought.

214-5

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1 Hearing so much, don't worry, it's all
2 good, trust us rhetoric only makes me more concerned.
3 This is the complacency that I heard about that was
4 predominant at the time of the Exxon oil disaster.

5 Crude oil is not just a commonly as we've
6 heard so often tonight, it's also a poison. One gallon
7 of oil will contaminant 100,000 gallons of water and
8 we're all aware of the importance of rivers and streams
9 and the subsistence practices of Alaskans. The pipeline
10 crosses 800 rivers and streams that network and weave
11 their way all over the state. These rivers are the life
12 blood of thousands of us and especially major rivers like
13 the Yukon and the Copper River. I think Judy's point
14 earlier was one of the most important things said
15 tonight, that many of the subsistence users are not nearby
16 right now, they're out and they're busy at fish camp or
17 berry camp and they won't even be aware of this comment
18 period much less have the time to read the DEIS and
19 comment on it.

20 This Environmental Impact Statement is
21 even more important to Alaskans than the first one for
22 TAPS since the pipeline is so much older. Please don't
23 minimize this process, our future is at stake.

24 HEARING OFFICER GEARY: Thank you for
25 your comments. Soren Wuerth. Carl Wassilie.

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1 MR. WASSILIE: Good morning. Thank you
2 for allowing me to speak here. I appreciate the
3 opportunity.

4 It's unfortunate that, you know, a lot of
5 communities along the coast of the Bering Sea will not be
6 able to testify since it costs anywhere between 400 and a
7 thousand dollars to come out, either to Anchorage or
8 Fairbanks to testify. There's communities in the Bering
9 Sea that are affected. It didn't say anything about
10 other governments which includes First Nations, Yukon
11 Territory, these are other areas that are affected by
12 this pipeline. Because I think the Canadians should have
13 comment. The fish don't stay in one place.

14 Yeah, I guess I'll comment on the
15 lateness again. You know, it's kind of put on by the
16 regulators themselves and have a public comment meeting
17 that starts at 7:00 at night and it's actually -- for a
18 hearing to start at 7:00 at night in a city this large, I
19 figured it'd go pretty late. But, yeah, the public
20 process on the Draft EIS here is pretty slim considering
21 it's more important than the original EIS.

22 West Coast cities are dependent on the
23 oil that flows through there, a billion gallons per day,
24 why aren't their comments -- why aren't there hearings
25 being held down there. I think that needs to be in

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(Cont.)

1 consideration.

2 The time line, 45 days, is totally
3 inadequate. 180 days would be more adequate. Especially
4 considering the cultural differences in the state are
5 vast. And the waterways in which this pipeline crosses
6 extend to all the seas with major fisheries, wildlife and
7 subsistence populations. Yeah, we've all seen government
8 complacency before working hand in hand with the -- with
9 the oil companies, big oil here trying to cut -- cut on
10 maintenance and safety. We heard before from Steve Conn
11 about corporate corruption and that is an issue here in
12 the United States. I mean I don't trust the TAPS owners,
13 Alyeska Pipeline Service. I saw the oil spill. The
14 suicides from the Native, wasn't just an affect on the
15 wildlife, there was a lot of people that will feel this
16 their whole lives in Prince William Sound.

215-2

17 A citizen's oversight group is needed,
18 citizen's oversight council, citizen's oversight
19 committee. Citizen's oversight.

215-3

20 Yeah, the people -- the people all over
21 the state need to be involved in this public comment.
22 There's a pipeline that's corroding and it's leaking all
23 over the place and those are facts. You need to take a
24 closer look at this pipeline audit, look at the
25 maintenance. Look at the issues, the past issues, this

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1 historical context, section by section by auditing. Give
2 a holistic picture of the reality of the pipeline and
3 that's -- that can be done with citizen's oversight
4 working with industry and government -- many governments.

215-5

5
6 Yeah, I think it's important that these
7 cross-cultural miscommunications are looked at because
8 most -- the most effective way that the Native people
9 communicate is orally. Sometimes it's difficult to get a
10 better -- to get written comment or to ask somebody to
11 comment on something like this, it's a different culture
12 and allowing more time for people to talk about things,
13 how this pipeline affects them, I think, would be the
14 number 1 way to go for when you decide to have more
15 hearings in different parts of the state and respecting
16 the government relationship with other governments,
17 including Canada and the Bering Sea communities.

215-6

18 HEARING OFFICER GEARY: Thank you. Cara
19 Johnson. Cara. Walter Parker. 00216

20 MR. PARKER: Thank you. Walter Parker.
21 Board member of the Forum for Environmental
22 Responsibility. I testified previously at Cordova,
23 Valdez and Glennallen. This testimony is in addition to
24 what was presented there.

25 I think the last speaker clearly made the

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1 point and he gets some of it from me since he's my
2 grandson, that this is the most important EIS proceeding
3 to come before the state since the original EIS, which I
4 was heavily involved with. And it's important to
5 remember that that EIS never made it through the process
6 and it took the Act of Congress with the famous tie vote
7 in the Senate being broken by Spiro Agnew to authorize
8 the construction of the Trans-Alaska Pipeline and to
9 allow the Department of Interior to issue the lease on
10 the Federal lands.

11 Since last testifying, I have continued
12 to read the Federal Draft Environmental Impact Statement
13 and the State of Alaska Proposed Determination. This
14 exercise has confirmed my previous request for an
15 environmental and operational audit by an independent
16 team that would provide more assurance for the future
17 than is provided in the present draft. Because of the
18 lack of specificity addressing problems with TAPS that
19 have been occurring for years, it is difficult to see how
20 this draft and the material in it can provide the
21 assurance that would justify a 30 year renewal or,
22 indeed, any renewal. My lack of faith in the TAPS
23 owners, the Alyeska Pipeline Service Company and the
24 Federal and the State agencies that make up the JPO is
25 based on hard learned lessons of the past 34 years. From

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1 1968 to 1977, I and my colleagues put in a lot of effort
2 to ensure the best possible system for transporting North
3 Slope crude from Pump Station One to the West Coast
4 refineries. We worked closely with the West Coast
5 states, three Federal administrations and two Alaska
6 Governors to develop the programs that were in place when
7 the Arco Fairbanks sailed from Valdez on August 1st, 1977
8 with the first load. By this time the promises made by
9 the Nixon Administration for double-bottomed and double-
10 hulled tankers had been reneged upon due to the failure
11 of the Coast Guard to seek Congressional or Presidential
12 authority for them. To counter this, we passed State
13 Legislation to ensure that best available technology and
14 best operational practices would be used in the Alaska
15 trade. The better your ship the less you paid into the
16 Coastal Management Fund.

17 Two months after the terminal opened, the
18 TAPS owners sued the state of Alaska, Chevron versus
19 Hammond, on the grounds that we had preempted Federal
20 authority. They won this case in 1979 and immediately
21 began to strongly lobby the Alaska Legislature to remove
22 the few safeguards remaining. The system was rapidly
23 dismantled by both Federal and the State authorities
24 despite continual notices from Dan Lawn and others at
25 Valdez that there were grave dangers. The TAPS owners

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1 even reached the level of arrogance where they were using
2 the space between hulls for oil storage on the few
3 double-hull tankers constructed in answer to the State's
4 Coastal Management Fund.

216-2
(Cont.)

5 So inevitably, the Exxon Valdez occurred
6 and I had the misfortune of chairing the Alaska Oil Spill
7 Commission to investigate why the wreck on the Bligh Reef
8 occurred.

9 Luckily, the Alaska Legislature gave us
10 subpoena powers and our investigators were able to bring
11 forth in detail the problems and lack of regulatory
12 oversight that led to the wreck. Congress rectified some
13 of this in OPA90 accepting 50 of our 52 recommendations
14 and the State Legislature imposed some standards on the
15 response system. Unfortunately this only applied to
16 tanker traffic and part of the terminal. Congress
17 inserted language in OPA90 asking the president to
18 provide an audit of the pipeline through an independent
19 body and to make recommendations for further action but
20 industry lobbying and the Republican takeover of the
21 Congress stalled effectively any efforts to implement
22 this.

216-3

23 For the past 10 years, the Forum on
24 Environmental Responsibility was reported on a wide range
25 of problems. These are detailed in successive reports by

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1 Richard Fineberg. The response has been, by the
2 regulators, to be increasingly weak and submissive to the
3 industry and by TAPS owners to make threats about the
4 lack of a competitive environment in Alaska because of
5 too much regulatory delay. The Federal response now is
6 deregulation and streamlining, two efforts almost
7 guaranteed to increase the risk of catastrophic pipeline
8 failure.

216-4

9 So what are the areas of risk from TAPS?
10 The Sagavanirktok, Kuparuk and Toolik drainages on the
11 North Slope plus possible coastline affects from the
12 Colville to Demarcation Point.

216-5

13 The entire Yukon watershed in the
14 Interior, comprising 25 percent of the state land mass
15 and 15 percent of its population in some 52 small
16 communities and the state's second largest city. The
17 DEIS only identified 21 communities at risk, ignoring
18 what the affects of oil would be on the Yukon salmon
19 runs, its bird populations and other species upon which
20 subsistence is dependent.

216-6

21 The entire Copper River watershed and the
22 Gulf Coast from Kayak Island to the Kenai Fjords at least
23 for another oiling with some 15 communities of which 13
24 are identified in the DEIS.

216-7

25 And the Lowe River drainage with possible

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1 effects throughout Prince William Sound and affecting
2 three communities, at least.

216-7
(Cont.)

3 Now, this is a very different picture
4 from that presented in the DEIS which tends to assume the
5 best in unproven oil spill response in rivers. Half of
6 the land area of Alaska is threatened and one-third of
7 its communities. This is a risk which the DEIS treated
8 in a ho-hum fashion in which BLM Director Kathleen Clarke
9 tossed off as what can go wrong, it's been working for 25
10 years. The State's response has been a thundering
11 silence, largely, except to pat Alyeska on the back for
12 its delayed spill response on the bullet hole leak.

216-8

13 Just to bring out a few more problems
14 that may be caused by the effects of climate change in
15 the Arctic identified in my previous testimony is the
16 major omission despite the circumpolar secretariat for
17 the Arctic Climate Impact Assessment being located in
18 Fairbanks.

216-9

19 On the North Slope permafrost will
20 continue to be more stable than in the other areas
21 traversed by the TAPS, the areas where the pipeline goes
22 over the stream terraces along the Sagavanirktok River
23 were very touchy during construction and promise to be
24 more so now. You can go back and look at the permafrost
25 national monument, as I termed it, and give you an idea

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1 of what may occur. The burial of the pipeline in the
2 river needs to be assessed against the possibility of
3 much greater flooding, which is occurring in other parts
4 of the Arctic threatened by warming. Extreme weather
5 events, including floods, may be of greater consequence
6 than the warming itself.

216-9
(Cont.)

7 During construction, I regarded the
8 western slopes of the South Fork of the Koyukuk as having
9 great potential for future solifluction, solifluction
10 presently being held in check by permafrost. All river
11 crossings are at some hazard as the thaw bulbs increase
12 in size and shape. These are certainly not
13 insurmountable problems but do require some attention
14 from a first class team. These problems are being
15 addressed here and there but industry in its desire for
16 budget cuts has limited the action to a scale well below
17 what is called for by the magnitude of the risk.

216-10

18 The minimal treatment of the VSMS is one
19 of the major reasons why an independent audit is needed.
20 With half of the pipeline at increased risk from
21 increased soil instability, more liquefaction and
22 erosion, the talents of the best hydrologists and
23 permafrost geologists should be brought into play as
24 rapidly as possible.

216-11

25 If a citizen's oversight group is created

216-12

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1 in response to almost universal citizen demand, it will
2 require the assistance of a continuing audit by
3 independent professionals, similar to the manner in which
4 the two existing citizen's group employ them. The
5 pipeline will require a substantially larger budget, but
6 there is no better way to restore some faith in the
7 process than a well financed oversight commission with a
8 budget big enough to carry on an ongoing audit.

9 The changes in attitude created after the
10 Exxon Valdez in the regulatory agencies and the industry
11 have largely faded away into complacency. Fortunately,
12 that complacency does not exist in much of the citizenry
13 that has come before you. If you listen, there is some
14 home of working out an extension that will provide some
15 hope for the future. The actions of Director Clarke,
16 thus far do not bode well that such is possible on the
17 Federal side but one can always hope.

18 The upcoming Governor's race in Alaska
19 offers a forum for citizens to find out how important the
20 future of TAPS reliability is to the candidates. Since a
21 major interruption of the TAPS would have a massive
22 detrimental affect upon the fiscal gap, I would hope they
23 would have something to say about it.

24 Thank you. See you in Fairbanks.

25 HEARING OFFICER GEARY: Thank you, Mr.

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1 Parker. Did you want to submit that for the record?

2 MR. PARKER: Yes.

3 HEARING OFFICER GEARY: Thank you. And
4 I'll mark it as Exhibit 50. Bob Dugan. Bob Dugan,
5 number 55. Donna Schantz. 00217

6 MS. SCHANTZ: Hi. My name is Donna
7 Schantz and I work for the Prince William Sound Regional
8 Citizen's Advisory Council and they will be submitting
9 more extensive technical written comments on the DEIS,
10 however, I also wanted to convey my personal concerns as
11 a Valdez resident and a resident of Jack Bay, Prince
12 William Sound.

13 My comments tonight center on the quality
14 of literature cited in the DEIS.

15 Studies funded by the oil industry seem
16 to have been favored in the DEIS and more recent
17 literature has been overlooked. Studies funded by non-
18 industry experts that contradict studies performed by
19 industry have been left out of the DEIS. For example,
20 NOAA and Auke Bay Laboratory toxicity tests indicate that
21 Alaska North Slope crude oil is much more toxic than
22 originally thought and that toxicity is amplified by
23 sunlight. Research by Dr. Jeff Short has been cited in
24 the DEIS, specifically his work associated with possible
25 sources of hydrocarbons in Prince William Sound from

217-1

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1 other than Alaska North Slope crude oil. However, Dr.
2 Short has conducted considerable research and published
3 reports on the lingering effects of the Exxon Valdez Oil
4 Spill that has been left out of the DEIS. Let's see, Dr.
5 Short's research on hydrocarbons from coal, seeps at
6 Katalla and other geologic features are included in the
7 DEIS while his research on his effects of the Exxon
8 Valdez Oil Spill on the intertidal zone of beaches is
9 omitted. This is very misleading because the naturally
10 occurring oil is not as bioavailable as the North Slope
11 crude oil that might be spilled by a tanker, such as the
12 Exxon Valdez Oil Spill or that could be spilled into the
13 many rivers and streams along the pipeline.

217-2

14 Considerable recent literature is
15 available on the toxicity of North Slope crude oil from
16 Jeff Short and others. A more detailed discussion on the
17 environmental impact of spilled oil supported by recent
18 literature needs to be in the DEIS if there is to be any
19 reasonable claim that the cumulative impact and lingering
20 effects of oil has been addressed.

217-3

21 Section 1502.24 of the National
22 Environmental Policy Act reads, quote, agencies shall
23 ensure the professional integrity including scientific
24 integrity of the discussions and analysis in
25 environmental impact statements. They shall identify any

217-4

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1 methodologies used and shall make explicit reference by
2 footnote to the scientific and other sources relied upon
3 for conclusion in the statement. An agency may place
4 discussion of methodology in an appendix, end quote.

217-4
(Cont.)

5 The TAPS owners 2001 A environmental
6 report is referenced throughout the DEIS, please note
7 that this report is in draft form and was prepared by the
8 TAPS owners. Information contained within a draft
9 document should not be considered to have professional
10 integrity including scientific integrity of the
11 discussions and analysis. Additional scientific
12 information on the environmental impact of North Slope
13 crude oil needs to be referenced and considered in the
14 final EIS.

217-5

15 The Prince William Sound Regional Citizen
16 Advisory Council will be submitting a bibliography of
17 recent literature on the increased toxicity of North
18 Slope crude.

19 If the final EIS does not recognize some
20 of this research I am personally requesting an
21 explanation as to why it has not been considered or
22 cited. And this explanation should not be that the
23 information is not relevant because it is extremely
24 relevant to the environmental impacts.

217-6

25 I was going to say that I have not heard

217-7

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1 anybody state flat out that the TAPS should not be
2 renewed for 30 years but there was some testimony just
3 before me that will make me have to say that most people
4 that I've talked to and heard tonight do not think that
5 it should not be renewed for 30 years but what we are
6 asking is that for increased prevention and maintenance
7 plans, that they're put in place and enforced as a term
8 of the renewal. There must be a balance between industry
9 and environmental protection.

217-7
(Cont.)

10 If environmental impacts are properly
11 outlined and discussed in the DEIS, then I believe
12 increased oversight, prevention and maintenance plans
13 will be forced into the decision-making process. Only
14 when this happens will the DEIS be balanced.

217-8

15 I thank you for the opportunity to
16 comment.

17 HEARING OFFICER GEARY: Thank you.

18 MR. MACKSEY: Macksey.

00218

19 HEARING OFFICER GEARY: Could you spell
20 your last name, please?

21 MR. MACKSEY: M-A-C-K-S-E-Y. The
22 penmanship's not hot. For the record, my name is Peter
23 Macksey. I'm a structure iron worker. I spent a year at
24 Tonsina, Pump Station 12 building the pipeline. I'm
25 currently a steel salesman for a local company and

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1 Alyeska is one of my customers.

2 During the year I spent building the
3 pipeline, myself and a lot of other men and women built
4 what we thought was a quality product and it stands to
5 this day as a quality product.

218-1

6 People have brought up that the
7 pipeline's aging, I'm not sure that's the right word for
8 it. I think maturing is more to the point. In the last
9 25 years we've learned about managing problems and we've
10 learned about how to implement systems to take care of
11 problems that have come up. People keep bringing up a
12 recent oil spill and our Exxon Valdez Oil Spill. Both
13 those were human error, alcohol-induced errors that were,
14 I think out of the hands of the physical make up of the
15 pipeline itself. And it's, I think, maybe we weren't
16 ready for the Exxon Valdez, I think we were ready for the
17 guy shooting the hole in the side. I don't think of 36
18 hours of shutting down the pipeline was unreasonable,
19 nobody got hurt.

218-2

218-3

20 I'd like you to look at -- I'm kind of
21 impressed at some of the, that's changed my attitude on
22 some of the attitude. I'm for the 30 year renewal.
23 Hopefully in the 30 year time, I won't have to do this
24 again. We won't have to do a four volume EIS statement
25 again for 30 years. But on the same token, I'd like to

218-4

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1 look at Joint Pipeline Office as looking at maybe having
2 a 10 or a five year oversight by an outside group. I
3 don't think that's an unreasonable ask. I don't see
4 where a citizen's oversight group is going to do anymore
5 than the Joint Pipeline Office is doing now. I wouldn't
6 mind seeing maybe a seat on it for an outside group or
7 maybe more than one. But I don't think a sole committee
8 is going to help anymore with what we're doing.

9 Let's see what else I want on the record.
10 I'm pro-global warming. After this summer, I'm kind of
11 interested in it staying as warm as it is.

12 And other than that, I thank you for your
13 time. I'm impressed with your patience with the group.

14 HEARING OFFICER GEARY: Thank you for
15 your testimony. Dan Dryden. Steve Mihalik. 00219

16 MR. MIHALIK: Good morning and thank you
17 for the opportunity to speak. I hope you all can stay
18 awake for me. I don't know if I'm necessarily worth
19 staying awake this late. My name is Steve Mihalik. I'm
20 the general manager of Work Safe, a wholly owned
21 subsidiary of the NANA Development Corporation.

22 This evening we had an opportunity to
23 hear from a lot of great companies, Veco to Doyon
24 Universal Services, the NANA Development Corporation.
25 Everybody had a chance to speak about the large

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1 corporation. Today, this morning, I'm going to talk
2 about the impact of a small company.

3 As a general manager of a small business
4 which provides services to just about every industry in
5 Alaska. I understand how changes in the regulation affect
6 a business climate. I'm also very aware of how important
7 the Trans-Alaska Pipeline and the oil industry is to the
8 Alaska economy and to the small business. The Trans-
9 Alaska Pipeline system is a vital component to the Alaska
10 economy and landscape providing economic development and
11 jobs. I have a long list of statisticals of how the
12 impact to the Alaska economy has but other organizations
13 such as the Oil Support Alliance, the RDCADC all spoke
14 very clearly of how the economic impact affects our
15 state.

16 What I'm here to say is a renewal period
17 shorter than 30 years could reduce the growth rates of
18 population, employment, income, tax revenues, increasing
19 annual state budget deficits and possibly jeopardizing
20 services and programs. Moreover, anything less than 30
21 years would jeopardize the future of thousands of small
22 companies and their employees.

23 In closing, it's been a long night, let's
24 keep Alaska open for business and finalize the right of
25 the renewal. I support the renewing of the Trans-Alaska

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219-2

1 Pipeline systems Right of Way renewal for 30 years. Oil
2 production has been good for Alaska, good for my
3 employees and good for the environment.

4 Thank you very much. Have a good
5 evening.

6 HEARING OFFICER GEARY: Thank you for
7 your comments. One more time, Bruce Tiedeman, David
8 Comins, Tom Krzewinski, Soren Wuerth, Cara Johnson, Bob
9 Dugan, Dan Dryden.

10 This hearing stands adjourned until 7:00
11 p.m. tomorrow in Fairbanks. Off record.

12 (ADJOURNMENT)

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IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my seal this 16th day of August 2002.

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Responses for Document 00173

00173-001: Thank you for your comment.

00173-002: Thank you for your comment.

00173-003: Thank you for your comment.

00173-004: Thank you for your comment.

Responses for Document 00174

00174-001: Thank you for your comment.

00174-002: Thank you for your comment.

00174-003: Thank you for your comment.

00174-004: Thank you for your comment.

Responses for Document 00175

- 00175-001:** Thank you for your comment.
- 00175-002:** Thank you for your comment.
- 00175-003:** The past operational and maintenance histories of TAPS were considered in the analysis.
- 00175-004:** Issues related to the safety of the TAPS are discussed in Sections 3.1, 4.1, 4.4, and 4.7 of the EIS. The record of safety over the last 25 years of operation as well as the predicted safety aspects over the proposed ROW renewal period are given. The EIS is intended to provide the absolute values of the impacts and to compare the impacts with applicable standards, regulations, and laws. Comparison evaluation of the safety record of TAPS with other pipelines, although it may be informative, is not appropriate for the EIS.
- 00175-005:** Thank you for your comment.
- 00175-006:** The reader is referred to Section 2.5 of the FEIS, Alternatives and Issues Considered but Eliminated from Detailed Analysis.

Responses for Document 00176

00176-001: Thank you for your comment.

00176-002: Thank you for your comment.

Responses for Document 00177

00177-001: Thank you for your comment.

00177-002: Thank you for your comment.

Responses for Document 00178

00178-001: Thank you for your comment.

00178-002: Thank you for your comment.

00178-003: Thank you for your comment.

00178-004: Thank you for your comment.

00178-005: Thank you for your comment.

Responses for Document 00179

00179-001: The operation and maintenance histories of TAPS were considered in the analysis.

00179-002: Thank you for your comment.

00179-003: Thank you for your comment.

Responses for Document 00180

00180-001: Section 29 is a specific provision in the Federal Grant of Right-of-Way for the TAPS that addresses aspects of Alaska Native employment on the TAPS (APSC and contractor employment). The need for this provision arose in the early 1970s in conjunction with the settlement of Alaska Native land claims and the construction of the TAPS.

Section 29 of the Federal Grant requires four things of the permittees:

- 1) An agreement with the Secretary regarding recruitment, testing, training, placement, employment, and job counseling of Alaska Natives;
- 2) A training program for Alaska Natives designed to qualify them for initial employment and later advancement;
- 3) Try to secure employment of successful trainees and report to the BLM's Authorized Officer regarding discharge of Alaska Natives; and
- 4) Furnish required information about Alaska Native employment to the Authorized Officer.

The agreement referred to above is known as the "Alaska Native Utilization Agreement" (ANUA) and was first executed in 1974 and more recently updated on a triennial basis, starting in 1995. The most recent agreement was signed in 2001. The agreement provides the basis for implementing the requirements of Section 29. BLM has a Native Liaison Officer whose responsibilities include close oversight of the Section 29 program at APSC. Any shortcomings or other agreement goals not being met are highlighted for special attention. As is the case for any other provision of the Federal Grant, the BLM can enforce this provision by requiring permittees to take actions to remedy any deficiencies noted.

APSC has had a good track record since 1995 of achieving continually rising employment goals spelled out in the ANUA. To provide assurances that these percentage gains won't be lost in the longer term, BLM has engaged APSC in negotiations that will lead to a written mechanism or procedure within the upcoming ANUA (2004) to rapidly address any slippage (Action 4.8.4).

00180-002: Thank you for your comment. The contracting practices of the Alyeska Pipeline Service Company are beyond the scope of this EIS.

00180-003: The settlement claim for punitive damages related to the Exxon Valdez oil spill in Prince William Sound is currently in litigation and is outside the scope of the EIS process for the renewal of the Federal Grant of Right-of-Way.

00180-004: The description and analysis of subsistence harvest patterns are based on a thorough review of a large body of systematic research as well as the traditional knowledge provided in testimony by local residents. A careful effort was made to include all sources of information and none were dismissed as unimportant. Major references include classic ethnographies such as Osgood's work among Alaska Athabascans and Birket-Smith and DeLaguna's work in Prince William Sound, all dating to the 1930s. In addition, the analysis drew on over two dozen community harvest surveys conducted by the ADFG Division of Subsistence since the early 1980's. A very recent publication, systematically documenting the traditional ecological knowledge of Ahtna Elders regarding salmon in the Copper River, was incorporated into the revised analysis. In all cases, these reports are based on extensive and systematic interviews with local people. The sources of information were developed in close consultation with Alaskan specialists, the draft analysis was widely circulated for review, and substantial improvements have been incorporated into the FEIS.

Every effort has been made to emphasize that contemporary subsistence patterns are founded in economic/ecological, social organizational, and ceremonial or cultural dimensions. There is no intention to reduce the rich fabric of the subsistence way of life to justify the economic elements, and certainly not to suggest that rising incomes substitute for subsistence.

With regard to incorporating Tribal input on this EIS, it is important to note that several references to traditional ecological knowledge appear throughout the document. In an attempt to acquire additional information from the Tribes, in April 2002 EIS personnel contacted the 21 directly affected villages/Tribes by certified mail to explore the acquisition of additional information, including traditional ecological knowledge pertaining to subsistence. To date, no response to those letters has been received.

00180-005: Commitments that are made by APSC or the TAPS Owners in accordance with specific requirements in the Federal Grant, for example Section 29, "Training of Alaska Natives," and Section 30, "Native and Other Subsistence," are enforced with the same authority as all other stipulations. Neither the BLM nor the other JPO agencies are authorized to require or enforce commitments that are made by APSC or the TAPS Owners directly with individuals or groups.

00180-006: The issue of subsistence impacts under the proposed action and alternatives has been revisited carefully in response to public comments. The revised version of Section 3.24 of the FEIS discusses a variety of subsistence data, including community harvest data, approximated subsistence harvests of selected game by geographic area, information on resource populations (see also Sections 3.19, 3.20, 3.21, and 3.22), and traditional ecological knowledge. Sections 4.3.20 and 4.7.8.1 refer to studies that have focused on impacts related to the oil industry on subsistence, thus providing an interpretation of key situational data on subsistence. The available data are adequate for purposes of evaluating impacts of the proposed action and all alternatives considered in this EIS. Any additional data collection, should it occur, is beyond the scope of this EIS.

Sections 3.23 and 3.24 have both been revised to discuss village economies. Subsistence continues to be presented as an activity important to rural Alaskans for a variety of reasons.

Responses for Document 00181

00181-001: Thank you for your comment.

00181-002: Thank you for your comment.

00181-003: Thank you for your comment.

00181-004: Thank you for your comment. The cumulative impact analysis assumed that for the No Action alternative a natural gas pipeline could still be constructed.

00181-005: Thank you for your comment.

00181-006: Thank you for your comment.

Responses for Document 00182

- 00182-001:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00182-002:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00182-003:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00182-004:** VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.
- 00182-005:** Yes, APSC's Aboveground Monitoring and Maintenance Program maintains detailed engineering information on each VSM. If a corrective maintenance threshold is reached, then maintenance action is taken. This process is cataloged in great detail in APSC's Annual MP 166 Aboveground Monitoring Report.
- The blockage referred to in the comment appears to relate to hydrogen that is present in some of the heat pipes. This non-condensable gas diminishes the heat exchanging capacity of the heat pipes so affected. See the discussion in Section 4.1.2.2.5, including the text inset.
- Actually, the blockage problem has received considerable attention. Devices have been designed and installed to remove the hydrogen gas from heat pipes. Also, APSC is perfecting the monitoring of heat pipes with infrared cameras to better identify those heat pipes that might have hydrogen build-up, and thus reduced heat transfer efficiencies. The results of the monitoring are factored into a maintenance algorithm to develop repair schedules.
- The heat pipes were redundant at the time of construction. However, with the recent warming trend in Alaska, some locations require more than one heat pipe to maintain the soil frozen. APSC monitors heat pipe performance and maintains sufficient cooling capacity to keep the VSM stable (i.e., frozen).
- 00182-006:** The age and condition of the TAPS were considered in the analysis. Sections of the pipeline are designed to slip to accommodate ground movement and expansion of the pipeline without endangering the structural integrity of the pipeline. Anchor structures are positioned along the pipeline to maintain the degree of slippage within design limits.

- 00182-007:** Information regarding data collected during instrument pig runs, as well as interpretation of that highly technical data, is available in the various reports filed by JPO under its comprehensive Monitoring Program (CMP). All CMP reports are a matter of public record and are available for review at the JPO offices. In addition, when data from instrumented pigs suggests additional investigations or repairs are warranted, JPO issues directives to APSC for such activities. JPO oversight of the subsequent actions is often summarized in engineering reports. Although highly technical, engineering reports are also available for public review.
- Curvature analysis is provided by APSC to JPO in MP-166 reports that are available for public review at the JPO Anchorage offices. To summarize, there have been no curvature changes under rivers in the past years of data (1993-1995, 1998) that were significant (within the accuracy of the measuring tool). The corrosion pig has located corrosion, and the extent and depth are evaluated by using appropriate data analysis methodologies. All significant corrosion has been inspected and repaired when necessary. Currently, APSC continues to monitor corrosion and address it prior to its becoming a concern.
- 00182-008:** Any such operational issues are the subject of JPO's Comprehensive Monitoring Program (CMP), as well as the associated Reliability-Centered Maintenance Analysis. When assessment under this JPO oversight identifies a potential problem, JPO may choose to issue directives to APSC to develop and submit for JPO approval a corrective action plan and schedule for correcting the deficiency.
- 00182-009:** The degree of corrosion and corrosion protection measures were considered in the analysis. While targeted audits, inspections, field surveys, and monitoring programs provide useful information on the condition of the TAPS, targeted assessments of specific activities do not generally provide the necessary framework to systematically address all critical TAPS functions and their associated reliability. Thus, the BLM and member agencies of JPO, in close cooperation with APSC, have begun a systematic process to identify the critical functional components of the TAPS. The process, called reliability centered maintenance (RCM), is an ongoing system-by-system audit that determines function, failure modes, consequence, and preventive maintenance of critical systems. The BLM is committed to RCM and believes that this process represents a proactive approach to oversight and regulation of the TAPS. In addition, RCM is widely used in the airline and other industries as the standard tool for reducing risk of failure to critical system components. Reduced risk in TAPS critical systems directly translates into reduced safety and environmental risks.
- 00182-010:** VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.
- 00182-011:** The Transient Volume Balance (TVB) system in use at the TAPS can detect leaks down to 100 barrels per hour within 20 hours, i.e., 2,000 barrels. A 1 gallon per minute underground leak should be detected and located within 3 months (which is approximately 3,100 barrels).
- 00182-012:** Operational problems with the communication systems have received oversight attention from JPO. APSC is currently converting from the microwave system to the Fiber Optic System for its RGV controls. This conversion will be completed by the end of 2003. The fiber optics system will be backed up by satellite earth stations at all pump stations (except PS 2) and at the VMT.
- 00182-013:** The adequacy of pipeline surveillance is an open JPO finding documented in both the 1999/2000 and 2002 CMP reports. As discussed in those reports, the JPO is using RCM methodology to fully address pipeline monitoring.
- 00182-014:** The impacts to Port Valdez water and marine organisms from an addition 30 years of TAPS operation are discussed in Section 4.3.8.

00182-015: There is no evidence that the problems with the BWTF have resulted in off-normal effluent discharges that have had an impact on the environment or public health and safety. The Alyeska Annual Data Report for June 2000-May 2001, filed with the EPA and ADEC pursuant to Part III.B.6 of NPDES Permit No. AD-002324-8, shows the effluent from the BWTF did not exceed the specific limits established in the Permit. Since the effluent limits in the Permit are established by the EPA, and certified by the ADEC, at levels expected to prevent adverse effects on receiving waters, it is reasonable to conclude that when these effluent limits are met there is no significant adverse effects to existing water quality of Port Valdez from BWTF effluent discharges regardless of certain less than optimum plant operations. Other sections of the DEIS deal with the impact of contaminants, from all sources, on the physical marine environment.

While we recognize that the PWS RCAC has recommended that NPDES permit levels for the BWTF be reduced, the EIS correctly identifies that BWTF discharges are below current NPDES permit limits and that concentrations of total PAHs in sediments are below the sediment quality guidelines for marine sediments. The methods used by Feder and Shaw (2000) to detect total PAH concentrations in sediment were sufficiently sensitive to allow comparison to the sediment quality guidelines. This does not mean that there is not some accumulation of PAHs in sediments surrounding the BWTF diffuser near the VMT, just that those levels do not exceed the current sediment quality guidelines for protecting aquatic organisms. As identified in the comment, PAH accumulation was detected in mussels used to monitor water quality in Port Valdez as part of a PWS RCAC-sponsored monitoring program (Salazar et al. 2002). In that study, it was found that all measured concentrations of PAHs in water and estimated on the basis of bioaccumulation in mussel tissues indicated that the concentrations of PAHs in Port Valdez waters are in the low parts-per-trillion range, well below the levels that have been associated with adverse effects in herring and salmon embryos (Salazar et al. 2002). In addition, Salazar et al. (2002) did not detect reductions in overall growth of caged mussels that could be attributed to PAH burdens. Instead of stating that BWTF effluent is unlikely to impair sediment quality, the EIS was revised to state that sediment concentrations of PAHs in sediments and water due to BWTF operations are not expected to change substantially as a result of the proposed action and to cite and discuss results of the recent monitoring efforts.

00182-016: Table 3.13-6 of DEIS (page 3.13-10) lists the total emissions of hazardous air pollutants (HAPs) from the Valdez Marine Terminal as 122.9 tons per year, which is approximately 5 times the threshold level of HAPs emission rate for a major source as defined by EPA (25 tons/year of any combination of HAPs). The 25 tons per year value is merely a threshold value used to define "major source of HAPs," not the upper limit of the HAPs emissions that the law [Clean Air Act] allows.

00182-017: The EIS correctly identifies that BWTF discharges are below current NPDES permit limits and that concentrations of total PAHs in sediments are below the sediment quality guidelines for marine sediments. This does not mean that there is not some accumulation of PAHs in sediments surrounding the BWTF diffuser near the VMT, just that those levels do not exceed the current sediment quality guidelines for protecting aquatic organisms.

00182-018: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

The TAPS Oil Discharge Prevention and Contingency Plan for the pipeline (C-Plan), prepared by APSC (2001g—see Section 3.30 of the FEIS for the reference), provides significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline.

The C-Plan is updated periodically and lessons learned from actual occurrences as well as from regular exercises conducted along the pipeline are incorporated into the C-Plan. In addition, the C-Plan is reviewed annually by BLM, every three years by ADEC, and every 5 years by DOT. EPA also reviews the plan as it applies to pump stations. As part of this process, APSC and the Federal and State agencies with oversight responsibilities for TAPS make sure that the appropriate emergency response equipment and personnel are made available along the TAPS. See MP 400 retrospective in Section 4.1.1.8.

00182-019: APSC has an Oil Spill Contingency Plan in place. That plan includes tactics and strategies for response in every river crossed by TAPS. The plan is approved by the appropriate state and federal agencies.

The Joint Pipeline Office (JPO) oil-spill planning and prevention program is a large-scale, multi-agency endeavor. Each of four participating agencies (Alaska Department of Environmental Conservation (ADEC), Environmental Protection Agency (EPA), Bureau of Land Management (BLM), and Alaska Department of Natural Resources (ADNR)) has a particular focus; however, their individual objectives are considered collectively in the JPO TAPS oil spill response and planning group. This interagency group generally meets monthly and maintains a continuous monitoring program on TAPS oil-spill planning and related issues.

The emphasis of the four agencies is the prevention of spills. Spill prevention is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises conducted on TAPS annually) and 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, the JPO has a number of highly trained individuals who are fully prepared to respond quickly and effectively. River crossings are important elements of the strategy for prevention and response to oil spills.

The TAPS Pipeline Oil Discharge Prevention and Contingency Plan (APSC 2001g) provides for significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline.

00182-020: The possibility of introducing nonindigenous organisms via untreated segregated tanker ballast water is addressed as part of the analysis of cumulative effects in Section 4.7.7.2.1.

00182-021: The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.

The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

00182-022: As identified in the EIS, BWTF discharges are below current NPDES permit limits and that concentrations of monitored chemicals are within levels established. This does not mean that there is not some accumulation of PAHs in sediments surrounding the BWTF diffuser near the VMT, just that those levels do not exceed the current sediment quality guidelines for protecting aquatic organisms.

Accumulation of PAHs was detected in mussels used to monitor water quality in Port Valdez as part of a PWS RCAC-sponsored monitoring program (Salazar et al. 2002). In that study, it was found that all measured concentrations of PAHs in water and estimated on the basis of bioaccumulation in mussel tissues indicated that the concentrations of PAHs in Port Valdez waters are in the low parts-per-trillion range, well below the levels that have been associated with adverse effects in herring and salmon embryos (Salazar et al. 2002). In addition, Salazar et al. (2002) did not detect reductions in overall growth of caged mussels that could be attributed to PAH burdens. Instead of stating that BWTF effluent is unlikely to impair sediment quality, the EIS was revised to state that sediment concentrations of PAHs in sediments and water due to BWTF operations are not expected to change substantially as a result of the proposed action and to cite and discuss results of the recent monitoring efforts. In addition, additional information about the toxicity of oil (especially aqueous components such as PAHs) to fish and invertebrates has been added to Section 4.4.4.10.

00182-023: We assume that the comment refers to the enhanced toxicity that has been demonstrated when some of the PAHs in oil are exposed to sunlight. Text has been added to Section 4.4.10 that mentions this enhanced toxicity and provides additional citations.

00182-024: The operation and maintenance of TAPS is under the scrutiny of the JPO. APSC must meet the stipulations of the grant and lease. APSC has some latitude in how this is accomplished organizationally.

00182-025: Potential spill scenarios and their impacts on the North Slope are addressed in Section 4.7 of the EIS under Cumulative Impacts.

00182-026: The Joint Pipeline Office (JPO) oil-spill planning and prevention program is a large-scale, multi-agency endeavor. Each of four participating agencies (Alaska Department of Environmental Conservation (ADEC), Environmental Protection Agency (EPA), Bureau of Land Management (BLM), and Alaska Department of Natural Resources (ADNR)) has a particular focus; however, their individual objectives are considered collectively in the JPO TAPS oil spill response and planning group. This interagency group generally meets monthly and maintains a continuous monitoring program on TAPS oil-spill planning and related issues.

The emphasis of the four agencies is the prevention of spills. Spill prevention is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises conducted on TAPS annually) and 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, the JPO has a number of highly trained individuals who are fully prepared to respond quickly and effectively. River crossings are important elements of the strategy for prevention and response to oil spills.

The TAPS Pipeline Oil Discharge Prevention and Contingency Plan (APSC 2001g) provides for significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline.

00182-027: Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.

00182-028: VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.

00182-029: Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the DEIS. All scoping comments were considered in preparing the DEIS. Scoping comments are not listed and identified individually or responded to in the DEIS. Comments received on the quality of the analysis in the DEIS are addressed specifically in the FEIS and may result in text changes in the FEIS as well.

Responses for Document 00183

00183-001: Thank you for your comment.

00183-002: Thank you for your comment.

00183-003: Thank you for your comment.

Responses for Document 00184

- 00184-001:** Thank you for your comment.
- 00184-002:** Thank you for your comment.
- 00184-003:** The current Federal Grant and associated stipulations, along with the provisions of TAPAA, provide BLM with extensive and ongoing regulatory control of TAPS operations. These conditions would not change upon renewal.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00184-004:** The BLM and member agencies of the JPO are committed to the protection of human health and the environment. The Federal Grant and authorizing legislation (TAPAA) provide unprecedented authority to BLM in assuring the protection of human health and the environment. This authority allows the BLM and JPO to ensure that the future performance of TAPS meets the requirements placed on its operation and maintenance.
- 00184-005:** Thank you for your comment.
- 00184-006:** Thank you for your comment.
- 00184-007:** Regular monitoring is used to determine compliance and take appropriate action.
- 00184-008:** The current Federal Grant and associated stipulations, along with the provisions of TAPAA, provide BLM with extensive and ongoing regulatory control of TAPS operations. These conditions would not change upon renewal.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00184-009:** Thank you for your comment.

Responses for Document 00185

00185-001: Thank you for your comment.

00185-002: Thank you for your comment.

00185-003: Thank you for your comment.

00185-004: Thank you for your comment.

Responses for Document 00186

00186-001: The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's employee concerns program (ECP) and that APSC has undertaken considerable efforts to improve and refine their ECP program.

The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, this effort can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.

The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protection, and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.

00186-002: See Section 3.1.1 for a discussion of the history of government oversight of TAPS. Subsequent to the 1976 hearings referred to in the comment, the Department of Transportation reviewed pipeline construction and certified the pipeline in 1977.

The JPO's comprehensive monitoring program (CMP) grew out of recommendations from a Booz Allen & Hamilton contract to broaden and add structure to the JPO's monitoring efforts in light of congressional hearings, TAPS audits, and 1991 GAO criticism.

In 1995, the GAO reviewed TAPS monitoring and the early stages of the CMP. The GAO made no further recommendations.

00186-003: The comment is a recapitulation of widely reported events of the mid-1980s to early 1990s. All such issues have been addressed and some have resulted in substantial improvements to operating procedures and expanded and refocused JPO oversight activities.

00186-004: Many of the findings in the referenced audits were incorporated into JPO's comprehensive monitoring program (CMP). The status of resolving these issues is reported in annual CMP reports. See Section 4.1.1.4 for a discussion of the CMP.

00186-005: A recent JPO summary (Elleven 2002a) of the Engineering Report JPO-00-E-031 was reviewed in preparing the DEIS. JPO's finding that APSC was not in compliance with Stipulation 1.20 was "satisfactorily closed" on January 23, 2002. The VMT fatality is mentioned on pages 3.17-2 and 3.17-3. In addition, in response to another comment, text has been added to Section 4.3.13.1.2 (Employee Safety Concerns) that now states, "There is an unsatisfactory trend where health and safety hazards have not been abated in a timely manner or interim safety controls have not been implemented to minimize the hazard."

00186-006: Issues related to fire safety and electrical code violations were summarized in Sections 4.3.13.1.3 and 4.3.13.1.4. A number of reviews were conducted by the JPO and a Regional Citizen's Advisory Council, which were cited in these sections. The impetus for these reviews was APSC's past performance in this area, allegations by concerned employees, numerous (e.g., 124) potential National Electrical code violations, and JPO audit findings. However, the Berth 4 spark incident (which was reviewed by the JPO and resulted in one finding) was not specifically mentioned in these sections, because this finding was satisfactorily closed with Engineering Report 01-E-002.

00186-007: The entire Livengood (or Milepost 400 “bullet hole”) incident response was the subject of an interagency (including industry) report “Joint After-Action Report for the TAPS Bullet Hole Response,” dated February 8, 2002. Major findings include: quick detection of the leak by APSC’s security force; apprehension of the alleged shooter by the state troopers within hours; activation in Fairbanks of the state/federal/industry unified command with several hours; rapid isolation of the affected pipe section and appropriate pressure-relief actions; containment of the spilled oil was effectively achieved with trenches, berms, and pits; safety concerns were appropriately the paramount consideration throughout the incident; and permanent repairs were effected as soon as the situation permitted. A number of recommendations to improve future responses were made. See the text box in Section 4.1.1.8 for a more complete discussion of the MP 400 incident.

Similarly, the situation at Atigun resulted in a series of changes to the way valves are operated to preclude future shifts of the pipeline at the pass.

00186-008: The entire Livengood (or Milepost 400 “bullet hole”) incident response was the subject of an interagency (including industry) report “Joint After-Action Report for the TAPS Bullet Hole Response,” dated February 8, 2002. Major findings include: quick detection of the leak by APSC’s security force; apprehension of the alleged shooter by the state troopers within hours; activation in Fairbanks of the state/federal/industry unified command with several hours; rapid isolation of the affected pipe section and appropriate pressure-relief actions; containment of the spilled oil was effectively achieved with trenches, berms, and pits; safety concerns were appropriately the paramount consideration throughout the incident; and permanent repairs were effected as soon as the situation permitted. A number of recommendations to improve future responses were made. See the text box in Section 4.1.1.8 for a more complete discussion of the MP 400 incident.

Similarly, the situation at Atigun resulted in a series of changes to the way valves are operated to preclude future shifts of the pipeline at the pass.

00186-009: The U.S. Department of Transportation, Office of Pipeline Safety (OPS) regulates the design, construction, operation, maintenance, and transportation by pipeline of hazardous liquids and gases (49 C.F.R. §192 and 49 C.F.R. §195). The State Right-of-Way lease incorporates these regulations through stipulation 3.2.1.1. The Department of Natural Resources, State Pipeline Coordinator’s Office actively works with U.S. DOT/OPS and BLM to ensure compliance with regulations and lease requirements. Specifically stipulation 1.18.1 requires the Lessees to:

During the construction, operation, maintenance and termination of the Pipeline/Pipeline System, Lessees/Permittees shall conduct a surveillance and maintenance program applicable to the subarctic and arctic environment. This program shall be designed to: (1) provide for public health and safety; (2) prevent damage to natural resources; (3) prevent erosion; and (4) maintain Pipeline/System integrity.

APSC’s maintenance program has been subject to JPO oversight since the office was formed in 1990. Various audits, assessments, surveillances and Comprehensive Management Program reports have focused on different aspects of this program. The 2002 JPO Comprehensive Monitoring Program Report (CMP-02-C-002) “TAPS Maintenance and Sustained Useful Life, January 2001 – May 2002” provides the most comprehensive review of TAPS maintenance strategies and implementation. The author reports that APSC maintenance practices over the past 25 years have resulted in a 99.98 percent reliability record. The report also states that the essential elements for effective maintenance management are in place and that based on the Reliability Centered Maintenance analyses conducted through June 2000, and the associated programmatic changes APSC made to its’ TAPS maintenance strategies the physical life of TAPS can be sustained for an unlimited duration. Therefore, there is no basis to support the contention that the State of Alaska is not adequately funding the level of oversight necessary to ensure that TAPS is being properly maintained.

00186-010: Thank you for your comment.

00186-011: Operation of TAPS over time has provided the BLM and JPO with significant factual information and experience with which to formulate future management.

00186-012: Thank you for your comment.

00186-013: The Bureau of Land Management does not have the legal or regulatory authority to impose fines on the operator of the TAPS.

The BLM and the agencies within the JPO acknowledge that there are legitimate issues related to the current employee concerns program (ECP). The BLM and JPO will undertake actions to improve the ECP. The JPO will undertake a confidential survey that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). The survey will be constructed to determine areas that need improvement, areas that are currently effective, and new programs that can be implemented to improve the ability of TAPS employees to communicate concerns to the BLM and JPO. The JPO also notes that a hotline (1 800 764 5070) currently exists for TAPS employees to confidentially report issues and concerns. The BLM will also invite the U.S. Department of Labor and the U.S. Department of Transportation to effectively carry out their current authorities in addressing employee environmental, safety, and integrity concerns as partners with the JPO community.

The BLM has no authority under the current Federal Grant or TAPAA to institute new rule-making as a component of the renewal process, nor does it have the authority to compel action by the United States Congress to change the law. If the authority were provided, new rulemaking and the associated National Environmental Policy Act analysis would be necessary.

The TAPAA and the Federal Grant of Right-of-Way provide the BLM with all the authority it needs to oversee operation of the TAPS and to impose strict and enforceable requirements upon APSC to comply with necessary operational procedures.

Responses for Document 00187

00187-001: Thank you for your comment.

00187-002: Thank you for your comment.

00187-003: Thank you for your comment.

00187-004: Thank you for your comment.

Responses for Document 00188

00188-001: Thank you for your comment.

00188-002: Thank you for your comment.

00188-003: Thank you for your comment.

00188-004: Thank you for your comment.

00188-005: Thank you for your comment.

00188-006: Thank you for your comment.

00188-007: Thank you for your comment.

00188-008: Thank you for your comment.

00188-009: Thank you for your comment.

Responses for Document 00189

00189-001: Thank you for your comment. Impacts of the TAPS and likely impacts of ROW renewal, both positive and negative, are discussed in Sections 3.25 and 4.3.21, respectively.

00189-002: Thank you for your comment.

Responses for Document 00190

- 00190-001:** Thank you for your comment.
- 00190-002:** The FEIS has been revised to include a more extensive analysis of spill scenarios and spill response in the Copper River Drainage. Also, section 4.1.1.8 provides a synopsis of the response to the bullet hole incident in October 2001 near Livengood.
- 00190-003:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00190-004:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00190-005:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00190-006:** The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's Employee Concerns Program (ECP) and that APSC has undertaken considerable efforts to improve and refine its ECP program.
- The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, these efforts can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.
- The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public to report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protections and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.
- 00190-007:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00190-008:** Section 4.4.4.7, "Human Health and Safety," provides a detailed analysis of the potential effects of oil spills on human health.
- The BLM and member agencies of the JPO are committed to the protection of human health and the environment. The Federal Grant and authorizing legislation (TAPAA) provide unprecedented authority to BLM in assuring the protection of human health and the environment. Stipulations (the guiding conduct of operations for the operator of TAPS) within the Federal Grant contain numerous provisions that are protective of human health and the environment.

00190-009: The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.

The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

00190-010: Please see Section 2.5 of the FEIS for information regarding escrow of DR&R funds.

Responses for Document 00191

- 00191-001:** Thank you for your comment.
- 00191-002:** Thank you for your comment.
- 00191-003:** Thank you for your comment.
- 00191-004:** Thank you for your comment.
- 00191-005:** Thank you for your comment.
- 00191-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00191-007:** Thank you for your comment.

Responses for Document 00192

00192-001: Thank you for your comment.

00192-002: Thank you for your comment.

00192-003: Thank you for your comment.

00192-004: Thank you for your comment.

00192-005: Thank you for your comment.

00192-006: Thank you for your comment.

00192-007: Thank you for your comment.

00192-008: Thank you for your comment.

Responses for Document 00193

00193-001: Thank you for your comment.

00193-002: Thank you for your comment.

Responses for Document 00194

- 00194-001:** The oil that was spilled in Prince William Sound as a result of the Exxon Valdez oil spill did come through the TAPS. Sections 4.7.8.1 and 4.7.8.2 have been expanded to include more complete discussions of the impacts of the Exxon Valdez oil spill on Alaska Natives in the Prince William Sound area.
- 00194-002:** The referenced section in the EIS (now 3.25.2.2) has been revised to clarify the discussion of the ANCSA. However, the discussion of ANCSA in particular is to provide a sense of key characteristics of modern Alaska Native sociocultural systems, not to discuss the merit of the ANCSA or other decisions that led to the current situation.
- 00194-003:** The pertinent section of the FEIS (now 3.25.2.2) has been revised to discuss the emergence of land claims more thoroughly. The description of various sociocultural systems acknowledges that Alaska Natives had complex sociopolitical systems prior to Euro-American contact. The EIS neither states nor implies that Europeans nor Americans introduced or invented politics, though the formal political structure of Alaska Native Tribes was an introduction of the Indian Reorganization Act, extended to Alaska in 1936 (as the FEIS discusses).
- 00194-004:** It was not the intent of the EIS to give the impression that Native corporations disperse large sums of cash to all shareholders. Section 3.25.1.2 has been reworded to clarify this point.
- 00194-005:** It would be incorrect to lump all Alaska Native sociocultural systems into a single category of complexity or residence pattern. There has been a range of complexity over time among Alaska Natives, which the EIS attempts to convey briefly in Section 3.25.1. The EIS does not dispute that Alaska Native sociocultural systems had complex leadership, again discussed in Section 3.25.1. Researchers who have considered the implications of sedentary settlement among formerly mobile (or semi-nomadic) groups introduced changes in the sociopolitical structure of those groups, as presented in the text box in Section 3.25.1.1 (using Ahtna as an example). The commentor seems to feel that the term "semi-nomadic" has a negative connotation. It does not. The term "semi-nomadic" accurately describes a residence pattern marked by seasonal occupation.
- 00194-006:** The Indian Reorganization Act of 1934 was extended to include Alaska Native Villages in 1936. While it is true that councils of various forms did exist prior to this act, the act added such Western features as written constitutions with Western-style elections. A brief discussion of this act is found in the revised version of Section 3.25.1.2 in the FEIS.
- 00194-007:** The referenced text has been revised (Section 3.25.2.2 in the FEIS) to reflect more accurately the current form of modern Alaska Native sociocultural systems.
- 00194-008:** Section 3.25.1.2 has been reworded to clarify the relationship between Tribal Councils and state-chartered Village corporations, and to discuss in greater detail federally recognized tribes.
- 00194-009:** Thank you for your comment.
- 00194-010:** Section 3.25.1.3 is included to highlight some of the problems that result when indigenous cultures encounter and are forced to adapt to external cultures over a short time span. The stress resulting from this encounter is expressed in a number of social ills. It is relevant to the EIS because the construction of the TAPS increased the interaction between Native and Euro-American cultures dramatically in some areas. Section 3.25.1.3 has been reviewed and reworded as appropriate. Other sections discussing Alaska Native sociocultural systems (e.g., Section 3.25.1.1.8) have been expanded to discuss Tribal initiatives to help reduce such problems.

00194-011: Impacts to subsistence are discussed in Section 4.3.20. This section has been substantially revised since the DEIS to discuss the nature of negative impacts in greater detail. Although there have been several impacts in recent decades on subsistence, as noted in Section 4.3.20, the vast majority of those impacts are due to causes other than the TAPS (see also the revised version of Section 3.24).

Input from Alaska Natives has been sought throughout the EIS process for TAPS ROW renewal, as documented in part in Table 5.3-1. The BLM and TAPS owners will continue to work with Alaska Natives to mitigate any effects of the TAPS on subsistence resources.

Responses for Document 00195

00195-001: Thank you for your comment.

00195-002: Thank you for your comment.

00195-003: Thank you for your comment.

00195-004: Thank you for your comment.

00195-005: Thank you for your comment.

00195-006: Thank you for your comment.

00195-007: Thank you for your comment.

Responses for Document 00196

00196-001: The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's Employee Concerns Program (ECP) and that APSC has undertaken considerable efforts to improve and refine its ECP program.

The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, these efforts can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.

The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public to report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protections and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.

00196-002: Thank you for your comment.

00196-003: The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's Employee Concerns Program (ECP) and that APSC has undertaken considerable efforts to improve and refine its ECP program.

The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, these efforts can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.

The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public to report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protections and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.

00196-004: The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's Employee Concerns Program (ECP) and that APSC has undertaken considerable efforts to improve and refine its ECP program.

The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, these efforts can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.

The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public to report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protections and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.

- 00196-005:** For this report, JPO did not determine that it was necessary to retain an electrical engineer or designer. JPO has on staff an Alaska Department of Labor electrical specialist with enforcement authority. Further, JPO can obtain, through contract, electrical engineering expertise as it did in 1994-1995 to review related audit action item closures.
- 00196-006:** The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's Employee Concerns Program (ECP) and that APSC has undertaken considerable efforts to improve and refine its ECP program.
- The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, these efforts can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.
- The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public to report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protections and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.
- 00196-007:** The technology referred to in the comment is outside of the TAPS ROW; therefore, the stipulation noted in the comment does not apply. The TAPS ROW, as it relates to the North Pole Metering Station (NPMS), includes only the meters and related leak detection equipment and those areas of the main 48-inch TAPS crude pipeline for crude supply to the NPMS, up to and including the first isolation valve, and residuum from the NPMS, back to and including the nearest isolation valve (Joint Pipeline Office Analysis and Review of the "Itemized Punch List of Non-Compliances" associated with Project B 176, North Pole Metering Station, September 2000).
- 00196-008:** Thank you for your comment.
- 00196-009:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

Responses for Document 00197

- 00197-001:** Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the DEIS. Scoping comments are not listed and identified individually or responded to in the DEIS. Comments received on the quality of the analysis in the DEIS are addressed specifically in the FEIS and may result in text changes to the FEIS as well. Many security measures for TAPS are not addressed in the DEIS.
- 00197-002:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00197-003:** The BLM and other JPO agencies operate within the limitations and authority of the federal grant and authorizing legislation (TAPAA). BLM has unprecedented authority to assure protection of human health and the environment. This authority is exercised as needed in planning and evoking actions that affect TAPS.
- 00197-004:** Since the Exxon Valdez oil spill in 1989 and the enactment of the Oil Pollution Act in 1990, significant improvements have been made in the procedures, staffing, and the equipment needed to prevent and respond to potential oil spills from tankers in Prince William Sound. Among the improvements made are the following: (1) APSC's Ship Escort/Response Vessel System was established in July 1989 to help tankers navigate through PWS and to respond to potential oil spills, (2) new procedures were established and regulations put in place by the United States Coast Guard to better control the tanker traffic in PWS, (3) PWS Regional Citizens' Advisory Council was created to help plan for and oversee the oil spill prevention and response operations, (4) the amount of equipment and personnel available for oil spill prevention and response was increased, (5) more stringent training and personnel monitoring programs were established, (6) government oversight was increased, and (7) the spill prevention and response budget was increased dramatically. The currently available oil spill response capabilities and plans for PWS are summarized in Section 4.1.4 of the EIS and are provided in detail in the Prince William Sound Oil Discharge Prevention and Response Plan (Prince William Sound Tanker Plan Holders 1999).
- 00197-005:** The oil spill prevention and contingency plans along the pipeline and at the North Slope are summarized in Section 4.1.4 of the EIS. References are provided from Section 4.1.4 to the detailed planning documents for the two geographic areas. These documents are updated and reviewed by various State and Federal agencies periodically ranging from every year to every 5 years. The substantive elements of the contingency plans are controlled by ADEC rules (18 AAC75), which include provisions for public review and comment as part of the plan update procedures. The EIS team used the information that was available in the latest versions of the spill prevention and contingency plans as discussed in Section 4.1.4 and Section 4.4 of the EIS. Section 4.4 of the EIS provides the spill scenarios considered and the estimated impacts from these scenarios along the pipeline and at the VMT. The spill scenarios and impacts that are applicable to the North Slope are discussed in Section 4.7 of the EIS.

00197-006: ANILCA Section 810 focuses on restrictions on subsistence use from federal authorizations (see Appendix E), but spills (particularly large spills) by definition are accidental and thus not normally considered part of normal operations of any oil-related activity.

Mitigation of spill impacts include cleanup activities, as well as compensation under Section 30 of the Agreement and Grant Right-of-Way for Trans-Alaska Pipeline, as discussed in Section 4.1.5 (see also Appendix B).

00197-007: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

The TAPS Pipeline Oil Discharge Prevention and Contingency Plan (APSC 2001g) provides for significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline. The owner companies address spills resulting from exploration and production facilities on the North Slope. The oil exploration and production activities are not part of the proposed action analyzed in this EIS. However, they are addressed under the Cumulative Impacts in Section 4.7 of the EIS.

00197-008: Thank you for your comment.

00197-009: The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.

The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

Responses for Document 00198

- 00198-001:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00198-002:** The EIS addresses three alternatives and analyzes the direct impacts and indirect impacts of each alternative, as well as the cumulative effects. The EIS also addresses the full time period for all proposed activities under each alternative. Chapter 3 of the EIS provides site-specific baseline data for TAPS, and this site-specific information forms the basis for the impact analysis.
- 00198-003:** The number of North Slope spills identified for the first 25 years of operation of the pipeline is not consistent with the historical spill record for the pipeline. For example, the TAPS spills database identifies only about 200 crude oil spills of greater than 1 gallon. The frequencies associated with small to moderate sized spills reported in the DEIS is consistent the historical record on these TAPS pipeline events.
- The spill scenarios and impacts associated with the spills along the pipeline and at the VMT are given in Section 4.4 of the EIS. Similarly spill scenarios and impacts associated with transportation of oil from VMT and with production and exploration activities on the North Slope are provided in Section 4.7 of the EIS. The scenarios range from high frequency/low consequence events to low frequency/high consequence occurrences. In estimating the frequencies and spill volumes for future spills, both the historical data from past spills and the potential for catastrophic spills of large consequence were considered.
- 00198-004:** The spills analysis for the DEIS did consider historical initiators such as maintenance failures for potential future spill events. In fact, the dominant contributors to TAPS pipeline leaks are sabotage, maintenance errors, and corrosion.
- The maintenance cause category considered in the DEIS encompasses leaks from maintenance equipment striking the line, or maintenance errors during repairs, hot tapping, stoppling, or other hot or live work.
- Two incidents have occurred in 25 years of pipeline operation, the first being an 1,800 bbl spill at Check Valve 7 due to front-end loader impact (7-19-77). The second was a maintenance error at Pump Station 5 on September 22, 2001, which caused a 50 bbl spill outside of containment. There have been a number of maintenance-related spills into containment that did not reach the environment.
- As analyzed in the EIS, the spill analysis did include less-than-catastrophic spill events such as might occur as a result of equipment failure.
- 00198-005:** See the text box on the MP 400 bullet hole incident in Section 4.1.1.8 of the FEIS.
- 00198-006:** VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.

- 00198-007:** The FEIS considers the cumulative impacts of North Slope oil production, the TAPS corridor, Prince William Sound, and the delivery of oil to West Coast and Asian ports. The economic analysis considers local impacts, state impacts, and national level impacts. The spill scenarios evaluate the transport and fate of spilled oil in the major rivers and streams that cross the TAPS corridor. The alternatives consider both the operational time period of the action and the time periods required for removal and restoration. Thus, the BLM has considered the proper scales at which to evaluate TAPS impacts.
- 00198-008:** The TAPS renewal EIS addresses a very specific decision: to act on a request by the applicant for a 30-year renewal of the Federal Grant. The renewal decision is a specific component and requirement of TAPAA and the current Federal Grant. Thus, the BLM decision is narrowly defined and does not require an extensive analysis of alternative energy policies or methods of transportation. The reader is directed to Section 2.5 of the FEIS.
- 00198-009:** Thank you for your comment.
- 00198-010:** The reader is directed to Section 2 and especially to Section 2.5 for a discussion on alternatives considered but eliminated from detailed analysis.
- 00198-011:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00198-012:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00198-013:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00198-014:** As discussed in Section 2.5, and in accordance with the National Environmental Policy Act, many alternatives were considered in addition to those that were subjected to detailed analysis. The rationales for eliminating each alternative from further analysis are provided in that section.
- 00198-015:** The reader is directed to the discussion of escrow funds found in Section 2.5.

Responses for Document 00199

- 00199-001:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00199-002:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00199-003:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00199-004:** Thank you for your comment.
- 00199-005:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

00199-006: The American Petroleum Institute's Pipeline Performance Tracking System (PPTS) currently (as of summer 2002) has only two full years of data. At the time that the DEIS was prepared, the PPTS contained spill data for only one year of pipeline operations. To develop historical trends needed for the spills analysis in the DEIS, spills data over a number of years was necessary.

The frequencies of postulated spill scenarios for the DEIS were primarily based on data from the 25 years of operations of the TAPS pipeline. These frequencies were compared with other appropriate references. The spills analysis in the DEIS is consistent with other recent NEPA documentation, in which U.S. Department of Transportation data on spills is used as a check on unit spill frequencies for pipeline operations.

VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.

00199-007: Section 4.1.3 provides an overview of the ongoing monitoring and surveillance activities on the pipeline. Monitoring of structural support members (including VSMs) is discussed in Section 4.1.3.2.1. Alternatives related to renewal of the Federal Grant are discussed in Section 2. Some of the suggested options in the comment (e.g., audits) are discussed in Section 2.5.

00199-008: Thank you for your comment.

00199-009: It is unclear as to which figures of reliability the comment is referring to. Reliability is generally defined as the ability of a system or component to perform its required functions under stated conditions for a specified period of time. Since North Slope oil production began in 1977, TAPS' reliability has averaged higher than 98 percent; i.e., TAPS has been operating and available to transport product to market more than 98 percent of the time.

The spills analysis for the EIS considers spills in a number of media and under various conditions, to bound the potential impacts from spills of crude oil and other hazardous compounds. The spill volumes are given in absolute quantities rather than in statistical terms. Section 4.4 of the EIS lists the spill scenarios considered, their expected frequencies, and estimated spill volumes and discusses the potential environmental impacts that would be caused by them.

Responses for Document 00200

- 00200-001:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00200-002:** Thank you for your comment. Measures to prevent spills were taken into consideration in the preparation of the DEIS.
- 00200-003:** Since the Exxon Valdez oil spill in 1989 and the enactment of the Oil Pollution Act in 1990, significant improvements have been made in the procedures, staffing, and the equipment needed to prevent and respond to potential oil spills from tankers in Prince William Sound. Among the improvements made were the following: (1) APSC's Ship Escort/Response Vessel System was established in July 1989 to help tankers navigate through PWS and to respond to potential oil spills, (2) new procedures were established and regulations put in place by the United States Coast Guard to better control the tanker traffic in PWS, (3) PWS Regional Citizens' Advisory Council was created to help plan for and oversee the oil spill prevention and response operations, (4) the amount of equipment and personnel available for oil spill prevention and response was increased, (5) more stringent training and personnel monitoring programs were established, (6) government oversight was increased, and (7) the spill prevention and response budget was increased dramatically. The currently available oil spill response capabilities and plans for PWS are summarized in Section 4.1.4 of the EIS and are provided in detail in the Prince William Sound Oil Discharge Prevention and Response Plan (Prince William Sound Tanker Plan Holders 1999).
- 00200-004:** Thank you for your comment.

Responses for Document 00201

00201-001: Thank you for your comment.

00201-002: Thank you for your comment.

00201-003: Thank you for your comment.

00201-004: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00201-005: Thank you for your comment.

Responses for Document 00202

00202-001: Thank you for your comment.

Responses for Document 00203

00203-001: Thank you for your comment.

00203-002: Thank you for your comment.

00203-003: Thank you for your comment.

00203-004: Thank you for your comment.

00203-005: Thank you for your comment.

00203-006: Thank you for your comment.

Responses for Document 00204

- 00204-001:** Thank you for your comment.
- 00204-002:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00204-003:** As part of the application for renewal process, the applicant provides the BLM with a description of how TAPS would be operated, together with its environmental report. Those materials then become a component of the impact analysis conducted by the BLM. As the lead federal agency for preparation of this EIS, BLM is responsible for its content, regardless of the assistance provided in the preparation and review of the document.
- 00204-004:** The environmental consequences of conducting routine TAPS operations in compliance with stipulations are addressed at considerable length and detail in Section 4 of the EIS. A summary of those impacts is presented in Table 2.1. Compliance with stipulations is intended to minimize and mitigate environmental impacts, but it cannot eliminate them entirely.
- 00204-005:** Buildup of waxy solids in tanks at the Ballast Water Treatment Facility has received considerable attention by the JPO and APSC, as well as by citizen groups such as PWS RCAC. There is concurrence on an appropriate course of corrective action. See the text box in Section 4.3.13.1.3.
- 00204-006:** The comment identifies both the problem and the appropriate response action. APSC is responsible for operating TAPS in accordance with its approved design basis and in a safe manner that is fully protective of the environment. Under the grant stipulations, APSC is responsible for addressing any off-normal condition to prevent it from causing adverse impact to public health or the environment. As the comment relates, the JPO is aware of the situation and has directed APSC to develop and submit a corrective action plan.
- Buildup of waxy solids in tanks at the Ballast Water Treatment Facility has received considerable attention by the JPO and APSC, as well as by citizen groups such as PWS RCAC. There is concurrence on an appropriate course of action and resolution of the problem may be in place by February 2003. See the text box in Section 4.3.13.1.3.
- 00204-007:** Buildup of waxy solids in tanks at the Ballast Water Treatment Facility has received considerable attention by the JPO and APSC, as well as by citizen groups such as PWS RCAC. There is concurrence on an appropriate course of corrective action. See the text box in Section 4.3.13.1.3.
- 00204-008:** The BLM and member agencies of the JPO, in close cooperation with APSC, have begun the reliability centered maintenance (RCM) process and are systematically evaluating the function, failure modes, consequences and preventative maintenance of critical systems. The BLM is committed to RCM and believes that this process represents a proactive approach to oversight and regulation of TAPS. APSC has committed to the RCM process as the core of its maintenance strategy through a memorandum of agreement dated June 2002 and is revising its TAPS maintenance procedures manual, MP-167, accordingly. A second memorandum of agreement between the JPO and APSC clarifies the expectations from the use of RCM. See additional discussions in Section 4.1.1.7.

- 00204-009:** Build up of waxy solids in tanks at the Ballast Water Treatment Facility has received considerable attention by JPO and APSC, as well as citizen groups such as PWS RCAC. There is concurrence on an appropriate course of corrective action. See the text box in Section 4.3.13.1.3. JPO intends for the RCM decision-making process to be available to the public. See the discussion in Section 4.1.1.7.
- 00204-010:** The EIS cites RCM but does not state that RCM or RCM implementation is “evidence of benign environmental impact.” The EIS needs to be read as a whole document. RCM is identified as the methodology committed to by APSC to form the basis for its maintenance decisions. See Section 4.1.17 for additional discussions on RCM.
- 00204-011:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00204-012:** The DEIS has considered a range of possible sources of oil spills in addressing cumulative impacts. These are considered to be representative of potential cumulative impacts during the renewal period.
- 00204-013:** The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under Alternatives and Issues Considered but Eliminated from Detailed Analysis.
- 00204-014:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

Responses for Document 00205

- 00205-001:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00205-002:** The BLM has the necessary authority under the Federal Grant and TAPAA to rigorously enforce compliance with all current and future stipulations.
- The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00205-003:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00205-004:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

- 00205-005:** As described in Section 4.1.2.9 of the EIS, APSC has three different leak detection systems in place: 1) Deviation Alarms, 2) Line Volume Balance (LVB) and 3) Transient Volume Balance (TVB). The size of the leak for the Livengood Bullet Hole incident was too small to trigger the Deviation Alarms. The time interval between visual detection and pipeline shutdown was less than the time interval required for LVB to detect and trigger an alarm. The pipeline shutdown was begun within 30 minutes of the onset of the leak. Only the TVB had a theoretical chance of detecting and alarming for a leak of this magnitude in the 30-minute time window between the onset of the leak and pipeline shutdown. Although the TVB did not alarm, it is estimated that LVB would have alarmed within 4 to 10 hours after the start of the leak (available at http://www.state.ak.us/dec/dspar/perp/011004301/report/aft_03.pdf).
- Impacts of spills to tributaries of the Copper River (Gulkana and Tazlina Rivers) are discussed in Section 4.4.4.3. Additional information for spills in the Copper River Drainage is presented in the text box in Section 4.4.4.3, "Oil Spill Planning for the Copper River Drainage."
- 00205-006:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00205-007:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00205-008:** Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments," requires that the federal government consult with Tribal governments during the preparation of an EIS. Government-to-government consultation for this EIS is described in Section 5.3, "Government-to-Government Consultation." As the lead federal agency associated with this EIS, the BLM established government-to-government exchanges with all Tribal governments in Alaska and more focused exchanges with 21 Tribes directly affected by the TAPS. These 21 communities received more detailed mailings explaining the proposed ROW renewal, the EIS process, and the various sources of additional information. Meetings were held with all Tribal organizations and Native groups that requested them, to discuss the EIS process and related issues in greater detail. At the meetings, specific emphasis was placed on how Tribal organizations and Native groups can participate effectively in the EIS and ROW renewal processes.
- 00205-009:** APSC's oil spill response capabilities and plans for TAPS are summarized in Section 4.1.4 of the EIS and explained in detail in the "TAPS Oil Discharge Prevention and Contingency Plan" (APSC 2001g) for the pipeline and in the "Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan" (APSC 2001h) for the VMT. The Plans are available to the public through various libraries in several major cities in Alaska during the time of plan review. Oil spill prevention and response capabilities and related activities specific to the Copper River drainage area are discussed in the text box "Oil Spill Planning for the Copper River Drainage" in Section 4.4.4.3.

00205-010: The Joint Pipeline Office (JPO) oil spill planning and prevention program is a large-scale, multiagency endeavor. Each of four participating agencies (Alaska Department of Environmental Conservation [ADEC], U.S. Environmental Protection Agency [EPA], Bureau of Land Management [BLM], and Alaska Department of Natural Resources [ADNR]) has a particular focus. However, their individual objectives are considered collectively in the JPO TAPS oil spill response and planning group. This interagency group generally meets monthly and maintains a continuous monitoring program on TAPS oil spill planning and related issues.

The emphasis of the four agencies is the prevention of spills. Spill prevention is accomplished through a combination of (1) oversight of spill contingency planning (including 64 exercises conducted on TAPS annually) and (2) JPO's comprehensive TAPS operations oversight monitoring issues that could contribute to a spill in the future. JPO is doing everything possible to prevent and respond to a potential oil spill from TAPS. Please refer to the text box that has been added to Section 4.4.4.3 for details on the oil spill prevention and response capabilities and related activities specific to the Copper River drainage area.

00205-011: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00205-012: The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under Alternatives and Issues Considered but Eliminated from Detailed Analysis.

Responses for Document 00206

00206-001: Thank you for your comment.

00206-002: Thank you for your comment.

00206-003: Thank you for your comment.

00206-004: Thank you for your comment.

00206-005: Thank you for your comment.

00206-006: Thank you for your comment.

00206-007: Thank you for your comment.

00206-008: Thank you for your comment.

00206-009: Thank you for your comment.

Responses for Document 00207

00207-001: Thank you for your comment.

00207-002: Thank you for your comment.

00207-003: Thank you for your comment.

00207-004: Thank you for your comment.

00207-005: Thank you for your comment.

00207-006: Thank you for your comment.

00207-007: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00207-008: Thank you for your comment.

Responses for Document 00208

- 00208-001:** Thank you for your comment.
- 00208-002:** Thank you for your comment.
- 00208-003:** Thank you for your comment.
- 00208-004:** Thank you for your comment.
- 00208-005:** Thank you for your comment.
- 00208-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00208-007:** Thank you for your comment.
- 00208-008:** Thank you for your comment.
- 00208-009:** Thank you for your comment.

Responses for Document 00209

00209-001: Thank you for your comment.

00209-002: Thank you for your comment.

00209-003: Thank you for your comment.

00209-004: Thank you for your comment.

00209-005: Thank you for your comment.

00209-006: Thank you for your comment.

Responses for Document 00210

- 00210-001:** Thank you for your comment.
- 00210-002:** Sections 3.23, 3.24, 3.25, and 3.27 discuss existing conditions associated with the TAPS in detail with regard to economics, subsistence, sociocultural systems, and land use, respectively. These same issues are considered throughout the EIS under all three alternatives, spills, and cumulative impacts, as detailed in the table of contents. Concerns about traffic, land use, and restricted access are explicitly considered in the EIS.
- 00210-003:** The EIS notes that subsistence users have identified changes in caribou migration as an impact to subsistence, further stating that the TAPS has been identified as one possible cause of these changes (see community descriptions in Section 3.24.1 and Appendix D). This information has been accorded as much validity as any other on the topic. However, to provide a balanced description of existing and potential future impacts, the EIS also discusses evidence that suggests that there are several causes of such changes and that any such impacts associated with the TAPS likely are minimal (see Section 3.21.1.2).
- It is worth noting that once the preliminary evaluation of subsistence impacts was completed in April 2002, the 21 federally recognized tribes examined in this impact assessment were contacted by certified letter to invite participation in further exchange of traditional ecological knowledge on subsistence. To date, none of these tribes have responded.
- 00210-004:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- While comments on the DEIS had to be received by the end of the 45-day comment period in order to be addressed in the Final EIS, additional provisions for involvement in the decision-making process apply to Tribal governments and Native organizations. The process of government-to-government consultation allows these groups to continue dialogue with the Bureau of Land Management.
- 00210-005:** As stated in the EIS in Section 1.2, "Scope and Decision of Analysis," the TAPPA and the Federal Grant provide the Secretary of the Interior, and therefore the BLM, with the authority and obligation to oversee the construction, maintenance, operation, and termination of the entire pipeline system, regardless of land ownership. Access, land use, and trespass issues related to Native lands, including those owned by the Ahtna Corporation, are addressed in Section 4.3.23.1, "Land Use."
- 00210-006:** Government-to-government consultation is not an explicit component of environmental justice, either as defined in Executive Order 12898 or in the Environmental Protection Agency or Council of Environmental Quality implementing guidelines. However, government-to-government consultation has been maintained, per Executive Order 13175, as described in Section 5.3, Table 5.3-1. This consultation has involved considerable correspondence as well as face-to-face meetings, and offers for further meetings to which responses were never received.
- Environmental justice is examined in some detail in Sections 3.29, 4.3.25, 4.4.4.19, 4.5.2.25, 4.6.2.25, and 4.7.8.7.
- 00210-007:** The Joint Pipeline Office currently has a position open for Alaskan Native liaison. Ahtna may have a qualified applicant who may wish to apply for it.

00210-008: The EIS recognizes that there would be potential for impacts to salmon resources if an oil spill occurs in a salmon-bearing stream or river (Section 4.4.4.10). The extent of the impacts would be related to the amount of oil spilled, the size of the receiving stream, and the location of various salmon resources and life stages relative to the spill location. The estimated probabilities of various oil spill scenarios occurring at particular locations along the TAPS are presented in Section 4.4.1.1. APSC's oil spill response capabilities and plans for the pipeline are summarized in Section 4.1.4 of the EIS and explained in detail in "TAPS Oil Discharge Prevention and Contingency Plan" (C-Plan). The C-Plan is available to the public at various libraries in several major cities in Alaska. Oil spill prevention and response capabilities and related activities specific to the Copper River drainage area are discussed more fully in a text box that has been added to Section 4.4.4.3.

00210-009: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

The TAPS Oil Discharge Prevention and Contingency Plan for the pipeline (C-plan), prepared by APSC (2001g—see Section 3.30 of the FEIS for the reference), provides for significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline. Some of the oil spill response crews reside in local villages along the pipeline.

The C-Plan is updated periodically and lessons learned from actual occurrences as well as from regular exercises conducted along the pipeline are incorporated into the C-Plan. In addition, the C-Plan is reviewed annually by BLM, every three years by ADEC, and every 5 years by DOT. EPA also reviews the plan as it applies to pump stations. As part of this process, APSC and the Federal and State agencies with oversight responsibilities for TAPS make sure that the appropriate emergency response equipment and personnel are made available along the TAPS.

00210-010: Thank you for your comment.

00210-011: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

The TAPS Oil Discharge Prevention and Contingency Plan for the pipeline (C-plan), prepared by APSC (2001g—see Section 3.30 of the FEIS for the reference), provides for significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline. Some of the oil spill response crews reside in local villages along the pipeline.

The C-Plan is updated periodically and lessons learned from actual occurrences as well as from regular exercises conducted along the pipeline are incorporated into the C-Plan. In addition, the C-Plan is reviewed annually by BLM, every three years by ADEC, and every 5 years by DOT. EPA also reviews the plan as it applies to pump stations. As part of this process, APSC and the Federal and State agencies with oversight responsibilities for TAPS make sure that the appropriate emergency response equipment and personnel are made available along the TAPS.

00210-012: The BLM recognizes that there may be interactions between the TAPS and subsistence resources. The BLM also notes that current information does not show a relationship between TAPS and subsistence impacts. The BLM and State of Alaska within JPO are currently working with industry and others to develop a science-based approach to determine how TAPS and subsistence resources interact.

00210-013: Thank you for your comment.

Responses for Document 00211

00211-001: Thank you for your comment.

00211-002: Thank you for your comment.

Responses for Document 00212

- 00212-001:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00212-002:** Section 4.4.4.14 has been revised to identify impacts to communities on the Yukon River upstream of the TAPS.
- 00212-003:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00212-004:** Thank you for your comment.
- 00212-005:** The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.
- The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.
- The Trans-Alaska Pipeline System Pipeline Oil Discharge Prevention and Contingency Plan, CP-35-1 GP, prepared in 2001 by the Alyeska Pipeline Service Company (C-plan) provides full disclosure of spill planning, reporting, and response. The C-Plan is approved by the member agencies of JPO.
- 00212-006:** The performance of the operations and maintenance of TAPS was considered in preparing the EIS. APSC has the latitude to organize as it needs as a business as long as the stipulations and other applicable regulations and laws are met. The BLM and JPO have the authority to ensure that operations and maintenance is done in an acceptable manner.
- 00212-007:** Thank you for your comment.

00212-008: The BLM and the agencies within JPO acknowledge that there are legitimate issues related to the current employee concerns program (ECP). The BLM and JPO will undertake actions to improve the ECP. The JPO will undertake a confidential survey that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). The survey will be constructed to determine areas that need improvement, areas that are currently effective and new programs that can be implemented to improve the ability of TAPS employees to communicate concerns to BLM and JPO. The JPO also notes that a hotline (number here) currently exists for TAPS employees to confidentially report issues and concerns.

The BLM will also invite the U.S. Department of Labor and the U.S. Department of Transportation to effectively carry out their current authorities to address employee environmental, safety, and integrity concerns as partners with the JPO community.

The BLM recognizes that there may be interactions between the TAPS and subsistence resources. The BLM also notes that current information does not show a relationship between TAPS and subsistence impacts. The BLM and State of Alaska within JPO are currently working with industry and others to develop a science-based approach to determine how TAPS and subsistence resources interact.

00212-009: The reader is referred to Section 2.5 and specifically to the text on citizens' oversight and independent audit.

00212-010: TAPS operates under a series of oversight groups. The Bureau of Land Management (BLM) has statutory authority to provide regulatory oversight for all TAPS operations and maintenance. Agencies that operate within the framework of the Joint Pipeline Office (JPO) also derive their oversight responsibilities from specific statutes and regulations. As with the BLM, these authorities form a legally binding regulatory responsibility on the agency.

The BLM and member agencies of the JPO are committed to the protection of human health and the environment. The Federal Grant and authorizing legislation (TAPAA) provide unprecedented authority to BLM in assuring the protection of human health and the environment. Stipulations (the guiding conduct of operations for the operator of TAPS) within the Federal Grant contain numerous provisions that are protective of human health and the environment.

Citizen participation and citizen input has and will continue to be a fundamental component of the government's responsibility to ensure safe and environmentally protective TAPS operations. Many laws and regulations that direct specific TAPS oversight and compliance issues include mandated public review and comment on topics, such as oil spill response planning and others (for example, permits and subsistence hearings).

Public review and comment ensure full and open disclosure of the decision-making process. The JPO has an Executive Council, composed of the agency heads of JPO's constituent offices. This group meets periodically to review important JPO issues and provide policy-level guidance. These meetings are open to the public and opportunity for public comment is provided for in the agenda. In addition, the BLM-Alaska has a legally authorized Regional Advisory Council (RAC) that meets regularly to discuss land management issues in Alaska. The RAC is composed of a diverse cross-section of citizens who provide advice to BLM-Alaska and who work together in a collaborative setting.

00212-011: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

Responses for Document 00213

- 00213-001:** The work by Mary Clay Berry was referenced in the EIS, as were the regional Alaska Native Corporations that emerged from ANCSA (e.g., Section 4.3.21.1).
- 00213-002:** Thank you for your comment.
- 00213-003:** The possibility of intentional acts of sabotage against TAPS was considered in the analysis. Security along TAPS has been increased as a result of the events of September 11, 2001. These security measures are confidential, but have been reviewed and concurred with by government oversight agencies.
- 00213-004:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00213-005:** Please see textbox in Section 3.4 of the FEIS that highlights the November 3, 2002 earthquake.
- 00213-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00213-007:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00213-008:** Thank you for your comment.

Responses for Document 00214

- 00214-001:** Thank you for your comment.
- 00214-002:** VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.
- 00214-003:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00214-004:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00214-005:** Thank you for your comment.
- 00214-006:** Section 4.4.4.14 of the EIS discusses the subsistence impacts of a spill into a river or stream, in the process examining potential impacts for several example waterways. As noted in that section, under certain conditions (including stream/river configuration, flow level, and timing in fish reproductive cycle), the magnitude of such an impact could indeed be severe.

Responses for Document 00215

- 00215-001:** The purpose of requesting public comments on a draft environmental impact statement is to obtain additional information that would improve the quality of the analysis in the document. In addition to holding public hearings in Alaska for the purpose of receiving comments on the DEIS, five other ways were provided to submit comments within the 45-day comment period. Comments on the DEIS were received from many locations outside of Alaska.
- 00215-002:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00215-003:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00215-004:** Any specific information regarding corrosion along the TAPS should be reported to the JPO. There are a number of safeguards against corrosion in place along the pipeline, such as impressed current and sacrificial anodes. Pigs (mechanical device with ultrasonic sensors) are sent through the pipeline on a three-year cycle. In areas where corrosion is suspected based on the pig data, the pipeline is uncovered and repaired as needed. Repairs are made well before the pipe is in danger of leaking. See Section 4.2.2.4 (Routine and Preventive Maintenance Activities) and Section 4.2.2.5 (Repair Activities) for a discussion of the corrosion monitoring and repair activities. See Sections 4.4.1.1, 4.5.1.2, and 4.6.1.2 for a discussion of spills related to pipeline corrosion.
- 00215-005:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00215-006:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.

Responses for Document 00216

- 00216-001:** The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under Alternatives and Issues Considered but Eliminated from Detailed Analysis.
- 00216-002:** The comment refers to a condition that existed in the 1979 time period. With the passage of the Oil Pollution Act, oil tanker hull configurations are now specified and substantially more controls have been established for tanker movements within PWS. In addition, in accordance with OPA and ADEC regulations, contingency plans for response to spills have been greatly enhanced and undergo continuous reviews by federal and state authorities.
- 00216-003:** The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under Alternatives and Issues Considered but Eliminated from Detailed Analysis.
- 00216-004:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00216-005:** Thank you for your comment.
- 00216-006:** Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments," requires that the federal government consult with Tribal governments during the preparation of an EIS. Government-to-Government consultation for this EIS is described in Section 5.3, Government-to-Government Consultation. As the lead federal agency associated with this EIS, the BLM established government-to-government exchanges with all tribal governments in Alaska and more focused exchanges with the 21 tribes that identified themselves as directly affected by the TAPS. These 21 communities received more detailed mailings explaining the proposed ROW renewal, the EIS process, and the various sources of additional information. Meetings were held with all Tribal organizations and Native groups that requested them to discuss the EIS process and related issues in greater detail. At the meetings, specific emphasis was placed on how Tribal organizations and Native groups can participate effectively in the EIS and ROW renewal processes.
- 00216-007:** Executive Order 13175, "Consultation and Coordination with Indian Tribal Governments," requires that the federal government consult with Tribal governments during the preparation of an EIS. Government-to-Government consultation for this EIS is described in Section 5.3, Government-to-Government Consultation. As the lead federal agency associated with this EIS, the BLM established government-to-government exchanges with all tribal governments in Alaska and more focused exchanges with the 21 tribes that identified themselves as directly affected by the TAPS. These 21 communities received more detailed mailings explaining the proposed ROW renewal, the EIS process, and the various sources of additional information. Meetings were held with all Tribal organizations and Native groups that requested them to discuss the EIS process and related issues in greater detail. At the meetings, specific emphasis was placed on how Tribal organizations and Native groups can participate effectively in the EIS and ROW renewal processes.

- 00216-008:** The operational history of TAPS, maintenance activities, spill response capabilities, and the potential for spills associated with TAPS were considered in the analysis. Impacts associated with potential spills are discussed in Section 4.4 of the EIS. APSC's oil spill response capabilities and plans for TAPS are summarized in Section 4.1.4 of the EIS and explained in detail in the "TAPS Oil Discharge Prevention and Contingency Plan" (APSC 2001g) for the pipeline and in the "Valdez Marine Terminal Oil Discharge Prevention and Contingency Plan" (APSC 2001h) for the VMT. The Plans provide for significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline or at VMT. They are available to the public through various libraries in several major cities in Alaska during the public review process conducted every 3 years. These documents are updated and reviewed by various State and Federal agencies periodically ranging from every year to every 5 years. Lessons learned from actual occurrences such as the Livengood bullet hole incident as well as from regular exercises conducted by the owner companies and the government agencies are incorporated into the Plans. It is expected that this process would continue throughout the ROW renewal period, if granted, and the Plans would be kept up to date.
- 00216-009:** VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.
- 00216-010:** The stability and integrity the pipeline are critical to the pipeline's operation. Please see the text change in Section 4.3.2 (Soils and Permafrost) of the FEIS.
- 00216-011:** The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00216-012:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

Responses for Document 00217

- 00217-001:** Additional information about the fate and effects of aqueous phase oil has been added to the discussion of impacts from spilled oil in Section 4.4.4.10 and a discussion of observed and potential effects of oil on infaunal and epifaunal invertebrates has been added.
- 00217-002:** Dr. Short's research is referenced and discussed in Section 3.11.3.1.
- 00217-003:** Dr. Short's research on the source of background hydrocarbons is referenced and discussed in Section 3.11.3.1. Additional information about the fate and effects of aqueous phase oil has been added to the discussion of impacts from spilled oil in Section 4.4.4.10. The discussion in Section 4.4.4.10.2 of the effects of the Exxon Valdez oil spill on fish resources has been expanded and includes additional citations.
- 00217-004:** Please see Appendix A, "Methodology Descriptions," in the EIS.
- 00217-005:** As part of the application for renewal, the applicant provided the BLM with a description of how TAPS would be operated and its own environmental report. Those documents then became a component of the impact analysis conducted independently by the BLM. As the lead federal agency for this EIS, the BLM is responsible for its content, regardless of the assistance provided in the preparation and review of the document.
- 00217-006:** The FEIS contain numerous additions to the literature citations.
- 00217-007:** The current Federal Grant and associated stipulations, along with the provisions of TAPAA, provide BLM with extensive and ongoing regulatory control of TAPS operations. These conditions would not change upon renewal.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00217-008:** The current Federal Grant and associated stipulations, along with the provisions of TAPAA, provide BLM with extensive and ongoing regulatory control of TAPS operations. These conditions would not change upon renewal.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

Responses for Document 00218

00218-001: Thank you for your comment.

00218-002: Thank you for your comment.

00218-003: Thank you for your comment.

00218-004: Thank you for your comment.

00218-005: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

Responses for Document 00219

00219-001: Thank you for your comment.

00219-002: Thank you for your comment.

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TAPS RENEWAL DEIS
PUBLIC HEARING

Fairbanks, Alaska

August 6, 2002

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1 Trans-Alaska Pipeline system.

2 In addition to myself, Federal and State
3 representatives from the Joint Pipeline Office are here
4 to listen to your comments.

5 MR. BROSSIA: I'm Jerry Brossia with the
6 Bureau of Land Management. I'm the authorized officer
7 administering the Trans-Alaska Pipeline Right of Way.
8 Thank you.

9 MR. THOMPSON: I'm Mike Thompson, State
10 of Alaska. I'd like to thank you all for coming this
11 evening.

12 HEARING OFFICER GEARY: Notice of
13 availability of the Draft Environmental Impact Statement
14 on the TAPS Right of Way Renewal appeared in the Federal
15 Register on July 5th, 2002 in Volume 67, Number 129 at
16 Page 44832. The State of Alaska has also provided notice
17 of the availability of the Commissioner's Proposed
18 Determination on July 3rd, 2002. Notification about the
19 date, time and location for this hearing as well as the
20 six other hearings scheduled to receive comments on the
21 Draft Environmental Impact Statement, subsistence and the
22 Commissioner's Proposed Determination was announced in
23 the media including newspaper, radio and the internet.
24 In addition, notices about the hearing were sent to
25 individuals and organizations that have requested to be

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1 kept informed about this project. If you would like to
2 be on the list to receive information about this project,
3 you can sign up at the back of the room at the
4 registration table.

5 Both oral and written comments will be
6 taken tonight. In addition, comments can be submitted to
7 the BLM by mail, fax, telephone, the internet or hand-
8 delivered to the Joint Pipeline Office in Anchorage. The
9 State will accept additional written comments sent by
10 mail, fax or e-mail. We will accept additional comments
11 received or postmarked by August 20th, 2002, which is the
12 closing date of the public comment period for the Draft
13 Environmental Impact Statement and the Commissioner's
14 Proposed Determination. Information for providing
15 additional comments is also at the back of the room on
16 the registration table. All oral and written comments
17 received by the end of the public comment period will be
18 treated equally and will be analyzed and considered in
19 the preparation of the Final Environmental Impact
20 Statement and the Commissioner's Final Determination. In
21 addition, both the Final Environmental Impact Statement
22 and the Commissioner's Final Determination will contain
23 written responses to the comments received on the
24 respective draft documents.

25 In order to ensure a complete and

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1 accurate record of the hearing, it is necessary that only
2 one person speak at a time. It's also requested that
3 everyone remain as quiet as possible while the hearing is
4 in process.

5 At this time please turn off all cell
6 phones or turn them to a vibrate only mode. If you wish
7 to speak, please sign in at the registration table first.
8 Speakers will be called in the order in which they're
9 registered. In the event that a speaker is not present
10 when I call their name, I will proceed and that person's
11 name will be called at a later time. In order to give
12 everyone who wishes an opportunity to speak, we've
13 limited the time for each speaker to 10 minutes. This
14 box light will help you know when your time is nearly up.
15 The light will turn green as you begin your comments and
16 will turn yellow when you have one minute remaining and
17 will turn red when your time is up.

18 A court reporter will record the oral
19 comments and prepare a verbatim transcript. If you have
20 an extra written copy of your comments, please provide it
21 to me so that we can use it for any clarification that
22 may be necessary. In any event, your remarks will be
23 recorded as you state them. If you wish to supplement
24 your oral comments with additional written material,
25 please provide that material to me and it will be marked

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1 as an exhibit and made a part of this hearing.

2 All right, are there any questions about
3 the process of the hearing tonight?

4 All right, when I call your name, please
5 come forward to the microphone, state your name, the
6 organization that you represent, if any, and whether
7 you're also providing written comments. Also, for
8 administrative purposes, please specify whether you're
9 commenting on the Draft Environmental Impact Statement,
10 whether you're commenting on subsistence under .810 of
11 ANILCA or whether you're commenting on the Commissioner's
12 Proposed Determination.

13 So far we have 39 individuals scheduled
14 who have signed up to speak. So we'll start at the top
15 of the list, Mayor Rhonda Boyles. 00220

16 MAYOR BOYLES: Good evening. I'm the
17 proud mayor of the Fairbanks North Star Borough
18 progressive and positive environment. Rhonda Boyles.

19 North Slope oil reserves, however
20 decreased from prior years are still sufficient to
21 support another 30 years of pipeline operations. And
22 backing up, I guess I would be commenting on the
23 Commissioner's Finding, sir. I'll let you decide that
24 after you hear what I'm saying. Pipeline assessed value
25 for the Fairbanks North Star Borough for the year 2001

220-1

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1 was \$277 million. This translates to six cents per every
2 \$1 of revenue brought into the Fairbanks North Star
3 Borough through property taxes. Each year this formula
4 is litigated or negotiated. It is my opinion that the
5 lease term directly affects this methodology and the
6 longer the term of the lease, the higher the value of the
7 asset, which translates consequently into higher revenue
8 directly to the borough coffers.

220-1
(Cont.)

9 Most aging assets require a more pro-
10 active and aggressive maintenance schedule. If that
11 asset, our pipeline has been well maintained then the
12 responsibility of continued upkeep at the same level
13 requires less huge expenditures and modifications but a
14 continued consistent commitment to maintenance.
15 Oversight above and beyond what is already in place is
16 expensive. Why should we increase the number or the
17 quantity of overseers and regulators. Why not make the
18 existing commissions, committees, regulatory agencies
19 accountable to a higher standard, eliminate the political
20 oversight and rely on the professional and skilled
21 regulators and accountability will automatically
22 increase.

220-2

23 Governor's Knowles motto for our state is
24 we are open for business. Private corporations expect
25 accountability and know that self-regulation translates

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1 into consistency and longevity and that translates into
2 profits which benefits the entire state and every citizen
3 in it. The Trans-Alaska Pipeline and the products it
4 carries has served the state and its residents superbly.
5 Our quality of life, our economy, our future and our
6 future security is directly relative to our oil industry
7 prior years and presently at this time.

220-2
(Cont.)

8 While industries such as seafood,
9 tourism, air cargo and service continue to provide
10 alternative sources of growth and revenue, a short
11 renewal period would send the message of a risky business
12 investment climate and be translated as such by potential
13 investors, especially oil and gas investors. Now is the
14 time for us to send a different message. We want gas
15 development in our state and now that would result in
16 diversification, value added production, jobs, managed
17 growth and quality of life for our children and our
18 grandchildren.

220-3

19 Let us think as one state with one mind.
20 Let's renew this lease for 30 years. Let's let the
21 owners of this asset know we want them here and let's
22 immediately improve our leverage position by encouraging
23 additional resource development and business investment
24 in our state. That produces diversification and that
25 translates into a diversified revenue source.

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1 Alyeska has fulfilled all the terms of
2 the existing lease requirements. They're in full
3 compliance with all state laws and have met all of their
4 financial obligations in a timely and ethical manner.
5 And those obligations were to us, the citizens of the
6 state, they are a good corporate citizen.

220-3
(Cont.)

7 Let's renew their Right of Way for at
8 least 30 years and begin our bright future right here in
9 the state of Alaska.

10 Thank you.

11 HEARING OFFICER GEARY: Thank you, Mayor
12 Boyles. Mayor Jacobson. 00221

13 MAYOR JACOBSON: Thank you. I'll be
14 speaking to both the DEIS and the Commissioner's Proposed
15 Determination Report. I echo much of what Mayor Boyles
16 stipulated in her comments.

17 Again, Alyeska has been a very good
18 corporate citizen for the last 30 years. They have
19 maintained a high standard of excellence in operating
20 what I, would think would be even the eighth wonder of
21 the world, the Trans-Alaska Pipeline that traverses such
22 difficult and diverse terrain and climate and geography.
23 As a result of that pipeline structure, the state of
24 Alaska and all of its residents and citizens have
25 benefited significantly and our quality of life is at

221-1

221-2

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1 such a standard that we never would have anticipated
2 without this pipeline being in our home.

221-2
(Cont.)

3 I, for one, believe that a 30 year
4 renewal of Right of Way is essential for the continued
5 maintenance of this operation. Anything short of a 30
6 year would result in higher operational costs that would
7 reduce the amount of funds available to the state of
8 Alaska through its share of royalties.

9 In looking at the three large volumes,
10 and I failed to bring them tonight that were required for
11 the Draft EIS statement, it's a significant document.
12 It's hard to even begin to even know where to read that
13 let alone the amount of work that went into it and the
14 millions of dollars it cost to prepare that. I feel that
15 requiring Alyeska to do this every 10 years would be an
16 unnecessary burden.

221-3

17 The other issue that I would like to
18 speak to is that I think that the last 30 years that
19 Alyeska has demonstrated a responsiveness to the public
20 as far as concerns expressed about its operations, its
21 safety and that additional oversight is not necessary at
22 this time. I do believe, though, that with the age of
23 the pipeline, additional funding for maintenance is
24 essential and as corporations try to streamline
25 operations, this is one of the things that should be

221-4

221-5

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1 emphasized is that adequate and increased maintenance
2 funds should be allocated for the operation of, the safe
3 operation of the pipeline through our communities.

221-5
(Cont.)

4 A case in point, two years ago, Alyeska
5 replaced a valve in the North Pole area, they provided
6 lots of opportunity for the public to comment, to come
7 out and visit and tour and watch that and I found that
8 very informative as being able to have first-hand
9 knowledge of the kind of work that Alyeska does to
10 maintain the operations of the pipeline. And, again,
11 this just speaks to the good corporate citizenship and
12 the great business partner that they are.

13 Thank you for allowing me to comment
14 tonight.

15 HEARING OFFICER GEARY: Thank you, Mayor
16 Jacobson. Mayor Thompson. 00222

17 MAYOR THOMPSON: I, too, would like to
18 thank Mayor Boyle for her comments, I echo those also.

19 Over the last 30 years, Alyeska, through
20 TAPS has been a very responsible steward of the
21 environment. They've created opportunities for local
22 businesses and it's been very encouraging that they have
23 spent more dollars on maintenance and repairs than it
24 cost to build the original pipeline.

222-1

25 The city of Fairbanks, I received a

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1 letter dated July 5th from Mr. John Kerrigan from the
2 State Pipeline Coordinator's Office which I sent a reply
3 on July 17th and attached a resolution that was passed
4 unanimously by the city of Fairbanks and I'd like to read
5 that into the record.

6 It's Resolution No. 3945. A resolution
7 supporting renewal of the Trans-Alaska Pipeline system
8 TAPS Right of Way.

9 Whereas, the Trans-Alaska Pipeline system
10 transports approximately one million barrels of oil each
11 day from the North Slope to Valdez, constituting some 17
12 percent of the United States crude oil production; and

13 Whereas, our nation needs to continue and
14 increase the flow of Alaskan crude oil and without TAPS
15 our nation would be more vulnerable to less reliable
16 sources of energy; and

17 Whereas the six TAPS owners companies
18 have operated the system responsibly since startup, and
19 have demonstrated their commitment to safe and prudent
20 future operations; and

21 Whereas, the current TAPS Right of Way
22 expires in 2004 and the owner companies have applied to
23 renew the Right of Way for an additional 30 years until
24 2034;

25 Now therefore be it resolved, that the

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222-2

12

1 Mayor and the City Council of the city of Fairbanks,
2 Alaska, by this resolutions support this renewal of the
3 TAPS Right of Way for another 30 years without burdensome
4 conditions.

5 And this was unanimously passed.

6 And I'd like to just bring this and put
7 it in the record.

8 HEARING OFFICER GEARY: Please, thank
9 you.

10 MAYOR THOMPSON: Thank you.

11 HEARING OFFICER GEARY: Thank you, sir.
12 I'm going to admit and mark this as Exhibit 51.

13 (Hearing Exhibit 51 marked)

14 HEARING OFFICER GEARY: Kathy Marquette.

15 MS. MARQUETTE: My name's Kathy 00223
16 Marquette. I agree with what all three Mayors said. And
17 I'm very grateful for the pipeline, all that it's brought
18 to the community and to the state.

19 But I have just one thought, I hope you
20 do -- everything goes well but our times are like no
21 times we've had, ever. I could say during World War II
22 we didn't even have the pipeline so we didn't have to
23 worry. But since September the 11th, we know what's
24 going on all around the country and we have to become
25 more alert. What is done to help protect the pipeline?

1 What are they doing? What are the goals?

2 I've been told by engineers and friends
3 of mine and people my own age and older, have said that
4 they could take 10 areas and blow up the pipeline and it
5 would take years to get it fixed. What would that do to
6 our country?

7 Please, I know what I feel and
8 September's brought it really to focus. We're here. We
9 have the pipeline here. But I'm an Alaskan and I not
10 only love my state but I love my country and if this
11 pipeline is in danger it's going to hurt everybody. So
12 I'd like to know some time or other, can you have it
13 printed in the paper, what we're going to do to protect
14 our pipeline?

15 Thank you.

16 HEARING OFFICER GEARY: Thank you. John
17 Whitehead. 00224

18 MR. WHITEHEAD: Good evening. I'm going
19 to testify with respect to the Draft Environmental Impact
20 Statement and also the Commissioner's Determination
21 Report. My name's John Whitehead. I'm the vice
22 president of Western North Slope for Phillips Alaska. My
23 area of responsibility includes the Alpine Field and
24 NPRA. I've got 25 years of oil industry experience,
25 including 16 years here in Alaska.

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223-1
(Cont.)

1 I'm pleased to be in Fairbanks today to
2 voice Phillips support for the Right of Way renewal for
3 the Trans-Alaska Pipeline system.

224-1

4 Phillips is not only a 26.7 percent
5 interest owner in TAPS but also one of the six original
6 companies that joined together in 1969 to take on one of
7 the most challenging engineering feats ever undertaken,
8 the design and construction of TAPS.

9 The industry pioneers of our state may
10 not have known the full extent of how TAPS would impact
11 Alaska and its future generations. TAPS has provided the
12 transportation infrastructure by which billions of
13 dollars continue to be invested in Alaska. These dollars
14 benefit everyone who lives in Alaska through State and
15 local taxes, better jobs, better schools for our children
16 and the Permanent Fund Dividend.

17 TAPS is an economic engine that provides
18 tax revenues for the state and communities along the
19 pipeline corridor. In 2001, the six communities and the
20 state of Alaska received more than \$60 million from
21 pipeline property taxes. The state and communities also
22 received an additional \$2.2 billion from corporate income
23 taxes, production taxes, royalties and other taxes paid
24 by the oil industry.

224-2

25 Fairbanks benefits directly from the oil

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1 industry with the 4.4 million share of taxes and through
2 employment and contracts with the industry. Phillips,
3 alone, spent more than \$107 million with Fairbanks
4 contractors last year.

224-2
(Cont.)

5 It's clear that the original engineers
6 designed TAPS for the long haul and with environmental
7 protection in mind. The pipeline was uniquely designed
8 for Alaska's harsh environment at an initial cost of \$8.5
9 billion. This investment has paid off. TAPS has
10 operated safely for 25 years. This level of sustainable
11 reliability could not have been achieved without
12 Alyeska's stringent operating standards and proactive
13 maintenance programs which provide for continued
14 investment and new advanced technologies. With continued
15 investments, TAPS will operate safely for another 30
16 years.

224-3

17 I would like to take a moment to address
18 the need for a Right of Way renewal of 30 years.

19 Phillips Alaska is an exploration and
20 production company. Our production levels can only be
21 sustained if Alaska is a competitive place to explore,
22 develop and operate. Alaska's North Slope is a long way
23 from our West Coast markets and transportation costs are
24 one of our greatest challenges. This year we will invest
25 \$600 million in new North Slope exploration and

224-4

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16

1 production projects. Also we are investing \$200 million
2 in the construction of each of our new five double-hull
3 Endeavor-class tankers.

4 These investments benefit us through
5 State and Federal revenues and jobs, not just today but
6 for years to come.

7 Our Alaska projects must compete for
8 capital dollars with other worldwide exploration and
9 production opportunities. At Phillips Alaska we
10 recognize this and work very hard to reduce our costs
11 while simultaneously maintaining the integrity of our
12 assets and improving our safety and environmental
13 performance. Being a competitive producer, that includes
14 a long life, stable transportation system is critical to
15 continued investment in Alaska. According to the Alaska
16 Department of Revenue in 2002 the average cost for
17 shipping crude on a tanker is \$1.69 a barrel. In
18 addition, the Federal Energy Regulatory Commission
19 reports that TAPS tariffs cost is \$3.50 a barrel to ship
20 crude through the 800 mile pipeline to Valdez. These
21 costs, which are in addition to normal exploration,
22 development and production expenses make the economies of
23 Alaska's projects very challenging.

24 As I stated before, the investments that
25 Phillips makes in Alaska exploration benefit everyone

224-4
(Cont.)

224-5

224-6

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17

1 through state revenues and jobs today and well into the
2 future. These investments can happen years or even
3 decades before a field starts producing oils. Elements
4 such as a known transportation system along with a stable
5 fiscal environment and efficient permitting are key
6 considerations for future investment and exploration and
7 development.

8 An example of Phillips investment in
9 Alaska is the Alpine field. Currently we're producing
10 about 95,000 barrels of oil per day there. We expect
11 Alpine to be producing another 20 years. As the Alpine
12 field production declines we will be striving to identify
13 and develop satellites that can be brought into the
14 Alpine production facilities. We have already announced
15 several Alpine satellite and NPRA discoveries. We hope
16 to secure project approval for those satellites over the
17 next several years and bring them on stream in the
18 2005/2006 plus time frame. This timing will coincide
19 with our expected start of decline at the Alpine field.
20 Beyond the satellites we have already found, we expect
21 additional satellites to be found, developed and placed
22 on stream late this decade and early the next decade.
23 These additional satellites will present many challenges.
24 The risk associated with facing another Right of Way
25 renewal that could potentially occur within 10 years of

224-6
(Cont.)

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18

1 these satellites going on stream will impact the
2 competitiveness of those projects.

3 Alaska continues to be an important
4 worldwide asset for Phillips Petroleum, but we need the
5 confidence that the United States government will
6 continue to plan and act in a manner that is consistent
7 with the long-term development of Alaska's North Slope.
8 Confidence in your transportation system and assurance of
9 a stable fiscal and regulatory regime increases the
10 attractiveness of investment.

11 Extending the pipeline Right of Way for
12 less than 30 years will add uncertainty and make Alaska a
13 less attractive place to explore. It will add
14 unnecessary costs.

15 Therefore, I urge you to renew the Trans-
16 Alaska Pipeline system Right of Way for a term of 30
17 years, not only for the economic future of my company but
18 for the future of Alaska and generations yet to come.

19 Phillips Alaska will be submitting
20 additional written comments during this public comment
21 period.

22 Thank you.

23 HEARING OFFICER GEARY: Thank you, sir.

24 Stan Stephens.

00225

25 MR. STEPHENS: My name is Stan Stephens

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224-6
(Cont.)

19

1 and I'm the president of the Alaska Forum for
2 Environmental Responsibility. And I'll be testifying on
3 the DEIS.

4 Having testified in Cordova, Valdez,
5 Glennallen and Anchorage, I will now attempt to sum up my
6 concerns with the DEIS this evening. And if anyone
7 wishes to have any of our previous testimonies we do have
8 them here.

9 My previous testimonies tried to discuss
10 my concerns of current conditions that exist on TAPS,
11 now, I would like to discuss and put on record the Alaska
12 Forum for Environmental Responsibility, AFER,
13 recommendations which we feel should be part of the grant
14 and lease renewal process.

15 In spite of how it might sound, we are
16 not against the TAPS system. We believe in extraction of
17 our natural resources for the benefit of all Alaskans,
18 U.S. citizens and the rest of the world. We hope the
19 TAPS system has a long life.

20 We just want the operation of TAPS to be
21 done right. We want to reduce the likelihood of
22 environmental damage and oil spills and to minimize the
23 chances of flow of North Slope crude being cut off to the
24 West Coast. We feel, as stated in previous testimonies,
25 that if we continue as we are today, we could have

225-1

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20

1 another major disaster, not only to our environment but
2 to our state's economic system if changes are not made.

225-1
(Cont.)

3 The grant, at least, should establish a
4 citizen's oversight group funded by the TAPS owners
5 through the Department of Interior. This would ensure,
6 through community involvement that the pipeline is
7 maintained and operated in a manner that safeguards the
8 natural resources of Alaska and also guarantees the
9 safety of continued oil shipment. We have a precedent in
10 Prince William Sound, the Prince William Sound Regional
11 Citizen Advisory Council, RCAC, that has set an example
12 on how effective citizen groups can be. Citizen groups
13 can be the catalyst which help combat complacency, which
14 in turn can be the number 1 cause of environmental
15 damage.

225-2

16 The TAPS owners have collected funds from
17 the shippers on an accelerated basis for the future
18 dismantling, removal and restoration of the TAPS
19 corridor, the DR&R fund. These funds were passed through
20 to the parent companies of the TAPS owners resulting in
21 ongoing windfall profits of extraordinary proportions.
22 These funds should be used, as recommended in Richard
23 Fineberg's report, the Emperor's New Hose.

225-3

24 AFER believes, and others have testified
25 to the same thing, that before a new Right of Way grant

225-4

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and lease is issued, we should have a major audit of the North Slope, pipeline and terminal operations.

225-4
(Cont.)

We also believe we should have a technical review and audit every five years, to assure that the operators of TAPS employ the best available technology and have the fiscal and management systems in place to address any problems.

225-5

We cannot have the TAPS owners constantly cutting budget and deferring work for bigger profits and bonuses.

AFER recommends that as part of the review of the application for grant and lease renewal, the reviewers should convene an advisory panel to consider how best to provide a single, responsible managing party and a stable source of funding for TAPS. One possible solution is the transfer of TAPS to a single owner with no North Slope production.

225-6

We also believe there should be an employee concerns program on TAPS and that this should be part of the lease and Right of Way renewal.

225-7

AFER wants the stipulations attached to the Federal and State grant and lease agreements to be thoroughly reviewed. This would assure that they reflect scientific and technological advances during the last three decades in the disciplines relevant to the safe

225-8

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1 transport of crude oil across Alaska and experience with
2 the operation of TAPS.

225-8
(Cont.)

3 All of these recommendations have come
4 from Richard Fineberg's latest report, The Emperor's New
5 Hose, and also recommended by the AFER Board.

6 All of the AFER board have witnessed
7 first-hand the results of major disasters, some nature
8 made and some man made.

9 Prince William Sound suffered badly both
10 from the 1964 earthquake and the 1989 oil spill. It is
11 still recovering. The Sound might not be able to recover
12 from another disaster, at least it would never be the
13 same.

225-9

14 Oil in the Copper River and its drainages
15 and wetlands would cause a worldwide bird loss, for this
16 is the largest flyways in the world, plus one of the
17 richest sockeye and king salmon fisheries for use by
18 subsistence, sport and commercial purposes. This would
19 be a national disaster beyond description.

225-10

20 In the interior of Alaska, a spill in the
21 Yukon, Tanana, Salcha, Chena or any of their drainage
22 areas or tributaries would shut down subsistence,
23 damaging birds and other wildlife and human life on those
24 rivers.

25 Prevention is the only answer. Oil

225-11

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1 response on our rivers is not possible with today's
2 technology, with the time lag between spill and response.

3 As the pipeline ages, the risk increases.
4 There is a dramatic increase in this risk when there are
5 budget and personnel cuts on the operation of this aging
6 line.

7 Having an RCM and having the funds to
8 successfully operate one are two different things.

9 Is the new reorganization that is taking
10 place at Alyeska, along with the budget cuts, being
11 considered in this DEIS? Does the operation of RCM stay
12 the same with this reorganization or has it also changed?

13 The major problem with the TAPS system
14 today is that the TAPS owners continue to cut the
15 operational budget to maintain high profits instead of
16 maintaining the pipeline. This forces work to be
17 deferred, thus increasing risk. Along with this many of
18 us feel that complacency is again with us, like it was in
19 1989. This fact causes real safety concerns.

20 Argonne has a responsibility to the
21 people of Alaska. I hope you take all our comments
22 seriously. Stakeholders have the least to gain from TAPS
23 and the most to lose.

24 Let us balance profit with prevention.

25 Thank you.

225-11
(Cont.)

225-12

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1 HEARING OFFICER GEARY: Thank you, Mr.
2 Stephens. I'll mark the Anchorage testimony as Exhibit
3 52 and your Fairbanks testimony as Exhibit 53.

4 (Hearing Exhibits 52 and 53 marked)

5 HEARING OFFICER GEARY: Okay, R.L.

6 Odsather. 00226

7 MR. ODSATHER: Yeah, my name's OD
8 Odsather. I've been associated with the pipeline for
9 about 30 years or better, from a research standpoint,
10 from a design, construction, operation and maintenance
11 and finally in oversight. I'm here -- I've listed myself
12 as self but I also represent the Alaska Pipeline
13 Builder's Association which consists of approximately 400
14 members strong.

15 We prefer the preferred alternative with
16 regard to the 30 year renewal.

17 From my experience, the Alyeska pipeline
18 has demonstrated compliance and just to let you know
19 where I'm coming from, I'm damn glad the pipeline was
20 built.

21 The issues with regard to Alyeska are
22 significant in that Alyeska is probably the most
23 oversighted pipeline in the United States and possibly
24 the world. And to give you an idea of the importance of
25 DOI, from the Federal government, Department of Interior,

226-1

226-2

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1 and the Office of Pipeline Safety, they have two of their
2 10 staff assigned here in Alaska.

3 The stipulations that go with the Federal
4 grant and the State lease, in part, identify the
5 maintenance of a high level of technology, state of the
6 art work. And Alyeska, in my opinion, has been doing
7 that over the years and part of that is to allow forward
8 thinking in regard to remote site concepts and testing to
9 ensure that future work is being carried out properly.

10 The design and construction and operation
11 of the pipeline -- or the design of the pipeline, in and
12 of itself, was done by some interesting people. They had
13 unique insight into the Arctic phenomenon of construction
14 and operation. They also had an insight into metallurgy,
15 metals, crews and construction and they did an excellent
16 job in bringing together the pipeline to what it is today
17 so that it could be built.

18 Most of the errors that we see today are
19 caused by human error, it's not be design. And as a
20 result the specific issues would have just been
21 addressed, by the previous speaker, were in one place.
22 And the remaining parts of the pipeline under maintenance
23 situations and so on are taken care of on a regular
24 basis.

25 The issues with regard to the latest RCM,

226-2
(Cont.)

226-3

226-4

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1 or reliability centered management, was a concept that
2 was found by JPO and adopted by APC later on, Alaska
3 Pipeline. It's a brilliant program and it's an
4 additional tool in the arsenal that Alyeska has to check
5 out problems to do forward thinking and prepare.

226-4
(Cont.)

6 The third parties that are involved
7 throughout the state are an important part of the program
8 of Alaska, however, when it comes to their actual demands
9 and so on, it's my opinion that there is no
10 accountability, there's no responsibility and there's no
11 authority. And as a result, a constant stream of
12 acquisitions and so no have been made with regard to the
13 JPO that were unfounded. And there have been
14 investigations by GAO several times and has found the JPO
15 not wanting.

226-5

16 With regard to the wedging in of an
17 additional group to provide oversight, I believe it was
18 called an citizen's oversight group, I think it's insane.
19 I don't think anybody can support it by cost. And I
20 think it's something that would be found -- or would add
21 a slow down, a wobble or impede the actual operation of
22 the pipeline so I'm absolutely against that. There's no
23 money there.

226-6

24 Also I'm sick and tired of the third
25 party groups causing slow downs or changes in directions

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1 by the government and I'm just part of the silent
2 majority that's finally gotten up and said I've had it.
3 And I want to see other people that are in the silent
4 majority come out and start in talking. We need to get a
5 balanced equation here.

6 The other thing is if the groups are
7 bringing up frivolous charges and is found to be
8 frivolous, I'd like to see them charged to pay for all
9 the work that's been done to get it fixed or if it wasn't
10 fixed to do the charge work.

11 In summary.

12 1. The preferred method for the 30 year
13 renewal, I'm for that and is the Pipeline Builder's
14 Association.

226-7

15 2. Firmly against a citizen's oversight
16 group as I feel that they would serve no purpose.

226-8

17 3. A five year audit, that's what the
18 JPO does. That's part of their job. Don't take a way
19 what they already do. They're good at what they do, let
20 them continue to do that.

226-9

21 Thank you for the time.

22 HEARING OFFICER GEARY: Thank you, sir.

23 Walter Parker, number 6.

00227

24 MR. PARKER: Walter Parker, Board member
25 Alaska Forum for Environmental Responsibility.

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1 I've testified at Cordova, Valdez,
2 Glennallen and Anchorage bringing forward the result of
3 my involvement with Prudhoe and the pipeline since 1968.

4 One of the principal points made in my
5 previous testimony has been the need for environmental
6 and operational audit by an independent team that would
7 establish a new base for developing and upgrading new
8 stipulations and design criteria to guide TAPS operations
9 over the period of lease renewal. To do otherwise is to
10 ignore the advances in science and technology over the
11 past 30 years and to ignore the changes in the
12 environments in which TAPS operates. At the very least a
13 plan should be developed and made public on what planned
14 replacements and intensive maintenance will be required.

15 A great deal has been made by TAPS
16 owners, operators and regulators about the care taken
17 with initial design. I would point out that the pipe was
18 ordered and mostly delivered before the final designs on
19 the above ground portions of the line were finished.
20 Welding procedures were not finalized and agreed upon
21 until after construction was begun. The original EIS
22 process was never completed and only bailed out by an act
23 of Congress. The first attempt at a buried river
24 crossing floated because the weights were not set right.
25 Pump Station 8 caught fire and exploded during startup.

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227-1

227-2

1 I would not bring this up except for recent attempts to
2 rewrite history and imply that planning and execution
3 were perfect from the beginning.

227-2
(Cont.)

4 The ups and downs of operations have been
5 well documented by independent reports, Congressional
6 hearings and the media. Now, we are asked to believe
7 that we're entering a magical new area in which 30 year
8 old designs can be made whole through the magic of
9 reliability centered maintenance while at the same time
10 reducing budgets and ergo the personnel who will
11 implement RCM.

227-3

12 Research for the Forum of Environmental
13 Responsibility has documented the restart problems of the
14 past seven years and the leaks caused by restart
15 failures. I recall at Pump Stations 2, 6, 8 and 10 were
16 shut down beginning eight years ago because they were no
17 longer needed for reduced throughput.

18 During the original design review in
19 which I was intimately involved the role of the pump
20 stations in maintaining pressure, relieving pressure
21 build ups and in prompt spill response were given a great
22 deal of attention. I don't recall them receiving much
23 attention at all when the owners committee ordered the
24 shutdown as another budget cutting device.

227-4

25 In the period after pipeline completion,

227-5

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1 spirits were high, generally, morale was good and
2 everything was new. Morale suffered when the TAPS owners
3 took the state to court in 1977 rather than utilize best
4 available technology and best operating practices on
5 tankers so the euphoria did not last long. When finally
6 a citizen went to court and won at the Supreme Court on
7 best available technology 25 years later, the TAPS owners
8 response was exactly the same, let's not talk about it.
9 If you lose in court, get your tamed legislature to
10 change law, but good Lord contemplated using the best
11 available technology called for in the Federal grant or
12 the State lease.

13 Is this a completely new world we're
14 entering into for the next 30 years in which the TAPS
15 owners will do the right thing even if we are not
16 competitive with Angola, Chad, Nigeria and Azerbaijan. I
17 sue those four because I have done consulting there. Not
18 according to the latest pronouncements from our master in
19 London, whose threats went by without a whimper from
20 State or Federal politicians elected to support us. If
21 nothing else is needed to make the point that we need a
22 citizen's oversight committee on the TAPS that should
23 prove it. Such a group is needed not only for oversight
24 of Alyeska and the regulatory agencies but to also look
25 over the shoulder of State legislators and congressmen.

227-5
(Cont.)

227-6

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1 This DEIS is nothing but 1,700 pages of
2 description and not even very accurate description. It
3 is a minimalization at its worst of the most important
4 decision facing Alaska since 1970. The same claims were
5 made then that the oil industry is making now. Governor
6 Bill Egan and the Alaska Legislature made certain that
7 Alaska would have a strong part in oversight of pipeline
8 construction and assistant Secretary Bill Becora at
9 Interior brought the full resources of the Federal
10 government to bear on an industry that knew nothing of
11 Arctic construction. What a difference from now where
12 Assistant Secretaries are not even part of the action and
13 where the governor accepts whatever the TAPS owners want.

227-7

227-8

14 We need the citizen's oversight committee
15 and the independent audit if Alaska is not to suffer
16 through 30 years of threat from a catastrophic spill or
17 spills. The past record does not justify continuation of
18 the present system. In fact, Alyeska's record demands
19 change such as presented in our AFER testimony by Stan
20 Stephens.

227-9

227-10

21 Thank you.

22 HEARING OFFICER GEARY: Mr. Parker, did
23 you want to include those in the record.

24 MR. PARKER: Yes.

25 HEARING OFFICER GEARY: Thank you. I'll

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1 mark them as Exhibit 54.

2 (Hearing Exhibit 54 marked)

3 HEARING OFFICER GEARY: Louis DeLong.

4 MR. DELONG: Louis. 00228

5 HEARING OFFICER GEARY: Louis, I'm sorry.

6 Pardon me.

7 MR. DELONG: I'll be making some verbal
8 comments. My name is Louis F. DeLong. I have 42 years
9 in petroleum industry and experience in refining,
10 engineering, economics, finance, general management, both
11 in the foreign area and the U.S.A. Some of the positions
12 I had was general manager, chief executive officer of SO
13 Malaysia, SO Indonesia known as Exxon today. I was chief
14 executive officer of North Pole Refinery, chief executive
15 officer of Earth Resources of Alaska and executive vice
16 president of Earth Resources Corporation in Dallas.

17 I'm here to testify today against the
18 renewal of the license of the Alyeska pipeline.

19 And my reason is best not from an
20 environmental standpoint but strictly from a concerned
21 American, Alaskan in an economic area and I'd like to
22 elaborate a little about this.

23 The pipeline owners, I think, discourage
24 finding oil and gas in Alaska. And let me cite -- on an
25 orderly and competitive bases and let me cite an example.

228-1

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1 Continental Oil Company found a billion barrel oil field.
2 They could not develop that oil field because the North
3 Slope production agreement allowed them less production
4 and to pay their actual costs so they had to trade away
5 that billion barrel oil field. They also said that the
6 pipeline tariffs were unduly high. And if you look at
7 the pipeline owners you find among the 10 top profitable
8 pipeline companies in the world, they're in the top five,
9 here. In fact, the retiring chairman of the Continental
10 Oil Company testified before the FTC and vented his
11 frustration about the odds of finding a billion barrel
12 oil field and not being able to economically develop it
13 and put the blame on the pipeline itself.

14 Now, I might add that during the time
15 they couldn't get sufficient production through the
16 pipeline, the owners of Alyeska were dismantling pump
17 stations to reduce the pipeline capacity.

18 Secondly, I think the pipeline owners
19 delay, discourage Alaskan oil production, they go over
20 seas, now, the question you want to ask is, Alaskan oil,
21 not profitable? But I think if you take ARCO and you
22 take Standard Oil of Ohio and look at their profit and
23 loss statements, their annual reports, you'll find that
24 prior to their Alaska operation they never made more than
25 \$80 million. First full year of production in Alaska

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1 they made over \$2 billion each. That's a matter of their
2 own annual report.

3 Is the oil available in Alaska? Yes. We
4 have 14 sedimentary basins in and around Alaska. The
5 proven, probable and possible reserves in Alaska on a
6 very conservative basis are probably 70 billion plus
7 barrels. So you ask the question why do these companies
8 go over seas, why aren't they looking for oil here in the
9 United States? Well, the Continental case discouraged
10 anybody else from making huge investments and not being
11 able to develop their oil. We have what the oil
12 companies call a land bank here in Alaska for these oil
13 companies.

14 They also like to keep their hand on the
15 production over seas. They don't want to occur what
16 happened in the 1880s and the late 1950s, early 1960s
17 when oil went down to very low prices because of
18 competition which led to OPEC and the control of oil.

19 I might use an example, if demand is a
20 million barrels and the production is 950,000 barrels,
21 everybody is seeking that shortfall of 50,000 and drives
22 the price of oil up very, very high. By the same token,
23 if the demand is a million barrels and the production is
24 a million, 50,000 it drops the price of oil tremendously,
25 everybody's trying to place that 50,000 barrels. And if

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1 you read the book, the Prize, you'll get into the details
2 of that. It's a well known fact.

3 So controlling the oil is very, very
4 important to the pricing of that oil and supply and
5 demand standpoint.

6 The royalty and the severance formulas
7 are really out of date. They were based on the 30s when
8 you were looking for oil in Wyoming and Colorado and
9 Kansas where good well was 30 to 40 barrels a day. From
10 the 1960s on, the standard sharing was -- production
11 sharing, which was 50 to 85 percent high bonuses, 25 to
12 30 bidders so why don't we have that in Alaska? Well, I
13 think if you look at the Continental case where a company
14 was able to find a billion barrel oil field and be able
15 to develop it discourages people from looking for oil
16 And the only people looking for oil on the North Slope
17 are those people that have an interest in the pipeline.

18 Also from a political foreign relation
19 standpoint it really affects every American from the
20 restricted curtailed Alaska production as an adverse
21 effect on our balance of payments. Today we're importing
22 15 billion barrels of oil -- 15 million barrels of oil
23 today, producing about five million. Production increase
24 -- the demand will increase about a million to a million
25 and a half barrels a day, but the cost is costing us

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1 about \$370 million a day or about \$140 billion a year.
2 Our balance of -- imbalance is about 140 million barrels
3 a year. Now, I hope we don't put ourselves in the
4 position of the UK, right after World War II where they
5 were short of monetary funds and had to trade just within
6 a closed circle of common-world countries. I think the
7 fact that we have to depend on foreign oil puts us in a
8 poor negotiating position from world politics. The
9 closest analogy I can use is Japan during World War II,
10 they were short of oil and they had to do things like
11 Pearl Harbor and go for a fast victory. I think using --
12 and importing all this foreign oil we have to use foreign
13 tankers and we all know that foreign tankers are older
14 vessels, their poorly trained crews, countries that
15 represent a lack of good regulations on safety.

16 I think the low Alaskan North Slope
17 crude, we have low pricing here in Alaska, I think this
18 is very important to Alaskans. The pipeline companies
19 sell to themselves so therefore the transfer prices are
20 immaterial to them. But by having a low transfer price
21 it discourages new people from looking for oil because
22 new people might be very aggressive exploratory companies
23 and they may not have the refineries and the marketing
24 facilities to accommodate that oil.

25 I think the crude price is about \$6, too

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1 low, and has been and I've said this previously over the
2 past 25 years, and I think this, again, is involved, the
3 Alaskans to the tune of about \$90 billion or about \$22
4 and a half billion dollars we're short.

5 In conclusion, I'd like to say the
6 pipeline owners use the environmental issues and
7 arguments to deflect investigations, review of economical
8 issues that have a very significant affect on the
9 American and Alaskan people in the political area, the
10 high cost of oil products in the U.S. and the world.
11 Poor environmental record in foreign countries. And they
12 jeopardizes the U.S. financial institutions to maintain a
13 free market in world trade, especially as we get
14 imbalanced in foreign exchange.

15 That concludes my testimony. Thank you.

16 HEARING OFFICER GEARY: Thank you for
17 your comments, sir. Please hold your applause. Jay
18 Quakenbush.

00229

19 MR. QUAKENBUSH: My name is Jay
20 Quakenbush. I'm here to speak to the EIS statement and
21 the Commissioner's Report and I'll be handing in written
22 reports later, thank you.

23 I have the privilege of representing
24 approximately 4,800 IBEW members in the state of Alaska,
25 more specifically 1,500 electricians who have worked on

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(Cont.)

1 the Trans-Alaska Pipeline during construction and
2 maintenance over the last 30 years. For example, in
3 2001, 140,000 electrical man hours was performed on the
4 Trans-Alaska Pipeline by IBEW members that, at any one
5 time ranged from 30 to 55 electricians statewide and that
6 was electricians alone.

7 We work alongside other skilled craftsmen
8 such as plumbers and pipefitters and operating engineers,
9 Teamsters and Laborers to the tune of 1.5 million man
10 hours in the year 2001.

11 And while I think that is important to
12 recognize many of those man hours, not only were they
13 performing electrical work, they're also interested in
14 the pipeline itself in maintaining a functioning, safe
15 environmentally correct and sound facility and that also
16 is their goal as craftsmen.

17 It was spoke earlier of oversight and
18 what the pipeline needs. The pipeline is one of the
19 most regulated areas that our members work in the state
20 and at times, it is a throttling effect on a craftsman
21 but they realize it's needed. As a matter of fact, they
22 play a role in that regulation themselves and with the
23 ability that's been used in the past and will continue to
24 be used with the employee concerns program that's in
25 effect on the Trans-Alaska Pipeline.

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1 What that means is that there is not only
2 regulators such as here in the room but there is citizen
3 oversight on the pipeline, Alaskans who live here in
4 Fairbanks and other communities in Alaska that perform
5 oversight on a daily and an hourly basis while they're
6 doing their job and have the availability to report
7 directly to Alyeska, directly to State agencies and they
8 perform that job very well.

229-1
(Cont.)

9 The IBEW supports a 30 year renewal lease
10 and we wish to comment again about the ability of our
11 members and other workers on the Trans-Alaska Pipeline to
12 continue to oversee the pipeline along with the
13 regulators who are in place and we do not think it is
14 necessary but rather redundant to throw more regulation
15 on top of what is already there. We feel with more
16 regulation in place it will stifle the maintenance. It
17 will stifle the environmental oversight that's already
18 taken place because Alyeska is putting that money into
19 those areas already and it would affect that
20 substantially with another oversight committee.

229-2

229-3

21 Thank you very much for your time.

22 HEARING OFFICER GEARY: Thank you for
23 your comments. Randy Wood, number 9. 00230

24 MR. WOOD: My name is Randy Wood. I'll
25 be speaking on the EIS report.

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1 I'm the greater Alaska division manager
2 for Houston Contracting Company Alaska. Houston
3 Contracting Company is a member of the Arctic Slope
4 Regional Corporation Family of Companies.

5 As the greater Alaska Division Manager I
6 oversee all Alaska operations for Houston Contracting
7 Company including the operations of our subsidiary
8 company Houston/NANA LLC. Houston/NANA is the prime
9 contractor for the Alyeska Pipeline Service Company in
10 charge of maintenance, project work, equipment
11 maintenance, warehouse and logistics and baseline support
12 on the Trans-Alaska Pipeline system, TAPS.

13 The oversight and maintenance of the TAPS
14 is unparalleled. TAPS overall performance reliability rate
15 is in excess of 99 percent since startup. Alyeska
16 corrosion control programs, valve maintenance programs,
17 spill response plans are leaders, really leaders in the
18 industry. We have successfully completed several
19 pipeline shut downs for annual valve and pipe
20 replacements over the past years, this is due to good
21 maintenance.

22 New access vaults at check valves have
23 been installed since startup for better maintenance at
24 these locations. Every single mile of the underground
25 portion of the pipeline has had a monitoring coupon and

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1 test station installed for corrosion monitoring. Smart
2 pigs are sent through the entire length of the pipeline
3 for wall thickness and corrosion readings. Impress
4 currents for increased cathodic protection has been
5 installed to better monitor the pipeline and safeguard
6 the pipe.

230-1
(Cont.)

7 These are just a few examples of the
8 emphasis that the owner companies and Alyeska place on
9 maintenance and safe and productive pipeline.

10 In addition over 20 State and Federal
11 agencies regulate the pipeline and millions of dollars
12 are spent each year on its upkeep. Any additional
13 oversight consideration is more appropriately addressed
14 at the policy level through the State and Federal
15 legislative branches.

230-2

16 As a pipeline constructor and maintenance
17 operator, our business success is rooted in the quality
18 service we provide our clients and the healthy economy
19 our clients thrive in. To continue providing employment,
20 training, education for all Alaskans, especially the
21 Alaska Natives the full support of a 30 year renewal
22 period is what we believe in and this span is imperative
23 to keep the cost of doing business on North Slope
24 competitive.

230-3

25 Thank you.

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1 HEARING OFFICER GEARY: Thank you. Greg
2 Campbell, number 10.

00231

3 MR. CAMPBELL: Hi. My name is Greg
4 Campbell. I'm a life long resident of Fairbanks and an
5 active member in the community. I'll be talking on the
6 EIS report.

7 In my professional capacity, I'm the
8 operations manager for Houston/NANA LLC.

9 Houston/NANA is the prime contractor for
10 the Alyeska Pipeline Service Company in charge of
11 maintenance on the Trans-Alaska Pipeline system.

12 The economic impact of TAPS and the 13
13 billion barrels of oil that have flowed through it are
14 significant to both the public and private sectors in
15 Alaska, especially here in Fairbanks.

16 TAPS has created hundreds of jobs for
17 local Fairbanks residents and thousands statewide.

18 The existence of TAPS has created a
19 thriving economy here in Fairbanks and provided economic
20 stability for local businesses like Houston/NANA.

21 How has this impacted local economy?
22 Property taxes for the North Star Borough. The North
23 Pole refinery has added jobs to the Fairbanks North Star
24 Borough and provided a stable source of heating fuel, jet
25 fuel, automobile fuel for Interior Alaska. Work on the

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1 pipeline has benefited many local vendors and contractors
2 over the last 30 years.

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(Cont.)

3 How has it impacted the quality of life
4 in terms of programs for children? Alyeska and its
5 contractors are major supports of Big Brothers and Big
6 Sisters, Santa Clearing House, Fairbanks Food Bank, many
7 youth sports programs. They are partners with local
8 schools like Weller Elementary, Ticasuk Brown Elementary,
9 Howard Luke Academy. And they provide many scholarships
10 and intern positions for Alaska Natives.

231-2

11 Over the past 30 years, the economic
12 benefit that the Trans-Alaska Pipeline has brought to the
13 state are vast and far reaching, Permanent Fund, the
14 taxes and royalties, support for local communities,
15 support for local charities, schools and universities,
16 Native organizations, just to name a few.

231-3

17 Alyeska has a proven record of investment
18 in Alaska and Alaska Natives.

19 In the first quarter of this year
20 Houston/NANA has exceeded the 20 percent Alaska Native
21 hire goal set forth to us by Alyeska. And of the first
22 three months of our initial contract with Alyeska, we
23 peaked at 25 percent Alaska Native hire, two years ahead
24 of schedule.

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25 We continue to provide programs that

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1 benefit the community in which we operate in terms of
2 education, training, employment. Houston/NANA fully
3 supports the 30 year renewal process.

4 Thank you for this opportunity to provide
5 these comments.

6 HEARING OFFICER GEARY: Thank you, sir.
7 All right, I'm going to admit those to the record as
8 Exhibit 55.

9 (Hearing Exhibit 55 marked)

10 HEARING OFFICER GEARY: Robert Sattler,
11 number 13. 00232

12 MR. SATTLER: My name is Robert Sattler.
13 I work for Tanana Chief's Conference here in Fairbanks.
14 And Tanana Chiefs is a tribal agency of all the villages
15 of the Interior. And as a policy the company has a
16 policy where only the president can speak for the agency
17 and so I have a prepared statement here. And what I'd
18 like to do is narrow in on land ownership and
19 specifically Native allotments is what I'll be talking
20 about this evening. And I do better not reading a script
21 so I hope that you'll bear with me if I twist my words
22 around.

23 As some of you may know, Tanana Chiefs
24 holds a real estate services contract with the Federal
25 government to provide realty functions for Native owners

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1 of restricted townsites and allotments. In the TCC
2 region there are approximately 2,400 Native allotment
3 parcels and 500 townsites amounting to more than 225
4 acres of restricted lands.

5 In the TCC region there are approximately
6 27 allotments that are located within one mile of the
7 TAPS Right of Way. The real estate services program
8 provides a full range of services to restricted land
9 owners including appraisals, environmental, cultural
10 resources, cadastral survey, probate and processing
11 several types of realty transactions such as land sales,
12 rights of ways, leases, gift deeds and so forth. The
13 renewal of the TAPS Right of Way has provided our program
14 and scheduled to review environmental issues concerning
15 allotments located in the vicinity of the TAPS.

16 I will share some of our provisional
17 observations and analysis on environmental issues
18 concerning allotments in this sphere of the TAPS renewal
19 and compare our analysis to that ascertained by the
20 preparers of the Draft Environmental Impact Statement.

21 TCC has participated in the NEPA process
22 for the TAPS Right of Way renewal. Early on we
23 identified issues concerning restricted lands that
24 require appropriate treatment in the TAPS NEPA process.
25 Consequently, TCC requested during the scoping period to

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(Cont.)

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1 be designated a cooperating agency for the purpose of
2 sorting environmental issues concerning Native
3 allotments. The realty program works under the auspices
4 of the Bureau of Indian Affairs and is guided by the
5 statutory and regulatory requirements of the BIA, the
6 Federal agency that has jurisdiction, by law, over
7 restricted lands. BLM denied the request based on their
8 evaluation of a provision in NEPA that directs the lead
9 Federal agency to designate Indian tribes as cooperating
10 agencies upon request when the undertaking crosses an
11 Indian reservation. Well, TCC understands that the
12 Federal designation of Indian reservations are not used
13 in Interior Alaska and TCC is not a Federally-recognized
14 tribe. What the BLM through JPO and their contractor,
15 Argonne National Laboratories fail to perform is an
16 evaluation of the provision in NEPA that allows any local
17 agency to be designated a cooperating agency when it has
18 jurisdiction by law or possesses special expertise with
19 respect to any environmental issue. Remarkably, Argonne
20 entirely misconstrued the point behind the request for
21 the cooperating agency status.

22 A review of the Draft EIS reveals that
23 there is no substantive mention of Native allotments in
24 the entire document. There's one phrase on Page 3.2.7-2
25 stating that since the TAPS Authorization Act, lands have

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1 been conveyed to individual owners pursuant to the Alaska
2 Native Allotment Act and goes on to say the pipeline
3 owners have acquired easement for the TAPS Right of Way
4 across all parcels except for one, which is currently
5 under negotiation. Most noteworthy in the EIS is the
6 assertion that the TAPS owners were able to accommodate
7 private parties through perpetual Right of Way
8 agreements. This wording alone is contradictory from a
9 real estate point of view. Nevertheless, the phrase
10 implies that the easements were forged in a congenial
11 manner in favor of the private land owners. We can only
12 assume that the private parties include Native allotment
13 owners.

14 The Native Allotment Act is hardly
15 mentioned again in the entire body of the EIS but is
16 cited in Chapter 9.1 entitled Federal laws and is listed
17 as the Alaska Native Allotment Act of 1906.
18 Surprisingly, the document entirely neglects to mention
19 the applicable Federal regulations that authorize
20 pipelines and the renewal of pipeline agreements across
21 restricted Indian lands. Ironically the Draft EIS states
22 that allotments are used for subsistence purposes and
23 then on the same page it references the State statute
24 that prohibits hunting with firearms within five miles of
25 either side of the highway between the Yukon River Bridge

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1 and the Arctic Ocean. Is this an adverse affect?

2 More significantly, there's no mention at
3 all of the U.S. Code Title 25 entitled Indians in the
4 entire document.

5 The Draft EIS fails to define the Bureau
6 of Indian Affairs, Native allotment, Right of Way,
7 perpetual easement, trust responsibility and cooperating
8 agencies.

9 Clearly, the silence over Native
10 allotments in the Draft EIS indicates that individual
11 Indian allotment owners are unimportant to the preparers
12 of the Draft EIS and the lead Federal agency. Apparently
13 both the preparers of the Draft EIS and the lead Federal
14 agency believe that there are no direct, indirect or
15 cumulative effects on Native allotments during the
16 initial 30 year period, nor any posed by the renewal of
17 the Right. Right of Way. This position is astonishing
18 since the BLM has and continues to carry out inherent
19 Federal functions on Native allotments. This is most
20 striking in the context of the Federal Trust
21 responsibility since the BLM and Argonne Lab, which is a
22 branch of the Department of Energy have the obligations
23 to perform for individual Indian land owners, these trust
24 responsibilities.

25 Perhaps even more ironic to the oversight

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1 is that litigation involving the allottees and the TAPS
2 owners created some of the most controversial
3 environmental issues regarding the management of Native
4 allotments in the entire TCC region and possibly the
5 state of Alaska.

6 Nowhere in the Draft EIS is there mention
7 of the rationale by which Argonne decided to exclude a
8 review of the allotments in the Draft EIS. The failure
9 to address issues regarding allotments as opposed to
10 Tanana Chiefs request during the scoping period that
11 environmental issues regarding allotments be included in
12 the EIS. Two allotments that are intersected by the TAPS
13 in the TCC region were involved with litigation with the
14 TAPS owners. With one allotment, the allottee entered
15 into an agreement that allowed access for the period of
16 the TAPS authorization, after which she was told that the
17 terms of the TAPS Right of Way would be renegotiated. In
18 the other case, the allottee endured approximately 15
19 years of litigation that eventually resulted in a
20 condemnation proceeding in Federal court. It is
21 important to note for the purposes of the Draft EIS that
22 the summary judgment in that case prescribed fees for the
23 taking and added punitive damages in an amount for which
24 the allottee believed was insufficient. Had the TAPS
25 owners accommodated the allottee as purported in the

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(Cont.)

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1 Draft EIS, the punitive damage amount would have been
2 renegotiated and paid to the estate. To this day, the
3 punitive damages established by the court in the mid-80s
4 have not been paid to the estate.

5 These examples alone indicate that there
6 are significant effects to Native allotments that need to
7 appear in the effected environment, environmental
8 consequences and cumulative effects.

9 Probably the most significant issue
10 regarding Native allotments is the status or validity of
11 the Right of Way across the two allotments that are
12 intersected by the TAPS Right of Way. The EIS states
13 that the owners have perpetual easements across the
14 allotments for construction and operation of the TAPS.
15 However stated elsewhere in the EIS, since the original
16 agreements were put into place, the lands have been
17 certified to the allottees and it is noteworthy to point
18 out that BLM issued deeds to the individual Indian owners
19 without reference to the TAPS and without a reserved
20 right of way, easement, covenant or any mention of the
21 TAPS Right of Way.

22 Further complicating the matter is the
23 purported agreement on one of the allotments has never
24 been approved by the Secretary of the Interior as
25 required by law. This is unclear which authority of the

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(Cont.)

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1 TAPS owners acquire their easements across the allotments
2 and especially since a statutory authority limits rights
3 of ways across allotments to 20 year periods.

4 So I'd like to then -- I'm coming up to
5 the end. I'd like to say a couple other -- this last
6 spring Tanana Chiefs negotiated a Right of Way for the
7 TAPS owners to replace a gate valve. The TAPS owners
8 really need to follow this example and reciprocate the
9 goodwill in the interest of all allotment owners who are
10 potentially affected parties by the TAPS renewal.

232-3
(Cont.)

11 So I have until it turns red, is that
12 right? Okay.

13 The failure on Argonne's part to follow-
14 up with the scoping comments on allotments brings into
15 question their capacity or perhaps competency to
16 understand and evaluate land issues in Alaska. At the
17 same time their oversight further strengthens the need
18 for a Native based cooperating agency to assist them in
19 preparing an appropriate EIS on the TAPS renewal.

20 And in conclusion, I'll say that the
21 Draft EIS needs to include a section on Native allotments
22 and invite Native entities as cooperating agencies.

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23 And since I have a little bit more time,
24 I'll go back -- I have like three sentences here. So the
25 Draft EIS appears to initiate the process to renew the

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1 Right of Way across Federal and State land, however, it
2 appears that they've not -- the TAPS owners have not yet
3 initiated the process of renewing the Right of Way across
4 restricted Indian allotments. So we believe that the
5 NEPA process needs to be initiated to renew the Right of
6 Way across allotments in good faith with current market
7 conditions and within the applicable, statutory and
8 regulatory procedures governing pipelines across
9 restricted Indian lands.

10 I have more time -- no, that's it, thank
11 you.

12 HEARING OFFICER GEARY: Would you like to
13 submit those for the record?

14 MR. SATTLER: No, not at this time.
15 We'll be submitting more detailed comments by the August
16 20th deadline.

17 HEARING OFFICER GEARY: That's fine.
18 Chris Phillips, number 14.

00233

19 MR. PHILLIPS: Good evening. I'm going
20 to be commenting tonight on the Draft EIS and the
21 Commissioner's Report. My name is Chris Phillips. I'm
22 vice president with BP Exploration in Anchorage with
23 responsibilities for operations integrity.

24 I'm here tonight on behalf of myself and
25 BP to support and urge the BLM to grant a 30 year renewal

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(Cont.)

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1 of the TAPS Right of Way under its current terms.

2 Over my 22 years here in Alaska I have
3 watched TAPS being operated by a world class company to
4 world class standards. There are few pipeline systems
5 globally that have the reliability of TAPS while
6 maintaining both an excellent safety and environmental
7 record.

8 The pipeline has made a tremendous
9 contribution to the Alaskan and U.S. economy over the
10 past 25 years by transporting up to 25 percent of the
11 U.S. oil production to Valdez. It's role in the future
12 is equally important. Over the next 30 years it will
13 deliver almost \$400 billion worth of oil.

14 The pipeline also means jobs. Jobs for
15 the men and women working on the pipeline itself, the
16 crews on the tankers sailing in and out of Valdez and our
17 employees in the oil fields on the North Slope. Its
18 existence fuels the economy and health of Alaska.

19 Our business requires long-term stability
20 and fiscal and cost certainty in order to justify the
21 large investments we make in expanding our existing
22 fields and developing new ones. This is why it's
23 important to renew the Right of Way for another 30 years,
24 not five, 10 or 15.

25 Finally, there is no good cause for any

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1 change in terms associated with operating TAPS. The JPO
2 is doing a good job of regulating TAPS and the safety and
3 environmental records remain very good. The current
4 Right of Way agreement can be changed for good cause as
5 needed to ensure the continued safe operation of TAPS.

6 In closing, I strongly urge you to renew
7 the TAPS Right of Way on its current terms for 30 years.

8 Thank you for the opportunity to speak.

9 HEARING OFFICER GEARY: Thank you for
10 your comments. I'll mark them as Exhibit 56.

11 (Hearing Exhibit 56 marked)

12 HEARING OFFICER GEARY: Ronnie Rosenberg,
13 number 15.

00234

14 MS. ROSENBERG: My name is Ronnie
15 Rosenberg. I reside here in Fairbanks and I'm speaking
16 solely for myself this evening. My comments will be
17 pertaining to the DEIS and also to the Commissioner's
18 Findings.

19 I would agree that Alyeska has been a
20 good civic neighbor here in Fairbanks. I am involved in
21 many different charities and activities here in the
22 Borough and Alyeska is right there whenever you need
23 them. And in that sense they've been a wonderful
24 neighbor. I think most people want them here, want them
25 to continue here and we're very appreciative of what they

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(Cont.)

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1 contribute to our community. We're also very
2 appreciative of what the pipeline contributes
3 economically to our community.

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(Cont.)

4 Nevertheless, it is not always in the
5 public interest, the general public good to have self
6 regulation by an industry. I'm not impugning the
7 individuals who are involved or who have spoken tonight,
8 but I think we've seen enough, especially in the last
9 year or two, with Enron, with Halaburton, with various
10 companies where there have been problems. And I think if
11 for no other reason than for the confident of the
12 citizen's of Alaska, we need to have a citizen's
13 oversight agency, committee, we need to have something
14 set up. When diverse people, people who are not
15 technical experts get together with the technical
16 experts, the product is better, the sum is better than
17 its parts.

234-2

18 We've heard conversations and we've heard
19 comments tonight about the double-hull tankers. The
20 industry didn't volunteer to do that, that came as a
21 result of OPA90 and the work of the Regional's Citizen's
22 Advisory Council and it was the Regional Citizen's
23 Advisory Council that said to the industry, you know,
24 when is this going to get done and followed up that those
25 things were getting done. We need to have something like

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1 that in the interior.

2 I reside northeast of town, I reside not
3 very far from the pipeline. In the past year, a criminal
4 shot a hole in the pipeline with a rifle and it caused a
5 big leak. If that could happen from one errant
6 individual, what would happen in the case of terrorism,
7 what would happen if there was an earthquake? These are
8 things that concern those of us that live with the
9 pipeline and we want to be involved.

10 We have seen examples where citizens have
11 gotten together with regulators and with agencies and the
12 outcome has been very, very good. It's a lot different
13 than just calling up when I have something to complain
14 about or calling up when I see a leak. The idea is to be
15 involved from the ground up. The pipeline has been
16 around for a long time. It's probably going to be around
17 for a long time more. And I don't believe that involving
18 citizens in a citizen's advisory council, you know,
19 people representing different constituencies would be
20 overly burdensome on the industry. I would urge that
21 that be added.

22 Thank you very much.

23 HEARING OFFICER GEARY: Thank you for
24 your comments.

25 MS. ROSENBERG: Thank you.

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1 HEARING OFFICER GEARY: Please hold your
2 applause. Hank Bartos, number 16. Jim Laiti, number 17.

3 MR. LAITI: Hi. My name's Jim Laiti. 00235
4 I'm here to address the Commissioner's Right of Way
5 Determination and the Draft EIS. I'm a business agent
6 for the Pipefitters Local 375 and I'd like to express
7 support for a 30 year lease renewal.

8 I've been involved directly with TAPS
9 since construction in the early 1970s and have witnessed
10 many craft jobs that have supported families and homes
11 here for more than 30 years. I found consideration for
12 safety and quality on the projects to be unsurpassed in
13 the industry. I've got 30 years of construction industry
14 experience throughout the state and there's no
15 comparison.

16 From my perspective, regarding TAPS the
17 positives far outweigh what negatives there might be and
18 I appreciate this forum.

19 Thanks.

20 HEARING OFFICER GEARY: Thank you for
21 your comments. Charles Etok. 00236

22 MR. EDWARDSSEN: Hi. My name is Charles
23 Etok Edwardsen.

24 I grew up in the oil province of the
25 North Slope from NPRA to the present. I've witnessed the

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235-3

1 -- I am a witness to the military operations of oil
2 development in the Arctic and to Prudhoe Bay. And the
3 industry is still a kid on the new block in our Arctic
4 home. The occupation of time is so small that they
5 cannot even measure correctly which way the wind is
6 blowing.

7 The oil impact -- unanticipated oil
8 impacts -- I had opposed the Trans-Alaska Pipeline in the
9 name of Edwardsen versus Martin. And right now at the
10 present moment, I am Edwardsen versus Mineral Management
11 Service in the Outer Continental Shelf. The industry by
12 itself is not willing to be honest with the citizens of
13 Alaska and the American people.

14 If it wasn't for the environmental
15 impact, NEPA, we needed something at the time of the
16 lobbying for the passage of the Alaska Native Land
17 Claims, we oppose the permitting of authorization of the
18 Trans-Alaska Pipeline.

19 It was a very hard fight, it made me
20 harder. And I do not trust the industry then and I do
21 not trust the industry today. They've made some impacts
22 and their unanticipated impacts far exceed what is on the
23 surface.

24 Right now we're seeing hazing of orange
25 cloud at Prudhoe Bay. The standards of the Federal

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1 government are badly needed. There is two types of
2 conduct and this is for the Federal observer here, since
3 1976, I was responsible for the demilitarization of Naval
4 Petroleum Reserve No. 4 to the Department of Interior as
5 a conservation measure so that to prevent the industry
6 prematurely going off shore in the Arctic. I was
7 successful as part of a presidential campaign for office
8 that the most conservation measure taken by the
9 Democratic candidate was demilitarization of PET4, at
10 that time now known as National Petroleum Reserve Alaska.

11 I've been following the Energy Policy of
12 this country for a very long time. According to Kindom
13 Hubbard, we need more conservation than ever before
14 because we are on the south end of the Slope. We're not
15 finding new discoveries at a rapid rate. And I am
16 opposed to the present tariff rate of the Trans-Alaska
17 Pipeline, what is badly missing here is that I am sorry
18 as a citizen that the Federal Energy Regulatory
19 Commission is not here to hear what the people of Alaska
20 are saying, although they have that responsibility with
21 the tariff rate, which is too high.

22 And as far as State of Alaska is
23 concerned, its private settlements, revenue settlements
24 with the industry, I think itself is a crime because the
25 citizens are left behind. We don't know what is in those

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1 agreements. And I had heard from some of the good
2 citizens of Alaska that there is too much regulation.

3 Let me tell you right now, just on the
4 out-gassing of Prudhoe Bay alone, that we have lost
5 equivalent of 30 Prudhoe Bays just on the burn-out, out-
6 gassing of the methane hydrates around Prudhoe Bay. So
7 there is no conservation. There is no conservation
8 whatsoever.

9 And until this is done -- and also the
10 Native hire program was a farce. Although that Secretary
11 of Interior has trust responsibility it has been failed
12 to be deployed to the maximum intent feasible. And when
13 I made a -- as a young man I made a petition to the
14 creation of the North Slope Borough and was successful.
15 I was in trial from 1965 to '62, I had 2,400 lawsuits by
16 the industry, by these bandits here and the majors, why
17 Eskimos cannot have a civil government. We exhausted
18 that and won.

19 And I'd like to further state that on the
20 unanticipated state impacts, the Governor of Alaska, as
21 the Mayor of the unorganized boroughs of Alaska, the
22 State Legislature as its assembly has never met, although
23 the Trans-Alaska Pipeline corridor goes from one end of
24 the unorganized boroughs to the other, the State
25 legislature has failed to provide adequate funds for

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1 education as we heard tonight, that Fairbanks was
2 successful in 277 billion on their impacts of taxation on
3 the asset.

4 And so this is why that I am opposed to
5 the immediate authorization of this. There are so many
6 unanticipated answers today. And what we need to do on
7 the Slope, now that there is discovery in NPRA, is we
8 must develop a micro-engineer conservation. The present
9 form of engineering today, low bid models is not going to
10 be compatible with the environment in the Arctic.

11 And especially in the Outer Continental
12 Shelf. Right now, we have no capability in Alaska to
13 pickup one ounce of oil offshore. And with the -- we
14 have a potential for the Department of Interior to
15 reassess the leaseholds on the North Slope. I think
16 British Petroleum and Phillips are now approaching their
17 acreage limitations, I think that is getting very close.

18 And Section 1 of the Mineral Leasing Act,
19 we had an unfortunate incident this year. Alaska already
20 is a national security state but our homeland economic
21 security is now threatened by British Petroleum of its
22 acquisition of Arco's holdings.

23 And in 1970, the Kingdoms of Norway and
24 Kingdoms of Great Britain nationalized American assets on
25 the North Sea and gave themselves 51 percent interest to

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1 America, we need to enforce Section 1 of the Mineral
2 Leasing Act, the reciprocity section. At one time there
3 was a willing president who was willing to secure
4 American assets for American people, that was Franklin
5 Roosevelt. And his Attorney General, Thomas Clark
6 enforced reciprocity on Great Britain. And because
7 American assets were nationalized, we need to enforce
8 under home -- probably -- I just came back from
9 Washington, D.C., I volunteered how to pay for this
10 homeland security. I informed some of my enlightened
11 Republican friends, which there are so few of, however,
12 I'm a patriotic man, I said it's going to take will I
13 don't think it's going to take rhetoric, what the
14 president is saying. It's going to take the courage of
15 the Attorney General in the likeness of Thomas Clark to
16 invoke Section 1 of the Mineral Leasing Act so we can
17 repatriate. At the present moment, since 1978, production
18 equivalent to what British Petroleum nationalized in the
19 high seas of the North Sea.

20 So I want the government agent to take
21 this seriously, that he found some hidden assets that
22 needs to be deployed in the likeness to secure our
23 homeland. And as you well know, that Alaska already is a
24 national security state and anything north of the PYK
25 line, Porcupine Yukon Kuskokwim line.

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1 Thank you.

2 HEARING OFFICER GEARY: Thank you for

3 your comments. All right, we're going to take a 10

4 minute break. We'll reconvene in 10 minutes.

5 (Off record)

6 (On record)

7 HEARING OFFICER GEARY: All right, I'm

8 going to reconvene this hearing. During the break, I was

9 given one more exhibit from Mr. Odsather and I'm going to

10 mark it as Exhibit 57.

11 (Hearing Exhibit 57 marked)

12 HEARING OFFICER GEARY: All right, the

13 next speaker is Michael Smith, number 19. Please be

14 quiet. 00237

15 MR. SMITH: Hello. My name is Mike Smith

16 and I'm here today representing Tanana Chiefs Conference.

17 I have recently taken a position as wildlife and parks

18 coordinator over there and I'd like to address my

19 comments to the Section .810 evaluation under ANILCA.

20 I think it's important to point out, too,

21 that while the impact statement is rather comprehensive,

22 45 days to evaluate it all is clearly not enough time.

23 At this point, while there are a lot of

24 issues of contention between Tanana Chiefs and the

25 evaluations done under ANILCA, I'd just like to point out

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1 a few of the more glaring examples that we have found so
2 far in this evaluation. We will be submitting written
3 comments as well at a future date and I will keep my
4 comments brief here.

5 I guess it's important to note that the
6 impact of the Trans-Alaska Pipeline -- excuse me -- while
7 the economic impact of the Trans-Alaska Pipeline had been
8 substantial in Alaska, the brunt of the impact, the
9 adverse impacts has been on rural Alaska, in particular,
10 subsistence activities out there. The evaluation is
11 interesting in the sense that it starts off by qualifying
12 the evaluation by saying that there is not enough
13 information to develop a clear subsistence impact
14 statement. They then go on to use that lack of
15 information to declare that there has been no significant
16 impact on the subsistence resources in rural Alaska.

17 I think it's safe to say and I think
18 anybody who is familiar with hunting and fishing in rural
19 Alaska knows that there has been great impact on
20 subsistence resources in rural Alaska, from the access to
21 the accessibility issues concerning the haul Road, access
22 road, stuff of that nature. The increase in populations
23 going to those areas. And the impact on the resources
24 themselves.

25 The evaluation breaks down into five

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1 basic categories. One is a decline in the population or
2 amount of harvestable resources. Changes in the
3 geographic distribution of subsistence resources.
4 Competition for potential subsistence resources and
5 disturbance of subsistence activities and constraints on
6 access to subsistence resources. It could all be boiled
7 down to access to subsistence resources.

8 The Section 10 analysis is fundamentally
9 flawed in a number of -- or we feel is fundamentally
10 flawed in a number of areas.

11 First of all the caveat that they come up
12 with that there is no adequate information and, two, the
13 information that they do utilize is often times 10, 20
14 years old and has no contemporary significance. And --
15 I'm a little nervous here, I've just had a -- but in
16 regards to the first section, the decline in the
17 populations, they go onto iterate that there has been no
18 decline in -- no significant decline in subsistence
19 resources. Once again, I think that anybody who hunts
20 out there knows that the restrictions imposed by game
21 limits, seasons and the increase in population has
22 dramatically decreased the harvest of resources in those
23 areas.

24 The second section, again, talks about
25 the changes in geographic distribution of subsistence

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1 resources. The evaluation states and indicates that the
2 impact would be minimal because of the vast amount of
3 area that the villagers out there and the people who live
4 out there use in acquiring those resources. It's kind of
5 also interesting to know that the area, while large, is
6 also geographically distinctive in the areas of which
7 they get those resources. The pipeline, while it has --
8 the corridor pipeline, the exclusion of hunting in the
9 corridor pipeline is without a doubt a significant impact
10 on the access of accessibility to those resources.

11 Additionally, the expansion of that
12 corridor due to the events of 9/11 have had a dramatic
13 impact on subsistence resources. An example of that
14 would be in the Cordova area where as a result of 9/11,
15 the area in which they could hunt has been extended 10
16 miles down the -- 10 miles out in the ocean. Now that
17 impact on a subsistence user is dramatic in the sense
18 that it takes a several [sic] amount of time to go that
19 far.

20 Additionally, the disturbance of the --
21 another aspect that they had in the evaluation was the
22 disturbance of subsistence activities. They confine
23 their comments to the fact of people going out there and
24 interviewing -- interfering with some of subsistence
25 activities. They do not address the issue of devastating

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1 ecological impacts on those subsistence resources should
2 a disaster occur.

3 Once again, my comments today are very
4 limited in the sense that I haven't had the opportunity
5 to evaluate the information that was used by Argonne in
6 developing this information but it suffices to say it is
7 outdated, it is not contemporary and is of actual or
8 little or no use in trying to develop subsistence impact.
9 They go out of their way to point out a considerable
10 amount of information in the EIS in regards to harvest
11 takes but have no base on which to compare that to.
12 Qualitative analysis would start off with the baseline
13 that prior to the pipeline the harvest and subsistence
14 activities of people in those regions. That has never
15 been done and to try to say that there has been no impact
16 as a result of that is just erroneous.

17 But once again, written comment will be
18 forthcoming and I'll leave it at that.

19 Thank you very much. 00238

20 HEARING OFFICER GEARY: Thank you for
21 your comments. Once again, Hank Bartos. Kara Moriarty.

22 MS. MORIARTY: Thank you. My name is
23 Kara Moriarty and I am the president and CEO of the
24 Greater Fairbanks Chamber of Commerce. I am here to
25 testify tonight in support of the Draft Environmental

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1 Impact Statement and the Commissioner's preferred
2 alternative and recommended findings.

3 The Fairbanks Chamber represents almost
4 700 businesses in Fairbanks with over 80 percent of those
5 businesses as being small businesses, i.e., they only
6 have one to two employees. The board of directors passed
7 a resolution of support of the Trans-Alaska Pipeline
8 renewal process during the scoping meetings last fall and
9 again, recently as of July 29th, passed another
10 resolution that I would like to read for the record.

11 This is a resolution by the Greater
12 Fairbanks Chamber of Commerce Supporting the Draft
13 Environmental Impact Statement for the Trans-Alaska
14 Pipeline System Right of Way Renewal.

15 Whereas, the Trans-Alaska Pipeline system
16 was granted a 30 year Right of Way in 1977 by both
17 Federal and State agencies; and

18 Whereas since the current Right of Way
19 leases expire in May 2004, the six companies that own
20 TAPS filed State and Federal applications to renew the
21 pipeline's Right of Way for another 30 years; and

22 Whereas the Right of Way renewal process
23 requires a full Environmental Impact Statement, examining
24 impacts on the physical environment, biological resources
25 and social systems; and

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1 Whereas the TAPS has transported over 13
2 billion barrels of oil from the North Slope to tankers in
3 the Port of Valdez since its beginning; and

4 Whereas the production of forecasts for
5 the next 30 years, which are very important, indicate
6 North Slope production to be an estimate 8.9 billion
7 barrels of crude oil, at a value of \$374 billion; and

8 Whereas approximately a million barrels
9 of oil are transported through TAPS every day
10 representing approximately 17 percent of the United
11 States' crude oil production; and

12 Whereas petroleum industry spending
13 generates revenue of more than \$250 million a year in the
14 Fairbanks economy; and

15 Whereas the pipeline has been operated
16 safely, efficiently and reliably with a reliability
17 rating of over 90 percent for over 20 years; and

18 Whereas the current Federal grant and
19 State lease expire in 2004 seek to extend the grant and
20 lease for another 30 years; and

21 Whereas negative economic consequences
22 would occur if the lease was granted for a shorter period
23 of time, such as increased financing and bonding costs, a
24 decrease in future investment and exploration on the
25 North Slope and reducing the flow of funds into Federal,

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1 State and more importantly for us, local governments; and

2 Whereas the current Joint Pipeline Office
3 consisting of 13 State and Federal agencies provide
4 sufficient oversight of TAPS thus negating the need for
5 any additional oversight which would cost additional
6 operating costs for TAPS; and

7 Whereas a shorter lease period and
8 additional oversight would have a significant impact on
9 cost of doing business, thus reducing productivity and
10 profitability.

11 Therefore Be it Resolved that the Greater
12 Fairbanks Chamber of Commerce fully supports the Draft
13 Environmental Impact Statement for the Trans-Alaska
14 Pipeline system Right of Way renewal for another 30 years
15 without additional requirements or oversight.

16 In conclusion, Alyeska has been a very
17 good corporate citizen in our community. We think that
18 they've always been very open. When the Chamber ever had
19 concerns, we have a good working relationship with
20 Alyeska and that provides -- we think we have a good
21 avenue if our community or if our chamber members have
22 any concerns with Alyeska, they've always been very open
23 and willing to work with us with those concerns.

24 That concludes my comments.

25 HEARING OFFICER GEARY: Thank you. We'll

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1 enter these into the record as Exhibit 58.

2 (Hearing Exhibit 58 marked)

3 HEARING OFFICER GEARY: Buzz Otis, number
4 21.

00239

5 MR. OTIS: I can't believe she's taller
6 than me. Good evening. My name is Buzz Otis. And I'm
7 chair of the Fairbanks Chamber of Commerce this year and
8 I won't comment from that perspective, as I believe Kara
9 has done a very able job of that. But I also have a
10 business called Great Northwest and I'm president of that
11 company. We're a Fairbanks-based contractor and I've
12 been in business -- we're now in our 27th year of
13 business, a company I started in 1976. We have over 200
14 employees that work throughout the state during the peak
15 of our season. And I am here tonight to urge the renewal
16 of the Right of Way for the Trans-Alaska Pipeline for
17 another 30 years.

18 I moved to Alaska in January of 1975 and
19 shortly after arriving here I worked for a geophysical
20 services company called GSI on the petroleum reserve up
21 in the North Slope, NPRA, as a laborer stomping geophones
22 out in the snow and the ice and I did that for a few
23 months until break up and then was able to go out and
24 work on the Trans-Alaska Pipeline as a labor in June of
25 '75 and worked pretty much steadily for a year until May

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1 of 1976 when I came back to Fairbanks and founded Great
2 Northwest.

3 I'd work the springs and summers and
4 falls in my construction business. I started out a
5 landscape contractor and now we've grown into a civil
6 construction company covering all phases of earthwork.
7 But in the winter I'd go back and work along the pipeline
8 or work on the North Slope and the Prudhoe Bay area to
9 subsidize my losses from starting a business. Then the
10 day of reckoning came when there was no more work up
11 there for a laborer. Things were pretty tight. I think
12 that was about '70 or '80 and so I went back to school at
13 Michigan State to try to learn more about being a
14 businessman in the wintertime and running a business in
15 the summer. But it was always a constant evolution.

16 I mention that because it's important, I
17 feel that, you know, the oil industry has helped develop
18 business people like myself who are now able to give back
19 to the community. We see huge amounts of capital
20 projects that were coming down, being authorized through
21 Juneau as a result of the royalties paid by the oil
22 industry in the early '80s. That helped grow my
23 business. It helped grow a lot of other businesses in
24 this state.

25 As I mentioned we were primarily involved

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1 in beautification work back then and we did things like
2 landscaping the airport right of way on Airport Way, the
3 median there, building parks and where it was --
4 basically around here if you built a park it was a virgin
5 piece of ground and you go in and do some clearing and
6 grubbing and you put in a road and a restroom facility
7 and some soccer and basefield fields and, you know, there
8 were local trails, programs for the borough, we had road
9 service areas, that money was a direct result of the
10 royalties that we saw coming into Juneau. And I also
11 happen to serve on the Assembly from 1982 through 1988
12 and I can tell you there were significant capital
13 projects that came as the result of the Prudhoe Bay
14 development. It not only helped my business grow and
15 flourish but it also helped our community grow in good
16 ways.

17 I am an environmentalist. I love Alaska.
18 I love its rugged beauty and fortunately have the
19 opportunity to fish, hunt, boat, hike and recreate here
20 with my family and friends.

21 However, I'm a pro-development
22 environmentalist that believes that it is imperative that
23 we have a balance. A well thought out balance between
24 environmental interests and development interests. I
25 submit to you that the Trans-Alaska Pipeline is an

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1 example of a balanced interest between doing it right and
2 developing something in that manner.

3 I believe it was a quality development
4 from the beginning. I was amazed, you know, there was
5 times I, you know. sat there as a laborer just out of
6 college wondering how this thing was going to work, you
7 know. And in fact, I remember people -- that was a lot
8 of the discussion on the pipeline, was whether the thing
9 would work or not. And low and behold when they cranked
10 that baby up it did work and it's continued to work for
11 over 25 years. And, you know, it's continually being
12 upgraded by Alyeska and I think their record speaks for
13 itself.

14 I think it's important to have a balanced
15 environmental development plan. I believe the oil
16 industry does just that. No costs are spared when it
17 comes to oil spill prevention, quality and timely
18 replacement of worn valves and parts, safety, health of
19 their people, hiring the Native people, training the
20 Native people, training the non-Native people for
21 excellence. The integrity of Alyeska is excellent and
22 I'm proud to have their presence here in Alaska.

23 We need to remember that 85 percent of
24 the state revenues come from oil royalties and we must
25 send the right message as citizens of Alaska that a 30

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1 year renewal is imperative to keep investment active in
2 Alaska's exploration and development of its oil fields.
3 We are competing on a worldwide basis with capital from
4 the owners of Alyeska, the oil firms that od business in
5 this state and we need to send the right message so that
6 they continue to invest here because I tell you, there's
7 a lot of places in the world that they could invest that
8 don't have the environmental standards but they chose to
9 invest here, being a good environmentalists doesn't scare
10 them away.

239-5
(Cont.)

11 I don't believe the pipeline does need
12 any additional citizen oversight. They have enough
13 oversight by the Joint Pipeline Office, DEC, DNR, as well
14 as internal oversight and a goal of excellence that -- I
15 mean if they spill one drop of oil it's a concern to them
16 and their goal is not to -- I mean they measure it in
17 teaspoons, not gallons, not barrels.

239-6

18 So I'd urge you to renew the 30 year
19 renewal as requested in the Draft Environmental Impact
20 Statement and it's imperative that the economic engine in
21 this state is kept running on all cylinders. They're
22 very supportive of people that don't have the needed
23 things in life. I mean they help out with United Way,
24 they help out with sports teams, they help Alaska
25 Children's Trust, I mean the list goes on and on and on.

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1 I mean they're good corporate citizens and we should
2 reward good corporate citizenship. I mean if they were
3 spilling oil every month I'd feel differently about it or
4 even every year, but they don't. They take it very
5 seriously and good behavior deserves a long-term lease
6 renewal.

239-7
(Cont.)

00240

7 Thank you.

8 HEARING OFFICER GEARY: Thank you for
9 your comments. Deb Moore.

10 MS. MOORE: Good evening. My name is Deb
11 Moore and I represent the Northern Alaska Environmental
12 Center and I'll be commenting tonight on the Draft
13 Environmental Impact Statement. The Northern Center will
14 be submitting written comments at a later date.

15 Although the Northern Center does
16 appreciate this opportunity to provide comments on the
17 Draft EIS for TAPS, we wish to publicly express our
18 dissatisfaction with BLM's refusal to extend this comment
19 period to a reasonable length of time. 45 days is simply
20 too short of time for members of the public to analyze
21 all of the important issues raised by a 1,700 page Draft
22 EIS that purports to justify a 30 year renewal of the
23 Federal Right of Way of TAPS. The public's opportunity
24 to comment is further limited by the late summer time
25 period when comments -- when most Alaskans are busy with

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1 a myriad of other activities crammed into a very short
2 warm period.

3 BLM and DNR could have better facilitated
4 public involvement in this process by extending the
5 comment period.

6 Last October the Northern Center provided
7 comments at the scoping meetings for this DEIS, at that
8 time we noted that this renewal process provided an
9 important opportunity for improvement of both the safety
10 and monitoring of the pipeline. We suggested three such
11 improvements.

12 A more thorough environmental review.

13 A shorter more reasonable renewal period.

14 And the establishment of a formal
15 citizen's advisory council.

16 Obviously, we are extremely disappointed
17 that none of these recommendations have been included in
18 the DEIS.

19 Moreover, earlier this year the Alaska
20 Forum for Environmental Responsibility developed a list
21 of six recommendations for the Draft EIS that, again,
22 would have improved safety and monitoring as well as the
23 eventual dismantlement of the pipeline. The Northern
24 Center fully supports these recommendation which include
25 and as Stan mentioned earlier,

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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	The establishment of a citizen's oversight group. Placement of DR&R funds into an escrow account. Renewal made conditional on satisfactory completion of an evaluation including a technical review and audit every five years. Establishment of an advisory panel to consider how best to provide a single responsible managing party and a stable source of funding for TAPS. Incorporation into the Right of Way renewal of provisions establishing and ensuring a viable employee concerns program on TAPS. And a thorough review of stipulations attached to the Federal and State grant and lease agreements to assure they reflect scientific and technological advances during the last three decades in the disciplines relevant to the safe transport of crude oil across Alaska and experience with the operation of TAPS. However, yet again each and every one of these recommendations was ignored in the Draft EIS. We are very concerned with the increasingly obvious disinterest both the agencies and industry have to using this EIS process as a means of improving the safety or	240-6 240-7 240-8 240-9 240-10 240-11 240-12

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(Cont.)

1 monitoring of the pipeline.

2 I would like to address in detail a few
3 of these recommendations. When TAPS was originally built
4 it's life expectancy was 30 years. Now, however the
5 owners propose to double that lifetime. Yet, the Draft
6 EIS does not adequately address the current or potential
7 maintenance concerns associated with an aging pipeline.
8 Alyeska is quick to state that the pipeline will proper
9 maintenance but are they providing proper maintenance.
10 The renewal application assumes that they are but
11 certainly doesn't provide any proof. Yet considering
12 Alyeska's recent decision to lay off 140 employees due to
13 budgetary concerns, proof should be absolutely mandatory
14 and as a condition of reauthorization there should be a
15 periodic technological and environmental review of the
16 pipeline.

240-13

17 In addition, the Draft EIS does not
18 adequately address climate change and its impacts on
19 permafrost and TAPS structural supports. The DEIS does
20 mention the possibility of further melting of permafrost
21 due to an increase in average temperature and admits that
22 these processes would continue to impact the integrity of
23 TAPS, if not carefully monitored and managed. However,
24 there is no proposal or detailing of how TAPS would be
25 monitored carefully, specifically for climate effects.

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1 With the Supreme Court decision to
2 overturn the Alaska Department of Environmental
3 Conservation's best available technology criteria,
4 Alaska's vulnerability to failed spill responses has
5 increased. Alaska Statutes do not contain strong enough
6 language requiring Alyeska to provide feasible
7 functional response plans. As demonstrated, during the
8 damage done by a bullet hole in fall 2001, even under BAT
9 criteria Alyeska did not respond quickly enough to
10 prevent significant environmental damage to the
11 surrounding vegetation. ADEC should use this renewal
12 process to develop better criteria with specific
13 technology requirements. The Draft EIS falls back on the
14 newly developed three-tiered criteria that is not
15 stringent enough in its requirements to guarantee timely
16 and effective responses to spills.

240-15

17 The Northern Center strongly believes
18 that public participation is essential in natural
19 resource management. Specifically we believe that local
20 people with a non-monetary interest in the safety of
21 their communities and their environment should have a
22 formal advisory role in the safety and oversight
23 management of the industries that effect them.

240-16

24 Oversight should not be left entirely to
25 agencies and industries that own, oversee or operate the

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1 infrastructure.

2 Following the Exxon Valdez spill of 1989,
3 local citizens were given a formal role in oversight of
4 the marine transportation of oil through citizen's
5 advisory councils that have been hailed by industry and
6 government alike as essential to protecting the
7 environment. We should have a citizen's advisory council
8 on TAPS where local people and interests are represented
9 fairly and given formalized oversight of the pipeline.

10 Finally, a recent report by the general
11 accounting office identified important gaps in the
12 procedures that govern the eventual dismantling, removal
13 and restoration of the oil field infrastructure in
14 Alaska, including TAPS. GAO currently estimates that the
15 total DR&R liability of the North Slope runs into the
16 billions of dollars. However, oil company activities on
17 the North Slope are not required to make any preliminary
18 showing of adequate funding of DR&R in their Alaska
19 operations. While TAPS owners have collected DR&R funds
20 from shippers, instead of placing them into an escrow
21 account, they have been passed through as profit to the
22 parent companies. The TAPS DEIS fails to consider these
23 economic benefits to the pipeline owners as well as the
24 potential adverse environmental consequences of the
25 failure to escrow dismantling funds collected by the

240-16
(Cont.)

240-17

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1 pipeline owners as part of the TAPS shipping process.

2 The Northern Center encourages BLM and
3 DNR to rethink their reliance on industry assurance in
4 regards to the safety and monitoring of TAPS. The public
5 has repeatedly demanded and has been repeatedly promised
6 a safe pipeline. We strongly urge you to live up to your
7 promises.

8 Thank you.

9 HEARING OFFICER GEARY: Thank you for
10 your comments. Bonnie Williams, number 23. 00241

11 MS. WILLIAMS: Hello. My name is Bonnie
12 Williams. I'm a member of the Fairbanks North Star
13 Borough Assembly and a member of the Assembly's Economic
14 Development Commission. However, I'm here speaking for
15 myself. The Assembly has not yet taken a position.

16 We did take a position last year,
17 unanimously on the permitting process that impacted the
18 GVA's request for an intertie(ph). That process, I don't
19 know if you're all familiar with that, took eight and a
20 half years. That's a long time to go through a
21 permitting process and that has very negative impacts
22 upon the entity trying to achieve their goal and the
23 people trying to get the power that they were trying to
24 supply us.

25 Let me read you our Now Therefore Be It

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1 Resolved, that the Fairbanks North Star Borough Assembly
2 urges the State of Alaska to review it's permitting
3 procedures and implement such changes and improvements as
4 will allow for completion and finality in a timely
5 fashion. I would urge this body to do the same with this
6 particular thing for TAPS.

7 I support providing a 30 year lease.
8 It's the only thing that makes economic sense.

9 I had the opportunity to visit Fairbanks
10 in 1964 and in 1964 this was a radically different
11 community, a very tiny community. There was this little
12 core thing and then you drove on a dirt road that is now
13 College Road to the University and you couldn't cross the
14 river down University Avenue. There was no Parks
15 Highway. There weren't very many people. There weren't
16 very many businesses. There was a lot of unemployment in
17 the winter. And there was some employment in the summer.
18 It looked like this on a graph.

19 Today we might rise to seven and a half
20 percent unemployment in the winter and we drop down to
21 five and a half, 5.4, 5.3 in the summer. We have a lot
22 of good paying jobs year-round, 12 months. We have a lot
23 of solid, extended union jobs. We have a lot of
24 businesses that have developed dealing with the pipeline,
25 with the explosion and the expansion from the pipeline

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241-1

241-2

1 and with other entities that were attracted. We're
2 trying to develop and expand our economy and that means
3 that we need to provide an environment here that is
4 friendly to business. Permitting processes that take
5 eight and a half years are not friendly to business. They
6 don't achieve anything. They're very negative.

241-2
(Cont.)

7 Providing five year leases for an oil
8 pipeline that's a multi-multi billion dollar investment
9 involving a multi-billion -- God knows how much, industry
10 for something that keeps this nation going, five year
11 leases, this is crazy, 30 year leases make a lot of
12 sense.

241-3

13 Speaking from the Assembly aspect,
14 certainly we like having them here. They started paying
15 taxes on that pipeline in 1975. Going through the year
16 2002, we, the borough, have collected \$132,861,806.72
17 This year just on the areawide and the non-areawide we
18 collected over \$4 million. If we had to tax houses
19 instead to get that we would need an additional 2,33
20 \$100,000 homes in this community. That's an enormous
21 expansion of the available residential properties and, of
22 course you can't have that expansion if you take away the
23 pipeline. If you risk the pipeline, instead people will
24 be exiting. We will have real estate prices plummeting
25 and people exiting the state.

241-4

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1 Those of us who were around will remember
2 what happened to both Anchorage and Fairbanks when that
3 happened in the 1980s. There were over 40,000 people
4 that left Anchorage alone and there were lots of empty
5 malls and lots of empty houses.

6 We're hoping for a gas pipeline here.
7 One of the things that the people that might do the gas
8 pipeline would need is a stable taxation environment, a
9 reasonable permitting environment, and a community in a
10 state that actually wants resource development and sound
11 business. The only way we can get there is to do a good
12 job on TAPS and to keep doing a good job on those people
13 that we elect on the oversight committees.

14 I noticed in the newspapers they say that
15 there are 13 State and Federal agencies. I heard a
16 gentleman this evening say that there are 20. I'm not
17 sure anybody knows how many there are. There are a lot.
18 A lot, right. Do we need one more compromised of
19 citizen's? Do we need them institutionalized or are we
20 better off having watch dogs out there who are unhappy
21 with the whole thing, who keep raising their hand and
22 saying you might have a problem here, you might have a
23 problem there. I think we're better off that way.

24 These Federal and State oversight groups,
25 I trust, and if they fail that trust, if they don't do

241-4
(Cont.)

241-5

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1 their job there's a way to hold them accountable. It
2 happens at the ballot box. We elect new people. They
3 throw the bums out and we bring in new, more competent
4 oversight watch dogs. A citizen's oversight review
5 doesn't have that accountability.

241-5
(Cont.)

6 I urge you to do the 30 year, not add
7 oversight and not to extend the comment period, you're
8 right on track.

241-6

9 Thank you.

10 HEARING OFFICER GEARY: Thank you for
11 your comments. Harry Lord, number 24. 00242

12 MR. LORD: Good evening. Thanks for this
13 opportunity.

14 My comment on the Draft EIS, I haven't
15 even seen it. And I think that the time allotment is
16 deserving of an extension, you know, for time to review
17 what's in the statement. I haven't seen it but I've seen
18 an assessment of it and I'm not impressed. I believe
19 that Prudhoe Bay and Trans-Alaska Pipeline system from a
20 scientific point of view is nothing to be proud of.

242-1

21 The environmental impact is horrendous.
22 The chemical contamination is serious. And I think that
23 we need to have a real critical view of what has happened
24 in the last 30 years since the system came on line.

242-2

25 I'm concerned about the hydrogen sulphide

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1 problem and it's a serious one. The most toxic poison
2 known to man. It's deadly stuff. And I'm not sure if we
3 can deal with that problem on the magnitude that it
4 exists.

242-2
(Cont.)

5 Thank you.

6 HEARING OFFICER GEARY: Thank you for
7 your comments. Paul Barrett, number 25. 00243

8 MR. BARRETT: Thank you. I'm here
9 tonight wearing two hats. I'm representing the Alaska
10 Outdoor Council initially and then I have some comments
11 that are strictly my own.

12 The Alaska Outdoor Council is a non-
13 profit organization of over 2,500 individual members and
14 50 outdoor clubs for a collective membership of near
15 12,000 Alaskans. Our primary interests are the
16 conservation of fish and wildlife and protecting the uses
17 that derive from that conservation, including hunting,
18 fishing, trapping and public access.

19 I appreciate the opportunity to comment.

20 First The Alaska Outdoor Council supports
21 renewal of the Trans-Alaska Pipeline lease and permit so
22 long as adequate safeguards can ensure its future use in
23 an environmentally safe manner. With age, it becomes
24 most important to implement the necessary upgrades and
25 maintenance to keep the pipeline safe for the environment

243-1

243-2

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1 for fish, wildlife and Alaskans. We are confident those
2 measures are being considered and implemented.

243-2
(Cont.)

3 Our main purpose for testifying today is
4 regarding public access. While we recognize that the
5 events of September 11th and the shooting incident soon
6 thereafter have contributed to a heightened sense of
7 awareness and need for additional security. We've grown
8 increasingly concerned that the those short-term events
9 may unnecessarily hinder long-term access opportunities.
10 Law abiding Alaskans have been accessing the pipeline
11 corridor for decades to reach their favorite outdoor
12 destinations and we strongly feel they should not be
13 penalized unnecessarily for the actions of a few.

14 Please do not infer that we feel security
15 is not important. On the contrary, it is vital to the
16 safe and effective ongoing operation of the pipeline.
17 Unlike the line itself, however, security is a dynamic
18 process that fluctuates in accord with threats, both real
19 and perceived of present day realities.

243-3

20 In response to those changes, we
21 respectfully suggest that it poses an opportunity to more
22 fully involve, educate and garner public acceptance of
23 the laws and regulations governing public access within
24 the pipeline corridor. Because there are valid access
25 concerns from many different interests, hunters, trappers

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1 and fishers among them, we respectfully the Joint
2 Pipeline Office consider the establishment of an ongoing
3 access committee that includes these interests and that
4 can respond to the times of the day and the times of
5 tomorrow in a safe and balanced manner.

243-3
(Cont.)

6 We testified on this concept in the
7 October 2001 scoping hearings and have yet to receive a
8 reply as to whether this is plausible.

9 We feel strongly that an access committee
10 is an effective way to balance the needs of both industry
11 and users without reaching unfortunate and often
12 unnecessary highs and lows associated with security and
13 access. More involvement, more acceptance, better
14 decisions are what is needed.

243-4

15 Your efforts to keep the pipeline secure
16 and safe for all Alaskans are very much appreciated.
17 Please keep in mind that as access discussions move
18 forward and as times change, which they always do, that
19 the JPO is equipped with a public process that can
20 flexibly adapt and respond to those changes and not
21 necessarily hinder the uses associated with the pipeline
22 which Alaskans have come to enjoy.

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23 Respectfully submitted, the Alaska
24 Outdoor Council.

25 My feelings are as follows:

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1 The pipeline, for most of its length,
2 passes over public land, State or Federal. When the
3 current State least and Federal permit were issued in
4 1974, a mostly prophylactic approach was adopted
5 regarding public access. With minor exceptions, linear
6 access along the pipeline Right of Way was denied to the
7 general public. Later the public was also excluded from
8 most of the length of most access roads. After last
9 September's tragedy, virtually all public access to the
10 Right of Way and access roads has been eliminated.

11 The restriction and eventual elimination
12 of access was the result of a concern for the integrity
13 of the pipeline. Because there had never been an
14 undertaking like the Trans-Alaska Pipeline, the extent of
15 its vulnerability and the likelihood of its being
16 targeted were unknown. September 11th and the October
17 2001 shooting, notwithstanding, the pipeline has rarely
18 been targeted for serious vandalism or sabotage. And
19 there is no reason to believe that anyone intent upon
20 such mischief would ever be deterred by a keep out sign
21 or a gate. As Alyeska says in its Draft Environmental
22 Report dated February 15, 2001, recreational use of the
23 TAPS Right of Way for such activities as hiking, jogging,
24 mountain biking and snowmachine generally is compatible
25 with safe pipeline operation.

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1 The shooting incident demonstrates, of
2 course, that the line is literally nor figuratively
3 impervious. However, to allow that regrettable and
4 isolated criminal act to be the basis for another 30
5 years of prohibited public access would be an
6 overreaction and an error.

7 Rather than continue the prohibitory
8 restrictions on public access I request that a mechanism
9 be created to periodically evaluate which portions of the
10 Right of Way and access roads might be safely opened to
11 the public. Different areas raise different levels of
12 concern. For example, the concerns about vandalism seem
13 more realistic in areas where the pipeline is elevated
14 than areas where it is buried. Likewise, some portions
15 of the Right of Way have greater recreational potential,
16 while other areas have less, as to the access roads.
17 Also, the nature and extent of these concerns change over
18 time. Thus, a periodic reassessment would seem
19 appropriate.

20 The Right of Way and access roads hold
21 tremendous potential for a variety of recreational users,
22 including hunters, trappers, fishers, snowmobilers,
23 skiers, ski-jorers, hikers, dog mushers, berry pickers
24 and photographers. This land is our land, too. I
25 request that some consideration be given to our

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(Cont.)

1 legitimate access needs.

2 I, along with others, raised these points
3 at the October scoping hearing but they have not been
4 addressed in the Draft Environmental Impact Statement.
5 Please incorporate these comments into the records. The
6 favor of your response to me at the above addressed is
7 requested.

8 That completes the testimony I had
9 prepared for tonight and I'd like to close with an
10 anecdote. As I sat here this evening waiting my turn, I
11 heard a number of glowing and I think mostly deserved
12 testimonials about the quality of the operation of the
13 pipeline and it gave me a sense of deja-vu and I
14 remembered back to that earlier time and it was in 1975
15 and I was living and practicing law in Valdez and it was
16 the height of the pipeline construction and I was
17 privileged to be one of the directors of the Chamber of
18 Commerce there. And an environmental concern was raised
19 that hadn't been raised before, that set forth a scenario
20 of an environmental disaster and we were concerned about
21 that and we asked the people associated with the pipeline
22 and the construction of it what their comments were and
23 literally to a person, they were dismissive of this
24 scenario, this cannot happen and if it does we have layer
25 upon layer of redundant safeguards to prevent any harm

243-6
(Cont.)

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1 from happening.

2 Sounded good. Sounded great.

3 So the concern was dismissed out of hand,
4 nothing was done about it. You might ask, well, what was
5 this scenario that was so incredibly unlikely and had so
6 many safeguards that it if did occur no harm would
7 result. The scenario was that Columbia Glacier would
8 calve a large iceberg and that the tidal currents in
9 Prince William Sound would carry that iceberg into the
10 line of travel of an outgoing tanker and in order to
11 avoid that iceberg the tanker would change course and
12 would drive upon Bligh Reef; and that was the concern.

13 Thank you very much. I'd like to file
14 these for the record.

15 HEARING OFFICER GEARY: I'll attach the
16 comments as Exhibits 59 and 60. Thank you for your
17 testimony.

18 (Hearing Exhibit 59 and 60 marked)

19 HEARING OFFICER GEARY: John Brown,
20 number 26. 00244

21 MR. BROWN: My name's John Brown. I'm a
22 field representative for the Operating Engineers, Local
23 302 here in Fairbanks.

24 I'm very proud to represent some of the
25 men and women who helped build and continue to maintain

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243-7
(Cont.)

1 the Trans-Alaska Pipeline. It is truly an engineering
2 marvel. I come tonight to speak in favor of the 30 year
3 Right of Way renewal.

244-1

4 Alyeska has done and continues to do an
5 excellent job both operationally and environmentally. We
6 should not place additional oversight over the pipeline
7 with a citizen's committee. The Trans-Alaska Pipeline is
8 already one of the most highly regulated pipelines in the
9 world.

244-2

10 The citizens of Alaska depend on the jobs
11 and the economic development created by oil development.
12 Without the pipeline, those jobs and the economic
13 development associated with them will come to a halt.

244-3

14 Again, I urge the renewal of the Right of
15 Way.

16 Thank you.

17 HEARING OFFICER GEARY: Thank you for
18 your comments. Dan McLean.

00245

19 MR. MCLEAN: My name is Dan McLean. I am
20 representing myself. I'm a long, long time member of the
21 IBEW and used to be active in organized labor in Alaska.
22 I also used to be a liberal labor contributing Democrat.

23 I've spent my life in the construction
24 industry as my family has and other than those that are
25 Merchant Seamen and, by the way, the ones that are on the

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1 Great Lakes -- the Great Lakes always were double-hull
2 waters.

3 I spent a lot of time in Cook Inlet, both
4 on shore and off and both east and west sides. I was in
5 Prudhoe Bay before the world knew there was a Prudhoe
6 Bay. I worked at Kenai Peninsula. And I am one Alaskan
7 that -- I haven't heard this tonight and I'm really
8 surprised because too many times since the pipeline went
9 into production I've picked up the local newspapers and
10 it says Arco settles out of court for 800 million, BP
11 settles out of court for 600 million and it's happened
12 several times. I'm not going to guess how many, too many
13 times, always out of court. And I hear people saying
14 tonight that renew this pipeline, give it another 30
15 years. Has anybody went out into west Texas where they
16 don't have the earthquake faults and the problems and the
17 glaciers and the big rivers and the things that we've got
18 and looked at a 50 year old pipeline? Does anybody plan
19 on going to look at them?

20 I don't trust a 50 year old pipeline
21 here, in fact, I don't trust a 25 year old one. We got
22 problems. And one little shake will break it.

23 And it's been my experience that not only
24 American business but worldwide business they could care
25 less. They don't run on sentiment, they run on the

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1 bottom line, the dollar or the yen or whatever.

2 Excuse me, let me mark this off, it's
3 getting late and I want to get it done and get out of
4 here.

5 I'm surprised that I saw the IBEW rep and
6 the pipefitters rep leave tonight, I was really hoping
7 they would stay. I was going to suggest if you really
8 want to deal with some real professionals on pipeline
9 quality, you pick some of these Fairbanks boys that are
10 the finest pipeline welders on the planet, bring them in
11 here and put them under oath and find out what the
12 pipeline is like. Those are the boys that will tell you
13 how much is scaled off and how deep the corrosion is.
14 And I've asked -- 15 years ago I asked, get me a piece of
15 it, I'll send it to Congressman John Dingle in Michigan
16 and we'll find out about our pipeline. By the way, when
17 I say oil company or whatever, I mean the whole thing. I
18 am aware that we have pipeline and then we have Prudhoe
19 and all that.

20 You know I grew up in the construction
21 business when you'd go to a 200 man job and there'd be an
22 old seventh or eighth grade education red-nosed
23 superintendent with a timekeeper and an engineer and that
24 man could run a job. He could tell you what afternoon it
25 would be done. At 6:30 in the morning that man will walk

245-1
(Cont.)

245-2

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1 around his job and he was gone by 2:30 in the afternoon,
2 he's an old quarter day man but he knew his business.
3 But Alyeska, when they come here they couldn't go check
4 with none of our types like that. They had to set up
5 their own construction methods which -- and boy, did they
6 bring help with them. I didn't know that there was so
7 many assistants to the assistants to the assistants and
8 each one of them had to have a secretary which was
9 usually the mistress.

10 It was a brand new construction method to
11 us.

12 It was a time when an electrician named
13 Mike Kincaid, Illinois called me, it was the time I was
14 working in the IBEW union hall and he said, Dan -- he was
15 at Pump Station one at Prudhoe, he said we found a couple
16 things and we were just going over them among the crew,
17 it's pretty serious, he said, one is that all the way
18 through the fire protection and the UV and whatever
19 detects the gas and fires in those facilities, he said
20 this has got reverse polarity on it and he said another
21 thing we found is the keyed switches in on the 48 inch
22 pumps, he said there's some safety concerns, this is a
23 couple years before it went into -- the facilities went
24 into production and that man brought it up at my urging.
25 I talked to people about it. They were far above and

245-2
(Cont.)

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1 beyond listening to any suggestions from working people
2 that key situation I just brought up to you, out here at
3 Pump Station eight in August of 1977, the exact thing
4 that man predicted happened. HE said if somebody don't
5 take that key and put it in their pocket, somebody --
6 they're going to have a blow up here and they had one.
7 Alyeska didn't want to listen.

8 In 1974, I was at the Democratic
9 Convention when Mike Gravel said don't worry about oil,
10 he said, and just one of the many proven pools in NPR-4,
11 Naval Petroleum Reserve No. 4, which is the Barrow that
12 the Edwardsen boy told about, he said, just one of those
13 proven pools there's enough oil in it to run the United
14 States at peak World War II demands for 44 years, and
15 that's just one pool. There's lots of oil out there and
16 there's lots of gas and they don't need gas, they just
17 drilled 1,400 new wells in the United States last summer,
18 that's why the price went down.

19 30 years is way out of the question to
20 me, the uncertainty, the age of the pipeline, the age of
21 the facility and, you know, the people running it. And
22 I'm aware, and I'm dealing -- we're all dealing with
23 world class businesses. I mean and they will do whatever
24 they want. Alyeska or TAPS or whatever you want to call
25 it has been known to tap people's phone lines, has been

1 known to go to the East Coast to tap them, has went to
2 critics and tapped their phone lines and put professional
3 detectives digging through their trash. I believe that's
4 a matter of record.

245-3
(Cont.)

5 They talk about the valve maintenance out
6 in North Pole and the high visibility on it, all it is is
7 band-aids. Just keeping putting band-aids, employ a few
8 guys, dig it up here, yeah, but they always dig it up and
9 take it away, we never see it. You want some pieces
10 clattered out there on your desk, take a look at them,
11 you're not even experts in steel, I don't think you guys
12 would pass them.

13 You talk about the price of oil, always
14 remember that our oil is West Coast delivered. Nobody
15 else delivers it. I think the Alaskans pay for that.

16 Also remember back during the pipeline
17 when they had the X-ray department down there. Yeah, and
18 they phoned up the X-rays, they'd just run hundreds of
19 X-rays and just change the number on them. Alyeska
20 overcome that, too.

245-4

21 One of the first things Alyeska done when
22 they started to work here is they went down to Juneau and
23 they got themselves and the entire oil industry
24 production and exploration and whatever goes with it,
25 exempted from every building code. The building codes

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1 that apply in this building do not apply to Alyeska or
2 the oil companies in Alaska, remember that.

245-5
(Cont.)

3 Heard a lot about JPO tonight, I'll tell
4 you about JPO. I caught a member of the JPO, if he's
5 still there, in a flat conspiracy which ripped off the
6 Alaska Electrical Pension Fund and take that to any
7 courtroom in the land, I'll go with you.

8 As far as the shooter, that's
9 unfortunate, that shot that hole in there last fall. I
10 think with just a little bit of effort you could go to
11 any crew of pipefitters and we got lots of good ones and
12 say, if this were to happen, could you guys have
13 something ready for us and those guys would build
14 something and in six hours they would be there and be
15 catching oil and bring it down safely and save a lot of
16 environmental destruction.

245-6

17 As far as safety on the pipeline, in 1978
18 out here on Nordale Road there was a hole blown in it, a
19 half-inch wide and one inch long and it was never noticed
20 on the boards, the monitoring equipment, that's Pump
21 Station six or at Pump Station eight, she pumped, and
22 some guy went by it at daylight in the morning and seen
23 black stuff squirting out. I was told by an active duty
24 colonel, full bird, that the Russians come and got that
25 from just a test shot.

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1 I've mentioned the 50 year pipelines, no,
2 I don't think they even work in Texas or Colorado or New
3 Mexico. You know, in Valdez, when they got those
4 Southern California engineers designing everything, if
5 you stop in Valdez and ask old Harvey Stelling or one of
6 the guys there and say, do you think this type of cable
7 tray or this type of pipe supports would work with the
8 Valdez snow loads -- no. Alyeska had to learn that the
9 hard way and wouldn't listen to nobody.

10 You talk about the wages and the jobs
11 they've given us, I want to say right now that the wages
12 paid by Alyeska and the oil industry construction people
13 are derogatory and a slap to any tradesman. I can show
14 you people in Detroit who are making \$37 an hour when
15 Alyeska's paying \$22.60, I believe.

16 HEARING OFFICER GEARY: Mr. McLean, that
17 will have to end your comments, we appreciate your
18 comments tonight.

19 MR. MCLEAN: Well, good. I only had one
20 shot more left at you anyway.

21 HEARING OFFICER GEARY: Thank you.

22 Richard Fineberg, number 28. 00246

23 MR. FINEBERG: Thank you. My name is
24 Richard Fineberg with the Alaska Forum for Environmental
25 Responsibility. This is my fifth time out here.

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1 The grant and lease terms that were
2 written nearly 30 years ago will set the course for the
3 operations of the pipeline for the next 30 years, that
4 is, if they are approved without modification.

5 Since, and we should be very clear here,
6 many of those of us who have testified have questioned,
7 why State and Federal officials have declined to consider
8 changes in the grant and lease terms. It is incorrect to
9 say we, therefore, oppose renewal for 30 years. Those
10 who cannot understand the distinction between opposing
11 renewal and supporting renewal with modifications,
12 including conditions are not listening to what we are
13 saying.

14 Since the pipeline is generally agreed to
15 be the most important crude oil pipeline in the nation,
16 it stands to reason that the terms for governance of its
17 operation should be reviewed carefully to assure that
18 these terms are appropriate to current conditions and
19 experience. Why else would be discussing the proposed
20 renewal instead of granting it automatically.

21 In view of the testaments to the good
22 faith and the capabilities and the intentions of those
23 who labor in the oil patch, those testaments offered by
24 senior oil industry officials and long time workers, let
25 me make this clear, I yield to no person here in my

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1 respect and admiration for the dedication and the skills
2 of the TAPS workers who do their utmost to execute their
3 assignments as carefully and safely and effectively as
4 possible. But the question remains, are those
5 individuals constrained by imposed budget cuts that make
6 it difficult, if not impossible to carry out those
7 assignments in a manner that ensures the safe operation
8 we all seek.

9 The legions of senior company officials
10 who have testified in support of minimizing the costs on
11 the pipeline for economic reasons, not to mention
12 political representatives tonight, that testimony
13 demonstrates the importance of this point and its
14 potential consequences for public policy.

15 Various people at Alyeska and other
16 companies in the oil patch have the challenge, the basis,
17 the conclusions and the recommendations of the report I
18 prepared and have submitted for the record. For this
19 reason I would like to make one other brief comment
20 before I turn to substantive issues.

21 Some people make a big deal of
22 credentials, I don't. I've always preferred to let the
23 facts and the logic of my report speak for themselves. I
24 therefore wish to state for the record that I am formally
25 trained in public policy analysis. Many of those

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1 summarily rejecting the contents of my report are not.
2 But it doesn't take specialized training to recognize the
3 common sense and the observations that lead many
4 concerned citizens to seek more time and better
5 information regarding the questions of pipeline safety.

6 I will try tonight, as I have in my
7 previous testimony to focus on information relevant to
8 this geographical area and will rely on various documents
9 and published reports in the time available,
10 unfortunately, I won't be able to do that.

11 But my clear intention was to do so in
12 the hope that the individuals in the region where I spoke
13 would be able to come to their own judgment as to the
14 merits of the arguments.

15 I'm going to go to design basis and I'm
16 going to slip to the point of this geographical region.
17 The document DB180 is the codification of the designing
18 basis on which Alyeska and JPO place great reliance and I
19 think it is a commendable effort.

246-4

20 The 2000 version, nevertheless has some
21 statements in it which are untrue which is flabbergasting
22 for the design basis of the pipeline.

23 I want to look at the cold restart
24 problem, a requirement of that design basis. Cold
25 restart problem was identified by JPO in 2001 as

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1 Alyeska's most important operational problem. Design
2 basis required that the operators must be able to restart
3 the pipeline safely after a 21 day shut down during which
4 the temperature averages 40 degrees below zero. And
5 Alyeska lost the required cold restart capability when it
6 shut down four pump stations during 1996 and 1997 for
7 economic reasons. Two problems affect cold restart. The
8 main line pipe may become brittle and hence susceptible
9 to fracture at below 20 below, that's why it is insulated
10 or one of the major reasons. The second problem is that
11 if the oil within the pipe is allowed to gel into a solid
12 mass the pumps might not be able to break the blockage
13 without overpressuring the line. Again, the insulation
14 is crucial. I'm simply going to summarize, in 1999 JPO
15 reported that Alyeska had committed to the development of
16 a new cold restart plan, again, two and three years after
17 the pump stations were closed, it brought Alyeska out of
18 design basis.

19 However, the report continued in 1999 the
20 project has been delayed to complete a study to determine
21 the amount of the pressure that it would take to move
22 cooled, thickened and possibly gel'd oil. Completion of
23 the study is planned for the second quarter of 1999.
24 This is 2002.

25 Well, in 2000 JPO formally ordered

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(Cont.)

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1 Alyeska to provide a reliable schedule for the required
2 cold restart procedure, again, Alyeska missed the
3 deadline. This is all clearly documented, by the way in
4 my report, from JPO reports on Pages, I believe it is 29
5 -- I'm not going to give you the pages, it will be in the
6 written when that comes in. The long and the short here
7 is that in 2001 Alyeska discovered what field people had
8 known for years but its engineers did not. The
9 insulation due to damage over the years was a moisture
10 trap putting an icy sheath around the pipeline. We can't
11 find the resolution of that problem. It was raised
12 during the scoping, again, I'm summarizing my testimony.

13 These are the kinds of nuts and bolts
14 problems that can't be dealt with with the kinds of
15 generalities you've heard tonight.

16 To ensure the safe delivery of oil they
17 must be resolved in a timely manner. I submit it's self-
18 evidently not timely. Spending a lot of money is not the
19 issue. Obviously the owners will do that. The issue is
20 will they spend sufficient amounts. We have presented
21 substantial evidence to indicate that they do not and may
22 not. This issue is fundamental to the long-term safety
23 of the pipeline, it is an important issue the stewards of
24 our public resource have ducked.

25 The written testimony will follow ahead,

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(Cont.)

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1 one paragraph that I neglected to get into it in my haste
2 to prepare it.

3 Thank you.

4 HEARING OFFICER GEARY: Thank you for
5 your comments. All right, we're going to take a 10
6 minute break. I want to remind everyone that the public
7 comment tonight is only one of many ways in which to get
8 your comments into the record. Written comments can be
9 submitted in lieu of oral. Right now we're at number 29
10 with 49 folks signed up. So for those of you who wish,
11 you may want to just submit your comments in writing to
12 me and I'll enter them into the record. We're going to
13 go off record for 10 minutes.

14 (Off record)

15 (On record)

16 HEARING OFFICER GEARY: All right, I'm
17 going to call this hearing back to order.

18 The next speaker we have signed up is Dae
19 Miles, number 29.

00247

20 MR. MILES: My name is Dae Miles, first
21 name is spelled D-A-E. I'm speaking as a 27 year
22 resident and as a candidate for U.S. Congress on the
23 Democratic ballot on the August 27th primary.

24 The energy crises was the setting for the
25 original 30 year lease and we got bad terms. Now, we

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1 have a chance to do it right. I am against the 30 year
2 renewal lease because we get so little royalties. I'm
3 also against the renewal of the lease because of the
4 Exxon Valdez spill is still unpaid. Because the
5 decommissioning fund is missing. Because of the high
6 tariffs charged by the operators to squeeze out
7 competitors. Because of the selling off of spill
8 equipment. Because of the billions in unpaid royalties.
9 Because of the maintenance cuts. Because of the natural
10 gas liquids that go down the pipeline that are more
11 valuable aren't paid for. Because of the wasted natural
12 gas that's burned off in Prudhoe Bay.

247-1
(Cont.)

13 We can run the pipeline ourselves and we
14 can hire Alaskans to actually operate it. In conjunction
15 with this, we can build our own natural gas pipeline for
16 Alaska's use and with building a railroad through Canada
17 we can efficiently market the gas. The full royalties
18 from the oil and gas can provide for our schools and
19 services. And we could be an example for other states to
20 properly manage their own resources.

247-2

21 And increasing the Permanent Fund
22 Dividend means a direct benefit to the citizens and then
23 their direct concern for the proper management of our
24 resources. And the effect of the Permanent Fund
25 investments themselves helps direct the economy towards

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1 conservation and alternative energy.

2 I worked in Prudhoe Bay in 1988 on an oil
3 spill on some gathering lines. They didn't seem to know
4 what to do. First they gave us snow shovels and said dig
5 up the line. We dig out some snow and it would blow right
6 back in and you look across the horizon and it goes
7 forever. They didn't have any kind of a plan. I said,
8 why don't you stick a pole down and pull it up and see if
9 there's oil on the end and map it out first. Okay, we'll
10 get some poles. So they got that going. And then they
11 started adding more and more crews and then they were
12 starting to lose track of the tools. A crew would go out
13 and there'd be no snow shovels, the first crew had all
14 got them. I said, well, you need a tool man, somebody to
15 coordinate the different crews and they said, okay, you
16 be it. I got the feeling like they wouldn't know what to
17 do if I wasn't there. But then before they had put
18 temporary patches on these holes in this crude oil line,
19 they flushed the line with produced water and this just
20 sprayed out and made the spill a hundred times worse.

247-4

21 The mismanagement of this spill and the
22 Exxon Valdez spill and the recent bullet hole shows that
23 they are not planning but they are just reacting. We
24 deserve much better than this. We should run the
25 pipeline ourselves or we should include full

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1 environmental protections and the full royalties to the
2 people of Alaska. We should do this for ourselves and to
3 be an example for other states and for the country.

4 Thank you.

5 HEARING OFFICER GEARY: Thank you for
6 your comments. Niilo Koponen, number 30.

00248

7 MR. KOPONEN: Yeah, my name is Niilo
8 Koponen. Niilo Koponen. My wife and I came up to
9 homestead a little over 50 years ago. I worked first as
10 an electrician on the gold dredges and then eventually
11 surveying, I taught in college and public schools and I
12 was an investigator for employment on the pipeline
13 construction period which gave me an interesting insight
14 on things I can't even talk about now days and eventually
15 spent 10 years in the legislature retiring in 1992 to
16 care for my wife who had been injured in an automobile
17 accident. So I'm speaking only on behalf of myself, my
18 own comments in watching it.

19 The pipeline was actually the first
20 pipeline to be built under such extreme conditions,
21 seismic activity, extremes of temperature, summer and
22 winter and expansion. I remember the days of the
23 consortium when they were trying to persuade the citizens
24 of Alaska it was a great idea. I remember one pipeline
25 engineer, designer, from somewhere, a southwester company

247-5
(Cont.)

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1 discussing with the high school principals and somebody
2 asked him, how do you intend to deal with permafrost and
3 he said, permafrost, what's that so when it was
4 explained, you know, frozen earth, he said, oh, no
5 problem at all. I do not believe he ended up in the
6 final design team at all because certainly the technology
7 that was and the technical answers they came up with were
8 excellent. But one of the problems is, of course, is
9 that it was designed for the expected life of about 30
10 years for the life of Prudhoe and other things.

248-1
(Cont.)

11 Obviously with the developments in Naval
12 Petroleum Reserve No. 4 and other places there is going
13 to be a continued need for a pipeline.

248-2

14 So there's lots of good arguments,
15 economic and political that the complex ownership by a
16 limited number of producers of the pipeline permits
17 playing games with tariffs versus royalties and others
18 and also it helps keep out other, the rift-raft that is
19 to say other oil companies that might want to get in on
20 it. And it also does place a stress on making the
21 pipeline, the transportation itself profitable.

248-3

22 Well, it seems rather reasonable that
23 transportation is one of these infrastructural things
24 that is necessary in any economy, in any society and that
25 the role of the pipeline, especially if we're going to

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1 keep it going is going to have to be done by a
2 responsible single owner agency and I have to say that
3 Bill Egan, the first elected Governor of Alaska was right
4 when he recommended that the State finance and build the
5 pipeline, people scoffed at him but I think a lot of the
6 problems could have been avoided.

248-4
(Cont.)

7 One of the problems is, of course, in the
8 design itself. It's always said that in any system, in
9 engineering, you have to build in redundancy, in other
10 words, additional strength. For instance, you make the
11 steel 20 percent stronger than conditions -- normal
12 conditions because there are going to be abnormal
13 conditions. You have to build in the ability to respond
14 quickly to emergencies and as a former volunteer and an
15 emergency medical tech, I have to say that's really been
16 one of the failures of the oil transportation system. It
17 took 36 hours to bring the equipment up to deal with the
18 hole in the pipeline in Livengood, the time that it took
19 to launch the barge and other equipment down in Valdez at
20 the time of the Exxon Valdez disaster and the like, those
21 unacceptably slow responses to disaster situations.

248-5

22 The same thing applies for a necessary
23 continuity, the necessary maintenance of the
24 transportation facility as it is. And that the pipeline
25 can be self-supporting and actually more economic if

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1 there were not -- if the oil company profits were made
2 strictly from the production and sale of oil and not the
3 side deals of the pipeline itself for a profit. And I'm
4 afraid we're coming to the time that the pipeline is
5 going to have to be repaired, renewed precisely because
6 other oil findings are being made.

248-6
(Cont.)

7 And so I would differ with most of the
8 recommendations made that I heard tonight except that I
9 do agree with most of the recommendations made by the
10 Alaska Forum for Environmental Responsibility. I would
11 expand them a little bit. The citizen's oversight board
12 should have members of Alaska scientific and engineering
13 community, residents of local communities, especially
14 Alaska Natives and pipeline workers as well. Many of my
15 friends have worked on the pipeline or for -- including
16 Alyeska directly and it always pays to pay attention to
17 what the folks at the job front are saying rather than to
18 expect the light to come down above through the
19 bureaucratic channels, whether it's government or
20 corporate. So I think that that's a very good one.

248-7

21 And I might note that the University of
22 Alaska, here, is in the forefront of global weather
23 change research and has the engineering recommendations
24 that were made on, for instance, highway design and
25 dealing with thawing ground. The information is here.

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1 It just has to be used, it has to be integrated into the
2 system itself. And granted the corporations can do it,
3 but the question is will they since there are, at this
4 point, it seems to me trimming down the staff. You're
5 having fewer people working in the pump stations and in
6 maintenance and repair with the pipeline. This is not
7 the way that it sort of counters the trend, the pipe
8 itself is getting thinner, there are more and more
9 incidents with stuck pigs. I'm getting old, I have to
10 use a cane but I have to say that I think the pipeline is
11 getting to be the mechanical equivalent of aging, too,
12 and will need -- and I hope that the state doesn't
13 inherit a disaster because they're still going to be
14 stuck with the job at the end.

15 Thank you.

16 HEARING OFFICER GEARY: Thank you for
17 your comments. Phil Wildfang, number 31. 00249

18 MR. WILDFANG: Yes, I am Phil Wildfang.
19 I want to thank you for the opportunity to speak and in
20 the interest of time I'll keep my remarks short by saying
21 that I'm here tonight in support of the recommendations
22 made in the report prepared for the Alaska Forum for
23 Environmental Responsibility.

24 I'm concerned at the many critical and
25 substantive issues raised in that report were not

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(Cont.)

1 adequately addressed. Specifically, the grant lease
2 should provide for the establishment of a citizen's
3 oversight committee. It's just good business to create
4 public and private collaboration on a project of this
5 magnitude and duration.

6 The pipeline is a major economic artery
7 for both its owners and the citizens of Alaska and as
8 such should be managed with public input and oversight.
9 The pipeline is constructed on public lands, crosses
10 public waters and transports public resources. I don't
11 understand how, in good conscious, anyone could object to
12 citizen involvement in the oversight of this economically
13 and environmentally important project. Now, more than
14 ever in this age of corporate mistrust, the public needs
15 the assurances of a citizen's oversight group.

16 Periodic technology and environmental
17 reviews should be made mandatory as a condition for a
18 reauthorization. As the pipeline ages, unanticipated
19 problems are likely to develop and systematic checks and
20 additional maintenance resources are needed to ensure the
21 health and safety of the public and our natural
22 resources.

23 The operational lease should provide for
24 the escrow deposit of DR&R funds to assure sufficient
25 capital to properly return the land at the end of the

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249-3

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1 pipeline's effective life. Every effort should be made
2 to ensure that the public not be left holding the bill
3 for such a massive undertaking.

249-3
(Cont.)

4 Other recommendations for such provisions
5 as employee concern programs and independent field audits
6 would only strengthen the pipeline owners expressed
7 intent to operate in a safe and effective manner and
8 should be incorporated into the lease renewal.

249-4

9 As a private citizen reading the oil
10 companies annual and quarterly profit reports, I find the
11 owners objections to the costs of implementing the
12 recommendations in Fineberg's report ludicrous. I urge
13 you to address and mandate the implementation of those
14 recommendations.

249-5

15 Thank you.

16 HEARING OFFICER GEARY: Thank you for
17 your comments. Jerry Woods, number 32.

00250

18 MR. WOODS: Good evening. My name is
19 Jerry Woods. And like the person before me I'm going to
20 try to keep my comments and recommendations as brief and
21 short as possible.

22 I am employed by the Tanana Chiefs
23 Conference Employment and Training Department and thus
24 would like to indicate that the Tanana Chiefs Conference
25 will, in fact, submit a more concise written statement

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1 prior to the deadline date for the public comment period.
2 Working for the Tanana Chiefs Conference in their
3 employment and training department, my comments are going
4 to be centered around Section 29 of the EIS and I want to
5 do that by some examples of my past work history as well
6 as what I've been doing recently with our employment
7 department.

8 Back in the mid-'70s I, in fact, was
9 hired as the personnel safety officer trainee for Doyon
10 AIC, which was a joint venture. We had the maintenance
11 contract for sections one through four on the pipeline.
12 I was responsible for assisting in the employment of as
13 many Alaska Natives that we could possibly hire on that
14 project and we had at one point some 1,500 employees
15 working between sections one and four. Back, during that
16 time the initial stages of the construction of TAPS there
17 were some special provisions that were put in place in
18 order to meet the demands of the work force that was
19 needed to build the pipeline, one of those provisions was
20 centered around the hometown plan. The hometown plan
21 thus became the Alaska Plan, at which time there was a
22 group of people that were assessing an individual's level
23 of skills and based on that assessment, these people were
24 placed into the unions at various levels on the A through
25 D list and then were dispatched out for employment.

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1 Back during that period of time, Section
2 29 was not a burden, let's say, for Alyeska, basically
3 because we had practically every available worker in
4 Alaska employed on the pipeline. However, during the
5 '80s when there was less work on the pipeline we found a
6 lot of our people in rural Alaska and specifically in the
7 TCC region which represents some 43 member villages,
8 including a number of villages along the pipeline
9 corridor, those individuals seem to have got lost in the
10 shuffle and there was probably any in employment and in
11 fact, that's still the state today. We have a very high
12 unemployment rate out in rural Alaska in our villages and
13 that is slowly changing with the amount of work that has
14 been slated for the Interior.

15 And that brings me to the more recent
16 time frame in regard to what I do at the Tanana Chiefs
17 Conference, we work with -- I work with the 43 villages
18 in putting together a, what we call a tribal work force,
19 a tribal resume, village project, which we go back and we
20 identify what the skilled work force is in each village
21 and certify it and it's on a database that we have
22 through the Tanana Chiefs Employment and Training
23 Department so consequently we are working with
24 contractors and with major projects to ensure that we are
25 offering employment opportunities to our rural

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250-1
(Cont.)

1 constituents that have decided to live a subsistence
2 lifestyle.

3 Now, recently and for instance on October
4 5th, Friday, 2001, once there was a bullet hole in the
5 pipeline we had some of our villages along the corridor
6 that were offered employment opportunities for a number
7 of different reasons but in particular because they lived
8 in that particular area and they have a vested concern.
9 Well, part of the problem that we had was without, I
10 believe, TCC's assistance in this, we were on the phone
11 that Friday contacting people that resided in and that
12 were enrolled back to those particular villages and I'm
13 talking villages like Minto, Steven's Village, Rampart,
14 Allakaket, Alatna, Steven's Village, all of those that
15 have been part of Section 29 since 1974 when Section 29
16 actually was created. However, in the '80s because of
17 lack of employment that term, or Section 29, which
18 addresses the employment of Alaska Natives on the
19 pipeline and more recently referred to as the Alaska
20 Native Utilization Agreement, there have been some
21 serious concerns with regard to how Section 29 is being
22 implemented. An example is, once the oil was being
23 spilled there in Livengood we, through the Tanana Chiefs
24 were able to contact people and put together the response
25 oil spill teams and in fact, in one instance we knew that

250-1
(Cont.)

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1 Minto, for example, was able to get a response team
2 together, however, those individuals were not certified
3 and trained to do oil spill response as first responders.

4 And I just want to share with you that
5 experience as an example of what really needs to be done
6 looking at the impact of the EIS and some of the
7 suggestions that need to be taken to ensure that Section
8 29, in fact, is going to be followed, that there needs to
9 be some plans, like some of the comments made as far as
10 modification and renewal.

11 I think through modifying Section 29 of
12 that agreement and putting in special provisions that
13 were used, let's say, back in the '70s when the
14 construction was going on, looking at those types of
15 things would make it for a more effective Section 29
16 agreement. And I wanted to simply make that as a comment
17 to you.

18 And to reiterate again that we will, in
19 fact, be putting together a more concise statement on
20 that.

21 Thank you.

22 HEARING OFFICER GEARY: Thank you. Donald
23 Lowry, 33. 00251

24 MR. LOWRY: My name is Don Lowry. I'm a
25 field representative for the Operating Engineers, Local

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250-1
(Cont.)

250-2

1 302 and I'd like to thank you for the opportunity to
2 speak tonight in support of the 30 year Right of Way
3 renewal.

4 I represent the members of the Operating
5 Engineers that work on the pipeline, including equipment
6 coordinators, the mechanics, oilers, operators, surveyors
7 and people in supervisory positions. The pipeline has
8 provided thousands of good jobs over the last 25 years
9 for our members and other unions alike.

251-1

10 In 2001 the pipeline provided over
11 350,000 man hours for our members. Presently there are
12 over 150 Local 302 members working on the pipeline. The
13 pipeline provides good jobs for our Alaska Native members
14 as well. The major contractor Houston/NANA has 24
15 percent Alaska Native hire rate in our craft.

251-2

16 These are hardworking Alaskans that take
17 pride in the work and the part that they play in
18 transporting Alaska's North Slope oil in a safe and
19 environmentally sound manner. Alyeska and its
20 contractors invest considerable sums of time and money in
21 training each and every employee to ensure that all jobs
22 are done in a safe and environmentally friendly way.

251-3

23 There are crews up and down the pipeline
24 whose job it is to maintain the Right of Way and are on
25 call to respond to any emergency that may arise.

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1 The income earned by these workers helped
2 to support the economy of the communities in which they
3 live throughout the state.

251-3
(Cont.)

4 I have read the concerns about the
5 integrity of the pipeline. I, myself, worked as a
6 mechanic on the pipeline for 12 years with the baseline
7 crews and the dig crews and can assure you it is
8 thoroughly maintained. I have seen inspections, valve
9 replacements, installations of sleeves as well as the
10 replacement of installation on the pipe to a new and
11 improved product. I have also seen the installation of
12 mag bags to help prevent corrosion. Each year crews go
13 out to inspect the pipeline for movement and the
14 condition of the shoes and the saddles of the pipe that
15 it sits on. I have first-hand knowledge of the effort
16 that Alyeska has put into maintaining the pipeline and
17 the Right of Way. In my opinion, they have done an
18 exceptional job.

251-4

19 In closing, I'd like to say once again I
20 strongly support a 30 year renewal of the Right of Way
21 lease.

251-5

22 Thank you.

00252

23 HEARING OFFICER GEARY: Thank you for
24 your comments. Dave Lacey, number 34.

25 MR. LACEY: Yes, my name's Dave Lacey and

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1 I'm speaking for myself tonight.

2 I participated in the scoping hearings
3 last fall and even though I haven't had a chance to look
4 at the whole document, which is the reason why I would
5 have preferred the comment period extended, it appears
6 that most of the scoping comments that I made were
7 ignored by the DEIS so therefore I'm disappointed in it
8 and not very happy with the product.

252-1

252-2

9 I think that the -- I'm not going to say
10 anything that probably hasn't already been said tonight.
11 I think it just makes good business sense for everyone
12 that the pipeline is maintained properly. It makes good
13 sense for the companies involved. It also makes good
14 sense for the environment here, protecting the rivers and
15 the areas that the pipeline crosses over. It also makes
16 good sense here for the workers here to, you know, that
17 need the work, that work to maintain the pipeline.
18 That's a critical thing is the maintenance is cut and
19 that translates directly into basically cuts out of our
20 community, people being laid off, workers here that could
21 -- that are needed out there working to maintain the
22 pipeline.

252-3

23 So I think for a lot of reasons that the
24 maintenance of the pipeline and the fact that the funding
25 needs to be there to maintain the pipeline and all is of

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1 critical importance for everyone and it just makes good
2 business sense. It's the whole thing, like you see that
3 commercial where the guy says, pay me now or pay me
4 later. Prevention is the key as Stan Stephens said
5 earlier. If we don't pay the price now we're going to
6 pay a much higher price later and we saw that in Valdez
7 with the Exxon Valdez incident.

8 You know, complacency always sets in,
9 it's just a human nature for that to happen, we have to
10 be vigilant. We have to -- we've seen it with the
11 corporations here recently, we have to maintain oversight
12 on things.

13 And we also, it's a very tricky world,
14 with the climate change and other economic factors going
15 on, we need to take a very conservative approach just
16 like Niilo was saying about you design something with 20
17 percent that would be stronger than the recommendations,
18 well, we need that same type of conservative approach to
19 managing this pipeline, whereby we conservatively say,
20 okay, this is maybe greater than what is needed but we
21 want to be extra careful because of all the different
22 things that are going on and the unpredictableness of the
23 world, not only environmentally but politically.

24 The little bit that I have had a chance
25 to look at the document, like I said I'm disappointed in.

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252-3
(Cont.)

1 I feel that there's just a lot of errors and things in
2 it, you know. I see things here, statements made that
3 Steven's Village is a Gwith'n village and the use area is
4 a very small use area. And I see these other statements
5 here, like in this impacts of increased human access
6 where they say, consequently the impacts have increased
7 access to fish populations are expected to be minor, you
8 know, since when does like increased access, you know,
9 not translate into impacts on fish populations.

252-4

10 Here's another thing on this section
11 dealing with mortality, Section 4.3.1.7.3, the statement
12 it says, there's no evidence demonstrating whether
13 increased access associated with the TAPS Right of Way
14 has had an affect on wildlife populations. Well, I've
15 been around and been in the villages around the -- you
16 know, impacted by the pipeline corridor, I've heard
17 people time and time again tell me that there have been
18 these impacts and continue to be impacted. Now, are they
19 just sort of talking to hear their -- as my mom would
20 say, their head rattle or what's going on there, or are
21 they being ignored or is the fact that some scientist
22 didn't say it, you know, means that it's not true. Where
23 is the use of traditional knowledge involved in this?
24 Why isn't that taken into account?

252-5

252-6

25 And also issues like access to

252-7

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1 subsistence resources. You know, a lot of people were
2 crowded out, you know, local people. A lot of the
3 outsiders that came in to hunt and fish, basically their
4 tactics were crude if you want to put it that way and the
5 local people didn't want to be around them and all, which
6 in a sense pushes them out.

252-7
(Cont.)

7 I would like also the DEIS to take into
8 account not only the DR&R things, about cleaning up when
9 the pipeline is through but also what is going to be the
10 effect here in Alaska when the pipeline, when the boom is
11 over, the a lot of workers and people have to leave,
12 what's going to happen there?

252-8

13 Also I don't see anything mentioned about
14 Section 30 in the document. Maybe I haven't seen it yet,
15 like I said. But I know that was brought up in the
16 scoping hearings, human rights is not mentioned anywhere
17 that I've seen, that term, in the document. Where else
18 in the world would you have such a big project and with
19 not human rights being involved in it?

252-9

20 So basically it seems to say, too, the
21 document seems also to discount the Dalton Highway. Say
22 well, it's a State road now so therefore it's not
23 impacted and all the impacts have happened in there
24 continue to happen so there's not going to be any change
25 so what's the big deal? I don't feel -- I think that's a

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1 Catch-22 thing. I think that the Dalton Highway needs to
2 be in it, it's a direct impact and it needs to be dealt
3 with in the DEIS, direct and indirect impact.

4 So those are some of my issues. I'm
5 going to send in some written comments but for now that's
6 it.

7 Thank you.

8 HEARING OFFICER GEARY: Thank you for
9 your comments. Jeff Cook -- I'm sorry, I'm sorry, Steve
10 Jones. Steve Jones, number 35. 00253

11 MR. JONES: Good evening. My name is
12 Steve Jones. I'm the manager of the Trans-Alaska
13 Pipeline System Right of Way Renewal Project. I spoke in
14 Anchorage last night on behalf of the TAPS owners. I'm
15 not going to repeat the remarks that I made last night,
16 of course, but I would like to highlight and expand on a
17 few of them.

18 Public hearings are a time for everyone
19 with an interest to come forward and provide their
20 comments and views and in cases like this one, those
21 comments will invariably cover a wide range of opinion,
22 both pro and con like I've heard here tonight and that's
23 fitting and appropriate.

24 Much of what we've heard in the last 10
25 days or so has been fair and intended to inform, some

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1 hasn't. And that's why I want to take the opportunity to
2 reinforce the notion that the people who work on TAPS,
3 the thousands of employees, contractors, oversight agency
4 employees, public officials, union members, Alaska
5 Natives who work on the pipeline perform their job with a
6 level of skill and dedication that deserves our
7 commendation and support. It is one of the reasons why
8 the Right of Way should be renewed.

9 This group of people work hard to do the
10 job right and they're succeeding.

11 Last night I spoke briefly about the
12 above ground support system. Much has been made of how
13 climate change may affect this unique system. The
14 concern is that climate change may destabilize the above
15 ground system if the climate warms and changes to
16 permafrost occur. Regardless of your position on climate
17 change it is important to keep in mind that the
18 conditions that they're concerned about are exactly the
19 conditions that the above ground system was designed to
20 deal with in the first place. That is, the dynamic
21 climate and potentially unstable ground conditions. The
22 support system that is designed and built is highly
23 versatile, it's adjustable and most importantly it works.
24 In 25 years, only a handful of the VSMs have gone out of
25 spec and though the safety and stability of the line has

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1 never been jeopardized by these VSMS they were,
2 nevertheless, replaced.

3 The important thing to note is that there
4 are 178,000 VSMS and about 20 have gone out of spec. We
5 are watching about another 200 of them. What those
6 numbers tell you though, 20 and 200 out of 178,000 is not
7 that the system is being neglected but rather it's a
8 rather strong indication that the system, in fact, works.

9 Another aspect of the above ground
10 system, an important piece of it are the heat pipes.
11 Most of you have seen the pipeline, of course, know the
12 heat pipes are the things that stick out the top of the
13 vertical support members with the radiator fins on top of
14 them. We've heard that these heat pipes are possibly
15 inadequately designed, that they're failing and that
16 they're not up to the task. Interestingly enough, a full
17 scale research facility here in Fairbanks has recently
18 determined that the original design of the heat pipes is
19 more than adequate to meet the goal of maintaining the
20 permafrost soils and not unlike the vertical support
21 members themselves, of the 124,000 or so heat pipes that
22 are involved in the above ground system, less than two
23 percent have ever required repair or replacement. Again,
24 this is not an indication of a problem, this is an
25 indication that the system works.

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(Cont.)

1 We've heard again about an aging system,
2 budget cuts, implying neglect. Well, let me reiterate,
3 the pipeline is not deteriorating, it is being well
4 maintained and more than that it is being upgraded to the
5 tune, in fact, of \$9 billion in the last 15 year alone.
6 If the TAPS owners were interested in shorting the
7 maintenance needs of the pipeline they should have
8 started long ago.

253-2

9 I want to mention one more thing about
10 Native programs. We have a number of Native programs,
11 you've heard some of them discussed tonight, Section 29
12 Native hire. For one, we're proud of what we've
13 accomplished. We believe that the program that we have
14 today is a model program. We work with the Native
15 communities to create opportunity and ensure that Native
16 owned businesses have the chance to bid on and obtain
17 pipeline work. In fact, as I mentioned last night, some
18 \$170,000 million in work alone, last year was awarded to
19 and performed by Native owned business entities.

253-3

20 In conclusion, I'd tell you that maybe
21 that the law would say that we're entitled to renewal if
22 you do the analysis but I think more importantly if you
23 look at the record, TAPS has earned the right to a 30
24 year renewal.

253-4

25 Thank you.

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1 HEARING OFFICER GEARY: Thank you for
2 your comments. Now, Jeff Cook. 00254

3 MR. COOK: Thank you. And my comments
4 will basically relate to the Draft Environmental Impact
5 Statement.

6 My name is Jeff Cook and I'm vice
7 president of external affairs and administration for
8 Williams Alaska Petroleum and I've been associated
9 directly with the energy industry in Alaska for 12 years
10 and as a lifelong Alaskan, obviously, been indirectly
11 associated with that pretty much all my life. The
12 comments I make tonight will be basically paralleled by
13 our president of Williams Alaska and sent to you in
14 written form.

15 Through our wholly owned subsidiary
16 companies Williams owns a 220,000 barrel a day refinery
17 that processes crude oil off the TAPS line. The refinery
18 is the largest in Alaska and we are approximately two
19 miles from the Trans-Alaska Pipeline. As the refinery is
20 located in land it is totally dependent on TAPS for our
21 supply of crude oil and has been since its startup in
22 1977.

23 Williams employs over 500 people in the
24 state of Alaska and in 2001 we spent approximately 1
25 billion and the largest portion of our spending was about

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1 a third of that to the state of Alaska for royalty.

2 In addition to the North Pole refinery,
3 Williams, through its subsidiary companies owns the
4 following additional assets in Alaska. We have 29
5 company owned retail convenience outlets operated under
6 the name of Williams Express. We own and I got to get
7 this right, a 3.0845 percent interest in TAPS and I might
8 clarify that Williams never has nor do we now produce oil
9 on the North Slope. We have a 50 percent interest in a
10 cargo port at the Anchorage Airport. We have a 700,000
11 barrel terminal at the Port of Anchorage and another
12 20,000 barrel terminal located here at Fairbanks
13 International Airport.

14 Without the secure source of crude oil
15 that the North Pole refinery has enjoyed during the past
16 25 years it would not have been possible for us to
17 increase as a refinery from a capacity that had 45,000
18 barrels to one that now has over 220,000 barrels. And
19 the growth in that refinery has also allowed us to have
20 the growth in our retail operations in providing fuels to
21 Alaskans that is evidence to our 29 stores.

22 With the knowledge that the refinery
23 source of crude oil supply via TAPS was secure, Williams
24 invested approximately 71 million in 1997 and 1998 to
25 increase the refineries production of jet fuel by 20,000

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(Cont.)

1 barrels a day. This investment enabled our company to
2 meet the growing demand for jet fuel at the two key
3 international airports in Alaska, the Ted Stevens Airport
4 in Anchorage and Fairbanks International Airport and it
5 did decrease greatly the dependence this state had on
6 imported jet fuel and that's important, not only for the
7 economy but also for the security both from the private
8 sector as well as the military sector for the fuel that
9 we provide. And the two airports, Anchorage and
10 Fairbanks, are key economic drivers in the state. They
11 account for over 10,000 jobs in our state.

254-1
(Cont.)

12 As part of our growth and development, we
13 have enjoyed a very excellent partnership with the TAPS
14 and that was prior to our ownership purchase here a
15 couple years ago in TAPS as well as subsequent to. We
16 have appreciated their reliability. We've appreciated
17 their environmental concern that we think is very high
18 and we know is very high and we also appreciate their
19 dedication to the communities where they serve.

20 We also, based on our association and
21 acknowledge do not feel any additional oversight is
22 needed for the pipeline.

254-2

23 Looking down the road, Alaska refiners
24 are faced with some horrendous costs to improve air
25 quality for all Alaskans as is being done throughout the

254-3

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1 nation, through low sulphur, diesel and gasoline. These
2 are multi-million dollar investments that won't bring us
3 one more gallon of sales but are important to make. And
4 I can say that, you know, these investments require a
5 sure and long-term supply of crude.

254-3
(Cont.)

6 Clearly TAPS has been and will continue
7 to have a significant impact on the economy of our state
8 both in the private and public sectors. It is our firm
9 belief that a renewal period of less than 30 years would
10 have negative impacts on any future capital investments
11 in the energy sector by our company or other companies
12 and then we would see the consequent negative impacts on
13 our economy.

254-4

14 So we do support the 30 year renewal with
15 current conditions. We think it's very critical. And I
16 can tell you as a company in an industry that adds a
17 great deal to the economy to Fairbanks and the state, we
18 have a day to day great interest in TAPS being reliable,
19 being safe and doing their job by continuing the
20 maintenance that they do. And we know that they do that
21 maintenance because we have to shut down and we schedule
22 our maintenance around the times that TAPS is down and we
23 appreciate the advance notice they give us. Sometimes
24 maintenance is required and sometimes things happen we
25 don't have advance notice, but we're very well aware of

254-5

254-6

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1 the time that's spent on maintenance and we appreciate
2 that.

254-6
(Cont.)

3 And again, urge the 30 year renewal under
4 current conditions. We appreciate you coming to our
5 community and staying up this late and we apologize for
6 the smoke.

254-7

7 HEARING OFFICER GEARY: Thanks for your
8 comments. Cindy Mittlestadt, number 38. 00255

9 MS. MITTLESTADT: Good evening members of
10 the collective evaluation teams. My name is Cindy
11 Mittlestadt. I'm the communications manager for the
12 Alaska Support Industry Alliance, commonly referred to as
13 the Alliance. I am an Alaska resident for over 13 years
14 and will submit a copy of my report -- or my remarks and
15 a report at a date later in the comment period. I
16 testify before you tonight in regards to the Draft
17 Environmental Impact Statement and the Proposed
18 Determination.

19 The Alliance is a non-profit trade
20 association comprised of over 420 member companies who
21 derive their livelihood from Alaska's oil and gas
22 industry. This equates to more than 35,000 employees
23 statewide many of whom were involved in the pipeline's
24 original state of the art construction. Of approximately
25 249 vendors providing direct services to the Alyeska

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1 Pipeline, about 21 percent are Alliance members, of those
2 member contractors 18 are Alaska Native owned or enjoy
3 partnerships with Native entities and an additional 21
4 provide direct services through the Alyeska/Fairbanks
5 business unit.

255-1
(Cont.)

6 At its completion in 1997, \$8 Billion was
7 invested in the project and now in it's 25th year of
8 operation oversight and maintenance of TAPS continues to
9 be unparalleled. TAPS overall performance reliability
10 rate is in excess of 99 percent since startup. Alyeska's
11 corrosion control program, valve maintenance program and
12 spill response plans are the leaders in the industry.
13 More than \$9 billions of dollars are spent each year for
14 maintenance.

255-2

15 The financial investment in maintaining
16 the pipeline and continued throughput weighs
17 significantly on future decisions by businesses and state
18 government. A renewal of the pipeline Right of Way for
19 less than 30 years would disenfranchise new investment in
20 the North Slope and increase business risk for Alaskan
21 operators ultimately leading to a downward spiral of
22 employment, population, state product and income.
23 Concurrently, the state of Alaska would experience
24 increased budget shortfalls further impacting the State's
25 ability to provide necessary services and programs.

255-3

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1 I'd like to share with this team some
2 statistical data compiled in a study entitled Economic
3 Impact of the Oil and Gas Industry in Alaska and dated
4 January of 2001.

5 The study was commissioned by the
6 Alliance and the Alaska Oil and Gas Association. This
7 study found that the industry spends \$2.1 Billion
8 annually, a dollar value equal to the state of Alaska's
9 general fund. In other words, the oil industry provides
10 approximately 80 percent of the state's unrestricted
11 revenue. Additionally, other key findings of this study
12 include the industry directly spends \$422 million on
13 payroll in Alaska, \$1.7 billion on goods and services in
14 the state. Additionally, in the Fairbanks North Star
15 Borough the industry directly employs over 500 people,
16 pays out \$40 million in payroll and spends 190 million
17 for goods and services. Indirectly this total impact in
18 the Borough is 4,133 jobs representing 12 percent of the
19 area job force.

20 Now, more than ever, Alaska's
21 contribution to the domestic supply is critical to
22 diminishing our reliance on foreign sources, particularly
23 from nation's whose governments are unstable, are often
24 anti-American and some who actively support terrorists
25 acts against the United States.

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255-5

1 Regulatory oversight of the Alyeska
2 pipeline is unprecedented to others in North America.
3 The Alliance believes that the Joint Pipeline Office, a
4 body consisting of over 13 Federal and State agencies
5 serves as a unique model for the way government and
6 industry work together to solve problems avoid
7 duplication of effort and bring about best practices in
8 government and industry.

9 As contractors with first-hand experience
10 working with regulatory agencies, we know that
11 regulations, permitting and oversight bear significant
12 costs, often in excess of basic transaction costs.
13 Adding an additional layer to this regulatory oversight,
14 for example, the concept of a citizen's advisory group to
15 the existing oversight body would only increase
16 production costs and reduce state revenues. Such
17 increases can only mean that our contractors will
18 experience similar scale increases in their costs to
19 provide services. This, today, in an environment where
20 contractors are providing professional and technical
21 labor for nominal margins.

22 Adding any additional oversight for the
23 next renewal term simply doesn't make good sense, in
24 concept or justify those additional costs.

25 The Alliance urges the Bureau of Land

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255-7

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1 Management to renew the Trans-Alaska Pipeline system
2 Right of Way for 30 years under its current terms and
3 conditions and with no additional oversight.

4 Thank you for this opportunity this
5 evening.

6 HEARING OFFICER GEARY: Thank you for
7 your comments. Marnie Isaacs, did I get that -- I
8 apologize. 00256

9 MS. ISAACS: That's fine. Thank you for
10 the opportunity to offer the following testimony
11 regarding the BLM's Draft Environmental Impact Statement
12 and the State of Alaska's Proposed Commissioner's
13 Determination.

14 My name is Marnie Isaacs. I'm the
15 external affairs coordinator for the TAPS Right of Way
16 Renewal Team. I have been asked by Mr. Tom Ryan, vice
17 president and general counsel for TOTALFINAELF,
18 Exploration and Production USA, Incorporated
19 headquartered in Houston, Texas to read their testimony
20 into the record tonight.

21 TOTALFINAELF is a top ranked
22 international oil and gas company with daily production
23 of 2.2 million barrels oil equivalent per day, reserves
24 of 11 billion barrels and oil and gas activities in 45
25 countries world wide.

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1 TOTALFINAELF E&P, USA, Inc., a wholly
2 owned subsidiary of TOTALFINAELF S.A. was the high bidder
3 on 20 blocks at the National Petroleum Reserve Alaska
4 Lease held on June 3rd, 2002. Substantial investment
5 will be required to explore, appraise, develop and
6 produce any oil and gas discovered.

7 A key factor in our decision to make
8 additional investments will be the availability of
9 infrastructure, on a long-term basis, through which we
10 can transport oil and gas discovered to the market place.

11 We see our involvement in oil exploration
12 and production in the NPRA as a long-term investment. We
13 have already spent a number of years acquiring and
14 analyzing geophysical data in the are prior to our
15 decision to bid at the lease sale. Exploration of the
16 leases acquired will be two to four years to complete.
17 Experience suggests that it may take around five to seven
18 years to appraise and bring into production any
19 discoveries made. Fields are expected to have a
20 production life of 15 to 20 years. This implies that
21 there will be a need for infrastructure for over 30
22 years. Confidence in the availability of this
23 infrastructure, at competitive process, is a key factor
24 in any investment decision.

25 With future Alaskan lease sales planned,

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1 a negative message would be sent to all potential
2 participants if the TAPS Right of Way is only extended
3 for five to 10 years. Such an extension will only create
4 additional uncertainty in the already heavily burdened
5 North Slope economics.

6 TOTALFINAELF E&P USA is in full support
7 of extending the Right of Way for the Trans-Alaska
8 Pipeline for at least another 30 years to ensure the
9 availability of export infrastructure at a fair price.

10 Thank you very much.

11 HEARING OFFICER GEARY: Thank you. I'll
12 enter these comments in as Exhibit 61.

13 (Hearing Exhibit 61 marked)

14 HEARING OFFICER GEARY: Anna Godduhn. 00257

15 MS. GODDUHN: Good evening. Thank you. I
16 will be addressing the DEIS and the Commissioner's
17 Statement.

18 I don't have any comments. I'm bidding
19 for the short comments prize.

20 I don't understand the reluctance to have
21 a citizen's advisory committee. The word, insane, was
22 applied to that idea earlier this evening and that
23 strikes me as rather insane and this has all been said.
24 In these days of mistrust and what not, the credibility
25 issues are second to the safety issues but credibility is

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(Cont.)

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1 certainly an issue. And the reluctance because of the
2 cost strikes me as a continuation and propagation of this
3 refusal to pay the real costs of exploitation of the
4 environment.

257-1
(Cont.)

5 We do need these resources. I drove here
6 myself tonight. That's not my issue. But we need to
7 start paying the real costs and I guess I'm the first one
8 tonight to say that if it takes more money to implement
9 these safeguards then that's what we need to do. If
10 profits need to come down that's what we need to do. The
11 system, as it stands is pretty unsustainable.

257-2

12 The talk about growth and expansion of an
13 unsustainable unrenewal resource is fairly contrary, it's
14 not going to work indefinitely and we need to address
15 that and we need to start paying some real costs.

16 That's all I want to say. I would
17 support all the recommendations from the Forum for
18 Environmental Responsibility.

00258

19 HEARING OFFICER GEARY: Thank you. Sean
20 McGuire, 41.

21 MR. MCGUIRE: Sean McGuire. I appreciate
22 the opportunity to speak tonight.

23 You know, I've been sitting here watching
24 throughout the evening and I see all these people coming
25 up and saying what a great job Alyeska is doing and how

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1 good it is and basically give them whatever they want
2 and, you know, if you go anywhere into a town that's
3 dominated by any industry, you know, you're going to get
4 the same thing, that's the nature of the beast. They're
5 going to come up there and say what a great job they're
6 doing. The politicians will jump in and wallow up to the
7 trough and, you know, that's the nature of the beast,
8 there's nothing wrong with it. They're promoting
9 themselves and their industry and their group, that's the
10 nature of Democracy.

11 But I would hope that that Federal
12 government would look past, you know, the people that are
13 up here today supporting 30 year leases and do what's
14 right for the American people. If you look -- if you go
15 down to Houston, they would have gone out there and
16 supported Enron and said what a great company it is but
17 as oversight, as the Federal government, you hopefully
18 will be -- you know, it's your job to look out for the
19 national interests, this is public land. It's a public
20 resource. I just think it's crucial for you to separate
21 local politics from national interest.

22 So the other thing I do want to say and
23 it's kind of hard to say but I was urging people to get
24 down here tonight and speak out and I can tell you there
25 is a lot of cynicism. With George Bush in there, I

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(Cont.)

1 think, people feel like these guys are going to get
2 whatever they want and we could have 500 people down here
3 and it wouldn't do a bit of difference. And I think if
4 you look -- and you know, it's hard to argue with that
5 because, you know, when George Bush got elected what was
6 the first thing he did, well, A) -- let me backtrack a
7 little. His biggest supports were the energy, Enron, I
8 think was his single biggest supporter and most of the
9 energy, the oil companies, he's an oil man and what did
10 he do, the first thing he did was he invited them into
11 the White House to make energy policy, the very guys that
12 were going to be making money were invited in there to
13 make policy. It's really hard to get people to have any
14 faith in the system when a leader of the nation is doing
15 stuff like this.

16 And I think there's a sense of, you know,
17 it's something even as small as asking for a citizen's
18 oversight, you know, I think people just feel like that
19 with the politics in play right now, the citizens are not
20 going to be -- there's no one really going to bat for the
21 average Joe Blow in this country. The corporations are
22 dominating and they've got the money.

23 So I just -- you know, it's hard to
24 ignore that, but hope against hope it would really be
25 nice to have a surprise and see that maybe, you know,

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(Cont.)

258-2

1 maybe there could be a citizen's oversight, you know, it
2 just seems like such a small thing.

258-2
(Cont.)

3 30 year leases, why would you give
4 someone a 30 year lease? I mean the only leverage you
5 got over these groups that are running the pipeline is a
6 lease, why would you give them a 30 year lease? If they
7 get a 30 year lease, then they do what they want. If
8 their lease is five years or seven years, then they have
9 to -- you know, it's just human nature. You know, if Al
10 Gore had gotten in there this would have been a whole
11 different thing, these guys would have been sweating and
12 we would have got a citizen's oversight and we would have
13 got probably a seven year lease, that's my take on it.

258-3

14 But I waited down here tonight. I don't
15 think it's going to make any difference. I waited until
16 11:30 but i felt like, at least, I spoke and, you know,
17 that's all I can do.

18 Thank you.

19 HEARING OFFICER GEARY: Thanks for your
20 comments. Carl Benson.

00259

21 MR. BENSON: I'm Carl Benson and I'm
22 speaking for myself. For the past 50 years I've been
23 active as a scientist and a physical scientists,
24 geological sciences, primarily in Greenland, Antarctica
25 and here for the past 40 years in Alaska.

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1 But I wanted to talk a little about
2 change. In the last 30 years there's been a lot of
3 changes, including now we're seeing better evidence that
4 the climate itself is undergoing some changes that are
5 significant. But in 30 years, just go back, 1976, 30
6 years ago, is the first time that desk computers had a
7 video screen and a keyboard. That's not long ago and now
8 it's taken over. I mean everywhere you see these things
9 sitting around on desks. But before that you punched in
10 your data and it ran and you waited overnight, you got
11 the results, you found they were all screwed up and you
12 had to start over again the next day. And this
13 interactive keyboard was a big deal. But just think of
14 that, just 30 years ago.

15 And if you go back 50 years ago, there
16 was no molecular biology. Now, we talk about DNA, RNA,
17 DNA in crime cases. 50 years ago we didn't have the
18 molecular biology in our thinking and platectonics, which
19 had enabled us to really understand a lot of the earth,
20 including the complex southern part of Alaska.
21 Platectonics wasn't in our tool kit, in our mental tool
22 kit, that's just 50 years ago.

23 60 years ago when the Japanese bombed
24 Pearl Harbor, the U.S. was an exporter of fuel to the
25 world and the Japanese didn't hit the tank farm at Pearl

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1 Harbor, it wasn't a target, they didn't think it made any
2 sense to waste time bombing the fuel because the
3 Americans had so much fuel they could just replenish it.
4 If they had blown up those tank farms we would not have
5 won at Midway and the whole course of the battle in the
6 Pacific would have been quite different.

7 I was in the Navy at the end of the war
8 and I know, we were talking about this sort of thing, I
9 didn't see it as clearly then as I do now.

10 But then when we talk about the magnitude
11 of the industry, some people are talking about the
12 profits and worried that if you cause any trouble you're
13 going to interfere with their profits. Don't worry. The
14 first 19 years the oil industry was in Alaska, through
15 the first 19 years, they made \$250,000 per hour every
16 hour of every day for 19 years, that's Saturday and
17 Sunday and national holidays, including Groundhog's Day,
18 they were still making 250,000 bucks an hour.

19 Well, the other point about the magnitude
20 of the industry, there's no question they're contributing
21 to the economy, they're doing great things here but in
22 the magnitude of the industry it's like the sweat off my
23 knuckle on a dry day. It just doesn't matter. They're
24 so huge you can't imagine.

25 The budget, the annual sales of the oil

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1 industry here is 50 times larger than the annual budget
2 of the state of Alaska and the State is supposed to
3 manage this, it's like asking a rabbit to manage a moose.
4 There are huge differences here.

259-1
(Cont.)

5 Anyway, but I only have a couple comments
6 here. The vertical support members, I've been concerned
7 the top 10 meters of the ground, the temperature is
8 increasing, how many of these are leaning, a gentleman
9 just recently said, we're in good shape, they're being
10 repaired. I'd like to see that addressed, how much
11 repair is needed, do they have to be deeper, do we have
12 to put more units in to pump more heat out? This is a
13 significant thing as long as we are measuring the
14 increased temperature in the ground. There are some very
15 good reports published in the last four years on this
16 temperature increase in the ground.

259-2

17 There are problems of corrosion that
18 don't think have been completely addressed here and I'd
19 like to see them addressed more completely.

259-3

20 And the third and last thing I want to
21 mention is the seismic hazards. During planning of the
22 line, there was a very good assessment of seismic hazards
23 and there was some consultants brought in here and there
24 was also a fair amount of expertise right here at the
25 University. But in the past 30 years we've learned a lot

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1 about seismic hazards and it's a different picture than
2 it was 30 years ago, I don't see that as part of the
3 picture. And the consultant at that time, a consultant
4 from Texas urged the coordination with the Alaska
5 Earthquake Center here at the Geophysical Institute,
6 active coordination between the pipeline and the
7 Earthquake Information Center where we have a lot of
8 units, both State, the University and USGS units. This
9 has not happened. They have not done that kind of
10 coordination and I would urge that they do.

259-4
(Cont.)

11 I'd also urge increase seismic monitoring
12 and not only coordination with the Alaska Earthquake
13 Information Center but with the State seismologist, who
14 is also based here at the Geophysical Institute.

259-5

15 So those are my main points. But
16 philosophically I'd like to point out that people who
17 talk about government being on our backs, 49 of the 100
18 biggest economies of the world now are governments and 51
19 are corporations. The government represents the people
20 and right now these multi-nationals are in a position to
21 dominate things to the point that we need government
22 oversight.

23 I'd like to really end by saying that the
24 government is the only part of our society that is really
25 charged with taking a long-term view, maintaining

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1 records, maintaining stream data records, weather
2 records, seismic records, anything else. Universities
3 can't do it, their individual research projects, industry
4 doesn't do it, it's got short-term goals, so government
5 is the only place in our society that is formally charged
6 with the long-term view for the people. And that's
7 something I'd like to leave you with.

8 Thanks.

9 HEARING OFFICER GEARY: Thank you for
10 your comments. We're going to take another 10 minute
11 break and start back in 10 minutes. Off record.

12 (Off record)

13 (On record)

00260

14 HEARING OFFICER GEARY: All right, I'm
15 going to call this meeting back to order. All right, the
16 next scheduled speaker is Mark Ames.

17 MR. AMES: Thank you. It's a privilege
18 to be here. I don't want to take up a lot of your time.
19 I'm a grateful Native born Alaska American here from the
20 Interior, the city of Fairbanks which is going to shortly
21 experience its 100 year Centennial next year, it will be
22 the 50th Anniversary of the city of North Pole and the
23 80th Anniversary of our 29th President, Warren Harding,
24 the last of the old high and line (ph) to visit 56 years
25 after session in 1923 who would, through his

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1 administration, establish the NPRA, National Petroleum
2 Reserve and also what later became the GAL, the
3 Government Accounting Office which is, by the way, in
4 pursuit for those elusive Enron papers.

5 I learned here throughout some time here
6 that when the pipeline, again, I'm grateful for this
7 forum and the wonderful skills and unions and everything
8 that's went into the pipeline, I have family members that
9 work there, I worked on the Slope myself, but as I
10 understand it there are 187 allottees along that route
11 that were not compensated when the pipeline was built and
12 that causes me some disturbance with the massive amounts
13 of dollars generated in profits. And to find that these
14 people were not adequately addressed is disturbing to my
15 conscious. And I believe that a citizenship oversight
16 commission is something, when one looks at the weight of
17 interest, an Alaskan citizenship oversight committee, I
18 think, should be authorized.

19 I think the extension requested for the
20 examination of the review should be as well granted.

21 I support the intended retention of state
22 interest over the State's providential land based
23 economic revenue resource base provision predominately
24 over those commodities extracted, commercialized,
25 developed from Federal lands in Alaska, which the State --

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260-2

260-3

260-4

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1 the people of Alaska have not relinquished interest in.
2 Specifically through the Alaska Statehood Act ratified
3 July 7th, 1958 by the 85th U.S. Congress leading to
4 statehood, January 3rd, 1959 under President Eisenhower,
5 I think in the Environmental Impact Statement, we have to
6 take our horse blinders off because there is perhaps a
7 little bit more to the environment than we at first blush
8 want to recognize.

9 The disenfranchisement of the public
10 incorporated politically body politic of the state of
11 Alaska which entered into a statehood act of national
12 agreement with the formula, the 90/10, specifically the
13 Alaska's constituted State Statute, Section 28(A)(1) 90
14 percent is not being honored is not being honored.
15 There's no contract compliance.

16 There's been no release, no rural or
17 urban election district due process by the principal
18 parties of ownership interest.

19 Going back to the 187 allottees, there is
20 ramifications to discontent. And I think it's beneficial
21 to the people of the state of Alaska and our Federal
22 government to accommodate reasonable requests.

23 The resources involved in this industry
24 are a mess. And it puts those that were to benefit at a
25 great disadvantage. Eisenhower, under whom we became a

260-4
(Cont.)

260-5

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1 President 43 years ago [sic], warned us about the
2 military industrial complex. And there should be
3 warnings issued about the oil company industrial complex
4 as well.

5 The International Court has come into
6 being in the European theater and a surrogate of the UN,
7 which by the way President Harding opposed, has here
8 within the hemisphere of the America's, the International
9 Organization of American States, a UN surrogate, one of
10 these disenfranchised allottees as filed an international
11 criminal denunciation and petition before the
12 InterAmerican Commission on Human Rights of the
13 Organization of American States and that case number is
14 number 11.077. It was quite a surprise to read this, it
15 just came to my attention but it's dealing with the
16 resources.

17 Alaska is not getting its royalty revenue
18 provisions. The economic depravation and the chain link
19 of events that this has caused which is why the first and
20 second Organic Acts were passed, because Alaska's
21 resources were being extracted and taken and not
22 benefitting the local people.

23 So I have some submissions to make with
24 regard to public resolute, jurisdictional claims of
25 interest that come from all corners of the state,

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260-6

1 expressions of interest on our 90 percent non-renewable
2 natural resources, mineral, oil and gas, that are being
3 extracted. I mean once it shoots down that pipeline, if
4 we're not getting our provisions, then we're not going to
5 get it. And so I think that that needs to be examined
6 and I'll have a packet of those provisions.

7 I would also like to point out that HR4
8 that was introduced to the House recently by Congressman
9 Young, Alaska's only Congressman, left out mention of our
10 90 percent provision, literally worth billions to the
11 state of Alaska.

12 Now, this is after the State had
13 reaffirmed its interest and multiple rural and urban
14 public incorporated political subdivisions of the state,
15 cities, boroughs and municipalities, to include Fairbanks
16 -- in a Fairbanks Daily News Miner article dated March
17 3rd, Young, in his bill chose to simply leave out mention
18 of the revenue split, the 90/10 formula. We're faced
19 with taxes here because of this fictitious fiscal gap but
20 it's not really fictitious because the oil industry
21 complex and the profit driven nature behind it is
22 extracting and we're not getting a fair return. Over 10
23 attempts at statehood was made but it was this revenue
24 provision that made the difference in statehood and now
25 there's been a betrayal of that.

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1 This Bill simply left it out and while on
2 the Senate side there's an active effort to presumably
3 take and this is without affording Alaska's people, the
4 principal parties of ownership interest any rural and
5 urban election district due process. As a matter of
6 fact, one opinion came out that it was against, you know,
7 that the people of Alaska have no constitutional right to
8 participate and sit down at the table with the reduction
9 of our 90 percent provision and this is all very
10 disturbing.

11 HEARING OFFICER GEARY: Thank you for
12 your comments.

13 MR. AMES: So as a grateful Alaskan I'd
14 like to thank you for this opportunity and ask you to
15 examine those very pertinent raised public points.

16 HEARING OFFICER GEARY: Thank you, Mr.
17 Ames.

18 MR. AMES: Thank you.

19 MS. BUSHEY: Give them a copy for their
20 record.

21 HEARING OFFICER GEARY: Okay.

22 MR. AMES: It's all on record with the
23 U.S. DI, Bureau of Land Management here again in
24 Fairbanks.

25 HEARING OFFICER GEARY: Okay, I'll mark

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1 this as Exhibit 62 and include it with the packet.

2 (Hearing Exhibit 62 marked)

3 HEARING OFFICER GEARY: Joan Marie 00261
4 Bushey.

5 MS. BUSHEY: Bushey. If you're all
6 American Bushey's all right, but Bushey is the French
7 name and I am Joan Marie. I'm 50 years in Alaska, raised
8 six children here, three of them born in Fairbanks, Old
9 St. Joe's.

10 I'm not for the continuation of 30 years
11 on TAPS. Alaska's people as an oversight commodity
12 should be. I can't imagine anyone, even our State people
13 not taking into recognition that the people should have a
14 voice. And also along with this, all the Right of Way's
15 should be monetarily cleared and paid for the past and
16 the present.

261-1

261-2

17 Upkeep on the oil pipeline could be done
18 by our state of Alaska. And through the testimony
19 throughout here this evening, the state of Alaska
20 certainly does have the manpower and the know-how within
21 it to do this.

261-3

22 The gas line that we've all been
23 questioning and would like to have, I propose should
24 follow the oil pipeline and go right on into Valdez and
25 keep it in the state of Alaska as long as possible due to

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1 the last speaker's 90 percent, 28(A)(1), we would then be
2 protected more with our 90 percent. If it goes into
3 Canada we lose that. The minute it crosses the line.

261-4
(Cont.)

4 And our Native education program also
5 proves that our workers and our unions do have the
6 manpower and know-how to assist and go through with the
7 state of Alaska.

261-5

8 Along with the oil and the gas that we're
9 proposing, that gas line coming from up in the north on
10 down should first consider our villages, our Native
11 villages and see that there needs are definitely taken
12 care of.

261-6

13 All maintenance can be covered by our
14 state. I've stated it, I shouldn't repeat it but it's
15 true. Here in the state would not change under State run
16 pipeline and would ensure, may I repeat, our 90 percent,
17 Section 28(A)(1), that at this time is not being honored
18 and being given away by Frank Murkowski, Don Young and
19 Mr. Stevens. And I'm sure they know that there is going
20 to be another vote, I don't know what they're thinking
21 of.

261-7

22 Along on those lines, I will leave you
23 and I am going to send in a written report and I thank
24 you.

25 HEARING OFFICER GEARY: Thank you for

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1 your comments. Ryan Tinsley.

2 MR. TINSLEY: Dear God my head hurts but
3 thanks, I'm sure this is painful for you as it is for us.
4 But I feel that it's important and I'd like to submit my
5 testimony.

6 It is for in favor of some of Richard
7 Fineberg's recommendations and the Alaska Forum on
8 Environment.

9 As far as a public oversight committee, I
10 mean, it seems very basic, I mean, we as Americans and as
11 working people know that what makes economic sense does
12 not necessarily mean it is what's responsible to be done
13 and this is just a fact of business in the world we live
14 in. I'm wearing shoes by a world class company, Nike,
15 and they're a world class company because they do what
16 makes economic sense and they hire children to make their
17 shoes. So this isn't what is necessarily best.

18 And you look around the world today at
19 oil companies and what happens when they are not
20 regulated and oversight isn't given and you end up with
21 UNOCAL committing genocide in Bangladesh and Shell and
22 Nigeria and the list goes on and on and it's a big mess
23 and it's very disgusting.

24 But, you know, it's just common sense
25 that we all know from driving cars, anything that has to

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262-3

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1 do with transportation, mechanical things in general,
2 they degrade with time. It's just one of the things that
3 we, as people, haven't overcome. It's not like machine's
4 age like a fine wine, they tend to degrade. And they
5 like to say that it has in some way gotten better. All
6 of a sudden the pipeline after 30 years of use is even
7 better than it was when it was new, this is just obscene.

8 Obviously it has corrosion, I've heard
9 stories of them mapping and finding maps of Texas welded
10 on the inside of the pipeline and it and, you know, the
11 thing is definitely -- it's falling apart, it's just a
12 matter of time. And so it's just the nature of what it
13 is.

14 I don't need to go on and on. It just
15 seems like it would be a small price to pay. These guys
16 make a lot of money and a public oversight committee for
17 nothing else would just add, at least, they could say,
18 well, look, you know, we were attempting to comply with
19 you as much as possible and it would relieve a lot of
20 pressure and make people here feel better and more
21 involved. I mean we're dealing with a situation in
22 corporate climate where even my hero, Martha Stewart is
23 in question, you know, I mean the list goes on and on for
24 companies that are having problems from top to bottom.
25 It's just what makes money does not necessarily -- it

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(Cont.)

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1 only makes money it doesn't make sense.

2 So thank you for your time. And I'm pro-
3 committee. Thanks.

4 HEARING OFFICER GEARY: Thanks for your
5 comments. Stacey Fritz. 00263

6 MS. FRITZ: Hello, I'm Stacey Fritz.
7 Thank you for this opportunity to comment. I appreciate
8 your time.

9 We've heard many complaints tonight about
10 cumbersome environmental permitting processes for
11 projects like TAPS and how they're not only worthless but
12 pose a danger to our economy. At the same time those
13 people that are pushing for a quick and easy lease
14 renewal point to the successes and safety record of the
15 pipeline. How quickly they forget the seemingly endless
16 battles that pipeline developers fought during the
17 construction of TAPS in the 1970s.

18 So-called environmentalists forced them
19 to improve the designs and standards of the pipeline for
20 which they now take credit. The pipeline developers
21 spent billions of dollars more than they wanted to to
22 comply with the strict new standards which were
23 appropriate for such a huge project that posed a risk for
24 environmental catastrophe across this beautiful and
25 revered land.

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1 I would suggest that had the pipeline not
2 been forced by concerned citizens and organizations to
3 build and maintain the pipeline according to strict
4 standards, it is very likely that Alaska would have
5 experienced an Interior Exxon Valdez by now.

6 The manager of the TAPS Renewal Project,
7 Steve Jones, stated that the pipeline is in many respects
8 in better shape today than it was 25 years ago. I think
9 this is an incredible statement, at least an
10 exaggeration. But I would at lease expect that Mr. Jones
11 should be thanking those groups that have been interested
12 in and acting as watch dog agencies for the activity of
13 the pipeline, not because it pumps billions of dollars
14 into their corporate bank accounts but simply because it
15 pumps the state's crude oil through their home for their
16 own natural self-interest.

17 So I am asking you to please give
18 citizens of this state a chance to study this lease
19 renewal permit and the myriad problems the aging pipeline
20 faces.

21 The oil company should do themselves a
22 public relations favor by establishing a citizen's
23 oversight group. Please place TAPS removal and
24 restoration funds in an escrow account.

25 Please transfer TAPS to one single

263-1
(Cont.)

263-2

263-3

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1 responsible managing party with no interest in North
2 Slope production.

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(Cont.)

3 In short please be truly responsible
4 neighbors, and I'm asking this of the government ask the
5 oil company, and make all efforts to consider the well
6 documented criticisms made by the Alaska Forum for
7 Environmental Responsibility.

8 Thank you.

9 HEARING OFFICER GEARY: Thank you for
10 your comments. Liz Greg, number 48. Liz Greg. Bob
11 Henrich, number 49.

00264

12 MR. HENRICH: Well, thank you for the
13 opportunity to speak. I'm the president of the Native of
14 Village of Eyak, we're the largest tribe in Prince
15 William Sound. At previous hearings we extended the
16 offer of technical assistance to the other tribes and
17 organizations in the Chugach Region, to the Prince
18 William Sound Regional Citizen's Advisory Council, to
19 Argonne Labs and Jerry, must so you won't feel left out,
20 we make that offer to JPO.

21 The list of preparers for the Draft
22 Environmental Impact Statement lists 29 people. It seems
23 that none of them are Alaska Natives. It seems to be a
24 strange way to do a Draft Environmental Impact Statement
25 on a pipeline entirely of the State of Alaska with no

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1 Alaska Natives involved in the preparation of this Draft
2 Environmental Impact Statement. That may explain why in
3 the Volume 5 figures, there is no Native Village of Eyak
4 subsistence harvest area. The Native Village of Eyak
5 with over 500 members is the largest tribe in Prince
6 William Sound. We are recognized as a tribe by the
7 United States and the State of Alaska. The traditional
8 homeland we have occupied and utilized to feed our
9 families consists of Prince William Sound, the Copper
10 River Delta and Gulf of Alaska. The tankers that carry
11 the oil from the Trans-Alaska Pipeline travel through our
12 traditional hunting and fishing grounds. We share much
13 of these area with the Tatitlek and Chenega tribes.

264-1
(Cont.)

14 Had the preparers of this Draft
15 Environmental Impact Statement done their homework, they
16 would have found that in 1995 the Native Village of Eyak
17 filed suite against the Secretary of Commerce, and
18 claimed aboriginal title to the Outer Continental Shelf,
19 citing our 10,000 year history of using these waters to
20 sustain our families. The rest of the tribes in the
21 Chugach region joined this lawsuit and this case is still
22 in court.

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23 Had the prepares of this Draft
24 Environmental Impact Statement done their homework, they
25 would have found that in 1989, the members of the Native

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1 Village of Eyak, filed tens of thousands of pages
2 documenting their subsistence claims against Exxon Valdez
3 Oil Spill, my own personal subsistence claims were over
4 100 pages.

5 Had the preparers of this Draft
6 Environmental Impact Statement done their homework, they
7 would have found that in the years after the
8 establishment of the Exxon Valdez Oil Spill Trustees
9 Council there were several projects funded which
10 documented the traditional knowledge of the tribes'
11 subsistence uses in the oil spill region.

12 Had the prepares of this Draft
13 Environmental Impact Statement consulted with Alaska
14 Natives these issues would not have been overlooked.

15 When the tankers started to haul the oil
16 from TAPS, there were tanker lanes set up. We were told
17 that we could fish in these lanes at our own risk. These
18 were some of the prime tanner crab fishing grounds.
19 Because of the high amount of gear loss, we had to stop
20 fishing in the tanker lanes. W e were shoved out of our
21 traditional fishing grounds, without so much as pennies
22 compensation.

23 With the events of September 11, 2001
24 theses tanker lanes have been changed again. The Coast
25 Guard tells us we can't fish in these lanes and have

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(Cont.)

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1 additional boats to enforce these regulations. With the
2 advent of individual fishing quotas for halibut and black
3 cod, many tribal members bought small amounts of IFQs to
4 supplement their other fisheries. With small boats the
5 safest place to fish is in Prince William Sound. Some of
6 the prime halibut grounds are these tanker lanes.

264-3
(Cont.)

7 A few years ago, Bob Malone, then
8 President of Alyeska met with our tribal council in
9 Eyak/Cordova. He told us that when the current fishing
10 vessel contract for oil spill response expired, that it
11 would be put out for bid and the Native Village of Eyak
12 would have a chance to compete for this contract. Bob
13 left Alyeska soon after this meeting. The contract
14 expired and was sole sourced without the Native Village
15 of Eyak even knowing about it. So much for the word of
16 the president of Alyeska. We wanted our tribal members
17 to have fishing vessel contracts and have them
18 administered the same as they are in Chenega and
19 Tatitlek. Many of the current core fleet boat owners
20 don't even live in Alaska. Some of them have contracts
21 for more than one boat while many of our members cant
22 even get one boat on contract.

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23 Our tribal members have been asked to
24 give and give and give some more in order for American to
25 get the oil from the North Slope. Our lifestyles have

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1 bee trashed. Maybe the Right of Way grant shouldn't be
2 renewed for 30 years, but instead for five years and then
3 review Alyeska's performance. It is time for Alyeska to
4 live up to the promises they made to the members of the
5 Native Village of Eyak.

6 Thank you for listening to our concerns.

7 HEARING OFFICER GEARY: Thank you, Mr.
8 Henrich. We'll enter this as Exhibit 63.

9 (Hearing Exhibit 63 marked)

10 HEARING OFFICER GEARY: Arthur Hussey,
11 number 50. Arthur. Greg Hollaus.

12 MR. HOLLAUS: Yes, Greg Hollaus.
13 Position on gas as fuel and these go for you.

14 I am a resident of Alaska and make a
15 little mention, I was born in Canada and I want to say
16 that we will be using the gas line here now and we will
17 be using it soon. Others will pay the gas line.

18 I'm for renewable resource, some little
19 extra -- I'm for renewable resource while staying our
20 government. I'm staying in a gasoline near the oil
21 pipeline; so on, since we can be here for gas we will be
22 having a pipeline here soon, use a leader line in staying
23 near the pipeline, use these profits here.

24 A little side break is; there is ground
25 and there's easements and use it wise.

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(Cont.)

00265

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1 HEARING OFFICER GEARY: Thank you. Brent
2 Horn. Brent number 52. Greg Egan, 53. 00266

3 MR. EGAN: Hello. My name is Greg Egan.
4 I've been here in Fairbanks since 1977.

5 I'm going to start with, talk a little
6 bit about pipe. I was a refrigeration and heating
7 mechanic for the University of Alaska. I did maintenance
8 there for 15 years and if anybody has any question about
9 it, wine gets better with age, not pipe.

10 About 10 of those 15 years I spent
11 finding leaks and fixing them. And you have ion exchange
12 between the fluids that flow through the pipe. They
13 basically take little chunks of the pipe away, from the
14 inside, they make it look like an ant farm. You have
15 friction that affects the inside of pipe and you also
16 have electrolysis and those are just three off the top of
17 my head.

18 But anyway, the reason that people
19 replace piping systems is because it's cheaper than
20 maintaining them. Of course if you have a 800 mile long
21 one and half of it's buried it may not be, but that's --
22 it takes a lot of work and expense to maintain pipe.

23 One other thing is some time ago there
24 was a hole shot in the pipeline and, you know, we all
25 read the paper and you know, it took days for them to be

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1 able to stop the leak and that shows that they're not
2 prepared for leaks, that's the bottom line. So that's
3 one thing. Now, we have some government oversight of the
4 pipeline and a few days afterwards they stopped the leak,
5 Tony Knowles is on the front page of the News Miner and
6 its says, he's saying that this is a success story, okay.
7 And to me there's a lot of lobbying done by big
8 corporations and I think it's very difficult for you to
9 be in government and to be taking money from big
10 corporations, or not taking money from them but you're
11 being lobbied by them, you're exposed to them, you're
12 exposed to their opinions and ideas.

13 You know, nobody comes and asks me what
14 my opinions or ideas are. I mean, you know, I'm not
15 paying a big lobbyist to go put it out there.

16 So basically we need, you know, we need
17 an oversight committee that is not involved with the oil
18 companies, they're not involved with, you know, politics,
19 they're strictly involved with what's best for their
20 community the way they see it. There's a lot of
21 knowledgeable people here tonight that have, you know,
22 maybe spoken better about this but it's real important.
23 They've got it, you know, for Prince William Sound, of
24 course that was after a big problem. You know, it would
25 be great if we could be proactive. It'd just be great.

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(Cont.)

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1 You guys have like a great opportunity to make this
2 happen.

3 And I also think that rather than a 30
4 year lease or permission to operate for 30 years, I think
5 10 years is a long enough time and especially with the
6 age of it. And you know, a lot can happen in 10 years
7 and I think it would be good to revisit this in 10 years
8 and see how all the ideas we had today all panned out.

9 Thanks a lot for sticking around. I had
10 to work late tonight and I was surprised you were still
11 here. Good night.

12 HEARING OFFICER GEARY: Thank you for
13 your comments. One last time, Hank Bartos, Ed Clark,
14 Jeff Anderson, Liz Greg, Arthur Hussey, Brent Horn. This
15 hearing is adjourned until 2:00 p.m. tomorrow in Minto.

16 (ADJOURNMENT)

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1 C E R T I F I C A T E

2 UNITED STATES OF AMERICA)
3) ss.
STATE OF ALASKA)

4 I, Joseph P. Kolasinski, Notary Public in and for
5 the state of Alaska, and reporter for Computer Matrix
6 Court Reporters, LLC, do hereby certify:

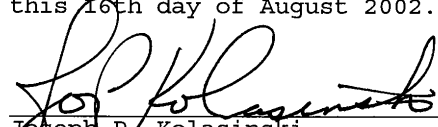
7 THAT the foregoing Bureau of TAPS Renewal DEIS
8 Hearing was electronically recorded on the 6th day of
9 August 2002, in Fairbanks, Alaska;

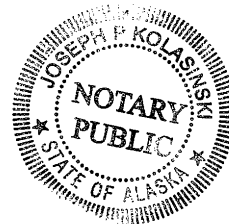
10 That this hearing was recorded electronically and
11 thereafter transcribed under my direction and reduced to
12 print;

13 That the foregoing is a full, complete, and true
14 record of said testimony.

15 I further certify that I am not a relative, nor
16 employee, nor attorney, nor of counsel of any of the
17 parties to the foregoing matter, nor in any way
18 interested in the outcome of the matter therein named.

19 IN WITNESS WHEREOF, I have hereunto set my hand and
20 affixed my seal this 16th day of August 2002.

21 
22 Joseph P. Kolasinski
23 Notary Public in and for Alaska
24 My Commission Expires: 04/17/04
25



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Responses for Document 00220

00220-001: Thank you for your comment.

00220-002: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00220-003: Thank you for your comment.

Responses for Document 00221

00221-001: Thank you for your comment.

00221-002: Thank you for your comment.

00221-003: Thank you for your comment.

00221-004: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00221-005: The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.

The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

Responses for Document 00222

00222-001: Thank you for your comment.

00222-002: Thank you for your comment.

Responses for Document 00223

00223-001: Security for the TAPS is an issue of national importance. There are elaborate security measures and plans in place, involving numerous Federal and State agencies. BLM has reviewed these confidential plans and agrees with them. Opportunities to strengthen these measures will always be pursued diligently by the agencies involved.

Responses for Document 00224

- 00224-001:** Thank you for your comment.
- 00224-002:** Thank you for your comment.
- 00224-003:** Thank you for your comments.
- 00224-004:** Thank you for your comment.
- 00224-005:** Thank you for your comment.
- 00224-006:** Thank you for your comment.

Responses for Document 00225

- 00225-001:** Thank you for your comment.
- 00225-002:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00225-003:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00225-004:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00225-005:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00225-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00225-007:** The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's Employee Concerns Program (ECP) and that APSC has undertaken considerable efforts to improve and refine its ECP program.
- The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, these efforts can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.
- The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public to report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protections and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.
- 00225-008:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00225-009:** Thank you for your comment. The BLM and other JPO member are working hard with the cooperation of APSC and the owner companies to prevent another major oil spill into Prince William Sound.

- 00225-010:** Information regarding the importance of the Copper River as a staging area for migratory shorebirds and other species is presented in Section 3.20.3. Text has been added to Section 4.4.4.10.1 to reiterate the importance of the Copper and Lowe Rivers for salmon production in the area and to recognize the potentially severe impacts to salmon in the event of a large spill entering those rivers. Please refer to the text box in Section 4.4.4.3 for a discussion about oil spill prevention and response capabilities and related activities specific to the Copper River Drainage area.
- 00225-011:** The TAPAA and the Federal Grant of right-of-way provide BLM with all the authority it needs to oversee operation of the TAPS and to impose strict and enforceable requirements upon APSC to comply with necessary operational procedures. TAPS ownership is defined as joint and several, and thus if one or more owner companies cannot meet its financial obligations, the other companies are liable.
- The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00225-012:** The purpose of requesting public comments on a DEIS is to obtain additional information that would improve the quality of the analysis in the document. Comments received on the quality of the analysis in the DEIS are addressed specifically in the FEIS and may result in text changes in the FEIS.

Responses for Document 00226

- 00226-001:** Thank you for your comment.
- 00226-002:** Thank you for your comment.
- 00226-003:** The maintenance of the pipeline was considered in the analysis.
- 00226-004:** Thank you for your comment.
- 00226-005:** Thank you for your comment.
- 00226-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00226-007:** Thank you for your comment.
- 00226-008:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00226-009:** The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under Alternatives and Issues Considered but Eliminated from Detailed Analysis.

Responses for Document 00227

- 00227-001:** The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under Alternatives and Issues Considered but Eliminated from Detailed Analysis.
- 00227-002:** Information on the historical problems noted in the comment were known to the EIS writers reviewing the operational history of TAPS.
- 00227-003:** The BLM and member agencies of the JPO are committed to the protection of human health and the environment. The Federal Grant and authorizing legislation (TAPAA) provide unprecedented authority to BLM in assuring the protection of human health and the environment. This authority will be used to assure that operations and maintenance of TAPS are adequately performed.
- 00227-004:** The comment appears to refer to the TAPS Pump Station 5 crude release on September 22, 2001 at 5:45PM in which 2,037 gallons of crude oil spilled to containment and approximately 200 gallons to land.
- On September 22, 2001, the APSC conducted a scheduled shut-down of the TAPS to conduct routine maintenance and testing activities to enhance cold restart capability. Prior to the 2002 shutdown and restart JPO required all procedures to be "walked down" to ensure a safe and reliable restart. While preparing to recommence the flow of oil through the pipeline, a pressure relief valve released crude oil inside the manifold building.
- 00227-005:** Thank you for your comment.
- 00227-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00227-007:** Thank you for your comment.
- 00227-008:** Thank you for your comment.
- 00227-009:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00227-010:** Thank you for your comment.

Responses for Document 00228

00228-001: Thank you for your comment.

Responses for Document 00229

00229-001: Thank you for your comment.

00229-002: Thank you for your comment.

00229-003: Thank you for your comment.

Responses for Document 00230

- 00230-001:** The operating and maintenance histories of TAPS were considered in the analysis.
- 00230-002:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00230-003:** Thank you for your comment.

Responses for Document 00231

- 00231-001:** Thank you for your comment.
- 00231-002:** Sections 3.25.1.3 and 4.3.21 have been modified to discuss APSC contributions to community programs.
- 00231-003:** Thank you for your comment.
- 00231-004:** Thank you for your comment. APSC contracting practices with regard to Alaska Native hires, whether positive or negative in terms of Native involvement, are beyond the scope of this EIS.
- 00231-005:** Thank you for your comment.

Responses for Document 00232

00232-001: Thank you for your comment.

00232-002: The Bureau of Land Management is the lead federal agency for the preparation of this EIS and for considering requests for participation by others. Council on Environmental Quality regulations were followed in evaluating requests for cooperating agency status. The BLM has consulted with affected Tribal and Native organizations throughout the TAPS ROW renewal and EIS process, following government-to-government consultation procedures in accordance with Executive Order 13175. Regardless of the assistance provided in the preparation and review of the EIS, the BLM is responsible for its content.

00232-003: The Native Allotment Act of May 17, 1906, as amended, was repealed by the Alaska Native Claims Settlement Act on December 18, 1971. The Agreement and Grant of Right-of-Way (ROW) for Trans-Alaska Pipeline took effect on January 23, 1974. Under the Mineral Leasing Act, the Secretary of the Interior did not have the authority to grant the TAPS ROW across lands held in trust for an Indian. Native allotment applicants and certified allotment holders had prior rights that the federal government could not make subject to the TAPS.

Therefore, the federal government could not and did not authorize TAPS across lands that were subject to a Native allotment application or that had been certified as a Native allotment. The pipeline owners could only acquire access across the allotments by purchase, subject to approval by the Bureau of Indian Affairs, or by condemnation under the State of Alaska's laws.

TAPS crosses seven Native allotments. The pipeline owners acquired access rights across five Native allotments from the allottees. The Bureau of Indian Affairs approved these acquisitions. These are private access rights and are not subject to federal renewal of the TAPS ROW. The pipeline owners acquired access across one Native allotment by condemnation under Alaskan statute. The owners acted as agents for the State of Alaska. The access rights were acquired for and belong to the State of Alaska; they are not subject to federal renewal of TAPS. The pipeline owners are negotiating access rights from one certified allotment holder. They will acquire private rights or go to court and acquire access rights by condemnation that will belong to the State of Alaska. Neither will be subject to federal renewal. The original TAPS ROW grant did not, and TAPS renewal will not, authorize TAPS on this allotment.

Access across Native allotments in the Tanana Chiefs Conference (TCC) region was acquired legally. Court-approved compensation was awarded either by condemnation or by negotiation, as approved by the Bureau of Indian Affairs.

The Certificates of Allotment ("deeds to the allotment owners") were not issued subject to the TAPS ROW because the TAPS ROW was not granted on Native allotments. The Mineral Leasing Act prohibits the Secretary of the Interior from granting ROWs on Native allotments because they are trust lands. Rights not granted cannot be reserved.

Access across Native allotments is between the allottees, their representatives, and the pipeline owners.

Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the DEIS. Scoping comments are not listed and identified individually or responded to in the DEIS. Comments received on the quality of the analysis in the DEIS are addressed specifically in the FEIS and may result in text changes in the FEIS as well.

The Bureau of Land Management is the lead federal agency for preparation of this EIS and has consulted with affected Tribal and Native organizations throughout the TAPS ROW renewal and EIS process. Tribal participation and Tribal input has and will continue to be a fundamental component of the government's responsibility to ensure safe and environmentally protective TAPS operations. Many laws and regulations that direct specific TAPS oversight and compliance issues include mandated Tribal as well as public review and comment; for example, subsistence hearings and oil spill response planning. Review and comment by Tribal groups and the public ensure full and open disclosure of the decision-making process. Government-to-government consultation procedures in accordance with Executive Order 13175 have been followed. Regardless of the assistance provided in the preparation and review of the EIS, the BLM is responsible for its content.

00232-004: Access, land use, and trespass issues related to Native lands are addressed in the EIS in Section 4.3.23.1, "Land Use." BLM recognizes the concerns of Tribal governments and Native allottees related to land use issues adjacent to TAPS. Although these concerns do not directly affect renewal of the Federal Grant of Right-of-Way, BLM will continue to work with these groups on these issues, as it has in the past.

The Bureau of Land Management is the lead federal agency for the preparation of this EIS and for considering requests for participation by others. The BLM has consulted with affected Tribal and Native organizations throughout the TAPS ROW renewal and EIS process. Regardless of the assistance provided in the preparation and review of the EIS, the BLM is responsible for its content.

00232-005: Access, land use, and trespass issues related to Native lands are addressed in Section 4.3.23.1, Land Use. BLM recognizes the concerns of Tribal governments and Native allottees related to land use issues adjacent to TAPS. Although these concerns do not directly affect renewal of the federal grant of right-of-way renewal, BLM will continue to work with these groups on these issues as it has in the past.

Responses for Document 00233

00233-001: Thank you for your comment.

00233-002: Thank you for your comment.

00233-003: Thank you for your comment.

00233-004: Thank you for your comment.

00233-005: Thank you for your comment.

Responses for Document 00234

- 00234-001:** Sections 3.25.1.3 and 4.3.21 have been modified to note APSC contributions to community programs.
- 00234-002:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00234-003:** Impacts on the pipeline from seismic events were considered in initial designs. Monitoring for impacts from seismic events is ongoing. See Sections 4.1.2.4 and 4.3.3. The impacts of spills caused by seismic events are discussed in Section 4.4.1. Also, see Section 4.1.1.8 for a synopsis of the response to the bullet hole incident in October 2001 near Livengood.
- 00234-004:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

Responses for Document 00235

00235-001: Thank you for your comment.

00235-002: Thank you for your comment.

00235-003: Thank you for your comment.

Responses for Document 00236

- 00236-001:** The issue of Alaska Native hiring on the TAPS is discussed in Section 4.3.21.1 (impacts under the proposed action). The EIS assumes that the APSC will comply with Section 29 of the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline (see Appendix B).
- 00236-002:** Thank you for your comment.

Responses for Document 00237

00237-001: Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.

While comments on the DEIS had to be received by the end of the 45-day comment period in order to be addressed in the Final EIS, additional provisions for involvement in the decision-making process apply to Tribal governments and Native organizations. The process of government-to-government consultation allows these groups to continue dialogue with the Bureau of Land Management.

00237-002: The DEIS sections on subsistence received many critical public comments, and as a result, have undergone substantial revision. A small number of additional sources were identified, including the map of Cordova subsistence use areas and North Slope studies of impacts on subsistence economies from oil development. Previous sources were considered more closely, as when time-series data were derived from the ADFG Division of Subsistence studies; and harvest permit data were broken down further to distinguish patterns of rural and non-rural residents. With additional analysis of this data, the EIS draws reasonable conclusions concerning the renewal of the TAPS right-of-way, on the basis of existing information.

Responses for Document 00238

00238-001: Thank you for your comment.

00238-002: Thank you for your comment.

Responses for Document 00239

00239-001: Thank you for your comment.

00239-002: Thank you for your comment.

00239-003: Thank you for your comment.

00239-004: Thank you for your comment.

00239-005: Thank you for your comment.

00239-006: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00239-007: Thank you for your comment.

Responses for Document 00240

- 00240-001:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00240-002:** The BLM conducted the National Environmental Policy Act review process in full accordance with the implementing regulations issued by the Council on Environmental Quality.
- 00240-003:** Thank you for your comment.
- 00240-004:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00240-005:** Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the DEIS. All scoping comments were considered in preparing the DEIS. Scoping comments are not listed and identified individually or responded to in the DEIS. Comments received on the quality of the analysis in the DEIS are addressed specifically in the FEIS and may result in text changes in the FEIS as well.
- 00240-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00240-007:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00240-008:** The reader is referred to Section 2.5 of the FEIS, in which audits are addressed under Alternatives and Issues Considered but Eliminated from Detailed Analysis.
- 00240-009:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00240-010:** The BLM and the agencies within JPO acknowledge both that there have been legitimate issues related to APSC's Employee Concerns Program (ECP) and that APSC has undertaken considerable efforts to improve and refine its ECP program.

The BLM and JPO expect to continue to evaluate the effectiveness of APSC's ECP through confidential surveys that will seek input from all TAPS employees (see Section 4.8.4 of the FEIS). Like the three prior surveys, these efforts can provide broad measures of the confidence that TAPS workers have in APSC's ECP and can suggest areas needing improvement.

The JPO also notes that a confidential hotline (1-800-764-5070) currently exists for employees or members of the public to report issues and concerns about TAPS. Recorded messages are checked daily by the BLM-Alaska Special Agent's office. The purpose of the hotline is to identify issues relating to pipeline integrity, public safety, environmental protections and regulatory compliance for incorporation into the JPO work program. The BLM also refers employees seeking personal relief (e.g., restoration of employment or lost compensation) to the U.S. Department of Labor or other appropriate authorities for further investigation.

- 00240-011:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00240-012:** Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the DEIS. All scoping comments were considered in preparing the DEIS. Scoping comments are not listed and identified individually or responded to in the DEIS. Comments received on the quality of the analysis in the DEIS are addressed specifically in the FEIS and may result in text changes in the FEIS as well.
- 00240-013:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00240-014:** Permafrost melting has been a continual concern since the TAPS was conceived, and surveillance for permafrost melting is routinely done. Intervention criteria already exists that would require certain actions be taken when those engineering criteria are met. For example, on vertical support members (VSMs) (the structures that support the aboveground portions of the pipeline) the angle of tilt that would trigger repair or replacement is specified.
- See Section 4.1.3.2.1 of the FEIS, which explains how the VSMs can be adjusted to respond to soil changes and seismic events.
- 00240-015:** The reader is referred to the text box in Section 4.1.1.8 of the FEIS for a discussion of the Milepost 400 ("bullet hole") incident.
- 00240-016:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00240-017:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00240-018:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

Responses for Document 00241

- 00241-001:** Thank you for your comment.
- 00241-002:** Thank you for your comment.
- 00241-003:** Thank you for your comment.
- 00241-004:** Text has been added to the EIS in Sections 4.3.19.1.2 and 4.6.2.19.1 providing additional information on the assumptions used for the analysis of state and local government finances.
- 00241-005:** Thank you for your comment.
- 00241-006:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.

Responses for Document 00242

00242-001: Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.

00242-002: The member agencies of JPO maintain constant oversight over all aspects of TAPS operations, including reviewing data to assess the environmental and public health impacts. Various state and federal agencies have issued operating permits to APSC that contain controls believed to be sufficiently protective of public health and the environment. Nevertheless, all such permits, along with their conditions and limitations, are subject to periodic review and update, utilizing all available information regarding environmental and public health impacts. Non-compliance with permit conditions would result in directives from JPO to APSC to develop and implement appropriate corrective actions.

With respect to hydrogen sulfide, we presume that the concerns reflected in this comment are directed toward the fact that hydrogen sulfide is present in fuel gas consumed in turbines at Pump Stations 1 through 4. The situation with respect to hydrogen sulfide content of fuel gas and estimates of the potential to produce sulfur dioxide, a criteria air pollutant, through the combustion of this fuel gas, is discussed in Section 4.3.9.1.

Responses for Document 00243

00243-001: Thank you for your comment.

00243-002: Thank you for your comment.

00243-003: As described in Section 4.3.24.1, with the exception of current changes due to security issues that may vary from time to time, access to the public lands in the vicinity of TAPS would not change with renewal.

Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the EIS. Scoping comments are not listed and identified individually or responded to in the EIS. Comments received on the quality of the analysis in the EIS are addressed specifically in the FEIS and may result in text changes in the FEIS as well.

00243-004: The issue of access to public lands under the jurisdiction of BLM in Interior Alaska would be more appropriately addressed to the Northern Field Office, which has responsibility on a larger scale than the pipeline corridor. In addition, the BLM-Alaska has a legally authorized Regional Advisory Council (RAC) that meets regularly to discuss land management issues in Alaska. The RAC is composed of a diverse cross section of citizens who provide advice to BLM-Alaska and who work together in a collaborative setting.

00243-005: Thank you for your comment.

00243-006: Thank you for your comment. It will be included in the FEIS.

Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the EIS. Scoping comments are not listed and identified individually or responded to in the EIS.

00243-007: Currently, there are safeguards to ensure that the postulated accident would be highly unlikely to occur. There are weather restriction on tanker operations and ice routing measures such as posting an escort ship one mile ahead of the oil tanker. The responsibility of this escort ship is to search for any floating ice that could adversely affect the oil tanker.

Based on lessons learned from the Exxon Valdez spill, a number of improvements have been made (e.g., the creation of the Ship Escort Response Vessel System (SERVS) and phase-in of double-hull tankers) that will reduce the likelihood of a catastrophic tanker accident and the expected outflow given an accident.

Responses for Document 00244

- 00244-001:** Thank you for your comment.
- 00244-002:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00244-003:** Please see Section 2.5 of the FEIS for information regarding citizens' oversight.

Responses for Document 00245

00245-001: The design, operation, and maintenance of the TAPS and the performance of other pipelines in Alaska and other regions were considered in preparing the EIS.

The comment specifically refers to the performance of older (50 years) pipelines in the State of Texas. A more reasonable analogy would be the liquids pipelines in California, which is also subject to seismic activity similar to Alaska.

In 1993, the California State Fire Marshal published the "1993 Hazardous Liquid Pipeline Risk Assessment." The study found that seismic ground movements often caused damage to buried pipelines, but in evaluating pipe damage it was essential to differentiate between damage to buried pipelines, but in evaluating pipe damage it was essential to differentiate between damage to segmented pipe (bell and spigot or flange) and continuous pipelines (welded). Water pipelines are normally segmented, while oil and gas pipelines are continuous. The California Fire Marshall study found that "various earthquakes have shown that damage to segmented pipelines is much more common than damage to continuous pipelines. Of the roughly 500 leak incidents on California's regulated hazardous liquid pipelines during the study period, only 3 were judged to be due directly to earthquake effects."

The study found that external corrosion was the largest cause of leak incidents, representing 59 percent of the total. Third party damage accounted for 27 percent of the total releases during the study period (1981 through 1990). The study found that pipelines constructed before 1940 had a leak incident rate 20 times higher than pipelines constructed later than 1980.

00245-002: It is acknowledged that shortcuts were attempted in TAPS construction. However, possible deficiencies in TAPS were investigated and corrected when necessary.

00245-003: Thank you for your comment.

00245-004: It is acknowledged that shortcuts were attempted in TAPS construction. However, possible deficiencies in TAPS were investigated and corrected when necessary.

00245-005: Local governments (e.g., North Slope Borough) have zoning and building code authority over activities on non-federal lands within their boundaries. It is up to the local governmental bodies to exercise their authority concerning building code and zoning requirements for those lands under their jurisdiction. One would have to check each local government to determine if the zoning or building code ordinances have granted exemptions for oil and gas industry activities/facilities. Federal lands are not considered within the boundaries of local governmental corporations and would not be affected by local zoning and building code ordinances.

00245-006: The operational history of TAPS, maintenance activities, spill response capabilities, and the potential for spills associated with TAPS were considered in the analysis. Impacts associated with potential spills are discussed in Section 4.4 of the EIS.

The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

The text box in Section 4.1.1.8 provides a synopsis of the MP 400 bullet hole incident. Details of the spill and the response are provided. Changes to the pipeline's spill contingency plan that are being made as a result of lessons learned are also discussed.

The TAPS Oil Discharge Prevention and Contingency Plan for the pipeline (C-Plan), prepared by APSC (2001g—see Section 3.30 of the FEIS for the reference), provides for significant resources, including equipment, trained personnel, and effective organization, to respond if oil does spill from the pipeline, including at river crossings.

The C-Plan is updated periodically and lessons learned from actual occurrences as well as from regular exercises conducted along the pipeline are incorporated into the C-Plan. In addition, the C-Plan is reviewed annually by BLM, every three years by ADEC, and every five years by DOT. EPA also reviews the plan as it applies to pump stations. As part of this process, APSC and the federal and state agencies with oversight responsibilities for TAPS make sure that the appropriate emergency response equipment and personnel are made available along the TAPS.

00245-007: Thank you for your comment.

Responses for Document 00246

00246-001: Thank you for your comment.

00246-002: Thank you for your comment.

00246-003: Under the Federal Grant, APSC is responsible for maintaining and operating TAPS safely and in a manner that is sufficiently protective of public safety and the environment. (See Grant Stipulation 1.21.1.) Except for contingency planning where Alaska regulations specifically call for an evaluation of the adequacy of resources (equipment as well as personnel) by regulatory authorities, APSC alone has the responsibility for developing appropriate management practices and operating procedures and committing adequate resources to successfully implement those systems. However, in its oversight capacity, the JPO does have the opportunity to evaluate the adequacy of APSC's operating practices and does consider resource commitments (both equipment and personnel, including levels of training) as part of the root cause analyses it performs for all identified operational deficiencies. The JPO also has authority to require APSC to develop and submit for JPO approval, a corrective action plan that may also include implementing resources. It is inappropriate for the JPO to direct the application of specific types and amounts of resources for TAPS operations. APSC retains the sole responsibility for committing sufficient and appropriate resources to meet its obligations under the Federal Grant and its stipulations.

00246-004: Establishing the design basis for all TAPS components was an important step in ensuring that the TAPS (1) was constructed using safe and proven engineering practices, (2) utilized state of the art technologies, and (3) conformed with all applicable industry and regulatory standards. Design basis specifications continue to change as new technologies are incorporated into pipeline design and operation.

Statements or specifications in the design basis that are thought to be untrue or inappropriate should be brought to JPO's attention.

00246-005: Cold restart issues, including the order, have been discussed in four Comprehensive Monitoring Program (CMP) Reports. Taken together, these report discussions represent an overview of how the issue has progressed over time. The latest coverage is on page 3-22 of the April 2002 CMP Report Examining Grant & Lease Compliance. This information was published later than the information covered in Mr. Fineberg's report.

00246-006: It is in the interests of the BLM and other member agencies of the JPO to ensure that TAPS is safely operated. The BLM and member agencies of the JPO are committed to the protection of human health and the environment. The Federal Grant and authorizing legislation (TAPAA) provide unprecedented authority to BLM to assure protection of human health and the environment through required corrective action.

Under the Federal Grant, APSC is responsible for maintaining and operating TAPS safely and in a manner that is sufficiently protective of public safety and the environment (see Grant Stipulation 1.21.1). Except for contingency planning where Alaska regulations specifically call for an evaluation of the adequacy of the resources (equipment as well as personnel) by regulatory authorities, APSC alone has the responsibility of developing appropriate management practices and operating procedures and committing adequate resources to successfully implement those systems. However, in its oversight capacity, JPO does have the opportunity to evaluate the adequacy of APSC's operating practices and does consider resource commitments (both equipment and personnel, including levels of training) as part of the root cause analyses it performs for all identified operational deficiencies. JPO also has authority to require APSC to develop and submit for JPO approval, a corrective action plan that may also include implementing resources. It is inappropriate for JPO to direct the application of specific types and amounts of resources for TAPS operations. APSC retains the sole responsibility for committing sufficient and appropriate resources to meet its obligations under the federal Grant and its stipulations.

Responses for Document 00247

- 00247-001:** Thank you for your comment.
- 00247-002:** The reader is directed to Section 2.5, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00247-003:** Thank you for your comment.
- 00247-004:** The cited North Slope 1988 spill response was not done by APSC and the spills at oil production facilities on the North Slope are not covered by the Federal Grant for TAPS. JPO's role in oil spill contingency planning is discussed in Section 4.1.1.8. Oil spill contingency planning for TAPS is discussed in Section 4.1.4.
- 00247-005:** Thank you for your comment.

Responses for Document 00248

- 00248-001:** Thank you for your comment.
- 00248-002:** Thank you for your comment.
- 00248-003:** Thank you for your comment.
- 00248-004:** The reader is directed to Section 2.5, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00248-005:** The text box in Section 4.1.1.8 provides a synopsis of the MP 400 bullet hole incident. Details of the spill and the response are provided. Changes to the pipeline's spill contingency plan that are being made as a result of lessons learned are also discussed.
- 00248-006:** The current Federal Grant and associated stipulations, along with the provisions of TAPAA, provide BLM with extensive and ongoing regulatory control of TAPS operations. These conditions would not change upon renewal.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00248-007:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00248-008:** The warming in Alaska in the last several decades is recognized. Evidences of warming in areas surrounding Alaska, including the Arctic Sea, as well as air temperatures, permafrost temperatures, and field observations in thermokarst lakes and glaciers are presented in Section 3.12.7.

Responses for Document 00249

- 00249-001:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00249-002:** The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00249-003:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00249-004:** The reader is directed to the discussion of escrow funds found in Section 2.5.
- 00249-005:** Thank you for your comment.

Responses for Document 00250

00250-001: Thank you for your comment. The EIS evaluates current provisions of the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline, including Section 29 (see Section 4.3.20 and Appendix B of the FEIS, the latter containing the wording for Section 29). Specifics of Native training and hiring, how this portion of the agreement is evaluated and enforced, and any possible changes to Native hires or training are outside the scope of this EIS.

00250-002: Section 29 issues have been a major component of the ongoing government-to-government process under TAPS renewal. BLM welcomes continued dialog with all affected Native Tribes related to Section 29 issues.

A copy of the 2001 Alaska Native Utilization Agreement (ANUA) and its implementing plan have been added to the FEIS as Appendix F. These documents detail the Section 29 requirements, as agreed to by the company and BLM/DOI.

Responses for Document 00251

- 00251-001:** Thank you for your comment.
- 00251-002:** Thank you for your comment.
- 00251-003:** Thank you for your comment.
- 00251-004:** The maintenance practices for TAPS were considered in the analysis.
- 00251-005:** Thank you for your comment.

Responses for Document 00252

- 00252-001:** Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.
- 00252-002:** Comments received during scoping are aggregated into a record of public scoping and are used to frame the issues and the analyses in the DEIS. All scoping comments were considered in preparing the DEIS. Scoping comments are not listed and identified individually or responded to in the DEIS. Comments received on the quality of the analysis in the DEIS are addressed specifically in the FEIS and may result in text changes in the FEIS as well.
- 00252-003:** Thank you for your comment.
- 00252-004:** The error in associating Stevens Village with Gwich'in (Table 3.25-1) has been corrected to note Koyukon affiliation. The EIS does not state that the Stevens Village subsistence harvest area is very small. In fact, of the harvest areas described, the one associated with Stevens Village is the largest. Changes in the text discuss the nature of this area, including its size, in greater detail (see Sections 3.24.2.2.8 and D.2.3.2.7 [Appendix D]).
- 00252-005:** Section 4.3.16.3 identified that increased human access to remote areas due to TAPS has a potential to lead to increased fish harvest. However, while such impacts may affect stocks in the immediate vicinity where access has been increased, the impacts are not expected to be significant to fish populations as a whole. Statewide harvest surveys conducted by Burr (2001) indicated that opening the Dalton Highway to the public in 1994 did not result in a large increase in fishing effort or a substantial increase in catch of commonly targeted fish species on the North Slope. The conclusions of those studies are supported by data presented in Section 3.24.4, which do not indicate a surge in sport harvests with the opening of the Dalton Highway.
- 00252-006:** Traditional ecological knowledge was included in the EIS, both in descriptions of subsistence problems (see Section 3.24.1 and D.2.3) and to evaluate impacts of the proposed action (Section 4.3.20). Traditional ecological knowledge was considered to be as valid as more conventional data collected by various researchers. As noted in these sections, impacts on caribou movement from human activity and the TAPS were identified as concerns. Additional traditional ecological knowledge was requested explicitly through an April 2002 certified letter to all 21 federally recognized tribes examined in this EIS; to date, none of these tribes has responded to this letter.
- 00252-007:** Section 4.3.20 notes impacts of non-locals on subsistence activities (which would include hunting and fishing) (see first three bullets in that section).
- 00252-008:** The economic impact of TAPS termination (the No Action alternative) is covered in Section 4.6.2.19 of the FEIS.
- 00252-009:** Text has been modified in Section 4.4.4.15 to include mention of Section 30 in the event of a severe impact on subsistence due to the TAPS (which would be due to a spill).
- The EIS does not address "human rights" per se, though it does discuss environmental justice (see Sections 3.29, 4.3.25, 4.4.4.19, 4.5.2.25, 4.6.2.26, and 4.7.8.7).

00252-010: The Dalton Highway is a state road under the jurisdiction of the State of Alaska Department of Transportation. Thus, the BLM does not have the authority to regulate access on the highway.

The Dalton Highway is discussed in the EIS in several places, e.g. at 4.3.20, Subsistence Impacts and at 4.7.6.9, Transportation.

Responses for Document 00253

- 00253-001:** The extensive monitoring, surveillance, and maintenance system of the TAPS helped APSC prevent failure of the support system of the pipeline in the past 25 years. The warming trend in Alaska is likely to continue. The monitoring, surveillance, and maintenance activities are sure to continue. VSM stability is obviously critical to TAPS integrity. As such, it is the focus of extensive monitoring and surveillance. Please see Section 4.3.2 of the FEIS (Soils and Permafrost) for additional information.
- 00253-002:** Thank you for your comment.
- 00253-003:** Thank you for your comment. Section 3.23.7 presents contracting data for APSC with Alaska Native corporations.
- 00253-004:** Thank you for your comment.

Responses for Document 00254

- 00254-001:** Thank you for your comment.
- 00254-002:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00254-003:** Thank you for your comment.
- 00254-004:** Thank you for your comment.
- 00254-005:** Thank you for your comment.
- 00254-006:** Thank you for your comment.
- 00254-007:** Thank you for your comment.

Responses for Document 00255

- 00255-001:** Thank you for your comment.
- 00255-002:** Thank you for your comment.
- 00255-003:** Thank you for your comment.
- 00255-004:** Thank you for your comment.
- 00255-005:** Thank you for your comment.
- 00255-006:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00255-007:** Thank you for your comment.

Responses for Document 00256

00256-001: Thank you for your comment.

Responses for Document 00257

00257-001: The reader is referred to Section 2.5 of the FEIS, Alternatives and Issues Considered but Eliminated from Detailed Analysis.

00257-002: The TAPAA and the Federal Grant of right-of-way provide BLM with all the authority it needs to oversee operation of the TAPS and to impose strict and enforceable requirements upon APSC to comply with necessary operational procedures. TAPS ownership is defined as joint and several, and thus if one or more owner companies cannot meet its financial obligations, the other companies are liable.

The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.

The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.

Responses for Document 00258

00258-001: Thank you for your comment.

00258-002: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00258-003: Thank you for your comment.

Responses for Document 00259

- 00259-001:** Thank you for your comment.
- 00259-002:** The phenomenon of climate change is discussed in the EIS at Section 3.12.7 and design features are discussed at Section 4.1.3.2.
- 00259-003:** Corrosion issues are addressed in the EIS, Section 4.1.2.3.
- The BLM and member agencies of the JPO use an adaptive management approach to evaluate the effectiveness of stipulations and regulatory oversight. Ongoing monitoring programs, as identified in the 12 Comprehensive Monitoring Reports published since 1996, provide BLM and JPO with the necessary information to evaluate the effectiveness of stipulations in the Grant and Lease.
- The reader is referred to Section 4.1.1 (JPO oversight) and specifically to Sections 4.1.1.2 (Adaptive Nature of the Grant in Compliance Monitoring), 4.1.1.3 (Risk-based Compliance Monitoring), 4.1.1.4 (JPO Comprehensive Monitoring Program), and 4.1.1.8 (Coordinated Planning and Response to Abnormal Incidents) for more information on the role of adaptive management as a JPO business practice.
- 00259-004:** Seismic hazards remain a concern that is carefully monitored by the APSC. Research continues to be conducted in this area, as discussed in Section 3.4. Anticipated impacts of earthquakes of various magnitudes, as well as associated seismic events (e.g., landslides), are discussed for the proposed action in Section 4.3.3.
- 00259-005:** Thank you for your comment.

Responses for Document 00260

00260-001: The TAPS crosses seven Native allotments. The pipeline owners acquired access rights across five Native allotments from the allottees. The Bureau of Indian Affairs approved these acquisitions. These are private access rights and are not subject to federal renewal of the TAPS ROW. The pipeline owners acquired access across one Native allotment by condemnation under Alaskan statute. The owners acted as agents for the State of Alaska. The access rights were acquired for and belong to the State of Alaska; they are not subject to federal renewal of the TAPS. The pipeline owners are negotiating access rights from one certified allotment holder. They will acquire private rights or go to court and acquire access rights by condemnation that will belong to the State of Alaska. Neither will be subject to federal renewal. The original TAPS ROW grant did not, and TAPS renewal will not, authorize the TAPS on this allotment.

Finally, all of the above Native allotments have been certified. The federal land status records do not show any Native allotment applications on the TAPS. Moreover, the effects of renewal on all lands along the pipeline—public, private, and Native allotments—are evaluated in the EIS.

00260-002: The reader is referred to Section 2.5 of the FEIS, “Alternatives and Issues Considered but Eliminated from Detailed Analysis.”

00260-003: Although 45 days is understandably a short time to review a document of this size, the time period is consistent with the Council on Environmental Quality regulations for implementing the National Environmental Policy Act regarding the review of draft environmental impact statements. Significant effort was made to advise people of the schedule and duration of the review well in advance (one year). The DEIS was published on schedule and many substantive comments on the content of the DEIS, including yours, were received during the 45-day period.

00260-004: Thank you for your comment. The EIS considers a broad range of issues related to the “environment,” including the natural environment, biological environment, and human environment. This range of issues is described in Chapter 3 of the EIS, and is examined in Chapter 4 in terms of impacts to each.

00260-005: Thank you for your comment.

00260-006: Thank you for your comment.

Responses for Document 00261

- 00261-001:** Thank you for your comment.
- 00261-002:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00261-003:** The reader is directed to Section 2.5, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00261-004:** Thank you for your comment.
- 00261-005:** Thank you for your comment.
- 00261-006:** The potential impacts of constructing and operating a gas pipeline are beyond the scope of the present EIS.
- 00261-007:** The reader is directed to Section 2.5, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

Responses for Document 00262

00262-001: The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

00262-002: Thank you for your comment.

00262-003: It is correct that the effects of aging have the potential to impact the integrity and reliability of any mechanical system. However, age alone does not dictate reliability or performance. Myriad factors can impact system performance. For example, the manner in which mechanical systems are operated and maintained can greatly influence their long-term integrity, reliability and performance.

Utilizing its oversight authority, the JPO ensures that APSC's operating and maintenance procedures take all potential impacting factors into account and are sufficient and appropriate to maintain TAPS integrity. JPO also has the authority to direct APSC to undertake changes, repairs, or upgrades when that is not the case. Under the Reliability-Centered Maintenance (RCM) program, all TAPS subsystems are being carefully evaluated for the consequences of their failure and will have maintenance regimens or remanufacture, overhaul, or replacement schedules established that preclude such failures from occurring, if they would have an adverse impact on public safety or the environment.

00262-004: Controlling corrosion in TAPS subsystems is critical to TAPS integrity. APSC's obligations to maintain corrosion controls are specified in Federal Grant Stipulations (See Stipulation 3.10). In fact, consideration of the effects of corrosion even pre-dated pipeline construction with the formation of a Corrosion Advisory Committee in 1969 that evaluated various protective coatings for use on the pipeline. Efforts to control corrosion are extensive and continuous, outlined in the TAPS Corrosion Control Management Plan. Monitoring for corrosion is conducted through the use of instrument pigs, as well as through visual surveillance and monitoring of the performance of corrosion control systems. See Section 4.1.2.3. Corrosion control activities are considered by the JPO to be one of the most essential maintenance activities, and JPO's oversight of APSC operations focuses strongly on corrosion control. JPO reports on the condition of TAPS and provides details of identified deficiencies in operations as well as the status of corrective actions in its Comprehensive Monitoring Program (CMP) reports. A CMP report on the TAPS Maintenance Program over the period 1999/2000, issued in January 2001, summarizes the historical development of the TAPS corrosion control program, reviews all available data to date, and concludes the following: that corrosion control is indeed "...of significant concern to the long-term viability of TAPS operations"; that APSC has instituted rigorous corrosion control and monitoring programs; and that these programs have been effective in identifying corrosion that jeopardizes system integrity and in providing timely corrective actions, placing APSC in compliance with Grant stipulations and applicable regulations with respect to corrosion control. Through the CMP program, JPO will continue to provide extensive oversight of APSC's corrosion monitoring and control programs. The Reliability-Centered Maintenance (RCM) program will provide an additional mechanism for evaluating those conditions where corrosion can lead to TAPS subsystem failures that could have adverse consequences to public health and the environment. Once identified, such conditions will then be provided with preventive maintenance protocols of sufficient design and priority to preclude such failures.

Responses for Document 00263

- 00263-001:** Thank you for your comment.
- 00263-002:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00263-003:** The reader is directed to Section 2.5, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."

Responses for Document 00264

- 00264-001:** Thank you for your comment. Preparers of this EIS were selected based on their technical capabilities, not on their racial or cultural affiliation.
- 00264-002:** The subsistence harvest area for Cordova, which for present purposes includes the Native Village of Eyak, has never been published and a series of contacts had not indicated that this area had been systematically mapped. As a result, it was not included in the DEIS. Subsequent search revealed that map data were compiled (for Cordova, though including Eyak), and we have acquired this information and included it in the FEIS. The comment is wrong in asserting that the DEIS overlooked subsistence of Cordova (Eyak); Sections 3.24.2.4.2 and 2.3.4.2, and Tables 3.24-1, 3.24-2, and D-26 all present subsistence for Cordova (Eyak). Both Section 3.24 and Appendix D have been modified subsequently to present additional subsistence data on Cordova (Eyak).
- The FEIS cites technical documentation referring to claims of outer continental shelf subsistence rights, as did the DEIS. The FEIS also cites studies funded by the Exxon Valdez Oil Spill Trustees Council, as did the DEIS. The FEIS notes several of the formal instances in which Alaska Natives were consulted in the process of preparing this impact assessment, as did the DEIS (see Table 5.3-1). Among the contacts with Alaska Natives was a certified letter mailed in early April 2002 approaching the 21 affected Tribes about the possibility of providing traditional ecological knowledge concerning subsistence. The Native Village of Eyak was one of the Tribes contacted in this effort; to date, neither they nor any of the other affected Tribes has responded.
- 00264-003:** The impacts of recent changes in tanker lanes on subsistence are discussed in the revised versions of Section 4.7.8.1 and Appendix E.
- 00264-004:** Contracting practices of APSC are outside the scope of this EIS.
- 00264-005:** Thank you for your comment.

Responses for Document 00265

00265-001: Thank you for your comment.

Responses for Document 00266

- 00266-001:** Thank you for your comment.
- 00266-002:** The text box in Section 4.1.1.8 provides a synopsis of the MP 400 bullet hole incident. Details of the spill and the response are provided. Changes to the pipeline's spill contingency plan that are being made as a result of lessons learned are also discussed.
- 00266-003:** Thank you for your comment.
- 00266-004:** The reader is referred to Section 2.5 of the FEIS, "Alternatives and Issues Considered but Eliminated from Detailed Analysis."
- 00266-005:** Thank you for your comment.

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TAPS RENEWAL DEIS
PUBLIC HEARING

Minto, Alaska

August 7, 2002

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1 Trans-Alaska Pipeline system.

2 The notice of availability of the Draft
3 Environmental Impact Statement on the TAPS Right of Way
4 Renewal appeared in the Federal Register on July 5th,
5 2002 in Volume 67, Number 129 at Page 44832. The State
6 of Alaska also provided notice of the availability of the
7 Commissioner's proposed determination on July 3rd, 2002.
8 Notification about the date and time and location for
9 this hearing, as well as the other six hearings scheduled
10 to receive comments on the Draft Environmental Impact
11 statement on subsistence and the Commissioner's proposed
12 determination was announced in the media, including
13 newspaper, radio and the Internet.

14 In addition, notices about the hearing
15 were sent to individuals and organizations that have
16 requested to be kept informed about this project. If you
17 want to be on the list to receive information about the
18 project you can sign up at the registration table.

19 Both oral and written comments will be
20 taken today. In addition, comments can be submitted to
21 the BLM by mail, by fax, by telephone, the Internet or
22 hand-delivered to the Joint Pipeline Office in Anchorage.
23 The State will accept additional written comments sent by
24 fax, mail or e-mail. We will accept additional comments
25 received or postmarked by July [sic] 20th, 2002, which is

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1 the closing date of the public comment period for the
2 Draft Environmental Impact Statement and the
3 Commissioner's Proposed Determination. Information for
4 providing additional comments is on the registration
5 table.

6 All oral and written comments received by
7 the end of the public comment period will be treated
8 equally and will be analyzed and considered in the
9 preparation of the Final Environmental Impact Statement
10 and the Commissioner's Final Determination. In addition,
11 both the Final Environmental Impact Statement and the
12 Commissioner's Final Determination will contain written
13 responses to the comments received on the respective
14 draft documents.

15 In order to ensure a complete and
16 accurate record it's necessary that only one person speak
17 at a time. It's also requested that everyone remain as
18 quiet as possible while the hearing is in process. If
19 you wish to speak, please sign in at the table over here
20 on a 3x5 card. Speakers will be called in the order in
21 which they're registered. In the event that a speaker is
22 not present when I call their name, I'll call their name
23 again later. In order to give everyone who wishes to
24 speak an opportunity to do so we ask you to please try
25 and limit your speech to 10 minutes.

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1 A court reporter will record the oral
2 comments and prepare a verbatim transcript. If you have
3 an extra written copy of your comments, please provide it
4 to me in case we have any clarification. In any event,
5 your remarks will be recorded as you state them. If you
6 wish to supplement your oral comments with additional
7 written material, please provide that material to me and
8 I'll marked as an exhibit and attach it to the hearing
9 record.

10 Are there any questions regarding the
11 hearing process?

12 (No audible responses)

13 HEARING OFFICER GEARY: Okay.

14 UNIDENTIFIED VOICE: I have a question.

15 HEARING OFFICER GEARY: Yes.

16 UNIDENTIFIED VOICE: I thought you said
17 that the close of the comment period was July 20th; is
18 that correct?

19 HEARING OFFICER GEARY: Did I say July
20 20th? I did not. I should have said August 20th, 2002.

21 UNIDENTIFIED VOICE: Thank you.

22 HEARING OFFICER GEARY: Sorry if I
23 misspoke. When I call your name, please come forward to
24 the microphone at this table and state your name, who you
25 represent, if anybody, other than yourself and whether

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1 you're providing any written comments for me to mark into
2 the record. Also, for administrative purposes, please
3 specify whether you're commenting on the Draft
4 Environmental Impact Statement, whether you're commenting
5 on subsistence or whether you're commenting on the
6 Commissioner's proposed determination.

7 All right, the first person that we have
8 signed up to speak is Andy Jimmie. 00267

9 MR. JIMMIE: Okay. My name is Andy
10 Jimmie.....

11 HEARING OFFICER GEARY: Andy, could you
12 just sit right there, so we can record it?

13 MR. JIMMIE: Right in the middle?

14 HEARING OFFICER GEARY: Right in the
15 middle.

16 MR. JIMMIE: All right. My name is Andy
17 Jimmie and I'm from Minto, Alaska. I believe I'm going
18 to probably speak mostly on subsistence. I might jump to
19 all three, I don't know, I never went through the
20 documents you was talking about.

21 But, first of all I would like to --
22 maybe I should have asked this question earlier, how come
23 of all the communities you have where you're going to
24 have a hearing there was only, Minto is the only village,
25 little village here, listed? All the rest is Anchorage,

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1 Fairbanks, Valdez, Cordova and why.....

2 HEARING OFFICER GEARY: And Barrow.

3 MR. JIMMIE: And Barrow, but, I mean,
4 there's other village in the Interior where the pipeline
5 goes pretty close, I was wonder if they were invited or
6 are you going to take their comments some way?

7 HEARING OFFICER GEARY: The comments will
8 be taken -- can be taken, as I said earlier, by mail, by
9 fax, by telephone, and we've had many of these folks show
10 up at the other hearings in Anchorage and Fairbanks, in
11 Valdez and Cordova and Glennallen, so we've had many
12 folks testify from other villages and other tribes.

13 MR. JIMMIE: Okay. Well, first of all,
14 we had a meeting -- there was a meeting here September
15 2001 and there was some concerns from the people. And
16 one of the suggestions is having the Oil Spill
17 Contingency Plan and equipment in the village. And this
18 is something that we really think is very important,
19 especially for subsistence because in our area we have
20 five rivers that come into the Flats, our hunting area,
21 between Livengood and Fairbanks. And they all run into
22 our fishing and hunting area, right into the Tanana River
23 and that covers the whole Flats, Minto Flats.

24 We feel that if we have equipment and
25 trained personnel to respond to an oil spill, we can do

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(Cont.)

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1 it probably much faster than any other -- like in
2 Fairbanks or in any other place, because we're right
3 here. We're 40 miles away and we got access to -- we got
4 river access, boats -- I mean, roads, anyway you want and
5 we know where -- we know every inch of the Flats, we can
6 get there as -- probably quicker than any other
7 organization or people that's in the country. So I don't
8 know -- probably speak for the other villages, saying I
9 think that's very -- we should have something in place
10 for an oil spill.

267-2
(Cont.)

11 Like, you know as well as I that every
12 oil spill is not the same, it's different. It's -- if we
13 have a slow leak or something an nobody knows right away,
14 we might find out in the Flats before anybody else. And
15 that's one of the main concerns the people here have and
16 it was stated Section 29 should be continued. That's a
17 concern of all people, I think, that live along the land.
18 The -- our subsistence lifestyle is getting down where we
19 can't depend on it too much, but we still like to keep it
20 where we can go out and do our subsistence hunting, so we
21 need to try to work -- find work for our people. And
22 somewhere's in a new agreement we should maybe guarantee
23 or try to guarantee employment for our people.

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24 During the construction of the pipeline
25 we had people working, but after it was pretty slim

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1 pickings after. We didn't have too many people working.
2 I don't know how to do this, I didn't -- I wasn't here
3 for the first meeting they had, but second meeting we had
4 mostly the same concerns. We like to -- and any
5 decision, like oil spill or changes, we like to have an
6 input because it affects our hunt -- you know, our area
7 here. We're pretty close to the pipeline and we're all
8 down river -- we're down river from the pipeline, so it
9 will probably affect us pretty bad if there is a -- and
10 we like to be informed and have an input in any changes.

11 And I think that's all I have for now.

12 HEARING OFFICER GEARY: Thank you, sir.
13 Would anyone else care to speak?

14 (No audible responses)

15 HEARING OFFICER GEARY: All right. Well,
16 for official purposes what I'll do is just I'll recess
17 the meeting for the official recording for a while and we
18 can all talk and if someone wants to come on and make
19 some comments than I'll go back -- we'll open the record
20 back up again.

21 So we'll go off record.

22 (Off record)

23 (On record)

24 HEARING OFFICER GEARY: All right, let's
25 go back on the record for a minute. Darrell Frank has

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(Cont.)

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1 signed up to make some comments for the record. So,
2 Darrell, if you could just sit right there and speak into
3 the microphone? Thank you.

00268

4 MR. FRANK: All right. I just wanted to
5 say that in the past 20 years Alyeska Pipeline has never
6 hired anybody from Minto until last fall when some crazy
7 shot a hole in the pipeline, then all of a sudden there's
8 30 or 40 people from Minto who are hired. I believe that
9 Alyeska TAPS has an agreement with six other villages to
10 -- made a promise of some sort that they would hire
11 Native people at a percentage to work for them. And, you
12 know, they have never kept that agreement. Then all of a
13 sudden you show up here, you're lease is almost up, and
14 your coming in here to this village to get comments on,
15 and people here -- there's just no trust here, nobody
16 really trusts this organization for them to come in and
17 say they want a 30-year lease, saying that we'll hire and
18 train people to work on the pipeline when, in fact, that
19 you never kept that agreement in the beginning.

20 The oil spill that happened up in
21 Livengood is just a prelude to what might happen in the
22 future, you know, what's to say it's going to happen, if
23 it did happen, like on the Yukon River? What are you
24 going to do, just go down river and start handing out
25 checks or what? Are you here to make promises? Are you

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1 going to guarantee us that we'll work on the pipeline?

2 The person who signature is on the
3 initial agreement is the Traditional Chief Peter John.
4 His signature is on that agreement, I believe, correct me
5 if I'm wrong. The Traditional Chief is the Chief of all
6 the Interior people here, he lives here in this village
7 and you people show up here today wanting some input and
8 then really -- there's really nobody here, hardly anybody
9 here, just a hand few [sic] people here and they really
10 -- really don't want to say nothing because, you know,
11 who is to say if you'll honor their words when, in fact,
12 you didn't in the beginning.

13 Another thing, too, is the results of the
14 oil spill, as far as the clean up goes, were those made
15 public as to how much oil has leached into the soil? And
16 if so, where are these numbers or percentages? There was
17 no really follow-up meeting that I know of or ever
18 attended. All I did was hear rumors of that was leaking
19 out or maybe some of the oil has leached into the bedrock
20 and has gone, maybe, farther than -- you know, farther
21 than it was expected. And I would just like to see that
22 maybe some of these questions could be answered and that
23 some sort of guarantee in writing for the people of Minto
24 and other villages to ensure that this does not happen
25 again or ever.

268-1
(Cont.)

268-2

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1 I know that other agencies were here
2 before this meeting that have come in here and held a
3 meeting, stating that they were going to do an
4 exploratory well somewhere in the Flats out here or near
5 it. Basically they're just going in there regardless of
6 what the Minto people felt about it. They just came in
7 here had their meeting last summer and said they're going
8 to go do an exploratory well regardless of if we
9 supported or did not support it, they're going to do it
10 anyway.

11 Most of the elders here are old, they
12 don't understand very well and it takes the rapport
13 between the young people to explain these things to them,
14 so we kind of, like, have to be watchdogs and explain
15 these things in the simplest way we can so that it would
16 be understandable to them. I, for one, am against
17 exploratory wells near the Minto Flats.

18 And I just hope that you're not here just
19 because your renewal is up for lease and that you come in
20 here to make more promises that you can't keep or never
21 kept in the beginning. And I just hope I didn't waste my
22 time here today or my words. And I would pray that you
23 people would honor your past agreement and I hope that
24 people will hold you to that so that you do honor that.
25 And that you owe an apology to the Traditional Chief for

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1 breaking that promise and to the other people of this
2 village and other villages also.

3 I'm sure there's more that I should have
4 said or -- I just can't think of it right now, but maybe
5 at a later time and date that I will submit more, I don't
6 know. But, anyway, thank you.

7 HEARING OFFICER GEARY: You're welcome.
8 Thank you for your comments. If you choose at a later
9 time to call them in, there's a toll free number that you
10 can call additional comments in and they will be recorded
11 and added to the record, too.

00269

12 MR. FRANK: All right.

13 HEARING OFFICER GEARY: Rocky Riley.

14 MR. RILEY: Hi, my name is Rocky Riley,
15 I'm from Minto. I own a construction firm, Tolovana
16 Construction, and Alyeska hired my firm to bring a bunch
17 of Minto guys up and clean up the oil spill, and
18 everybody said that we done a pretty good job. And, you
19 know, since Minto is right near the pipeline with five
20 creeks running into the Minto Flats, you would think that
21 Alyeska would be falling all over themselves to give us
22 some right-of-way work, but that hasn't happened. Since
23 we finished the oil spill, that's just been it, we've
24 just been sitting here.

25 And I really went out of my way to

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1 accommodate Alyeska, I bought three crew cab pickups and
2 I have pollution liability coverage and all of that, so I
3 made it real easy for Alyeska to call, but they never
4 did. Anyway, that's besides the point.

5 What I wanted to say is I noticed on your
6 Environmental Impact Statement about subsistence, that
7 there's going to be no effect on the subsistence or there
8 has been no effect on the subsistence, which is wrong.
9 You know, when you guys put the road in, like, from
10 Livengood up north, it's like opening the door for
11 hunters and fishermen and every Tom, Dick and Harry to
12 come in and basically rape and pillage the land. And
13 it's been pretty easy for people to come in and do that.
14 Minto is kind of used to it, because we're close to
15 Fairbanks, but speaking on behalf of Allakaket and Alatna
16 and Bettles and Stevens and Rampart, you guys kind of
17 opened the door with the Hickel Highway to rape and
18 pillage their lands. And I think that you guys made a
19 mistake when you put that little think in there that said
20 it had no impact on subsistence. So that's something that
21 you guys should change.

22 Personally, I don't think this should
23 happened every 30 years, I think the pipeline is ageing
24 and I believe you guys should go every 10 years. Five
25 years is kind of a little bit too short, but every 10

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1 years for the right-of-way renewal would be more
2 realistic.

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(Cont.)

3 And, you know, I never read your 45-page
4 thing or 1,700-page little impact statement, so I really
5 can't comment intelligently on any of that. But one
6 thing I want to bring to your mind is on the front page
7 of the Fairbanks newspaper, about two weeks ago, it said
8 "Different Groups Ask for More Time to Put in Their Two
9 Cents". Do you remember that headline in the Fairbanks
10 newspaper? And that's the attitude of the Fairbankens
11 [sic] and basically the State of Alaska toward the Native
12 people, is that, you know, they call it our two cents,
13 you know.

14 And Alyeska said that they were going to
15 hire -- Section 29, 19 percent or whatever, were Alaska
16 Native hire on the pipeline, but that hasn't happened.
17 In fact, you guys hardly hired -- you didn't hire anybody
18 out of Minto until just recently, so that's -- like
19 Darrell was saying, that's one broken promise.

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20 And I'll be -- there's some people that I
21 met here that came down with you guys from Alyeska and I
22 really -- I'll be interested to see if Alyeska calls
23 Minto and offer us some right-of-way work or something
24 like that, you know, that would be fair.

25 And Andy Jimmie also commented that you

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1 guys should stage some oil spill -- we should be in your
2 Oil Spill Contingency Plan. When I went out and got that
3 pollution liability coverage for my company I tried to
4 make it as easy as possible for Alyeska to include Minto
5 in their Oil Spill Contingency Plan, but they haven't.
6 The had training this summer, we weren't invited. You
7 invited Rampart and Stevens and some other village, but
8 you didn't invite Minto. I know Alyeska really sucks up
9 to Senators, you know, and they really -- and the DEC and
10 everybody else really sucks up to Alyeska because
11 Alyeska's got all the gold in their pocket, you know.

12 But I think you guys are really catering
13 to Rampart and Stevens because the political -- because
14 Senator Lincoln put pressure on you, but she never
15 mentioned Minto, so Minto really has no representation
16 until you guys show up here, and then we can put in our
17 two cents. It's a good thing that you guys give Rampart
18 and Stevens work, that's good, but it'll be fair if you
19 guys consider Minto.

20 There's probably a lot of other things in
21 that Environmental Impact Statement that should be
22 commented on, but I can't comment on them because I
23 haven't read that thing, so I guess I'll leave it at that
24 and just hope that you guys -- well, I really -- I don't
25 know, in my mind and my heart I kind of wrote off

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1 Alyeska, you know, you guys are -- I don't -- too many
2 broken promises, so I just -- you know I don't even
3 depend on them in any way, shape or form.

4 I guess that's all I got to say. Thanks.

5 HEARING OFFICER GEARY: Thank you. Is
6 there anyone else who wants to speak at this time?

7 MR. SILAS: Yes, I do.

8 HEARING OFFICER GEARY: Okay. Could you
9 write your name on this card for me?

10 MR. SILAS: Yes, I will.

11 HEARING OFFICER GEARY: Okay, thank you.

12 MR. SILAS: My name is Ron Silas, I'm a
13 current -- who are you guys? I know who you guys are,
14 but I've been through here before, okay? Okay. I am
15 very concerned about -- you know what if there's an oil
16 spill, how many times I told you guys just rivers -- just
17 -- you know, we got six rivers, we got six creeks out
18 there. If there's an oil spill. You just had an oil
19 spill, somebody shot your pipeline and we're concerned.
20 What if -- what if they shot, you know -- we have six
21 rivers that we're concerned about and if anything happen,
22 guys, you know what it -- you know what it's going to be
23 devastating to our subsistence lifestyle. How many times
24 I have to tell you?

25 We don't -- you know -- do you have --

00270

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1 who's going to help us, man? Look that guy shot the
2 pipeline, what if it was right on one of our rivers, you
3 know, right on the river, what would you do? Do you have
4 a contingency plan for that, sir? That's what we're
5 concerned about. Look, look, there's a river flowing
6 right in front of us, that is our -- that's one of our
7 main rivers. Look. It'll be devastating to our
8 subsistence lifestyle. It'll kill all the fish that
9 we.....

10 But there's moose right there. It'll
11 devastate our lifestyle. What could you do to prevent
12 that? Look, if somebody shot the pipeline up in
13 Chatanika River, just like that guy did, look Chatanika
14 is right there, our main river supply. It would devas -
15 - what -- do you have a contingency plan? Do you --
16 that's what we're concerned about, we have six rivers.
17 That's what we're really concerned about, guys. You guys
18 know that. How many times we told you, huh?

19 (In Native) How many times we told you
20 that, look, every river that flows in front of us, it's
21 our lifestyle. And it didn't happen [sic] it's gone,
22 man. I mean, we're concerned, we're really concerned,
23 man. It's -- how come nobody even considered that?

24 But while I got the floor, if anything
25 happened like that, okay? How come, you know -- if

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(Cont.)

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1 anything was to happen -- if there's another nut up there
2 shoot, who's going to walk up to the Chatanika River, you
3 know, and -- it's -- all that oil is going to come down,
4 who's going to stop it? Have to consider who's going to
5 stop that oil, huh?

6 What I'd like to say is us. Give us the
7 technology and -- I mean, stop it, stop it. We can stop
8 it. It's our land, man. Give us this -- give us
9 technology and fish -- stop it. We have six -- like I
10 say, we have six rivers.

11 That's all I got to say.

12 HEARING OFFICER GEARY: Ron, what's your
13 last name?

14 MR. SILAS: Silas.

15 HEARING OFFICER GEARY: Can you spell
16 that for me?

17 MR. SILAS: S-I-L-A-S. Thank you, sir.

18 HEARING OFFICER GEARY: Is there anyone
19 else who would like to say something right now?

20 (No audible responses)

21 HEARING OFFICER GEARY: All right. I'll
22 go off record and we'll wait and see if someone else
23 wants to change their mind in a while.

24 (Off record)

25 (On record)

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1 HEARING OFFICER GEARY: Okay. I'm going
2 to call the meeting back to order. Has anyone else
3 decided that they would like to say anything for the
4 record?

5 (No audible responses)

6 HEARING OFFICER GEARY: Has anyone else
7 decided that they would like to say something for the
8 record.

9 (No audible responses)

10 HEARING OFFICER GEARY: Okay. Well, if
11 no one else has decided..... 00271

12 MR. FINEBERG: I want to speak before you
13 close.

14 HEARING OFFICER GEARY: Richard, take the
15 microphone. That's figurative.

16 MR. FINEBERG: My name is Richard
17 Fineberg, I am with the Alaska Forum for Environmental
18 Responsibility and I came today largely to listen to the
19 people of Minto. But, as you know, I have been sharing
20 the concerns of the Alaska Forum, which are very similar
21 to the concerns you have heard today.

22 I would like to make a short statement to
23 share with you some of the things we are saying in the
24 meetings in town. And, like some of you who have spoken,
25 we do not know if anybody is really going to listen, but

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1 there are some of our elders also speaking. The Alaska
2 Forum believes prevention of oil spills is of paramount
3 importance to preserving the habitat on which the
4 residence in the pipeline corridor and downstream of the
5 pipeline crossings depend. For this reason, we have
6 testified at each hearing on own strong concerns about
7 the lack of assurances of a stable funding source for the
8 pipeline and on a consistent pattern of deferred
9 expenditure at the environment's expense.

271-1

10 One example is the replacement of the
11 gate valve on the north side of the Yukon River, right at
12 the crossing. The primary function of that valve is to
13 protect the Yukon River and the downstream villages. The
14 valve was diagnosed incapable of sealing properly in the
15 case of a spill in 1995, but was not replaced until 1999.
16 We have stated on numerous occasions, for the record, we
17 considered this four-year delay unacceptable. By the
18 way, very much of this information is contained in my
19 report, which I have given to Andy Jimmie and I will be
20 happy to leave one more copy. During the period that the
21 valve was not replaced, between '95 and '99, we were
22 aware that some attempts to make the faulty valve seal
23 resulted in an overpressuring incident on the pipeline in
24 August of 1997. That resulted in a fine by the U.S.
25 Department of Transportation for unsafe operations and a

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1 subsequent compliance order for failure to remedy that
2 problem.

271-3
(Cont.)

3 We also formally objected to what we
4 considered to be a very inadequate spill drill at Burbot
5 Creek, and that was based on the scenario of a spill
6 scenario at the Yukon in late 1997. Each of these
7 events, and I could name many more, some are in the
8 report, but I'm simply choosing ones from your area,
9 which is what I've done in my testimony elsewhere,
10 Cordova, Valdez, Glennallen. But we believe that each of
11 these events demonstrates a failure of commitment by
12 Alyeska to the highest standards of environmental
13 protection.

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14 The pipeline monitors rejected our
15 criticism. The fruits of this poisoned tree became
16 evident at Livengood last October when it took 36 hours
17 to stop the leak. During that period the poorly
18 conceived effort to pump oil to the north to reduce the
19 pressure on the line resulted in damage to the pipeline
20 supports at Prospect Creek far to the north. These
21 failures of the Pipeline Main Line Contingency Plan
22 result from a common cause, the lack of training and
23 preparation for spill response. We find this history
24 inconsistent with the stewardship of the resource and we
25 find it inconsistent with the findings of the State and

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1 Federal monitors that Alyeska is in complete compliance
2 with grant -- is in full compliance with grant and lease
3 agreements and requirements. This hinges around the word
4 "full compliance" by the way. They're in compliance
5 according to the monitors.

6 Again, the details of the concerns are in
7 the report I will leave today. There are people who
8 share the same concerns, so I am very happy to be here
9 today and to learn of your concerns. Thank you.

10 HEARING OFFICER GEARY: Thank you,
11 Richard. Is there anyone else who would like to say
12 something for the record?

13 (No audible responses)

14 HEARING OFFICER GEARY: No one else?

15 (No audible responses)

16 HEARING OFFICER GEARY: All right. Then
17 I'm going to adjourn the public comment period until 7:00
18 p.m. Friday night in Barrow. Off record.

19 (Off record)

20 (ADJOURNMENT)

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I, Joseph P. Kolasinski, Notary Public in and for the state of Alaska, and reporter for Computer Matrix Court Reporters, LLC, do hereby certify:

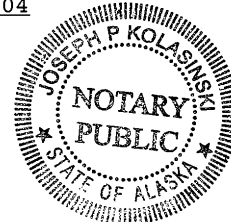
That this hearing was recorded electronically and thereafter transcribed under my direction and reduced to print;

I further certify that I am not a relative, nor employee, nor attorney, nor of counsel of any of the parties to the foregoing matter, nor in any way interested in the outcome of the matter therein named.

this 15th day of August 2002.



Joseph P. Kolasinski
Notary Public in and for Alaska
My Commission Expires: 04/17/04



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Responses for Document 00267

00267-001: In addition to hearings and the five other ways to comment on the DEIS, villages, Tribal governments, and Native groups were provided opportunities to participate in the comment process through government-to-government consultation. As a result, meetings were held in villages during scoping, prior to and during the public comment period, and continuing throughout the TAPS renewal decision-making process.

Also see the revised Section 5.3, which addresses government-to-government issues.

00267-002: The BLM and the other JPO member agencies share your concern about the potential for spills from the TAPS to affect people downstream. The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each of five participating agencies (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, Alaska Department of Natural Resources, and the Office of Pipeline Safety) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group meets monthly and maintains a continuous monitoring program on TAPS oil spill planning and related issues.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: (1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and (2) through JPO's comprehensive TAPS operations oversight, monitoring of issues that could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly trained individuals who are fully prepared to respond quickly and effectively.

Section 4.1.4 in the DEIS contains a detailed description of the oil spill contingency planning requirements. Included are requirements for predicting discharge movement and spread and probable points of contact with environmentally sensitive areas and areas of public concern.

Use of spill response teams in villages is part of the overall strategy and will continue to be implemented in the future.

The Bureau of Land Management is committed to implementing the requirements of Section 29 in the Federal Grant of Right-of-Way for the TAPS. Section 29 requires that Alaska Natives will be provided with training specifically designed to prepare them for job opportunities with APSC.

00267-003: Section 4.3.21 discusses Section 29 of the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline, which has a hiring provision for Alaska Natives (see also Appendix B for the text of Section 29). The EIS assumes that APSC will comply with this portion of the renewal agreement.

00267-004: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

Section 4.1.4 in the EIS contains a detailed description of the oil spill contingency planning requirements. Included are requirements for predicting discharge movement and spread and probable points of contact with environmentally sensitive areas and areas of public concern.

Responses for Document 00268

00268-001: The issue of Alaska Native hiring on the TAPS is discussed in Section 4.3.21.1 (impacts under the proposed action). The EIS assumes that the APSC will comply with Section 29 of the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline (see Appendix B). Section 29 does not specify the villages from which Alaska Natives will be hired. Specifics of Native hiring, and how this portion of the agreement is evaluated and enforced, are outside the scope of this EIS.

Section 4.4.1 discusses various spill scenarios considered in the EIS, including their likelihood and the amount of oil likely to be released.

00268-002: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

Section 4.1.4 in the EIS contains a detailed description of the oil spill contingency planning requirements. Included are requirements for predicting discharge movement and spread and probable points of contact with environmentally sensitive areas and areas of public concern.

Responses for Document 00269

00269-001: Contrary to the statement in the comment, in Section 4.3.20 the DEIS concludes that there likely would be small negative impacts to subsistence under the proposed action (renewing the TAPS right-of-way). The presence of prior impacts to subsistence from the TAPS, and the difficulty of establishing a relationship to the TAPS, are discussed in Section 3.24.

The Hickel Highway is not related to the TAPS right-of-way, but represents an example of the broad changes initiated in Alaska after oil was discovered at Prudhoe Bay.

00269-002: Thank you for your comment.

00269-003: The issue of Alaska Native hiring on the TAPS is discussed in Section 4.3.21.1 (impacts under the proposed action). The EIS assumes that the APSC will comply with Section 29 of the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline (see Appendix B). Specifics of Native hiring, and how this portion of the agreement is evaluated and enforced, are outside the scope of this EIS.

00269-004: Thank you for your comment.

Responses for Document 00270

00270-001: Section 4.1.4 discusses spill prevention and response. Section 4.4.1, in turn, discusses the various spill scenarios considered in the EIS, including both their probability of occurring and the amount of oil that would be released. Included in the spill scenarios are spills due to acts of vandalism, as occurred in Livengood. Section 4.4.4.14 discusses impacts to subsistence due to spills, including spills into rivers. As the comment suggests, impacts could be severe if such spills occur, though primarily under certain conditions as discussed in Section 4.4.4.14. However, the likelihood of such a spill occurring in an individual river is extremely remote—for a large spill, about 1 in 255 million.

Section 30 of the Agreement and Grant of Right-of-Way for Trans-Alaska Pipeline (see Appendix B) explicitly addresses steps to be taken should the TAPS damage subsistence resources.

Responses for Document 00271

00271-001: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

The TAPAA and the federal grant of right-of-way provide BLM with all the authority it needs to oversee operation of the TAPS and to impose strict and enforceable requirements upon APSC to comply with necessary operational procedures. TAPS ownership is defined as joint and several and thus if one or more owner company cannot meet its financial obligations, the other companies are liable. Trans-Alaska Pipeline Authorization Act (Title I, amendment of Sec 28 of the Mineral Leasing Act, Section 28 (r)(2)(B)(5) provides further protections and recourse, if the Secretary has reason to believe that any owner or operator is not fulfilling any of its obligations as a common carrier, including completion of use.

00271-002: APSC has completed a multi-year valve testing and repair program, which addresses the performance of the valves. Investigations of mainline valves on the TAPS have shown a limited number of valves exhibit internal leaking where small amounts of product in the pipeline leaks through a closed valve designed to stop oil flow. Although leaking of the valve is not a leaking of oil to the environment, valve leaking could increase the potential volume of a pipeline spill under certain circumstances. Risk assessments are conducted to determine the risks associated with leaking valves and valve repair and/or replacement jobs are prioritized based on the risk estimates. (See, for example, the report "Risk Assessment for Ten Pipeline Valves with Leak-through," by W.T. Aus, B. Weber, and E.W. Klechka, APSC, March 2, 2001). Those valves that pose unacceptable risks have been repaired or replaced. The performance of all mainline valves is monitored annually, with full closure tests to be done on a regular basis.

00271-003: The design, operation, and maintenance of TAPS and the performance of other pipelines in Alaska and other regions were considered in preparing the EIS (see Sections 4.2.5.2 and Appendix A.15).

00271-004: The oil spill planning and prevention effort in the JPO is a large-scale, multi-agency endeavor. Each participating agency (Alaska Department of Environmental Conservation, Environmental Protection Agency, BLM, and the Alaska Department of Natural Resources) has a particular focus, but these are all considered collectively in the JPO TAPS oil spill response and planning group. This inter-agency group generally meets monthly with APSC and maintains a continuous monitoring program on TAPS oil spill planning and related issues. The group also coordinates with the Office of Pipeline Safety, which reviews the Pipeline Oil Spill Contingency Plan.

The emphasis of all agencies is on the prevention of spills. This is accomplished through a combination of: 1) oversight of spill contingency planning (including 64 exercises on TAPS annually) and, 2) through JPO's comprehensive TAPS operations oversight, monitor issues which could contribute to a spill in the future. In the event of a spill, however, JPO has a number of highly-trained individuals who are fully prepared to respond quickly and effectively.

00271-005: See the text box on the MP 400 bullet hole incident in Section 4.1.1.8 of the FEIS.

