NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

EFFECTS OF OIL AND GAS ACTIVITIES IN THE ARCTIC OCEAN
ENVIRONMENTAL IMPACT STATEMENT

PUBLIC SCOPING MEETING AND COMMENT PERIOD
WAINWRIGHT, ALASKA
MARCH 9, 2010

APPEARANCES BY AGENCY STAFF AND CONSULTANTS:
Michael Payne, National Marine Fisheries Service
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Joan Kluwe, URS
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* * * *
JOHN HOPSON, JR.: So why do you have it so detailed in this second paragraph here that states the term take under MMPA means to harass, hunt, capture, kill or collect?

MICHAEL PAYNE: Right.

JOHN HOPSON, JR.: Yet you're telling me that doesn't affect the oil and gas, but in your definitions it does here.

MICHAEL PAYNE: No, it does affect the oil and gas. If we -- well, we don't.....

JOHN HOPSON, JR.: But what I'm saying is if you issue an ITA.....

MICHAEL PAYNE: Correct.

JOHN HOPSON, JR.: ......they are allowed to hunt, capture, kill, or collect -- or attempt to harass, hunt, capture, or kill or collect, legally, because that's what your meaning states.

MICHAEL PAYNE: Okay. There's two types of permits, ITAs. One of them authorizes killing. We don't do that up here. The ones that we do authorize only allows disturbance or harassment. But before we authorize that permit, they have to go through certain steps to make sure that -- there's a second part to that, and if you hang on for one minute, I'll come back to your question. I'll show it in a minute.
We can't authorize that permit unless we actually know, or we do everything we can to make sure that they don't -- you know, that -- with all the activity that's going on up here, we don't think the oil and gas activity has affected the population of bowheads, for example. They're increasing pretty good. We don't know for sure if it's affected your ability to get those animals, and that's really of kind of more importance to me right now than looking at this, the assessment of the population. We think bowheads are doing pretty well. Polar bears are not doing well, but not for reasons related to global warming and ice. But I'll come back to that, I promise you.

Don't let me forget.

(Presentation continued)

TERRY TAGAROOK: I have a question.

MICHAEL PAYNE: Good. I can shut up.

TERRY TAGAROOK: And I'll give you a break. Yeah, on the applications, and who is taking any applications? The state or the federal?

MICHAEL PAYNE: The federal.

TERRY TAGAROOK: And it's -- none of it is going to the state?

MICHAEL PAYNE: Well, not yet. This is just for offshore waters. I don't know what the state process is. They probably have their own process for drilling on state lands, but I don't know what that one is. This is just for offshore
Help everybody understand what justified your calling and saying a new EIS is needed when you say this is too much of a different activity. We need understanding of what -- we understand what seismic is versus exploratory drilling.

Yeah. Well, if it were just seismic and we were just looking at one or two vessels like they have been for the last couple of years every year, we probably would not have changed any way we were doing it. We would probably look at this one year at a time. However, there is potentially an effect of seismic. It produces a lot of noise, and we have been told, and people are concerned that that noise might drive animals away.

When you have that activity, that amount of noise, and you throw on top of it the effect of a drill ship in the same area about the same time, more noise and more activity, we had never analyzed the effect of those two things together. And what we want to do in this document is do that analysis. And we would like to do it for not just one year at a time, which is what we've been issuing permits for, one year at a time, we would like to be able to look out and say over the next three or four years, at least that far, this is how many ships we expect, this is how much activity we expect, this is how much disturbance we expect.
After we do that, if we can go back and still make the statement that that much activity will have no effect on reproduction or survival of bowheads, of belugas, of seals, well, anything under the Marine Mammal Protection Act, and if it won't have an impact on the availability of those animals to harvest, then we can issue the permits. But we've never looked at this much activity at one time. That's the real difference between what we were doing and what we're doing now. Okay.

JOHN HOPSON, JR.: With that being said, you mentioned earlier that the old questions or comments are still being used today. Is that a true statement?

MICHAEL PAYNE: Yeah. We're looking at them now. Actually, URS is compiling them from the two or three EISs that we've done in the past......

JOHN HOPSON, JR.: Yeah.

MICHAEL PAYNE: .....from the records from Northstar. I don't know where else we're getting -- literature, any place that we can find them.

JOHN HOPSON, JR.: Where I'm going to be careful in that is the knowledge we have of what oil and gas exploration is at that time versus what it is today for us is a different story. We've learned a lot in the last 15, 20 years of what oil and gas does and what it's going to do with today's technology.

So I hope we're not using -- maybe I had negative
comments on oil and gas five years ago, ten years ago, versus
what it would be today because of the knowledge that we've
gained in these consultations the industry has given us over
the past five, ten years.

MICHAEL PAYNE: Yeah, that's actually a very good
point. The technology today is so much different. But I want
you to understand that when we compile these comments, these
are comments that people have had over the years. We will
address those comments. And one of the ways you might address
that comment, like you just said, is if there were a negative
comment ten years ago, technology and new information might say
this is how we're going to address it today.

And no matter what we do in this draft document, people
are still going to have a chance, even at the end of that
process, to come back with another set of comments and say
yeah, you're right, or you were wrong, this is what I meant.
So the fact that you made comments one way or the other five
years ago doesn't mean you can -- you don't have to -- you can
change your mind. It also allows for new technology and new
information for us to be able to explain why we can still --
why we think we can do it better this time.

So anyway, that was a good point, but you'll have the
opportunity to make another comment on whether we did it right
or not this time, too.

(Presentation continued)
JOHN HOPSON, JR.: With that being said, what do you know of the decibels being emitted from a drill ship versus what a full-blown seismic survey as you show in the middle or the top screen is? What are the difference in decibels that you know of?

MICHAEL PAYNE: Well, I'm not the best one. I know we know that. Maybe some of the people with me know it. They're more technical than I am. But I do know that, first of all, they're different kinds of sounds. One's kind of a continuous sound, and one's a very definite impact sound. And so they transmit differently.

SHEYNA WISDOM: The source level is quite a bit different. Drilling and source level is actually less than a seismic source level, but it spreads out over farther distances because it's lower frequency and a little bit different type. But when they -- they can add together and make it pretty loud in that overlap zone.

MICHAEL PAYNE: So actually, we have other people working with us that are pretty good at that, and I'm definitely not the one that would answer that question normally.

AUDIENCE MEMBER: What do you consider shallow?

MICHAEL PAYNE: Well, that's a good question.

SHEYNA WISDOM: The shallow hazard is more related to the type of.....
MICHAEL PAYNE: It's related to the amount of penetration into the subsurface. And when they say shallow hazard, that can be in 100 meters of water, it can be anywhere in the ocean, but it doesn't penetrate very deep. And they're just looking basically at the top of the -- they're looking at the top of the bottom, if you will. They're just looking at the surface of the bottom.

The other type is a much louder source, and it penetrates much deeper. So that's a little bit of a misnomer, but it -- they can use it anywhere out here in the Chukchi or the Beaufort for sure.

(Presentation continued)

JOHN HOPSON, JR.: Do you have a concept of where Franklin Point is?

MICHAEL PAYNE: No, but you can help me. Just tell me where.

JOHN HOPSON, JR.: It's right at the point north of Wainwright.

MICHAEL PAYNE: Oh, right there?

JOHN HOPSON, JR.: Right there. I've done fall whaling with my father and my great-uncles in the nineties, and we've gone up in the Franklin Point area, but have never gone out more than ten miles offshore. Never. I've never.....

MICHAEL PAYNE: Did you have luck?

JOHN HOPSON, JR.: No. I mean, but what I'm saying is
the fall whaling that I know of goes between Wainwright and the Peard Bay area, but never ten miles -- more than ten miles offshore.

MICHAEL PAYNE: Okay. One of the.....

JOHN HOPSON, JR.: The whales that have been known to land are about 15 miles north of Wainwright, but that was over 100 years ago. That's the last time Wainwright got a fall whale. I don't know of any whaling crew in Wainwright that has gone more than ten miles offshore.

MICHAEL PAYNE: Well, I'm telling you this now, only because one -- the group that we deal with a lot is the AEWC.

JOHN HOPSON, JR.: Yeah.

MICHAEL PAYNE: And your representatives in the AEWC, your attorneys and those people at HEC in Washington, D.C. that I deal with pretty regularly has indicated to us you might want to start a fall hunt. Now, if you don't, that's fine. I'm not trying to say they're telling us that, but that's something that is a -- that would be a big piece of information if it were true.

JOHN HOPSON, JR.: We've been trying to fall whale since the early nineties, is the.....

MICHAEL PAYNE: YEAH.

JOHN HOPSON, JR.: ......earliest that I can remember up until last year. Almost every year we've had somebody go out fall whaling.
MICHAEL PAYNE: Well, that's kind of what we've always understood, but.....

JOHN HOPSON, JR.: Yeah. If I had my way, we'd fire that attorney of AEWC. She's such a pain in the butt.

MICHAEL PAYNE: Did you get that on record?

JOHN HOPSON, JR.: Yeah. And my name is John Hopson for the record. She knows that I talk like that. But to tell you that -- I should tell you that anybody that has fall whaled out of Wainwright goes up and down that coast where the whales are, but we've never needed to go more than 10 miles offshore.

MICHAEL PAYNE: Well, actually, it's interesting, because I don't have the information here, but some of the new stuff that ADF&G is doing with people up here when they're tagging bowheads, they're actually showing the whales -- there are few in the fall that come down, but you're right they're about 20 miles offshore in this area, but most of them actually come in and go this way.

JOHN HOPSON, JR.: Yeah.

MICHAEL PAYNE: And this is of a concern to us. It may not be during the harvest, but this -- the whales are actually going right over the location where the seismic and the drilling is proposed to happen.

JOHN HOPSON, JR.: And even during the past years of seismic survey, the path has never changed much, give or take five miles.
MICHAEL PAYNE: Right. And most whales -- if they're migrating, most whales don't care about the noise, they'll just pass right through it.

JOHN HOPSON, JR.: Yeah.

MICHAEL PAYNE: If they're feeding or if they're in an area where they want to stay, then they may be disturbed more. But a migrating whale, it may deflect, it will keep on rocking, you're right. Okay. So I'll keep on your.....

(Presentation continued)

JOHN HOPSON, JR.: When you talk about threatening danger as our bowhead is listed, how much of AEWC's comments are taken versus an individual's comment? Is it more serious than our comments or not?

MICHAEL PAYNE: No. No.

JOHN HOPSON, JR.: Because AEWC comments on every little thing that comes out there through Jessica, the attorney. But none of their representatives come to our community to see our input. AEWC has a longstanding history of not coming to each community to get our input before they go off and comment on any of the EISs on the air quality permit application on any of them. Yet they are taken seriously, and the people who actually live here don't get to tell them wait a minute here. They don't come and ask for our input.

ICAS, you guys are familiar with them, Inupiat Community of the Arctic Slope.....
MICHAEL PAYNE: We meet with them tomorrow, actually.

JOHN HOPSON, JR.: .....they're another entity that do
not come to the communities, but yet they say they have
community support in their comments. None of them have ever
come to the community of Wainwright, but yet they speak on our

MICHAEL PAYNE: Okay.

JEFFERY LOMAN: Their comments are taken on their
merit, face value, and have no more weight than your comments
or anything.....

JOHN HOPSON, JR.: But we need you to understand that
from our community, they do not come. If they say they do, I'd
like to know the record of that date and time, because we've
never seen them here. Both AEWC nor ICAS. Not even the North
Slope Borough. When the mayor or his staff decides to comment,

MICHAEL PAYNE: Well, I appreciate the comment. We do
have that. And like Jeff said, I mean, we get comments from
organizations, we get comments from individuals, we get
comments from tribal governments. The Wainwright Whaling
Captains Association submits comments like what you said.
They're all taken pretty much at the same level.

Sometimes the ones like from the AEWC have to be
responded to because somebody higher than me at the Department of Commerce wants an answer. But in terms of this process, each comment, whether it's from an individual or from a group like the AEWC, is taken very seriously. Especially now. We really want to do this one right, you know.

JOHN HOPSON, JR.: When you go and get their comments and their questions and you answer them, please do take into serious consideration that they are not really speaking on our behalf. Because they may say they are a regional organization, but they don't come to us and get our comments. They only stay in Barrow in their little office, and then they comment on our behalf in a negative way, which we don't want to have happen.

MICHAEL PAYNE: Well, one thing we can ensure is that as we get comments and as we respond to them, we can make sure that Wainwright, the people in Wainwright, get to look at our responses. Maybe it will be a draft or whatever, but if we're wrong, you can let us know. We have heard that, what you just said, and we recognize it, and we try to take that into account. We do.

TERRY TAGAROOK: And besides what they say about their area, and our area is much different then theirs. They have more stronger currents up at Barrow than areas over here. And that makes a difference.

(Presentation continued)

JOHN HOPSON, JR.: Well, what is the deadline date for
comments?

SHEYNA WISDOM: April 9th.

MICHAEL PAYNE: April 9th.

SHEYNA WISDOM: And that just means for it to get in the scoping report. We'll be accepting comments after that.

JOHN HOPSON, JR.: Yeah.

MICHAEL PAYNE: Yeah.

(Presentation continued)

JOHN HOPSON, JR.: And that's at the Egan Center, right?

MICHAEL PAYNE: It will be, yes.

JOHN HOPSON, JR.: Okay.

(Presentation continued)

JOHN HOPSON, JR.: This EIS, is it a one-year document, or is this going to be one of many multi-year documents?

MICHAEL PAYNE: We hope that the EIS will be used to develop permits for multi years. We want to make it broad enough and accurate enough that it will be able to predict the effects of oil and gas activities for at least five or six years to come. Some of the EISs I've worked on have been in effect for a decade when things really don't change.

A good example, the Northstar. Nothing really changes at Northstar from year to year. So when you write one of those things, they try to update it every five years, but honestly it could last for ten years if they wanted it to, probably.
only thing that changes is not the action, it's the background around it. Like the listing of polar bear has changed since the last Northstar permit. And a few things like that.

Before I shut up, though, does anybody have any questions or comments or anything? Jeff? Anybody?

JEFFERY LOMAN: No. I'd just thank you again for coming. Minerals Management Service, and under this administration, like the last administration, is committed to preserving what we know to be a culturally self-defining practice, whaling and other subsistence activities. We want to continue to celebrate what we consider a national treasure, the Inupiat people, along with all other Native American peoples, and protect your resources while we facilitate and regulate the oil and gas activities as they come to us, which I know here in Wainwright, the people understand how important they are, how important they are to Alaska's economy, to the economy of the North Slope Borough, and the future economy of Wainwright. We want to work with you, and we appreciate all your work that you've done recently to support us in the ongoing litigation concerning the exploration. Thank you for coming.

MICHAEL PAYNE: So I hope it was understandable. And if you have any -- again, we'll open up now. If you have -- if you want to make public comment tonight, just -- you can probably do it from where you're sitting, or if you want to, come up here and sit a little bit closer to make sure the
microphones will pick you up. Otherwise, thank you, and we'll be around here for a while if you just want to talk to us about this.

Before we break up, do we have anybody that wants to have an oral comment?

EDNA AHMAOGK: I do.

MICHAEL PAYNE: You do?

EDNA AHMAOGK: Yeah.

MICHAEL PAYNE: Okay.

EDNA AHMAOGK: Edna Ahmaogk. When I heard you talk about the cap, I've been having a -- you know, putting a cap, you know, or a request for a cap of how much exploration will be done, I think that's a good idea. I don't know if the companies will abide by the cap, because I've spoken with several residents from the Nuiqsut area, and they had an area where they would just -- they said a plane -- you know, no more than this many planes will come in in a week. And then as the years passed, more and more planes came in. And they kept getting closer and closer to their subsistence camps.

And I'm just, you know, concerned that even though if this EIS statement is written, will the companies really abide saying that if -- you know, in the statement there is one vessel this year and it's going to remain that one vessel, what if they sneak in another one? I'm just concerned.

And there is nowhere else in the world where people are
still living as lively as we are, subsistence wise, and we're not exploiting our natural resources as in most countries. You know, we're doing it for our living. And I don't want to lose that.

MICHAEL PAYNE: Thank you for your comment. I can -- where we are right now, what we will do is I mentioned a cap or something like a cap. As we develop the alternatives -- like I said, we get an application, as we look at the analysis, one of the alternatives probably will be that over the next decade, five to ten years, we won't have any more than this amount of activity at any one time. I don't know if that will be the preferred -- the one that's selected or not. We'll take that -- time will tell.

But if we do that, if that becomes the alternative and that becomes the -- what the National Marine Fisheries Service wants to permit, then the oil companies would have to live by it, and it will be part of their permit. In the past it probably hasn't been. It hasn't been that kind of a detail. And so time will tell if we go that route, if things -- it will be part of the process, and I'm confident the oil companies would live with it. I think they would now.

EDNA AHMAOGK: And I'm afraid with the comment that you said time will tell, because we can't take back the time once it's done.

MICHAEL PAYNE: Right. That's always -- we don't like
the activity to be the experiment. That's what we're trying to avoid.

EDNA AHMAOGK: Yeah.

MICHAEL PAYNE: And we are -- I always feel that way whenever I get involved in any of these projects. You don't want the activity itself to be the experiment, don't know what's going to happen until it's over. That's not a way to go. We're trying to avoid that. We are.

Any other comments? If not, thank you for coming and we're -- I guess we're adjourned. We'll be around. I just didn't want people to make a lot of noise during the comments. Thank you. Thank you very much.

(Off record)

(On record)

JOHN HOPSON, JR.: Today's market is such a big cash economy, you need cash for everything. You need cash just to print the papers you're giving me. It costs money. We have to work with the oil companies side by side. And if we don't, another company will come in and do it for us while we're sitting out and losing out on this.

The only biggest fear that most people have that I can recall is an oil spill. But the statistics show over 90 percent of the oil spills in the world are from tankers. The rest is very minimal from a pipeline. If they do develop oil, it has to be done by a pipeline. We cannot do it through a
tanker system.

But the stand that we take today is so important in working with the oil companies so that we have a good working relationship, not only with the industry, but with the federal government. And it is not represented. And that's where we think we should be. The idea of losing our subsistence is only based on the fact that if we have an oil spill, it can happen.

Oil and gas in the Chukchi will not affect my subsistence hunting because I don't go 70 miles out. I've never gone more than 20 miles out offshore. One of our elder whaling captains made a comment a few years ago in our whaling captains meeting. He said maybe if the oil companies make a lot of noise out there, the whales will come in closer to Wainwright and give us a better chance to hunt the whale in the fall time. That was a thought.

But the activity is so far out, the only real chance of hurting my subsistence hunt is by an oil spill. And having an oil spill is a lose-lose situation for everybody. It costs the oil companies money to deal with it. So they're going to do everything in their part to make sure they don't have an oil spill.

Prevention, you've seen their prevention, preventative measures on oil and gas. And they're one of the most superior based on what has been done in the last 20 years, you know. But I believe that for what I do today, we need to work with
the oil companies or my daughter will not get a chance to go
hunt like I have or he has, because I won't be able to provide
stuff to have that happen. People talk about how we're going
to lose our subsistence if we have oil and gas, but nobody
wants to talk about I have an ability to lose my job if we
don't have it.

A lot of people are working today because of Shell and
Conoco in Wainwright. They wouldn't have those jobs if the
idea of having oil and gas out there wasn't there. Now they
can provide for their family, they can go hunt where before
they had no income. This is a positive move for our community,
for Alaska, and for the nation. And it's what the nation
needs. It's not what I need; it's what the nation needs.
We're exporting too much and importing too much when we can do
it ourselves.

So I think we need to work with the industry and the
federal agencies to make this a reality. Otherwise we're going
to just sit here waiting for court appeals to happen, which is
wrong. A judge should not be able to hold up our development.
What if I decide to build a store as my house and somebody sues
me, so does that person have the right to stop me from creating
an income for my family?

That's what these people are doing in putting lawsuits
on oil and gas. When you look at the lawsuits versus the
impact statement, that's what they're suing on. Everybody's
done everything to the best of their ability, but they find little misspells that create a lawsuit, and it puts a hurt on the economy of us. Not just Wainwright, but everybody else who has an effect of oil and gas. People lose their jobs every time a lawsuit gets put in, because they don't know if they'll be able to go to work or not.

We need to work together, and that's where Wainwright, I believe, is. We're willing to work with the federal government and the oil companies to make this a reality. And we all need it, everybody knows that. We're going to hear comments about we're afraid to lose our hunting, we're afraid to lose our culture. We will lose it if we don't create jobs. Our population is only growing, it's not getting any smaller, and that's going to create a problem if we don't have jobs. It's going to turn to violence, drugs, and alcohol, which is not right.

We need something for people to look forward to, for the high school kids to look forward to, and then moving in their own life. Thank you.

MICHAEL PAYNE: Thank you very much.

TERRY TAGAROOK: And I would just like to make one more comment before I go. No matter what the oil companies does in the Chukchi Sea, it will have an impact on the environment out in the ocean. No matter what happens. We won't know the outcome now, but something is going to happen, and that's for
MICHAEL PAYNE: Thank you. Thank you. Thank you for coming.

ROBERT SHEARS: I work in the offshore oil support industry, and I was in a -- or excuse me. My name is Robert Shears, a resident -- a 14-year resident on Wainwright. And I have a subsistence-oriented family, a Native family. So we're active in both the ocean and the land here. However, I have an interest in and I'm a supporter of offshore support. You guys have done a lot of good groundwork.

Frankly, I think you're premature coming here with this when we haven't even stuck steel in the ground out there, but I understand why you are. You must be optimistic that this is going to grow into something, because that's what this EIS is meant to do, is to address the growth of the industry and the offshore drilling, which I think is fine. I think the ground rules are well laid out. I don't see a strong impact based if -- you know, following the procedures for incidental harassment and incidental take. I think we can cohabitate with the oil and gas activity in the Chukchi.

However, a third point, and here's the elephant in the room, at what point does the growth of oil and gas activity in the Arctic Ocean go to such a point where it becomes a national security asset, similar to the Aleyska Pipeline? How much growth has to happen before we see national defense assets
deployed to the Arctic Ocean to secure and to protect from other national interests?

My concern is oil and gas activity in the room (ph) is going to lead to other interests. It's going to bring other interested parties into the Arctic Ocean. Specifically the Navy. Most specifically submarine activity using active sonar. I think active sonar is going to be one of the biggest harassment effects on our marine wildlife. And I think it should be part of the scope of this EIS, addressing how Naval activity and how national defense assets will be deployed to protect oil and gas activity in the Arctic. That's my comment for tonight.

MICHAEL PAYNE: Thank you.

(Off record)

(END OF PROCEEDINGS)
CERTIFICATE

UNITED STATES OF AMERICA

) ss.

STATE OF ALASKA

I, Crystal D. Scotti, Notary Public in and for the State of Alaska, residing at Fairbanks, Alaska, and court reporter for Liz D'Amour & Associates, Inc., do hereby certify:

That the annexed and foregoing National Oceanic and Atmospheric Administration: Effects of Oil and Gas Activities in the Arctic Ocean, Environmental Impact Statement Scoping Meeting was taken before me on the 9th day of March, 2010, at Wainwright, Alaska;

That this hearing, as heretofore annexed, is a true and correct transcription of the testimony of participants, taken by me electronically and thereafter transcribed by me;

That the hearing has been retained by me for the purpose of filing the same with URS, 560 East 34th Avenue, Suite 100, Anchorage, Alaska 99503, as required by URS.

That I am not a relative or employee or attorney or counsel of any of the parties, nor am I financially interested in this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 13th day of April, 2010.

___________________________________
Crystal D. Scotti
Notary Public in and for Alaska
My commission expires: 09/15/2010

S E A L