

## **COMMENTS AND RESPONSES**



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**TAPS RENEWAL DEIS**  
**PUBLIC HEARING**

Barrow, Alaska

August 9, 2002

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

4 TRANSLATOR: (In Inupiat)

5 MR. REIMER: Good evening and thanks for  
6 coming. I'm Gary Reimer of the Bureau of Land  
7 Management, also the Joint Pipeline Office.

8 MR. THOMPSON: Hello. I'm Mike Thompson.  
9 I represent the State of Alaska, Department of Natural  
10 Resources. Thank you for attending tonight's public  
11 hearing.

12 MS. ZULO: Cynthia Zulo, Division of  
13 Governmental Coordination. I'm pleased to join you this  
14 evening.

15 INTERPRETER: (In Inupiat)

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

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

9 Both oral and written comments will be  
10 taken tonight. In addition, comments can be submitted to  
11 the BLM by mail, fax, telephone, the internet or hand-  
12 delivered to the Joint Pipeline Office in Anchorage. The  
13 State will accept additional written comments sent by  
14 mail, fax or e-mail. The telephone number for the Joint  
15 Pipeline Office to submit comments is 1-866-542-5903.  
16 We will accept additional comments received or postmarked  
17 by August 20th, 2002, which is the closing date of the  
18 public comment period for the Draft Environmental Impact  
19 Statement and the Commissioner's Proposed Determination.  
20 Information for providing additional comments is also at  
21 the back of the room on the registration table. All oral  
22 and written comments received by the end of the public  
23 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 is 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 If you wish to speak, please sign in at  
11 the registration table first. In the event that a  
12 speaker is not present when I call their name, I will  
13 proceed and I will call that person's name later. In  
14 order to give everyone who wishes an opportunity to  
15 speak, we ask you to please limit your comments to 10  
16 minutes.

17 A court reporter will record the oral  
18 comments and prepare a verbatim transcript. If you have  
19 an extra written copy of your comments, please provide it  
20 to me so that we can use it for any clarification that  
21 may be necessary. In any event, your remarks will be  
22 recorded as you state them. If you wish to supplement  
23 your oral comments with additional written material,  
24 please provide that material to me and it will be marked  
25 as an exhibit and made a part of this hearing.

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INTERPRETER: (In Inupiat)

HEARING OFFICER GEARY: Are there any questions about the process of this hearing tonight?

INTERPRETER: (In Inupiat)

HEARING OFFICER GEARY: We'll proceed with the hearing.

INTERPRETER: (In Inupiat)

HEARING OFFICER GEARY: When I call your name, please come forward to the microphone, state your name, the organization that you represent, if any, and whether you're also providing written comments. Also, for administrative purposes, please specify whether you're commenting on the Draft Environmental Impact Statement, whether you're commenting on subsistence under .810 of ANILCA or whether you're commenting on the Commissioner's Proposed Determination.

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INTERPRETER: (In Inupiat)

HEARING OFFICER GEARY: Mayor George Ahmaogak.

MAYOR AHMAOGAK: Good evening. Although I wanted to continue mechanizing on my boat to go boating tonight, I thought it was very important that I come over here and present the North Slope Borough's comments.

I'm George Ahmaogak, Sr., and I'm the Mayor of the North Slope Borough. I want to welcome the

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1 agency officials and staff members who have come to  
2 Barrow today for this hearing. I also want to thank the  
3 local officials, staff and members of the public who have  
4 taken the time to attend and provide their testimony on  
5 the subject of reauthorizing the Trans-Alaska Pipeline  
6 Right of Way. I first testified on this very issue  
7 October of last year.

8 The documents that are under review are  
9 very large and complex, but my comments will be brief and  
10 I hope to the point. There is no need here to provide a  
11 history report on centuries-old Inupiat prior use and  
12 occupancy on the North Slope. Our relationship to this  
13 land and adjacent waters, the growth of the oil and gas  
14 industry in our region, the formation of the North Slope  
15 Borough and associated vast improvements in the quality  
16 of life of our people or our strong economic ties to the  
17 oil and gas industry and its facilities, including the  
18 Trans-Alaska Pipeline. Those topics are either well  
19 known to you agency decision-makers or adequately covered  
20 in the document. More to the point, there are eight  
21 primary issues or action items as we see them regarding  
22 the Trans-Alaska Pipeline system and the decision facing  
23 the Federal and State of Alaska oversight agencies at  
24 this critical time.

25 We have the following comments on these

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1 key issues.

2 On the issue of reauthorization. The  
3 North Slope Borough supports the reauthorization of the  
4 Trans-Alaska Pipeline system pipeline Right of Way.  
5 This, of course, should be no surprise to anybody. The  
6 pipeline is a valuable State and Federal asset. The  
7 North Slope oil fields and the Trans-Alaska Pipeline are  
8 the primary tax base for our municipal borough  
9 government. We, in turn, fund essential services and the  
10 construction and operation of public facilities in all of  
11 our eight villages. These include schools, health  
12 clinics, water and sewer projects, power plants, roads,  
13 fire, public safety stations and including community  
14 centers. The state of Alaska and all of its residents  
15 are likewise dependent upon oil and gas revenues and have  
16 benefited greatly from the North Slope and the Trans-  
17 Alaska Pipeline operations.

18 The pipeline has proven to be the only  
19 safe and reliable means of transporting massive volumes  
20 of oil from the northern fields to southern processing  
21 facilities and to the market. All of the conceivable  
22 alternatives including ice going tankers are far less  
23 efficient and pose far greater risk to the Alaskan  
24 environment and to the Inupiat way of life.

25 Now, I want to talk on the issuing of

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272-1

272-2

1 monitoring and the maintenance of the Trans-Alaska  
2 Pipeline system. Comprehensive monitoring and  
3 maintenance of the pipeline should be increased. This is  
4 common sense, responsible management and good public  
5 policy. As I have said, the pipeline is an extraordinary  
6 valuable asset. The land it occupies is essentially on  
7 loan to its operators and to the owners. All feasible  
8 steps to protect the asset and land should be required.  
9 We recognize in our personal lives that aging facilities  
10 and equipment require greater attention if they are to  
11 continue their useful lives. The saying is true in the  
12 public realm, we believe that on a whole, operators have  
13 done a capable job of monitoring and maintaining the  
14 pipeline to prevent spills and maintain flow. Discharges  
15 have been quickly detected and contained when they have  
16 occurred.

17 In short industry has acted responsibly.  
18 But now must be even more aggressive in watching over an  
19 aging facility. Monitoring and maintenance plan programs  
20 and budgets must be enhanced.

21 On the issue of the citizen's oversight  
22 group. A lot of people talking about that, whether in  
23 Fairbanks or in Anchorage and I thought I would at least  
24 say something regarding that. We support formation of a  
25 citizen's oversight group for the pipeline. The group

272-2  
(Cont.)

272-3

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1 should include North Slope members representing our  
2 people whose traditional homeland bears much of the risk  
3 associated with an asset which benefits all of Alaskans.  
4 Along with the increased monitoring and maintenance  
5 programs and budgets should come greater transparency in  
6 management of the pipeline. An oversight group patterned  
7 after the Prince William Sound and Cook Inlet Regional  
8 Citizen's Advisory Council, RCAC's established by Federal  
9 followed the 1989 Exxon Valdez Oil Spill would go to a  
10 long way to raising public confidence and preventing  
11 operator complacency in the management of the pipeline.

12 The mission of the RCAC, the Regional  
13 Advisory Councils is to promote environmentally safe oil  
14 and gas operations in their respective areas. The  
15 guiding rationale behind this establishment is that  
16 citizens with the most at risk from such operations ought  
17 to have some say in the management decisions which could  
18 affect them. It has long been clear that North Slope  
19 Inupiat residents bear most of the risk associated with  
20 the industrialization of our traditional homeland. Good  
21 public policy, environmental justice and common decency  
22 demand that we have a voice not only in the permitting of  
23 projects, but also in the ongoing operations of  
24 facilities which so massively and directly threaten our  
25 environment and our culture.

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(Cont.)

272-4

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1                   On the issue of impacts. Construction  
2 and operation of the Trans-Alaska Pipeline system has not  
3 been without any impacts. I touched on the positive  
4 economic impacts associated with the Trans-Alaska  
5 Pipeline system. There certainly have also been some  
6 long-term adverse impacts, which have not been adequately  
7 addressed in the Draft Environmental Impact Statement  
8 which you produced. There have been changes in the  
9 habitat and migration and use patterns of North Slope  
10 wildlife. Using caribou as a good example, if not in  
11 their numbers, there have been cumulative, social and  
12 cultural impacts on our residents, there have been  
13 impacts associated with the Haul Road paralleling the  
14 Trans-Alaska Pipeline, distinct from impacts related  
15 solely to the pipeline itself.

16                   Caribou migration patterns were altered,  
17 changed by construction of the Trans-Alaska Pipeline  
18 system and the associated Dalton Highway. Studies,  
19 scientific studies utilizing radio collars on caribou  
20 indicated that to a great extent, these obstacles  
21 continue to impede the free movement of the affected  
22 North Slope herds. Without pre-construction baseline  
23 data it is impossible to assess the likely impact of these  
24 animals. Subsistence users in our communities of Nuiqsut  
25 and Anaktuvuk Pass have long noted these changes and they

272-5

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1 have to cope with the absence of game in traditional  
2 harvest areas. A comparable deflection of animals from  
3 industrial areas has occurred in the oil fields as well  
4 as in the association with the transportation corridor.  
5 Our communities have lived with these impacts for over  
6 decades. Continued expansion of oil facilities on the  
7 North Slope will likely further displace game and alter  
8 subsistence harvest patterns. These ongoing and  
9 increasingly significant cumulative impacts is not  
10 addressed in your Draft Environmental Impact Statement.

272-5  
(Cont.)

11 There are hazardous waste sites and other  
12 damaged areas within the pipeline corridor in need of  
13 clean up and remediation. This reauthorization must  
14 require that all of these sites are identified and  
15 reasonable timelines set for their rehabilitation.

272-6

16 We have also spoken before about another  
17 less obvious category of impacts, these are the social  
18 and the cultural impacts associated with North Slope oil  
19 and gas activities that continue to affect our  
20 communities. They are not always specific to a single  
21 project or incidents, but can certainly be heightened by  
22 individual events. More continuously, these impacts  
23 reflect the cumulative level of industrialization that  
24 makes people worry and feel threatened by the effects of  
25 the change. Over a relatively short three decade period

272-7

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1 of time our people have experienced changes, felt over  
2 perhaps 200 years by the greater American society.  
3 Despite the clear benefits which oil and gas development  
4 on the North Slope has generated, industrialization has  
5 also created the conditions for a whole range of anti-  
6 social responses to a deeply felt sense of loss. The  
7 stress and anxiety and the depression associated with  
8 dramatic change is evident in individuals, in families,  
9 and in the broader North Slope communities. The North  
10 Slope Borough has urged the comprehensive study of the  
11 cumulative impacts of exploration and development on our  
12 communities. The North Slope Borough alone now absorbs  
13 the cost in health care, counseling, public safety and  
14 other areas associated with these impacts. We have urged  
15 that action be taken by the oil and gas industry and by  
16 the state of Alaska and by the Federal government to  
17 mitigate these ongoing impacts which are direct result of  
18 industrial development. We urge the industry and  
19 governments that greatly benefit from the North Slope  
20 operations to allocate impact assistance funds as a  
21 normal part of doing business in places where Native  
22 cultures are affected.

23 In addition, we'd also like to see more  
24 permanent job opportunities for our people in pipeline  
25 and other industry operations. You see these planes

272-7  
(Cont.)

272-8

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1 coming out of Anchorage and Fairbanks, coming out of  
2 union halls and none for the local people to land these  
3 jobs. While residents do find work with Native  
4 corporation subsidiaries that receive contracts for  
5 occasional projects, permanent jobs associated with the  
6 pipeline and other operations still primarily go to the  
7 people from outside the region. Alaska Natives and North  
8 Slope residents in particular are poorly represented in  
9 the oil industry work force. We recognize industry  
10 initiatives to increase Native employment and renewed  
11 efforts to train and employ North Slope residents in  
12 pipeline and other jobs.

13 On the issue of the Haul Road. The  
14 direct environmental impacts of the pipeline has been  
15 limited and manageable. Issues associated with the  
16 Dalton Highway or the Haul Road and their relationship to  
17 the pipeline issues complicate matters. Clearly, the  
18 Haul Road and the pipeline are related and the management  
19 of the two assets must be a coordinated undertaking. The  
20 State of Alaska, over the strong objections of the North  
21 Slope Borough opened the Haul Road to public traffic.  
22 The ongoing and potentially serious impacts associated  
23 with the Haul Road must be considered together with the  
24 pipeline for purposes of impact assessment.

25 Originally a restricted industrial supply

272-8  
(Cont.)

272-9

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1 route to the oil fields, the Haul Road is not promoted in  
2 a lot of travel magazines as one of the America's great  
3 frontier driving experiences. This attracts more and  
4 more travelers every year to a road that was not designed  
5 for public use and is not adequately maintained for  
6 public travel. There is a critical shortage of sanitary,  
7 waste, emergency facilities, including toilets, waste  
8 receptacles, roadside pullouts and call boxes. Drivers  
9 of 18-wheelers feel they have a priority on that road,  
10 just drive it one time you'll see it, as was the  
11 intention and the case since the highway was first  
12 constructed. Slow-moving or stranded passenger vehicles  
13 can create dangerous situations out there. It is, of  
14 course, the North Slope Borough which must respond to  
15 emergencies on that very road within our boundaries.  
16 This is an added expense to us, to our local government  
17 and diverts limited response equipment and personnel from  
18 potential needs in our communities. This ongoing and  
19 increasingly significant impact is not addressed in your  
20 Draft Environmental Impact Statement. Why? The Borough  
21 should be reimbursed for all of its expenses including  
22 responding to emergencies associated with public access  
23 to that road. The road is more dangerous and more remote  
24 than any public road of comparable length in the country.  
25 These conditions demand a higher concentration of

272-9  
(Cont.)

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1 emergency facilities that are found elsewhere. It is  
2 irresponsible for the State of Alaska to continue to  
3 allow public access to the Haul Road without providing  
4 appropriate sanitary, waste and emergency facilities  
5 especially pullouts, call boxes for use by the traveling  
6 public.

7                   Beyond the dangers associated with the  
8 Haul Road travel are impacts to subsistence can be linked  
9 to that highway. While by comparison under normal  
10 operating conditions, the pipeline's impact are somewhat  
11 constant and manageable. The impacts of the Haul Road  
12 are largely dependent on traffic levels. More traffic  
13 generally means more impact on wildlife and to the North  
14 Slope residents.

15                   Since the opening of the Haul Road to the  
16 public subsistence hunters in Anaktuvuk Pass and Nuiqsut  
17 have noticed a decrease in the availability of caribou  
18 near their villages. Sport hunters and game guides using  
19 aircraft and off road vehicles cache supplies and use the  
20 road as a jumping off point to reach vast areas of the  
21 North Slope traditionally utilized only for subsistence  
22 by these and other communities.

23                   Competition for resources, disruption of  
24 subsistence activities and non-subsistence hunting  
25 practices which deflect animals from traditional

272-9  
(Cont.)

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1 subsistence harvest areas are a major concern. Without  
2 mitigation, these impacts will sure increase with the  
3 increasing traffic on that road. This is a very serious  
4 concern for those residents and more focus should be  
5 placed on scientific study and mitigation measures to  
6 address the village concerns. The village concerns of  
7 Nuiqsut and Anaktuvuk Pass.

8 This ongoing and increasing significant  
9 impact is not also addressed in your Draft Environmental  
10 Impact Statement. Why?

11 Security of the Trans-Alaska Pipeline as  
12 related to public access to the Haul Road should also be  
13 a significant concern. The events of last September, as  
14 well as the Livengood shooting incident, argue in favor  
15 of a far greater restriction on access to the road. This  
16 potentially significant impact is not, again, addressed  
17 in the Draft Environmental Impact Statement. Why?

18 As a means of mitigating impacts to  
19 wildlife movement, subsistence uses, economic impacts  
20 associated with the provision of emergency and other  
21 services and security risks, the North Slope Borough  
22 strongly recommends a return to purely industrial use of  
23 the Haul Road. Short of that, public access should be  
24 limited to licensed tour operators only.

25 Now, I'm going to talk about the issue of

272-9  
(Cont.)

272-10

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1 historical promises. You got to remember the Trans-  
2 Alaska Pipeline has been there for many years and I want  
3 to talk about the issue of historical promises.

4           During the initial permitting of the  
5 Trans-Alaska Pipeline, the Borough's First Mayor, the  
6 Late Eben Hopson, Sr., spoke of his frustration with the  
7 government officials moving ahead with the project, oil  
8 and gas leasing and other proposals threatening  
9 significant impacts to the traditional Inupiat homeland  
10 and the culture without sufficient consultation with the  
11 affected community. Today, we often share that  
12 frustration and can add to it a related frustration over  
13 promises made during those early days of the Borough and  
14 the North Slope industrialization which has not been  
15 honored. I want to touch on those two issues tonight.

16           First, the North Slope Borough has been  
17 consistent over the last 30 years in demanding that a  
18 comprehensive inventory of historic, archeological and  
19 cultural sites be undertaken in association with the  
20 construction and the operation of the Trans Alaska  
21 Pipeline system. That has never been followed up and it  
22 showed up on your first Environmental Impact Statement  
23 and still nothing today. Why?

24           The Haul Road and other North Slope  
25 industrial infrastructure, those sites, historical sites

272-10  
(Cont.)

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18

1 identified as deserving a formal designation as  
2 historical sites were to have been appropriately  
3 designated and protected. A comprehensive survey and  
4 inventory of these historical sites has never been  
5 adequately undertaken. These current renewal processes  
6 can be the tool to correct this wrong.

7 Reauthorization of the Trans-Alaska  
8 Pipeline Right of Way must demand a full inventory and  
9 where appropriate, designation of historic, archeological  
10 and cultural sites within the Trans-Alaska Pipeline Haul  
11 Road and transportation corridor.

12 There were also assurances, again,  
13 talking about promises, past promises, given during the  
14 initial permitting of the Trans-Alaska Pipeline that made  
15 microwave communication links associated with the  
16 pipeline were to be made available for public use.  
17 Microwave links. Communication links. Thirty such links  
18 were to have been developed and only two ultimately were  
19 and they were not available again for public use for  
20 communications. That was 29, 30 years ago.

21 Today, there is a fiber optic capability  
22 associated with the operation of that pipeline. Where  
23 feasible the North Slope public should have access to  
24 communications, technology brought into our region in  
25 association with TAPS and other industrial facilities.

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272-10  
(Cont.)

272-11

1 Again, this renewal process can serve as a tool for  
2 fulfillment of a promise made during initial review and  
3 the permitting of the original pipeline system.

4 They promised these things and still  
5 today nothing every happened, it just got buried in the  
6 shuffle again and here we go again, another 30 more  
7 years. These were commitments.

272-12

8 On the issue of the time for Draft  
9 Environmental Impact Statement review. This should not  
10 be a difficult issue. The review period should be  
11 extended for 30 days as requested by numerous individuals  
12 and groups. An additional 30 days of public input in  
13 advance of a proposed 30 year Right of Way grant should  
14 not be significant to the Trans-Alaska Pipeline owners  
15 and operators or the oversight agencies. Given the  
16 volume and complexity of paperwork generated and subject  
17 to review and the great interest shown by the public it  
18 is nonsensical to deny the extension requested.

272-13

19 An additional 30 days of review can only  
20 enhance the quality of critical inquiry and comments  
21 received and raise public confidence in the depth of  
22 scrutiny employed by agencies in the renewal process.

23 On the issue of renewal for less than 30  
24 years. You want to renew that Right of Way renewal for  
25 30 years, I want to talk on the issue of renewal for less

272-14

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1 than 30 years. Renewal of the Right of Way has been  
2 proposed for an additional 30 years. 30 years is a long  
3 time in life of such massive and critically important  
4 facility. Our uneasiness with the length of the renewal  
5 would be significantly lessened by the establishment of  
6 the citizen's oversight group advocated above by the  
7 Borough and elsewhere by others. Establishment of the  
8 group would be a good and appropriate compromise between  
9 those in the industry and agencies who desire long-term  
10 certainty in management of the asset and those in the  
11 public who desire a meaningful voice in management  
12 decisions which will affect them perhaps even longer  
13 term.

14 Again, thank you for coming to North  
15 Slope, I hope you will listen and act on the comments you  
16 hear tonight. Thank you very much for giving me this  
17 opportunity to testify before you and comment on the  
18 Draft Environmental Impact Statement. We will submit  
19 further written comments because there is other issues  
20 that we need to bring up.

21 We had an incident, a good example, one  
22 of our individuals on the North Slope was driving from  
23 Anchorage through the Haul Road going to Nuiqsut,  
24 apparently he had a heart attack and his wife went out to  
25 one of the pipeline camps, pump stations and wanted to

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21

272-14  
(Cont.)

272-15

1 use the phone so we can call our search and rescue  
2 medevac people to pick him up, apparently he was having a  
3 heart attack, well, the individual died on the location  
4 and we medevac'd him out and brought him back but he was  
5 denied access to a telephone to call us. These are the  
6 types of written comments that we are going to submit.

7 There's many, many more issues like this  
8 that we need to bring out, so in written form we'll  
9 follow-up later on. Thank you for the opportunity  
10 tonight. Goodnight. Do you want a copy of this?

11 HEARING OFFICER GEARY: Thank you.

12 INTERPRETER: (In Inupiat)

13 HEARING OFFICER GEARY: Mayor Ahmaogak's  
14 comments will be entered into the record as Exhibit 64.

15 (Hearing Exhibit 64 marked)

16 INTERPRETER: (In Inupiat)

17 HEARING OFFICER GEARY: We'll stand in  
18 recess for 10 minutes and we'll come back on the record  
19 in 10 minutes. Go off record.

20 (Off record)

21 (On record)

22 HEARING OFFICER GEARY: All right, we're  
23 going to go back on the record. The next speaker that I  
24 have scheduled to speak is Richard Glenn. Is Richard  
25 here? Richard, come on up to the podium.

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22



1 INTERPRETER: (In Inupiat)

2 MR. GLENN: Good evening. Excuse me, I  
3 apologize for not coming when you first called me, some  
4 of our elders had questions and I was in the back room.

5 My name is Richard Glenn and I'm the vice  
6 president of lands for Arctic Slope Regional Corporation  
7 and I've been asked to present comments on behalf of our  
8 regional corporation.

9 First, I'd like to welcome you all to  
10 Barrow for this hearing and I appreciate the facts that  
11 these hearings are being held at locations throughout the  
12 state. I've turned in a written prepared statement and I  
13 am requested that it be incorporated into the record and  
14 I will not read it in its entirety. Instead, in the  
15 interest of time I'll present the summary of our  
16 statement and highlight some important points so that the  
17 meeting can have a comfortable time table for this  
18 evening's gathering.

19 You are probably familiar with Arctic  
20 Slope Regional Corporation, our Native regional  
21 corporation for the Inupiat people of the North Slope of  
22 Alaska. IT has a shareholder base of more than 8,000  
23 people and is the largest private landowner on the North  
24 Slope with title to more than five million acres of  
25 surface and subsurface lands. I won't go into a lengthy

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1 review of our corporation but to say that it is the  
2 Native regional corporation of the North Slope of Alaska.

3 Our comments can be summarized as  
4 follows.

5 1. ASRC supports reauthorization of the  
6 Right of Way of the Trans-Alaska Pipeline system. This  
7 is the backbone of Alaska's economy, it's the best way to  
8 move Alaskan North Slope oil to the market and in 30  
9 years of operation of the Trans-Alaska Pipeline system,  
10 Alyeska, the operator has shipped billions of barrels of  
11 oil out of the North Slope and had demonstrated  
12 environmental responsibility and respect for the living  
13 resources of the Arctic.

273-1

14 2. The current public input at the local  
15 and State and Federal government oversight levels of the  
16 Trans-Alaska Pipeline system is sufficient. No new  
17 oversight panels or groups are being requested by Arctic  
18 Slope Regional Corporation. We don't believe they're  
19 necessary and we're not requesting them. The ASRC does  
20 not advocate for another layer of government oversight  
21 for TAPS, it would add an unnecessary bureaucratic layer  
22 to a system that is currently working effectively.

273-2

23 3. 30 years is an appropriate time  
24 interval for revisiting the Right of Way authorization.  
25 We know that it is necessary to occasionally revisit the

273-3

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24

1 reauthorization issue, should evaluate the operator's  
2 performance and also the standards to which you're  
3 holding the operator. If this time interval were  
4 significantly smaller, though, then the operator and the  
5 regulatory agencies would constantly be getting ready for  
6 a review or be in the middle of a review and then we  
7 would be bogged down in paperwork. 30 years is  
8 appropriate for infrastructure life, for technological  
9 changes, for a large scale fluctuations in the market and  
10 it's a meaningful increment to track long-term changes  
11 and responses in production.

12 4. The Trans-Alaska Pipeline system has  
13 had a minimal environmental impact thanks to responsible  
14 design and construction and sufficient maintenance and  
15 safe operations. Nevertheless, some of the displacement  
16 of wildlife resources has occurred, in part, due to the  
17 Trans-Alaska Pipeline and in part due to production and  
18 intermediate transmission lines and facilities elsewhere.  
19 Despite the inertence [sic] of the Trans-Alaska Pipeline  
20 system itself, North Slope residents have noticed a  
21 displacement rather than a reduction of some subsistence  
22 animals or at least a displacement of the areas in which  
23 these animals can be harvested. Not just a result of  
24 TAPS, individually, it is more the result of oil and gas  
25 infrastructure taken in total. The clearest example of

273-3  
(Cont.)

273-4

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1 this is the availability of caribou for the hunters of  
2 Nuiqsut. The TAPS, itself is impressive though in how  
3 little it has directly affected the environment and its  
4 living resources. Watersheds have been preserved from  
5 pollution, caribou, fish and waterfowl have continued to  
6 thrive. The pipeline itself is often a haven for  
7 wildlife species such that visitors and residents alike  
8 will find bears, caribou and other species gathering  
9 along its length. So this inertence [sic], this aspect  
10 of not really interacting with the environment is a  
11 testament to the engineering and construction techniques  
12 that have withstood the test of time and it is also a  
13 testament to the safe and non-intrusive operations and  
14 maintenance procedures of the TAPS personnel.

15           So we offer no significant criticism of  
16 the DEIS with regard to the physical environmental  
17 impacts detected along the Right of Way itself. However,  
18 we do maintain that displacement of wildlife or  
19 displacement of the areas where wildlife is being  
20 harvested has occurred and our residents feel that.

21           5. In addition, despite the relatively  
22 benign impact of the TAPS itself, there have been  
23 negative impacts that are not associated with TAPS  
24 operations along the Right of Way such as stressed public  
25 services and sport hunting pressure.

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26

273-4  
(Cont.)

273-5

1                   The Borough is saddled with some of the  
2 TAPS corridor public services and the Mayor went into  
3 great length in describing these. Providing these  
4 services in a remote area that is devoid of permanent  
5 Borough residents is costly and difficult in times of  
6 shrinking Borough revenues. And when it succeeds in  
7 delivering these services, it seems only that it  
8 increases the influx of outside visitors traveling along  
9 the Haul Road who need even more support. So this is an  
10 undesirable feedback, effect, the more support we give to  
11 the Haul Road corridor, the more people use it, the more  
12 people who use it they more support they need.

13                   In addition, some visitors use the Dalton  
14 Highway and the associated airstrips to exert  
15 sportshunting pressure and produce other negative impacts  
16 that are not associated with the TAPS operations.

17                   6. WE find it important that after 30  
18 years of operations the Trans-Alaska Pipeline system is  
19 only now beginning to transport oil produced on lands  
20 owned by Alaska Natives. This is a significant milestone  
21 in realizing the purpose and intent of the Alaska Native  
22 Claims Settlement Act. The well publicized onset of  
23 production from the Alpine oil field benefits, not only  
24 the village corporation and the Arctic Slope Regional  
25 Corporation but all regional corporations in the state by

273-5  
(Cont.)

273-6

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1 benefit of provisions written into the Alaska Native  
2 Claims Settlement Act.

3 With an estimated 460 million barrels of  
4 oil, the Alpine field represents a significant return on  
5 an investment made by Alaska's Native people. For ASRC  
6 and the residents of the North Slope where there is no  
7 commercial industry save for oil and gas exploration and  
8 production, Alpine revenue represents a major stake in  
9 our economic self determination. The TAPS Right of Way  
10 is aiding ASRC and other Native corporations in realizing  
11 the purpose and intent of the Native Claims Settlement  
12 Act.

13 7. One section of the Draft  
14 Environmental Impact Statement we believe overstates the  
15 positive sociocultural and economic impacts that are  
16 attributed to Alaska Natives and North Slope residents.  
17 This can be found in Section 4.7 of the EIS, where  
18 reference is made to the positive cumulative impacts of  
19 oil and gas development as well as the positive impacts  
20 of the alternative actions of the EIS.

21 Many of these positive interpretations  
22 relate to employment and say something like cash must be  
23 making it to the local communities if employment is  
24 present and if operations continue more cash will come to  
25 the communities so this is a positive, cumulative

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28

273-6  
(Cont.)

273-7

1 benefit. We believe that this benefit is overstated.  
2 And to make sure that this is not the case we recommend  
3 that the EIS authors should strive to quantify just how  
4 much revenue from the Trans-Alaska Pipeline system  
5 operations is making it to the villages that are located  
6 closest to the development. Many, many North Slope  
7 operations and construction positions go to non-  
8 residents. This is an issue that needs attention, not  
9 only from the operator and not only from its contractors,  
10 contractors like our companies themselves, but also from  
11 the North Slope residents. The ASRC recognizes this and  
12 continues to make efforts to improve recruitment and  
13 employment of North Slope village residents.

14 8. In addition, ASRC applauds Alyeska's  
15 continuing efforts to increase the number of workers of  
16 Alaska Natives in its work force. This process, the  
17 reauthorization process provides a great opportunity to  
18 revisit and reassess Alyeska's Native hire  
19 responsibilities as was defined in Section 29 of the  
20 Right of Way agreement between the government and the  
21 owners and operators of the pipeline.

22 In general, ASRC applauds Alyeska's  
23 efforts in this area and they are evidenced by the  
24 recently produced Alaska Native Utilization Agreement  
25 signed by Alyeska and the Department of Interior. In

273-7  
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273-8

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29

1 forming this document, Alyeska has signaled its desire to  
2 improve the current situation by developing scholarship  
3 and training and recruitment programs for Alaska Natives.

4 For example, in the Arctic Slope region,  
5 50 to \$75,000 a year is invested by Alyeska for  
6 scholarship programs at our local college, Ilisagvik  
7 College. In addition, Alyeska and its owners and  
8 contractors have invested millions more in in-house  
9 training programs which have enlisted scores of young  
10 North Slope village residents.

11 Nevertheless, Alaska Natives in general  
12 and North Slope village residents in particular continue  
13 to be under represented in the oil field operations work  
14 force, just visit any work site with regular rotation of  
15 workers and look for people that come from our villages.  
16 In Northern Alaska where no other significant industry  
17 exists, our future is tied to meaningful participation in  
18 exploration and development and production of North Slope  
19 oil and gas.

20 There has been in our own communities a  
21 growing realization that instead of simply pursuing  
22 short-term jobs in industry efforts such as construction  
23 opportunities and seasonal work, our young people should  
24 instead pursue careers. As the North Slope matures as a  
25 hydrocarbon producing province, these operation positions

273-8  
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30



1 of long duration will eclipse and overtake shorter lived  
2 construction and other opportunities. As this change in  
3 opportunity and in attitude occurs, so should the  
4 targeted training and scholarship efforts of the operator  
5 and its partners.

6 In conclusion, the ASRC offers a  
7 relatively affirming and positive statement in support of  
8 reauthorization of the Right of Way for Trans-Alaska  
9 Pipeline system. Some problems exist. Some negative  
10 impacts exist, yet, on the whole the reauthorization  
11 process offers us an opportunity to revisit these issues,  
12 to revisit the commitments made by all of our companies  
13 and try to do right by our own people.

14 ASRC thanks you for this opportunity.

15 INTERPRETER: (In Inupiat)

16 HEARING OFFICER GEARY: Mr. Glenn's  
17 comments are entered as Exhibit 65. 00274

18 (Hearing Exhibit 65 marked)

19 HEARING OFFICER GEARY: Mr. Helmericks.

20 MR. HELMERICKS: Good evening everyone.  
21 For the record my name is Mark Helmericks and I'd like to  
22 make some comments first on behalf of myself as a  
23 resident of this area and then also as president of my  
24 corporation, Colville.

25 First, speaking on behalf of myself I

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31

1 would like to endorse and support the Commissioner's  
2 decision to renew the Trans-Alaska Pipeline system lease  
3 for another 30 years. I've lived in this area for 44  
4 years and I took note of the Mayor's comments about  
5 having to deal with aging facilities and I'm reminded of  
6 this, I didn't bring my glasses tonight so I'm kind of  
7 having to do the extended elbow stretch.

8 Key issues as I see them. The pipeline  
9 is indeed a critical facility. I echo Mr. Glenn's  
10 earlier comments, it truly is the backbone of the oil  
11 industry in Alaska. And this industry is critical to the  
12 health and economy of this area. Areas of praise that I  
13 see for the pipeline, it has a good and improving  
14 environmental and safety record. And perhaps a little  
15 counter, intuitively, the pipeline appears to be a game  
16 and habitat attractant or enhancement. I've noted this  
17 by driving the Dalton, by living in the area around  
18 Prudhoe Bay and just by being somewhat of a curious  
19 observer over four decades. And I notice that game  
20 appears thicker along the pipeline corridor than it does  
21 in other areas and I believe that the phenomenon that the  
22 Mayor spoke to earlier about the pipeline deflecting the  
23 game is, in fact, a converse. I believe it is an  
24 attractant, it's luring, if you will, game away from  
25 areas which may have traditionally been used by

274-1

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32

1 subsistence hunters. So I think the effect that people  
2 are experiencing, a decrease, perhaps in game density is  
3 real but the effect that they are scribing to it as a  
4 deflection is, in fact, incorrect, it's actually an  
5 attractant.

6 And I attribute this to two phenomenon.  
7 I'm not a scientist, I'm an economist by training but I  
8 do observe these game patterns on an annual basis. First  
9 of all, the dust from the Dalton Highway spreads out and  
10 settles on the snow and then when the sun returns, that's  
11 the first areas that become snow free so the game then,  
12 rather than having to paw through the snow, the caribou  
13 especially and the ptarmigan, are attracted to this  
14 corridor and then the predators follow suit. So the best  
15 place, if you want to observe game is actually up and  
16 down the Dalton Corridor, especially in the spring.

17 The second phenomena that I attribute  
18 this attractant phenomena to is the fact that it's  
19 something of a hunting sanctuary, you know, there's the  
20 10 mile Dalton Highway Corridor which is limited to bow  
21 hunting only and the entire area around Prudhoe Bay is  
22 closed. And it doesn't take game long to figure where  
23 they're not persecuted. And as I think as you experience  
24 in other areas where there's a game refuge, that's where  
25 all the game is especially on opening day of hunting

274-1  
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33

1 season. I think the caribou have figured out rather  
2 quickly that they're safer from hunting along the  
3 corridor and then the Prudhoe area and so tend to collect  
4 there.

274-1  
(Cont.)

5 Areas of improvement, perhaps criticisms,  
6 if you will, I'd like to echo earlier comments that we do  
7 need to continue to work on more local hire and more use  
8 of local resources. I commend Alyeska for their outreach  
9 programs in this area and urge them to continue. The  
10 observations that there remains a remarkably low level of  
11 local resident hire especially from the villages in the  
12 oil industry, it's perhaps one of the more puzzling  
13 aspects of what would appear to be a relatively good  
14 match between a subsistence lifestyle and a cash income.  
15 You should be able to go work two weeks at a pump station  
16 and then come back and engage in a traditional  
17 subsistence lifestyle for two weeks. In theory it sounds  
18 like a perfect match between traditional use and a cash  
19 economy. For some frustrating reason we've been unable  
20 to actually form a good articulation and I urge that we  
21 continue to note this and work on it.

274-2

22 Now, changing hats, if you will, I'd like  
23 to speak on behalf of my corporation, Colville, which  
24 among other things is in the solid waste management  
25 business. We run a public utility in the Prudhoe area.

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34

1 We are, I believe the largest handler of solid waste  
2 within the oil industrial area. And we have pending  
3 before the Regulatory Commission of Alaska a certificate  
4 of public convenience and necessity, this is something  
5 that's required before you can operate a garbage  
6 business, we have a pending a certificate application  
7 which would extend the area that we serve all the way to  
8 Atigun Pass. And that would cover the entirety of the  
9 area that, his Honor the Mayor spoke to, as requiring  
10 waste recepticals and the need for some solid waste  
11 management. So I believe that within the public arena  
12 that that need is about to be addressed.

13 The Regulatory Commission of Alaska as  
14 you may have observed from reading the headlines has had  
15 some troubles of their own with the legislature and as a  
16 result their caseload has been backed up a bit but we're  
17 confident that we'll have this certificate within the  
18 next six months. And in fact, the North Slope Borough  
19 has filed a notice of non-opposition to us receiving that  
20 certificate.

21 I believe that the Dalton Highway should  
22 not be closed to only industrial traffic. The pipeline,  
23 obviously is a backbone of the oil industry but don't  
24 forget that the second largest or the third largest  
25 industry in the state is tourism and that road plays a

274-3

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35

1 critical part, I think, in enhancing tourist resources  
2 for people to come and visit our state. As you know most  
3 people use the roads, especially in the wake of September  
4 11th, more and more people are staying in their RVs and  
5 the ability to drive the Dalton and partake in an area of  
6 the world which otherwise would be inaccessible, I think  
7 is important to making the oil industry, if you will,  
8 attractive to a larger audience than just us oilees. I  
9 believe that the Borough's comments about the burden that  
10 the public use of this road imposes on them is  
11 overstated. I have requested of the Borough some  
12 documents or evidence to back up their position on this.  
13 I received informal comments that the actual number of  
14 emergency events they've responded to is quite small,  
15 less than 10 perhaps, and that the industry, in fact,  
16 does a good job of responding to genuine, bone fide  
17 emergencies. As you know Alyeska has its own security  
18 force that patrols the road. We respond out of Prudhoe  
19 Bay and the North Slope Borough has two public safety  
20 officers posted in Prudhoe. I'd like to point out that  
21 oil industry and the citizen's of Prudhoe Bay pay over  
22 \$200 million a year in property taxes so we don't believe  
23 that having them provide two public safety officers in  
24 return for \$200 million in tax receipts is an undue  
25 burden. We refer to these people as our Hundred Million

274-3  
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36

1 Dollar Men.

2 And, in fact, they are responsible and  
3 responsive, they recently helped with a bear incident.  
4 You may have read the newspapers today, we regrettably  
5 had to -- they say euthanize, I say, kill a sow that had  
6 developed an appetite for breaking into camps. My company  
7 is in the news because the bear was discovered that it  
8 could pop open doors and was helping itself to the  
9 chiller with sandwiches.

10 But anyway, I'm digressing a bit. I don't  
11 think that there is an undue burden imposed on the  
12 Borough by public use of the highway and I have not seen  
13 any direct record on it but my informal inquiries  
14 indicate that it's relatively diminimus.

15 That's all for my comments other than I  
16 have no written ones. My oral testimony is all tonight.

17 Thank you very much for coming and good  
18 luck with your project.

19 INTERPRETER: (In Inupiat) 00275

20 HRARING OFFICER GEARY: Rex A. Okakok,  
21 Sr.

22 MR. OKAKOK: Thank you very much. My  
23 name is Rex A. Okakok, Sr. I'm the director of planning  
24 and community services for North Slope Borough. I'm also  
25 the land management administrator that handles all the

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37

274-3  
(Cont.)

1 land management, ACOMP, reviews, consistency review for  
2 our North Slope Borough Alaska Coastal Management  
3 Program.

4 I'm not going to deal a lot with the  
5 issues that we're going to be coming up with specifically  
6 during our written review.

7 I do want to state that the documents are  
8 large, massive and complex. So far we've been able to go  
9 through about 10 or 12 pages of one document and for us  
10 to review it in the next few days, the 20th of this month  
11 is -- we won't be able to do it. So in order for us to  
12 really critically review and make comments, we need  
13 additional time to do that.

14 As I understand in the policies of the  
15 Coastal Zone Management Program there's supposed to have  
16 been consultations prior to the 90 day, beginning of the  
17 90 day review and I only got the documents three weeks  
18 ago. So there's some discrepancies as to what is  
19 required in reviewing the renewal of TAPS Right of Way.  
20 The documents that I saw speaks about erosion studies  
21 that have been made, those are not included, we don't  
22 have those documents in order for us to review them.  
23 Rather than just take the word for it that you did it, we  
24 need those documents to review.

25 Recently, the Mayor talked about, a

275-1

275-2

275-3

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38



1 little bit about caribou issues, caribou collaring, we  
2 also have a GIS division in our department that shows  
3 where those caribous -- collared caribous were going.  
4 They go all the way from Teshekpuk area all the way to  
5 the TAPS and all of a sudden it becomes a straight line.  
6 And you wonder why it has straight line, why are they not  
7 going over that or going under that. There's some  
8 impediment in caribou migration just from looking at that  
9 particular caribou study. We need documents of that  
10 nature for us to critically review.

275-3  
(Cont.)

11 The enforceable policies that we have  
12 speaks to local knowledge that's required in the  
13 testimony and in your findings that are in the documents,  
14 none of that is in there. So it is very critical for you  
15 to listen to our elders, our people that are going to be  
16 speaking in Inupiat and include those, if not, then you  
17 haven't met our enforceable policies. Our enforceable  
18 policies talk about including Federal and State and North  
19 Slope Borough, talk about direct and indirect impacts.  
20 The document only speaks about direct and environmental  
21 impact, it doesn't talk about indirect impact. So those  
22 are not there and those have to be addressed and may have  
23 covered those very briefly in socioeconomic impacts that  
24 we experience up here. There's some positive impacts that  
25 have happened.

275-4

275-5

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39

1 Just to let you know some of the problems  
2 during the time I was in the pipeline work force under  
3 302 Union. Out of 250 in the 302 Union I was the only  
4 other Native among those 200 people. The only Native  
5 that was there was Australia Native so at least there  
6 were two Natives that fall in the category Native. And  
7 out of 378 billion that had positive impact to Alaska  
8 probably a few million have come back to Arctic Alaska  
9 where most -- where it's mostly impacted by TAPS and  
10 other related TAPS programs.

11 We will be providing a written report on  
12 these. I just want to state in public that these are  
13 very important issues that need to be addressed in your  
14 documents. If you don't have the documents, we don't  
15 have the documents, then in order to make more involved  
16 statement, you need to make sure that our local  
17 knowledge, our elders concerns are taken into  
18 consideration.

19 And with that, I'd like to thank you.  
20 These are very brief and we'll provide a written  
21 statement later.

22 INTERPRETER: (In Inupiat)

23 HEARING OFFICER GEARY: And your comments  
24 will be entered as Exhibit 66.

25 (Hearing Exhibit 66 marked)

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40

275-5  
(Cont.)

1 HEARING OFFICER GEARY: Arnold Brower,  
2 Jr.

3 MR. BROWER: Welcome to Barrow. Welcome  
4 to the Arctic Slope. My name is Arnold Brower, Jr. I'm  
5 president of the Inupiat Community of the Arctic Slope, a  
6 regional IRA tribal government.

7 The Determination by the Commissioner  
8 intends to renew the release for a term of 30 years. My  
9 comments is a flat no.

10 Unless you meet these desires that we  
11 have.

12 The pipeline corridor should not be  
13 renewed. It must stop. We have testified time and time  
14 again for 30 years on behalf of the industry, on behalf  
15 of the development but still we pay over \$3 a gallon of  
16 fuel for our cars. In the villages six drums ,five drums  
17 of heating fuel in Atqasak at \$150 per drum and the  
18 heating cost of one house is too great.

19 There is a means to alleviate these  
20 problems, horrific problems in the wake of declining  
21 revenues and less work and I applaud Alyeska quota plan  
22 to hire Alaska Natives in the same way provide a quota  
23 plan for our energy needs. Provide a quota plan for our  
24 energy needs in the Arctic Slope. It is easy to do that  
25 by a simple matter of mathematics based on what I just

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41

276-1

1 told you on the cost of fuel in Atkasak even in Nuiqsuk  
2 at the moment. A couple miles from Alpine on a cold day,  
3 that drum of diesel will literally freeze and will not  
4 flow into the house. Provide a quota plan for our energy  
5 needs, for our people.

6 I support the Mayor's comments. But I am  
7 saying no for the purpose of providing an alternative or  
8 energy plan for us. There is no other benefit in the oil  
9 that flows. It only comes back in a deficit at over \$3 a  
10 gallon in gasoline.

11 Alyeska Pipeline Services runs the  
12 pipeline in concert with the industry. And I'm glad to  
13 see Mr. Hanley is here. I don't know if there are other  
14 industry folks here but this quota can be met at a  
15 minimal ease, as a write-off by the industry and Alyeska  
16 Pipeline Services, even the State by allocating 100,000  
17 to 200,000 barrels of oil, heating oil or supplement, it  
18 can be natural gas where there is some containers that  
19 can be allocated because we have to fight legislation for  
20 our share of the funds.

21 The Alyeska Pipeline Services people  
22 should provide a mediation program or an office for  
23 unresolved conflicts pertaining to lands whether they are  
24 Native allotments, corporations or other types of private  
25 lands. One of our elders, maybe two of our elders are

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42

276-1  
(Cont.)

276-2

1 here, they have allotment in Prudhoe Bay engulfed around  
2 pipelines. They had lived there and thrived off of the  
3 land before the pipeline came. Now, is just a piece of  
4 land inexcusable by snowmachine, maybe only by boat now  
5 and these have not been mitigated.

276-2  
(Cont.)

6 For 30 years we have raised these  
7 concerns at almost every public hearing yet that  
8 document, weren't consulted and life goes on in the oil  
9 and gas world.

10 A message to the Commissioner, a message  
11 to the Governor, listen to our needs, meet our needs on  
12 promises unkept. Who will address them? Much to be  
13 ignored for the next 30 years, but we've gotten used to  
14 revenues on oil and gas and fuel for our snowmachines and  
15 there needs to be a mechanism to offset these horrific  
16 impacts which are detrimental to our lifestyle in the  
17 Arctic Slope.

276-3

18 (In Inupiat)

19 And I appreciate her translation for our  
20 public and for our elders. I appreciate you folks for  
21 retaining her to let people understand. I have said my  
22 comments, verbal comments in my language so Emma didn't  
23 have to do it.

24 Thank you very much.

25 HEARING OFFICER GEARY: Thank you.

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43

1 Robert Edwardson, Sr. Robert, are you here? I'll call  
2 his name later. Bob Henrich. 00277

3 MR. HENRICH: My name is Bob Henrich.

4 Thank you for the opportunity to testify tonight. I was  
5 born in Eyak/Cordova, Alaska and I've lived there for the  
6 past 59 years. I'm president of the Native Village of  
7 Eyak with 500 members, we're the largest tribe in Prince  
8 William Sound. We have all the oil that travels through  
9 the Trans-Alaska Pipeline goes through our traditional  
10 homeland in tankers and our traditional homeland is  
11 Prince William Sound, the Copper River Delta and the gulf  
12 of Alaska.

13 We have felt the down side, the negative  
14 impacts of the transportation of oil but we're not part  
15 of the tax basis that enables us to provide services to  
16 our people.

17 I have some written statements on  
18 sections of the Draft Environmental Impact Statement,  
19 however, I'm not going to read them I'm going to turn  
20 them in.

21 As someone who went through the Exxon  
22 Valdez Oil Spill, maybe I can tell the people of the  
23 North Slope what it's like in case they ever have an oil  
24 spill up here and I pray that they never see 11 to 40  
25 million gallons dumped in their traditional hunting and

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44

277-1

1 fishing grounds as happened to us.

2 It was pretty amazing, they put a drunk  
3 that couldn't get a driver's license behind the wheel of  
4 a tanker and the guy ran it aground and instead of being  
5 in the wheelhouse he was down in his cabin having a  
6 drink. Shortly after that occurred, the president of  
7 Exxon came to Prince William Sound and spoke to us and  
8 did he say, oh, we're sorry for what happened, no, this  
9 is what he said, he said, you guys are lucky, you're  
10 lucky it was Exxon because we're going to take care of  
11 you and we'll make you whole and then the guy ran like a  
12 thief and we never saw him again.

13 We don't feel that that pipeline Right of  
14 Way renewal should be issued until Exxon pays their bills  
15 to the Alaska Natives.

16 There are some judgments against them  
17 that have not been paid 13 years after the oil spill.  
18 They have trashed our traditional homeland and trashed  
19 our lifestyles and they have not accepted the  
20 irresponsibility for it. Any new Right of Way agreement  
21 should have some mechanisms in that, that if there are  
22 spills there should be a way to address damages in a way  
23 that they should be paid in a timely manner. And if they  
24 give a renewal on it it should be for five years and then  
25 their performance should be monitored until they learn to

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45

277-2

1 be good citizens and responsible.

2 Every time I start thinking oil companies  
3 are men of honor and you can deal with them I take my  
4 tape of the Exxon president and I pop it in my VCR and I  
5 listen to him tell us how lucky we were that he spilled  
6 the oil in our traditional homeland.

7 Thank you for the opportunity to listen  
8 to our concerns.

9 INTERPRETER: (In Inupiat)

10 HEARING OFFICER GEARY: Thank you. Mr.  
11 Henrich's written comments will be entered as Exhibit 67  
12 and 68.

13 (Hearing Exhibit 67 and 68 marked)

14 HEARING OFFICER GEARY: Is Robert 00278  
15 Edwardson, Sr., here? We'll move on, Richard Fineberg.

16 MR. FINEBERG: Thank you. I am Richard  
17 Fineberg and I am testifying again tonight on behalf of  
18 the Alaska Forum for Environmental Responsibility, a non-  
19 profit environmental organization. In the interest of  
20 hearing the testimony from the people of this region, my  
21 testimony tonight will be brief.

22 We share many of the concerns of others  
23 who have testified at this and previous hearings on the  
24 economics, the subsistence and the timing of this review  
25 process.

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46



1                   However, our primary focus has been with  
2 the problems relating to TAPS operations, maintenance and  
3 management. We feel so strongly on the subject that two  
4 Alaska Forum board members testified at five of the  
5 previous hearings, two others testified once and I have  
6 presented testimony at each of the previous six hearings.  
7 We have also submitted for the record a copy of our June  
8 2002 status report on TAPS, the Emperor's New Horse, How  
9 Big Oil Gets Rich Gambling with Alaska's Environment.

10                   Tonight I wish briefly to request  
11 clarification on apparent discrepancies in basic data set  
12 forth in the Federal Draft Environmental Impact Statement  
13 on oil production, prices and spills. The first from the  
14 executive summary and the body of the report there's a  
15 statement that continued production through 2034 would  
16 contribute an estimated 8.9 billion barrels of crude oil  
17 of production over the renewal period of 30 years. This  
18 total is significantly higher than the total production  
19 implied by information presented elsewhere in the  
20 report's economic discussion. For example, the annual  
21 production shown in Appendix A would add up to about 8  
22 billion barrels, nearly one billion barrels less.

23                   The executive summary of the report  
24 states that during the renewal period, the oil produced  
25 would be valued at \$374 billion. If 8.9 billion barrels

278-1

278-2

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47

1 were produced in this period, the average price would be  
2 \$42.02 per barrel, however, table 4.3-6 shows oil prices  
3 at five year intervals ranging from 21.31 to 24.52,  
4 that's the second discrepancy.

278-2  
(Cont.)

5 The third issue I want to note briefly is  
6 that the owner's use of the Concawe, C-O-N-C-A-W-E 1998  
7 data suggesting that older pipelines have the same spill  
8 rate as newer pipelines. The pipeline risk assessment  
9 manual, the industry standard warns that historical data  
10 on pipeline events is normally rare event data, one  
11 failure in many years of service. Therefore,  
12 extrapolation would imply a false precision and it can  
13 result in significant errors. Nevertheless, the DEIS  
14 echoes the TAPS owners position citing Concawe that,  
15 quote, 25 years of performance data on Western, European,  
16 across country oil pipelines indicate no evidence to show  
17 that the aging of the pipeline system increases either  
18 the frequency or volume of spills. However, the closest  
19 I could come was an update of that report. I was not  
20 able to find the citation in the DEIS. When I went on  
21 line I found a newer version with 30 years of data but  
22 that report specifically noted that the data were limited  
23 to corrosion spills on cold oil pipelines and that hot --  
24 and that insulated hot oil pipelines have a different and  
25 significantly inferior performance record.

278-3

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48

1                   These are three areas that lead me to  
2 conclude, the failure to present even the most basic raw  
3 data in a clear and convincing manner inevitably calls  
4 into question the veracity of the entire report.  
5 Clarification of these confusing data is therefore  
6 requested.

7                   There are many more and significant  
8 concerns that have been brought to you by people at all  
9 of the hearings, I hope they will receive better  
10 consideration than the comments we brought in the scoping  
11 meetings last fall.

12                   I would like to submit for the record the  
13 written comments of my statements from Fairbanks on the  
14 6th and Minto on August 7th and Barrow, tonight, August  
15 9th, for the record.

16                   Thank you very much. This concludes my  
17 comments.

18                   INTERPRETER: (In Inupiat)

19                   HEARING OFFICER GEARY: Mr. Fineberg's  
20 written comments will be submitted to the record and  
21 entered as Exhibits 69, 70 and 71. 00279

22                   (Hearing Exhibits 69 through 71 marked)

23                   HEARING OFFICER GEARY: Paul Fairchild.

24                   MR. FAIRCHILD: Good evening. Thank you  
25 for allowing me to testify tonight. My name, as stated,

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49

1 is Paul Fairchild and I'm the external affairs North  
2 Slope Regional director for Phillips Alaska.

3 I've spent 22 years of my working life  
4 engineering Alaska-based oil and gas projects. Phillips  
5 is the largest producer of oil and gas in Alaska with  
6 production of nearly 400,000 barrels of oil equivalent  
7 per day and the largest holder of State and Federal  
8 leases, including 1.3 million acres of undeveloped lease  
9 holdings. I'm pleased to have this opportunity in Barrow  
10 today to provide Phillips view on a 30 year Right of Way  
11 renewal of the Trans-Alaska Pipeline system. I would  
12 like to assure you of Phillips commitment to continued  
13 investment in TAPS and discuss the potentially damaging  
14 economic implications of less than a 30 year renewal.

15 TAPS is an economic engine that provides  
16 tax revenues for the state and the communities along the  
17 pipeline corridor. In 2001 the six communities and the  
18 State of Alaska received more than 60 million from  
19 pipeline property taxes. The State and communities also  
20 received an additional 2.2 billion from corporate income  
21 taxes, production taxes, royalty and other property taxes  
22 paid by the industry for which TAPS is a vital element in  
23 the oil production chain. The North Slope Borough alone  
24 received 193 million from industry taxes in 2001.

25 Phillips is not only a 26.7 percent

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50

279-1

1 interest holder of TAPS but it also one of the original  
2 six companies that joined together in 1969 to take on one  
3 of the most challenging engineering feats ever  
4 undertaken, the design and construction of TAPS. We have  
5 a 50 year of Alaska operations and we currently operate  
6 both exploration and production on the North Slope of  
7 Alaska.

8 Our fields include Alpine, which is the  
9 closest development to a Alaska Native Village, the  
10 Village of Nuigsut.

11 I'd like to take a moment to address the  
12 need for a 30 year renewal. Last spring Phillips Alaska  
13 announced the first discoveries in the National Petroleum  
14 Reserve Alaska since the area was open to industry  
15 exploration in 1999. The cycle time from lease award to  
16 first production is lengthy in new production areas.  
17 Following lease award comes seismic acquisition. After  
18 we shoot seismic we come up with prospects. We do  
19 wildcat drilling. And then we do environmental  
20 evaluations. We come up with mitigation plans, appraisal  
21 drilling, engineer and design and finally construction  
22 and development drilling.

23 This cycle can require seven to 10 years.  
24 Considering a field's producing life is 10 to 25 years,  
25 the full life cycle of an exploration and production

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51

279-1  
(Cont.)

279-2

1 project approaches or may exceed a 30 year period. A  
2 lack of a long-term assurity will add additional risk to  
3 projects and consequently further degrade their  
4 competitive economic position.

5 At Phillips, we know the challenges ahead  
6 are great. In order to make areas like NPRA economic, we  
7 need the corporation of all the stakeholders, surface use  
8 owners, the Alaska Native community, other State and  
9 local governments, particularly the regulatory agencies  
10 and our own contractors. Phillips Alaska is an  
11 exploration and production company. Exploration is key  
12 to the maintenance of our production levels and can only  
13 be sustained if Alaska is a competitive place to explore,  
14 development and operate. Alaska's North Slope is a long  
15 way from our West Coast markets and transportation costs  
16 are one of our greatest challenges. According to the  
17 Alaska Department of Revenue, the average cost per barrel  
18 for shipping North Slope crude on a tanker is about \$1.70  
19 a barrel. In additional Federal Energy Regulatory  
20 Commission reports a TAPS tariff of about \$3.50 to ship  
21 crude through the 800 mile pipeline to Valdez. These  
22 costs which are in addition to the normal exploration and  
23 development and production expenses make the economics of  
24 Alaska projects very challenging.

25 Our Alaska projects must compete for

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52

279-2  
(Cont.)

1 capital dollars with other worldwide exploration and  
2 production opportunities. At Phillips Alaska we  
3 recognize this and work very hard to reduce our costs  
4 while simultaneously maintaining the integrity of our  
5 assets and improving our safety and environmental  
6 performance. Being a competitive producer and  
7 maintaining a stable transportation system is critical to  
8 continued investment in Alaska.

9 The investments that Phillips makes in  
10 Alaska exploration benefit everyone through state  
11 revenues and jobs today and into the future. As  
12 described earlier, investments can happen years or even  
13 decades before a field starts producing oils. Elements  
14 such as a known transportation means, a stable fiscal  
15 environment and efficient permitting are serious  
16 considerations for future investment and exploration and  
17 development.

18 For example the Alpine oil field which  
19 currently we're producing about 100,000 barrels of oil  
20 per day there was first evaluated in the early 1980s.  
21 When the first exploration was done on the leases that  
22 are now part of the Colville River unit, that happened  
23 more than 20 years ago, though the Alpine field did not  
24 start production until the year 2000.

25 The cost of the field's development was

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53

279-2  
(Cont.)

1 more than one billion dollars. That investment was made  
2 on the assurance on a reliable cost efficient  
3 transportation system and a stable physical environment.  
4 The 430 million barrel Alpine field will generate more  
5 than a billion dollars in state revenues and taxes over  
6 its life.

7 Alaska continues to be an important  
8 worldwide asset for Phillips Petroleum. With a less than  
9 30 year pipeline renewal, fields like Alpine will have a  
10 higher investment risk, additional transportation risk  
11 which leads to more challenging economics and therefore  
12 lower likelihood of sanctioning.

13 I'd like to urge you to renew the Trans-  
14 Alaska Pipeline system Right of Way for a term of 30  
15 years, not only for the economic future of my company but  
16 for the future of Alaska and the generations yet to come.

17 Phillips Alaska will be submitting  
18 additional written comments during this public comment  
19 period.

20 Thank you.

21 INTERPRETER: (In Inupiat)

22 HEARING OFFICER GEARY: We're going to  
23 take a five minute break. We sill have four folks signed  
24 up to speak so we're going to keep it just at five  
25 minutes. So we're going to go off record for five

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54

279-2  
(Cont.)



1 minutes, off record.

2 (Off record)

3 (On record)

4 HEARING OFFICER GEARY: All right, we'll  
5 go back on the record. The next speaker that we have  
6 that is signed up to speak, Noah Itta.

7 MR. ITTA: Good evening everybody. Good  
8 evening. How I going to talk, I never been no school in  
9 my life. Anyway, I got help.

10 (In Inupiat)

11 Thank you.

12 INTERPRETER: I hope I can do justice to  
13 what our elder Noah Itta has stated. 00280

14 Noah Itta grew up here in the North  
15 Slope, he is 83 years old. He has never had formal  
16 education. And as he was growing up he has been helping  
17 our people. He started helping our people in the late  
18 1920s and at that time when he was starting to help our  
19 people he was told that there will come a time when a lot  
20 of people will come to take our oil. And as time went on  
21 in the 1940s -- beginning of 1940s sure enough the people  
22 started coming. There were ships that came up and there  
23 was one that he mentioned called Liberty. And  
24 unfortunately that big ship had gone to the point and  
25 could no longer move because it was in the shallow area.

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55

1                   And his opinion of the oil industry, the  
2 people who said they were looking for oil was just at the  
3 very bottom because those people from that ship, when  
4 they were no longer able to move that ship they just  
5 dumped all that oil into the ocean. And as a result  
6 there was devastation of our marine life at that time and  
7 it took many, many years for our wildlife to recover.

8                   His opinion of the oil industry was one  
9 that made him realize that these people will go out after  
10 what they want without regard to the environment, without  
11 regard to the people who live in the area. Because our  
12 people did have a lot of difficulty once that oil was  
13 dumped when those ships first came.

14                   And the other is when he heard that the  
15 pipeline was built removing the oil from our land and  
16 taken all the way down to Valdez without assistance to  
17 the very people who live up here, that was not good. And  
18 another devastation that he has experienced is when that  
19 Exxon accident occurred. People may think that it only  
20 affected that area but there are migratory birds that  
21 come up here and our elders and our people felt the  
22 impact of all of the birds that were diminished to the  
23 point where it affected the number of birds that were  
24 caught for subsistence.

25                   Now, because the oil comes from our land

280-1

280-2

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56

1 because our people had to fight for everything it is  
2 imperative that the oil industry work with ASRC, which is  
3 the regional corporation for our area and also Kupik  
4 Corporation (ph), because it is those companies that help  
5 the people up here. So for this pipeline, the work must  
6 go to these companies because the money stays and helps  
7 the people. That's about the only thing that our people  
8 get. And ASRC and Kupik have to fight for whatever work  
9 that they can get on this pipeline.

10 His opinion of the oil industry is such  
11 that it's difficult to accept them but because they are  
12 here they should make it a very high priority to leave  
13 something behind because our people get nothing. At  
14 least get the jobs to the Arctic Slope Regional  
15 Corporation and to Kupik Corporation because those are  
16 the companies that help the people up here.

17 He also mentioned he just turned 83 and  
18 his health is not that great but one way that he can  
19 still help our people is to express his views by speaking  
20 to you.

21 That's it in a nutshell and if I may have  
22 missed anything maybe Emma has taken good notes and if I  
23 have missed anything you can include them.

24 ENMA: He said Eskimos really need help  
25 in housing and in whatever needs there are up here and in

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57

280-2  
(Cont.)

1 all the villages, especially jobs. And if there's enough  
2 money -- and if there's a lot of money for the oil  
3 companies to spend then the oil companies should be  
4 helping out in providing whatever the Eskimos need,  
5 especially in jobs and in housing or in whatever is  
6 needed.

7 INTERPRETER: (In Inupiat) Emma, thank  
8 you very much.

00281

9 EMMA: Thanks.

10 HEARING OFFICER GEARY: Kenneth Toovak,  
11 Sr.

12 MR. TOOVAK: Well, it's getting to be  
13 kind of a long night here. I think we got to behead of  
14 our biggest mile, kind of encouraging a little bit.

15 My name is Kenneth Toovak, Sr., and I was  
16 born in Point Barrow and I'm only 79 years old.

17 One thing, I want to thank that one great  
18 thing that we had is oil in Prudhoe Bay and we all get  
19 benefits from it. We all here in the room here get  
20 benefits from the oil, I suppose. Because it's good to  
21 have it all in the pocket.

22 Back in the days we were needy, when I  
23 was growing up, so today we are living pretty high level  
24 in our life. I mean the living way. We need coffee in  
25 the morning. I don't feel like to have a braut to have

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58

280-2  
(Cont.)

1 in the morning, so we're kind of even in our life. We  
2 need the dollar. We need the red meat, so that's our life  
3 as Inupiat.

4 One thing I want to mention, the caribou  
5 migrate, we all understand that. I suppose everybody  
6 understands the caribou migrate. I think a lot of people  
7 don't think the caribou migrate especially maybe the  
8 hunters that are hunting in Dalton Highway. Understand  
9 that people came through Dalton Highway with a bow and  
10 arrow. I don't know if that's real, real hunting that we  
11 could see or understand. I think it's just like maybe a  
12 sport hunting.

13 So I think maybe the word should get to  
14 Fish and Game or whoever's responsibility to attention  
15 the caribou migrating because we understand from the old  
16 culture way that the caribou migrate and then the leaders  
17 of the migrators, the caribou don't shoot those -- the  
18 leaders of the caribou. Let them pass-through. So these  
19 others will follow-up as long as you don't follow those  
20 first groups. That's our culture way -- supposed to be.

21 I think on the Dalton Highway, I think  
22 the word get around, the computers are working day after  
23 day, hours and hours, I think the people understand where  
24 the caribous are, whether they're traveling through the  
25 Dalton Highway and the word, the caribous are migrating

281-1

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59

1 through. I think maybe they should be a little less  
2 traffic maybe on that road. I don't know whether that  
3 could be controlled. I know it will be kind of  
4 impossible, I think, for the traffic people.

5 And we, as a Native people, we need a  
6 discipline on that also. I need discipline. There's  
7 lots of people have four-wheelers today. When they heard  
8 something -- when the caribous are coming from west or  
9 east, boy them four-wheelers are just like a wolf going  
10 to chase those caribous. Whether they're leaders or  
11 whatever. That's why when they shoot those -- after  
12 those leaders, that the animal migrating through or they  
13 just go right back where they came from.

14 I hope that you understand to the people  
15 that have responsibility to do a bit of a control on  
16 that. I hope you understand what I mean.

17 So that's my feeling tonight about to  
18 keep attention on the caribou of when they migrating  
19 through on the Dalton Highway or wherever.

20 Here in Point Barrow, maybe we should  
21 talk to the people that -- to the people that are leading  
22 because sometimes as the elders, our voice going down.  
23 Seems like our voice is not heard by the people that have  
24 responsibility.

25 (In Inupiat)

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60

281-1  
(Cont.)

1 So I hope that can be heard in our  
2 communities and in our outlying villages. Thank you.

3 INTERPRETER: (In Inupiat)

4 HEARING OFFICER GEARY: Jenny Ahkivgak.

5 MS. AHKIVGAK: Thank you. Thank you. I  
6 don't know how to speak English, I'll talk Eskimo. She's  
7 going to help me. My name is Jenny Ahkivgak.

8 (In Inupiat)

00282

9 Thank you.

10 INTERPRETER: Her name is Jenny Ahkivgak  
11 and she's saying she thanks everyone for being here. She  
12 was born at Flaxsman Island near Prudhoe Bay. At the age  
13 of six her parents moved to Kalusegruk (ph) and she  
14 remembers at a young age and here they had lived and she  
15 remembers that and she remembers that they had lived near  
16 Prudhoe Bay and lived there until she was 26 years old.  
17 She was raised around Prudhoe Bay area. Her father  
18 passed away in 1944 and so did her oldest brother. Her  
19 family was going to go to her family to get -- extended  
20 family when both her father and her oldest brother  
21 passed away and then they fished at Flaxsman Island.  
22 They used to fish at Flaxsman Island when their father  
23 got sick in 1944 and she heard about this -- when Jenny  
24 heard about this, she was already in Barrow and there was  
25 nothing that she and her -- the rest of the family could

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61

1 do.

2 The oil company people drilled and oil  
3 was found where she had lived around Kalusegruk and are  
4 they going to receive money from this and that's the  
5 question she has been asking herself. Not only herself  
6 but her husband has been going over this, over and over  
7 again, she's happy she does not have education or any  
8 schooling because she would be bothering the oil company  
9 people a lot if she had had the education to do so.

10 The other people who lived around the oil  
11 field areas that had lived around there received money  
12 from where they were born and raised but her and her  
13 family never did receive any money. She is now 76 years  
14 old. Her husband always said that he would get a lawyer  
15 but he never does and never has even until now. She is  
16 sometimes happy and sometimes sad that she has never gone  
17 to school. But she wishes that she had had an education  
18 so that she could fight for her right to receive the  
19 money that -- so she could fight for her right to receive  
20 the money from the oil companies from the land that they  
21 took from her and her family.

22 And she thanks you for listening. 00283

23 HEARING OFFICER GEARY: Charles A.

24 Okakok.

25 MS. OKAKOK: Thank you and welcome to the

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62

282-1



1 top of the world. My name is Charlie Okakok and I am --  
2 I was born and raised here in Barrow and I have served in  
3 the service during the Vietnam era and I've also worked  
4 in the tribal governments, at the Native Village of  
5 Barrow as a wildlife director where we did the tribal  
6 environmental agreement with EP, with the help of ASRC,  
7 I'd like to thank Jacob for that. And also I've worked  
8 as tribal operations officer at the Inupiat Community of  
9 the Arctic Slope.

10 And I've seen quite a bit of changes  
11 since the pipeline was put up. I also worked at the  
12 pipeline when it was put up as an oiler, service oil.  
13 And I've seen a lot of changes up here on the Slope,  
14 especially the way we have lived and I graduated in 1966  
15 from Mt. Edgecumb High School down across from Sitka,  
16 across the channel from Sitka. And we had to travel from  
17 here to Mt. Edgecumb to go to high school. And even  
18 though we were told not to speak our language we kept on  
19 speaking it anyway at times. But you know, that's that.

20 But I worked at the pipeline and I've  
21 seen the changes -- the social ills and the economic  
22 benefits of the oil flowing through the pipeline itself.  
23 And as I was listening earlier, one of the speakers had  
24 said the residents up here are for the pipeline and I had  
25 to come in here and say I'm not for it because of the

283-1

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63

1 social ills that have been brought up through that.  
2 There's been a lot of deaths, probably because of the  
3 changes and also there were economic benefits, there's a  
4 lot of that but then where has it gone? It has gone to  
5 the executives. It has not gone to the ASRC  
6 shareholders.

283-1  
(Cont.)

7 And also the wildlife part, when I went  
8 to Anaktuvuk Pass, for the past three years I believe  
9 they haven't had any caribou, three or four years, they  
10 haven't had any caribou that have passed through around  
11 their area and they're close to the pipeline and as Mr.  
12 Helmericks had stated, that pipeline might be an  
13 attractant phenomena, he called it an attractant  
14 phenomena. I think it's more of a deterrent to the  
15 established routes of the migration of the caribou. It's  
16 not an attractant. It might attract them to the pipeline  
17 but then the established routes of the migration have  
18 caused some people to be hungry probably through the  
19 winters, the past three or four winters. And the  
20 established routes that the caribou -- that were there  
21 before TAPS went close through Anaktuvuk Pass and this  
22 hasn't been so for the past four or five years, three or  
23 four years. I remember Wainwright having to use their  
24 monies to send some caribou -- some of their caribou that  
25 they caught to Anaktuvuk Pass last year and Anaktuvuk

283-2

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64

1 Pass lives by the caribou. And this could be due to  
2 TAPS. Also the traffic on the Dalton Highway.

283-2  
(Cont.)

3 And another thing that is, you know, kind  
4 of disturbing, the hiring of locals. I don't know what  
5 the State of Alaska thinks local is Anchorage, Alaska,  
6 you know, locals should be the area around the pipeline,  
7 even people -- I met people from -- down around the  
8 pipeline towards the Yukon River and they haven't had any  
9 jobs either and that's pretty local to me, you know,  
10 they're local people. And you become -- in Alaska you  
11 become local after 30 days. And not all Alaska is local,  
12 close to the pipeline. And also, the pipeline when it  
13 hires people for -- you have to be in the union and not  
14 very many are in the unions along the pipeline route.

283-3

15 And these people that have been talking  
16 before me and have said quite a bit and I think one of  
17 the things that came up also was what we're saying now  
18 should be entered into the EIS and not be put on the  
19 shelf to gather dust as we've gone through all these EIS'  
20 that the oil companies have put out which they probably  
21 have shelves and are gathering dust on their shelves and  
22 not being done anything about it.

23 And that's pretty much what I have to  
24 say. And the only reason I came out was the residents  
25 are not all for the pipeline.

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65