

UNITED STATES

DEPARTMENT OF THE INTERIOR

REGIONAL PUBLIC MEETING ON ENERGY RESOURCES
OF THE OUTER CONTINENTAL SHELF (OCS)

ATLANTIC COAST REGION

UNITED STATES GEOLOGICAL SURVEY (USGS)
MINERALS MANAGEMENT SERVICE (MMS)

**USGS/MMS REPORT OVERVIEW OF DOI FINDINGS
REGARDING OCS ENERGY RESOURCES
WITH PANEL AND GUEST COMMENT**

MONDAY - APRIL 6, 2009

ATLANTIC CITY CONVENTION CENTER

ATLANTIC CITY, NEW JERSEY

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SECRETARY OF THE INTERIOR: KEN SALAZAR

DEPARTMENT OF THE INTERIOR PANEL MEMBERS:

BRENDA PIERCE

ROBERT LaBELLE

GUEST SPEAKERS:

(REPRESENTATIVE) FRANK LoBIONDO (NJ)

(REPRESENTATIVE) RUSH HOLT (NJ)

(SENATOR) ROBERT MENENDEZ (NJ)

(GOVERNOR) JON CORZINE (NJ)

(GOVERNOR) RONALD CARCIERI (RI)

(REPRESENTATIVE) FRANK PALLONE, JR. (NJ)

(REPRESENTATIVE) ROB BISHOP (UT)

1 SECRETARY SALAZAR: First of
2 all, thank you all for coming. I am the
3 Secretary of Interior and I have decided to
4 come here to New Jersey to be with my good
5 friends Jon Corzine and Senator Menendez,
6 Representative Holt and others to start our
7 efforts to define how we move forward with the
8 resources of the American citizen out in the
9 Outer Continental Shelf. I appreciate all of
10 you being here this morning and giving us
11 input as we move forward on the development of
12 this plan. So that Governor Corzine, to
13 Governor Carcieri from Rhode Island to
14 Congressman Frank Pallone, Congressman
15 LoBiondo, Congressman Rush Holt who actually
16 was the person who suggested that we might
17 want to come here to Atlantic City. And to
18 Congressman Rob Bishop. Thank you for being
19 here. Time is 9:02. All the way from Utah.
20 Shows you how important New Jersey is, huh?
21 So thank you for being here.

22 Let me first say that on
23 February the 10th I made an announcement with
24 respect to the OCS that said that we were
25 going to take more time to come up with a new

1 five-year plan for the OCS. I did it frankly
2 because the prior administration at the very
3 end of the administration had decided to move
4 forward with an expedited review of the
5 five-year plan. The five-year plan currently
6 in place runs from 2007 to 2012. On January
7 the 21st, the day after the inauguration, the
8 Federal Register notice that the decision had
9 been made to go ahead and reopen the OCS
10 five-year plan in an expedited way and so we
11 felt it was necessary to take additional time
12 to make sure that we got it right and that's
13 what this meeting and future meetings are all
14 about.

15 So four things that I said on
16 February the 10th. First was we would go
17 ahead and have 180-day comment period on the
18 new five-year plan.

19 Two, that I would ask the USGS
20 and the Minerals Management Service and the
21 Department of Interior to come forward and
22 develop a report that showed what we knew and
23 what we didn't know about the OCS and you will
24 hear from them later on this morning on the
25 conclusions of that report.

1 Third, that we would go ahead
2 and have the people of America who are most
3 affected by the decisions we make on the OCS
4 have an opportunity to provide us comment and
5 input as we move forward and; fourth, that we
6 would move forward in expeditious way and
7 finalizing rules that have been out there with
8 respect to alternative energy, but have not
9 yet been finalized and so this is all part of
10 the process.

11 This purpose and the purpose of
12 this meeting is to have an open and honest
13 conversation with all of you here in New
14 Jersey and along the Atlantic Coast and all
15 across America with the other stakeholders.
16 We want to gather input from you as we move
17 forward and develop a comprehensive energy
18 plan for the Outer Continental Shelf. I want
19 to make a comment about how this fits in with
20 the vision that President Obama and I have
21 with respect to the energy future of this
22 country.

23 During the time of his
24 campaigns he ran for the presidency of the
25 United States and since then he has talked

1 often about a comprehensive energy plan where
2 we need to look at all the forms of energy as
3 we move forward into a new energy frontier for
4 the United States of America. I often thought
5 about that new energy frontier and the
6 imperatives that really compel us and move
7 forward to grasp this moment and a moment that
8 we cannot afford to fail on. And those
9 imperatives, in my point of view, are: One,
10 economics. Last year we sent about 700
11 billion dollars to places far afield, mostly
12 in the Middle East to track to get oil from
13 those countries brought into our country. We
14 know we can create jobs if we move forward
15 with new energy opportunities here in this
16 country. And we know we are already doing it
17 with respect to wind energy and solar energy
18 and other kinds of energy that we can produce.

19 The second imperative is our
20 National security. We have been frankly, in
21 my view, funding both sides of the war on
22 terrorism because of the massive amounts of
23 money that are now transported to places that
24 are unfriendly to the United States, and the
25 third imperative for this new energy frontier

1 is dealing with the reality of climate change
2 and global warming and you need only to read
3 the reports from the USGS in the last few days
4 on what's happening with respect to the Arctic
5 Circle and Antarctica to know that global
6 warming is an issue which we cannot afford to
7 simply let go and not address. So those
8 imperatives really are driving the President's
9 vision for a new energy frontier.

10 Let me, again, say we are
11 making progress. We are not standing still
12 and just letting the world define us as we
13 move forward on this agenda. When you look at
14 the building where we are in today, we are in
15 a building that is powered in large part by, I
16 think, the largest solar array Governor
17 Corzine was telling me in the country. 25
18 percent of the energy in this building
19 actually is being captured from the sun. And
20 it's having a tremendous demonstrable
21 leadership effect on what we can do with
22 respect to solar energy even here in the
23 Atlantic.

24 Just over the last year we have
25 doubled -- we have 85,000 people who are

1 working in the wind industry. 85,000 people,
2 85,000 jobs working in the wind industry
3 across this country. We have more than 80,000
4 jobs. These are people who have real jobs
5 working in the solar industry here in America.
6 That number has quadrupled just in the last
7 two years.

8 Let me just make a quick
9 comment about the report that you will hear
10 from MMS and USGS about. And that is that
11 they have found that with respect to renewable
12 energy there is tremendous potential
13 concerning winds off the Atlantic and many of
14 the states have been leading this effort
15 already in terms of proposing projects for
16 wind energy off the coast. Governor Corzine
17 and Senator Menendez have been great leaders
18 here in New Jersey in moving that agenda
19 forward. Governor Carcieri, same thing, and
20 many of the Atlantic states have really
21 embraced this agenda and we hope to take this
22 potential that's out there. According to our
23 report there is 1,000 gigawatts of power.
24 That's a million megawatts of power that are
25 developable off of the Atlantic Coast. When

1 you think about that, put it in the context of
2 what it means with respect to an analogy or a
3 comparison to coal-fired power plants it's
4 equivalent of the amount of energy that we can
5 produce from about 3,000 medium size
6 coal-fired power plants. That's a tremendous
7 amount of wind energy that's out there in the
8 Atlantic. We also know that there is oil and
9 gas potential and I know that there are some
10 people who want us to close the door on oil
11 and gas, but the reality is that we have oil
12 and gas potential in significant ways,
13 especially in the Gulf Coast of Mexico.

14 Whether we open up other areas around the OCS
15 is something that will be decided based on the
16 hearings and input that we receive from people
17 around the country.

18 The agenda for today is that I
19 was going to have MMS and USGS, each of them,
20 present the findings of the report for
21 probably somewhere between 15 and 30 minutes
22 and then I was going to go ahead and turn it
23 over to governors and let the representatives
24 for each of them give a five-minute statement.

25 Does that still work for you

1 all, because I know that, Governor, you were
2 on a tight time line and so were you, Senator?

3 GOVERNOR CORZINE: Yeah.

4 SECRETARY SALAZAR: So with
5 that what I want to do is turn it over to the
6 people who really have been working very hard
7 on this report. I asked them to go back to
8 look at all the information that had been
9 prepared by the U.S. Geological Survey, the
10 U.S. Geological Survey is one of the best
11 earth science agencies in the world. I'm
12 proud that they are part of the Department of
13 Interior. MMS has had the responsibility for
14 developing the Outer Continental Shelf now for
15 nearly 30 years and they are the tremendous
16 repository of most of the geophysical and
17 environmental information that we have with
18 respect to the OCS. And so they have been
19 working tirelessly and they and a team of
20 people out of those agencies to prepare a
21 report today and the two presenters are Brenda
22 Pierce from the U.S. Geological Survey and Bob
23 LaBelle with the Minerals Management Service,
24 so, Brenda and Bob, I will turn it over to you
25 at this point. Give them a round of applause.

1 MR. LABELLE: Thank you,
2 Mr. Secretary. Good morning. It's my
3 pleasure to be here today representing
4 Minerals Management Service and to share with
5 you the fruits of our labors over this past
6 month or so in doing this survey of the
7 available resources, both oil and gas and
8 renewable, as well as a look at environmental
9 sensitivities and today we'll focus off the
10 Atlantic Coast.

11 The types of renewable energy
12 we'll be speaking of today is wind, wave and
13 ocean current energy, and there are some
14 example devices on the slide that you can see
15 for each of these types of energy. And we're
16 going to start with, I should say, talking
17 about renewables and then Brenda Pierce will
18 talk to you about the oil and gas resources
19 offshore.

20 Population density. This graph
21 slide speaks for itself along the coastal
22 areas. I believe the red in that is 1,000
23 people per square mile, so you can see where
24 we all live. And I went a little quickly
25 here. I didn't see my first slide. There we

1 go. Beautiful shot of the country at night
2 and you can see the use of electric lighting
3 across the country. Notice along the
4 coastlines, I don't know whether you can see
5 in this lighting, but along the coastlines and
6 the density populated areas, very, very high
7 use of electricity, which corresponds to the
8 population. And, fortunately, it also
9 corresponds to the locations of offshore wind
10 resources. Almost all of the information
11 we're going to give you on these renewable
12 resources comes from Department of Energy and
13 we thank them very much, especially the NREL
14 labs. This is a map that shows the wind speed
15 data. The red that you see there offshore --
16 first of all, you see middle of the country,
17 the Great Plains and the wind resources there
18 and the red offshore is a very high class of
19 wind speed, translated to about 18 to 20 miles
20 per hour in terms of the wind blowing, to put
21 it in perspective. So this corresponds to
22 areas where we can get energy that are near
23 the populated centers.

24 I'd like to just back up for a
25 moment and talk about terminology, if I could.

1 Those of us who pay our electric bills
2 probably know that kilowatts are on the bill.
3 What do we measure our energy in for our
4 household. So what is -- you'll hear when you
5 get into offshore renewable energy or any type
6 of energy, people will talk about megawatts
7 and gigawatts and even terrawatts. So just a
8 quick frame of -- a thousand kilowatts is
9 known as a megawatt. And a thousand megawatts
10 is a gigawatt. Now, to put this in
11 perspective, a one gigawatt source of power
12 would be the equivalent of what's produced by
13 about three average typical coal electric
14 generating plants.

15 Now, energy consumption, the
16 average household and, of course, this
17 differs. This is just an average, but about
18 10,000 kilowatt hours per year is what a
19 household would use. So looking at a resource
20 of one gigawatt of wind power, this would
21 supply between about 225,000 to 300,000
22 average U.S. homes with power annually.

23 Now, this map, don't worry too
24 much about the -- we have a blowup on the next
25 slide, but just look at the colors if you

1 would and at the bottom chart. This shows the
2 regional offshore wind energy potential
3 capacity, so it shows where and it gives
4 figures. If you look for the Atlantic on the
5 table below, you'll see 253 gigawatts in the
6 shallower waters. That's zero to 30 meters of
7 water in depth offshore. And then you see the
8 total going up beyond 50 meters depth is a
9 thousand gigawatts of potential off the entire
10 Atlantic Coast. Here's the blowup in terms of
11 depths. 165 gigawatts at zero to 30 meters.
12 This is just for the mid Atlantic now. We're
13 focusing -- since we're here in New Jersey,
14 we're focusing on the mid Atlantic region and
15 from 30 to 60 meters depth, 181 gigawatts.
16 From 60 to 900 meters -- 59.7 gigawatts and
17 greater than 956.6 gigawatts. At the bottom,
18 if you assume that about 40 percent is
19 developed of this resource, and you can take
20 the assumptions you want, but the assumption
21 is given, all the other competing uses for
22 that offshore area, fishing, sensitive areas,
23 military uses, et cetera, so assuming a 40
24 percent, for example, development of this
25 would be 185 gigawatts and that would

1 translate to powering about 53 million average
2 U.S. homes.

3 And I'm going to now turn it
4 over to Brenda Pierce of the U.S. Geological
5 Survey to take you through the oil and gas
6 resources.

7 MS. PIERCE: Thank you, Bob.
8 The OCS holds tremendous potential of all of
9 these renewable as well as oil and gas
10 resources. To show you the MMS planning
11 areas, it's this lighter area and that's what
12 MMS uses to plan and do resource potential as
13 well as management. Resource estimates are
14 just that. They are estimates. They are
15 statistical evaluation of geological and
16 geophysical data, but according to MMS
17 estimates, after more than 50 years of
18 exploration and development, there is still 70
19 percent of the potential resource yet to be
20 discovered. So there is potential or
21 tremendous potential for oil and gas resources
22 still out there.

23 If you look at the resources
24 broken down a little bit more by area, we have
25 oil on the left and gas on the right. These

1 are undiscovered, but technically recoverable
2 resources. Technically recoverable means
3 those resources recoverable with today's
4 technology and industry practice.

5 Undiscovered means those that have yet to be
6 found that we think are out there based upon
7 the data that we have, the geological and
8 geophysical data. So if you look at this,
9 both the oil and the gas are the same graph.
10 We have Alaska, the Atlantic, the Gulf of
11 Mexico and the Pacific on both sides. You can
12 see that most of the potential resource out
13 there is in the Gulf of Mexico for both oil
14 and gas, followed by Alaska. The sides of the
15 graph here are in billions of barrels of oil
16 and trillion cubic feet of gas, but even
17 though the most is in the Gulf of Mexico and
18 Alaska, there still is considerable amount in
19 the Atlantic and Pacific. There is still
20 tremendous potential out there.

21 Now, if we look at them broken
22 down a little bit more, this is the comparison
23 of current annual production in the United
24 States, as well as reserves and resources.

25 So like Bob, I want to spend

1 just a moment on terminology, because they are
2 very important. We start on the right-hand
3 side here. We have what is called technically
4 recoverable undiscovered resources. So those
5 are the resources and MMS's estimates that are
6 technically recoverable, but have yet to be
7 discovered. These may or may not be economic.
8 These may or may not be produced ever. But
9 this is what is out there that is technically
10 recoverable in the whole OCS.

11 If you move to the left this
12 bar chart is what is economically recoverable
13 of that technically recoverable part. This is
14 given at a range of prices. This is just one
15 of them at a midrange, so only a small
16 proportion of or a smaller proportion.
17 Technically recoverable is economically
18 recoverable at any one time and that makes
19 sense. We give a range of prices, because, as
20 we all know, oil prices fluctuate wildly and
21 it's important to give a range of prices so
22 one can see what's economically recoverable at
23 different prices.

24 And smaller yet, these are all
25 subsets of the same pie are those that we call

1 reserves. Reserves is that portion of the
2 resource endowment that is actually economic
3 now. It's being produced. There are oil and
4 gas resources that are in producing fields.
5 So you can see it's a much smaller part of the
6 pie. So these are what's being produced now
7 over time.

8 And then this very small
9 production number is what's being produced in
10 one year in the United States with offshore
11 and onshore. So this is just a comparison of
12 the full range of resources and reserves
13 overall in the United States.

14 Same with natural gas. We have
15 an estimate of quite a lot of natural gas that
16 is technically recoverable in the OCS by MMS.
17 A smaller proportion of that is economically
18 recoverable at any given time based upon lots
19 of things, the market, the price of oil at any
20 one time. A smaller proportion yet are the
21 reserves of what is currently being produced
22 or in oil and gas fields currently being
23 produced. And then this is what the U.S.
24 produces every year both on and offshore.

25 So, again, to give a

1 perspective, so the numbers you see may or may
2 not be produced, only a smaller proportion of
3 them are at any one time.

4 So if we turn to the Atlantic
5 since we're here in New Jersey, MMS has three
6 major planning areas in the Atlantic. And of
7 that you can see all of the data that they
8 have that they use to actually do their oil
9 and gas resource estimates. If you look at
10 these little red dots here and here and here
11 where they're concentrated, these are actually
12 exploratory wells, so they're wells under the
13 ocean floor where we actually have real data,
14 real rock data, real subsurface data and you
15 can correlate those with these lines and
16 that's all the seismic data that's also been
17 shot out there and this is a way to image the
18 subsurface under the ocean floor so that we
19 can interpret what is there.

20 So all of these data are put
21 together to look at the rocks in the
22 subsurface, see what might house oil, what
23 might house gas. These are the estimates that
24 MMS has from all of those data that I just
25 showed you. So, again, oil on the left, gas

1 on the right. So if we look at the
2 technically recoverable resource estimates,
3 this is just for the Atlantic OCS area, we
4 have a technically recoverable estimate of
5 almost four billion barrels of oil in the
6 Atlantic.

7 Now, because oil and gas
8 estimates are that, they are estimates, we
9 usually give them as a range of estimates. So
10 you will see and they're probabilities. So
11 there's a very high probability. There's at
12 least one billion barrels of oil off the coast
13 of Atlantic. There's a lower probability that
14 there may be as much as more than seven
15 billion barrels. But the average is almost
16 four billion barrels. And then you'll notice
17 again the economically recoverable is a
18 smaller subset of that, depending on price of
19 oil, the cost of materials, bringing it to
20 market and those types of things.

21 Turning to gas, the technically
22 recoverable at the average or the mean
23 estimate is almost 40 trillion cubic feet of
24 gas and, again, that's given as a range.
25 There's a very high probability. There's at

1 least 14 trillion cubic feet of gas in the
2 Atlantic. There's a lower probability.
3 There's 66 trillion cubic feet of gas and then
4 the average of a little less than 40 and
5 economically recoverable is a subset of that,
6 as would make sense.

7 So what are the resource data
8 gaps needed still to understand more and
9 perhaps get some better estimates? The
10 seismic data on the Atlantic are more than 25
11 years old. You'll see that they were very
12 widespread, but they are dated. They're still
13 good data, but technology has increased a lot.
14 So new seismic data are needed for certain
15 areas, certainly to better inform management
16 decisions. Whatever management decides on
17 that, we need some more data.

18 There is current interest by
19 the seismic industry. MMS has received permit
20 applications from five companies for seismic
21 surveys and they have received permit -- a
22 permit application for one company for an
23 aeromagnetic survey. So more data to get the
24 subsurface. MMS has announced an intent to
25 prepare an environmental impact statement on

1 geological and geophysical activities in this
2 region and we can't emphasize the
3 environmental issues enough and so the last
4 part of the presentation is the environmental
5 issues, because they're important, no matter
6 what type of development or even if
7 development comes on. They're irreplaceable
8 resources in and among themselves.

9 MR. LABELLE: I would like to
10 just briefly talk about the environmental part
11 of the report. I encourage each of you to go
12 on-line and look at the report fully. A third
13 of the report is devoted to environmental
14 issues. It was written by the expert staffs
15 at both agencies and using whatever available
16 scientific information exists and some of the
17 key environmental issues, of course, are
18 listed. In fact, hopefully all of them are
19 listed in the report, but I'm not going to
20 touch on all of them this morning but the
21 overall goal here is for good stewardship of
22 our resources and a balancing which is
23 required by the enabling legislation for what
24 we do to help meet the energy needs of the
25 nation. Energy needs while taking into

1 account environmental sensitivity productivity
2 and the other users of ocean resources.

3 First a word on the challenge
4 of climate change. The authors of the report
5 fully realize that the challenges due to
6 climate change have a potential to affect many
7 aspects of what goes on offshore. Because the
8 report is a survey of existing environmental
9 sensitivities, we do not -- we felt it was
10 beyond the scope of the report to go too in
11 depth in climate change, but there certainly
12 needs to be a recognition up front that
13 potential impacts on climate change are real
14 on three fronts.

15 One is the change -- potential
16 changes to living resources and their habitat
17 from changing climatic conditions and the
18 results of that. It also has the potential to
19 effect the physical resources themselves.
20 Frequency of wind and wave activity, for
21 example.

22 And, finally, it would have
23 potential effect on offshore structures out
24 there and human safety, so we had to certainly
25 acknowledge climate change up front and the

1 potential effects.

2 Now, with regard to, again,
3 Atlantic Coast environmental resources, in the
4 report you'll find write-ups on things like
5 air quality, water quality, socioeconomic
6 impacts, fisheries, coastal birds, et cetera.
7 What we'd like to just go over with you this
8 morning is some of the key challenges that our
9 experts felt are remaining in this area. And
10 one is noise in the sea. With regard to
11 activity in terms of sonar the military has
12 found that it's quite controversial with
13 possible impacts on marine mammals. There's a
14 lot of public concern about it. There's some
15 concern about the effects of seismic noises on
16 marine mammals. And just learning more about
17 the marine mammals offshore of the Atlantic,
18 the whales, et cetera, there are several
19 endangered species out there, so consultations
20 that would occur as activity might proceed out
21 there are very key.

22 The next bullet says -- talks
23 about the lack of onshore infrastructure.
24 There's a section in the report on coastal
25 resources and this is trying to get at the

1 notion of unlike in the Gulf Mexico, for
2 example, which has a solid infrastructure in
3 place along the coast to bring in energy, the
4 Atlantic doesn't have that as yet. By the
5 way, I should have said right up front. These
6 environmental aspects are applicable to either
7 oil and gas production or renewable energy
8 production. In the report we break it up
9 separately.

10 Bird interactions. Incredible
11 flyways out there off the Atlantic Coast. Not
12 much is known about marine birds. There's a
13 lot of people very, very interested in birds,
14 as are we, and especially migratory pathways
15 and what they call hot spots where lots of
16 birds come in in certain parts of the coast at
17 certain times of the year.

18 Fisheries. Multiple use of the
19 ocean with regard to recreational and
20 commercial fisheries. The use of
21 bottom-anchoring capabilities might interact
22 with where the fisherman want to drag their
23 nets, for example.

24 Multiple use I just mentioned.
25 That includes other uses out there in terms of

1 military uses, sensitive environmental areas,
2 fishing areas, cables that come to shore for
3 various reasons and, of course, tourism.

4 Here we are in Atlantic City.
5 Certainly concerns about effects on tourism.
6 If you do anything to the seascape and, of
7 course, the issue of oil spills is always very
8 much on the public's mind and in terms of
9 offshore oil and gas in Federal waters,
10 there's been a very good safety record with
11 regard to oil spills. But in the public's
12 mind, oil in the water, whether it's from a
13 tanker bringing in imported oil, the public
14 really doesn't care where it comes from. Oil
15 in the water is definitely something that
16 everyone wants to avoid, so we take steps to
17 try to address the actual risk based on
18 historical records and we have that in the
19 report, so I hope you do read that.

20 I believe, Mr. Secretary, that
21 that's all I have for this.

22 SECRETARY SALAZAR: When we
23 asked USGS and MMS to put together this report
24 we said the facts and science, that's what
25 we're about. And they have worked very, very

1 hard and very, very long hours to come up with
2 this report and one of the things I asked them
3 to do was to make the presentation that was
4 understandable to the world and I think they
5 have done so, so give Brenda and Bob a round
6 of applause.

7 We are going to do now, just so
8 you know the rest of the agenda, hear from the
9 governors, members of Congress. Following
10 that we'll do a break and then as soon as the
11 break is over -- we'll do about 15-minute
12 break, we'll come back in and whoever's here
13 wants to comment will have an opportunity to
14 comment if you have filled out your
15 information card and so hopefully you have
16 picked up a card and you have filled it out
17 and given us whatever comments you have and if
18 you wish to speak, there's a place where you
19 can mark it on the card and we'll go through
20 and give people an opportunity to provide
21 comment till about noon today.

22 So with that -- by the way,
23 where is staff who's collecting these? So
24 there's staff around. If you have one of the
25 cards, just give it to one of the staff

1 members and then they'll bring it up here.
2 Let me with that just turn it over to the
3 great host, Governor of New Jersey, Governor
4 Jon Corzine who has a passion for solving
5 problems and particularly this issue he and
6 Senator Menendez and Congressman Holt wanted
7 me to come here to Atlantic City because they
8 said this is where you will learn about the
9 importance of alternative energy as well as
10 the importance of e-care with respect to the
11 OCS, so Governor Jon Corzine.

12 GOVERNOR CORZINE: Thank you,
13 Mr. Secretary. First of all, let me thank you
14 for hosting this conference on energy
15 development on the Offshore Continental Shelf,
16 and it is absolutely vital to the state of New
17 Jersey, but it is for all of us along the
18 Atlantic Coast and I welcome all my colleagues
19 here and we are welcoming to Utah as well,
20 Congressman Bishop.

21 It is absolutely essential that
22 we take the kind of objective information that
23 you all have developed and come up with
24 long-term public policy that I think will
25 allow for us to meet those imperatives that

1 you talked about. Certainly have an economic
2 imperative in the world that we live in today
3 challenged as much as ever. Our National
4 security interests are at stake and certainly
5 the climate change issues are.

6 In the state of New Jersey we
7 are particularly pleased that you are taking
8 this step back and looking at the development
9 offshore, the Continental Shelf resources. We
10 are particularly enthusiastic about the focus
11 on alternative energies with very strong
12 commitments in both the near term and over the
13 long term with regard to development of
14 alternative energies, particularly renewables,
15 a 30 percent mandate by 2020. A interim
16 mandate of about 1,000 megawatts of wind by
17 2012/2013. We are very much looking forward
18 to working with you and your staffs to be able
19 to make that come to pass.

20 You will see that we've already
21 made commitments as you spoke about on the
22 solar array on this building and you'll see a
23 wind farm here in Atlantic City, but we need
24 to move forward and take advantage of the
25 strength of the winds that you have identified

1 off our coast. We also need to work as a
2 group to coordinate and I look forward to
3 working with you and your organizations to
4 make sure that that happens.

5 We do have a fairly strong view
6 in my administration and I think and most
7 corridors within the state of New Jersey that
8 the development of offshore drilling, oil and
9 gas, would be a significantly lower priority
10 relative to our commitment to renewables.

11 Some of the data that I saw relative to the
12 overall consumption and production would
13 reinforce that view, given the limited
14 capacity relative to the great need and put in
15 conjunction with one of those imperatives of
16 climate change and so I think you will find
17 for most of the folks who speak from a New
18 Jersey perspective that offshore drilling and
19 pursuit of those resources is not something we
20 have an appetite for and I'm personally very
21 strongly opposed to moving in that direction,
22 but it is something that should be evidence
23 based in the context of other kinds of
24 alternatives of production of energy.

25 So I think this is a terrific

1 effort that you have put in place to review
2 this on a thoughtful and comprehensive basis
3 and we look forward to contributing in any way
4 possible, including, by the way, working with
5 my colleagues both in the Congress, but fellow
6 governors in the Northeast along the Atlantic
7 Coast to make sure that we're coordinated on
8 our renewable activities in a way that fits
9 very closely with yours. I hope we can get
10 quick answers from your people with regard to
11 how we can go about permitting and getting
12 moving on offshore. Thank you.

13 SECRETARY SALAZAR: Thank you
14 very much, Governor Corzine. And the Junior
15 Senator, the great senator from New Jersey,
16 Senator Bob Menendez.

17 SENATOR MENENDEZ: Thank you,
18 Mr. Secretary. Mr. Secretary, let me welcome
19 you again to New Jersey and thank you for
20 choosing New Jersey to hold this regional
21 meeting. You have by your presence here
22 today, you've made good in your commitment
23 that you told me at your confirmation that the
24 Interior Department would be from sea to
25 shining sea. Not just a department of the

1 west, but a department of the whole country
2 and we appreciate very much that you are here
3 today and I'm glad and proud to be here with
4 Governor Corzine and a bipartisan group of
5 members of our New Jersey delegation that are
6 unified in our position. And I want to
7 specifically applaud all of the renewable
8 energy efforts that are being considered. My
9 focus of my comments I want to be on offshore
10 drilling.

11 Mr. Secretary, you were a
12 champion of the environment when you were in
13 the United States Senate and I know as
14 Secretary of Interior you will be so as a
15 great steward of our environment and our land
16 for future generations of Americans. But,
17 Mr. Secretary, for those of us in New Jersey,
18 offshore drilling is the same as oil shale
19 drilling in Colorado. The risks are greater.
20 The rewards are less. It perpetuates our
21 dependency on oil. It is not environmentally
22 friendly and, frankly, we just simply don't
23 want it. I'm concerned that even though I
24 understand the nature of how this report has
25 come about, I think there are some critical

1 issues, issues that I mentioned too at the
2 energy hearing that we had before the energy
3 committee when you last appeared, that it does
4 not fully consider and that is the full
5 effects of the potential impacts that drilling
6 would have on coastal economics like fisheries
7 and tourism and the environmental health of
8 our shore. A comprehensive study that
9 includes cataloging environmentally sensitive
10 areas, possible environmental impacts as well
11 as possible economic harm to coastal
12 economies, I think, are in order.

13 You know, we clearly understand
14 that drilling off our shore or anywhere near
15 it for that fact, because the ocean doesn't
16 come in neat little boxes and contains itself,
17 obviously, the consequences of a potential
18 spill in our neighboring states can very
19 easily end up, for example, on Cape May and
20 the southern part of our state. And the tiny
21 amount of oil, relatively speaking, even
22 looking at the maps -- the presentations that
23 were made, that it might eventually produce
24 isn't worth the risk to New Jersey's 38
25 billion dollar tourism industry, a 4.5 billion

1 dollar fishing industry, to the more than
2 200,000 people those industries directly
3 employ and the thousands more they indirectly
4 employ along the shore, to the hundreds of
5 millions of dollars in property values that
6 would be affected and to -- and I would invite
7 you, even though it's not the greatest day
8 outside, at your break to look at incredibly
9 beautiful beaches that millions of us love and
10 consider a birthright. Investing in renewable
11 energy and conservation will create far more
12 jobs, more energy and do far more to end our
13 dependence on foreign oil.

14 Mr. Secretary, you told me when
15 you took the job of Interior Secretary that
16 you wanted to be part of President Obama's
17 goal of an energy moon shot and I'm with you
18 on that. That's a bold visionary and dynamic
19 plan to end our dependence on oil and create a
20 renewable energy portfolio that would create a
21 new generation of green jobs, fuel our economy
22 and deal with global warming. But drilling on
23 the Outer Continental Shelf isn't an energy
24 moon shot.

25 Now, the Jersey shore isn't

1 just a beautiful place. It's a natural
2 resource to us and to the nation. And it is
3 one of our biggest economic entities. If we
4 put up oil rigs and gas rigs near the shore,
5 we put our entire economy at risk.

6 Let me just give you two
7 examples what happened when our shores are
8 damaged. When medical waste washed up on New
9 Jersey beaches in 1987 and '88 tourism
10 plummeted and revenue fell by more than a
11 billion dollars, and that was waste that could
12 be fully cleaned up, unlike an oil spill.
13 After the Exxon Valdez spill 21,000 gallons of
14 crude oil still lingered off the coast of
15 Alaska. And their beaches are still stained
16 with oil more than 20 years after the spill.
17 So we're not just talking about temporary
18 damage. All it would take would be one oil
19 spill in our vicinity to do long-lasting
20 damage to the Jersey shore and the economic
21 benefits we get from it and for those who say
22 that today's drilling technology is taking
23 care of those challenges -- that was a
24 different type of spill, obviously, a tanker
25 spill, but for those who say drilling

1 technology provides no risk, I would call for
2 your attention to the seven million gallons of
3 oil that were spilled during Hurricane
4 Katrina.

5 If you recall, Mr. Secretary,
6 in some of our debates in the Senate. I had
7 some of the blowups from the U.S. Coast Guard
8 of those massive oil spills and what it meant.
9 Clearly there's a reason that even those who
10 advocate for revenue sharing out on the
11 Continental Shelf say that in addition to the
12 desire to get resources, they recognize that
13 there is a risk and because of that risk they
14 feel they should be compensated, so there
15 clearly is a risk and the threat from oil
16 isn't just that it would wash up on the
17 beaches.

18 Burning causes global warming
19 which is bringing the entire coastline under
20 water and it's exacerbating flooding in many
21 parts of our state. So for all of these
22 environmental economic risks we'd be running,
23 what would we get in return? The answer is
24 very little. If we started drilling right now
25 we wouldn't see any oil or gas from the Outer

1 Continental Shelf for a decade and even then
2 the quantities are so small compared to the
3 billions of barrels a year we import that it
4 would have essentially zero impact on the
5 price we pay at the become pump.

6 Of course, since this is a
7 global market, there is no guarantee that oil
8 drilled here stays here for domestic use. But
9 we also have to ask would the oil companies --
10 would they even be ready to start drilling?
11 As oil and gas prices have fallen since last
12 summer the number of working oil and gas rigs
13 in the country have been cut in half. Which
14 has meant layoffs for thousands of oil and gas
15 workers.

16 This, despite the fact that
17 millions of onshore approved leases go
18 untouched and of all of the areas already
19 leased on the Outer Continental Shelf only 25
20 percent have been drilled.

21 If we want to create jobs and
22 end our dependence on foreign oil, there's a
23 better way and that's the moon shot you've
24 been talking about, Mr. Secretary, with the
25 President. One study in the University of

1 Massachusetts suggests that every dollar
2 invested in green energy creates more than as
3 many as three times as many jobs as a dollar
4 invested in oil and coal and those are jobs
5 that can't be outsourced. Mr. Secretary, I
6 hope that as you travel the country and listen
7 to different opinions, let's take the energy
8 moon shot. Let's not shortchange our future,
9 our economy, our energy dependence. Let's
10 create the energy independence that the vision
11 that President Obama has and in that respect I
12 look forward to working with you and the
13 President so that we can assure that in fact
14 we break our dependence, we move to those
15 renewable energies, create a new generation of
16 jobs that are domestically produced and cannot
17 be exploited. We do something about global
18 warming which is real in terms of the lives
19 right here in New Jersey and in doing so I
20 think that we can write a new chapter for this
21 country. Thank you for coming today and thank
22 you.

23 SECRETARY SALAZAR: Thank you
24 very much, Senator Menendez. And to show how
25 bipartisan we are listening to the entire

1 world, the republican governor from the great
2 state of Rhode Island, Governor Carcieri.
3 Given him a New Jersey welcome.

4 GOVERNOR CARCIERI: Thank you
5 very much, Mr. Secretary, and let me
6 acknowledge again to thank my good friend
7 Governor Corzine and Senator Menendez for
8 hosting this here and it's a great idea and
9 thank you for coming.

10 This is not a partisan issue, I
11 agree. This is right now, as far as I'm
12 concerned, and Governor Corzine made the same
13 point, you made it earlier, this is a National
14 emergency right now, frankly, for our nation.
15 The dependence on oil and natural gas has gone
16 on too long for all the reasons you said. In
17 terms of its economic vulnerability to our
18 nation and our prosperity and National
19 security, all of those reasons.

20 I represent a small state in
21 New England, the Ocean State, by the way. And
22 we don't have oil. We don't have natural gas,
23 all right? But according to the map you
24 showed up there, we have great wind resources
25 and we have made a major commitment to that

1 and I am here today really also representing
2 the New England governors, former chair of the
3 New England Governors and currently vice chair
4 of the Coalition of Northeastern Governors and
5 Governor Corzine was past chair of that. We
6 have a common agenda.

7 All the New England governors
8 and northeast governors have made a major
9 commitment from a policy standpoint to have
10 renewable energy and particularly wind
11 represent a significant portion of our
12 requirements of energy. It varies between 15
13 and 20 percent you heard as we were discussing
14 it earlier, but it's a significant commitment.
15 And it has become the topic of discussion. In
16 the most recent meetings we were all together
17 in Washington, National governors met and
18 Governor Corzine, Governor Paterson who is the
19 current chair of the Coalition of Northeast
20 Governors, all of us were there committed to
21 saying we've got to move this as fast as
22 possible. We all have projects, as you heard
23 and you're aware, of varying scale varying
24 numbers, but this is a sense of urgency that
25 we get this moving and get it right.

1 As you know, looking around the
2 world Europe has had huge success already with
3 offshore wind. Jon might remember it in the
4 Governors conference in Washington the last
5 day the Energy Minister from Denmark came and
6 spoke to all the governors and she was
7 eloquent, eloquent in describing the impact
8 that renewable energy, particularly wind
9 resources, both onshore and offshore, have had
10 on that country in terms of dependability and
11 stabilizing their cost.

12 So there's a huge commitment
13 right now of all the governors and it is the
14 topic of discussion. We all have projects at
15 different stages and, as I said, right now
16 there's, I think, little debate about the
17 reliability of the wind resource here in the
18 East Coast. There is a debate as you're
19 aware, at the National level. A policy debate
20 right now when you look at the middle part of
21 the country where wind farms are going up at a
22 very rapid pace and the issue of subsidization
23 of the transmission structure. Because, when
24 you go back to that map, you know,
25 unfortunately for the people in the Midwest

1 that are building those, all the populations
2 in the East Coast. And we have underway right
3 now amongst the New England states a study and
4 analysis being done of the transmission
5 structure and it's going to require some
6 investment, but sort of business logic would
7 tell you that investment would be relatively
8 modest, if not small, in the comparison to the
9 kind of investment that we required to bring
10 power being generated from wind from the
11 middle part of the country to the East Coast.

12 With most of the technology
13 right now and we're particularly interested in
14 Rhode Island and what's called a deep water
15 technology, we can be further out. A company
16 we're working with is sort of piloting
17 technology that comes out of Europe where you
18 get into 125, 150 feet of water, which has
19 lots of advantages and but still when you do
20 that along the East Coast, you're probably 20
21 miles from the mainland. So from 20 miles out
22 we can plug in, you know, utility scale wind
23 farms right to where all the people are. And
24 that has to be from an economic analysis
25 standpoint much more desirable, much more

1 efficient than trying to pipe this, and no
2 offense to our friends from Utah, but it's got
3 to be a lot more efficient to do that. So in
4 the scheme of the policy debate and the
5 necessity for some kind of possible
6 subsidization of transmission structure,
7 clearly that in the East Coast has got to be a
8 major part of the equation.

9 We're conscious of the
10 discussion we had earlier that we need to get
11 this coordinated amongst the governors and
12 we're committed to doing that. Jon and I were
13 talking about that a little bit earlier. I
14 think from your standpoint one of the best
15 things right now is to help us is getting
16 those regs done and getting the regulations
17 promulgated so we get some clarity in terms of
18 the practice the process is going to be. I
19 think expedited, this is something I'd ask you
20 to consider, that given the urgency that we
21 get some of these farms up and get this
22 demonstrated capacity serving our citizens
23 that we find a way to sort of expedite. You
24 know, kind of permitting process, once the
25 regs are done. Because there are, I know,

1 many, many projects that are just ready to go
2 and as I indicated to you earlier, you know,
3 we pledge to work cooperatively with our
4 Federal partners, because each of the states
5 are doing things right now in terms of special
6 area management plans for the ocean areas
7 around each of the states. Those I'm sure can
8 be easily coordinated into a master plan, if
9 you will, so you would have a good picture of
10 what this might look like up and down the
11 coast and I know in our case in Rhode Island
12 we have the same process underway and I know
13 MMS, for example, as well as Army Corps of
14 Engineers are well integrated into that right
15 now. So there's no surprises. They
16 understand what we're doing and feeding into
17 that and I think that is all positive.

18 We are, as I said, heavily
19 focused on deep water technology and Deep
20 Water Wind Group that we are working with has
21 the technology they've licensed out of Europe.
22 So the jacketed technology so that these
23 platforms are just pinned to the ocean bottom
24 as opposed to the monopole structure.

25 We are pushing very hard and I

1 would ask for your help being selfish in this
2 a little bit in a smaller scale project that
3 will actually be primarily in state waters and
4 but it's important that MMS understand all the
5 science behind it and what we're doing.

6 To get this going even faster
7 hopefully, it will be within our permitting
8 responsibilities, but need our Federal
9 partners to be a part of that. But we are
10 very hopeful that this will demonstrate the
11 feasibility of this technology and produce
12 wind power at very, very favorable rates.

13 So we are working very, very
14 rapidly on many fronts as are all the other
15 governors in the northeast and I think the
16 sciences, the technology is pretty well
17 demonstrated. I don't think we're breaking
18 new ground here in terms of, you know, whether
19 this will work or not. It's been shown to be
20 feasible and work quite well. I think right
21 now and I know this is an issue you focused
22 on, so this is not in any way a criticism.
23 You've got it at the top of your priority.
24 All I would encourage you is that anything we
25 can do to help you accelerate the process of

1 the regulations and the permitting and working
2 with our resources as individual states, we
3 would offer to do that.

4 I would just finish that where
5 I started, that what happens to us, we all --
6 we've forgotten that just last summer oil was
7 \$147 a barrel. Some people have forgotten.
8 Some of us have not. Governor Patrick hosted
9 a meeting of the New England governors back in
10 September and you know we were all panicked
11 like what are we going to do, because we don't
12 think our citizens understand that oil was
13 \$4.67 a gallon at that point. And that people
14 were not prepared for that. And then
15 something happened on the way to the forum, so
16 to speak, and, you know, oil plummeted down to
17 \$47, but it's hovering around 50. There's no
18 question, there's no question that once this
19 economy rebounds, which it will, and the
20 global economy that we're going to be back in
21 the same position that fossil fuel prices are
22 inexorably going to rise dramatically. So
23 even though a little bit of a tendency to get
24 a little maybe complacent, because the prices
25 are low, and if you analyze which I had for

1 our people the savings to the average American
2 today on gasoline, for example, where it
3 was -- as everybody forgets, gas was over \$4 a
4 gallon. Today it's two. Well, two bucks a
5 gallon, you know, to the average household is
6 probably using 25 gallons a week, 50 bucks a
7 week, 25, 2,600 bucks a year is pretty
8 significant benefit that has been accruing to
9 our economy, to our consumers, to our citizens
10 right now. And when you take a look at the
11 impact on energy, it's huge. It's huge. So I
12 would just --

13 By the way, the other thing you
14 hear a lot of talk about electric vehicles,
15 electric vehicles, which I think are a good
16 thing. And they're going to develop, but that
17 means you've got to have a grid that's
18 supplying reasonable electricity, stable
19 prices that are going to replenish the powers
20 that power those. So to me, this is a
21 virtuous, you know, a virtuous argument. All
22 of the wonderful things about wind power being
23 renewable, clean, green, et cetera, the jobs,
24 all the things that have been mentioned, are
25 unequivocal.

1 The question is right now for
2 us as a nation just we've got to move this
3 ball forward. And as you know, there are lots
4 of governors that are at the starting gate
5 here waiting for the gate to open, so that we
6 can get these projects done and I know I'm
7 preaching to the choir. I know you understand
8 this. You believe it. All I'm sitting here
9 to say is that anything we can do to help you
10 in that process we are prepared to do, because
11 there's huge urgency that we get on with this.
12 So thank you for being here.

13 SECRETARY SALAZAR: Thank you
14 very much, Governor. I know the elected
15 officials here have very tight schedules and
16 have some other things that they have to do.
17 I know Governor Corzine has another commitment
18 that he has to run to and I also know that
19 Congressman LoBiondo has another commitment
20 that he has to run to, so if you have to
21 leave, thank you so much for your
22 participation. We'll continue to take the
23 rest of the comments from the elected
24 officials before we get to the break and then
25 we'll go to the public for their comments.

1 So the next person that I was
2 going to call on is Representative LoBiondo.
3 Thank you for being here this morning.

4 REP. LoBIONDO: Good morning
5 and thank you, Mr. Secretary, for holding this
6 nationwide forum and picking the first of
7 these four to be in New Jersey and here in my
8 district in Atlantic City. We very much
9 appreciate the opportunity to express points
10 of view to be taken into consideration for how
11 policy is developed. I'm a life-long resident
12 of New Jersey and South Jersey, and I remain
13 and continue to be opposed to any proposal
14 that would authorize drilling off of New
15 Jersey's coast. For the past several sessions
16 of Congress I've introduced legislation that
17 would prohibit Secretary of Interior from
18 leasing oil and gas leases on portions of the
19 Outer Continental Shelf located off the coast
20 of New Jersey and very shortly will be
21 reintroduced legislation in this 111th session
22 of Congress.

23 Mr. Secretary, I applaud you
24 for encouraging the discussion during these
25 regional public meetings and only on -- not

1 only on conventional sources, but on the
2 potential impact and also the premise of
3 renewable offshore energy resources. We must
4 aggressively pursue cleaner energies which are
5 sustainable and produce no greenhouse
6 emissions.

7 After witnessing the success of
8 Atlantic County Utilities Authority's wind
9 turbines, I strongly believe that the state of
10 New Jersey has taken a huge step in the right
11 direction, that these policies have proven to
12 be worked off a pilot project and proven to be
13 worked off a larger scale.

14 We cannot, however, ignore the
15 reality of traditional fuel sources such as
16 oil and natural gas production that the
17 important role they continue to play and
18 you've emphasized that in the preliminary
19 portion of the program and by the
20 presentation. But I strongly believe that on
21 the more than 68 million acres across the U.S.
22 that are currently under lease that this is
23 where the potential should come from first.
24 These are the areas where there are available
25 right now and that we must focus on. We

1 cannot gamble with our beaches, our tourism
2 and growing ecotourism industries, which are
3 the economic livelihood of New Jersey.

4 A number of years ago, about 10
5 years ago in the Delaware Bay we had an oil
6 tanker that was littering. There was a
7 malfunction with a valve. There was a
8 relatively minor spill that was we thought
9 contained very quickly. But this was about
10 two weeks before Memorial Day and about a week
11 before Memorial Day we had tar balls washing
12 up on our beaches in Cape May County. The
13 panic was unbelievable. This is what we rely
14 on. Any time in the season it would be
15 horrible. But in the beginning of the season,
16 this drove home the importance of making sure
17 that we protect our tourism industry, which is
18 our livelihood.

19 Our tourism industry is in
20 excess of 38 billion dollars which supports
21 over 500,000 jobs and is heavily dependent on
22 the cleanliness of our beaches and ocean
23 environment. If our beaches are not clean, we
24 don't have a clean ocean environment, we don't
25 have tourists. It's just that simple.

1 Additionally, our robust
2 commercial and recreational fishing
3 industries, some of the largest in the nation
4 and we in New Jersey and Cape May have the
5 second largest commercial seaport on the East
6 Coast after Massachusetts, after New Bedford,
7 Massachusetts and this is an industry that
8 generates huge amounts of money in terms of
9 revenue and jobs. The potential environment
10 and aesthetic risks posed by offshore oil and
11 gas development especially for the relatively
12 small amount of estimated recoverable oil and
13 gas revenues could seriously imperil those
14 vital contributions to the economy of New
15 Jersey.

16 So, Mr. Secretary, I again
17 thank you for your opportunity given to all of
18 us today and I'm very proud to be joining with
19 my colleagues from New Jersey in a strong
20 bipartisan effort in this area. Thank you.

21 SECRETARY SALAZAR: Do this in
22 seniority in the Senate. So Congressman Holt
23 or Congressman Pallone, who's the more senior?
24 I don't know.

25 REP. PALLONE: Thank you Mr.

1 Secretary.

2 SECRETARY SALAZAR: Democrat,
3 republican, democrat, you know. We'll end up
4 with you, Congressman Bishop.

5 REP. BISHOP: I'm the lowest in
6 seniority on the panel.

7 SECRETARY SALAZAR: Congressman
8 Pallone.

9 REP. PALLONE: Thank you, Mr.
10 Secretary. First of all, let me thank you not
11 only for being here, but also for the change
12 that you bring about. I have to say that
13 listening to you being somebody from Colorado
14 from the west say that -- you know, make the
15 statements you've been making about renewables
16 and even the fact that you're here having a
17 sort of open mind about this issue, I think is
18 such a change from the past. I have to say
19 that I really feel that the reason we're here
20 at all or even discussing this issue has a lot
21 to do with the fact that our previous
22 President Bush was such an advocate for
23 drilling, in my opinion, without regard to
24 renewables and some of the other alternatives
25 that are out there and, you know, for 20 years

1 now I've been in Congress and I've been
2 working on this issue and I was very
3 disappointed with the policies of the previous
4 administration. You have to understand that,
5 you know, 20 years ago when I was elected to
6 Congress, we had in 1988 all the beach
7 closings all off the coast of New Jersey.
8 Senator Menendez mentioned the economic
9 impact, that that caused billions of dollars
10 really for our tourism industry and commercial
11 fisheries that just went down the drain. Our
12 beaches were closed. People didn't come here
13 and we really feel very strongly starting
14 then, you know, we had a moratorium in place
15 on an annual basis through the appropriations
16 bill every year.

17 I actually introduced a bill,
18 my first bill in Congress to permanently close
19 the middle Atlantic Coast to any oil and gas
20 drilling, even exploratory drilling. And all
21 of a sudden, last year, you know, under
22 President Bush this policy of drill, baby,
23 drill or drill, you know, regardless, came
24 into being. The moratorium was lifted and we
25 were faced in the last day he was in office

1 with initiation of this new five-year policy
2 that would essentially allow or lean towards
3 drilling off the coast of the Atlantic and
4 it's just -- it's really a shame that we came
5 to that in the last few months of the Bush
6 Administration. Listening to you today, this
7 report that you put out, you know, looking at
8 the science, paying attention to renewables,
9 it's such a breath of fresh air and I can't
10 stress it enough. I really want to stress the
11 fact that you're here today and that you're
12 spending the time looking at the science here
13 is really important to me and to all of us
14 from the state of New Jersey.

15 I also want to thank you for,
16 you know, putting together this extended
17 comment period, because I think without that,
18 the extra 120 days, we would really not have
19 had the opportunity to really listen and see
20 what the concerns are here in New Jersey about
21 offshore natural gas and drilling. So
22 essentially by doing that you have made it
23 possible for us to now spend more time and
24 think about this in a greater way and I want
25 to thank you for that.

1 One concern that I do have,
2 though, is that when the moratorium was in
3 effect, even the preliminary steps with the
4 EIS, with the Environmental Impact Statement,
5 were not allowed and I know now, you know,
6 from what I heard in this report, I guess you
7 would go ahead with an EIS and there isn't
8 even a possibility, I guess, I'm not sure, of
9 some kind of exploratory drilling.

10 We don't really want to see any
11 of that. I wish there was some way. I guess
12 the cat's out of the bag now and the way the
13 policy is it's not possible maybe to go back
14 to the moratorium, but I would like to see a
15 total moratorium in place. I don't even see
16 the reason why given all the things that are
17 out there in the wing of everything why we
18 need to do the environmental impact statement,
19 spend the money, why we have to do any kind of
20 exploration. It seemed to me we should just
21 go back to having a moratorium in place and
22 that would mean none of this would actually
23 take place.

24 But I don't know the details of
25 that, whether that's possible at this point

1 and I don't want to stress it too much. What
2 I do want to stress, though, if I could is,
3 and it has already been mentioned is
4 renewables. I know in your report it says
5 something like 20 percent of the electricity
6 needs of almost all coastal states could be
7 met with renewables. New Jersey really is
8 going far out of its way, I mean, the governor
9 mentioned the renewable portfolio standing of
10 20 percent. I see that Jean Fox is here, the
11 president of our Board of Public Utilities.
12 She also has really stressed that. I want you
13 to understand that I am supportive of wind
14 power and I'm supportive of offshore wind
15 power being utilized. I do think that we can
16 move very quickly. Atlantic City's a good
17 example. You see some of these windmills on
18 land. I do think we can move quickly and
19 safely towards using offshore wind power and
20 the potential that's out there. So we're not
21 just here saying no, don't do anything. We're
22 here saying we do think that renewables are
23 the way to go and that we can certainly take
24 advantage of that tremendous potential off the
25 coast of New Jersey.

1 The other thing that I wanted
2 to mention and this came up during the debate
3 in Congress, there are tremendous resources
4 out there in the Gulf of Mexico and elsewhere
5 where you already have oil and gas fields that
6 are already leased or that the Interior
7 Department is allowing for drilling. And my
8 understanding is that some of that has
9 actually slowed in the last few years. I
10 don't know if that's because of the recession
11 or whatever. But why not put more of the
12 emphasis on drilling where it's already
13 allowed, rather be looking in new areas like
14 the Atlantic where there really isn't that
15 much potential. The figures that I have for
16 the Atlantic basically say that something
17 like -- there is in the American Petroleum
18 Institute study, that the total economic
19 benefits of opening up the entire Atlantic to
20 be about 235 million dollars per year through
21 2030. Now, if you compare that to New Jersey
22 tourism which is a 38 billion dollar industry
23 and responsible for over 500,000 jobs, why
24 would we even try to roll the dice when we
25 already have these oil and gas fields in the

1 Gulf of Mexico and elsewhere that are open,
2 why would we even try to roll the dice with so
3 little potential in the Atlantic and such a
4 potential threat to our beaches and our
5 tourism industry.

6 The other thing is that we know
7 that industrial pollution does come from oil
8 and gas drilling. I think, again, Senator
9 Menendez mentioned that during Hurricane
10 Katrina, we had a number of incidents where
11 there was pollution in the Mississippi in the
12 Gulf Mexico. We've had incidents over the
13 years where we know that this type of drilling
14 can actually be very detrimental to the ocean
15 environment. And I have to tell you, I know
16 that for tourism in particular, even the
17 possibility of it, I mean, people don't want
18 to swim. Even if you look in the Gulf.
19 People don't want to swim or go on a beach
20 where they know or they can see or they know
21 that there's drilling activity taking place.
22 I mean, even the possibility of it, you know,
23 the fact that there's the possibility of a
24 spill, even if it doesn't occur, often
25 inhibits tourism and use of beaches.

1 So I guess what I'm trying to
2 stress here today is that I do really
3 appreciate the fact that you are so open
4 minded to this and are moving in the
5 directions of renewables and understand the
6 problems that we face. But I really would
7 like to get to a point where we simply shut
8 this process down in terms of any kind of
9 drilling oil or natural gas off the Atlantic
10 Coast, because if you weigh the potential
11 impact -- pollution impact to our beaches and
12 the industry which is so important versus the
13 small amount of energy you actually capture
14 and then think of all the potential of wind
15 and these other renewables, there just isn't
16 any reason, in my opinion, to continue the
17 process of even looking at using or having oil
18 and natural gas drilling off our coast.

19 So, again, appreciate your
20 being here and you're going to hear from us a
21 lot more I'm sure in the future as we go down
22 the road with this. Thank you, Mr. Secretary.

23 SECRETARY SALAZAR: Congressman
24 Holt. Thank you for joining with Senator
25 Menendez and inviting me here and it's good to

1 be here in Atlantic City.

2 REP. HOLT: Thank you,
3 Mr. Secretary, for accepting our invitation to
4 hold this hearing in New Jersey. New Jersey
5 shore, as you will learn, if you don't already
6 know, is a state and a national treasure. I
7 must say I really appreciate your open-minded
8 and careful four-part strategy extending the
9 comment period, holding these public hearings,
10 producing the report, streamlining the
11 permitting process for renewable energy. The
12 shore here in New Jersey is important not just
13 to our economy as you heard, but to the very
14 character of New Jersey. You know, we must
15 protect that. And we should put all of this
16 in the context of U.S. energy use and
17 production.

18 Of course, there will be
19 drilling offshore in the Gulf Mexico and
20 elsewhere. But sustainability is the key
21 word. There's really no reason to open new
22 tracts for drilling. If the activities only
23 delay the necessary transition from fossil
24 fuels that are ultimately unsustainable and
25 delay the move toward sustainable sources,

1 there's really no good reason for opening new
2 tracts as you've heard, if large reserves are
3 already under lease elsewhere. And there
4 really is no good reason for drilling offshore
5 in New Jersey. We've identified -- you've
6 identified in your own reports abundant clean,
7 renewable energy sources right here. Offshore
8 wind has a large potential. No doubt about
9 it. It is located close to the people who are
10 using energy all along this coast. You've
11 seen the data this morning. As Americans find
12 ways to use and waste less energy as we
13 develop wind and ocean wave power and tidal
14 and water current power, as we develop
15 technologies to use electricity for
16 transportation, for example, with better
17 domestic made batteries, as we move ahead with
18 training for green jobs and as you move ahead
19 with improving the permitting process for new
20 energy technologies, we will be moving to a
21 new age.

22 For environmental reasons, for
23 economic reasons, for military reasons, for a
24 host of domestic and international reasons, we
25 are facing a major transition in the way we

1 produce and use energy. We must make that
2 transition. We will be better off when we
3 make that transition. And moving forward
4 means not moving backwards. As you've heard
5 from Governor Corzine with his bold plans for
6 producing nonfossil sustainable energy here in
7 New Jersey, as you heard from the other
8 members and governors around the country, this
9 is a transition that is beginning, but only
10 beginning. It needs your help in the
11 permitting process. I'm really pleased to see
12 you taking to heart the words of President
13 Obama when in his inaugural address he said we
14 will restore science to its rightful place.
15 As a scientist that does my heart good, but
16 more important, it means that you are putting
17 in perspective the old ways of doing things
18 relative to the new ways that are coming on to
19 the stage. You can help us make that
20 transition. We must make that transition.
21 And that means not increasing our dependence
22 on fossil fuels.

23 Thank you for holding these
24 hearings.

25 SECRETARY SALAZAR: Thank you,

1 Representative Holt. And all the way from the
2 western part of the United States from the
3 neighboring state of Utah, Congressman Bishop.

4 REP. BISHOP: Thank you,
5 Mr. Secretary, and I'm appreciative of the
6 opportunity of being here and also I want to
7 commend Mr. LaBelle and Miss Pierce for the
8 excellent reports that were just given here.

9 If nothing else, I think I'm
10 here to remind everyone that you are,
11 Mr. Secretary, from the state of Colorado, not
12 Colorado, and as I drove up from Washington
13 this morning I was wondering why a congressman
14 from a landlocked state like Utah would be
15 coming here to talk about OCS. But with the
16 precedent extension of the public hearing I
17 think I'd be remiss if I wasn't here,
18 especially at a time because of the break when
19 so many of my colleagues were unable to be
20 here. So I wish to be speaking on their
21 behalf.

22 You know, about a month ago I
23 had a respiratory therapist who came into my
24 office, talked about one of his patients that
25 came in there. She said her inhaler wasn't

1 working and she needed a stronger medicine.
2 So I said, okay. So show me how you're using
3 the inhaler and she did. I said, is that the
4 way you always use it? She said, yes. I
5 said, well, let's try it one more time except
6 this time take the cap off. Now, this poor
7 patient thought she was doing everything in
8 her power and thought what she needed was
9 tougher medication, when actually the solution
10 was staring her in the face. All she needed
11 to do was simply take the cap off.

12 Our situation is somewhat
13 analogous in our nation's economy. Tried
14 stimulus packages, doses of bailouts. We have
15 been borrowing from foreigners and our
16 grandkids, we have had new regulations, new
17 redistribution plan takeovers. The medicine
18 does not necessarily seem to have worked, so
19 we probably need some doctor simply to talk to
20 what seemingly out of touch political class
21 and ask one simple question, why haven't you
22 taken the cap off? When our economy is in
23 peril our unemployment is increasing. There
24 seems to be no greater priority than to get
25 revenue and jobs back in there and energy

1 exploration is one of those things that
2 doesn't cost the taxpayers to do that.

3 We have had an energy policy
4 for the last 40 years. To buy cheap foreign
5 energy, it ain't cheap anymore, both
6 economically and politically. One of the
7 things we need to do is rather than sending
8 billions of dollars and thousands of jobs
9 overseas, to simply start looking at the
10 self-inflicted energy dependency we have,
11 because we refused to develop our own domestic
12 energy resources. I think there's three areas
13 I'd like to emphasize.

14 First, I think we need to take
15 the cap off OCS to increase our American
16 energy security. Since 1980, obviously, the
17 demand has been twice the amount of global
18 supply that we have. For the Air Force
19 themselves their cost for energy has gone from
20 three billion dollars to 13 billion dollars in
21 a few years. And it is difficult for us to
22 maintain our military independence when we are
23 dependent on foreign nations for our energy
24 supply knowing off the coast we have anywhere
25 between 50 and 60 years of imported OPEC oil

1 or natural gas that we could be using.

2 Also, talking about it doesn't
3 find out how much is actually there. We
4 seriously underestimated what was in the Gulf
5 Mexico until we actually went into the Gulf of
6 Mexico and started finding out what was
7 significantly there.

8 Secondly, we need to take the
9 cap off the OCS to create jobs and economic
10 growth. We already in the petroleum industry,
11 natural gas, 1.5 million people working.
12 45,000 directly related to OCS. I think it's
13 easy to say if we could develop what is
14 legitimately and logically possible, we could
15 be generating two trillion dollars in new
16 revenue and have another 750,000 that are
17 specifically related to that particular area.

18 Third, I think it's important
19 to take the cap off the OCS because it can be
20 done intelligently. I agree. I think some of
21 the things we need to look at are the revenue
22 sharing plans we have with the state, the
23 current restricted policies prevent even
24 willing states from developing their
25 resources. I think I can say something for

1 New Jersey here that I think states should
2 have a greater control over what takes place
3 off their shores, but that also applies to
4 interior states, I think need to have greater
5 control on what happens to their land at the
6 same time and I'm sure that MMS can talk to
7 Mother Nature and stop the natural seepage
8 that takes place in the oceanfront at the same
9 time.

10 97 percent of our
11 transportation comes from oil. But 90
12 percent -- 70 percent of the oil does not go
13 to transportation. In every barrel of oil in
14 all the natural gas reproduced, there is a
15 significant component of that, which plans
16 other parts of our daily lives. The 787 I'll
17 take home. 50 percent of that is now
18 composite. Most of the military plans we use
19 are composites. Composites are natural gas.
20 When we fertilize that's natural gas. My
21 shoes are held together. The soles are there.
22 If I had ties on them it would come from oil.
23 Even aspirin is some kind of carbon. The
24 plastics my kids play with now, that comes
25 from petroleum products. Even ball point pens

1 are there. Everything from golf balls to
2 dentures to panty hose has an implication in
3 these policies. If we purposefully try to
4 drive up the costs of fossil fuels for
5 whatever purpose there may be to try to move
6 to another course, whether we do it
7 intentional or unintentional consequences, we
8 harm our citizens needlessly in a whole bunch
9 of ways that we don't even think about as we
10 talked about transportation only as we're
11 talking about these particular areas.

12 We talked specifically about
13 the footprint that all sources of renewable
14 energy will take. That's a significant
15 consideration. Now, OCS drilling is not a
16 panacea for our problems. There is no one
17 single silver bullet. There is no single
18 panacea, not even conservation. What we have
19 to use is a combination of everything we have
20 and one of the ways for getting to where we
21 are today is fossil fuels are going to be used
22 in my lifetime. I'm that old. Even in
23 Frank's lifetime and he's a lot younger. One
24 of the things we need to do is find how to
25 take that bridge from the future where

1 renewables are an increasingly significant
2 part of our energy portfolio, but that costs
3 money. Which is one of the reasons why it is
4 significant that as we develop the royalties
5 from increased fossil fuels, those go to a
6 trust fund to be used for the development of
7 alternative energy sources. If we don't do
8 that, we cannot afford to cross that bridge
9 into the future. One of the bills I sponsored
10 does that trust fund. Last year the bills we
11 talked about create that trust fund. I think
12 that is essential for the movement into the
13 future. Every day when we go on to the floor
14 of the house there is a quotation above the
15 speaker's roster by Webster which says "Let us
16 develop the resources of our land and call
17 forth its power to see whether we also in our
18 day and our generation might not, might not
19 perform something worthy of being remembered."
20 I think we have capability of doing that if we
21 look at all of the options that we have before
22 us and realize we have to use the options that
23 we have to get to the future. It is
24 significant. We cannot dismiss them. We
25 simply have to realize it's time to take the

1 cap off of the OCS.

2 Thank you, Mr. Secretary. I
3 appreciate being here.

4 SECRETARY SALAZAR: Thank you,
5 Congressman -- hello. Can you hear me? Good.
6 I can't hear myself. Let me just say this.
7 Thank you very much, Congressman Bishop, and
8 thank you for those comments from Utah. I
9 know that some of our colleagues in the
10 Congress share that. Let me recognize a few
11 other people who are here.

12 Not everybody was able to send
13 their governor, but the state of Massachusetts
14 and governor of Massachusetts have shown great
15 interest and Ian Bowles who is a Secretary for
16 Energy and Environmental Affairs. Ian, if
17 you'll stand up and we can recognize you. You
18 have a couple interesting wind projects right
19 off your shore.

20 Maine is represented by Beth
21 Nagusky who is a Director of Innovation and
22 Assistance with the Maine Department of
23 Environmental Quality. Thank you for being
24 here on behalf of Maine. The State of New
25 York, Kevin Law who's the CEO and President of

1 the Long Island Power Authority also with
2 major wind projects on the horizon.

3 New Jersey mayors, we have
4 Stephen Acropolis who is a mayor from Brick,
5 New Jersey. If you will stand, Mayor, thank
6 you for being here. And Ron Jones, from
7 Beachwood New Jersey, mayor of Beachwood.
8 Ron, if you are still here, let's give him a
9 round of applause as well.

10 All right. We are going to
11 take -- it is 10:25. So we'll take about a
12 10-minute break. We'll come back in here at
13 10:35 and what I'm going to do at that point
14 in time is I have cards and I'm going to let
15 people speak, people who want to give the oil
16 and gas perspective. People who want to give
17 the environmental perspective. People who
18 want to talk about renewable energy, whatever
19 your points, we will try to get to as many of
20 these comments as possible and I'll try to be
21 fair, so if you haven't filled out your card,
22 make sure you get it to one of our people and
23 we'll allow you to comment. I'm going to ask
24 everybody to keep their comments or question
25 to three minutes or less and then between

1 Brenda and Bob and myself, we will attempt to
2 at least provide some kind of response to the
3 comments. So thank you all very much. Let's
4 take a 10-minute break. We'll see you in 10
5 minutes.

6 (Brief recess from 10:26 a.m.
7 until 10:44 a.m.)

8 SECRETARY SALAZAR: We'll
9 continue the public portion of this meeting on
10 the future of the Outer Continental Shelf.
11 Let me just say for all of you who are here
12 and want to speak, this meeting will continue
13 until eight p.m. tonight. We will move
14 through the rest of this program this morning
15 till about noon and at that point there will
16 be an hour break. I will be leaving at that
17 point in time, but our people from the
18 Department of Interior and MMS will continue
19 to allow people here to comment for quite a
20 few more hours.

21 Let me also say that it has
22 been very gratifying to see the number of
23 comments that have come in, the questions from
24 so many people who are here today and the
25 comments that you're making here. These are

1 just the number of people who want to speak,
2 okay? And just to show you that I am going to
3 be very fair, I'm going to pick out a -- I'm
4 going to shuffle just like you do here in
5 Atlantic City, you know, just like -- whoops.
6 We need somebody else to run this game. Oops.
7 Well, we need a good shuffler. Anyway, I am
8 going to call on every fifth person, okay?
9 And so maybe what we ought to do -- I will go
10 ahead and call about five people at a time and
11 if you can stand up and I ask the comments to
12 be short as well. We'll try to make -- we'll
13 take three, four, five comments and between me
14 and the staff we'll go ahead and answer it.
15 So the first one is Matt Miller. Matt, if you
16 will come to the podium. I'm going to go
17 through one, two, three, four. The next one
18 will be John -- oh well. I can't read the
19 name. John O'Malley, P.O. Box 742. I can
20 read your address, from New Jersey. John
21 O'Malley.

22 JOHN O'MALLEY: Yeah.

23 SECRETARY SALAZAR: Come up to
24 the front. You guys are going to line up. So
25 I have -- Matt, how are you?

1 Okay. John O'Malley.

2 SECRETARY SALAZAR: Okay. And
3 we can go one, two, three, four, five. We
4 have Ellie Touhy from Plymouth Meeting,
5 Pennsylvania. Ellie, are you here, Ellie?
6 Ellie, are you here? All right. Well, so far
7 we have a John -- so I'm going to go one,
8 two -- we'll get through these. Four, five.
9 Okay. Jay Worfred, Skip Hobbs from New
10 Canaan, Connecticut.

11 SKIP HOBBS: Yeah.

12 SECRETARY SALAZAR: Skip,
13 whoever is here, stand up so we can call on
14 you and get this started. One, two, three,
15 four, five. Okay. Mary Harper. Mary Harper,
16 are you here? Please, stand. All right. Why
17 don't we go ahead? Let's take you three and
18 then we'll continue through. So identify
19 yourself again. Tell me what the summary of
20 your comment was on your card and we'll go
21 from there.

22 JOHN O'MALLEY: Hi. My name is
23 John O'Malley and I live in Marlboro, New
24 Jersey. And I just wanted to reiterate the
25 thanks that the other speakers have for the

1 open meetings that you're having. I've lived
2 in California and I've lived in New York and
3 now New Jersey. When I lived in California I
4 had occasion to surf -- I'm a life-long surfer
5 at a beach where there were small amounts of
6 tar, residual tar from oil spills. And I
7 can't tell you how a small little pea-sized
8 piece of residual tar gets all over the place
9 and just as importantly has a really negative
10 effect, emotional effect. It was very, you
11 know, emotional. Sorry. I just sort of
12 had -- and I had one other question and that's
13 about the people who came here today to your
14 meeting. I was wondering, you know, I sort of
15 broke them into four different categories,
16 citizens for and against drilling and people
17 who are representing -- who are paid to come
18 or have personal interests in the issue for
19 and against drilling and I was wondering if I
20 could just ask for a show of hands those
21 people who are here representing personal
22 interest as opposed to citizens. Would you
23 mind?

24 SECRETARY SALAZAR: Well, let
25 me -- I will work that into some comments

1 here. I got your points, John, and let's go
2 to Matt.

3 JOHN O'MALLEY: Okay.

4 SKIP HOBBS: I'm not sure Matt
5 is here, Mr. Secretary.

6 SECRETARY SALAZAR: I'm sorry.

7 SKIP HOBBS: Mr. Secretary. My
8 name is Skip Hobbs. I live in New Canaan,
9 Connecticut. I've sailed and fished the North
10 Atlantic waters since childhood. In my
11 community I'm recognized as a leader on
12 conservation and environmental issues. Being
13 green and respecting the environment is very
14 important to me.

15 I am a professional petroleum
16 geologist. During my career I've worked
17 offshore in the North Sea, Indonesia, North
18 Atlantic, Persian Gulf. I'm presently the
19 holder of two large exploration licenses in
20 the North Atlantic offshore Sable Island, Nova
21 Scotia. I support exploration on the Atlantic
22 OCS. Renewed exploration and future
23 production offshore the mid-Atlantic and the
24 New England states will provide significant
25 economic benefits, will help reduce foreign

1 oil imports and as history has demonstrated
2 will have no significant negative
3 environmental impacts. Frankly, I'm amazed
4 that Americans are still debating the
5 environmental perils of offshore oil and gas
6 exploration and production. This is old news
7 which every other country except the USA has
8 successfully solved with minimal environmental
9 impacts. The United States consumes 25
10 percent of the world's oil and natural gas and
11 imports 60 percent of its oil needs, yet
12 prohibits oil and gas exploration on most of
13 its Continental Shelf in areas where
14 significant potential energy resources have
15 been identified. More than 190 miles offshore
16 of the Canadian province of Newfoundland, on
17 the Grand Banks in prime fishing ground,
18 350,000 barrels of oil a day are produced from
19 the Hibernia, White Rose and Terra Nova oil
20 fields. The petroleum industrial has
21 developed 20 billion dollars in Newfoundland.
22 This together with job creation and royalty
23 payments has reinvigorated the Newfoundland
24 economy. There has been no significant
25 environmental mishap in what is often called

1 Iceberg Alley. In the North Atlantic 120
2 miles offshore Nova Scotia approximately 400
3 million cubic feet of natural gas are produced
4 daily from the Sable Island gas fields. Most
5 of this is piped to New England where it is
6 burned as clean energy backing out coal and
7 heating oil. Billions of dollars of economic
8 activity have been generated by the oil
9 industry in Nova Scotia. More than Canadian
10 500 million in production royalties alone will
11 be paid to the government of Nova Scotia in
12 2008/2009. The Canadians have input from all
13 stakeholders oil companies, fisheries,
14 tourism, local industry, environmental
15 advocates and provincial and Federal
16 government developed regulations that promote
17 offshore petroleum development, protect the
18 environment and result in significant economic
19 benefit for all citizens. U.S. law makers and
20 the MMS should take note of the Canadian
21 regulatory model.

22 Wind, solar, geothermal energy
23 currently supply less than one percent of U.S.
24 primary energy demand. Alternate energy
25 resources development should be accelerated to

1 reduce demand for imported hydrocarbons and
2 reduce greenhouse gas emissions.

3 However, we must also be
4 realistic and recognize that as a practical
5 matter fossil fuels will rule for another
6 generation. The same geological formations
7 that are productive offshore Eastern Canada
8 extend south along the U.S. Continental Shelf
9 margin. Drilling offshore Atlantic City will
10 be more than 100 miles out to sea. You are
11 not going to see any drilling infrastructure
12 from the beaches of Atlantic City. We cannot
13 ignore potential domestic hydrocarbon
14 resources identified by the U.S. Geological
15 Survey and the MMS on the Atlantic OCS. The
16 United States cannot drill itself to energy
17 self-sufficiency, but the potential
18 incremental barrel of supply from the North
19 Atlantic OCS will have important economic and
20 strategic consequences. We won't know what's
21 truly there until we drill. Prudhoe Bay was
22 discovered by the 31st well on the North Slope
23 preceded by dry holes. The largest oil field
24 discovered in America.

25 SECRETARY SALAZAR: So if I

1 may, Skip --

2 SKIP HOBBS: I will finish.

3 SECRETARY SALAZAR: I get your
4 point. Your point is we got to find out
5 what's there. You think that fossil fuels are
6 still a very major part of our portfolio going
7 into the future.

8 SKIP HOBBS: And there's been
9 no environmental impact with all of their
10 develop.

11 SECRETARY SALAZAR: Thank you,
12 Skip. Mary.

13 MARY: Thank you,
14 Mr. Secretary. I hope that I can get up into
15 the mike. I don't know how to do this. I'm
16 here to represent myself as a native born
17 Atlantic County resident and as a New Jersey
18 certified environmental steward. And my
19 representatives Governor Corzine and Senator
20 Menendez and Representative LoBiondo did an
21 amazing job of speaking for me which is their
22 job and so I have only a few comments, because
23 they haven't spent their whole lives here and
24 may not have known.

25 When the chart of the East

1 Coast went up and it showed that there are a
2 thousand people per square mile on the East
3 Coast of the United States, the northeast
4 coast, New Jersey's population density is
5 2,600 people per square mile. New Jersey is
6 the most densely populated state and so we
7 probably have more people to be impacted by
8 whatever decisions are made.

9 70 miles of the coast of South
10 Jersey are Federal wildlife refuge, National
11 wildlife refuge is 70 miles of this coast and
12 40 percent of that is a Federal wilderness
13 area that excludes the barrier islands. It's
14 the main -- we call it the mainland. I was
15 born two blocks from here, and I've lived here
16 most of my life. And I don't want people to
17 get the sense that we're NIMBYs here in New
18 Jersey, because we're not. We have
19 contributed a lot and we have also put up with
20 a lot. And one of the things that I'd like
21 to -- there's two things that I'd like to
22 mention. One is that from the late 1950s
23 until 1970 Operation Chase which stands for
24 Cut a Hole and Sink 'Em operated out of Naval
25 Weapons Station Earl on Sandy Hook Bay which

1 is maybe about 70, 80 miles north of here.
2 What that did was took defunct naval vessels,
3 filled them with ammunition, unexploded
4 ordinance and chemical weapons and sunk them
5 off of our coast. They're all still out
6 there. One of them was the SS Corporal Eric
7 Gibson which was scuttled right off Atlantic
8 City on June 15th, 1967. It was filled with
9 about 7,387 rockets containing VX nerve agent.

10 SECRETARY SALAZAR: Mary, let
11 me ask you a question. I understand your
12 point of view would be, I take it, what
13 Governor Corzine's point of view is in terms
14 of drilling in the offshore of New Jersey.
15 Would it matter to you if there was seismic
16 exploration to understand what is out there so
17 at least we know what is there or would that
18 not be something that you would be supportive
19 of?

20 MARY: There may be scientists
21 who know how the seismic exploration could
22 effect any of this stuff down there. There's
23 also dumping area just southeast of Atlantic
24 City. It lies between Atlantic City and Ocean
25 City where DuPont Chemical has been dumping

1 toxic chemicals for three decades now.
2 They're permitted to do that.

3 SECRETARY SALAZAR: Let me ask
4 you one more question. What if the offshore
5 drilling were to be permitted 100 miles off
6 the coast of New Jersey? Would that matter to
7 you in terms of your position?

8 MARY: It would matter to me in
9 terms of the possible impact to the coast or
10 wilderness areas and our wetlands.

11 SECRETARY SALAZAR: I
12 appreciate your comments very much and because
13 I want to hear from some of the other people
14 I'm going to move on and we'll take your
15 comments and they will become part of our
16 record in this process. Thank you very much.
17 Thank you for being here. Yes.

18 MATT MILLER: Thank you, Mr.
19 Secretary, for having me today. I'm Matt
20 Miller and I'm here on behalf of the Consumer
21 Energy Alliance. And with your permission,
22 sir, I'd like to read into the record a letter
23 from Senator Frank W. Wagner, state senator
24 from the Commonwealth of Virginia.

25 SECRETARY SALAZAR: Let me ask

1 you this, Matt. I'd rather you just summarize
2 it. Tell me what it is that he has to say.

3 MATT MILLER: Certainly, sir.
4 Because --

5 SECRETARY SALAZAR: We'll take
6 the letter and we'll take all your comments,
7 all these comments and they'll all be part of
8 the record as we move forward, but give me the
9 summation of what it is his point is or your
10 point is.

11 MATT MILLER: Certainly, sir.
12 Thank you, very much. The State Senate
13 represents 188,000 constituents and this issue
14 has been looked at very closely in the state.
15 And in this district and over 70 percent of
16 the people that he represents supports
17 offshore development of the hydrocarbon
18 resources.

19 SECRETARY SALAZAR: What was
20 that number again?

21 MATT MILLER: 188,000, sir.
22 The city is a coastal community relying
23 heavily on tourism for a significant part of
24 the economy. Because the Department of
25 Interior's included Virginia in their current

1 five-year plan much media attention has been
2 focused on this topic, as you can imagine.
3 The public has been well-educated on the facts
4 and figures and the environmental and safety
5 records of offshore platforms, despite the
6 best efforts of a very vocal radical minority,
7 and of those in the environmental community.
8 Various sport fishing groups have come out in
9 full support of the development because they
10 recognize that platforms become significant
11 marine habitat creating fishing opportunities
12 that would not otherwise exist as they
13 currently do in the Gulf Mexico. This is why
14 the practice of taking older platforms no
15 longer in use and sinking them on their sites
16 is commonplace in order to retain the habitat
17 for the tens of thousands of fishes that have
18 located there. In these particular very
19 difficult economic times, the State Senate
20 would hope that the U.S. Department of
21 Interior would focus on the potential huge
22 positive impact on this economy. As well as
23 the opportunity to develop --

24 SECRETARY SALAZAR: Okay. So,
25 Matt, what I would take from your comments is

1 the state senator on whose behalf you are
2 speaking would be an advocate of continuing to
3 keep the Virginia portion in the current lease
4 area opened up for exploration and I will
5 comment only that the governor of Virginia
6 recently sent me a letter stating the exact
7 opposite point of view. And so what you are
8 expressing is -- I think what's important
9 about this discussion is that we see that
10 there are different points of view with
11 respect to this issue and even with respect to
12 Virginia and this particular lease area, there
13 is obviously, very different points of view on
14 how to move forward with them. Thank you very
15 much, Matt.

16 MATT MILLER: Certainly, and,
17 Mr. Secretary, with your permission I'd like
18 to submit for the record a letter from several
19 senators in support of the project.

20 SECRETARY SALAZAR: Absolutely.
21 We will include everything you want to put
22 into the record.

23 MATT MILLER: Thank you,
24 Mr. Secretary.

25 SECRETARY SALAZAR: We're very

1 open to that.

2 ELLIE TUOHY: My name is Ellie
3 Tuohy. I got up at 4:00 this morning to drive
4 here from Plymouth Meeting, Pennsylvania. I'm
5 concerned about the environment. But I'm more
6 concerned about human beings and about our
7 security. We need to figure out how to
8 effectively develop American oil and natural
9 gas. We can no longer ignore the fact that we
10 let other countries dictate our energy
11 consumption. Thank you.

12 SECRETARY SALAZAR: Ellie, hold
13 on. Unlike most people, you didn't speak long
14 enough. Let me -- Ellie, where are you from?

15 ELLIE TUOHY: Plymouth Meeting,
16 Pennsylvania.

17 SECRETARY SALAZAR: Don't go
18 away from the microphone. And you got up at
19 4:00 this morning?

20 ELLIE TUOHY: 4:00, and I went
21 to a Phillies game last night.

22 SECRETARY SALAZAR: And your
23 point of view is that --

24 ELLIE TUOHY: National
25 security. That's what it's all about.

1 SECRETARY SALAZAR: So that the
2 OCS, from your point of view, on the Atlantic
3 should be opened up?

4 ELLIE TUOHY: After swimming in
5 the Atlantic Ocean on the Jersey shore, my
6 family's always had a summer home. That
7 water's been dirty as long as I can remember.
8 I have never been able to see my feet in that
9 water since I was a baby. The first time I
10 ever saw blue water was when I went to Hawaii.
11 People in New Jersey are used to dirty water.

12 SECRETARY SALAZAR: Thank you,
13 Ellie, for coming all the way from
14 Pennsylvania and sharing your point of view
15 here in New Jersey. You see why these are
16 tough issues. If they weren't tough issues,
17 we wouldn't be having this conversation. This
18 is all very good.

19 Let me just make a couple of
20 comments with respect to these comments that
21 have been made. First of all, I think it was
22 John who asked the question about who is here
23 from the public as citizens and who is here
24 representing somebody, I guess another way of
25 putting this. Let me ask just a couple

1 questions and see what the audience looks
2 like. First of all, how many of you are here
3 from New Jersey? How many of you are
4 associated with, represent an environmental
5 organization?

6 How many of you are here
7 representing or affiliated with, work for the
8 oil and gas industry?

9 Okay. How many of you are here
10 representing local government, state
11 government?

12 So it's a good cross-section.
13 By the way, I am going to call on New York and
14 the other representatives. I was given a note
15 that I was supposed to have called on you
16 earlier, but I didn't. I want to go through a
17 few more public comments before we call on
18 you, if that's okay with all of you.

19 We'll keep going through this.
20 The next one is Daniel Cohen. Daniel Cohen.
21 Are you here, Daniel? If you're not here then
22 I'm -- okay. Daniel's not here.

23 UNIDENTIFIED SPEAKER: He's
24 around.

25 SECRETARY SALAZAR: Oh, he's

1 around? So Daniel Cohen. Daniel Cohen. One,
2 two, three, four, five. Mark Rogers. Mark
3 Rogers? Mark Rogers? I think, is somebody
4 who says he's here with Cape Wind. One, two,
5 three, four, John Weber. John Weber. John
6 Weber, if you'll come up here. All right.
7 Get one more. One, two, three, four, five.
8 Eileen Levendowsky. Eileen Levendowsky.
9 We'll take those four comments and then we'll
10 take some more. All right. Who's first up?

11 MARK RODGERS: Well, I don't
12 see Dan Cohen yet. My name is Mark Rogers.
13 I'm communications director of Cape Wind.
14 Good morning, Secretary Salazar.

15 SECRETARY SALAZAR: Mark, how
16 are you?

17 MARK RODGERS: Cape Wind, as
18 you know, is America's first offshore wind
19 farm proposal that would locate 130 wind
20 turbines on Horseshoe Shoal in Nantucket Sound
21 that in average winds would provide the island
22 of Cape Cod and Martha's Vineyard and
23 Nantucket with 75 percent of their energy
24 needs. MMS issued a draft and final
25 environmental impact statement. Meanwhile,

1 the Massachusetts Office of Coastal Zone
2 Management has issued us to consistency
3 determinations. Just last month the
4 Massachusetts Energy Facility Citing Board
5 voted unanimously to grant Cape Wind a
6 composite certificate that effectively
7 completes Cape Wind's state and local
8 permitting. These reports at the Federal and
9 state level shows show that Cape Wind would
10 serve the public interest by creating jobs,
11 reducing pollution emissions, reducing
12 greenhouse gas emissions and increasing our
13 energy independence. And we're proud that
14 over the course of these seven years Cape Wind
15 has helped the United States evolve a
16 regulatory framework from your department for
17 offshore wind power and that our nation is
18 finally poised to harness this important
19 resource. Cape Wind is shovel ready.

20 According to two independent
21 public opinion polls, Cape Wind has the
22 support of 86 percent of the Massachusetts
23 public and we're proud that Massachusetts
24 Governor Deval Patrick supports Cape Wind as a
25 centerpiece of his vision to make

1 Massachusetts a world leader in offshore wind
2 and today, Secretary Salazar, I have a major
3 announcement from the Massachusetts
4 legislature.

5 I'm holding in my hand a letter
6 addressed to you and signed by 78 members of
7 the House and Senate, democrats and
8 republicans. It was authored by House
9 Chairman Frank Smizik and Senate Chairman Mark
10 Pacheco each of the Committee on Global
11 Warming and Climate Change and I'll read the
12 first sentence of this letter signed by 78
13 members of the Massachusetts legislature.

14 Just to end by reading just the quote, we the
15 undersigned want to voice our support in the
16 Cape Wind project and respectfully request
17 that the Minerals Management Service of the
18 U.S. Department of Interior issue a favorable
19 record of decision and lease to Cape Wind as
20 soon as possible, unquote. Thank you, very
21 much.

22 SECRETARY SALAZAR: Thank you,
23 Mark. Let me ask you one question. How many
24 members are there in the Massachusetts
25 legislature? 100 or --

1 MARK RODGERS: Combined House
2 and Senate I believe is 200.

3 SECRETARY SALAZAR: About 200,
4 okay. I just wanted to ask that question.
5 Thank you, very much, Mark, and we're still in
6 the process on Cape Wind and so we will have
7 decisions I think coming out soon. But we
8 will obviously move forward with the process
9 within the legal structure that we have set
10 forth. Thank you.

11 Who is next?

12 JOHN WEBER: I'm John Weber
13 with the Surfrider Foundation.

14 SECRETARY SALAZAR: John Weber.
15 Surfrider.

16 JOHN WEBER: We are against
17 offshore oil and gas exploration. I want to
18 first thank MMS for being here and thank you
19 for service to your country, and I mean this,
20 because I know you are going to endure
21 hundreds of people coming up here and
22 essentially all saying the same thing and by
23 the time you get to San Francisco, thousands,
24 and I mean thousands of people are all going
25 to come up here and say the same thing and

1 that's a challenge for somebody like myself to
2 not say the same thing and I also want to say,
3 Mr. Secretary, personally, this is so
4 wonderful that you're standing here and I'm
5 speaking to you and you're asking questions
6 and taking questions and I just think that's
7 fantastic.

8 So on to it. I suppose people
9 who work for you are doing it. So I think
10 it's wonderful. The timing of this I have to
11 comment on, though, as good as this turnout
12 seems, we really had three weeks on knowing
13 the date and time and place of this hearing
14 and I find that inadequate. Maybe it's a
15 strategy on the part of MMS and energy
16 conservation strategy saying let's give them
17 three weeks' notice. Not that many people
18 will come and we won't spend as much gasoline
19 driving up and down the parkway. I invite you
20 to come back in July to Atlantic City, there
21 will be thousands and thousands and thousands
22 of people at a hearing like this in July. So
23 if you want to consider that, that would be
24 great.

25 In an effort to say something

1 that hasn't been said before, the Surfrider
2 Foundation put a petition on Facebook. Once
3 we knew who the new President was, it got
4 started in early December. Ran for about 45
5 days till inauguration day. It has 21,000
6 names on it. I'm giving it to you. Do you
7 want to know what 21,000 names look like?
8 It's 643 pages. This is our not-the-answer
9 petition. We think offshore oil drilling and
10 gas exploration isn't the answer. You all
11 know what the answers are. Not going to
12 belabor that point. Not that Facebook is some
13 heavyweight of, you know, political policy or
14 anything like that. It's mostly young people,
15 okay? And it's only available to people on
16 Facebook and in 45 days that's a lot of
17 people. By contrast, there are Facebook
18 causes in favor of offshore oil drilling.
19 This one's got four people. And this one has
20 five people. Again, not a heavyweight of
21 policy, just saying.

22 SECRETARY SALAZAR: John, let
23 me just ask you a question. So I take it that
24 your organization, the foundation and 21,000
25 names would be opposed to offshore oil and gas

1 drilling. Do we have the same position with
2 respect to offshore wind development?

3 JOHN WEBER: We want to see
4 ocean renewables done right. I'm thrilled at
5 the opportunity to have wind energy off the
6 New Jersey coast. We want to make sure it's
7 done right. From what I can tell, now that
8 MMS and FERC have, you know, figured out some
9 of the turf battles through wind and wave and
10 whatnot. We feel we're moving in the right
11 direction and that's fantastic. We support
12 renewables done right.

13 I want to say one other thing
14 with respect to oil and gas. For members of
15 the Surfrider Foundation like myself and a lot
16 of other people that you are going to hear
17 from, this is personal. It's personal in the
18 sense that on Saturday I spent four hours in
19 the Atlantic Ocean. I'd like a show of hands
20 how many people have been in the Atlantic
21 Ocean in the last, you know, 48 hours. Okay.
22 Those are surfers, okay? We're not talking
23 about looking at it from the boardwalk and I'm
24 not talking about floating on top of it on a
25 boat. I mean in it. Emerged in it for four

1 hours, okay?

2 SECRETARY SALAZAR: Appreciate
3 your comments.

4 JOHN WEBER: It's personal.
5 Thank you very much. Who do I give the
6 petition to?

7 SECRETARY SALAZAR: Right up
8 here. All right. Virginia Beach, Virginia.

9 EILEEN: I'm the Hampton Roads
10 coordinator with the Sierra Club and I live in
11 Virginia Beach. As you pointed out, Governor
12 Kaine in his letter to you, has called for the
13 temporary postponement of Virginia lease sale
14 220. To quote him, this lease sale is the
15 only one currently proposed anywhere along the
16 Atlantic seaboard. He writes, I believe no
17 lease sale should be inducted in the Atlantic
18 until the process you have outlined in the
19 five-year program 2010/2015 is complete.
20 Including Virginia in the same process used to
21 study all other Atlantic offshore drilling and
22 to incorporate information about other
23 offshore areas of Virginia makes sense.
24 Certainly MMS doesn't have enough information
25 and studies to safely conduct any other lease

1 sale in our region, they certainly do not have
2 enough information to conduct the first lease
3 sale, Virginia lease sale 220, which goes on
4 the auction block as early as 2011.

5 As an example of all the states
6 along the eastern seaboard, opposition to
7 offshore drilling remains strongest in New
8 Jersey with its vital coastal dependent
9 tourism industry, yet at a December 2008 MMS
10 workshop in Williamsburg, Virginia discussing
11 lease sale 220 off of Virginia, when
12 addressing concerns for the industrial
13 development of Virginia's coast expected to be
14 necessary to handle raw products that may come
15 into the shore from drilling platforms, a
16 Shell Oil executive indicated that energy
17 companies might, quote, instead build
18 underwater pipelines to refineries in New
19 Jersey bypassing the Virginia coast all
20 together. As it is right now, such pipelines
21 in New Jersey refineries lie outside the scope
22 of study for MMS as specific to Virginia's
23 early lease sale 220.

24 Not only does it make sense to
25 study Virginia as a whole and study the

1 Atlantic Coast as a whole, it also makes sense
2 to consider planning for all offshore coastal
3 resources to include wind and wave power as
4 you suggested. According to the Virginia
5 Coastal Energy Research Consortium, a
6 consortium of universities chartered by
7 Virginia's General Assembly, Virginia is one
8 of the prime states for locating new offshore
9 wind capacity. Their research suggests that a
10 wind farm using available technologies that
11 covers an area equal to that of Virginia Beach
12 could satisfy 20 percent of the electricity
13 demand of the Commonwealth. Also unique to
14 Virginia's offshore wind development is its
15 location near coastal metropolitan load
16 centers thus benefitting other states in the
17 comprehensive development approach. Serious
18 environmental and National security concerns
19 have been raised about Virginia offshore
20 drilling since its questionable enrollment in
21 the 2007/2012 program. Not only does the
22 environmental impact statement need to take
23 into full account the reliance of Virginia on
24 its economy on the coast, it must be measured
25 with regard to offshore energy development for

1 the entire Atlantic Coast.

2 Postponing lease sale 220 is
3 the most environmentally sound and
4 economically responsible course.

5 SECRETARY SALAZAR: Let me ask
6 you a question. So I would take it that from
7 your point of view, Eileen, and you were
8 referencing the governor's letter extensively.
9 That for Virginia you would be a strong
10 proponent of moving forward with the
11 development of wind energy off the coast of
12 Virginia?

13 EILEEN: Absolutely.

14 SECRETARY SALAZAR: And second
15 of all, with respect to lease sale 220 which
16 is currently part of the five-year plan. You
17 would also agree with the governor that that
18 lease sale ought to be postponed, but you --

19 EILEEN: Exactly.

20 SECRETARY SALAZAR: You also
21 said something else in your comment, and that
22 is you think we need to develop additional
23 information on the Atlantic.

24 EILEEN: Right.

25 SECRETARY SALAZAR: Would from

1 your point of view, Eileen, that include doing
2 additional seismic information so that we have
3 a better scientific understanding of what's
4 there?

5 EILEEN: Right. Is it 30 years
6 since we've done any development? There's so
7 many unknowns and there are just as many
8 unknowns for Virginia as there is for the
9 entire Atlantic Coast. We're no better off
10 even though we're a couple years ahead on the
11 MMS process. There's not any more
12 information. You can't say that there's all
13 these unknowns in other areas.

14 SECRETARY SALAZAR: Let me ask
15 a question. You heard the report earlier from
16 USGS and MMS. Ask everybody here in the room
17 to raise their hand. The fact is that the
18 information that we have on the Atlantic is
19 probably 25 years old in terms of the seismic
20 information. There's some who want us to go
21 and develop additional information on the
22 Atlantic on seismic. There are others
23 opposed. How many of you would support us
24 going out and developing additional seismic
25 information off the Atlantic Coast? How many

1 of you would support it?

2 How many of you would oppose
3 it?

4 Okay. I appreciate the comment
5 from Virginia and from you, Eileen, thank you
6 very much. Next.

7 DANIEL COHEN: Thank you.
8 Daniel Cohen. I'm sorry. I was in the hall
9 when you called my name and I also have
10 written versions of this to give to you and
11 your staff. My name is Daniel Cohen. I'm the
12 second generation of my family in the fishing
13 business of New Jersey. We operate 20 vessels
14 with shoreside facilities in New Jersey, Rhode
15 Island and Massachusetts. I'm also the
16 President of a company formed by fishermen
17 called Fishermen's Energy, formed specifically
18 to develop offshore energy resources. Our
19 fishermen investors operate over 100 vessels
20 on the East Coast with facilities in
21 Massachusetts, Rhode Island, New York, New
22 Jersey, Maryland and Virginia. I would like
23 to thank the Secretary Salazar, Governor
24 Corzine who left, obviously, and other
25 officials such as Commissioner Fox for this

1 meeting today and for attending this meeting.

2 Offshore wind presents the
3 potential of one billion dollars of capital
4 invested in New Jersey yearly and for a
5 significant investment additionally on the
6 East Coast. Fishermen's Energy actually was
7 formed by leadership of East Coast Fishing
8 Industries to be an agent for change.

9 Although the fishing industry has historically
10 been opposed to any competing use of the water
11 column and its resultant negative impact on
12 commercial fishermen, we concluded after
13 significant introspection and analysis that
14 our society needs change. We've already seen
15 the first impact of global climate change in
16 the heat-related die-off of surf clams as
17 documented in our cooperative fisheries
18 research with Rutgers University. And the
19 change in range of migratory patterns of
20 Atlantic fin fish for which we fish.

21 Fishermen's Energy recognizes the impact of
22 human activity on our environment. Human use
23 of fossil fuels, production of CO2 and
24 greenhouse gases, acidification of our oceans.
25 Our dependence on foreign fuel suppliers all

1 work against the status quo and force the
2 public and ourselves, the fishing industry, to
3 seek for new solutions.

4 Fishermen's livelihood is
5 dependent on a healthy vibrant and sustainable
6 managed environment. The oceans must be
7 developed for alternative uses. We believe
8 there are none more qualified or more invested
9 in a design limitation and operation of these
10 uniquely ocean structures. But we cannot
11 build, in fact, no one can build an offshore
12 wind farm without the complete support of the
13 community, including the societal support of
14 New Jersey and a nation as a whole. As a
15 society, we can stick our heads in the sand
16 and continue escalating our usage of fossil
17 fuels or we can begin to make changes that
18 will have incremental costs today, but can
19 slowly turn the ship of our energy states
20 toward common waters. To do so we must begin
21 to build new industry today.

22 SECRETARY SALAZAR: Would it be
23 fair to say your point to me as Secretary of
24 Interior is we got to move forward with a wind
25 energy program in the Atlantic and, two, you

1 are opposed with respect to oil and gas
2 drilling in the Atlantic?

3 DANIEL COHEN: I'll speak more
4 quickly and extemporaneously. I would say
5 yes, we are looking for you to move forward
6 with your rules, but there are a few things
7 you should think about.

8 Number one, companies like
9 ourselves which are today planning to build a
10 meteorological tower 10 miles off of New
11 Jersey. We have been making significant
12 investments for the last few years and your
13 current rules are not clear how that will
14 relate to initiative by states. Our state
15 governor, as you heard, is taking initiative
16 to develop a competitive process and develop
17 his ocean in an orderly fashion. Will MMS
18 rules coordinate with existing state programs
19 and state initiatives in an organized manner
20 or will they be disenfranchised? We're making
21 significant investment and yet your rules are
22 not clear that once we build this
23 meteorological tower that we will be able to
24 proceed with construction and for us it's a
25 significant investment. That must be

1 connected and it would be clear, again, you
2 heard Governor Carcieri talk about Rhode
3 Island. I'm sure that we would like to see
4 his development done in an orderly fashion, so
5 it's important the final rules recognize the
6 investment that's been made by the states and
7 the states' stakeholders in those
8 developments.

9 The second thing is this issue
10 of -- may be too late to talk about right now,
11 but FERC and MMS and MOU must be a development
12 between FERC and MMS and for sure, I would
13 speak that I'm not sure what the bottom line
14 of the MOU is, but it should be clear that
15 there is one permitting agency to go to and
16 it's also in an early fashion, so that we do
17 not have things as we perceived have happened
18 recently look like real estate development.

19 SECRETARY SALAZAR: I have your
20 point.

21 DANIEL COHEN: Okay.

22 SECRETARY SALAZAR: I have your
23 points, both in your letter as well as in your
24 summary there and I appreciate you and Mark
25 and John and Eileen, all of you who spoke in

1 that round. I'm going to ask the
2 representatives from the governors' offices
3 and several other states who traveled here a
4 long time to be here and I'll call first on
5 Ian Bowles, Secretary for Energy and
6 Environmental Affairs for the state of
7 Massachusetts. Ian.

8 IAN BOWLES: Thank you very
9 much, Mr. Secretary. I want to echo the
10 thanks for your personal engagement in this
11 topic and for your enthusiasm for offshore
12 wind. You have done in the space of a few
13 months a great deal to focus the nation on
14 this topic.

15 We're two decades behind
16 Europe. If you think about the 1,500
17 megawatts of wind power that they've already
18 deployed and the very large pipeline that's
19 coming in Europe. So thank you for your
20 personal efforts very much.

21 The topic of Outer Continental
22 Shelf development traditionally in
23 Massachusetts is focused on Georges Bank,
24 which is a tremendously important fisheries
25 for us. As is mentioned before, New Bedford

1 is the nation's number one port in terms of
2 economic value of landings. So we believe 30
3 years ago energy development was looked at in
4 Georges Bank and approved to be a bad idea
5 then. See no reason to believe that it's not
6 still a bad idea today. We think the
7 opportunity and indeed the renewable energy
8 mother lode for our region is in offshore
9 wind. We're behind Europe and we think we
10 need to accelerate and we think Federal, state
11 cooperation is vitally important.

12 In our state we're doing a
13 comprehensive session management process that
14 will result in special sensitive areas that
15 need additional protection for habitat, but
16 also renewable energy development zones in our
17 state waters that will be able to put out for
18 lease and participation in our process from
19 the Federal agencies as vital as some of these
20 areas may straddle state and Federal waters.

21 Last point I want to make
22 quickly, Mr. Secretary, is building on
23 Governor Carcieri's point about transmission.
24 The debate about transmission appears to us to
25 be largely driven by western states who have

1 remote renewables that they want to deliver
2 into load centers. For us sitting on the
3 Atlantic seaboard that is a distraction. For
4 us we have a resource off our coast that is
5 superior in terms of capacity factor. It
6 blows more strongly and more frequently off
7 our coast, and we have proximity. It's not
8 very far away. So for us the issue is not
9 transmission and we think one size fits all
10 Federal policy on transmission will leave our
11 region behind and, indeed, will leave offshore
12 wind behind. Instead we'd rather see more
13 regional approaches. What we have in New
14 England is a very well functioning renewable
15 portfolio. Results in a huge amount of
16 renewable development. We'd like to see those
17 things strengthened and not replaced and we
18 think FERC and MMS should be coming together
19 to look at the range of engineering and
20 interconnection studies that are needed for a
21 real spine of offshore wind development that
22 can serve all our state interests.

23 So I thank you again for your
24 personal attention to this very much. On
25 behalf of Governor Patrick, I'm glad to be

1 here today.

2 SECRETARY SALAZAR: Thank you
3 very much, Ian, and thank you for your service
4 in Massachusetts on this issue as well.

5 I call on the great state of
6 Maine. Beth Nagusky, Director of Innovation
7 and Assistance, Maine Department of
8 Environmental Protection.

9 BETH NAGUSKY: Thank you,
10 Secretary Salazar. On behalf of Governor
11 Baldacci I want to thank you for coming to
12 Atlantic City and hosting this. I'm
13 cochairing the Governor's Ocean Energy Task
14 Force and we are looking at the great
15 potential in the Gulf of Maine for not just
16 near shore wind, but also the deep, deep water
17 I call it. Which are the new technology
18 floating platforms that have not yet been
19 proven. Maine has set an ambitious goal of
20 3,000 megawatts of wind by 2020, of which we
21 want to get at least 300 from offshore. Our
22 University of Maine has been working en route
23 to better identify the wind profile in the
24 Gulf of Maine. And help site this, as well as
25 working on composites for new blades and new

1 technologies and we'd like to create a
2 research park in the Gulf of Maine where we
3 can test these new floating platforms, because
4 the biggest winds are really where the waters
5 are deepest in the Gulf of Maine. As you
6 probably know, the Gulf of Maine may contain
7 about 10 percent of all offshore wind in the
8 United States. Maine has set very ambitious
9 goals, as I just said.

10 We have streamlined our
11 permitting process for onshore wind. We have
12 recently just developed a streamlined
13 permitting process for this research and
14 testing of these deeper water projects as well
15 as tidal power. We had last December a first
16 prototype of a tidal in stream device tested
17 off the East Coast.

18 I just want to leave you with a
19 few things. I know there are a lot of people
20 here who would like to speak and I don't want
21 to hold you up. But what we are looking at in
22 Maine is not just using this power, this clean
23 power to power our electric grid to keep the
24 lights on. But Maine -- 80 percent of Maine's
25 homes are heated with oil. 90 percent of a

1 Maine homeowners' energy bill, annual energy
2 bill is transportation and home heating.
3 Electricity counts for only 10 percent. We
4 need more dollars deployed to research
5 development and deployment of these new and
6 emerging technologies not only for electricity
7 and more efficient electricity, but cold
8 climate heat pumps, thermal energy storage
9 devices, electric cars so that we can truly
10 reduce our dependence on oil in this country
11 by electrifying those sectors as well and
12 using clean electricity to power them.

13 The other point that I don't
14 believe has been made is that we would like to
15 explore more equitable revenue-sharing
16 protocols so that states who are citing these
17 projects where the transmission lines will be
18 going through state waters get a greater share
19 of revenues, because of the benefits that are
20 being provided, and also I want to reiterate
21 the point about citing generation near load.
22 We believe that Boston, Portland, New York
23 City, Atlantic City should be powered with
24 offshore energy from closer to load as opposed
25 to expensive expansive transmission lines that

1 would cross the country.

2 So with that, I'd like to end
3 and just thank you again for coming. Governor
4 Baldacci has made this a high priority and
5 we're very happy to be here. Thank you.

6 SECRETARY SALAZAR: Thank you,
7 very much. Appreciate your comments. From
8 the state of New York, Kevin Law, CEO and
9 President of Long Island Power Authority.

10 KEVIN LAW: Thank you,
11 Mr. Secretary. Happy to be here today. My
12 name is Kevin S. Law. I'm the President of
13 the Long Island Power Authority, also known as
14 LIPA. We're the second largest public utility
15 in the country with over one million
16 customers. I'm also here representing
17 Governor David A. Paterson and I serve on his
18 Renewable Energy Task Force.

19 Earlier this year Governor
20 Paterson launched his 45-by-15 program. That
21 is to get 30 percent of our state's energy
22 through renewable energy and 15 percent
23 reduction in demand for the electricity we're
24 now using, so you add 30 of renewable with the
25 15 percent reduction and demand, that's how

1 you get the 45 and the goal is by 2015. This
2 is the 45-by-15 program. Last year Governor
3 Paterson brought together all the Northeast
4 and mid-Atlantic governors and he formed an
5 organization NEMAG, N-E-M-A-G, and it's
6 bringing them all together to address the
7 point you made earlier that we do need to be
8 looking at these things regionally and
9 nationally and it's not going to be good if
10 each state is doing their own thing. So
11 Governor Corzine is going to host the meeting
12 this year in September. So we're excited
13 about participating with our neighbors as we
14 all address the energy challenges before us.

15 There's one thing I want to
16 just leave with you on a more localized level.
17 We're excited about a offshore wind initiative
18 that we proposed earlier this year. It could
19 be the largest offshore wind project in the
20 country. It is a joint initiative between
21 LIPA and Consolidated Edison, a public utility
22 and a private utility. Could be as much as
23 700 megawatts. We're looking to do it 13
24 miles off the coast of the Rockaways in Queens
25 and we're looking to essentially share the

1 cost and share the power. And because
2 everybody thinks the wind is cheap, it's
3 actually pretty expensive to get these
4 projects off the ground and we're looking to
5 send some power to Long Island and west to New
6 York City. We're excited about it. We just
7 did our first phase of a study which shows our
8 system could actually handle the increased
9 energy with some improvements to our
10 infrastructure and we're going through another
11 stage of due diligence at this point and we
12 look forward to getting this project off the
13 ground and getting the support of your office
14 and your department to help us what could be
15 again the largest offshore wind project in the
16 country.

17 So we're excited and thank you
18 very much for having us here today.

19 SECRETARY SALAZAR: Let me ask
20 you one question. 45-by-15. 30 percent of it
21 coming from renewables. 15 percent coming
22 from efficiency or some of the Washington
23 speak would be you have 45 percent and you
24 have 15 percent carved out for efficiency.
25 You are running the largest public utility for

1 New York. Is that a realistic goal? Is it
2 doable?

3 KEVIN LAW: On the efficiency,
4 yes. You know, we think the efficiency
5 reducing the demand by 15 percent is doable.
6 It's a little aspirational, but it is doable.
7 Commitment is there on the Governor's part and
8 on the utility's part.

9 On the renewable portion, most
10 of the renewable in New York is hydropower.
11 And now we have a lot of wind upstate and now
12 we need to bring just to the point these two
13 speakers before we mentioned, the population
14 center is on Long Island and New York City.
15 And we need to compare, do we try to bring
16 that renewable energy from Canada or Upstate
17 New York down to the load or is it more
18 efficient to put it into the ocean and only
19 have a transmission line a short distance and
20 not traversing the Catskills and the
21 Adirondacks. So the challenges are great. We
22 think it is doable. Perhaps a little
23 aspirational, but we do think it's achievable.
24 SECRETARY SALAZAR: Thank you
25 very much, Kevin.

1 KEVIN LAW: Thank you.

2 SECRETARY SALAZAR: Let me
3 ask -- give him a round of applause. He came
4 all the way from New York. Do we have other
5 representatives from governors' offices along
6 the Atlantic that have not spoken? Please,
7 come up and introduce yourself.

8 DAVID SPEARS: I'm David
9 Spears. I'm policy manager for the Virginia
10 Department of Mines and Minerals and Energy,
11 but I'm here representing the people of
12 Virginia, the Commonwealth of Virginia and the
13 Governor's office and the Commonwealth of
14 Virginia. You've mentioned that you received
15 a letter from our Governor asking that the
16 lease sale 220 be postponed and the governor
17 definitely still stands behind that point of
18 view.

19 We're also very interested in
20 offshore renewables, especially wind. The
21 state policy on oil and gas was set in 2006 by
22 statute, so it was after debate of the entire
23 general assembly and then signed by Governor
24 Kaine and our state policy emphasizes natural
25 gas only and exploration only at this point

1 and we appreciate the MMS giving us the
2 50-mile buffer that we asked for, but at this
3 time we would prefer not to be singled out for
4 a lease sale. The governor stated from the
5 beginning that he would like the entire
6 Atlantic to be treated in the same way at once
7 treating all the states equally. Thank you.

8 SECRETARY SALAZAR: Thank you
9 very much for being here on behalf of Governor
10 Kaine. Let me ask -- I don't know if I'll go
11 through all the states. Up north. We've
12 heard from Maine. Give me a quick -- heard
13 from Maine. Coming down the coast. What's
14 next? New Hampshire, where's New Hampshire?
15 Nobody cares about the OCS in New Hampshire?
16 Come down the coast. Help me, Ken.

17 Department of the Americas, so what's down --
18 Massachusetts. We heard from Massachusetts.
19 Connecticut we've heard from. Rhode Island
20 we've heard from. New York we have heard
21 from. New Jersey we've heard from. We've
22 heard from New Jersey. We've heard from New
23 Jersey. Maryland. Maryland. We have not
24 heard from Maryland. Are you from Maryland?

25 JACKIE SAVITZ: Yes.

1 SECRETARY SALAZAR: Why don't
2 you come up here? We want all the states, all
3 the Atlantic, so, Maryland, come up here and
4 tell us who you are and your point of view
5 from Maryland. I'm going to talk to Governor
6 O'Malley and Senator Cardin and Senator
7 Mikulski and say, where were you? We had a
8 representative from Maryland here.

9 JACKIE SAVITZ: Governor
10 O'Malley's doing a great job. We're happy to
11 have him. But I do not represent him. I'm
12 Jackie Savitz. I represent a conservation
13 organization called Oceana. I do live in
14 Maryland.

15 SECRETARY SALAZAR: What's the
16 name of the organization?

17 JACKIE SAVITZ: Oceana. It's
18 an international ocean conservation
19 organization. Actually, Secretary Salazar,
20 Oceana came today to urge you to reinstate the
21 moratoria that were previously in place on the
22 coast similarly to what Congressman Pallone
23 asked and also to stop ongoing activities in
24 the Arctic because of its, you know, extreme
25 vulnerability and uniqueness. We think there

1 are a lot of good reasons for doing that. The
2 first is the harm, obviously. Oil which
3 you've heard a lot about today. I'm not going
4 to go into it in detail, but I would like to
5 submit to the record this report that Oceana
6 put together called Toxic Legacy and it talks
7 about the harm from oil. In addition to the
8 harm from oil which we think was a good enough
9 reason to have moratoria on the Atlantic Coast
10 and the other coast for the past 25 odd years,
11 through republican and democratic
12 administrations and republican and democratic
13 congresses and we think that reason is still
14 good enough today, but today we can also add
15 the issue of climate change which, as you
16 know, is being driven by our fossil fuel use
17 and it's sort of -- we see it as sort of the
18 final straw and the reason that we should be
19 not lifting the moratoria -- well, let's say
20 we should be reinstating the moratoria that
21 were in place in the past. We're not saying
22 that there shouldn't be energy development,
23 fossil fuel development offshore.

24 In fact, Chairman Rahall in the
25 Natural Resources Committee meeting pointed

1 out that 82 percent of the oil on the OCS and
2 84 percent of the natural gas is available,
3 was available with the moratoria and would
4 continue to be available in the future.

5 You've also heard statistics from the Energy
6 Information Agency that developing the OCS
7 would provide only one percent of our daily
8 consumption and that's only during peak
9 production and only for a short period of
10 time.

11 On the other hand, the tourism
12 figures you've heard about today continue in
13 perpetuity and so developing the OCS is not
14 going to lower our price at the pump. It's
15 not going to get us energy independence no
16 matter how much we would like it to.

17 The bills that are being
18 introduced by Congressman Pallone, Senator
19 Menendez and Lautenberg to essentially
20 reinstate the moratoria, but to do it a
21 slightly different way. On the Atlantic
22 there's a similar one in California. There's
23 a similar one from the delegation in New
24 England from some of the members in the New
25 England delegation.

1 Mr. Secretary, we don't think a
2 piecemeal approach to this is really the way
3 to go and with your leadership we think that
4 these moratoria could be reinstated, you know,
5 with one broad stroke without necessarily
6 stopping all production on the coast.

7 I also want to give you --
8 there is some support as you've heard from
9 Congress and the Senate --

10 SECRETARY SALAZAR: Let me ask
11 you a couple questions. You heard the
12 information presented by MMS, USGS with
13 respect to places where we already drill.
14 Gulf of Mexico, central, the east, the west.
15 Does your organization support those
16 activities in the Gulf of Mexico?

17 JACKIE SAVITZ: Well, we don't
18 necessarily have a position on the Gulf
19 Mexico, but since you brought it up, we're
20 very concerned about the ongoing activities in
21 the Arctic.

22 SECRETARY SALAZAR: No, no, no,
23 no, I'm going to narrow you down to my
24 question here. So the Gulf of Mexico is an
25 area that produces over a quarter of the oil

1 in the nation, a huge percentage of our
2 natural gas. There's extensive exploration
3 and development going on. We know more about
4 the Gulf of Mexico than any other place in the
5 OCS. There's a question about opening up new
6 areas in the Gulf of Mexico. Are you
7 supportive of that?

8 JACKIE SAVITZ: No, we're not
9 supportive of opening up new areas. The parts
10 that were originally covered by the
11 moratorium --

12 SECRETARY SALAZAR: Let me ask
13 another question. So then one of the
14 findings -- just sciences, okay? It's good
15 for everybody in terms of the science. We
16 need to know what the facts are. Make things
17 based on the best of knowledge that we have.
18 Our information on the Atlantic is 25 years
19 old. We don't have any current technology
20 because we haven't done any scientific
21 assessment of what's out there. Does your
22 organization oppose even doing an assessment
23 of what the potential is out there on the
24 Atlantic without getting to the policy
25 decision as to whether or not it's even

1 developed?

2 JACKIE SAVITZ: You know, we
3 don't necessarily have a position on seismic
4 studies, but I think it's a fair point that if
5 you look at what our position is which is we
6 shouldn't be developing oil and gas on the
7 coast, it would be a waste of money to do
8 seismic studies or any further exploration.
9 Based on what we know now, we know that the
10 amount that's out there, we have a ballpark
11 idea of what's out there. We don't think
12 it's -- we think it's diminishing returns to
13 go in that direction.

14 SECRETARY SALAZAR: I
15 appreciate it and I will take every one of
16 your publications and your comments.

17 JACKIE SAVITZ: Thank you.

18 SECRETARY SALAZAR: And make it
19 a part of the record.

20 JACKIE SAVITZ: And a petition
21 from scuba divers as well.

22 SECRETARY SALAZAR: Thank you,
23 Jackie. Let me go -- I want to go through the
24 other states. Delaware. I keep getting calls
25 from the Governor, anybody here from Delaware?

1 They seem to have a big wind project. Say
2 they have enough energy there to meet all the
3 needs of Washington, D.C. and New York. But
4 they're not here. So Delaware. How about --
5 we've heard from Virginia. How about North
6 Carolina? North Carolina doesn't care about
7 OCS? We have one person from North Carolina.
8 Come on up. So North Carolina. How about
9 South Carolina? Anybody from South Carolina
10 here? No South Carolina. We're going to
11 develop these rules that might leave South
12 Carolina out, you know. How about Georgia?
13 Florida? Okay. Go ahead.

14 MATT WALKER: My name's Matt
15 Walker, I'm a resident of Kill Devil Hills on
16 the Outer Banks of North Carolina. There's
17 been a lot of talk about job creation here. I
18 want to talk about job destruction real quick.
19 Where I live there really is no economic
20 engine but a clean beach. That's all we have.
21 Every single dollar goes back to people
22 wanting to come down and visit the Outer Banks
23 of North Carolina. The total state's 12
24 million dollars annually. So two years that's
25 roughly twice what the revenue sharing's

1 offering after three or four decades, so it's
2 a continuous renewable energy. It's renewable
3 income every year unless something happens and
4 once filled that's a whole lot of jobs.

5 Friend of mine who has three
6 jobs. One, he's a maintenance guy for a
7 rental company. He's also a commercial
8 fisherman in the winter and he also just
9 opened a small inn. Now, one oil spill he's
10 got no job. They just disappeared. Also has
11 four kids. Start talking about economic
12 concerns and job creation, that's a big one.
13 And I don't think you can look at as far as
14 creating an opportunity to go work for another
15 major corporation being the same thing as
16 running your own business where you control
17 your own destiny. Thank you.

18 SECRETARY SALAZAR: Let me --
19 thank you very much for those comments for
20 being here on behalf of North Carolina. I'm
21 going to take a few more comments about four
22 more comments and, frankly, it's whoever gets
23 to the microphone first. Whoever wants to go
24 to the microphone first. First four. Only
25 the first four. I have no idea who you are,

1 the first four. One, two, three, four, five.
2 You sneak in there as a fifth. Okay. Just
3 because you're so eager we're going to let you
4 sneak in there. I'm going to ask you to keep
5 your comments short. Identify yourself, who
6 you're with and go ahead.

7 JOHN PETERSON: I'm former
8 Congressman John Peterson from Pennsylvania.
9 I just left Congress January the 5th. For the
10 last 12 years I've served in Congress and 10
11 of those years opening the offshore and
12 removing the moratorium was one of my number
13 one initiatives and I'll explain why. We need
14 energy in America if we're going to be a
15 competitive country and I'm for all the wind
16 we're talking about today. I'm for all the
17 solar we're talking about, but we have to
18 remember, wind and solar are intermittent and
19 when they aren't producing, when the wind
20 doesn't blow from four to seven like it did in
21 Texas last year and we had brown out because
22 we had inadequate gas backup. For every
23 kilowatt of wind we depend on we have to have
24 a gas generator idling to turn on because the
25 wind doesn't always blow at an adequate pace.

1 That's fact. I hope we can grow those
2 industries. But we also have to remember that
3 if we double wind and solar in the next year,
4 it will still be less than one-half percent of
5 the energy in this country. For every
6 kilowatt we develop from those, we do nothing
7 about the use of oil and gas. In fact, we
8 need the gas wells to back them up and
9 biofuels which is five percent of our auto
10 fleet, 95 percent is oil. We use a tremendous
11 amount of natural gas to make that. America
12 depends on available affordable energy.

13 We've had three presidents and
14 Congresses who've not paid much attention
15 to energy, in my opinion. I was there 12 of
16 those years. If we don't have energy supply
17 for America to keep it affordable, we are on
18 foreign dependence. My concern was 70 percent
19 dependence on foreign oil from unstable
20 countries. Half of that OPEC who's stronger
21 today than ever with Russia at their side.

22 Folks, we're going to have
23 energy spikes that we have not seen before,
24 even greater than before. If we don't produce
25 our own, we're giving OPEC and Russia the

1 right to run the country setting energy
2 prices, because they have their hand on the
3 spigot and they can turn it off and on. I
4 want us to do all the renewables,
5 Mr. Secretary.

6 Just one final comment. I have
7 been disappointed. I think you're a good
8 person. But you did remove the Roan Plateau.
9 You did lock up shale oil in the west. You
10 did pull back Utah leases that were already
11 leased. You backed off on the slope. Please,
12 don't lock up the OCS. We need energy for
13 America, American jobs.

14 SECRETARY SALAZAR: Let me just
15 ask you a question, Congressman Peterson. So
16 your point of view, as I hear, especially
17 based on your comments on the utility lease
18 sales, Roan Plateau, other places, we should
19 drill everywhere?

20 JOHN PETERSON: No.

21 SECRETARY SALAZAR: Let me ask
22 you a question. This particular meeting is
23 about the Outer Continental Shelf, 1.75
24 billion acres and we will make the right
25 decision in terms of how we move forward. But

1 your point of view would be that we go
2 everywhere in the OCS, Gulf of Mexico, the
3 Atlantic, the Pacific, all of Alaska and open
4 it all up for oil and gas development? Is
5 that the point of view that you are advocating
6 here today?

7 JOHN PETERSON: No. I think
8 your administration should use your business,
9 wisdom and brains God's given you. We should
10 do seismic. What's the easiest to get to the
11 quickest. The Atlantic would be quicker than
12 the Pacific. No, the Pacific would be quicker
13 because we have infrastructure there. We know
14 the Gulf has infrastructure there. But
15 there's some tremendous reserves very close to
16 that big red glob out here of a megalopolis
17 from New York south that we can produce gas,
18 natural gas is the bridge to renewables. We
19 need natural gas to run this country. It will
20 produce -- it's producing now 20 percent of
21 our electricity. It was seven just 10 years
22 ago. It's the bridge.

23 SECRETARY SALAZAR: I
24 appreciate your heartfelt comments and
25 participation here and thank you for speaking.

1 JOHN PETERSON: Thank you for
2 letting me.

3 RICH MOSKOWITZ: Thank you,
4 Mr. Secretary. My name is Rich Moskowitz.
5 I'm vice president regulatory affairs for the
6 American Trucking Association and I would be
7 remiss in my responsibilities if I didn't
8 remind everybody here that the clothes you're
9 wearing, the food you're going to eat today,
10 the chairs you're sitting on were all brought
11 here by a truck, and to deliver these
12 essential commodities the trucking industry
13 needs a plentiful supply of affordable diesel
14 fuel. Last year we spent over 145 billion
15 dollars on diesel fuel and that rapid increase
16 in the price of diesel fuel took its tolls on
17 our industry. We had more than 3,000
18 companies go bankrupt. Over 140,000 jobs lost
19 as a result of that. Those 140,000 people are
20 not going to the Outer Banks this summer.
21 They're not coming to Atlantic City to
22 vacation. They can barely afford to put food
23 on the table. So against this backdrop I
24 appreciate the opportunity to talk about what
25 we need for comprehensive energy policy.

1 Now, the industry has embraced
2 conservation. We believe in a National speed
3 limit to conserve fuel. We believe in
4 incentives to install aerodynamic equipment
5 and anti-idling devices, but we're never going
6 to conserve our way into energy independence.
7 We need to develop new supplies as well. We
8 believe in the voluntary use of alternative
9 fuels such as biodiesel. But even if we took
10 every acre of farmland in the United States
11 and converted it to energy crops, we'd only
12 replace seven percent of the diesel fuel that
13 the trucking industry consumes. So we also
14 need to recognize that biodiesel is very
15 expensive and that it presents some
16 challenges. It's bad in cold weather. It has
17 a lower energy content, so you have to use
18 more of it. It creates additional maintenance
19 concerns. So for the foreseeable future while
20 we recognize all these alternatives are
21 important, we're going to be dependent upon
22 diesel fuel to deliver life's essential
23 commodities.

24 One point I'd like to make to
25 the environmentalists in the room. I believe

1 we're better off, since oil is a global
2 commodity, we're going to need it whether it's
3 produced here in the United States or it's
4 produced elsewhere. It's going to be
5 produced. And isn't it better to produce it
6 here subject to the protections of the Clean
7 Water Act, the Clean Air Act, NEPA, all this
8 government regulation to ensure that it's done
9 in an environmentally responsible manner
10 rather than let Cuba lease land to China to
11 drill off its coast with absolutely no
12 environmental protections or drill off the
13 coast of Mexico with limited environmental
14 protection. Thank you.

15 SECRETARY SALAZAR: Thank you,
16 Rich. Thank you for your comments. Next.

17 TOM TOLLY: My name is Tom
18 Tolly. I'm the Governor's appointee to the
19 Regional Atlantic States Marine Fisheries
20 Commission, one of the volunteer hats I wear.
21 I represent the fishermen, the fishermen both
22 commercial and recreational. Before everybody
23 started being in a depression, we were in a
24 depression for the last eight years. The fish
25 docks along the coast were in trouble and the

1 reason's not primarily just overfishing by
2 commercial and recreational fishermen. It's
3 the environment. The effects we have on the
4 bays and estuaries in destroying the stocks
5 I'm going to hold a public hearing like you
6 are April 16th and I'm going to basically tell
7 the fishermen of New Jersey put a moratorium
8 on winter flounder which will be affecting
9 both the commercial and the recreational
10 fishermen.

11 I was at a conference on
12 Saturday talking about EJ, Environmental
13 Justice. Put another power plant in or
14 incinerator, how it would affect the
15 population. I look at the ocean the same way.
16 I got to deal with fish populations that are
17 crashing because of sewer plants, power plants
18 and everything else we're doing with the
19 system and basically affects --

20 SECRETARY SALAZAR: So your
21 point then in terms of OCS oil and gas as well
22 as renewable energy?

23 TOM TOLLY: I don't need
24 mercury in my fish. I don't need mercury that
25 drilling produces. I don't need the other

1 straw that's breaking the camel's back. The
2 industry's been suffering both commercial and
3 recreational down in the dumps and just on a
4 personal note, my electric bill, I just got
5 the bill on Saturday, was \$2. My gas bills
6 have been cut in half. Why? I got solar
7 panels on my roof. They're basically reducing
8 87 percent of my electricity. Because of a
9 program Jeanne Fox put in when she was BPU
10 president. And my two cars are hybrids. One
11 gets 50 miles a gallon and one gets 35. So, I
12 am doing my part.

13 SECRETARY SALAZAR: So from the
14 commercial and recreational fisherman's point
15 of view who you represent: One, you would
16 oppose oil and gas drilling and exploration in
17 the ocean and; two, with respect to renewable
18 energies and wind?

19 TOM TOLLY: We support.

20 SECRETARY SALAZAR: I
21 appreciate that. I only have three more
22 minutes.

23 TOM TOLLY: Talk about the
24 seismic research and the money that's going to
25 be spent on that seismic research. If we

1 could spend that money on fish docks that we
2 basically have no money to do. The commercial
3 fisherman would be in better shape.

4 SECRETARY SALAZAR: I
5 appreciate your comments. Thank you very
6 much. Next.

7 ALLISON CHASE: Hi. My name is
8 Allison Chase with Natural Resource Defense
9 Council.

10 SECRETARY SALAZAR: I'm sorry.
11 Your name is?

12 ALLISON CHASE: Allison Chase.

13 SECRETARY SALAZAR: With NRDC.

14 ALLISON CHASE: And a number of
15 the points that I had have been made today
16 about the problems that oil drilling can cause
17 and Tom just referred to the fact that it's
18 not just oil spills, but also just having the
19 production out there you end up with issues
20 with the drilling muds and the cuttings and
21 the produced water and that is not just local
22 to that area, but can go downstream as well.

23 One thing I would like to bring
24 up is you mentioned a number of times did
25 additional seismic surveys. Seismic surveys

1 can cause a great deal of harm on the
2 environment in that area. If the boat will
3 drag the air gun array with them and that
4 sound is one of the loudest sounds that's
5 heard in the ocean. Fish bladders can erupt
6 from the sound of that. It can confuse marine
7 mammals that rely on sound to find their prey,
8 to mate. There's been incidents of whale
9 beachings that have been tracked to issues of
10 seismic surveys. So I think we need to think
11 very carefully about where we decide and when
12 we decide to do seismic surveys. The other
13 point --

14 SECRETARY SALAZAR: Let me ask
15 you. So you're an NRDC member, so I hear your
16 issue with respect to seismic is something
17 that's addressed here in the report. Has your
18 organization taken a position with respect to
19 wind energy off the coast?

20 ALLISON CHASE: We support
21 renewables developments. One thing that I do
22 want to stress is that we think that it's
23 important for the agency to think through
24 carefully where they want to develop
25 renewables.

1 SECRETARY SALAZAR: So make
2 sure that the environmental impacts -- I hear
3 you. And, secondly, with respect to oil and
4 gas, I take it your position is don't do it.

5 ALLISON CHASE: I think that we
6 need to think carefully about all situations
7 like that. I think that personally I would
8 not want to see oil and gas drilling at all,
9 because I don't think personally that it is
10 good for our environment and has a huge
11 impact. There's areas that I think right now
12 need a timeout, like the Beaufort and the
13 Chukchi seas needs a timeout. I think from
14 our agency's perspective what folks would like
15 to see is further assessments done on the
16 cumulative impacts. The report that came out
17 does a good job of providing an overview of
18 what the Department of Interior and some of
19 the other agencies have come to the table
20 with. But I think what's needed is our ocean
21 resources are under so much stress to begin
22 with, what is the cumulative impact of
23 additional drilling?

24 SECRETARY SALAZAR: Thank you,
25 Allison for your comments. Okay. Our last

1 comment before the break.

2 KAREN BICE: Thank you for
3 giving me the opportunity to speak. I
4 appreciate it. I have a specific question I
5 haven't heard asked yet.

6 SECRETARY SALAZAR: Your name?

7 KAREN BICE: Karen Bice. I'm a
8 geologist by training. I spent the first 10
9 years of my career as an exploration geologist
10 at reservoir in the Gulf of Mexico and then
11 had the opportunity to go back to graduate
12 school for my Ph.D. and I chose to study
13 climate change, so I've spent the last 17
14 years studying past warm climates. So I know
15 what the future holds. I am in the process
16 right now of making another career transition.
17 I'm a tenured scientist at Woods Hole
18 Oceanographic Institution on Cape Cod, but I'm
19 here this year at Princeton University getting
20 a master's in public policy. My specific
21 interest is energy policy analysis and I'm
22 very interested in whether or not developments
23 of offshore resources is done correctly.
24 So here's my specific question
25 for you. There exists the potential to

1 integrate traditional petroleum offshore
2 platforms and the infrastructure required for
3 the capture of wave and current energy. In
4 the event that hydrocarbon production does
5 occur in the Atlantic offshore, will the
6 Mineral Management Service promote and
7 facilitate, perhaps even require, the
8 integration of fossil fuel production and
9 renewable installations on the shelf where
10 this is feasible or will such integration be
11 dependent on efforts and initiatives of the
12 developers themselves?

13 SECRETARY SALAZAR: Thank you,
14 Karen, for the question and your resume.

15 KAREN BICE: I am looking for a
16 job.

17 SECRETARY SALAZAR: I think
18 that's part of what we're trying to do is to
19 get input and comment on how we might be
20 able to do things better and hear from the oil
21 and gas industry, for example, that they are
22 supportive also of the renewable energy
23 portfolio so there may be places already where
24 we have production and places like the Gulf
25 and other places where we can have that kind

1 of integration. But this is really an
2 opportunity for you to comment. Thank you
3 very much, Karen, to all of you who have come
4 out here today.

5 I want to make a couple of
6 closing comments. First, this meeting will
7 continue. You will be given an hour for lunch
8 and then after lunch Chris Oynes from MMS --
9 Chris, if you will stand up. Chris will
10 continue to take your comments until 8:00
11 tonight, if that's how long you want to stay
12 here and there are a number of other staff
13 members from the Department of Interior who
14 will also continue to be here.

15 So if you didn't get a chance
16 to speak this morning and want to speak this
17 afternoon, please, go ahead and do so. We
18 also have all of your comments and there are
19 many. You will have an opportunity to provide
20 those directly to us and move forward with
21 additional comments as well. So I appreciate
22 your participation.

23 Let me close with the following
24 statement for all of you. First, I end here
25 where I began, and that is that for the

1 longest time, for the last 40 years, this
2 country has lacked a comprehensive energy
3 plan, and President Obama has made it loud and
4 clear to the United States and to the world
5 that we will move forward to develop a
6 comprehensive energy plan and the OCS will be
7 part of that comprehensive energy plan and my
8 efforts as Secretary of Interior is to get as
9 much input from affected communities and
10 interest all around this country and that is
11 why this hearing today is being held in
12 Atlantic City. We go on to New Orleans and
13 San Francisco and on to Anchorage, Alaska to
14 hear from those communities about their
15 wishes.

16 I want to just say that I
17 believe that at the end of the day we cannot
18 afford to fail this time. I think when all of
19 you who are here who have been involved in
20 this issue all your lives look back at what
21 happened in the past, the United States,
22 frankly, has failed in terms of moving forward
23 with an energy agenda that is something that
24 is deserving of our people.

25 I think it has been a failure

1 of leadership of both parties, frankly, with
2 respect to moving forward on an agenda that
3 gets us to where we need to go as a country.
4 But I do believe, as President Obama believes,
5 that a comprehensive energy and climate change
6 plan is necessary for our country and we will
7 get there. This is a time of change. It is a
8 time for us to recognize they are imperatives
9 that are with us today. Are not going to be
10 just passing imperatives that are here for a
11 year. The imperatives of our jobs and
12 economic security here at home. The
13 imperatives of dealing with the National
14 security implications of our huge
15 overdependence on foreign oil. The imperative
16 of us dealing with what's happening with
17 climate change and the rising of sea levels.
18 Those are all real imperatives and so it would
19 be a dereliction of duty on the part of the
20 United States of America if the leadership of
21 our country does not move us forward with that
22 imperative, so we will move forward with that
23 and the OCS will definitely be a part of that.

24 Let me make a comment quickly
25 about the OCS. First. With respect to the

1 renewable energy potential which the governors
2 and so many of you here have spoken to me
3 about. You want us to move forward with final
4 rule-making so that this wind energy potential
5 of the Atlantic Coast begins to be realized.
6 We have been working very hard, not only
7 within the Department of Interior, but also
8 with the Federal Energy Regulatory Commission
9 as we move forward with that agenda and
10 hopefully we will be able to have a final set
11 of rules with respect to renewable energy here
12 in the not too distance future. In fact,
13 hopefully the next month or two will be able
14 to get those in final form.

15 I will ask all of you to help
16 us see through how we look at this as a
17 regional opportunity and maybe subregions of
18 the Atlantic or the Atlantic as a whole,
19 because at the end of the day I think we can
20 probably do more if we don't vulcanize
21 ourselves state by state along the Atlantic
22 Coast and I know that Governor Carcieri and
23 Governor Corzine have talked to me about the
24 possibility of trying to do some things more
25 on a regional basis.

1 I think there's a lot that can
2 be learned in terms of information sharing. I
3 think when you look at how we connect up
4 renewable energy from wind to the grid that
5 having that kind of a relationship will only
6 help us get over whatever hurdle might exist
7 there. Let me finally thank all of you who
8 have given of your time to come and spend half
9 of your day here with us in New Jersey. Some
10 of you will spend more than half of your day
11 here, but I have very much enjoyed hearing not
12 only from the elected officials, but from the
13 members of the public who so much care about
14 this.

15 When I became Secretary of
16 Interior I spoke about this department being
17 in a sense the department of all of the
18 Americas, and it is that. It is not just a
19 department from the west. It is a department
20 that goes from sea to shining sea and
21 stretches out into the 1.75 billion acres of
22 the oceans around America as well as to the
23 poles of our globe as well as to the Insular
24 Islands for which we have jurisdiction.

25 This department will move

1 forward with that kind of vision for the
2 future of our globe and the future of this
3 country, and one of the Keystone parts of that
4 agenda will be to participate in developing
5 this effective energy and climate change
6 program for the future.

7 I also want to say that as that
8 vision and that agenda unfolds itself, there
9 are important aspects where I think the
10 environmental community and the industry can
11 come together to help us in creating what I
12 think Stewart Udall and John Kennedy and Bobby
13 Kennedy and Pat Noonan and Henry Diamond and
14 others envisioned way back in the 1960s, and
15 that is that we move forward with an effort
16 that would fund a land and water conservation
17 fund program that could essentially make sure
18 that we were taking care of the beautiful
19 landscapes of this America.

20 Some 50 years later we,
21 frankly, have breached that promise time and
22 time again, because the original intentions of
23 what was going to happen with respect to the
24 royalty proceeds and other funds that would
25 come from oil and gas development have really

1 gone into other needs as opposed to going into
2 dealing with America's treasured landscapes.
3 I can see us moving forward to a point where,
4 yes, we are taking care of our National icons
5 and our National parks. We are moving forward
6 with river restoration efforts all across the
7 United States of America from the Chesapeake
8 to the Hudson to the Colorado to the Rio
9 Grande and all the rest of the great rivers of
10 our states. I can see us moving forward with
11 great programs for the young people of
12 America. And having the kind of vision that
13 Franklin Roosevelt had when he created
14 Civilian Conservation Corps and put hundreds
15 of thousands of young people to work.

16 So even though when you look at
17 a specific issue, such as oil and gas
18 development in the Outer Continental Shelf,
19 you see that there is great vision and
20 different perspectives on that particular
21 issue, but I would also ask you to find those
22 areas where we can find some common ground as
23 we move forward to continuing to make our
24 nation the envy of the world. Thank you,
25 very, very much.

(Luncheon recess from 12:06
p.m. until 1:24 p.m.)

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UNITED STATES
DEPARTMENT OF THE INTERIOR

REGIONAL PUBLIC MEETING ON ENERGY RESOURCES
OF THE OUTER CONTINENTAL SHELF (OCS)
ATLANTIC COAST REGION

UNITED STATES GEOLOGICAL SURVEY (USGS)
MINERALS MANAGEMENT SERVICE (MMS)

PUBLIC COMMENT

MONDAY, APRIL 6, 2009
ATLANTIC CITY CONVENTION CENTER
ATLANTIC CITY, NEW JERSEY

1 DEPARTMENT OF THE INTERIOR PANEL MEMBERS:

2 (VARIOUS OF THE FOLLOWING PANEL MEMBERS WERE
3 PRESENT AT DIFFERENT TIMES DURING THE
4 FOLLOWING PUBLIC COMMENT PORTION)

5 CHRIS OYNES

6 RENEE ORR

7 LARS HERBST

8 STEVEN O. TEXTORIS

9 HAROLD SYMS

10 JAMES KENDALL

11 ROBERT LaBELLE

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1 DON AURAND: Anybody who's got
2 a one on your card just line up and we'll just
3 take you in order.

4 TONY VAUGHN: My name is Tony
5 Vaughn. I'm senior vice president for Devon
6 Energy. I work the Gulf Mexico division. I
7 am here also to represent the American
8 Exploration and Petroleum Council.

9 First of all, I'd like to
10 express my appreciation for Secretary Salazar
11 and the MMS for allowing us to provide our
12 comments this morning. I worked in oil and
13 gas industry for over 30 years with a good
14 portion of those in the Gulf of Mexico. We've
15 produced about 40 billion barrels of oil
16 equivalent out of the Gulf to date. Many
17 hurricanes have passed through our producing
18 area including several category fives in the
19 last few years. We have not experienced any
20 material environmental impact from our
21 producing platforms during that time.

22 However, I do have two large
23 concerns about the Gulf of Mexico. We have
24 seen supply disruptions during these weather
25 events which cause short-term spikes in our

1 oil and gas pricing. Also the Gulf is a very
2 mature basin. We've been working that for
3 about 60 years. While we are developing our
4 deep waters and are experiencing great results
5 today, about 25 percent of the nation's oil
6 and gas is currently being produced from this
7 one area. My concern is that having worked
8 this area fairly extensively where are we
9 going to go when this matures out? What
10 impact will that have 10 years from now? The
11 eastern Gulf of Mexico which has been off
12 limits to industry has shown oil and gas
13 discoveries very close to infrastructure.
14 This area could have a immediate benefit for
15 our nation. One final comment regarding the
16 Gulf and from the information supplied this
17 morning is that the Gulf will probably produce
18 about five to eight times the original
19 estimates of its initial resource potential.
20 Again, that consistent production over current
21 estimate is due to increased technology and
22 drawing wells since the 1940s.

23 Regarding offshore East Coast
24 we heard this morning that about 50 wells have
25 been drilled there off the coast of

1 Massachusetts, New Jersey, Delaware, Georgia
2 and Florida. These wells were drilled back in
3 the 1970s and early '80s and not surprising,
4 these wells were drilled with no environmental
5 impact and this drilling did confirm oil and
6 gas in the offshore East Coast. It's been
7 proof that this area has generated
8 hydrocarbons and these fluids were contained
9 in what appears to be sediments capable of
10 producing commercial quantities. Companies
11 have submitted seismic permits. This
12 information will be key in requiring
13 additional or a better understanding of the
14 East Coast. Therefore, I recommend that
15 environmental impact study be completed,
16 permits approved and ensure the oil and gas
17 industry the process will be carried out
18 without interruption. Offshore will provide
19 diversification from having such a large
20 amount of U.S. production concentrated in the
21 Gulf of Mexico. Also believe that impact
22 amounts of oil and gas can be produced
23 offshore East Coast, again providing the
24 nation's consumers with more energy security
25 and price stability.

1 Thank you for the opportunity
2 to share our views regarding or nation's
3 resources.

4 DON AURAND: Thank you. I'm
5 going to add one little twist to this since we
6 don't necessarily have all six people. The
7 young lady who is sitting next to you is going
8 to take your number card and that way we can
9 keep track of that.

10 PETER HUMPHRIES: Thank you for
11 allowing me to come before you. I'm Peter
12 Humphries of Toms River, New Jersey, a seaside
13 resort. As an engineer the benefits of
14 drilling is a plus, not only for the United
15 States, but for New Jersey. We can create
16 jobs and money that the state needs
17 desperately. It's been proven that to have
18 rigs in the oceans promotes fishing habitat.
19 No wide oil spills have been reported over the
20 years.

21 According to the MMS, offshore
22 oil and gas development has an outstanding
23 safety and environmental record. In fact,
24 less than one percent have been caused by
25 extracting and drilling activities. Let's

1 drill now. Drill now.

2 And I would like to mention
3 that winds can shift monthly, so we can say
4 with the Gulf Stream off New Jersey in the
5 summer we have seen cold waters as well as
6 warm waters alternately. That is, the winds
7 cannot be guaranteeing 24/7 and they can move
8 and if we can move the windmills the best
9 ways, let's do it. I don't think that's going
10 to be able to be done.

11 So let's drill for oil and gas
12 and employ thousands, and I submit that would
13 help New Jersey, especially Atlantic City
14 here, where there's great unemployment. Thank
15 you.

16 DON AURAND: Thank you, sir.
17 Yes, sir?

18 JIM LENARD: Members of the
19 panel, my name is Jim Lenard. I represent
20 Bluewater Wind which is an offshore wind
21 development company. We're working to develop
22 projects from Massachusetts down through
23 Maryland. And we're very excited about the
24 new administration and the advocacy that it's
25 making. But we also want to congratulate the

1 staff at MMS, particularly the staff that's
2 been working on renewable energy for many,
3 many years while there's been some
4 disparagement of the political appointments
5 that we've heard from in the past, I think the
6 staff has conducted themselves professionally
7 and very supportive of what we as an industry
8 will achieve offshore, so thank you very much
9 for that.

10 I'd also like to thank Governor
11 Corzine and Kevin Law for being here today and
12 speaking on behalf of the New York and New
13 Jersey development project. Let me just talk
14 about economics for a minute. When we look at
15 the industry from Massachusetts down to
16 Maryland, over the next year we think that
17 there will be about 15 billion dollars of
18 projects in various stages of development. 15
19 billion dollars of projects in development
20 over the next year will be considered by
21 different states. Automatically 60 percent of
22 those funds will be sent overseas. Nine
23 billion dollars will immediately go overseas
24 to purchase products that are not available in
25 the United States. Turbines, cables, other

1 parts of offshore wind equipment that's not
2 made here. European manufacturers which have
3 been operating and selling product to the
4 European offshore wind development industry
5 since 1991 have not made a decision to come
6 here yet, for several reasons. One is
7 regulatory uncertainty. They're waiting to
8 see the MMS rules. They're waiting to see the
9 MMS, FERC, MOU. They're waiting to see
10 signals from this Federal government that
11 there is a real commitment that is a firm and
12 long-lasting commitment and have offshore
13 wind.

14 Second, they're very nervous
15 about the American jurisprudence system.
16 They're worried about litigation. They're
17 worried about the rules being challenged, the
18 MOU being challenged and they're worried about
19 then therefore making investments in the
20 United States when they don't know when those
21 investments might return something for them.

22 As a result, what we're calling
23 for is for this agency and for this government
24 to find creative ways to give comfort to the
25 European manufacturers which are the only ones

1 making offshore wind equipment right now
2 that's been tested and proven in the marine
3 environment, to come here in some type of
4 protected measure, so that they will start
5 producing product that we can buy here. I
6 think I can speak for all the offshore wind
7 industry. We'd really like to keep our
8 dollars here in the U.S. just like we want to
9 keep our energy development here in the United
10 States. This is great opportunity to create
11 an entirely new industry, offshore wind
12 industry, thousands of jobs, good union paying
13 jobs up and down the East Coast that will put
14 a lot of people to work. The Great Lakes also
15 can put a lot of people to work and what we
16 need to figure out now is get that regulatory
17 certainty and then figure out how to get
18 businesses over here that will manufacture for
19 America in America. Thank you very much.

20 DON AURAND: I want to just
21 make sure that I apologize to all the
22 speakers, because when I have to interrupt you
23 and say 30 seconds, I know it's disruptive and
24 I apologize. Go ahead, ma'am.

25 ELLIE TUOHY: I'm Ellie Tuohy

1 and I'm from Montgomery County, Pennsylvania.
2 Thank you for holding this meeting and asking
3 for our input. We are the only country that
4 as a matter of policy locks up our natural
5 resources. We cannot drill for oil and
6 natural gas in Alaska or the Back Shoal or in
7 the Midwest. We cannot build wind farms off
8 our coast and we cannot put solar powers in
9 Death Valley, thanks to bureaucratic red tape
10 and lawsuits from radical environmentalists.

11 Our National energy policy can
12 best be summed up as we'll just let other
13 countries take care of it. Well, I remember
14 the gas rationings of the 1970s. I don't want
15 to see our country go through that ever again
16 and as the world's last remaining super power,
17 we shouldn't have to. We need a National
18 energy policy that works for us, not against
19 us. No longer should those who worship at the
20 altar of radical environmentalism dictate how
21 much energy we have and how much it will cost.

22 A National energy policy is a
23 matter of National security. We cannot
24 effectively protect our country if we rely on
25 other countries to provide us with gas and

1 natural oil. Last summer when gas prices went
2 over \$4 a gallon you couldn't turn on the news
3 without hearing about how reliant we are on
4 foreign energy sources and how much this was
5 costing us, but now that prices have dropped,
6 that is no longer part of our conversation.

7 Well, it should be. Every
8 single day we should be talking about gas
9 prices and the cost of energy and how we rely
10 on other countries to provide our energy for
11 us. Every single day we should be talking
12 about how we can develop our own natural
13 resources and how we can develop the next
14 generation of fuels. We should invest in
15 wind, solar, biomass, other alternative and
16 renewable fuels, but those won't be
17 commercially available for at least a decade.
18 In the meantime we should figure out how we
19 can develop American oil and natural gases.
20 We can no longer ignore the fact that we let
21 other countries dictate our energy
22 consumption. I believe we are the greatest
23 country on earth and it concerns -- as it
24 concerns our energy policies we should start
25 acting like it. I want to thank you, the

1 American Conservative Union, for bringing this
2 meeting to our attention and Secretary Salazar
3 for listening. Thank you.

4 JEFF TITTEL: Jeff Tittel,
5 director of New Jersey Sierra Club and I'm
6 here representing our 23,000 members in our
7 state and our 800,000 members nationally. We
8 are here today because this is the most
9 important set of meetings that this body has
10 had, I think, in its history. It's going to
11 determine the future of this country. Whether
12 we're going to have a clean energy policy
13 that's going to be focused on renewable energy
14 or we're going to stick to the fossil
15 foolishness of the past and today is an
16 important step forward in that process.

17 We're here today to say that
18 it's easier right now to drill for oil off the
19 mid-Atlantic Coast than it is to put windmills
20 up and that kind of policy has to change.

21 When you look at the overall
22 picture in looking at your own numbers, we
23 don't have a lot of natural gas or oil off our
24 coast. We don't have the infrastructure to
25 bring it onshore, but we have plenty of wind.

1 We have plenty of opportunities to bring it
2 onshore because major substations in places
3 like Atlantic City and Toms River and Asbury
4 Park and the city of Newark and so on and so
5 forth. So we can provide easily in the next
6 10 years 30 percent of the electricity for the
7 people of New Jersey through offshore wave,
8 wind and solar. And you guys have to help get
9 out of the way and allow for changes in rules
10 to allow for wind and other renewable energies
11 off the coast to be made easier, not tougher.
12 When it comes to oil, there are plenty of
13 places to drill that are not environmentally
14 sensitive. We need to change the way we do
15 business if we really want to make this
16 country energy independent. We can't rely on
17 fossil fuels. We have to move forward to a
18 green technology and a green economy.

19 The Sierra Club of New Jersey
20 which is part of Blue Green Alliance with
21 labor did a study that we could create 150,000
22 jobs in New Jersey with investments in
23 renewable energy technology and energy
24 efficiency. That's the wave of the future.
25 Wave buoys and windmills, not oil derricks.

1 We're here today to say instead
2 of going out there and mapping seismic
3 activity that can disturb marine mammals and
4 fisheries, you should be instead working to
5 map our coastal resources to find the areas
6 that have the least environmental impact and
7 the greatest amount of the wind so that we can
8 get windmills off our coast so that we can
9 meet all targets for greenhouse gas reduction
10 renewable energy.

11 The people of New Jersey for a
12 long time have opposed offshore oil and
13 natural gas because of the impact to the 30
14 billion dollar tourist industry. The only oil
15 we ever want to see on a beach in New Jersey
16 is sun tan oil. Thank you, very much.

17 DON AURAND: Is there anybody
18 else who's got a one that wasn't in the room
19 when I called at the beginning? If I could
20 have people who have two A, B, C, D E or F.

21 REVEREND MICHAEL SHAWN: Thank
22 you. My name is Reverend Michael Shawn. I'm
23 from Clifton, New Jersey. I have a church in
24 Pleasantville where I'm the elder at. I also
25 worked for 26 years in the oil fleetings

1 environmental as a test equipment manufacturer
2 in engineering, located in Pennsylvania in
3 1993 and we know about environments, because
4 we make things that people test there and are
5 developing. I heard people say about these
6 whales being beached because of sonar. We got
7 sonar from the fish. The fish -- there's a
8 dolphin out there that has waves come out of
9 him and goes back and forth and that's how he
10 directs his path. How can you say we hurt
11 fish if God created it that way? That's my
12 point on that one, okay?

13 I also worked Exxon Mobil over
14 here. We made the recycling of the papers.
15 We made the unit that would put on top of the
16 structures to recycle the oil vapors so we
17 didn't have the pollution in the air. Exxon
18 in Linden. Our company did that in 1993.

19 Now, what I'm trying to say is
20 really look into what you're saying, because I
21 think people are exaggerating a lot of things
22 here and I'm for drilling. I'm for drilling.
23 I wasn't in '65. Because I was a beach buddy
24 too. I would come out to the shore and just
25 go to the beach and whatever you want to do

1 and that was the way it was when you're
2 ignorant of political things about law, about
3 righteousness and about what's happening
4 around you.

5 Now I happen to care about not
6 just people in New Jersey. I happen to care
7 about all the other 50 states. And if we need
8 oil, I believe that we should drill and that's
9 my point of view. Thank you.

10 TED TIPPER: Howdy. I'm Ted
11 Tipper. I'm retired MMS employee. At MMS I
12 was a statistics and computer geek. Currently
13 United States has about 2.4 percent of the
14 world's crude reserves. We produce about
15 eight percent of the world's crude and consume
16 around 24 percent of the world's crude.
17 Currently the United States is producing its
18 endowment at a rate that is much faster than
19 any other major crude producers in the world.
20 The drill, baby, drill folks imply this
21 process should be accelerated, that is, the
22 way you obtain energy strength is becoming the
23 first nation in the world to exhaust our
24 endowment. Suggest it's a bad policy for
25 future generations. I'm here to advocate a

1 different approach. Petroleum 2. That is put
2 a -- have additional tiers to the current
3 SPR2. If you believe that oil will increase
4 in value through time, then the resources you
5 set aside in SPR2 is an appreciating asset.
6 It will be an endowment for future
7 generations, so, for example, if the Gulf of
8 Mexico was ever depleted, we'd have SPR2 to
9 call upon.

10 Different policy approaches can
11 be applied in different locations. We could
12 drill in the Baltimore Canyon, put Georges
13 Bank into a moratoria and place NTO into an
14 SPR2. Thank you.

15 DAVID RAINEY: Good afternoon.
16 My name is David Rainey. I'm exploration vice
17 president for BP in the Gulf of Mexico. BP
18 supports the MMS proposed leasing program for
19 2010 to 15 and we appreciate the opportunity
20 to participate in this public meeting. BP
21 supports all of the above energy policy. This
22 means that diverse portfolio of energy sources
23 including oil, gas, renewable alternatives and
24 the efficient use of all energy. These are
25 challenging times. But the global economy

1 will recover and when it does it will need
2 increasing amounts of energy to grow. Our
3 nation's ability to maintain its leadership
4 position in the world will depend on diverse
5 supplies of energy from all sources.

6 Globally the world uses roughly
7 80 million barrels of oil a day. The U.S.
8 consumes a quarter of this, about 20 million
9 barrels of which we import 60 percent or 12
10 million barrels. BP supports the
11 administration's view, but energy security is
12 inseparable from National security. Logically
13 the U.S. must produce all energy of all kinds
14 and import less.

15 BP is the largest producer of
16 oil and natural gases in the U.S. We're also
17 the largest investor in energy of all sorts
18 from oil and gas to biofuels to wind and
19 solar. While we are committed to
20 alternatives, we realize that it will be many
21 years before they can make a large
22 contribution to the U.S. energy mix. It is
23 our strong belief that the greatest potential
24 source for new domestic energy is the oil and
25 natural gas that lies off our shores on the

1 Outer Continental Shelf or OCS.

2 A Department of the Interior
3 study estimates that the oil to be found in
4 areas previously off limits is roughly 18
5 billion barrels. That's equal to 30 years of
6 U.S. imports from Saudi Arabia. Meet
7 Americans' requirements for over 10 years.
8 These are just estimates. The fact is we
9 won't know how much is really there until we
10 explore. It is also true that not all of the
11 OCS will be highly prospective. At BP when we
12 explore new areas we begin with low impact,
13 small scale two-dimensional acquisition.
14 These data allow you to identify the most
15 prospective areas so we can focus higher cost,
16 larger scale activity on the areas with the
17 most potential for significant resources.

18 In addition, early acquisitions
19 of seismic data will give the American people
20 more and better information about the
21 resources on the OCS. Technology will be the
22 key to unlocking these resources. Advances in
23 drilling and technologies now allow us to
24 produce natural gas with like facilities being
25 seen from the shoreline. We do this in places

1 like Alaska, the UK, Norway and elsewhere. We
2 can do it here too.

3 It's important we do all of
4 this without harm to the oceans and we have
5 accumulated an environmental track record the
6 envy of the industry.

7 In summary, BP proposes the
8 plan for 2015 and the need for diverse energy
9 supplies. We believe that increased access to
10 the OCS has potential to add significant
11 resources in sources of energy for the
12 consumer and U.S. economy. Thank you.

13 GREG RIPPI: Thank you. My
14 name's Greg Rippi. I'm not a politician. I
15 don't work for a gas company. I'm not a
16 geologist and I'm not a former employee of
17 MMS. I'm a small business guy who lives in
18 upstate New York. I can only tell you what
19 happens in our community when gas prices and
20 energy costs go up. People lose their jobs.
21 Companies shut down and the businesses that
22 are left can't operate very well and I'm sure
23 all of you are familiar with getting
24 deliveries and having that little fuel
25 surcharge at the bottom of the invoice. I've

1 heard some wonderful things today,
2 surprisingly so. I'm here because this is an
3 important topic.

4 One of the things I heard this
5 morning was the secretary stating the fact
6 that from his point of view we've been funding
7 both sides of terrorism. Well, as someone who
8 has an older brother sitting in Iraq right now
9 fighting for us, that means a great deal.

10 I would like to see stronger
11 domestic energy policy here which includes all
12 different facets. It's what Congressman
13 Bishop spoke about this morning. We have
14 short-term needs. We have long term needs.
15 We have a limited resource as the gentleman
16 spoke about just a few minutes ago. What I'm
17 urging you, the panel, to do and your
18 counterparts, wherever they are, take a close
19 look at just a very few things, what's
20 practical, what makes common sense. Follow
21 the science. These are things that we
22 actually as normal Americans need you to do.
23 Because that's the only way we and our
24 children and our grandchildren are going to be
25 able to afford to live. I'd like to thank

1 you, the Secretary for giving us the
2 opportunity. I'd like to thank the ACU for
3 making me aware of this happening today.
4 Thank you.

5 JIM MARTIN: Good afternoon.
6 I'm Jim Martin. I'm chairman of the National
7 Defense Council Foundation and when Secretary
8 Salazar announced these hearings I wanted one
9 to be here in Atlantic City I thought to
10 myself, been there, done that. In fact, Yogi
11 Berra came to mind as it's deja vu all over
12 again you might say. Three years ago, the
13 reason I say that, I testified here. I then
14 wore my senior citizen hat as head of a group
15 called the 60 Plus Association, which I'm
16 still head of. We have 110,000 seniors here
17 in the great state of New Jersey and back then
18 I called it an economic issue with our
19 seniors.

20 Well, obviously, I'm wearing
21 this hat now and you can't tell I was in the
22 Marine Corps. I know it's hard to tell that.
23 But militarily most of my seniors have served
24 in Army, Air Force, Navy, Coast Guard,
25 National Guard, you name it. They now

1 consider this a National security issue.
2 You've heard that here earlier, National
3 emergency. It clearly is a National security
4 issue.

5 I want to use some military
6 jargon here. It's a clear and present danger
7 to our nation's security and what I'm talking
8 about, this dangerous dependence on foreign
9 sources of oil.

10 I went back in the '60s. I've
11 sat through many a -- We've got to get both
12 sides working together and I'm not talking
13 about in the Congress. I'm talking about the
14 folks in the environmental community as well
15 as the energy producers. Nobody's got 100
16 percent of the answers. They got to start
17 working together for the future of this
18 country.

19 Back when President Carter was
20 in office he said we were 37 percent
21 dependence on foreign sources. His job he
22 said is to see that it doesn't rise another
23 percentile. There's enough blame to go
24 around. We've had five presidents since then,
25 two democrats, three republicans. It's not

1 37. It's closer to 70. That is a clear and
2 present danger. President Obama just said
3 yesterday that -- he was talking about nuclear
4 reductions. He said our old ways must be
5 changed. In fact, I think he was even quoted
6 as saying yes, we can. That's fine. I agree
7 with him. You can apply this to the Outer
8 Continental Shelf, that always must be
9 changed. The reason I say this, someone once
10 said it's a perverse policy we practice in
11 this country not developing our own God-given
12 resources, but having to buy from foreign
13 sources that may not be too friendly toward
14 us. So what could be better than develop our
15 own resources. What a quaint and novel
16 approach, develop our own resources.

17 I'll conclude on this comment.

18 It is a clear and present danger to the
19 National security of this country, this
20 dependence. We've got to wean ourselves away.
21 We got to use wind, solar, all of it, but,
22 look, those are potentially down the road
23 great resources, but right now we better start
24 developing some of our resources here at home.
25 This 70 percent will go to 80 and then one

1 final comment in the Strait of Hormuz a couple
2 weeks ago, submarine and a ship collided.
3 Minor tragedy. It doesn't take a stretch of
4 the imagination to have someone like
5 Ahmadinejad to sink a couple ships in that
6 harbor. Then we got real problems in that
7 harbor. Thank you.

8 ROBERT VANKAMPER: My name is
9 Robert Vankamper (phonetic). I'm from Brick,
10 New Jersey. Senator Menendez earlier very
11 eloquently said 99 percent of what I wanted to
12 say, but I am surprised at that one thing
13 hasn't come up and that's the proposal that is
14 out there now to build islands in the open
15 Atlantic to bring in LNG tankers. That's
16 another case of more dependency on foreign
17 fossil fuel. It's a case of risk. It's a
18 case of the Coast Guard having to patrol these
19 areas when ships are in there at taxpayer
20 expense. It's a risk to the environment
21 because huge areas of the ocean floor are
22 going to be covered by these islands and in
23 the end it's a product that we don't need. We
24 have domestic natural gas and that's what we
25 should use.

1 People seem to be concerned
2 mostly about cost, and the only thing that is
3 going to bring down the cost of energy is
4 competition. By competition I don't mean more
5 oil companies or more gas companies. I mean
6 more types of energy, whether the future is
7 hydrogen or whatever ultimately will be our
8 savior. That's what we need to be working
9 towards. Thank you.

10 DON AURAND: So we're on three
11 A through F. I got to tell you, I'm not sure
12 I know how the secretary stood up here and
13 didn't have his back hurt all day long. He's
14 a stronger guy than I am, I guess. If I
15 collapse, don't take it personal.

16 JIM BENTON: Good afternoon.
17 My name is Jim Benton. I'm executive director
18 of the New Jersey Petroleum Council from
19 Trenton, New Jersey. Permit me to welcome you
20 to New Jersey. And I begin my remarks by
21 recognizing that New Jersey is home to a
22 significant presence of the petroleum
23 industry, both engaged in refining as the
24 sixth largest petroleum refining state in the
25 nation, marketing, transportation, research

1 and development, engaged in all areas of the
2 state. We welcome the opportunity to present
3 our views and just begin by highlighting some
4 of the presence of the industry here in New
5 Jersey.

6 In North Jersey there exists
7 the largest storage area of petroleum products
8 in the nation. In the Delaware Valley we have
9 the largest crude oil port on the East Coast.
10 New Jersey's two refineries on the Delaware
11 River combined with the refineries located
12 across in Pennsylvania and Delaware to serve
13 the industry. New Jersey's also home to the
14 northernmost terminus of the Colonial Pipeline
15 that begins a journey from Houston, Texas and
16 runs all the way up to Linden, New Jersey.

17 Natural gas is supplied
18 throughout our state whether it's to heat our
19 hospitals or fuel our home or provide for
20 industry throughout the state. We are also
21 home, as you noticed when you came into
22 Atlantic City, to contributions from wind
23 resources, from solar energy and we will be
24 making needed new investments in new fuels and
25 technology, most of the research is done right

1 here in New Jersey. The industry has shown
2 conservation by attending to our refineries
3 and improvements in energy efficiency and
4 developments in new technology all begin right
5 here in the Garden State.

6 Today I'm here to support an
7 OCS plan that allows for vital oil and natural
8 gas development in putting our state and our
9 region back on the road to economic recovery
10 and to meet the energy needs of all of our
11 consumers. It's something that we take very
12 seriously. Let's begin by looking briefly at
13 the history. In the 1980s after public debate
14 with this agency's input we had a Federal
15 lease sale for development in an area almost
16 89 miles off this Atlantic City coastline in
17 an area known as the Baltimore Canyon. While
18 discoveries out there which were made were not
19 deemed to be commercially viable at the time,
20 technology and improvements in that technology
21 have now given us opportunity to make
22 improvements in a way that we believe will be
23 beneficial to the consumer, particularly here
24 in the northeast. It's a way of attracting
25 additional investment. Public sentiment was

1 clearly on our side during that time. Elected
2 legislative leaders in Trenton in the State
3 House introduced legislation to help attract
4 additional investment by exempting it from the
5 state sales tax. We believe the public in New
6 Jersey is on our side. Governor Corzine's own
7 public opinion poll released to the Star
8 Ledger on October 27 detailed over 60 percent
9 support OCS activity in contrast to the
10 governor's stated view.

11 We believe as pragmatic,
12 hardworking New Jerseyans, we have an interest
13 in promoting an offshore plan. We encourage
14 the agency to go about its mission and allow
15 us to explore. Thank you.

16 KELLY QUINLAN: Hello. Good
17 afternoon. My name is Kelly Quinlan. I'm
18 here today representing Alliance for Living
19 Ocean which is a nonprofit organization based
20 locally here on Long Beach Island, New Jersey.
21 We are dedicated to promoting and maintaining
22 clean water and a healthy coastal environment.
23 On behalf of our members I want to thank you
24 for being here today to listen to our
25 comments.

1 As stated in the DPP, the Draft
2 Proposed Program, it will take an estimated
3 five to 10 years for action to actually occur.
4 In this time frame it's our wish that we
5 should develop renewable sustainable energy
6 resources. It's clear from the report to the
7 secretary and we went over this morning that
8 extensive seismic testing must be conducted in
9 order to effectively evaluate potential oil
10 and gas reserves as the current data is
11 outdated. With the minimal quantities of
12 fossil fuel energy expected from this
13 expedition, the risk is far too great to
14 warrant an attempt. The funds that seismic
15 testing would require should instead be used
16 to invest in clean renewable energy. ALO is
17 proud to be at the forefront of this new era
18 of responsibility. Due to our long-standing
19 mission, we urge you to be forward thinking
20 and make the United States an environmental
21 leader through the investment in safe,
22 sustainable and renewable energy.

23 The same conclusion was drawn
24 from the survey of available data as quoted
25 renewable energy sources appear more

1 attractive as we look for ways to address
2 environmental, economic and energy security.
3 We want clean beaches and clean energy. Both
4 of these are vital to our coastal economy. We
5 implore you to join us in supporting
6 alternative energy development. Fossil fuel
7 exploration and the minimal energy relief that
8 it might bring is not worth the risk. An oil
9 spill would destroy our economy worse than
10 what this energy crisis might bring. We
11 represent hardworking, tax paying concerned
12 citizens who vote for candidates and for
13 administrations that seek to preserve and
14 protect our periled environment. We speak not
15 only on behalf of our members whose
16 livelihoods are at stake, including not only
17 surfers, fisherman, business owners and
18 lifeguards, but those who sustain our local
19 economy and ocean goers everywhere. We thank
20 you for your time and consideration for the
21 development of clean, renewable energy. Thank
22 you.

23 TIM SAMPSON: Good afternoon.
24 I'm Tim Sampson. I'm manager of exploration
25 and production for API, the American Petroleum

1 Institute. Represents nearly 400 companies
2 involved in all aspects of the oil and gas
3 industries, including production, refining,
4 marketing and transportation. We welcome this
5 opportunity to present the industry views on
6 the proposed five-year plan for offshore
7 access.

8 Increased oil and natural gas
9 development is vital to putting our nation on
10 the road to economic recovery and meeting the
11 energy needs of American consumers. All areas
12 of the OCS should be open for natural gas
13 development. This would mean more jobs, more
14 revenues for cash strapped local, state and
15 Federal government and greater energy
16 security. The U.S. Energy Information Agency
17 estimates that -- I'm sorry. Administration,
18 estimates that even with significant gains in
19 renewable energy oil and natural gas will
20 continue to provide more than half the
21 nation's energy for decades to come. We need
22 to act now to increase access to the oil and
23 natural gas resources to meet our concern and
24 future energy needs. Oil and natural gas
25 leasing and development on Federal lands and

1 in OCS waters have generated nearly 95 billion
2 in revenues from 1998 to 2008. In 2008 alone
3 U.S. government collected and distributed
4 nearly 22 billion from onshore and offshore
5 oil and gas production. A recent ISCF
6 international study found that developing off
7 limits area of the OCS could generate 1.3
8 trillion in revenues for local, state and
9 Federal governments. And if you include the
10 off limits areas onshore, the revenue
11 estimates jumped to 1.7 trillion. The study
12 also found that thousands of jobs would be
13 created. Polls have shown that over 60
14 percent of Americans support increasing access
15 to new offshore oil and natural gas resources.

16 Unfortunately, as a nation,
17 we've delayed the development of these
18 resources and we can't afford to delay. We
19 must face up to our energy challenge. Every
20 day we delay costs Americans jobs, reduces
21 revenues to Federal, state and local
22 governments and impacts our National security.

23 Finally, the U.S. oil and
24 natural gas industry has an outstanding
25 offshore environmental record that proves how

1 offshore development can exist with clean
2 oceans and coasts. The U.S. Outer Continental
3 Shelf produces more than one million barrels
4 of oil a day. According to MMS data since
5 1980 less than 1,000 of one percent of that
6 oil has been spilled, a small amount compared
7 with the volume from natural -- we need to
8 restore America's economic health and ensure
9 our energy security today and in the years
10 ahead. America cannot wait. We need to open
11 all areas of the OCS for all natural gas
12 develop in a safe and environmentally sound
13 matter. That concludes my statement. Thank
14 you.

15 CINDY ZIPF: Hi. Good
16 afternoon. My name is Cindy Zipf. I'm
17 executive director of Clean Ocean Action which
18 is a coalition of organizations, 125
19 organizations, from Montauk down to Cape May.
20 We worried and concerned and focused on the
21 waters off these shared coasts. It was once
22 the laughing stock of the nation. It was the
23 ocean dumping capital of the world. We had
24 dead and dying dolphins washing up on our
25 beaches, raw sewage, medical waste. We had

1 closed beaches for hundreds of days at a time.
2 We all worked very, very hard, made sacrifices
3 and we now have a beautiful, contrary to
4 other's opinion, beautiful coastline. It's
5 not perfect, but it's much better than it was
6 and it now is the goose that's laying the
7 golden egg for this state, as you heard from
8 our elected officials.

9 We nearly have 100 percent of
10 our New Jersey delegation, 99 percent that is
11 opposed to offshore oil drilling because we
12 worked hard to clean up our coast and we don't
13 want to see it industrialized.

14 Now our ocean water body here
15 is one of the highest of marine mammals and
16 sea turtles anywhere in the United States and
17 supports many threatened and endangered
18 species. We want to keep that going. We want
19 to keep the diversity here and not interrupt
20 that with oil drilling off our coast, which is
21 why it is so unconscionable and abhorrent to
22 us that we are now once again discussing
23 offshore drilling in the Atlantic Ocean.

24 We had a moratorium and it was
25 thanks to the shortsighted and, you know,

1 drill, baby, drill crowd, drill here, drill
2 now, that we're even talking about this. It
3 makes no sense. As your own data suggests,
4 there's very puny puddles of possible oil or
5 gas anywhere in the Atlantic. It's like
6 finding a needle in the haystack.

7 Major point of concern for us
8 is the seismic activity. The Secretary asked
9 a lot of people what we thought about the
10 seismic activity. That's enough to blow the
11 eardrums out of a lot of this marine life that
12 I just mentioned, the marine mammals and fish
13 as well.

14 The other problem with oil
15 drilling and gas drilling is that what happens
16 on the rig doesn't stay on the rig. It
17 contaminates the entire water column and
18 because we live in an area that has something
19 called a Gulf Stream, any mistakes that get
20 made along anywhere on the Eastern Seaboard
21 will be shared up along the entire Atlantic.
22 So, you know, you put these clunky big
23 teeter-tottering things in the vulnerable
24 pathway in hurricanes, we've seen what
25 happened in Katrina and Rita where over 100

1 rigs were destroyed. At the same time we have
2 nor'easters. Nor'easters last a lot longer
3 than hurricanes and they are nasty. They can
4 last for days, not hours like hurricanes.

5 I would only like to say that
6 the ocean produces 50 percent of the oxygen on
7 this planet. So every other breath you take
8 is a gift from the ocean and producing more
9 fossil fuels is causing the ocean to become
10 acidic and if we continue down this path, we
11 are going to run out of oxygen. So putting
12 more oil, more gas facilities or any fossil
13 fuel facilities in the ocean is unacceptable
14 and I concur.

15 I want to just augment what Bob
16 Vankamper said about the LNG facilities.
17 There are three proposals to bring foreign
18 liquified natural gas off the coast of New
19 Jersey and that is unacceptable.

20 Thank you for joining us here
21 at the Jersey shore and we will continue to
22 submit comments as you consider these
23 proposals nationwide and, you know, you have a
24 big task on your hand, but remember, fossil
25 fuels and the ocean don't mix.

1 DON AURAND: Okay. I believe
2 we're up to number four A through F.

3 CATHERINE MORNWOCKIE: Shall I
4 go ahead, huh?

5 DON AURAND: Yes, you shall.
6 You're at the front of the line. So you get
7 to talk first.

8 CATHERINE MORNWOCKIE: My name
9 is Catherine Mornwockie (phonetic). I'm a
10 volunteer with the New York City Chapter of
11 the Surfrider Foundation. I'm also an
12 educator in draft and media design. I live in
13 Brooklyn. I work in Manhattan. I surf in
14 Queens year-round. Spring, summer, fall and
15 winter, year-round. Our chapter's currently
16 fighting an artificial island off our coast
17 which will serve as an intake facility for
18 liquified natural gas. I know other people
19 mentioned it here. It is our position that we
20 oppose offshore drilling and oil and natural
21 gas exploration on the Outer Continental
22 Shelf. Though it's easy to forget, New York
23 City is a coastal community surrounded by
24 water with shoreline preserves, city beaches
25 and waterways. These are collective resources

1 for the public and highly valued in such a
2 teeming metropolis. With the threat of global
3 warning and rising sea levels being a huge
4 concern for a city like the one I live in, it
5 is imperative that we look at renewable and
6 sustainable sources of energy and not fossil
7 fuels. Bottom line, the risk is high. Reward
8 is low. Development of the Outer Continental
9 Shelf for oil and gas interests is not the
10 answer. Thank you.

11 HEATHER SAFFERT: Hello. My
12 name is Dr. Heather Saffert. I'm a staff
13 scientist with Clean Ocean Action. Our nation
14 must make critical choices in response to our
15 high greenhouse gas emissions and climatic
16 changes that are occurring more rapidly than
17 previously predicted. We must end our
18 addiction for fossil fuels that are changing
19 our climate and the ocean.

20 NASA's top climate scientist,
21 Dr. Hansen, has said that scientists at the
22 forefront of climate research have seen a
23 stream of new data in the past few years with
24 startling implications for humanity and all
25 life on earth. Offshore energy resources show

1 potential for positive renewable solutions as
2 well as devastating fossil fuel problems.

3 We need leadership that
4 considers our future and our planet. We have
5 a narrow window of opportunity to make
6 substantial changes necessary to reduce
7 greenhouse gas emissions. Within five years
8 experts predict that the Arctic will be ice
9 free in the summer for the first time in a
10 million years. More extreme weather events,
11 more intense flooding and droughts are
12 becoming common.

13 With our high population
14 densities and extensive coastal development,
15 the Atlantic Coast is at increased risk due to
16 sea level rise. Sea level has already risen
17 by a foot over the 20th century and the rate
18 of rise is predicted to increase. By 2100 sea
19 level may rise by over three feet. The North
20 Atlantic and mid-Atlantic will be hit hard,
21 especially during severe storm events.
22 According to the EPA rising sea levels is
23 already eroding beaches, emerging low-lying
24 lands and barrier islands and increasing the
25 salinity of estuaries and fresh water aquifers

1 along the Atlantic.

2 Expansion of sea water due to
3 warming and melting of glaciers will make
4 these impacts worse. According to NOAA ocean
5 acidity has increased 30 percent in the last
6 100 years due to increased carbon dioxide
7 absorption by the ocean. By 2100 they said if
8 we continue our current level of carbon
9 dioxide emissions we'll have the lowest level
10 of ocean pH in 20 million years. All coral in
11 the ocean is predicted to be in danger of
12 dying off by midcentury. Microscopic marine
13 life that are critical to the ocean's food web
14 will also be damaged because they will not be
15 able to protect their shells. Shellfish,
16 their growth and survival will also be
17 impaired by acid.

18 Recent international climate
19 talks has said about climate change that the
20 science is clear, the threat is real, the
21 facts are on the ground. The case of inaction
22 or inadequate action is not acceptable.

23 Our nation's offshore energy
24 policy must be consistent with plans to reduce
25 greenhouse gas emissions and to address

1 climate change. Offshore fossil fuels mean
2 more problems instead of less. Let's pursue
3 sustainable solutions that can be found in
4 environmentally sound solutions and
5 environmental conservation. Thank you.

6 TOM MOSKITIS: Good afternoon.
7 My name's Tom Moskitis. I'm with the American
8 Gas Association. We're the National trade
9 association for America's local gas
10 distribution, the local gas companies that
11 deliver clean burning natural gas as consumed
12 by 170 million customers each and every day
13 and every time American consumers use natural
14 gas they are doing something great for the
15 environment. Natural gas is our cleanest
16 burning fuel, the cleanest fuel the earth
17 produces. It's the only form of energy with
18 the word natural in it. It is an answer to
19 our twin challenges of climate change and
20 energy independence.

21 Congressman Peterson spoke
22 earlier about how complementary natural gas is
23 with renewable energy. That is a very, very
24 tight scenario. Natural gas means more
25 renewable energy. Wind energy which is spoken

1 most of operates about a third of the time.
2 Two-thirds of the time it's not operating. It
3 needs backup power and that is clean, natural
4 gas to back that up. Natural gas also can
5 fund renewable energy development. All of the
6 production revenues from offshore natural gas
7 production can fund the land and water
8 conservation fund that the secretary talks
9 about and it can vastly fund increased
10 renewables in the form of wind and biomass and
11 solar and so forth.

12 Instead of using taxpayer money
13 to invest in renewable energy, we can use
14 clean, natural gas production money to invest
15 and offshore we urge you to open up as much of
16 the area of the offshore as possible for the
17 production of clean natural gas. The industry
18 has proven, they have proven over several
19 decades all over the world that natural gas
20 can be produced offshore without harming the
21 environment and they can complement with the
22 renewable energy.

23 Imagine, once natural gas is
24 found, it can be produced on the seabed,
25 brought to consumers via undersea pipelines

1 just as it is in the Gulf of Mexico. Above
2 the surface wind turbines can be producing
3 electric power from renewable wind sources.
4 That power can be brought to consumers in the
5 same infrastructure that will bring clean
6 burning natural gas, so natural gases and
7 renewable energy are combined together and
8 they can move us into the clean energy future
9 that everyone is looking forward to.

10 Thank you for all the work that
11 you're doing. I know it's a tremendous burden
12 to open up all these areas and do the kind of
13 work that you have to do including the public
14 input meetings that you're having here. Very,
15 very important for the country. I agree with
16 all the speakers who say we need it all.

17 I really don't agree with we've
18 got the answer, it's over here and let's stop
19 all the rest of the stuff. We really need to
20 use all of our potential answers moving
21 forward. Thank you very much.

22 HOLLY HOPKINS: Hi. Good
23 afternoon. My name is Holly Hopkins. I'm
24 pleased to testify today on behalf of Consumer
25 Energy Alliance or CEA. CEA is a nonprofit,

1 nonpartisan organization composed of consumers
2 and energy providers that has long advocated
3 for a comprehensive national energy policy
4 that focuses on creating a diverse portfolio
5 of energy supplies, from wind to solar to
6 biofuels to petroleum and clean-burning
7 natural gas.

8 We represent tens of thousands
9 of grassroots supporters across the country
10 and more than 110 affiliated organizations
11 that span the spectrum of the U.S.
12 economy--from airlines to trucking to
13 manufacturers and restaurants to retirees and
14 small business to a broad array of energy
15 providers. We seek a long-term policy
16 solution to help the United States meet
17 ongoing and future global energy challenges by
18 ensuring proper development of all available
19 energy resources, long-term price stability
20 for consumers, enhanced National energy and
21 economic security, and a consistent regulatory
22 structure for industry.

23 As many of us are painfully
24 aware, our National economy is suffering.
25 Americans continue to lose jobs and steady

1 sources of income at an alarming rate despite
2 attempts by Washington to stave off further
3 economic decline. It is clear that economic
4 and financial stability are not likely to be
5 achieved for some time. It is also clear that
6 we, as a nation, must do what we can now to
7 achieve some relief for Americans. It is time
8 that we think seriously about how developing
9 our own energy resources might help us
10 stabilize energy prices, create jobs and
11 secure our energy and economic futures.

12 I realize how integral the oil
13 and gas industry is to our regional economy,
14 as it is so to many economies around the
15 country. About 1.5 million people are
16 directly employed by the oil and gas
17 industry-- with 45,000 people directly
18 employed by offshore operations. Moreover,
19 hundreds of thousands of others are employed
20 by industries that rely on petroleum inputs.
21 And, with the potential for offshore renewable
22 energy production being explored in the new
23 five-year plan, there are even greater
24 possibilities for the creation of new jobs.
25 In all, opening up the Outer Continental Shelf

1 for energy development would undoubtedly
2 support our local, state and National
3 economies. In fact, a recent study found that
4 developing areas of the OCS could generate 1.3
5 trillion for Federal, state and local
6 governments and as many as 160,000 jobs.

7 Further, OCS development would
8 help more than just those connected to the
9 industry. It would help all consumers,
10 retirees, persons living on fixed
11 incomes--anyone who has carried the financial
12 burden of volatile energy prices. As we all
13 remember, last year's increases in oil and
14 natural gas prices resulted from growing U.S.
15 and global demand that was not matched by
16 equivalent increases in available supplies.
17 Unless supply can be increased, prices will
18 continue to remain volatile. The MMS
19 estimates that the Atlantic waters contain
20 four billion barrels of oil and 37 trillion
21 cubic feet of natural gas. Future Atlantic
22 energy exploration and production could add
23 significant domestic supplies to help offset
24 growing U.S. demand, which over the next 20
25 years is expected to grow at annual rate of

1 1.4 percent. And, despite a continuing
2 emphasis on conservation and expanding
3 renewable sources of energy, petroleum
4 products and natural gas are projected to
5 account for almost 65 percent of domestic
6 energy consumption in 2025. It is important
7 that we allow access to all of our offshore
8 energy resources now because it will take time
9 to develop that energy and deliver it to
10 consumers.

11 Of course, all acreage to be
12 included in the Leasing Program should be
13 explored and developed in a safe and
14 environmentally sound manner while protecting
15 the environment, local communities and other
16 economic interests. I grew up on the beach on
17 the East Coast and have a great appreciation
18 for the ocean and beaches of this region and
19 their benefit to the tourism economy, but
20 offshore development can be properly balanced
21 against the potential for environmental and
22 ecological harm. Adequate environmental
23 safeguards can and should be maintained
24 throughout the exploration and development
25 process for oil and natural gas and the

1 development process for offshore renewable
2 energy.

3 While considering leasing in
4 the OCS, we should also bear in mind revenue
5 sharing. CEA fully endorses OCS revenue of
6 royalties, bonus bids, and fees with coastal
7 states. Funding from the OCS would protect
8 the U.S. energy supply by ensuring the
9 economic stability of the communities that
10 sustain the activities necessary for energy
11 production, supply and distribution, as well
12 as helping to improve our schools, roads and
13 other vital infrastructure. Since 1965
14 Congress has appropriated revenue from the OCS
15 to help fund hundreds of grants in various
16 states totalling millions of dollars and
17 preserving thousands of acres through the Land
18 and Water Conservation Fund. The Federal
19 government should recognize the contribution
20 that the coast states make to U.S. energy
21 needs by passing legislation that mandates
22 revenue sharing with states and local
23 communities.

24 In conclusion, we thank the MMS
25 for taking the time to hear from the public

1 about our thoughts and concerns regarding
2 offshore energy development. CEA wholly
3 supports the new five-year plan and what it
4 means for the energy and economic futures of
5 our nation.

6 CEA will submit detailed
7 comments on the 2010/2015 Draft Proposed
8 Five-Year OCS Leasing Program in the near
9 future. Thank you.

10 JEFF UHLENBERG: I'm Jeff
11 Uhlenberg. I'm an entrepreneur and owner of a
12 company. I also represent NAM which is
13 presently 11,000 small and medium-sized
14 manufacturers nationally and I also represent
15 the Metal Treating Institute which is the
16 largest commercial heat-treating network of
17 heat treaters in the world and I'm the
18 President of Donovan Heat Treating. I'm here
19 today to share with you the realities of
20 owning a business in the 21st century. True
21 structural cost for U.S. manufacturers have
22 increased significantly since 2003 and put
23 them at a 32 percentile disadvantage from
24 their competitors in nine major trading
25 nations. According to the escalating cost

1 crisis study by the NAM this cost disadvantage
2 has risen 42 percent in just three years.
3 Manufacturers more than any other business
4 sector face a cost price squeeze due to
5 intense global competition. Nearly half of
6 all United States manufactured output is
7 traded internationally compared to only three
8 percent of other sectors. This prevents U.S.
9 manufacturers from raising prices despite
10 raising domestic cost.

11 Example of this is within my
12 own company. I deal in international
13 competition and anyone who thinks they're not
14 international competition today you got it all
15 wrong. Either way I quote jobs as big as a
16 million pounds or more and my competitors
17 require me to quote jobs within a quarter of a
18 sent to get the job or not. When I say a
19 quarter of a sent, not 25 cents on a dollar, a
20 quarter of a sent of a penny. It can make or
21 break the job.

22 I recently in the last few
23 months had my top customer ask me to reduce my
24 prices by as much as two cents a pound on over
25 a million pounds. You do the math.

1 In order to be competitive and
2 remain competitive, I needed to -- out my
3 business and not that I wanted to, but even
4 that at times isn't enough and I'm talking
5 about loss of jobs. But the most significant
6 area I'm affected in is energy and, again, I
7 can speak from personal experience. The lack
8 of affordable domestic energy supply is
9 hitting my businesses and all businesses in
10 North America very hard. The big picture is
11 intense global competition affecting
12 manufacturers, both big and small, and the
13 rising cost of natural gas hurts our ability
14 to compete.

15 Quite simply, the lack of
16 affordable domestic energy supplies has hurt
17 my company's ability to compete, driving up
18 the cost of manufacturing our products and
19 this means less money to hire, retain and
20 train workers. Profitability continues to
21 shrink due to escalating costs. At times
22 there's been no profits.

23 At one time I had a natural gas
24 interruption that actually created a 400
25 percent increase of my cost of energy. This

1 was the first time in my 70-year company's
2 history that my energy costs were greater than
3 labor. As a result I had to cut my workforce
4 in half from 37 to 18 workers and I now run a
5 business with 10.

6 Manufacturing in the U.S.
7 accounts for nearly two-thirds of this
8 nation's industrial research and development,
9 three-fourths of our nation's exports and
10 supports more than 20 million high-paying
11 jobs.

12 However, manufacturers in
13 America are suffering from escalating cost
14 crisis primarily due to the lack of affordable
15 domestic energy supplies. If we hope to
16 survive, if we hope to continue to drive
17 innovation and the economy, manufacturers need
18 affordable and accessible domestic energy
19 supplies. I thank you and I thank Secretary
20 Salazar for the opportunity to speak today.
21 Have a good day.

22 DON AURAND: We're up to six,
23 five? Five. We just did five.

24 JIM ROFFMAN: My name's Jim
25 Roffman. I'm a commercial fisherman from the

1 Fishermen's Dock Cooperative in Point
2 Pleasant, New Jersey. Fishermen's Dock
3 Cooperative has been in business for over 50
4 years, incorporated in 1952. Fishermen all
5 fish within the 200 mile EEZ, U.S. exclusive
6 economic zone. I have been fishing 35 years
7 myself. My father was a fisherman before me
8 and his father before him. Three generations
9 deep and my two sons fish with me. We have
10 very serious concerns about ocean exploration
11 and exploitation of the oil reserves that are
12 in the mid-Atlantic and, well, the whole
13 Atlantic Coast here. One woman just said
14 there's four billion barrels of reserves.
15 I've heard eight billion barrels of reserves.
16 What I know is -- whether it's four or eight,
17 what I know is that if you check into energy
18 information administration statistics you'll
19 find that this country exported 670 barrels of
20 oil products last year. 670 million barrels.
21 Now, if you times that by 10, that's six and a
22 half billion barrels, okay? Do we need to be
23 drilling out here if we're drilling our own
24 resources and shipping them overseas? Okay.
25 We need to expose the shell game from the oil

1 companies that is allowing our products to go
2 overseas while we desperately need them here.
3 Don't tell me there's a shortage of oil if we
4 can export 670 million barrels, okay?

5 Let me touch on windmills.
6 You've heard commercial fishermen say that
7 fishermen support wind power offshore. That's
8 not true. Some of us do. Some of us don't.
9 Personally members of the Fishermen's Dock
10 Cooperative do not support wind power. It
11 will impact our fishing ground. We have
12 fishing grounds we've been fishing for 50, 60,
13 70 years. Every job that these windmills or
14 oil rigs produce is one job that's lost in the
15 commercial fishing industry, maybe more.

16 Offshore wind. One, it
17 generates power at the wrong time of the year
18 in the winter when there's already excess of
19 power on the grid. It then gets dumped into
20 the system for about half of what solar power
21 would produce in the summertime. It would be
22 three times more expensive to maintain
23 offshore wind, the wind power itself. It's
24 also two to three times more expensive to
25 create that, to site it, okay, as compared to

1 wind on land. Wind on land is fine. Oil
2 drilling, you have basically a million pounds
3 of barrel heavy drilling for each well that
4 you drill, okay? Times that, let's say, five
5 parts per million of mercury, every well
6 that's drilled is dumping five pounds of
7 mercury in the ocean which would then
8 contaminate the seafood. Every well that's
9 documented in the Gulf of Mexico. They don't
10 tell you that, though. I could go on more,
11 but I'm going to leave it for there. There's
12 more comments from Garden State Seafood
13 Association that will be made later. Thanks.

14 JULIA SHAWN: Hi. I'm Julia
15 Shawn. I'm with the Alaska Wilderness League
16 and although we're very far away, I am the New
17 Jersey field staff and I'm here today to talk
18 about a place, although we're on the Atlantic
19 Coast, but to talk about other special places
20 like America's Arctic.

21 Like I said, I am the New
22 Jersey representative and I'm here today to
23 let you know that there are people all over
24 the country including the East Coast,
25 including New Jersey, that care about

1 protecting special places, not only off our
2 coast, but special places like the Arctic.

3 The Arctic Ocean, we've heard a
4 couple people mention it today, is under
5 extreme threat from reckless plans for
6 industrial development that were pushed
7 through in the previous administration. Home
8 to much of our nation's cherished marine life
9 including polar bears, the endangered bowhead
10 whale, seals and walruses and also home to
11 subsistence way of life for thousands of years
12 for the Yupik people, the Arctic ocean is
13 already feeling the effects of climate change
14 more than anywhere else in the world. We as
15 an organization and we as people who care
16 about our special places urge protection of
17 this fragile unique ecosystem by suspending
18 plans for new oil and gas-related activity
19 until a science based comprehensive
20 conservation energy plan for the Arctic is
21 developed that ensures no future harm.

22 Thanks.

23 DR. JANE: My name's Dr.
24 Jane -- Thank you for the opportunity to
25 testify today regarding offshore energy

1 development. COAA strongly supports the
2 development of renewable sources of energy if
3 the source presents a viable and productive
4 source of options in terms of the -- and if
5 environmental impacts are minimum. Opening
6 our coastline to -- even when opening -- will
7 require a careful process that ensures
8 environmental protection. There are many
9 actions that must be taken prior to siting and
10 permitting any offshore facilities, including
11 comprehensive ecological baseline studies,
12 risk analysis, spacial planning and the
13 development of standard data collection
14 methods and ecological performance standards.

15 First and foremost, a criteria
16 must be developed based on ecological criteria
17 that will promote and maintain a healthy,
18 productive, sustainable and resilient
19 condition of our marine ecosystem for siting
20 renewables and this must be established to
21 evaluate all projects. As well sufficient
22 baseline data must be collected to identify
23 preferred migratory, feeding, breeding and
24 nursery habitats for marine organisms as well
25 as essential Continental Shelf habitats in the

1 OCS.

2 MMS has acknowledged
3 significant data gaps for the entire coastline
4 as has Secretary Salazar in the newly released
5 report. And these must be addressed. There
6 is a need for comprehensive spacial planning
7 of our oceans to ensure proper planning of our
8 energy, while protecting aquatic resources and
9 other ocean dependent users.

10 Baseline data is critical to
11 any marine spacial planning effort and both of
12 these must be completed prior to making any
13 siting decisions. Prior to construction of
14 any offshore renewable energy we must
15 determine the scale, scope and extent of data
16 necessary to accurately predict risk to
17 organisms and habitat and develop standard
18 protocols for the collection of these data.
19 Initial deployments of all new unproven
20 technologies must be limited in scale to
21 determine viability, monitor ecological
22 impacts and inform regulatory decisions. And
23 all facilities should be required to achieve
24 specific trackable and quantifiable
25 performance standards that ensure the

1 protection of marine organisms and habitats.

2 The ocean has great potential
3 to provide clean, renewable energy to replace
4 dirty fossil fuel power, but development must
5 be done with thoughtful consideration of the
6 marine organisms and habitat that depend on a
7 clean, healthy ocean. The step-wise process
8 must begin with the development of
9 environmental criteria to determine
10 appropriate ocean dependence users and to help
11 assess projects and which go where. These
12 criteria would be informed by ecological
13 baseline studies followed by spacial planning
14 and risk analysis. Once appropriate
15 technologies and areas for renewable
16 development have been determined standard data
17 collection methods, ongoing monitoring regimes
18 and ecological performance standards need to
19 be developed to protect and maintain our
20 valuable marine ecosystem. Thank you.

21 BOB OLIVER: My name is Bob
22 Oliver. I live in Kitty Hawk, North Carolina
23 along the Outer Banks, an area also known as
24 the graveyard of the Atlantic, because of its
25 volatile ocean conditions and hurricane alley.

1 Often on the coast there we often have winds
2 in excess, a lot of the hurricanes that are
3 there are category five hurricanes before they
4 weaken and come ashore and I think it's very
5 dangerous to place offshore oil rigs in those
6 areas. Upon looking at the map out front in
7 the lobby with the plots of the parcels of
8 ocean off the coast, it looks something like a
9 subdevelopment of something that could be sold
10 off as if it belonged to individuals. I think
11 that we need to look at those resources as
12 though they belong to future generations as
13 well as ourselves and that a five-year plan
14 that's being developed should also take into
15 account a much longer range effect and a
16 broader outlook that lasts, because the
17 effects of offshore drilling will last much
18 longer than five years if there is a negative
19 consequence.

20 I think it's difficult for
21 elected officials sometimes to get behind
22 renewable energy efforts because of the
23 lobbying efforts that will kick them out of
24 office.

25 I'd like to see the Marine

1 Management Service, I'd like to see you folks
2 take a long-range approach to this and as I
3 look at the logo there, the revenues are on
4 top, but the bottom thing there is stewardship
5 and I'd like to encourage stewardship that
6 will protect our resources and our ocean
7 shores for a long time. The amount of jobs
8 that would be lost and the effect on the
9 coastal areas with a negative impact from oil
10 washing up on the beaches, I think, is far
11 greater than any jobs that could be created by
12 drilling in these areas and that the tax base
13 for all of the valuable property along the
14 ocean coasts is something that would be
15 considered and would be run down if those
16 areas were damaged.

17 But I'd like to thank you very
18 much for holding this meeting. I would like
19 to see this process continue and I'd like to
20 see a meeting like this in every single
21 coastal state, because I think it's a great
22 benefit and a lot of useful information is
23 being provided and that should be available
24 to -- the opportunity should be available to
25 all people in coastal states rather than just

1 one location. Thank you very much.

2 MATT WALKER: Matt Walker.
3 Resident of Kill Devil Hills, North Carolina.
4 I made some statements to this effect earlier.
5 Basically I think a lot of what's been said
6 here is sort of a ruse. The idea that we're
7 gong to drill enough oil to support or even
8 put a dent in our demand's pretty silly. I
9 think the people are telling you that we are
10 going to keep it in the country is pretty
11 silly and I think the amount of money being
12 produced on the coastal level by clean oceans
13 outweighs any money that they're going to
14 offer in revenue sharing. So basically it
15 comes down to the oil industry gets trillions
16 of dollars and the states get less money than
17 they would if the beach was clean and if
18 something happens the state gets left holding
19 the tab and I think for the last 12 months all
20 we've heard is putting Wall Street ahead of
21 Main Street and here we are about to do the
22 exact same thing by giving one of the most
23 profitable companies on the planet another
24 chance to make dollars and if something
25 happens, average ordinary working people are

1 going to have to suffer with their jobs and
2 everything else. The only difference between
3 this and the Madoff scam is that we can
4 prevent this one and see it coming and say
5 don't do it. When it does happen, can't turn
6 around and say we didn't see it coming,
7 because the stock market goes down too and if
8 we get hit, it'll happen and that's all I have
9 to say. Thank you.

10 DON AURAND: Okay. We're up to
11 number six. If you weren't here when we
12 started, again, we're calling you up in groups
13 of six. This is the six, but when you come
14 up, please, if you can remember to bring your
15 comment card with you and she will pick it up.
16 That way we have a sequence. The poor court
17 reporters do the best they can with the way
18 you pronounce your name, but it'll be a lot
19 easier to figure out who you are if we have
20 the cards and that's me tap dancing while
21 Laura tries to find the card for the last
22 gentleman and you can go ahead now, sir.

23 NELSON GARCEZ: Okay. Good
24 afternoon. My name is Nelson Garcez,
25 G-A-R-C-E-Z. I'm representing Public Service

1 Enterprise Group, the energy conglomerate that
2 distributes energy in New Jersey. PSE&G and
3 Deepwater Wind, another New Jersey-based
4 company have formed a joint venture called
5 Garden State Offshore Energy to build and
6 operate offshore wind power plants off the
7 coast of New Jersey.

8 We appreciate the opportunity
9 to be here speaking today about the
10 development of alternative energy resources on
11 the Outer Continental Shelf, especially
12 offshore wind. Our company's developing 350
13 megawatt project that's located roughly 16
14 miles off the coast of Atlantic City. If
15 built, this wind farm will produce enough
16 energy to supply about 110,000 homes with
17 clean and renewable energy. We are developing
18 this project in response to Governor Jon
19 Corzine's energy master plan of the state to
20 produce about 1,000 megawatts of renewable
21 energy in New Jersey by 2012 and 3,000
22 megawatts by 2020. The Governor deserves a
23 lot of credit. He is one of the key leaders
24 in that industry.

25 Offshore, of course, as has

1 been said here, is a crucial component of our
2 efforts to fight climate change. One of the
3 central challenges of transitioning to
4 low-carbon electric generation is that a large
5 proportion of our renewable resources are not
6 located close to the centers of high
7 electricity demand. This is why offshore wind
8 has such tremendous potential. It is an
9 abundant renewable resource located close to
10 the densely populated electric load centers of
11 the northeast.

12 Completing our project we will
13 create hundreds of jobs and we hope it will
14 spur the development of offshore wind industry
15 in the state of New Jersey, including local
16 manufacturing capabilities. Our project will
17 utilize a deepwater technology that will allow
18 us to be located far from the shore where it
19 will have negative impact on coastal
20 aesthetics.

21 There will be several
22 environmental and economic benefits, but to
23 make that possible we need to have the clear
24 rules of securing rights in Outer Continental
25 Shelf, something that took about four years up

1 to this point. These rules, in its final
2 form, are to be issued by Mineral Management
3 Services, and the timing of that directly
4 impacts the ability to start investing data
5 collection, project development and
6 construction. The timely completion of these
7 rules will remove an obstacle to investment.
8 We've been encouraged by some of the initial
9 actions taken by Secretary Salazar leadership,
10 including the recent announcement of possible
11 Memorandum of Understanding with the Federal
12 Energy Regulatory Commission, as well as his
13 appearance before the Senate Energy Committee,
14 basically saying that the final rules could be
15 released as soon as the next two months. I
16 think he repeated today to do that in the next
17 60 days. I hope he keeps the original 60
18 days, please.

19 As active participants in the
20 offshore wind industry we have already taken
21 significant steps to developing offshore wind
22 in the state of New Jersey. We open the final
23 rules will contemplate the efforts of this and
24 other states that have taken initiatives to
25 seek competitive bids for legitimate

1 developers to begin developing their offshore
2 wind potential.

3 Closing my statement, I would
4 like to reinforce the promulgation of the
5 final rules. Our industry is ready to act and
6 will be responding efficiently and
7 expeditiously to the demands of our society
8 for a cleaner environment. Thank you again
9 for the opportunity to speak.

10 SHAWN COSGROVE: My name is
11 Shawn Cosgrove. I'm the marine director of
12 the Conservation Law Foundation. We're an
13 environmental advocacy group based in New
14 England, with offices in Maine, New Hampshire,
15 Vermont, Rhode Island, Massachusetts, as well
16 as Maryland.

17 I wanted to thank you today for
18 putting on this meeting. There's, obviously,
19 quite a bit of work into it. Very well put
20 together and appreciate that and appreciate
21 you all being here.

22 Conservation Law Foundation
23 also known as CLF has quite a bit of knowledge
24 about the proposal on gas drilling in Georges
25 Bank in the northwest Atlantic, because we

1 were involved in the first time that they
2 tried to do this in the late '70s. Starting
3 in 1977 and 1982 there were 10 exploratory
4 wells drilled on Georges Bank and it was
5 proposed at the time that that was the highest
6 and best use of this area despite the fact
7 there's been hundreds of years of commercial
8 fishing, developed commercial fishing industry
9 and so CLF and a number of other groups,
10 notably the Gloucester Fishermen's Wives
11 Association oppose oil drilling.

12 Upon further environmental
13 impact studies and in research it was shown
14 that that was the case, that oil and gas is
15 not the highest and best use for these areas.
16 There's been quite a bit of talk here about
17 the amount of oil that we need to get to make
18 our country energy independent. It's clear
19 that those deposits of that size do not exist
20 in the Atlantic Coast. It's certainly clear
21 that they do not exist in Northwest Atlantic
22 in Georges Bank and other areas.

23 I'd like to talk about the need
24 to protect ocean habitat. We often talk about
25 the ocean as if it looks like the bottom of

1 your bathtub. That's not the case. You can
2 go up -- like the west coast, you can go 80
3 miles off of Gloucester, Massachusetts and
4 find a spot that's about 15 feet deep known as
5 Cashes Ledge. It is incredible resource,
6 biologically productive resource, for
7 fisheries and for ocean wildlife. If this
8 were above the surface of the ocean, if it
9 were on land it would be a National park. You
10 can go 160 miles out on Georges Bank and find
11 places 40, 50 feet deep, incredible resource
12 for commercial fisheries and ocean wildlife.
13 We need to assess these places and make an
14 unconcerted effort to protect ocean habitat,
15 Georges Bank, Cashes Ledge. The Great South
16 Channel and Jeffrey's Ledge, a number of
17 places, the New England Management Council has
18 closed bottom drilling here because this is
19 harmful to the habitat. If we need to protect
20 ocean habitat we certainly need to protect it
21 from oil rigs. We ask that there be no new
22 drilling on the OCS for oil and gas
23 development, that there be permanent
24 protection for these areas that I mentioned.
25 Develop assessment of current and

1 environmental benefits and, of course,
2 complete the renewable energy regulations that
3 were supposed to be completed two years ago.
4 We are going to submit formal comments for the
5 record, but thank you very much for your time
6 today.

7 SARA STRANE: Sara Strane and
8 I'm a volunteer with Greenpeace in New Jersey.

9 CHRIS NASTUCK: And my name is
10 Chris Nastuck from Manasquan, New Jersey. I'm
11 also with Greenpeace and we appreciate the
12 opportunity to testify today. We oppose
13 offshore oil and gas drilling because of its
14 contribution to global warming, it's harm to
15 polar bears and other species and because of
16 the devastating effects it could have on New
17 Jersey's coastline which would, of course,
18 cause a deleterious effect on New Jersey's
19 economy.

20 Offshore oil drilling poses a
21 double-barreled threat to polar bears. Oil
22 drilling will lead to oil spills, ship
23 traffic, noise and all kinds of industrial
24 disturbances harmful to the polar bears. Oil
25 drilling anywhere off the coast of the U.S.

1 from the inevitable burning of the oil for
2 energy. Global warming is a leading threat to
3 the polar bear and the studies made say that
4 two-thirds of the world's polar bears will be
5 gone and that includes all the polar bears in
6 the United States. We need a clean energy
7 future with no fossil fuel development and if
8 polar bears are to survive and other precious
9 ecosystems are being protected --

10 SARA STRANE: We feel that it's
11 Secretary Salazar's -- in addition to a
12 moratorium on offshore oil, we feel it's his
13 responsibility to rescind the Bush
14 Administration's illegal Endangered Species
15 Act regulations.

16 Congress has given him a 60-day
17 window of opportunity to rescind Bush's
18 regulations with the stroke of a pen, but as
19 you know, this opportunity expires May 9th.
20 These extension regulations are among the most
21 damaging and illogical of the Bush
22 environmental attacks. They are aimed at
23 eliminating the consideration of global
24 warming pollution from the Endangered Species
25 Act review. We feel that the Federal agencies

1 should look at ways to reduce global warming
2 pollution that harms polar bears just as they
3 look at ways to reduce pesticides that harm
4 salmon or logging that harms owls. We urge
5 Mr. Secretary Salazar to rescind the Bush
6 regulations before May 9th and to take oil and
7 gas drilling off of the table.

8 We know that clean energy jobs
9 like wind and solar could create more than
10 57,000 jobs for New Jersey citizens within the
11 next few years. And that it's a moral
12 responsibility to do so when burning these
13 fossil fuels causes global warming. So we are
14 addressing Mr. Secretary Salazar today,
15 hopefully on behalf of you all, to use his pen
16 to save the bears and stop global warming and
17 we want to thank you for the opportunity to
18 testify today. Thanks.

19 JOSEPH LOGUE: Good afternoon.
20 My name is Joseph Logue and although I work
21 for the American Conservative Union, today I'm
22 here speaking as an individual. I would like
23 to start off by saying that I support
24 wholeheartedly wind and solar energy. I also
25 support nuclear, coal, oil and natural gas

1 development, especially in the Outer
2 Continental Shelf. We are told that we are in
3 an energy crisis. This is in fact not the
4 case. We are actually suffering from a crisis
5 of failed political leadership, much of which
6 was on display today. We are told that we
7 have energy shortages, but the United States
8 uses 20 million barrels of oil a day and as we
9 saw in the presentation earlier, has close to
10 100 billion barrels of oil in the Outer
11 Continental Shelf. We could easily produce a
12 million barrels of oil a day from those
13 sources which would make a good percentage of
14 current oil usage and do so in a few short
15 years, not 10. The argument's that we'll have
16 to switch from oil to renewable energy anyway,
17 so we might as well get going on it now is
18 fallacious. It implies that there is a global
19 shortage of oil, but there is in fact not.

20 We have in the Rocky Mountains
21 over a trillion barrels of oil in the form of
22 oil shale. All of that is just being --
23 waiting to be used. That amount of oil is
24 more oil than has been used by humanity up to
25 this point in history since oil was discovered

1 back in the mid-19th century, and all of these
2 figures are just the numbers that we know of.

3 As was said earlier in the
4 presentations that data used to make those
5 predictions is 25 years old and using
6 techniques and technology also 25 years old.
7 We had congressmen rejecting the need to
8 conduct seismic studies and exploratory
9 drilling. They were redirecting the need for
10 more information. We ought to demand and
11 deserve public policy based on the full
12 exploration of the facts, not a rejection of
13 inquiry.

14 I sincerely hope that the
15 Interior Department makes every effort to at
16 least examine and explore the oil resources
17 before deciding oil policy.

18 That this is even an issue is
19 tragic and an embarrassment. We are told to
20 focus on renewables because they were the
21 future. That may very well be the case. But
22 it is important to understand that oil and
23 petroleum products are an inevitable part of
24 our future and they will be as far as I can
25 see. Our obligations to increasing the

1 quality of life for our children demand that
2 we leave them an America full of abundant and
3 cheap energy. I believe this can only be done
4 on a large energy strategy that incorporates
5 OCS development. At a minimum we must
6 explore. Anything less would be foolish and
7 dangerous. Thank you for your time and I hope
8 that you take those comments into
9 consideration.

10 BENJAMIN FISHMAN: Thank you
11 for the opportunity to testify today. My name
12 is Benjamin Fishman and I'm here today
13 representing the Institute for Policy
14 Integrity at the New York University School of
15 Law. The Institute is dedicated to improving
16 the quality of government decision-making by
17 expanding the use of unbiased and balanced
18 cost benefit analysis. Our comments today
19 focus on the Draft Proposed Program released
20 by the MMS service in January.

21 The MMS plan may cost Americans
22 over 600 billion dollars in lost wealth. In
23 the plan MMS has violated basic economic
24 principles by failing to value the option to
25 wait to consider drilling leases. Using

1 estimates in the MMS report the result may be
2 well over 600 billion dollars in lost option
3 value for the American public. MMS is
4 required by statute to consider the economic
5 value of nonrenewable resources when
6 constructing its plan to auction drilling
7 rights offshore. In its analysis it uses the
8 net present value formula for estimating the
9 economic value of offshore drilling. However
10 economists have recognized for decades that
11 this model does not apply to irreversible
12 decisions under conditions of uncertainty.
13 And that's exactly the kind of decision faced
14 today by MMS when considering extracting oil
15 and gas at widely fluctuating prices. The
16 result is a bias in favor of drilling too much
17 too soon.

18 There are numerous models that
19 have been developed by financial economists to
20 account for price uncertainty. These models
21 are based on the valuation of options. Just
22 as an executive may receive the option to buy
23 stock as part of a compensation package, the
24 United States holds the option to lease
25 drilling rights offshore. Those executives

1 often wait to cash in their options and in
2 many cases it makes sense for MMS to wait
3 until an optimal price threshold to auction
4 leasing rights. By leasing too much too fast
5 MMS is selling the leases too cheaply and
6 wasting hundreds of billions of dollars in
7 option values. By failing to account for the
8 potential value of waiting until these
9 drilling rights is MMS plan essential --
10 sorry. This is clearly inaccurate. These
11 options could be worth hundreds of billions of
12 dollars. By placing a zero value on these
13 options, MMS is extremely bias in favor of
14 leasing too much too soon. By MMS allowing
15 oil companies to access resources at an
16 inefficiently rapid pace causing significant
17 losses for the American public. Given its
18 statutory mandate to consider the economic
19 consequences of its leasing program, MMS is
20 under a duty to ensure that it accounts for
21 all economic value including options value.
22 By failing to give due consideration to the
23 value of the option to wait, MMS severely
24 underestimates the wealth held by the American
25 public in natural resources and ends up

1 destroying that wealth through short-sighted
2 policy based on outdated economic models.

3 Thank you very much.

4 DON AURAND: Okay. The plan
5 was for a break at 3:00 and it's by my watch
6 five minutes of three, so that's probably a
7 good time. We'll come back at five minutes
8 after and we'll continue with the next set of
9 comments.

10 (Brief recess from 2:53 p.m.
11 until 3:12 p.m.)

12 PUBLIC MEMBER: I think I'm up,
13 so I'm just going to get started.

14 My name is Peter Gallant
15 (phonetic). In spite of my accent, I live in
16 Princeton, New Jersey. I'm a managing
17 director of Wind and Wave, which is a company
18 in Gray Mart (phonetic), in Germany, and we
19 are just about to put a 400 megawatt offshore
20 wind park into the North Sea.

21 Living in Princeton, New
22 Jersey, I'm getting a little tired of flying
23 back and forth to Germany, and seeing how the
24 industry develops here on the east coast, I
25 want to shift my interests from Germany back

1 to the United States.

2 And I have two objectives. One
3 is to develop a large wind park here, offshore
4 New Jersey and other places on the east coast,
5 but the second thing is to -- object is to
6 develop the supply industry so we can make
7 these turbines and towers and generators and
8 switch gear, we make it here in the United
9 States. Because if you make it overseas, it
10 doesn't really create jobs for us in the
11 United States, number one. Number two, it
12 creates an exchange rate problem. With this
13 highly developed of a project, suddenly your
14 dollar could get beaten and suddenly, your
15 cost -- your dollars goes up and when the
16 dollars goes up and your economics goes up,
17 your project goes down.

18 I see four challenges for us in
19 wind development. Number one is to get
20 sufficient revenue. New Jersey has done a
21 very good job in developing the super cobex
22 (phonetic). Number two is the permitting
23 process. And that's what I want to digress on
24 in 30 seconds. Number three is the supply of
25 the equipment. And, again, we need to find

1 the ways to do this in the United States. And
2 number four is the supply of debt capital and
3 equity capital, which is difficult right now,
4 in particular, debt capital, but I expect that
5 to disappear in the next 12 to 24 months.

6 When it comes to the
7 permitting, I know that's a work in progress.

8 I want to make one more last
9 try to convince you to not necessarily let us
10 -- each project go through a separate
11 permitting process, which always ends up at
12 pretty much the same place. The sooner you
13 get a permit, but it takes a couple years, it
14 takes a lot of effort and, quite frankly, it's
15 not the optimum way of protecting the
16 environment, because each project has their
17 own dynamics.

18 So, what I would like to
19 propose, and I hope that it can be done, and
20 maybe I'm not so sure where, is that we, MMS,
21 create an offshore wind power zoning where we
22 --

23 Because we know today the
24 impact these parks will have; noise and on
25 birds, et cetera, et cetera, et cetera. We

1 know that. And we should be able to decide
2 that we're willing to accept that impact there
3 but not there.

4 Earlier, a gentleman,
5 fisherman, said he is concerned with his
6 livelihood. Well, that needs to be taken into
7 account.

8 If I develop a wind park in
9 affirmative, how will we get his -- how will
10 we get his concerns to my thinking? It's very
11 difficult to do. But, MMS, who has an
12 overview viewpoint, could establish zoning,
13 where we say look, here we're not going to put
14 wind parks, but here we're going to put them.

15 And I would hope that you could
16 give it, one more time, some consideration.

17 Thank you very much.

18 PUBLIC MEMBER: Good afternoon.
19 I'm Kevin O'Driscoll, and I'm here to
20 represent the Surfers' Environmental Alliance,
21 which is a national non-profit organization
22 which is dedicated to a sustainable future and
23 environmental protection.

24 And in particular, I'd like to
25 speak about something that no one here has

1 really mentioned, unless I missed it, and that
2 is specifically the public health.

3 And indeed, consumption of
4 fossil fuels is a serious threat to public
5 health.

6 And it is somewhat ironic, I
7 should also point out, that we are holding
8 these hearings. And I want to thank you and
9 the secretary and the Obama administration for
10 having this forum for us to speak out. And I
11 also want to congratulate you on intercepting
12 this expansion of the lease program.

13 But, I would like to gently
14 point out the irony that we are here in
15 Atlantic City, which is a gambling center.
16 And, in fact, what this expansion of lease
17 program is is a gamble. And by putting all of
18 our reserves on the table, as it were, it is
19 somewhat irresponsible and risky, because what
20 we're gambling with is our future. And
21 specifically, it's our children's future.

22 Now, I am, by trade, a cancer
23 researcher. I'm a former professor at
24 Columbia University, and I currently work as a
25 consultant to the pharmaceutical industry and

1 also to the environmental industries and also
2 activist groups. That's why I'm here.

3 My son, who is 10 now, was
4 diagnosed with leukemia when he was 5. And I
5 wouldn't be surprised if there were not -- you
6 know, if there were one person in this room
7 who didn't know a child who was affected by
8 some disease, or at least know of a child.

9 Autism, for instance. Autism
10 has increased in prevalence in the past 20
11 years by 20-fold. And we don't really know
12 what the cause of this is. It's very likely
13 that there is some environmental factor
14 involved.

15 I'm also published in pediatric
16 neurology.

17 So, continued reliance on
18 fossil fuels and their burning pollutes the
19 environments.

20 We need to move towards a green
21 technology. And I'm happy to see that in the
22 Outer Act, the Obama administration has
23 actually increased funding for green
24 technologies through the National Science
25 Foundation and through NOAA. And I would

1 encourage future funding to concentrate in
2 that area. Specifically, the remediation of
3 existing environmental pollution and also, the
4 increased adoption of more sustainable energy
5 sources.

6 The Surfers' Environmental
7 Alliance specifically is opposed to expanded
8 offshore drilling. We're also opposed to the
9 liquid natural gas island facility.

10 And I will end it there. And
11 thank you very much.

12 PUBLIC MEMBER: Good afternoon.
13 My name is Brian Brindal (phonetic), and I'm
14 the director of energy and resources policy of
15 the National Association of Manufacturers.
16 We're the leading voice of the manufacturing
17 economy. We have more than 11,000 members
18 nationwide, and we represent more than 13
19 million workers throughout the United States.
20 In New Jersey, we represent more than 315,000
21 workers.

22 And what this is about for us
23 is it's about jobs. Manufacturers have been
24 facing an employment crisis for several years
25 now, and this has been stemmed to a rise in

1 energy costs, which really began in the summer
2 of 2000.

3 And prior to the onset of the
4 financial crisis, the manufacturing sector
5 lost more than 3.7 million jobs nationwide.

6 Our sector's jobs pay more than
7 20 percent higher than the average wage. In
8 New Jersey, the average wage for a
9 manufacturing job is about \$65,000 a year,
10 which is significantly higher than the average
11 state wage.

12 The industrial sector uses 34
13 percent of the nation's total energy
14 consumption. It is, therefore, very
15 vulnerable to high-energy prices and
16 volatility. Many members, one of whom you
17 heard from earlier, Jeff Uhlenberg, was
18 stating that energy costs has surpassed
19 healthcare as the highest input costs for
20 their bottom line, which places our members at
21 a competitive disadvantage in the global
22 economy.

23 Federal policymakers can level
24 the playing field by assuring that the
25 manufacturing industry has access to plenty of

1 supplies of affordable energy. This is
2 especially true for natural gas, going back to
3 what we use as a feedstock to generate not
4 only plastics and pharmaceuticals, but we also
5 use natural gas as a source of electricity,
6 like most other consumers.

7 We support expanded access to
8 the untapped reserves on the OCS in order to
9 stabilize energy prices and to manufacture
10 employment. We believe that this can be done
11 in an environmentally sound manner, and we
12 look forward to working with the professionals
13 of the Department of Interior and other state
14 cultures to forward a plan that will expand
15 access to these resources that are very key to
16 a very sound economy and high-paying jobs for
17 Americans.

18 Thank you very much.

19 PUBLIC MEMBER: Good afternoon.
20 My name is Ed Waters. I'm the director of
21 government relations for the Chemistry Council
22 of New Jersey. We represent chemical, oil and
23 pharmaceutical companies, along with the
24 manufacturers of flavors and fragrances and
25 consumer products.

1 We strongly support offshore
2 drilling for both oil and natural gas. We
3 also support the OCS plan for offshore
4 drilling. We believe there should be a
5 comprehensive energy plan, not a Don Quixote
6 plan, where we're just chasing windmills.
7 That plan should include domestic drilling for
8 oil and natural gas as well as renewable
9 energies.

10 We support the effort to
11 increase our domestic oil supply to create
12 less of a reliance on foreign oil and believe
13 that offshore drilling will have a positive
14 impact on our national security.

15 The industries that our council
16 represents are some of the largest users of
17 natural gas, and we use energy to save energy.
18 We use natural gas as a feedstock, and our
19 products are in many U.S. manufactured goods,
20 including energy-saving products, such as
21 insulation, solar panels, wind turbines, and
22 light-weight vehicles.

23 According to the U.S. Energy
24 Information Administration, since 2000, the
25 price of natural gas has increased more than

1 500 percent. High-energy prices are forcing
2 U.S. companies to move manufacturing jobs
3 overseas. The companies that are benefiting
4 from this move are Brazil, Russia, India, and
5 China, where natural gas is much cheaper, and
6 they are leveraging their domestic energy
7 supplies to grow their economies at the
8 expense of the U.S. economy.

9 The U.S. is the only country in
10 the world that has restricted access to its
11 own supplies.

12 The chemical and oil industries
13 are a vital part of the New Jersey and
14 U.S. economies, and we want to keep it that
15 way.

16 Thank you. Have a nice day.

17 DON AURAND: Okay. Number 8, A
18 through F.

19 PUBLIC MEMBER: Hi. Good
20 afternoon. Thank you for the opportunity to
21 testify today. My name is Helen Henderson. I
22 am the Atlantic Coast project manager for the
23 American Literal Society.

24 The American Literal Society is
25 one of the nation's oldest ocean and coastal

1 conservation groups, founded in 1961 by
2 scientists, fishermen and divers devoted to
3 promoting the study and conservation of marine
4 life and its habitats, defending the coast
5 from harm and empowering others to do the
6 same.

7 Offshore energy development,
8 both traditional and renewable, has been
9 controversial wherever it has been proposed.

10 The potential for offshore
11 energy development is set against a growing
12 awareness that our oceans are under increasing
13 and extreme stress. The public hears daily
14 stories about collapsing fisheries, threatened
15 whales and sea birds and fishermen who
16 struggle to go to the sea to make a living.
17 The development sprawl devouring our landscape
18 threatens to spill out into what is now an
19 unbroken ocean vista with increasing demands
20 for new uses of the ocean, particularly energy
21 uses.

22 The debate has focused too much
23 on developing new sources of fuel, whether
24 those are fossil fuel based or renewable, to
25 feed an ever-increasing demand for energy.

1 The debate must shift more fundamentally to
2 place greater emphasis on demand, production,
3 efficiency and conservation.

4 There are unlimited amounts of
5 energy to be recaptured from wasteful,
6 inefficient practices and not have to make the
7 grim choice of industrializing our ocean and
8 coast.

9 The reality is that we are
10 being offered false choices; oil drilling or
11 high prices at the pump, filling the ocean
12 with industrial wind farms or building more
13 climate-destructive coal plants, and not
14 enough effort has been put into evaluating
15 conservation and efficiency. We cannot win a
16 race against an ever-increasing demand curve.

17 In New Jersey, Governor Codey's
18 Blue Ribbon Panel on offshore wind turbine
19 development on which the Literal Society's
20 executive director served, found that over
21 4,000 megawatts of energy could be captured
22 from economically-feasible energy conservation
23 approaches at the cost of two offshore wind
24 farms or approximately \$5 billion. This is
25 the equivalent of eight power plants. This is

1 the energy path that we should follow, one
2 which has been neglected in the rush to open
3 the ocean to development.

4 The American Literal Society
5 opposes policies to reopen the coast for oil
6 and gas drilling. Offshore drilling will not
7 resolve any of America's energy issues.
8 Spending billions of dollars on yesterday's
9 fuel, risking our coastal economies and
10 putting our already stressed marine
11 environment in harm's way makes no sense.

12 The value of the ocean and the
13 coast, both in terms of quality of life and
14 economic contributions, far exceeds the value
15 of oil and gas extraction.

16 We don't support offshore
17 drilling and industrialization of our ocean.
18 There is simply too much at risk, both
19 environmentally and economically.

20 Are you accepting these
21 comments today or should I --

22 DON AURAND: Yes. Someone from
23 MMS will be happy to take them. Right back
24 there.

25 PUBLIC MEMBER: Thank you for

1 this opportunity.

2 PUBLIC MEMBER: Good afternoon.
3 I'm Renee Jones, with Conoco Phillips.

4 At a time when the economy is
5 the leading national concern, it is wise that
6 we are addressing one of the primary factors
7 required to ensure our prosperity.

8 Energy is the foundation of our
9 economy. Higher cost energy stifles growth.
10 More low cost energy drives economic growth.

11 As one of North America's
12 largest producers of oil and natural gas,
13 Conoco Phillips is positioned to increase
14 production and contribute even more to energy
15 security and economic recovery. The
16 government can facilitate energy investment
17 and help prevent future price spikes by making
18 wise policy choices on taxation, regulation
19 and access to resources.

20 We support President Obama's
21 stated goal to promote responsible domestic
22 production. We have tremendous resources
23 offshore of the U.S. that can be produced
24 responsibly.

25 Under current policy, less than

1 four percent of Federal mineral acreage is
2 under lease, and much of that is in highly
3 mature and expensive areas; the deeper Gulf of
4 Mexico and Alaska's offshore and remote Arctic
5 Slope.

6 Conoco Phillips strongly
7 believes energy development and environmental
8 protection are not mutually exclusive. We can
9 have both.

10 Our industry is a
11 high-technology business with dramatic
12 advances in directional drilling, better
13 seismic imaging, new deep water development
14 technologies, and advanced production
15 techniques. We've met growing demand while
16 reducing our environmental footprint. These
17 advancements have helped the Gulf of Mexico
18 produce three times as much natural gas as the
19 government first estimated was possible in
20 1974.

21 Conoco Phillips strongly
22 supports efforts by the MMS to begin a new
23 five year program to define the scope of
24 domestic offshore energy development
25 opportunities and determine the extent to

1 which the nation is committed to addressing
2 its growing energy needs. A new five year
3 program will serve as the foundation for
4 significant investment in the jobs, technology
5 and infrastructure throughout the nation. It
6 will be the catalyst for significant revenue
7 streams into the Federal treasury, state and
8 conservation programs.

9 Given our fragile economy and
10 the economic importance of energy for our
11 future, it is essential that we act wisely and
12 prudently and now. Government and industry
13 must work together to improve our national
14 energy security and economic well-being.

15 We need access to reliable and
16 affordable sources of energy.

17 We commend the MMS for asking
18 for comments on all areas of the OCS. We ask
19 MMS to include all areas of the OCS for oil
20 and natural gas development in the next OCS
21 five year leasing plan. A five year OCS
22 leasing plan that opens new areas beyond the
23 traditional central and western planning areas
24 of the Gulf of Mexico is an important
25 near-term policy decision that Washington can

1 make to address the energy challenges now
2 facing Americans.

3 Thank you for the opportunity.

4 DON AURAND: Okay. We're up to
5 number 9, A through F. 9? It doesn't look,
6 to me, like you all are walking towards the
7 microphone.

8 Number 10.

9 Oh, good. 9 doesn't show up
10 and 10 push each other out of the way.

11 PUBLIC MEMBER: My name is Carl
12 Nistremis (phonetic). I'm an action
13 coordinator with Clean Ocean Action.

14 I just wanted to say that
15 contrary to what someone said here today, we
16 cannot drill ourselves out of this crisis.
17 The potentially recoverable oil and gas off
18 the coast is minimal, spread far too apart.
19 Studies have shown that it will take years
20 before this oil hits market and, therefore,
21 there's no guarantee that this energy will be
22 used domestically. Therefore, oil and gas
23 drilling on the OCS is not sustainable and not
24 a solution to our energy needs.

25 Furthermore, offshore drilling

1 threatens the \$37 billion tourism industry
2 here in New Jersey, both to businesses here
3 and on the Jersey shore. One oil spill will
4 cause significant economic damage to the local
5 economy and, therefore, a healthy coastal
6 economy is dependent on a clean ocean. It is
7 irresponsible to threaten this coastal economy
8 and the jobs associated with it with oil and
9 gas drilling.

10 The oil and gas energy
11 potential is minimal while the risk is too
12 great. Drilling off our shore is backwards
13 policy and energy. Continue toward clean,
14 renewable energy and reinstate the moratorium.

15 Thank you.

16 PUBLIC MEMBER: Hi. My name is
17 Margo Pellegrino, and I'm a stay-at-home mom
18 and I paddle. And, obviously, I do a really
19 bad job at staying at home.

20 I paddle through small craft
21 advisories, swell warnings off of Rhode
22 Island. I paddle with sharks. I've paddled
23 in 50 mile an hour winds. Fortunately, I was
24 in Buzzards Bay, so I couldn't get swept out
25 to sea.

1 I've seen an awful lot. Also,
2 I've seen a lot of the --

3 Let's see. I've seen a lot of
4 anecdotal evidence of what has been described
5 in both the Pew report on the ocean and the
6 U.S. Commission on Ocean Policy, which both,
7 by the way, say we really shouldn't be so
8 eager to drill until we do studies about how
9 we are going to be affecting the ecosystem.

10 With that introduction, I'll
11 just say the conservation of our natural
12 resources is the problem. Without solving
13 this problem, it avails us little to solve all
14 others. That was said by President Teddy
15 Roosevelt in 1907 in an address to the Deep
16 Water Wave Commission. How precious he was.

17 With all due respect to
18 Congressman Bishop -- I don't know if he's
19 still here -- conservation efforts do count.
20 Germany is building new homes, 2,000 square
21 foot homes, that use one-fifth of the energy
22 that ours use.

23 During the peak price of gas,
24 American drivers cut their usage by a whopping
25 14 to 17 percent. No one ever thought that

1 was going to happen. And they did that
2 without any kind of added infrastructure
3 whatsoever; just habit change.

4 Congressman Bishop may have no
5 faith in American ingenuity, resilience and --
6 or our ability to rise to a challenge, but I
7 do. Our very security depends on it.

8 How can we be a leader if we
9 are constantly falling behind while the world
10 surges ahead in the areas of sustainable
11 energy and conservation? Even the rich middle
12 Eastern countries who are very oil dependent
13 and make their millions selling oil -- and
14 billions and trillions selling oil to us, even
15 they are starting to look at alternative
16 sources and sustainable sources of energy. It
17 is a finite fossil fuel, after all.

18 In 2006, I came here to testify
19 on behalf of my children. Back in 2006, we
20 were also told that it would take 20 to 30
21 years before any of this oil or gas came
22 online for us to actually use.

23 So, if your business -- if your
24 manufacturing business is on the rocks now, I
25 am sorry, but I don't see how it will be

1 existing in 20 to 30 years, when you can
2 finally make use of this energy.

3 Back then, I brought up the
4 need described in the U.S. Commission on Ocean
5 Policy for a better and clear understanding of
6 the complicated and multi-faceted nature of
7 our ocean ecosystem. The premise was we
8 should not mess up what we don't understand.
9 Ignorance is not bliss. We have seen the
10 consequences of our dependence on finite
11 fossil fuels in the past, we are feeling the
12 consequences now, and we know what problems we
13 can expect in the future.

14 If AIG and GM are too big to
15 fail, what about the ocean?

16 PUBLIC MEMBER: I just want to
17 clarify something. I don't like to be
18 pigeonholed. I just like to look at facts.

19 My name is John Ciser,
20 C-I-S-E-R, and I'm here representing the Ocean
21 Mammal Institute, which is a non-profit
22 research organization dedicated to protecting
23 marine mammals and, thus, the overall health
24 of our marine ecosystems.

25 What I want to talk about

1 specifically are the effects of seismic
2 surveys or airguns on marine life, which need
3 to be done to search for oil and gas and don't
4 need to be done for windmills. And it poses a
5 serious threat to marine life.

6 A growing body of evidence
7 confirms that intense sound produced by
8 human-generated noise in the marine
9 environment can induce a range of adverse
10 effects on marine mammals. These effects
11 include death and serious injury caused by
12 hemorrhages or other tissue trauma,
13 strandings, temporary and permanent hearing
14 loss or impairment. And if you're a whale or
15 if you're a dolphin and you're deaf, you're as
16 good as dead, because you can't hear the fish
17 you're dependent upon. Other effects are
18 displacement from preferred habitat and
19 disruption of feeding, breeding, nursing,
20 communication, sensing, and other behaviors
21 that are vital to survival.

22 But, marine mammals aren't the
23 only victims. Three decades of controlled
24 scientific studies leave no doubt that intense
25 sound hurts fish and damages fisheries. Even

1 the viability of fish eggs was reduced in one
2 study when the eggs were exposed to moderately
3 loud sound for several days.

4 In some parts of the ocean,
5 airguns can be heard going off every few
6 seconds day and night. Airguns located 3,000
7 kilometers away were the predominant part of
8 the background noise heard over hydrophones
9 placed in the middle of the North Atlantic
10 ocean.

11 In the study -- another study,
12 McCauley and Popper exposed pink snapper to
13 seismic airgun sounds and found that their
14 ears were severely damaged. The auditory hair
15 cells did not regenerate after almost two
16 months. This damage was seen at exposure
17 levels that might occur several kilometers
18 away from the sound source. The authors note
19 the ears of pink snapper are typical to the
20 majority of commercially-important species,
21 such as cod, haddock, salmon, and tuna.

22 The authors also point out that
23 fish with hearing impairment are more
24 vulnerable to predators and less able to
25 locate food and communicate acoustically.

1 Popper, in a review paper on
2 the effects of noise on fish, concludes that
3 current studies suggest that noise may affect
4 fish behavior and, thereby, fisheries.

5 In yet another study, done by
6 the Norwegian Institute of Marine Research,
7 airguns caused extensive damage to the inner
8 ears of fish and lowered trawl catch rates 45
9 to 70 percent over a 2,000 square mile area of
10 ocean. Catch rates did not recover in the
11 five days surveyed after the use of airguns
12 stopped.

13 Airgun pulses also caused a
14 catch per unit effort decline of about 50
15 percent in the Rockfish (Hook and Line)
16 fishery off the coast of California.

17 It is time to start paying
18 attention to the studies showing that airguns
19 can seriously injure and kill fish. The fact
20 that several studies show that fish catch
21 rates are significantly lowered by noise from
22 airguns indicates that increasing levels of
23 human-produced noise in the ocean can
24 significantly and adversely impact the food
25 supply, employment, and economies

1 of our nation.

2 And then on a personal note,
3 I'd just like to add, offshore drilling is
4 like selling the American public VCRs. It is
5 simply outdated at this point. My
6 generation's children are going to say to me,
7 you watched a movie on what? Tape? The same
8 way they're going to say to me you drove
9 around using what? Oil?

10 The energy of the future is
11 going to come from sustainable sources, simply
12 because it eventually must.

13 The U.S. Department of Energy
14 has made it its goal to have one-fifth of the
15 nation's electricity come from wind in the
16 next 25 years.

17 Let's support offshore wind
18 farms, not offshore drilling. Let's not go
19 backwards here. Let's not use VCRs. Let's
20 support and start creating solutions to this
21 crisis. We all want to leave the world a
22 little better than when we got here, and this
23 is our collective chance.

24 Thank you.

25 DON AURAND: Don't let the

1 court reporter catch you. You almost killed
2 her, I think.

3 PUBLIC MEMBER: Some of us are
4 excited or excitable.

5 My name is Mike Gravitz. I
6 work for Environment America's Oceans Advocate
7 and Environment America.

8 Environment America has several
9 hundred thousand members, and we also work
10 together with 26 statewide environmental
11 groups around the country. 16 of those 26
12 states are coastal states. We represent the
13 states on the Atlantic seaboard, from Maine to
14 Florida, with the exception of Delaware and
15 South Carolina. And so we represent a very
16 broad range of the states that were -- whose
17 oceans and coasts could be affected here
18 today.

19 I have three points to make,
20 and they're relatively straightforward.

21 The first is, let's not treat
22 the oceans as sort of a desert. For a lot of
23 time, people have talked about the task of MMS
24 as sort of counting barrels and counting cubic
25 feet of natural gas. And what I really don't

1 want you to forget is the fact that the ocean
2 contains vibrant marine ecosystems and
3 communities all up and down the eastern
4 seaboard. It isn't simply -- this task isn't
5 simply a matter of figuring out where the oil
6 and gas is and deciding whether to go to get
7 it. It is like it is on land. Things are
8 different. There are communities in different
9 places of different kinds.

10 So, some examples of those
11 vibrant communities: We have sub-marine
12 canyons. We have about 18 off the Atlantic
13 seaboard. We have plateaus, like Georges
14 Bank, that are very productive. We have
15 migratory pathways that are close to the shore
16 and very far offshore for some of these marine
17 mammals and turtles. We have marshes, bays,
18 protected inland waters which are very
19 susceptible to being polluted by oil, and if
20 they are oiled, recover very, very slowly.
21 Witness some of the things that have happened
22 at a spill in the salt marsh, around Cape Cod.
23 We saw oil coming out around 20 years later.

24 We have countless national
25 wildlife refuges and national seashores along

1 our coasts. I won't read the full list, but
2 think about Bombay Hook National Wildlife
3 Refuge, Gateway National Recreation area,
4 Assateague Island and Chincoteague off of
5 Virginia and Maryland. Cape Hatteras national
6 seashore. These are really important places
7 to protect. And in many cases, they shelter
8 very large marshes and back bays, which, if
9 they were oiled, would suffer greatly.

10 A third point. I think what we
11 need to do, in addition to a comprehensive
12 study -- and you began to do this in your
13 report. In addition to the comprehensive
14 study of where the oil and natural gas
15 resources are, we have to have a comprehensive
16 study of where the biological resources, the
17 ecosystem resources are. And I would suggest,
18 merely, that the National Oceanographic and
19 Atmospheric administrations spend several
20 hundred million dollars a year on doing ocean
21 studies. Minerals Management Service -- I
22 don't want to be disrespectful -- spends about
23 20 to \$25 million a year on ocean studies.

24 I think MMS and U.S.G.S. really
25 do need to bring NOAA into this picture, to

1 use their expertise, use the expertise of the
2 marine science section of the National Academy
3 of Science to really do a comprehensive study
4 of where it would be and would not be good to
5 drill.

6 I would only end in closing
7 that my organization really supports no
8 additional new drilling on any of the coasts
9 of the United States. And I can explain in my
10 written testimony why we hold that position.

11 Thank you.

12 DON AURAND: Okay. We're up to
13 11.

14 For those of you who are coming
15 up, if you -- if you make eye contact with me
16 -- I've figured out a routine here only
17 halfway into the program. But, if I stand up,
18 that means that he has told me to tell you
19 that you have 30 seconds. And so usually,
20 when I say it, it's actually a little bit
21 less. But, if we're in contact, if I stand
22 up, it's getting near the end.

23 Okay. Draw a number there,
24 guys.

25 PUBLIC MEMBER: I'm Jim

1 Loughrin (phonetic). I'm speaking for Greg
2 DiDomenico, of the Garden State Seafood
3 Association, of which he was here earlier and
4 had to leave. He represents -- and I'm on the
5 Board of Directors of Garden State Seafood
6 Association. It gives me the right to speak
7 for him.

8 Garden State Seafood
9 Association represents commercial fishermen
10 and docks, truckers, wholesalers, retailers,
11 and so forth throughout New Jersey. Thousands
12 of employees, basically, or thousands of
13 people in the fishing industry.

14 We provide comments to the
15 National Fishery Service on just about
16 anything regarding fishing and so forth and
17 environmental issues.

18 Position-wise, Garden State
19 Seafood Association, many of our members are
20 members of Fishermen's Energy, support wind
21 power, but the association itself, because we
22 have fishermen that don't support it, and
23 myself included, we don't have a position on
24 that, per se, except we need to take into
25 account if there's wind development, the

1 rights of fishermen and access to fishing
2 grounds.

3 We oppose LNG and offshore oil
4 development as being detrimental to our
5 industry itself.

6 What I specifically want to
7 address here is the rights of fishermen.

8 This country was founded --
9 New England was settled over
10 cod fish. Okay? 200 years before Columbus
11 landed, the Portuguese were fishing on the
12 Georges Bank and landing on Cape Cod. I mean,
13 200 years before. To this day, a cod fish
14 still hangs in the statehouse in
15 Massachusetts. This industry has a long
16 history in this country.

17 Now, my point here is we divvy
18 out our natural resources. Okay? We have a
19 fishing industry that's been in existence here
20 6, 700 years, and it wasn't until 1976, with
21 the creation of the EEZ, through the Magnuson
22 Act, that the U.S. government decided that
23 they own the natural resources from 12 miles
24 out to 200 miles. Until that point,
25 commercial fishermen, well, we had as much

1 right to them as anybody. The U.S. government
2 created the Magnuson Act and said we now own
3 everything out here, all of these resources,
4 okay, and we're going to protect you and
5 promote your industry. Okay? Well, they have
6 not done that. They have not done that.

7 What are the rights of the
8 fishing industry? Okay?

9 We have historical fishing
10 grounds. And we have three LNG plants -- or
11 platforms proposed for -- for them right now
12 to literally put fishermen in Point Pleasant
13 and Belford out of business.

14 Where are our rights to these
15 grounds? This is something the government
16 needs to address. Okay? Where are our
17 rights? We have been here -- we were here
18 first.

19 Indians have rights. They were
20 here first. They have rights. They have
21 tribal rights. We have nothing. We have
22 nothing, and we have no agency that represents
23 us or gives a damn about us. The government
24 basically says hey, tough shit. Excuse me.
25 Excuse me for that.

1 It's a tough position to be put
2 into as a businessman. Because we're talking,
3 in New Jersey, \$150 million dockside product
4 of fish right in New Jersey. An economic
5 multiplier brings that close to \$1 billion,
6 and that's not even touching the recreational
7 industry. Then you start talking two, \$3
8 billion right in New Jersey. Okay? You start
9 talking nationwide, you're talking a hundred
10 billion dollars in fisheries.

11 DON AURAND: I need you to wrap
12 up, sir.

13 PUBLIC MEMBER: Okay. Well,
14 that's --

15 Consider the fishing industry
16 and consider rights. I think it's about time
17 the U.S. government drew up something and said
18 yes, fishermen have rights and we're going to
19 address that so they're not screwed.

20 Thank you.

21 PUBLIC MEMBER: Good afternoon.
22 My name is Jeff Hoffberger (phonetic). I'm a
23 local resident here, and I represent Surfrider
24 Foundation, Clean Ocean Action and a marine
25 mammal conservatory whose name I'm not allowed

1 to discuss right now, for my own protection
2 and theirs.

3 I also happen to be vice
4 president and on the Board of Directors of a
5 corporation based in Baltimore that used to be
6 in oil and gas exploration, owning numerous
7 terminals, refineries, gas stations, all kinds
8 of transportation vehicles, vessels on the
9 water.

10 We have sold all of our
11 interests in the past five years. This is due
12 to the economic, shall I say infertility of a
13 small producer. We could not compete with the
14 large producers, and it became, economically,
15 not a viable concern.

16 I stand here today as the
17 father of two children and someone who lives
18 in the water -- that's a cell phone. I also
19 used to be a sound engineer.

20 The waters are our most
21 important resource. It provides over 50
22 percent of the oxygen to the earth.

23 I was a child, as a lifeguard,
24 as a child running around in the surf of
25 Rehoboth Beach, Delaware and Ocean City,

1 Maryland. Constantly, I had to remove tar
2 balls off of my entire body with mineral
3 spirits. There had been a shipwreck at one
4 point, and oil had leaked. We had a leak in
5 the Delaware River last year. A single-hulled
6 tanker ran over something in the Delaware
7 going to a port where it was going to off-load
8 its cargo.

9 My concern is for our children
10 and our children's children. We cannot take
11 any action out in the water, be it offshore
12 wind, offshore oil or anything, without taking
13 the proper precautions to protect our
14 environment.

15 I am pro wind. I am pro ocean
16 current energy. I am, unfortunately for some
17 people, who I will hear about it from -- I am
18 against offshore drilling for oil.

19 I'm also against the storage of
20 natural gas offshore from any foreign source.

21 We, in America, make 97 percent
22 of our own natural gas. We can still make
23 more. We can drill on leaseholds that are
24 already-existing on land without the potential
25 for destroying the ocean environments.

1 That's all I have to say. And
2 thank you for the opportunity to speak.

3 PUBLIC MEMBER: I'm coming up
4 after those tall guys.

5 My name is John McQueen, and
6 I'm president and CEO of New Jersey Renewable
7 Resources, based here in Atlantic City, New
8 Jersey. We specialize in biofuels and
9 photovoltaic technologies here in Atlantic
10 City.

11 I come on behalf of my
12 employees, who could not be here today because
13 someone has to remain to run the shop.

14 We are in affirmation of
15 drilling offshore, as long as it is in
16 conjunction with replenishment of renewable
17 energy sources for our state.

18 For two and a half decades I
19 have been promoting independence in energy for
20 the United States, from New Jersey to Canada,
21 from the west coast to the east coast.

22 In a bid for the mayorship here
23 in Atlantic City, I proposed a proposal that
24 we could, in Atlantic City, develop our own
25 self-sustainable renewable energy source here

1 in Atlantic City and using all of the biomass
2 that is produced by our casino industry.

3 I've listened to people come up
4 with these wild numbers and that renewable
5 energy sources won't come online for 10, 12 or
6 maybe a decade from now.

7 That simply isn't true. We do
8 it now. We are a commercial renewable
9 producer. It's capable of being done now. We
10 hope to be able to do a million gallons a year
11 in two years. So, it is feasible. We can do
12 it.

13 And biomass does not
14 necessarily mean that we have to grow the
15 feedstock. It can be utilized from stock that
16 has already been utilized, it has already been
17 used, replenished. The effluent from that is
18 also replaced and it is renewable and can be
19 reused. So, there is virtually no waste.

20 I listened to some of our
21 representatives. I can only speak about those
22 that are here in New Jersey. Governor
23 Corzine, Senator Menendez and my fellow
24 republican Frank LoBiondo, who say that
25 they're against drilling, they haven't had to

1 look at an employee when he or she is crying
2 because she or he cannot pay four or \$5 a
3 gallon for fuel to make it back and forth to
4 work to supply the food and the necessities
5 for their families.

6 What did we do during the
7 height of the oil crisis? We opened up our
8 reserves, and our employees were able to get
9 fuel, fuel up twice a week for free so that
10 they could get back and forth to work to
11 eliminate that burden on them.

12 We can do it. We can move
13 forward. We can make it sustainable.

14 Gentlemen, I applaud you for
15 what you've done.

16 Our elected officials are out
17 of touch. You know, all they have to do is go
18 and say fill it up at the gas pump. They're
19 riding on the public's dime. We have to go
20 and we have to pay.

21 Congratulations, and I hope
22 everything works out.

23 Thank you very much.

24 DON AURAND: Okay. 13, A
25 through F.

1 12. Oh. I'm sorry. Well, we
2 need those 12s. They're important to us, just
3 like everybody else.

4 PUBLIC MEMBER: Hello. My name
5 is Matt Crody (phonetic), and I work with the
6 Sierra Club, in Washington, D.C.

7 I'm here on behalf of our 1.3
8 million members and supporters, on behalf of
9 the tourism industry that generates billions
10 of dollars in this state alone, and on behalf
11 of fragile coastal ecosystems.

12 We urge you to make certain
13 that no new drilling occurs in areas that were
14 previously protected by moratorium.

15 On March 18th, the Department
16 of the Interior leased more than 30 million
17 acres in the Gulf of Mexico to oil and gas
18 companies. There's no shortage of areas that
19 are open to drilling as such, and no new
20 drilling should occur in areas that were
21 protected.

22 The current administration has
23 made clear that science should be the basis
24 for coastal policy, and we couldn't agree
25 more.

1 Last week, Secretary Salazar
2 announced the release of the report detailing
3 all available resources available on the OCS.
4 That report continually emphasized and
5 identified large information gaps as to the
6 effects of drilling and exploration.

7 As part of the new five year
8 plan, there should be a comprehensive study by
9 the National Academy of Sciences to assess
10 current environmental baseline information on
11 the impacts of leasing, exploration and
12 development on ocean ecosystems and coastal
13 economies. No new leasing or drilling should
14 occur until that study is complete.

15 America's coast and marine
16 waters provide the economic lifeblood for
17 tourism and fishing communities, and New
18 Jersey is no exception. It acts as a
19 destination for thousands of vacationing
20 families, supports thousands of other local
21 jobs and is a sanctuary for fish and wildlife.
22 Offshore drilling would industrialize these
23 coasts and greatly put at risk the communities
24 and economies.

25 No matter what the energy

1 companies say, offshore drilling is still a
2 dirty business. The MMS predicts that in the
3 heavily drilled Gulf of Mexico, every year
4 there will be at least one spill of a thousand
5 barrels and every three to four years, at
6 least one spill of 10,000 barrels. This is
7 not an acceptable risk for a move that would
8 have little to no impact on our energy prices.
9 The only way to truly address that issue is
10 through energy conservation, fuel economy and
11 renewable energy.

12 The same report that
13 Secretary Salazar announced made a strong
14 point of emphasizing the enormous offshore
15 wind potential of the Outer Continent Shelf.

16 The Sierra Club strongly
17 supports such an approach, as wind energy
18 presents a solution that can be implemented
19 now as opposed to the eight to 12 years
20 normally required to develop a new oil or gas
21 field.

22 Of course, all developed wind
23 energy --

24 Developing wind energy must
25 move forward with care. All new projects must

1 be responsibly sited and must fully comply
2 with the National Environmental Policy Act.

3 Finally, we recommend that, as
4 a part of the new five year plan and in the
5 spirit of incorporating science into policy,
6 that certain environmentally-sensitive and
7 economically-productive areas be completely
8 taken off the map and be permanently protected
9 from new development. In the Atlantic
10 planning area, this would include North
11 Carolina's Outer Banks, the coast of Maryland,
12 Delaware and Virginia, Georges Bank, off the
13 coast of New England, and the Jersey shore.
14 Domestically, it would certainly include
15 Bristol Bay, in Alaska, and the Pacific coast,
16 from Santa Barbara to the Canadian border.

17 By all accounts, the new
18 administration, you all are headed in the
19 correct direction, a direction that will
20 create more jobs and stimulate the economy,
21 and we hope to see this direction continue.

22 Thanks for this opportunity.

23 PUBLIC MEMBER: Good afternoon.
24 My name is Paul Sivikman, S-I-V-I-K-M-A-N, and
25 I represent The Silent Majority. And we can't

1 be silent any longer as we see our freedoms
2 being impaired.

3 I rise in support of offshore
4 drilling, of wind energy, of solar energy, of
5 biofuels. As some of the media have said, all
6 of the above. I don't think we should limit
7 our options.

8 I personally think that the
9 spike in crude oil prices in 2008 was one of
10 the major factors in causing the current
11 economic meltdown.

12 I think that marginal families,
13 the people who got the subprime loans, who are
14 on the ragged edge of making their payments,
15 had to make decisions; what am I going to do,
16 am I going to buy food, am I going to buy gas
17 so I can go to work, or am I going to pay my
18 mortgage? And mortgages went, and I think
19 that was another prick in the bubble of the
20 real estate market.

21 Interestingly, when the
22 president rescinded the executive order and
23 the Congress let the moratorium expire, crude
24 oil prices dropped substantially. And, of
25 course, they have continued to drop

1 substantially as part of the economic
2 recession.

3 The U.S. has been held hostage
4 by OPEC before. I might remind you of the
5 1970s, when we imported about 20 percent of
6 our oil. And it created havoc when they cut
7 off the supply. Today, we import, what, about
8 60 percent? Our exposure is enormous.

9 But, today there's another
10 threat, and the threat is environmentalists,
11 who I think are just as serious a threat. You
12 can look back at Rachel Carson and her book on
13 DDT. We banned DDT and millions of children
14 in Africa died as a result. Instead of
15 finding a way to mitigate the downside, we
16 banned it completely and millions died.

17 You look at -- you look at the
18 '70s. Time magazine talked about global
19 cooling based on data from our friend, James
20 Hansen, and now James Hansen says global
21 warming, based on his data, and says that
22 anybody that doesn't follow him should be
23 brought before some tribunal for crimes
24 against humanity, which, of course, is
25 nonsense.

1 The environmentalists have
2 stopped new refineries for the last 30 years,
3 have stopped nuclear plants, have blocked coal
4 plants, and Henry Waxman has said we're not
5 going to have any new coal plants.

6 We need the energy. Those who
7 have --

8 In places where we've drilled,
9 we've found that they do not dramatically
10 impact the environment. Only one percent of
11 oil seepage into the seas is due to drilling
12 activities.

13 They create fishing
14 environments.

15 You know, I urge you to think
16 about not the -- not Gaia, but mankind,
17 because I think many of the environmentalists
18 believe that we're an accident on this earth
19 and not the people that -- not the -- the
20 group that should get priority.

21 Thank you.

22 PUBLIC MEMBER: Hi. My name is
23 David Byer. I'm the water policy attorney for
24 Clean Ocean Action.

25 The issue I want to focus on is

1 liquefied natural gas. It's been brought up a
2 number of times today by members of the
3 audience, and I think it's something that
4 really represents a tipping point that is not
5 being recognized on the national stage yet and
6 that everyone needs to take into
7 consideration.

8 It's a tipping point because
9 LNG, liquefied natural gas, is foreign natural
10 gas. LNG terminals offshore are about setting
11 up importation terminals for foreign natural
12 gas.

13 Now, what's important about
14 this, why it's a tipping point, is that,
15 unlike oil, we're already energy independent
16 for natural gas. 84 percent of the natural
17 gas we consume in the U.S. comes from the U.S.
18 97 percent of that comes from North America.
19 So, only three percent is LNG imports at this
20 time.

21 This goes to Obama's agenda on
22 energy in the environment, whitehouse dot gov,
23 his new energy for America plan. He talks
24 about ending our addiction to foreign oil
25 because it undermines the national security,

1 it cripples our economy and it ultimately
2 leads to this addiction.

3 Secretary Salazar mentioned
4 earlier this morning that we're funding both
5 sides of the war on terror. Well, why would
6 you go down the same path you went down with
7 oil with natural gas?

8 Over two-thirds of the world's
9 natural gas is in Russia and the Middle East.
10 LNG takes us in the direction of foreign
11 natural gas. So, we need to think about
12 heading down that path.

13 In addition, you know, we're
14 seeing a huge under-the-radar flood in
15 applications and no one is really paying
16 attention to these LNG importation terminals.
17 Right now, there's eight existing terminals.
18 22 are approved, six of those under
19 construction, and 16 are proposed or
20 potentialized by the industry. So, we're seeing
21 a flood of these applications that are going
22 to fundamentally change our energy policy and
23 make us more dependent on other foreign fossil
24 fuels instead of redirecting us towards
25 renewables and wiser forms of energy.

1 At the same time, the existing
2 terminals are being drastically underutilized.
3 The eight existing terminals were below ten
4 percent capacity last year.

5 It's not about that we need
6 this. In fact, the U.S. government's energy
7 information administration says not only are
8 we energy -- we're not only producing a lot
9 right now, we're producing more than what we
10 can consume at a faster rate going through
11 2030, reducing our total imports to three
12 percent. We will be exporting to Canada.

13 So, we don't need to head down
14 this path.

15 Someone talked earlier about
16 natural gas being a clean burning fuel. Well,
17 obviously, that person does not believe that
18 CO₂ is a pollutant. Because while natural gas
19 is cleaner than oil and coal, it is still a
20 major problem. It's the second largest source
21 of CO₂ emissions in New Jersey behind oil;
22 more than coal, including imports, because we
23 use too much of it.

24 So, we have --

25 We need to be not increasing

1 any of these fossil fuels. We need to be
2 stabilizing if we want to meet the greenhouse
3 gas rules that President Obama is going to
4 set.

5 And that's the other major part
6 of his energy policy agenda. And we need to
7 look at that.

8 And LNG is actually dirtier
9 than domestic natural gas because it results
10 in up to 40 percent more CO₂ emissions during
11 its life cycle chain with the intensity of
12 liquefying it, transporting it, burning gas to
13 heat it back up, and that is --

14 It doesn't matter where CO₂ comes
15 out; overseas or here. It all contributes to
16 climate changes, and it's all critical to
17 President Obama's energy plan.

18 Thank you.

19 PUBLIC MEMBER: Hello. My name
20 is Suzanna Pierce. I am a resident of New
21 Jersey. I'm a mother of two.

22 I believe in energy efficiency
23 programs. I believe in research and
24 development and investment in research and
25 development to energy efficiency. I believe

1 in wind power. I believe in solar power. And
2 I work for Shell Oil Corporation.

3 In my prepared statement today,
4 I'm going to represent Shell Exploration and
5 Production Company.

6 Shell is a major producer of
7 oil and gas in the Gulf of Mexico and has a
8 significant leaseholding in the Alaska OCS.

9 Shell is also one of the
10 world's largest biofuels producers.

11 Thank you for the opportunity
12 to discuss the critical role of the OCS and
13 America's energy future.

14 I commend the Interior
15 Department for holding a series of meetings
16 and conducting a fact-based review based on
17 the facts and not on the numbers. With all
18 Americans concerned about jobs and the
19 economy, the meetings are very timely.

20 A comprehensive energy policy
21 is critical for our economic recovery.

22 We are hopeful Congress and the
23 administration will develop a plan that
24 addresses today's realities. And let me
25 highlight just a few.

1 First, we are concerned that
2 our nation has been lulled, once again, into
3 complacency by the drop in the price of oil
4 and natural gas, a price which I pay, my
5 neighbors pay and my children pay. These
6 commodities are now trading at about one-third
7 the price we saw last summer. But, the energy
8 challenge that dominated headlines and gripped
9 households last year has not vanished. It is
10 simply hidden by the current economic
11 downturn. When the economy recovers -- and I
12 mean the worldwide economy -- the energy
13 challenge will return with a vengeance.

14 We urge Interior to take the
15 necessary steps in the five year planning
16 process to provide access to raw materials our
17 industry and our nation need to secure our
18 energy future.

19 The Interior Department survey
20 of available data on OCS resources shows that
21 even after more than 50 years of exploration
22 and development on the OCS, 17 -- or 70
23 percent of the mean barrel of oil-equivalent
24 total endowment is represented by undiscovered
25 resources. More than half of this potential

1 exists in the areas of the OCS outside of the
2 central and western Gulf of Mexico.

3 Therefore, the undiscovered reserves of the
4 OCS represents about four times the current
5 OCS -- or current U.S. crude reserves of oil
6 and about two times the current U.S. crude
7 reserves of natural gas.

8 Second: We are concerned that
9 the debate will default to the same old
10 all-or-nothing choices; either alternative
11 energy and conservation or fossil fuels. Such
12 a deadlock will not forward progress and
13 secure our nation's energy independence.

14 The facts are clear. Growing
15 global demand dictates that all sources of
16 energy and efficiency will be needed to fuel
17 economic growth.

18 We in the United States do not
19 live in a vacuum.

20 I have 30 seconds.

21 Offshore development is a
22 critical part of the U.S. comprehensive energy
23 policy. Our nation should not return to a
24 blanket moratorium. A moratorium is neither a
25 strategy nor a solution.

1 Thank you very much for
2 allowing me to make these comments today.

3 DON AURAND: Okay. We're up to
4 13, A through F.

5 PUBLIC MEMBER: Hi. My name is
6 Joan Berko (phonetic). I'm a commercial
7 fisherman, lifelong resident of New Jersey. I
8 fish out of New Jersey.

9 I'm against pretty much
10 everything; the windmills, everything in the
11 ocean. I think it amounts to nothing more
12 than ocean sprawl, overdevelopment, ocean
13 dumping. It will alter where fishing occurs
14 besides the migratory pathways and all the
15 other fishing habitat.

16 I know, firsthand, from where
17 we fish, we fish fish wrecks -- or shipwrecks,
18 lumps, rocks, stuff like that. It's going to
19 be impossible.

20 And the further you put these
21 platforms offshore, whether it be the
22 windmills or oil platforms or whatever, the
23 more you're going to impact the bottom;
24 getting these cables or, you know, getting the
25 fuel to shore.

1 The closer it is to shore, then
2 you're going to like impact like nursery areas
3 for the fish or you're going to impact
4 tourism.

5 You won't know the long-term
6 compatibilities. Look at what happened with
7 the dams out west with the salmon. You know,
8 you might think everything is going to be all
9 right until ten years down the road.

10 You've got to be able to
11 minimize the effects, and I don't think you're
12 going to be able to do it in the ocean. It's
13 not the same thing as doing it on land.

14 There's security, safety. How
15 is the Coast Guard going to fly -- do search
16 and rescue when they fly about the same height
17 with the helicopters as these windmills are?
18 How are they going to come in and get people?

19 There's the safety in the
20 navigation. We know from Ambrose Tower, out
21 in the entrance to Sandy Hook -- the ship hits
22 it every time -- every year. They finally
23 dismantled the thing. That's just one tower.
24 What are you going to have when you have
25 hundreds of thousands of these platforms out

1 there?

2 It's going to alter wind and
3 sea currents just from putting pilings in
4 there.

5 There's vibration, the noise,
6 the lights.

7 And they're going to draw fish
8 to -- it's going to be like artificial reefs.
9 It's going to artificially draw them to fish
10 attraction devices, so you're going to alter
11 where the fish go.

12 They are a lot of money. They
13 run --

14 There are more chances of
15 corruption, subsidies. It's going to not be
16 cost-effective. Overload the power grid. All
17 stuff you probably already heard.

18 I'm for nuclear power. I think
19 that's clean.

20 Solar panels, put them on
21 everybody's roof.

22 And as a fisherman, I think you
23 have to consider not only the energy needs,
24 but the food that people get from the fish and
25 that this --

1 Once you destroy this ocean
2 habitat, it's not going to be able to be
3 mitigated.

4 Thank you.

5 PUBLIC MEMBER: Good afternoon.
6 My name is Greg Edwards, and I'm the president
7 of the Center for Policy Research in New
8 Jersey, which is an independent not-for-profit
9 organization. It focuses on public policy
10 issues facing New Jersey and its residents.

11 The testimony I offer today is
12 also on behalf of the National Taxpayers
13 Union, which is a non-partisan public policy
14 advocacy organization that focuses on issues
15 facing taxpayers around the nation.

16 The two organizations are not
17 affiliated, but we do, from time to time,
18 cooperate on issues of mutual interest, and
19 today's hearing is one such instance.

20 I have submitted written
21 testimony, which I would like to summarize in
22 the following fashion.

23 American citizens deserve a
24 Federal energy policy that aims to reduce
25 their country's reliance on foreign energy

1 supplies as much as possible. American
2 consumers deserve an energy policy that
3 strives to maintain stable energy prices. And
4 American taxpayers should be able to reap the
5 benefits of a responsible use of their
6 country's natural resources.

7 Expanding opportunities for
8 offshore exploration and production of oil and
9 natural gas and the development of wind power
10 serve these purposes.

11 Let me close by just saying
12 that I am a native New Jerseyan. I've lived
13 here most of my life. I've vacationed many
14 times at the Jersey shore. I spent three
15 weeks once as a young teenager clamming with a
16 cousin who did it for a living. I think the
17 insides of my thighs are still chapped from
18 that experience. I hated it.

19 That said, I say these things
20 because I am keenly aware of the importance
21 that New Jersey's coast has for its economy.
22 And I wouldn't stand here and suggest that we
23 explore more offshore energy possibilities if
24 I didn't think it could be done responsibly
25 and safely.

1 The Center for Policy Research
2 believes strongly that science and empirical
3 analysis ought to be the foundation of good
4 public policy. And we think the Obama
5 administration is correct in emphasizing the
6 role of science in public policy.

7 And I think any reasonable
8 examination of energy provision in this
9 country, offshore production and exploration
10 and the needs of the country long-term all
11 support some responsible use of offshore
12 possibilities as much as can be done.

13 Thank you very much for this
14 opportunity.

15 DON AURAND: Let me --

16 I know that some people have
17 come in late, so let me run through what we're
18 doing here just to make sure that we're all on
19 the same page.

20 We have given people out
21 numbers, and we're being -- we're calling them
22 up for comments in groups.

23 So, we just finished group 13,
24 so we'll move on up the numbers. And, please,
25 when you hear your number group called, then

1 come up for comments.

2 So, we're to group 14, 14, A
3 through F.

4 Okay. They all heard their
5 comments from somebody else.

6 15.

7 Sir, are you a 14?

8 PUBLIC MEMBER: Yes, I am.

9 DON AURAND: Okay. The 15s can
10 line up behind him. I think he might be the
11 only one.

12 PUBLIC MEMBER: My name is
13 Michael Drolis (phonetic), from New Jersey
14 SEED. I'm from New Jersey as well.

15 The New Jersey Society for
16 Environmental Economic Development, New Jersey
17 SEED, is a unique coalition of New Jersey's
18 most prominent labor and business leaders.
19 Our diverse membership includes labor
20 advocates, business organizations and trade
21 groups.

22 What we all have in common is
23 certainly that economic growth and
24 environmental protection are not mutually
25 exclusive. New Jersey SEED supports a

1 balanced portfolio of resources and energy
2 production with efficiency being the
3 cornerstone of its infrastructure.

4 We support the development of
5 energy production in many areas, such as wind,
6 geothermal and the expansion of clean energy
7 from historic resources within our current
8 infrastructure.

9 Two of our state's greatest
10 resources are its skilled work force and our
11 tourism.

12 Energy production and expansion
13 can be the needed economic engine for our
14 region, particularly for New Jersey. An
15 industry study found that 160,000 jobs would
16 be generated in 2030 if new offshore and
17 non-shore areas were open to development.
18 Many would be exploration and production jobs
19 that pay more than double the national
20 average.

21 Energy exploration can lead to
22 an expansion in our rapidly shrinking
23 manufacturing sector in New Jersey. It can
24 put our tradesmen and women to work, as
25 members of New Jersey SEED represent New

1 Jersey's finest building trades workers.

2 New Jerseyans and New Jersey do
3 not believe in fouling our nest. We believe
4 that smart energy production generates
5 economic production.

6 New expansion of exploration
7 development cannot occur without responsible
8 practices, though.

9 It is our belief that this
10 expansion should be accompanied by the use of
11 advanced technology to help ensure that energy
12 is produced while the environment is
13 protected.

14 For example, numerous Gulf of
15 Mexico platforms were in the path of
16 destruction for both hurricanes Katrina and
17 Rita. Current protection standards shut down
18 production and probably evacuated the
19 platforms. This occurred without any loss of
20 life and without any significant spills.

21 Recent polls have shown that
22 Americans strongly support increased domestic
23 energy development. 61 percent of Americans
24 supported new offshore development, and then
25 those numbers are echoed in our local, New

1 Jersey, as well.

2 Demands for petroleum and
3 natural gas, paced by United States consumers,
4 continues to increase and is only matched by
5 U.S. reliance on foreign energies.

6 New Jersey SEED supports
7 government policies that encourage energy
8 conservation and promote less consumption, but
9 it's only part of the solution.

10 Responsibly managed, all
11 resources, including wind within the OCS, have
12 the potential to balance consumption with
13 domestic resources.

14 New Jersey SEED believes that
15 any barriers to investment in our economy and
16 infrastructure are, by very much definition, a
17 barrier to our economic growth. Unless we
18 keep investing in that infrastructure,
19 continue to modernize it and enable it to meet
20 the increasing demand for reliable and
21 essential service, our future economic
22 development will be put into serious question.

23 Infrastructure improvement not
24 only supplies energy, but provides thousands
25 of construction and permanent jobs and

1 millions of dollars in new tax revenues.

2 Thank you for your time and
3 consideration on the views of the members of
4 New Jersey SEED.

5 PUBLIC MEMBER: My name is Tom
6 Beaty. I am the president of the Alliance for
7 a Living Ocean, a non-profit organization
8 based on Long Beach Island, New Jersey,
9 dedicated to promoting and maintaining clean
10 water and a healthy coastal environment. I am
11 here representing that group today.

12 It is clear from the survey of
13 available data on OCS resources that extensive
14 seismic testing must be conducted in order to
15 effectively evaluate potential oil and gas
16 reservoirs, as the current data is 25 years
17 old.

18 This destructive and invasive
19 practice uses seismic airguns to map
20 formations on the seafloor. These airguns
21 fire regular bursts of sound wave explosions
22 and frequencies within the auditory range of
23 many marine species, and the noise from these
24 blasts reverberate for thousands of miles.

25 To survey our nation's coasts,

1 hundreds of millions of blasts will be
2 required, harming fish, whales and other
3 marine mammals that use sound to locate food,
4 avoid predators, care for their young, and to
5 navigate.

6 Seismic surveys using loud
7 undersea explosive pulses have been implicated
8 in damage to the hearing organs of fish --
9 hearing organs of fish, damage to eggs that
10 are the pride of important commercial fish
11 stocks, harassment of marine mammals and
12 endangered sea turtles, damage to commercial
13 craft stocks, cause of fatal whale strandings
14 and beaches -- beachings, and the decline in
15 the health of American fisheries -- American
16 commercial fisheries.

17 You can quote the survey of
18 available data on OCS resources. However,
19 even with this new geophysical data, only
20 through actual exploratory drilling will there
21 be a definitive determination of the frontier
22 area's actual hydrocarbon potential.

23 Exploratory drilling. For some
24 reason, the impacts of exploratory drilling
25 seem to be omitted from this report. The

1 impacts are not good.

2 Hundreds of thousands of
3 gallons of drilling muds routinely discharge
4 toxic metals, such as lead, mercury and
5 cadmium. The produced water contains
6 dangerous levels of carcinogens and
7 radioactive materials, such as benzene and
8 arsenic.

9 Drilling an average exploration
10 well for oil or gas generates some 50 tons of
11 nitrogen oxides, 13 tons of carbon dioxide,
12 six tons of sulfur dioxide, and five tons of
13 volatile organic hydrocarbons.

14 With the minimum quantities of
15 fossil fuel expected from this expedition, the
16 risk is far too great to warrant an attempt.

17 Fossil fuel exploration and the
18 minimal relief it might bring is not worth the
19 risk. And an oil spill would destroy our
20 economy worse than what the energy crisis
21 might bring.

22 Drilling off our coast for oil
23 and gas in this day and age amounts to a giant
24 step backwards.

25 We are entering a new energy

1 economy. It should be pursuing clean energy
2 solutions, like wind and solar power, and
3 technologies that make a car go further on a
4 gallon of gas.

5 The Alliance for a Living Ocean
6 urges you to be forward-thinking and make the
7 United States an environmental leader through
8 the investment in safe, sustainable and
9 renewable energy.

10 Thank you.

11 PUBLIC MEMBER: Good afternoon.
12 Thank you for listening to public comment
13 today.

14 My name is Jenise Seviacorn
15 (phonetic). I'm with the Hispanic Alliance
16 for Prosperity Institute.

17 I also was a worker for the
18 Federal government for the last six years and
19 understand the importance of constituent
20 services. So, I really appreciate you taking
21 this public comment seriously.

22 Hispanic Alliance for
23 Prosperity Institute represents a hundred
24 thousand members in all 50 states. We're a
25 non-profit organization. And I'm submitting

1 testimony on behalf of them.

2 We'd like to express our
3 position on MMS's plan for the Outer
4 Continental Shelf
5 five year leasing program. We would like to make
6 the following points clear.

7 We urge Materials Management
8 Services to include access to all areas of the
9 Outer Continental Shelf for oil and natural
10 gas development of domestic resources.

11 We encourage you opening up new
12 areas for the development of additional
13 domestic oil and natural gas resources.

14 HAP Institute represents
15 Hispanic small businesses and consumers, and
16 we are interested in seeing continued
17 opportunity to develop energy supplies right
18 here in America.

19 Increased energy supplies have
20 a direct impact on consumers and their
21 pocketbooks. This goes directly to helping
22 our small businesses keep costs low and
23 prosperity high.

24 We see the need to expand as an
25 opportunity that must be embraced now. We

1 believe that a vibrant oil and natural gas
2 industry is essential to the long-term growth
3 and vitality of the national economy.

4 We encourage policies that
5 expand domestic oil and natural gas production
6 and resist policies that restrict exploration
7 and production or increases in taxes.

8 With many of our members
9 struggling to make ends meet, both at home and
10 at their small businesses, now is the time to
11 implement policies that will provide relief
12 without delay.

13 On behalf of Hispanic consumers
14 and small businesses, we ask for your strong
15 leadership on this very important matter.

16 On a side note, I'm also a
17 military spouse, and my husband just served
18 two tours in the Middle East.

19 And as with the gentleman who
20 had the USMC cap, that this is also a national
21 security issue.

22 Thank you so much.

23 PUBLIC MEMBER: My name is Mat
24 Toenniessen. I do a talk radio show on WOND
25 here, a political show.

1 My calls are running 80 percent
2 in favor of offshore drilling.

3 I don't think anybody here from
4 outside the area has a clue that there is
5 support for offshore drilling.

6 It seems, to me, that's, maybe,
7 since there's so many environmentalists here
8 that probably don't understand what it's like
9 to have a real job, so I think what's going on
10 here is --

11 And I know the people hissing
12 are you guys. All right?

13 So, you know, you've included
14 in your report, saying renewable energy
15 sources appear more attractive. Well, right
16 out here you have some of the most
17 unattractive things in Atlantic City, is
18 windmills. They're also economically
19 unattractive, and they're not going to solve
20 any of these problems.

21 It's ironic to me that that is
22 what you're calling attractive. 23 miles
23 offshore it's impossible to see an oil rig.
24 It's a physical impossibility to see an oil
25 rig 23 miles off the shore.

1 You go to --

2 I've been --

3 I've driven through 47 of the
4 lower 48 states by car. I refuse to go
5 through Arkansas because they gave us the
6 Clintons.

7 But, what is -- what I've seen
8 is --

9 When I lived in California, you
10 come out of the desert and all you see coming
11 into, out of these great desert areas, the
12 environmental desert out there, is you see the
13 wind farms out there, and they're ugly as all
14 get-out.

15 You go to Louisiana and
16 Alabama, they handled the oil industry
17 fantastically down there.

18 You've got -- people have to
19 get outside the city and go around the country
20 and see the things as they are, not how they
21 wish they were.

22 This myth of global warming,
23 the junk science that's being used in this is
24 unbelievable. It's a religion. And people
25 are tired of this. We're being beamed down

1 this over and over and over again when all
2 you're doing is raising the price of gas, of
3 oil. You're not allowed to have nukes.
4 You're not allowed to do anything you want to
5 do to get a supply here in this country
6 because every time you turn around, there's an
7 environmental whacko stopping you.

8 We have to stop this and use
9 common sense. And that's something that's
10 missing now, is common sense.

11 It's funny how, you know --

12 You know the people, again, who
13 were hissing were the people who are against
14 any solution other than stopping and making
15 this man versus animals or man versus
16 environment. We have a right to be here. We
17 have a right to live and prosper.

18 Thank you.

19 PUBLIC MEMBER: Hi. My name is
20 Christian Regan (phonetic), and as you can
21 see, I'm a 12 year old.

22 I go to Northfield Middle
23 School. My mom actually took me out of school
24 today early so I could come here and see all
25 of these comments.

1 The first thing, I don't
2 believe in offshore drilling. Okay? I don't
3 actually know all of the facts about
4 everything, but I do know it does harm the
5 environment, and why would you want to hurt
6 what's right outside your door? Okay?

7 I think you should teach my
8 generation, okay, to conserve, to be riding
9 their bikes to school instead of being driven.
10 And if they are being driven, drive at least
11 somewhat gas-efficient cars. I mean --

12 And let's conserve energy at
13 home. That's one of the big reasons. Right?

14 People here are always saying
15 let's focus on the future, the future. Well,
16 when I'm taking my kids to the beach 20, 30
17 years from now, they're not going to be alive.
18 So, they're only thinking about when they're
19 going to be alive. What about my generation,
20 too? So ...

21 Why would you want to make the
22 shorelines vulnerable for holding oil out in
23 the middle of the ocean? Well, people are
24 always saying that terrorists are going to
25 attack inland. If they attack out there and

1 destroy the oceans, then it's a double hit for
2 them. Okay?

3 I want, 20 years from now, to
4 be able to fish, surf, whatever with my kids
5 on the beach and not have to be dodging trash.
6 Okay? I want my grandchildren and even their
7 children to have the same beach and earth that
8 I have right now. Okay. Maybe not the
9 trash-polluted one, but maybe even a nicer
10 one.

11 Throughout today, I've watched
12 one of the oil executives sneering at each one
13 of the people that got up and spoke about the
14 environment. I can only ask him: Do you have
15 grand -- do you have children, grandchildren?

16 UNIDENTIFIED MALE SPEAKER: I
17 have no grandchildren.

18 PUBLIC MEMBER: Well, it's
19 their future, too. Okay?

20 Thank you for allowing me to
21 speak today. Okay.

22 Maybe I'll start my own
23 coalition of students. Okay? We are the
24 generation that makes things happen. Okay?

25 Thank you for allowing me to

1 speak today.

2 DON AURAND: Okay. We're up to
3 16. Okay. Is there anybody in 16, A through
4 F, that wants to follow this?

5 Okay. There's a hardy soul.

6 PUBLIC MEMBER: Good afternoon.
7 My name is John Degeni (phonetic). I'm from
8 Sea Isle City, just south of here. 31. I've
9 lived there my whole life.

10 I'm the guy in the back who
11 hissed. And I didn't hiss at what he was
12 saying; I hissed at the fact that he said I
13 didn't have a real job.

14 I actually have two of my own
15 businesses that are dependent on a clean
16 ocean. I have a bed-and-breakfast and a
17 property management company that I -- I help
18 maintain homes that are rented out for
19 vacationers.

20 So, I also understand the
21 importance of low oil prices, because most of
22 the people that come down to Sea Isle are from
23 New York and Philadelphia. And we see a drop
24 when the gas prices are four to \$5 a gallon,
25 and it's disturbing. But, we see a bigger

1 drop when trash and oil wash up on our
2 beaches.

3 Down in this place, we have ten
4 weeks, sometimes, to make our money. When you
5 lose one or two of those weeks because of
6 something like oil washing up, which has
7 happened, or tar balls washing up, which has
8 happened, or oil spills, which happen, they
9 happen, it's unacceptable.

10 But, this is really more about
11 the offshore drilling. That's what we're
12 talking about. I kind of feel a lot of people
13 get away from that.

14 I do support wind farms. I
15 don't support the drilling.

16 I know wind farms have their
17 downfalls, too, but very much the lesser evil.

18 Listening to all of this --

19 I mean, I have a degree in
20 economics and business administration from
21 Flagler College, which is on the beach down in
22 Florida. So, I'm familiar with the whole
23 coast.

24 And I understand what people
25 are talking about when they throw numbers and

1 statistics around. I also understand that a
2 lot of statistics are lies.

3 But, what it comes down to for
4 me is a simple analogy that America is -- and
5 our energy policies and the way that we've
6 been going reminds me of a four or 500 pound
7 man running a marathon. And these oil rigs
8 that they want to drill for are like a person
9 at the end of that marathon throwing a thimble
10 of water at him and thinking you're doing that
11 guy a favor. You're not. It's not enough.
12 He's going to pass out from, probably,
13 dehydration. And that's the way I see it.

14 So, it's simple. And, you know
15 -- and maybe we just need to lose some weight,
16 stop eating so much energy.

17 Thank you.

18 PUBLIC MEMBER: Hi. My name is
19 John Venizano (phonetic). I live in Jackson,
20 New Jersey.

21 I just want to say that I, like
22 millions of others, support offshore drilling.
23 It's an essential part of the United States
24 economy and defense. And without it,
25 airplanes won't fly and the Air Force won't

1 fly. Trucks, trains, buses, cars, everything
2 will grind to a halt. So, the only offshore
3 --

4 The only spills that -- are
5 great spills in the ocean are the spills from
6 tankers bringing oil from foreign countries.

7 Thank you.

8 DON AURAND: Okay. We're up to
9 17.

10 PUBLIC MEMBER: I'm Alice
11 Gordon. I'm a long resident of Atlantic City.

12 A relative of mine invented a
13 bit for the oil industry, and he was against
14 nuclear waste being dumped on -- in Nevada. I
15 think if he were here now, he would be 100
16 percent against drilling in the ocean.

17 I saw some drilling on the
18 beaches of California, and the sands were
19 polluted.

20 Shell came here quite a number
21 of years ago, and we had tar and everything on
22 our feet. They said well, they can put it out
23 further.

24 Many countries have gone to war
25 about shortage of water, and now California,

1 especially Sacramento, are facing shortage of
2 water.

3 We may need desalinization of
4 our oceans to provide water.

5 Human beings cannot live
6 without water. Our first priority is water.

7 I don't think that we should
8 drill in the ocean.

9 I am from a family --

10 When I grew up, we had a
11 Cadillac and a Ford, and no one around our
12 area had -- except our relatives had
13 automobiles, and everybody was happy. They
14 walked to work, walked to school. And soon,
15 everybody -- those people started getting a
16 little money, and they moved to the suburbs
17 and needed automobiles.

18 My family are in the sales of
19 automobiles. My grandfather started over a
20 hundred years ago. My grandfather was a
21 resident of New Jersey over a hundred years
22 ago.

23 But, even our family --

24 My brother once said there's
25 going to be too many cars. Every family has

1 -- each person has a car. And it seems like
2 our mode of living has changed.

3 Nevertheless, automobiles are
4 very convenient, but it's been the fact the
5 move -- people have moved to suburbia and,
6 therefore, need to have a car to go to work,
7 go to church, go to everything else.

8 I don't think that we need to
9 drill in the ocean. I am for --

10 I've been promoting wind energy
11 and solar energy, but there is a situation and
12 concern in the ocean. Will they destroy our
13 natural resources?

14 I think that there needs to be
15 a careful study and not leave these people in
16 Texas make more money selling oil. They got a
17 lot of -- of state money, which they didn't
18 deserve and they still want more and more and
19 more and more.

20 I think that we don't need
21 ocean drilling.

22 Thank you.

23 DON AURAND: Okay. I'm
24 guessing that that might have been the last
25 person who has taken a numbered card.

1 So, why don't we take a ten
2 minute break? And we'll come back and see if
3 there's anybody else. So, ten minutes.

4 (A brief recess was taken.)

5 DON AURAND: What we would like
6 to do right now is find out if there is
7 anybody else who has come in in the last ten
8 minutes or so that registered to speak.

9 If there is anybody, would you
10 hold up your hand?

11 Okay. So, we have a proposal
12 that we would like to present to the group.

13 We're here this evening, but
14 there was a break scheduled for dinner. If
15 there are any comments, we'd like to hear them
16 now on a proposal to break now and come back
17 at 6:30, which would be a half an hour earlier
18 than we were supposed to come back, and see if
19 there's anybody who has come in, and then take
20 their comments.

21 The registration area will be
22 staying open. There will be somebody in
23 there. So, if somebody shows up, they won't
24 think we've all gone away and disappeared.

25 But, how do you all feel about

1 that? Is there any discussion on it at all?

2 Yes, ma'am.

3 UNIDENTIFIED FEMALE: I just
4 got a call that there are two people on their
5 way up from the parking lot.

6 DON AURAND: Okay. We will
7 wait and --

8 UNIDENTIFIED FEMALE: So, do
9 you want to --

10 DON AURAND: Sure. That's
11 fine. And if --

12 How does it sound, though, if
13 there's nobody else after we get done with
14 them? Okay.

15 So, we'll wait a few more
16 minutes for them to get up here.

17 Ma'am, will you make sure and
18 go in and get a speaker card and sign in so
19 that we have their information? Thank you.

20 (A brief recess was taken.)

21 DON AURAND: Okay. Our last
22 two speakers for this particular session are
23 here, and so if we can all come back together,
24 why we'll take the last testimony.

25 For the two of you who just

1 came in, you get your own personal
2 instructions.

3 Once you get settled, one of
4 you, whichever one wants to go first --
5 actually, both of you can get behind the first
6 microphone, and, when you come up, give your
7 little card to Laura there. And then you've
8 got three minutes. And I will be sitting
9 here, and when I stand up, that means you've
10 got 30 seconds left.

11 Okay. On a more serious note,
12 you have to state your name, and if you are
13 representing an organization, just what the
14 organization is.

15 PUBLIC MEMBER: Okay. My name
16 is Scott Thompson. I am a Monmouth County,
17 New Jersey resident, and I speak for myself as
18 a father of three. And I am also involved
19 with an organization called paddle out
20 dot org, and we represent a grass roots
21 organization that is very active with water
22 quality issues at an extremely grass roots
23 level.

24 My reason for being here today
25 is to take a couple of minutes just to speak

1 on behalf of those of us that enjoy the ocean,
2 that have lived in New Jersey for more than 50
3 years, who are multi-generational in their
4 aspects of enjoying the ocean, enjoying what
5 the ocean has to offer, and why we feel as
6 strongly as we do about preserving the ocean
7 and not supporting any industrialization.

8 I've been a surfer and enjoy
9 that as a recreational activity for 44 years.

10 My son, Tyler, who will testify
11 after me, has also been a surfer. He has two
12 other brothers. And we also fish, and we
13 enjoy the water very much.

14 We feel that it's important for
15 the MMS service and for anyone else that's
16 involved regarding this decision that they
17 consider alternative energy options, and those
18 options should not include any offshore
19 exploration or drilling of any kind.

20 We also feel very strongly
21 about any efforts towards doing land-based
22 alternatives to not only save the water
23 quality currently, but for the future and to
24 also preserve any natural species that
25 currently take place aquatically in the areas

1 that are of concern.

2 I appreciate your time. Thank
3 you for staying. And enjoy the day.

4 PUBLIC MEMBER: My name is
5 Tyler Thompson.

6 Following my dad, I also
7 represent paddle out dot org, which, as he had
8 mentioned, is a grass roots organization. I
9 also represent my friends, my family, my
10 brothers, everyone that's my generation that
11 couldn't be here. I know there was someone
12 that spoke earlier that was younger than me,
13 which was great to see.

14 I also want to thank you and
15 everybody else for waiting for the last two to
16 get here to say what's on their mind.

17 I recently have had the
18 opportunity to become the chair for the next
19 generation committee for Clean Ocean Action.
20 And the past 25 years I've grown up with that
21 organization and have seen all the hard work
22 that they have done and, while I was growing
23 up, be able to have the opportunity to help
24 stop ocean dumping off of the New Jersey coast
25 as well as the whole east coast.

1 I think that anything that is
2 done in the ocean from this time forward would
3 be a major step in the opposite direction.
4 All the hard work that we've done to make the
5 ocean cleaner, make it safer for not only fish
6 and the different animals and organisms that
7 live in the ocean, but anyone that uses the
8 ocean, whether that be fishermen, kayakers,
9 surfers, swimmers, tourists.

10 I think you would have a
11 tremendous negative impact on the ocean,
12 whether it's oil rigs that are going to be put
13 off the coast, liquefied natural gas
14 facilities that are going to be put off the
15 coast.

16 I think that we have to look
17 towards the future and look at renewable
18 sources of energy. We don't want to be
19 dependent on fossil fuels, whether that's
20 foreign or domestic. It's not the way to go.
21 And I just think doing this would have a
22 negative impact and it would not be positive
23 for anyone involved.

24 And that's all I have to say,
25 so thank you.

1 DON AURAND: Okay. Has anyone
2 else come in in the interim that wants to
3 speak at this point? If not, I throw out the
4 idea yet again that we would break now and
5 come back at 6:30.

6 Quite frankly, I can't tell you
7 what you'll find at 6:30. You know, I have no
8 idea if someone is going to show up that wants
9 to make a comment or not. But, we will be
10 back here at 6:30, unless there's any
11 objections or comments.

12 Okay. I'll see you at 6:30.

13 (An evening dinner break was
14 taken between 5:05 p.m. and
15 6:32 p.m.)

16 DON AURAND: Okay. Good
17 evening. This is the beginning of the evening
18 comment session.

19 There were a couple of people
20 who were here earlier, but let me run through
21 what the rules are, just briefly, and then
22 we'll get started.

23 What we have been doing all day
24 and what you guys saw the tail end of is we've
25 been giving out numbered cards. And I

1 understand there's five of you who just
2 recently signed up, so we'll take you A, B, C,
3 D, E, in that order.

4 You get three minutes. We have
5 a timer. I'm not going to be too strict about
6 it at this point. We did have --

7 We had well over a hundred
8 people this morning, so we really had to be
9 careful about that.

10 Having said that, we do have to
11 stick to pretty much the three minute thing,
12 because we don't want to have a different
13 process for the evening than for the rest of
14 the day.

15 So, once we get started, why
16 we'll just call you up, and you can make your
17 comment. It's not --

18 Oh, yes. And when you come up,
19 just give your card to Laura, because that's
20 how we match up with the registration.

21 There is a court reporter who
22 will take a transcript down, and the
23 transcript will be given to MMS.

24 I'm not going to run through
25 the Power Point on how to behave because

1 there's not that many people here and you
2 don't look like you're going to be really
3 unruly. So, we'll skip that.

4 But, let me do share one thing
5 with you. If you do want to submit written
6 comments or electronic comments, you can go to
7 the website, WWW dot DOI dot gov backslash
8 OCS. And there are instructions there for how
9 to submit written comments. Alternatively, if
10 you have written comments with you, you can
11 give them to Brad, who is sitting right there.

12 Okay. So, with that as an
13 introduction, if we can have 18 A, and we'll
14 get started.

15 Oh. I'm sorry. I didn't --
16 forgive me.

17 This is the MMS panel who will
18 be receiving your comments. They're not going
19 to answer any comments that you might have
20 tonight, but Chris Oynes is the associate
21 director for Offshore Energy, Jim Kendall,
22 second in, is the chief of the Environmental
23 Division. René Orr is the chief of the
24 Leasing Division. And Harold Syms is the
25 chief of the Resource Evaluation Division.

1 So, I'm sorry for interrupting
2 you. Go ahead.

3 PUBLIC MEMBER: Hello. Hi. My
4 name is Denise Renone (phonetic), and I am a
5 New Jersey public teacher. I teach at
6 Southern Regional High School.

7 And I grew up on one of the 18
8 mile long barrier islands of New Jersey,
9 called Long Beach Island. It's a beautiful
10 island if you ever have the chance to get
11 there.

12 Of course, you know, what you
13 read in the papers and what you see out there
14 with the oil drilling is above alarm. And, of
15 course, you hear many different rumors.

16 At this point, you know, with
17 the information that we have, I'm opposed to
18 oil drilling. And my opinion with that would
19 be any damage that it could do to our
20 shorelines that we've worked so hard to make
21 our shores clean, especially in the last 15
22 years.

23 Growing up as a child on the
24 island, I had many weeks in the summer where
25 the beaches were shut down because of sewerage

1 and hypodermic needles, and even more
2 recently, just last year, you know, we had
3 weapons, bombs on the beach from World War I
4 and II that washed up from the ocean onto the
5 sands. So, these are concerns of mine.

6 I'm not particularly
7 closed-minded at all to wind, but, obviously,
8 you know, would like to, obviously, know more
9 about that.

10 And that's, basically, my major
11 concern.

12 And I'm here speaking for the
13 Science Department of my school district and
14 for various representative people as well of
15 Long Beach Island, as well and businesses.

16 And for us, the biggest issue
17 is, if you're familiar with New Jersey, which
18 I'm sure you are, our shoreline is one of our
19 greatest economic resources.

20 And from what I read, hearing
21 the minimal amounts that could be out there,
22 the risk far outweighs the profit. And that's
23 generally where I would stand right now.

24 Thank you for listening.

25 DON AURAND: 18 B.

1 PUBLIC MEMBER: Hi. My name is
2 Chris Renone (phonetic). I'm a commercial
3 fisherman out of Barnegat Light, New Jersey.
4 I own a commercial fishing boat.

5 And I'm totally against
6 offshore drilling and the liquefied natural
7 gas storage facilities that are being
8 proposed.

9 I think the wind energy is a
10 much smarter choice. We constantly have wind
11 offshore, and it would be much less impact on
12 the environment and on the fishing grounds.

13 You know, we saw what happened
14 in Alaska with Exxon. Those guys are still --
15 still have plenty of mess out there to clean
16 up. And we definitely don't want to see that
17 for our beaches, because tourism is a major,
18 major producer of money for New Jersey and a
19 lot of our coastal regions around here.

20 And, you know, I rely on fish,
21 and oil would definitely kill the fish stocks
22 that, you know, we tried so hard to rebuild by
23 conservation and just with a clean ocean; how
24 they've been doing such a good job keeping our
25 beaches clean. We'd like to keep it that way.

1 Thank you.

2 DON AURAND: 18 C.

3 PUBLIC MEMBER: Hi. My name is
4 Jim Coyne (phonetic). I'm a resident in
5 Chatham, New Jersey, in central New Jersey.

6 And I'm a proponent of
7 drilling. And I think the reason for it is we
8 need energy independence. I think we're in a
9 situation where it's either a light dimmer or
10 a light switch, no pun intended, that you
11 really need to transition from coal and gas
12 and oil energies.

13 I am open to moving towards
14 nuclear and solar and wind, but I think, in
15 getting there, in making that transition,
16 it's necessary that we keep the oil drilling
17 available.

18 And I think, to be a realist,
19 it is necessary strategically, because we need
20 it for our country's security -- pardon me for
21 that -- you know, to fuel our military.

22 And then tactically, for
23 economic reasons. You know, it's not very
24 long ago that we had gas prices at four or \$5
25 a gallon. And to prevent that kind of thing

1 again, we need to continue to drill.

2 It is safe. I think,
3 statistically, most of these spills, like the
4 gentleman before us talked about, is actually
5 from the transportation of the oil from some
6 of the different countries that we get it from
7 today. So, it would actually make things a
8 little bit safer for the waters.

9 Secondly, it's available. We
10 have more of it available than, you know, the
11 media would let us believe.

12 The independence, as I
13 mentioned, you know, the countries that we get
14 it from are generally countries that don't
15 like us a whole lot. And again, that touches
16 back on our safety.

17 And again, for our own economic
18 well-being, it's absolutely necessary.

19 And again, I'm a tree hugger as
20 much as the next guy, but I think, to make
21 that transition, offshore drilling is a
22 necessity.

23 Thanks very much.

24 DON AURAND: Okay. 18 D.

25 PUBLIC MEMBER: Yeah. I'm just

1 a taxpayer that lives in Linwood.

2 And I'm on the fence. What
3 I've heard is there's not enough oil out there
4 to really endanger the beaches, which have a
5 high value as far as tourists are concerned
6 and bring a lot of money into New Jersey. Why
7 should we risk the beaches for a little bit of
8 oil? I understand it's like only half a year.
9 Now, that's not going to give us energy
10 independence. I don't care what that guy
11 said.

12 If you put windmills out there,
13 windmills have a problem. When the wind
14 stops, you get no energy. That means you have
15 to have a backup power plant for it.
16 Actually, the windmills are considered to be
17 about 40, 50 percent efficient, because you
18 have some down time for maintenance and so
19 forth.

20 Secondly, you've got a
21 tremendous expense bringing that electricity
22 in from the sea, into the land, on the grid.
23 You have to lay down a new grid. Now, that's
24 expensive.

25 So, to me, if you want power,

1 you ought to solve the power with nuclear
2 reactors. If you read the books, they're
3 clean. Chernobyl only had about 30 deaths.
4 They had more diversity in that land out there
5 than when the humans were there. I guess us
6 humans took care of the wildlife.

7 They built a terrible reactor.
8 It only had a tin shed as a containment. They
9 had some guy who was a politician, not a
10 physicist, and he tried to put the reactor out
11 with water. Well, he had a big steam. It
12 blew the whole thing up. You throw mud on it
13 if you want to put it out.

14 We were the developer of
15 nuclear reactors that were the best in the
16 world, and we gave it away. We have to --

17 If we build nuclear reactors
18 now, we've got to buy the stuff from other
19 countries.

20 I understand Japan has a
21 nuclear reactor the size of a telephone pole;
22 about 12 feet high, and can service about
23 10,000 homes and lasts about 20 years.

24 Now, what are we doing? Are we
25 doing nothing? No. We keep blocking.

1 You mentioned radiation. I
2 might as well go into that.

3 Right now, in this part of the
4 world you're getting about 3,000 roentgens per
5 year whether you like it or not. It comes
6 from the sun. You go into the medical, they
7 give you x-rays, they give you ERIs -- or
8 MRIs. You get more radiation from that than
9 you probably do from the background radiation.
10 Some people in the world get as much as three
11 -- 30,000 roentgens a year. It doesn't bother
12 them. They figure the human being can go up
13 to a hundred thousand roentgens a year before
14 they start having trouble. So, what is it
15 that we're afraid of? I don't know.

16 We've got gas and oil fighting
17 nuclear reactors, I suppose.

18 DON AURAND: Sir. Could I get
19 you to give your name for the record? Your
20 name?

21 PUBLIC MEMBER: Oh. Ehret,
22 E-H-R-E-T, Page, P-A-G-E.

23 DON AURAND: Okay. Thank you,
24 sir.

25 And E.

1 PUBLIC MEMBER: I'm Kathy
2 Savini, from Egg Harbor Township.

3 I just came out as a taxpayer,
4 because I'm in support of drilling. I feel
5 like the Environmental Protection Agency has
6 sold us a bill of goods and given us a lot of
7 false information.

8 I strongly believe in drilling.
9 We have the resources. We need to go get it.

10 I agree with 18 C back there;
11 that, you know, we -- we just made this a
12 whole political issue that is so wrong.

13 And I think that the Valdez
14 accident was, like you said, a transport
15 situation.

16 Drilling in Texas has always
17 been good. Nothing has come of that. No harm
18 has come of that.

19 And I don't know how much
20 supply is out there off the Jersey coast, but
21 I feel like the information that's -- a lot of
22 the information we're getting is false
23 information. It's not to the -- because they
24 don't want us to -- the powers that be don't
25 want us to drill.

1 So, as a taxpayer, I'm here to
2 support it, because it will lower our gas
3 prices, it will create jobs, it will create
4 stability in the market, we're not as
5 dependent on foreign oil, which we desperately
6 need to get away from.

7 So, that is why I'm here. And
8 just for those few obvious benefits --

9 I think there's too many
10 benefits to it to not go after it.

11 Thank you.

12 DON AURAND: Okay. As far as I
13 know, that's the only people who have signed
14 up since the break. Is there anybody else?

15 UNIDENTIFIED FEMALE: I know
16 you're going to think this is really not
17 funny, but there are two people who are on
18 their way. Not the same two people.

19 DON AURAND: Okay. What I was
20 going to say was that we would -- we will
21 break now until they -- okay. We're going to
22 take a break until they come, and then we'll
23 reconvene.

24 UNIDENTIFIED MALE: Hi. I
25 don't have a number. I spoke this morning.

1 Would you allow me to just say
2 something real briefly? Yes? No?

3 DON AURAND: Yes.

4 PUBLIC MEMBER: I'm approaching
5 the microphone.

6 It's just an observation on
7 turnout.

8 Again, my name is John Weber.
9 I work for the Surfrider Foundation.

10 The radio stations throughout
11 south Jersey, as I drove in here this morning,
12 the news report was that there's the
13 secretary, Salazar, is here and there's a
14 public hearing on offshore wind. That's what
15 the news said this morning all across south
16 Jersey.

17 I want you to take a look at
18 this audience right now. There's not that
19 many people here. And I believe that if they
20 had the report accurately, that it's on
21 Outer Continental Shelf, which includes oil
22 and gas and possibly wind development, it
23 would be a whole different thing.

24 I believe that people, oh,
25 wind, that's cool, I like wind, I'm going to

1 stay home because they don't need me to come
2 out and say yeah, wind.

3 If the report was this is about
4 oil drilling in the Atlantic, from Maine to
5 Miami, there would be a lot of people here.

6 So, just an observation on --

7 The media got it wrong, and I
8 think that's why we have what we have. Which
9 is nice, though, because I get to go home
10 early and so do you.

11 Thank you.

12 DON AURAND: Okay. I did see
13 two people come in. Were those the two people
14 you were waiting for? No, they were not.

15 Okay. So, we are expecting two
16 more commenters. So, we're going to just
17 recess until they show up.

18 (A brief recess was taken.)

19 DON AURAND: For those of you
20 who have just arrived, let me run through very
21 briefly how this has been working today.

22 When you registered, you were
23 given a number. Had you been here for the
24 afternoon session, we ran through, I don't
25 know, a hundred different numbers.

1 And we take people in the order
2 in which you signed in. So, if we continue --
3 Brad, do you know if we
4 continued with the 18s or did we start up
5 again with the 19s? You have an 18?

6 Okay. A few -- a few
7 guidelines. I'm not going to go through the
8 whole presentation that we had for speakers
9 during the day. I'll try to remember the
10 things that I forgot the last time I did this.

11 If you have a cell phone,
12 please shut it off.

13 You will have three minutes to
14 make your comments. There is a person timing.
15 I will tell you when you get to 30 seconds
16 left and then when you get to three minutes.

17 I realize that there aren't
18 very many of you here right now, but this was
19 the protocol we used for everybody else during
20 the day, and it's only fair that we use it for
21 everybody this evening.

22 So, what we'll do is --

23 I believe there's one number 18
24 left. So, if you would come down and make
25 your comment first. Then we'll call up the

1 19s.

2 You need to come down to the
3 front microphone. And when you come down,
4 Laura is sitting there next to the desk. You
5 need to give her your speaker card.

6 Please identify yourself by
7 name and whether or not you represent any
8 organization, and then feel free to make your
9 comment.

10 For those of you who were in
11 the room before, I'm going to just real
12 briefly point out that the four people who are
13 up at the table represent the MMS panel.
14 They're not going to respond to the comments,
15 but they're here to listen to what you have to
16 say.

17 There is a transcript being
18 taken that will be given to the MMS.

19 Let's see. And if you should
20 want to make written comments, you can do so
21 on the Department of Interior website, WWW dot
22 DOI dot gov backslash OCS.

23 So, thank you, sir.

24 PUBLIC MEMBER: Thank you very
25 much.

1 I apologize for the delay in
2 getting here, and I appreciate everyone's time
3 and consideration regarding this matter.

4 My name is Todd Thompson. I
5 live in Fair Haven, New Jersey. I'm a
6 lifelong resident of New Jersey. I'm also a
7 lifetime member of the Surfrider Foundation,
8 and also a member -- active member of the
9 Surfers' Environmental Alliance.

10 I am here, representing myself,
11 as a concerned citizen.

12 Drilling for oil in the ocean
13 is not -- in my opinion, is not good for the
14 environment. History proves that the economic
15 hardships and environmental damages caused by
16 these spills don't justify drilling in the
17 ocean and the problems that it has caused in
18 the past.

19 The oil companies, if they are
20 going to drill in the ocean, should have to
21 use up the balance of the available leases
22 that they already have in other parts, I
23 believe mostly in the Gulf of Mexico.

24 We should change to renewable
25 energy sources, such as solar, wind, wave,

1 tidal, and biodiesel. I believe that the
2 technology is there to do this.

3 Now is the time to invest in
4 the future and not in the past. And we all, I
5 think, want to do the right thing for
6 ourselves and our children and our children's
7 children, and I think we need to look to the
8 future.

9 Thank you for your time and
10 consideration.

11 DON AURAND: Okay. So, we
12 should be into the 19s now. So, 19 A.

13 There isn't anybody who has an
14 18 anywhere out there, is there?

15 Okay. 19 A.

16 PUBLIC MEMBER: Hello. My name
17 is Terrence Wackilwick (phonetic). I'm a
18 lifelong resident of New Jersey.

19 I grew up all the way, Sandy
20 Hook, and now I live here in Brigantine. So,
21 I have, basically, covered all of New Jersey.

22 I grew up on the coast my whole
23 life. I was very fortunate to go to college
24 at Hawaii Pacific University, in Hawaii. I
25 brought back here -- I moved back here, and my

1 best friend is starting a next wave for Clean
2 Ocean Action. And I, basically, was all about
3 it. What exactly is it about? And what Clean
4 Ocean Action is --

5 I forgot to mention, I'm
6 speaking for myself and Clean Ocean Action.

7 The most interesting yet stupid
8 thing I found about what our government is
9 interested in is the offshore drilling.

10 Fuel fields so hard to find and
11 -- very hard to find, basically from Maine all
12 the way down to Florida. How are you going to
13 be able to find this? That's my real
14 question.

15 Smaller than the Gulf of
16 Mexico. Sure, we have them there. According
17 to the Minerals Management Service, the amount
18 of oil and natural gas potential in the
19 Atlantic, from Maine -- like I said, from
20 Maine to Florida, lasts from only 229 days and
21 162 days, respectively. So, why search? It's
22 a dead cause. Why are we so desperate for
23 that?

24 It kind of goes along with what
25 Todd said. We have so much technology right

1 now, it can easily be used for tidal wave and
2 solar energy.

3 Thank you very much.

4 DON AURAND: Okay. 19 B.

5 PUBLIC MEMBER: Good evening.

6 It looks like the other half of the team
7 dropped out.

8 I want to thank you very much
9 for the opportunity to make this presentation
10 this evening. My name is Jim Leone
11 (phonetic). This is my lovely wife, Debbie.

12 We came out this evening
13 because we thought it was very important for
14 us to make some input here.

15 We're both retired educators.
16 We've put in over 65 years in the public
17 school systems of New Jersey.

18 We are also partners with our
19 son in a small restaurant further down the
20 coast here. And, as you know, these are very
21 difficult times.

22 We don't ride surfboards, we
23 don't picket, but we feel very strongly that
24 now is the time to consider drilling offshore.

25 We've traveled our country.

1 We've gone on the Gulf coast. We haven't seen
2 any damage from any oil well on the Gulf
3 coast, and it's my understanding there are
4 over 4,000 of them.

5 We have researched the
6 background of offshore drilling. And in order
7 to keep our business alive, people are going
8 to need fuel to get to the Jersey shore, and
9 we see no reason why -- to discount offshore
10 drilling.

11 If you want to, put a windmill
12 or a solar panel on top of an offshore oil
13 rig. That would work, too.

14 Thank you very much.

15 DON AURAND: Is there anyone
16 else who has a speaker's card?

17 Okay. We're going to wait
18 approximately ten more minutes and see if
19 anybody else shows up. So, I guess this would
20 be the exception to my no talking in the
21 auditorium time. So ...

22 UNIDENTIFIED FEMALE: Can I ask
23 a question?

24 Are you going to post any stats
25 on the for and against on your website or

1 comment on like earlier, what the stats were
2 on for and against? Is there any chance of
3 that?

4 DON AURAND: We haven't been
5 keeping --

6 I mean, I suppose you could go
7 through the transcript, when we get it done,
8 and figure that out, but we haven't been
9 keeping that.

10 Yeah. And there is a webcast
11 that's still available from this morning.

12 UNIDENTIFIED FEMALE: Okay.

13 DON AURAND: That involves --

14 Yeah. The secretary actually
15 did ask, at one point, who represented what
16 interest group, and you can see a show of
17 hands in that.

18 UNIDENTIFIED FEMALE: Okay.

19 Thank you.

20 DON AURAND: Okay. I'm not
21 going to stand here and stare at you guys.
22 So, you know, talk amongst yourselves, and
23 we'll give it ten more minutes.

24 (A brief recess was taken.)

25 DON AURAND: Okay. If we can

1 come back together, we'll try yet again to
2 make sure we get through all the comments.

3 Very briefly, for those of you
4 who just came in, you were given a speaker
5 card. And we'll call you up in sequence.

6 I'm going to run through -- I
7 apologize for those of you who have heard this
8 a number of times -- a few rules.

9 You have three minutes to make
10 your comment. We do have a timer. When it
11 gets close to the end of the three minutes, I
12 will tell you that you have 30 seconds left.
13 I realize there aren't that many people here
14 now, but that was the procedure we used all
15 day long when there were a lot of people here.
16 So, to be fair to the previous commenters, we
17 need to stick with the same rules.

18 When you come forward to make a
19 comment, Laura is sitting down front. Come up
20 to the front microphone and hand her your
21 speaker number card. We're keeping those in
22 order so that we can figure out who everybody
23 is.

24 There is a court reporter
25 taking a transcript that will go to Minerals

1 Management Service as a record in a public
2 hearing.

3 And on the podium are three --
4 or four individuals from MMS who are here to
5 take your comments, but won't be responding.
6 So, it's a comment for the record. But, they
7 are, to my immediate left, Chris Oynes, who is
8 the associate director for Offshore Energy.
9 Next to him is Jim Kendall, who is the chief
10 of the Environmental Division. Then René
11 Off, who is the chief of the Leasing Division,
12 and finally, Harold Syms, who is the chief of
13 the Resource Evaluation Division.

14 So, what are we up to? 19 D.
15 Nobody --

16 We've already had 19 C, right?
17 So we're at 19 D. Okay.

18 PUBLIC MEMBER: State your name
19 and organization?

20 DON AURAND: Right. If you
21 could state your name. And if you're
22 representing an organization, indicate what
23 that is.

24 PUBLIC MEMBER: Okay. My name
25 is Bill McCurdy (phonetic). I'm a lifelong

1 resident of Ocean County. I'm representing
2 myself and my wife, Kim, in the back.

3 I'm actually a science teacher,
4 middle school science teacher. I've been
5 doing that about ten years. And I don't
6 usually get butterflies when I get up in front
7 of my classroom, but I've got them today
8 because it feels like that this is probably
9 one of the most important small public
10 speeches I've ever given.

11 I've had the opportunity to
12 learn marine sciences at the University of
13 Maine.

14 And like I said, I'm currently
15 a science teacher. And my role as a science
16 teacher is to educate the youth and let them
17 know different ideas for energy, which I do in
18 a non-biased way. So, when we look at energy
19 independence and we see what's sustainable
20 about that -- and I like vocabulary. So, the
21 word "sustainable" is something that it's
22 supposed to last not forever, but for a long
23 period of time that can regenerate and be
24 reused.

25 And independence is something

1 that we fought for as a country and gained
2 many, many years ago.

3 I feel, as a marine scientist,
4 as an educator, that this sort of energy
5 independence idea of not using sustainable
6 energy, but using technology that's been
7 around for a very long time, drilling for oil,
8 drilling for gas offshore is the wrong thing
9 to do.

10 I feel that we've learned a lot
11 of lessons from our ocean; the ebb and the
12 flow of the tides.

13 When a structure is permanently
14 attached to the bottom of the ocean, it has a
15 tendency to not move until a storm or
16 something else knocks it down. I feel that
17 this is old technology. This is not
18 independence. This is dependence on a fossil
19 fuel source that is not sustainable. I feel
20 that this is a way of our current economy to
21 continue to be fed and not for us to change
22 the ideas of our energy and resources like
23 other countries have.

24 Now, I'm a part-time organic
25 farmer, and I've learned that sustainable

1 energy, such as solar energy -- and we're
2 learning more about it here in the U.S., such
3 as solar farms, is much larger in other
4 countries than here. They're reaching their
5 goals of sustainability independence, where we
6 aren't. And we are the largest power source
7 in the world.

8 I'm feeling that we're not
9 showing our true teachings. I believe that
10 we're not showing how we should truly show
11 independence.

12 The idea of having a structure,
13 like I said, permanently fixed where the
14 source of what we're looking for, oil or gas,
15 is limited, to put the time and the tax
16 dollars into a structure like that, where
17 possibly it will only be used for a short
18 amount of time, the environmental impacts it
19 will have on the ocean floor as well as the
20 environmental impacts it will have on the
21 construction and/or the replacement of, if it
22 does last longer, and what happens to it when
23 we no longer use it. Do we abandon it or do
24 we try to reconstruct the ocean floor around
25 it? Those are a couple questions I have.

1 Again, I'm an educator, and I
2 wanted to show my children that I haven't had
3 yet, and my students the true words of what
4 sustainability means and what energy
5 independence means.

6 Thank you.

7 DON AURAND: So, next would be
8 19 E?

9 PUBLIC MEMBER: Hello. My name
10 is Lauren Enmarcazi (phonetic). I work for
11 the Long Beach Township Beach Patrol. And I
12 grew up at the Jersey shore.

13 And every job that I've held
14 since I was able to work has depended on our
15 tourism industry, which is one of the many
16 things that would be greatly affected by this
17 type of non-renewable energy source.

18 We don't know the full effects,
19 the full negative effects on marine migratory
20 patterns or the risk of hurricane effects.

21 My job and many others, most of
22 our state income would be greatly affected if
23 there was some type of spill or disaster.
24 Half of our coastal communities would be out
25 of business.

1 And this is not a very good
2 example of moving forward towards a future of
3 non-sustainable -- non-renewable energy.
4 Sorry. I'm a really bad public speaker.

5 If we hope to rid our
6 dependence on energy sources such as this one,
7 we need to put our efforts, our tax money and
8 our energy into making that happen today, not
9 wait for it tomorrow, not use old technology
10 and the old ways that we're trying to move
11 away from. We need to move toward something
12 more ecologically friendly, something that
13 will not risk so many jobs and the life that
14 calls this place home.

15 I am against non-renewable
16 energy, as are many people that I work with.
17 And that's what I wanted to say.

18 DON AURAND: 19 F. Do we have
19 a -- okay.

20 PUBLIC MEMBER: I am 19 F.

21 DON AURAND: You probably
22 didn't hear the instructions, but I think it
23 would probably be okay.

24 You've got three minutes.
25 State your name and who you represent. If you

1 get close to the three minutes, I'll --

2 PUBLIC MEMBER: I probably
3 will.

4 My name is Fred Cornice
5 (phonetic). I'm an Atlantic City resident.

6 I was looking at the news
7 tonight, and I understand that the politicians
8 in our state are against offshore drilling of
9 gas and non-renewable sources of energy. But,
10 at the same time they say they're against this
11 here, they do not streamline the regulations
12 that you need at the local level or at the
13 state level to get renewable sources of solar,
14 wind power. They don't streamline it. They
15 make it more complex. It seems like the
16 everyday Joe on the street cannot -- and I
17 emphasize cannot -- go out there and get a
18 permit to do these things, or if you do try to
19 get one, the bureaucratic complexities forces
20 you to go through an authorized dealer or
21 whatever kind of dealer you want to call them,
22 and the authorized dealers are -- I think
23 they're political hacks for the state that are
24 paid off by, you know, getting these
25 contracts.

1 In fact, this building right
2 here -- this building right here was paid for
3 by some of the tax dollars to have their solar
4 panels put up here. As a matter of fact, I
5 think it was 50 percent tax dollars and the
6 rest was the Convention Center's money. I
7 don't understand why this has to be.

8 The prices are jacked way up
9 high for these sources of energy. I mean,
10 they are high. You're talking about, for the
11 average home, 23, 28, \$30,000 for an average
12 size home to get solar panels put on. Who can
13 afford that? The prices are elevated because
14 the state pays -- gets 50 percent of it, pays
15 the 50 percent of it. Is that the deal or
16 what is the deal?

17 That's all I have to say.

18 DON AURAND: Okay. Is there
19 anyone else who has a speaker number?

20 Okay. Well, thank you very
21 much. That concludes the presentations for
22 this evening.

23 We really appreciate you all
24 coming. I know MMS and the secretary feel the
25 same way, but I've got to tell you were a good

1 crowd to work with. I appreciate the fact
2 that you were constructive and, you know,
3 regardless of what your views were, you were
4 positive in your interaction with the others.
5 So, that makes my job easy, and I do
6 appreciate it.

7 Thank you for coming.

8 (This public hearing concluded
9 at 7:29 p.m.)

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