



How Political Activists See Offshore Oil Development: An In-depth Investigation of Attitudes on Energy Development

Final Technical Summary

Final Study Report



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Author

Eric R.A.N. Smith
Principal Investigator

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Marine Science Institute
University of California
Santa Barbara, CA 93106

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FINAL TECHNICAL SUMMARY

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AFFILIATION: University of California, Santa Barbara

ADDRESS: Coastal Research Center, Marine Science Institute, University of California, Santa Barbara, CA 93106

PRINCIPAL INVESTIGATOR: Eric R. A. N. Smith

BACKGROUND: Although oil companies first introduced offshore oil drilling in California, many Californians have never been fond of it. Especially since the environmental movement began in the 1960s, opponents of offshore oil development have made their voices heard through protests, letter writing campaigns, and public hearings. In recent years, pressure from anti-oil development activists clearly influenced state and federal decisions to limit offshore oil development with moratoriums on new leases.

OBJECTIVES: This research is designed to explain the beliefs and opinions of a range of local political leaders and activists in Santa Barbara County, California regarding offshore oil development. It is also intended to explore the role of political leaders in a case of what some might label a NIMBY ("Not in My Backyard") response to a proposed local development.

DESCRIPTION: This study describes and analyzes a series of focus group interviews with local leaders in Santa Barbara County, California. The interviews were conducted with four different types of groups: (1) Democratic political activists; (2) Republican political activists; (3) pro-environmental political activists; and (4) pro-development political activists. They were recruited from the local Democratic and Republican party central committees, from local campaigns, and from environmental, business, and oil-industry groups in the area. These interviews were designed to provide an in-depth examination of elite opinion that opinion survey methods could not offer. The results of these interviews provide a guide to the politics of offshore oil development along the California coast as well as NIMBY behavior in general.

SIGNIFICANT CONCLUSIONS: NIMBY responses to proposed development projects are generally described as extreme opposition to local projects characterized by: (1) limited information about project siting, risks, and benefits; (2) parochial and localized attitudes toward the problem, which exclude broader implications; (3) high concern about project risks; (4) distrust of project sponsors; and (5) highly emotional responses to the conflict. Our findings offered only mixed support for this description.

First, we found no evidence that NIMBY responses were characterized by low information or emotional responses. Second, we found that project opponents focused on local impacts of the proposed developments, but so did project supporters. Opponents took more localized views than supporters, but the differences were small. Third, we found that project opponents distrusted project supporters, but the opposite was also true. Neither side trusts the other. The conventional NIMBY focus on distrust among project opponents misses half the story. Fourth, we found that project opponents perceive huge risks in offshore oil development, while supporters perceive little risk. This last point—risk perceptions—seems to be the real key to NIMBY responses.

STUDY RESULTS: We did not find that the activists had limited information. We must qualify this finding about knowledge because we used no formal test of knowledge about offshore oil development; nevertheless, the transcripts clearly show a fairly high level of general knowledge about the subject among the anti-oil activists. We find nothing that suggests the existence of any special relationship between NIMBY responses to local projects and knowledge.

We found that the opponents of oil development emphasized local aspects of the problem and that they did so more than the supporters of offshore oil development, although the difference was not large. Moreover, the opponents of oil development did not focus exclusively on local issues; they also brought up broader implications. On this point, the conventional description of NIMBY responses seems exaggerated, but not wrong. However, any characterization of the supporters as being people who take the broad view, while critics focus narrowly on local issues would be false.

The third point in the conventional description, that project opponents are characterized by high concerns over risks, is strongly supported by our investigation. On this point, the supporters and opponents of offshore oil development differed sharply. The supporters saw low risks and believed that the risks could be mitigated by technology; the opponents saw substantial risks and did not rely technology to save them.

Our evidence also strongly supports the fourth point, that project opponents distrust project sponsors. But here the conventional description tells only half the story. The supporters of offshore oil development strongly distrust anyone who they believe does not agree with them on the issue. In short, neither side trusts the other.

Finally, we found no evidence to suggest that the critics of offshore oil development were especially emotional in their thinking. They may have been driven to activism because of

emotional reasons, but their arguments were not stated in emotional terms. In addition, the supporters and opponents of offshore oil development seemed similar to one another.

In sum, the conventional description of the NIMBY syndrome has not fared well in our study. It has two sorts of weaknesses. First, our evidence does not support it on all points. Second, by looking only at opponents of local projects and ignoring supporters, the conventional description tells only half the story. Once the supporters are brought into the picture, we see that supporters and opponents are similar. This similarity suggests that in order to understand some aspects of what has been described as the NIMBY syndrome, one ought to look at the dynamics of local political disputes.

The only part of the conventional description of the NIMBY syndrome that our evidence confirms as distinguishing supporters from opponents is perceptions of risk. Supporters and opponents of offshore oil development held widely differing views on how much risk offshore oil development entailed and whether the risks could be technologically managed. In fact, the label NIMBY may tell us little other than that a local political dispute exists and that the key element of the dispute is about the risks associated with the proposal.

STUDY PRODUCTS:

Smith, E.R.A.N., and M. Marquez, "The Other Side of the NIMBY Syndrome." (Paper under review).

FINAL STUDY REPORT

In this research project, we investigate the beliefs and opinions of a range of local political leaders and activists in Santa Barbara County, California regarding offshore oil development. We do this with two goals in mind. First, we seek to help legislative and executive decision makers to take public opinion and likely public responses to proposals into account when making policy choices. Second, we seek to understand the role of political leaders in a case of what some might label a NIMBY ("Not in My Backyard") response to a proposed local development.

The beliefs of these leaders and activists are important for two reasons. First, political leaders and activists influence the opinions of the general public to which policy makers respond. Second, political leaders and activists help to set the agenda of issues upon which policy makers act. Consequently, understanding the opinions and perspectives of political leaders should help decision makers understand how the public will react to future proposals.

Understanding the nature of local opposition to proposed developments is important because of the critical--and poorly understood--role that local opposition plays in whether proposed developments can move forward. Locating unpopular facilities such as prisons, toxic waste dumps, and industrial facilities, has proven to be very difficult because of local opposition. But the causes of that local opposition to proposed developments, and indeed whether any local opposition will emerge, are not well understood. For this reason, insights into the local opposition to offshore oil development may help researchers understand general patterns of local opposition and NIMBY responses.

In this report, we will describe and analyze a series of focus group interviews with local leaders. These interviews were designed to provide an in-depth examination of elite opinion that opinion survey methods could not offer. The results of these interviews provide a guide to the politics of offshore oil development along the California coast.

We organize this report as follows. The first section briefly sketches out the background of the controversy surrounding offshore oil development. The second section explains the role of political leaders in this controversy--both in guiding public opinion and in setting the political agenda. The third section describes the focus group method. The fourth section presents the details of the focus groups used in this project. The fifth section presents the findings from our series of focus groups. The sixth section offers some concluding comments and suggestions for policy makers.

1. The Background

The question of whether to permit more offshore oil drilling along the California coast has long been a controversial one.¹ The first offshore drilling operation in the country was

¹In this section, we only intend to sketch out the background of the controversy. Several excellent sources offer more detailed accounts of the material we discuss here. For a detailed history of the politics of offshore oil development along the California coast, see Lima (1994). For a discussion of public opinion toward offshore oil development since 1970, see Smith (1995) or Smith and Garcia (1995). For an in-depth investigation of the politics of offshore oil development along the northern California coast, see Freudenberg and Gramling (1994).

conducted from piers along the shoreline in Summerland, California in 1896. Some local citizens began to work against that drilling from its earliest days (Paddock 1994; Sollen 1998). Ever since then--long before the modern environmental movement--the oil industry has met resistance to its efforts to expand its offshore drilling efforts. Public resistance to offshore oil development has not been constant. It has risen and fallen in response to oil industry actions and in response to local political leadership. Consequently, there have been both periods of intense opposition to increased oil development and periods of relative quiet (Lima 1994).

Following the 1969 Union Oil platform spill in the Santa Barbara Channel, the opposition to offshore oil development became better and more permanently organized. New groups such as "Get Oil Out," (GOO) formed and existing groups such as the Sierra Club focused some of their attention on regularly monitoring oil industry activities along the coast. These groups provided organizational resources for anti-oil activists and political leaders. Their founding may have marked the end of the period during which the oil industry could hope to expand its offshore drilling operations without some serious political challenge from environmentalists.

In the earliest public opinion surveys about offshore oil development along the California coast, conducted in 1973, the public was divided, with majorities of 50 to 60 percent favoring additional drilling (Smith and Garcia 1995). Why a majority supported offshore oil development is not entirely clear, but the energy crisis of 1973/74 certainly contributed to support for more drilling. After the election of Ronald Reagan to the presidency, however, support for additional oil drilling along the California coast fell, hitting a low point of 22 percent after the 1989 *Exxon Valdez* disaster and rebounding somewhat to 34 percent by 1990. Although opinions in the coastal, oil-producing counties were held more intensely than elsewhere, the survey evidence indicates that there were no differences between coastal and noncoastal counties in level of support for further offshore oil drilling (Smith and Garcia 1995).

At the time of the focus group interviews in late 1994 and early 1995, no oil companies had any current proposals for new offshore oil platforms. There was, however, a major controversy over a proposal by Mobil Oil Corporation to build an onshore facility designed to tap an offshore reservoir using slant-drilling technology (LePage and Burns 1995, Paddock 1994). Mobil dubbed the facility "Clearview" because the onshore facility would replace an existing offshore platform, which Mobil would remove, opening up a clear view of the ocean. The proposed Clearview site was on property owned by the University of California, Santa Barbara (UCSB). The deal therefore required that the University sell the land to Mobil. Environmentalists argued that Clearview should be rejected because oil development was inappropriate for the Santa Barbara area and because the proposed site was the ecologically sensitive Devereux Sloughs. The fact that the site was adjacent to university housing and close to a densely populated neighborhood also caused resistance. After the time of the focus group interviews, the university finally decided not to sell the land to Mobil and the plan was scrapped. Although the Clearview proposal did not include an offshore platform or any offshore drilling, it is nevertheless relevant to our study because it caused almost exactly the

same sort of fight with the same combatants as a proposed offshore drilling facility would have caused.²

This brief sketch of the background of the controversy surrounding offshore oil development serves to set the context for our study. Whether to increase offshore oil production has been a subject of political dispute for nearly one hundred years. Because both sides, the oil companies and the anti-oil activists, are well organized, we should expect the controversy to continue for the foreseeable future. Presently the public leans strongly against additional offshore development. The role of political leaders in such a situation is critical.

2. The Role of Political Leadership

Political leaders and activists interact with the public in many ways to influence public policy. Two of those ways warrant comment here. First, political leaders and activists influence public opinion. That is, they actually *lead* public opinion. To put it another way (perhaps one that sounds less tautologically obvious), politicians and other political leaders do not simply *follow* public opinion in order to win elections and gain power--as some cynics would have it; they actually persuade others to change their opinions. Because of this, the directions in which political leaders wish to lead the public are of interest to policy makers. Second, political leaders and activists influence the public agenda--or the issues upon which the public and political leaders focus their time, attention, and effort. In order to explain why the results of our focus groups are important and why the opinions of local leaders are worth understanding, we shall expand on both these points.

That people learn their opinions from political leaders, among others, has long been recognized. Studies of propaganda and the manipulation of public opinion were among the earliest pieces of research in the field of public opinion (Gordon 1971; Katz et al., 1954). Decades later in his classic analysis of public opinion and belief systems, Converse (1964) argued that people do not reason out their political beliefs from their central values and principles. Instead, people learn their beliefs and opinions from political leaders, who work out sets of issue positions and teach them to the public. Although scholars and other observers recognize that political leaders are not the only influences on people's opinions, unanimous agreement exists on the proposition that political leaders and activists can normally influence what the mass public thinks about various political issues.

The details of how political leaders teach opinions to the public are less well understood. A good deal of current research focuses on questions of exactly how the process of political leadership of public opinion works (Page and Shapiro 1992; Zaller 1992). One aspect of political leadership that has been studied is the role of activists--that is, people who are politically active in ways beyond voting, but who do not hold formal positions of political leadership (for example, elected office holders). Some scholars (for example, Converse 1962) argue that political leaders teach political activists what opinions they should hold and political activists, in turn, pass the messages along to the general public. A number of researchers are currently investigating the role of opinion leaders in molding public opinion (Weimann 1991).

²The Clearview project was designed to tap a California state oil lease inside the three-mile limit, not a federal oil lease. The distinction between state and federal oil leases, however, is understood by very few people in the general public and is irrelevant to our study.

We will skip over the details of this research and simply make the point that political activists clearly play a role in leading public opinion, just as prominent political leaders do. In short, current research indicates that in order to understand the dynamics of regional political disputes, one must understand the views of activists on the various sides.

In addition to influencing public opinion, political leaders and activists also influence the public agenda--or the list of subjects and problems to which government officials and political advocates are paying attention (Kingdon 1984). When leaders or activists bring up issues for public discussion, when they mention them in newspaper and television interviews or write letters about them to newspapers, they are focusing the public's attention on a particular list of issues. But public officials and the news media only have time to focus on a limited number of issues. Consequently, setting the agenda involves both choosing what issues to address (and for which to consider making policy decisions) and what issues to ignore. This is a significant power. When the government is pushed into making decisions about, say, oil pipeline safety, the chances are far better that they will take some action that will affect the oil industry than if the government is pushed into making decisions about what to do about water shortages. Consequently, the beliefs and preferences of politicians and political activists are important.

Agenda setting is, of course, an extremely complicated process—more complicated than suggested here. Politicians and activists play different roles in this process, and they are not the only ones to participate in setting the agenda (journalists, for example, also influence the agenda). So politicians and activists are not the only ones worth attention. Nevertheless, in this research they are the subject of our research.

3. The Focus Group Method

A focus group is perhaps best described as a group interview (Krueger 1988; Morgan 1989). A group of like-minded people is gathered together to discuss a particular topic. The term "focus group" comes from the fact that the group focuses on an issue. The focus group interview is a technique designed to gather qualitative information about people's beliefs and attitudes by interviewing groups of like-minded people. The "interview" is actually a group discussion led by a moderator, who asks a general introductory question to which each group member responds in turn. The moderator then encourages further discussion of the question before moving to the next broad question. In our focus groups, for instance, the moderator opened the discussion by asking the participants what they thought about offshore oil drilling along the coast of California. No suggestions were offered about how the participants should interpret the question, so they were free to bring up whatever general opinions they had about the subject.

The moderator allows the participants to take the discussion in whatever direction they find interesting. By encouraging a free-flowing discussion, the moderator gives participants the freedom to bring up some aspects of an issue and to ignore others, to expound on some matters at length and to mention others briefly or not at all. In doing so, the moderator lets the participants indirectly tell the researchers what they find important, what they find interesting, and how they see the problem in question. They do so by choosing to bring up or to ignore an

aspect of a problem, and by the values, opinions, and facts that they mention in relation to various aspects of an issue.

Public opinion surveys, in contrast, are very tightly controlled interviews. The survey questionnaire requires respondents to answer a fixed set of questions in a fixed order.³ Implicitly, the survey researcher who designs the questionnaire makes assumptions about how the respondents see problems, what aspects of problems they find important, and even the precise language to which the respondents will respond. No such assumptions are made in focus groups. The very lack of structure to focus group interviews, therefore, allows the researcher to draw inferences about how the participants see the problem in question.

In order to make it easier to draw out the opinions and beliefs of focus group participants, the researcher selects participants for each focus group who presumably will see things from a similar perspective. The goal is to find people who will feel comfortable with one another and comfortable in expressing their opinions. Consequently, the researcher chooses people who have similar demographic, cultural, or political backgrounds, depending on the characteristics that are relevant to the problem. The worst situation for a focus group is to have people who are diametrically opposed to one another. Such people are likely to turn the discussion into a debate, and to attempt to score debating points rather than to reveal their true opinions.

When well conducted, focus groups allow researchers to find out how people look at a problem, what aspects of the problem they see as interesting or important, and what they see as trivial or irrelevant. In other words, the focus groups allow the researchers to discover the participants' perspectives on a problem.

The weakness of focus group interviews is that they are not large, random samples of the population. Therefore the results cannot be generalized without careful qualifications and appropriate caveats regarding the tentative nature of the findings. For this reason, focus group interviews are generally used either to help understand extremely small populations of critical importance or to help develop public opinion survey questionnaires for later use. In the case of very small populations, a focus group of perhaps ten members can give a researcher useful insights into the opinions of a population of perhaps one hundred. In the latter, more typical case, focus groups are part of the complete research process, not the final result.

Focus group interviews are videotaped or recorded and then transcribed for later analysis. Transcripts of our focus group sessions are included in the appendices of this report.

4. The Focus Groups in this Study

In this series of focus groups, the subject was oil drilling off the coast of Santa Barbara. We sought to explore the beliefs and opinions of a range of local political leaders and activists in Santa Barbara County, California regarding offshore oil development. In order to do so, we recruited people to fit into four different types of groups: (1) Democratic political activists; (2)

³This is perhaps a slight exaggeration because survey researchers can vary questions and question order using a variety of techniques. Nevertheless, survey questionnaires are precisely worded instruments which vary from respondent to respondent only under carefully controlled circumstances. They never allow the respondent the freedom to discuss a question at length without any guidance.

Republican political activists; (3) pro-environmental political activists; and (4) pro-development political activists. Between December 9, 1994 and May 18, 1995, a total of nine focus group interviews were conducted with the four types of participants. Two sessions each were held with Democrats, Republicans, and environmentalists. Because the first two pro-development groups had slightly fewer participants, we conducted an extra pro-development sessions for a total of three.

In our original research design, we had characterized the pro-development groups as being "pro-oil development." After our first pro-development focus group, however, we concluded that a more accurate characterization would be pro-development. Indeed, the members of the first group described themselves this way and objected to being described as "pro-oil."⁴ They were pro-development in that they favored economic development in the area and generally believed that the government should favor business interests more than it currently does. Yet their focus was not specifically on oil and they were not necessarily pro-oil development, despite the image of the local business community.⁵

Although our groups fit into four seemingly distinct categories, in practice the lines blurred and the groups overlapped. The principal overlap was between people whom we characterize as Republican activists and pro-development activists. In particular, some of the pro-business development group participants had been quite active in Republican party circles, and some of the Republican activists had oil industry backgrounds. In addition, one participant in the Democratic activist group might just as easily have turned up in the environmental activist group. These overlaps reflect current politics in Santa Barbara. Our efforts to recruit Republican activists, for instance, were directed at the Republican County Central Committee and at various local campaigns (primarily those of Representative Andrea Seastrand and California State Assemblyman Brooks Firestone). A number of these party and campaign activists had some connection with the oil industry, hence the overlap.

The participants in our groups were all political activists in the Santa Barbara area. They were recruited from the local Democratic and Republican party central committees, from local campaigns, and from environmental, business, and oil-industry groups in the area. Participants came from all parts of Santa Barbara County, but there was no formal attempt to balance the panels geographically. The political participants included several former elected government officials and several people who will probably run for office in the future. None of

⁴These objections were not stated during any of the sessions. During the sessions, however, some pro-development activists and Republicans declared that they were, in fact, environmentalists.

⁵To convey a sense of how these pro-development people are regarded by some environmental activists in the U.C. Santa Barbara campus community, I will describe how one of the pro-development participants was greeted when he arrived on campus. The participant was a well-known, easily recognized former elected official. A student, who was passing by when the participant walked up to the building, recognized the participant. (Only a few people knew about the focus groups; this was a chance encounter, not part of any organized protest.) The student yelled out, "Get off campus, oil pig." The two then spoke for several minutes (politely, despite the greeting). At one point, the participant challenged the student, telling him that he did not know where the participant stood on oil issues and that the student was unfairly misstating his opinion. The incident reflects both the hostility surrounding the issue and the frequent misperceptions that each side has about the other.

the participants held an elected government office at the time of the focus groups.⁶ The business and environmental participants included people who held prominent positions in various business and environmental groups. All of them had actively worked in the political realm to further their interests. Most of the participants--Democrats, Republicans, environmental and developmental activists--had been quoted in local newspapers at one time or another and many were regularly interviewed news sources. In sum, these groups included a cross-section of prominent political activists and leaders.

The focus group sessions were conducted on the University of California, Santa Barbara campus. The project's research assistant, Marisela Marquez, moderated each session; the principal investigator, Eric Smith, observed each session. The sessions were taped and the tapes were later transcribed. The transcripts are included in the appendices to this report. Because the participants were guaranteed anonymity, the tapes were erased after the transcriptions were reviewed and verified, and names were deleted from the transcripts.

5. The Findings

We organize and present our findings with two general goals in mind. The first goal is to describe political leaders' and activists' opinions about offshore oil development in a manner that will be useful to scholars and decision makers and that will help various groups better understand one another. The second goal is to consider whether opinions about offshore oil development fit into a NIMBY ("Not in My Backyard") pattern, and what our Santa Barbara focus groups can tell us about NIMBY responses to local development projects elsewhere.

We interpret our focus group data using a qualitative, or ethnographic approach. Although we counted a number of references of different types to assist in interpreting the data, we have chosen not to present any formal content analysis (for example, the number of times various groups mentioned tourism) because such numbers imply a precision which we believe focus groups do not offer. The analysis that follows uses quotations to illustrate the observations we make. We only offer observations when they are based on comments in two or more groups.

A few brief comments about the presentation of direct quotations are needed before we turn to the findings. When reading material that we directly quote from the transcripts, the reader should remember that in normal conversation, people frequently break off sentences and restart them, so some of the participants comments are not as crisp as they would have been had the participants been given the opportunity to put down their thoughts on paper. Because of this pattern of normal speech, some of the comments have been edited by omitting words so that the sentences flow more smoothly. We took care not to omit words in any way that would change the meaning of any remarks. When words are omitted from a quotation, ellipses (...) are inserted to mark the omission. When a panelist pauses in a natural break in his or her comments, a dash (--) is used. When necessary, explanatory comments are placed in square brackets ([]). A citation identifying the focus group and page number in the appendices follows each quotation so that the reader may examine the statement in context. The labels use 'DEM' and 'REP' for Democrat and Republican, and 'ENV' and 'DEV' for pro-environment and

⁶In California, members of the Democratic and Republican party central committees are elected; that is, central committee members hold elected party office. None of the participants held elected government office.

pro-development, and a number to distinguish the first, second, or third focus groups for each type of group. The page number is at the end of the citation.

In order to simplify the presentation of our findings, we have organized them into six areas--the question of NIMBY responses, the two-sided nature of the conflict, knowledge, the economic impact, perceptions of risk, aesthetic judgments, trust, and emotional involvement.

The Question of NIMBY Responses

Whenever a neighborhood or community group objects to some kind of local development in their area, someone questions whether the objections are part of a NIMBY pattern of responses. Sometimes observers refer to LULU's, or "Locally Unwanted Land Uses" (Popper 1985). Whatever the label, the central question is whether the people who object to the development are being reasonable or irrational and unreasonably selfish.

NIMBY responses to proposed development projects are generally described as extreme opposition to local projects characterized by: (1) limited information about project siting, risks, and benefits; (2) parochial and localized attitudes toward the problem, which exclude broader implications; (3) high concern about project risks; (4) distrust of project sponsors; and (5) highly emotional responses to the conflict (Kraft and Clary 1991, pp. 302-03). The second item in this list--localized attitudes--raises the question of selfishness. The other items raise questions about the reasonableness or rationality of the objections.

Kraft and Clary's description of the NIMBY syndrome comes from a review of the scholarly literature. However, when Kraft and Clary examined opposition to a set of proposed sites for nuclear waste repositories, they found that the conventional description of NIMBY responses was not accurate. Specifically, they found high concern about project risks and distrust of the sponsors, but they did not find low information, localized attitudes, or highly emotional responses (Kraft and Clary 1991, 318). Other researchers have also found evidence that suggests that the only patterns that regularly appear are concerns about health and safety risks and distrust of project sponsors (Hunter and Leyden 1995; Smith and Garcia 1995; Wright 1993). Consequently, we regard the conventional description of NIMBY responses as problematic and a subject for investigation and testing.

Offshore oil development certainly offers an opportunity for a potential NIMBY response. Oil drilling is a local development and it draws a substantial amount of local opposition, which may seem to fit the description of NIMBY responses (see Freudenberg and Gramling 1994). But there are three real questions that must be answered. First, does the opposition offer reasonable, rational objections or wildly exaggerated worries about trivial risks. Second, is the opposition being unduly selfish or is it offering a reasonable argument that the local community is being asked to sacrifice more than its fair share for the good for the nation. Third, does the pattern of opposition to offshore oil development fit the conventional description of the NIMBY syndrome.

In describing the views of the supporters and opponents of offshore oil development in the Santa Barbara area, we will touch on all of the aspects of our description of NIMBY responses. At the end of the discussion, we will revisit this subject, asking both whether the

anti-oil political activists in Santa Barbara seem to fit the conventional NIMBY description and whether the description of political conflicts over local developments itself could be improved.

The Two-Sided Nature of the Conflict

Our first general observation from our focus groups is that although our research design includes four groups of activists, in practice, they often sounded as if they represented only two groups--the Democrats and pro-environmental people on one side, and the Republicans and pro-development people on the other. All of the environmentalists and all of the Democrats were critical of the oil industry and opposed new offshore development in the Santa Barbara channel. The pro-development and Republican activists were not unanimous, but almost all members of both groups supported the oil industry and favored offshore development in the Santa Barbara area.

Of the two sides, the environmentalists and Democrats were clearly the more united. Although the discussions among the Democrats and environmentalists differed in detail, both groups broadly agreed with one another in their objections to oil development. The pro-development activists and Republicans also generally agreed, but one pro-development activist had mixed feelings about oil development, and some Republicans were critical of the oil industry and openly worried about or even opposed more offshore oil development in the Santa Barbara area. That is, the oil industry and local oil development received strong majority support from the two groups, but not unanimous support.

One Republican activist, for instance, began his opening statement by saying, "While I'm in no way hostile to the oil industry, I generally oppose offshore oil drilling in Santa Barbara" (REP-1, p. 167). Another Republican in the other Republican focus group opened his comments by saying, "I don't see oil as a terrible threat in offshore drilling" (REP-2, p. 183), but then remarked, "The problem I see with oil development is industrialization." He then proceeded to explain why the industrialization that accompanied oil development lowered the quality of life for those near the developments. Next he commented that in dealing with oil companies, "In Santa Barbara we've seen some instances of not very good neighborliness" (REP-2, p. 183). He returned to these two ideas--that industrialization brought by oil development was bad and the lack of oil company "neighborliness" throughout the session.

To be sure, these comments represented minority views among the Republicans in our groups, but they also show the lack of unanimity among Republicans. In contrast, the Democrats were unanimous in their criticism of oil development and oil companies. To some extent, these views also reflect public opinion. Although neither Democrats nor Republicans in the general public are unanimous on this issue (or any other), the Democrats generally oppose offshore oil development, while Republicans are divided on the issue (Smith and Garcia 1995).

Knowledge

Our second general observation is about expertise. Broadly speaking, we see three levels of knowledge about offshore oil development. Judging from their comments in the focus groups, the most knowledgeable participants were the environmentalists, the pro-development activists, and the few Republican activists who worked in the oil industry. The Democratic and Republican party activists were somewhat less well informed than the environmentalists and

development activists. We base this conclusion on our observation that the party activist focus group sessions included fewer factual comments and more admissions of a lack of knowledge about particular points that came up in the conversation. The exceptions were some Republican activists who worked in the oil industry and consequently knew a great deal about it (they were recruited for the Republican focus groups because of their party leadership roles, not because of their industry roles).

The third and lowest level of knowledge consists of the general public. We did not conduct focus groups with the public and we have no other direct measures of the public's knowledge about offshore oil development; nevertheless, because of the substantial literature on the public's knowledge about political issues, we feel confident in concluding that all four of our groups knew more than the typical member of the public. Past studies have shown conclusively that the public is not interested in politics, does not follow politics very closely in the news media, and is poorly informed about almost all issues (Delli Carpini and Keeter 1996; Smith 1989). Although few survey questions exist to test the public's knowledge about the oil industry, the few that have been asked of national samples suggest low levels of knowledge. For instance, when asked in 1991 whether the United States had to import oil to meet our energy needs or whether it produces as much oil as we need, only 50 percent said that they believed the United States had to import oil (Delli Carpini and Keeter 1996, 321). Similar questions asked in previous years have shown that a huge portion of the public is unaware that the United States must import oil, despite the fact that we have been a net-oil importer since the 1950s and despite the occurrences of the 1973/74 and 1979/80 energy crises.

We should emphasize one qualification of this finding. We base it solely on our interpretation of the focus group transcripts, on such matters as how many facts were volunteered during the discussions and how technical or complicated the facts were. There was no test of factual knowledge.

This pattern of knowledge we found should not surprise us, especially when we consider the ranges of issues to which these panelists pay attention. The environmentalists, development activists, and party activists who worked in the oil industry paid attention both to offshore oil development and to a range of other developmental and environmental issues such as land-use questions, zoning decisions, air pollution policies, and transportation policies. The attention of the Democratic and Republican activists, however, was spread more widely than the attention of the pro-development and environmental activists. The party activists monitored oil, environmental, and developmental issues, but they were also involved in such issues as welfare, crime, abortion, civil rights, education, gay and lesbian rights, and union organizing. With attention spread so widely, their knowledge of oil development--while greater than that of the general public--was not as great as the knowledge of those who focused on environmental or developmental issues.

We conclude our comments on knowledge of offshore oil development by returning to our initial description of NIMBY responses to local developments. One aspect of the standard description of the NIMBY syndrome is that people who fall into the NIMBY pattern generally have limited information about project siting, risks, and benefits. That may be true of the public in general, but it is certainly not true of the activists in our focus groups. Both sides--including the environmentalist and Democratic opponents of offshore oil development--knew a great deal in comparison to the general public. Moreover, both sides seemed to be about

equally informed-- although we cannot draw firm conclusions on this because we did not ask the participants to complete any formal test of knowledge.

Because Kraft and Clary's description specifically mentions project siting, we illustrate our point by relating what occurred after one of the environmentalist focus group sessions ended. The panelists were still discussing the proposed Mobil Clearview drilling operation. One of the participants described the site of the proposed Clearview project, listed the threatened species on the site, and offered to take the principal investigator on a tour of the site so that the participant could point out the various species and explain the biology of the site in detail. Although we cannot vouch for the accuracy of this participant's information, this level of knowledge is obviously far greater than that implied in the literature on the NIMBY syndrome.

We expect that some readers of this report may object to this conclusion. They may note what they believe to be errors of fact in the quotations that follow or they may even read the focus group transcripts in the appendices and decide that the remarks of the supporters or opponents of offshore oil development include errors. We caution readers of this report against that path for two reasons. First, when examining the transcripts for factual errors, we strongly suspect that guided by their own policy preferences, readers will search out and find more errors made by the people with whom they disagree than by the people with whom they agree. Because many of the factual claims made in these discussions are in dispute, we expect personal biases to confound any attempt to discover which side is more knowledgeable. Second, both supporters and opponents of oil development made factual errors and one might be tempted to argue that our conclusion about these groups being fairly knowledgeable is either an exaggeration or simply incorrect. In response, we should point out that nothing in the literature on NIMBY patterns suggests that the appropriate standard against which to measure knowledge is the level attained by a scientific or professional expert in the appropriate field. (And even if someone were to claim that such a standard is the right one, we should note that both our environmentalist and pro-development activist groups included people with sufficient scientific and professional training to qualify as experts by any standard.⁷)

On the whole, we think our conclusion that the activists are knowledgeable should not surprise many readers. After all, studies of political activists show that they are better informed than the general public. Moreover, common sense leads us to the same conclusion. People who spend a great deal of time and effort attempting to influence policy on a subject such as offshore oil development are bound to learn more about it than people who do not participate actively in the political process.

The interesting point here is that our conclusion conflicts with the literature on the NIMBY syndrome. The critics of a proposed local development in our focus groups are not poorly informed. Moreover, there do not seem to be any obvious differences between the knowledge of the supporters and opponents of these local developments. Of course, we are looking at activists, not representatives of the general public and this may explain our findings. However, we suspect that what we find among our activists will also be true of members of the general public. In support of our suspicion, we would like to make two points.

⁷The people with relevant scientific or professional backgrounds were recruited for the focus groups because they were prominent activists, not because of their technical skills or special educations.

First, many studies of NIMBY effects fail to study the supporters of the local developments. In looking only at the opponents of local development proposals, they get see only half the picture. The implicit comparison is not between activist opponents of a project and activist supporters, but between opponents and the engineers, scientists, and other professionals who favor the project. In short, we suspect that supporters and opponents of local projects are probably pretty much alike--save for the side they take.

Second, much of the literature on risk perceptions indicates that as people become more informed, they do not change their perceptions (or misperceptions) of risk--which lie at the heart of the NIMBY syndrome. Instead, deeply held values, cultural orientations, and other factors govern risk perceptions--and knowledge about the actual risks has little or no influence (Baird 1986; Covello 1984; Duff and Cotgrove 1982; Milbrath 1986; Wildavsky and Dake 1990). In fact, Wildavsky (1991, p. 15) argues that "knowledge of actual dangers makes no difference whatsoever" in risk perceptions. If this is the case, then we should have no reason for assuming that NIMBY responses are partly caused by--or are even associated with--low levels of knowledge. Rather than being part of the NIMBY syndrome, the supposed low levels of knowledge may merely be typical of participants at various levels of local politics.

We shall return to this subject when we summarize our findings about NIMBY syndrome at the end of this report.

The Economic Impact

The various economic impacts of offshore oil drilling received more attention than any other general aspect of the problem. Throughout the focus group discussions of all four groups, economic issues repeatedly came up--more often than health or safety issues, threats to the environment, or aesthetic values. Indeed, one might think in particular of environmentalists as largely ignoring economic issues, but as the transcripts of the environmentalists' panels clearly show, environmentalists were concerned with a variety of economic impacts--including whether local workers would get oil industry jobs, the costs of regulation, the costs of cleaning up previous oil industry pollution, and the impacts of oil development on the local tourism and fishing industries. In short, all of these leaders see economic issues at the heart of the questions about whether and how to develop coastal oil resources.

As noted in the previous section, the four groups generally sounded as if they represented only two positions. In discussing the economic impact of offshore oil development, the Republicans and pro-development activists generally saw economic advantages, while the Democrats and environmental activists mostly saw disadvantages. Looking first at Republicans and pro-development activists, we see that as the conversations moved from one aspect of oil development to another, the economic benefits came up again and again. We can illustrate this with a number of comments from the discussions:

"There is nothing afoot on a national scale that's going to replace oil in the next forty years and what we're doing, essentially, by running around saying, 'Let's stop producing oil in California' is shooting ourselves in the foot. We're killing jobs; we're killing revenue; and we are not giving ourselves an opportunity to use the greatest natural resource we have out there and that's oil." (DEV-2, p. 104)

"Only a few things, and digging things out of the ground, whether it be oil or gold, does create wealth. Which the country and we as individuals all like to enjoy. We have an insatiable appetite for petroleum products, and there aren't that many in this country, at least not that are easily available. So I think we need to exploit them currently." (REP-1, p. 167)

"I keep thinking of the Sultan of Brunei, which I don't think we're going to get to be him, but if they discovered a lot of oil, there could be a lot of money coming in." (REP-1, p. 167)

Democrats and environmentalists also discussed the economic impact of offshore oil development, but they tended to see economic costs and disadvantages:

"The public costs are certainly not covered adequately, ... we are still paying for cleaning up the mess of 100 years ago, 80 years ago, 50 years ago ... every step in the oil development along the coast here has left us with enormous clean-up costs and, of course, there is the daily additional costs here of traffic, health problems, and all these things that oil companies don't pay for; the tax payers pay for." (ENV-1, p. 57).

"You don't have the facts to convince me that developing oil is an economic benefit." (ENV-2, p. 69)

"It concerns me that offshore oil development could actually be very bad for the economy of the South Coast. We certainly pride ourselves on a beautiful, pristine coastline, a very nice environment. When you open up a brochure or watch a video for Santa Barbara that a conference or business bureau has put out, it doesn't list the offshore oil development. So I think it is clearly a threat to our tourism industry by threatening our environment." (DEM-1, p. 138)

"Oil destabilizes our economy, but it makes a lot of money for a very few." (ENV-2, p. 76)

Localism. The advantages and disadvantages seen by the two sides (pro- and anti-oil) were not mirror images of one another. That is, the two sides emphasized different aspects of the economic impact of oil. The most obvious difference in perspectives was that environmentalists and Democrats brought up the local impacts of oil development--especially on tourism and fishing--more than the pro-development activists and Republicans. This observation has to be qualified. Both sides discussed the local impacts of oil development more than state or national impacts, and both sides discussed a range of local, state, and national issues. The difference in emphasis on local aspects of the problem is not huge, but it does exist. Between the two sides, the environmentalists and Democrats were clearly the more concerned with the local implications of offshore oil development.

When discussing the local impacts of oil development, environmentalists and Democrats repeatedly made the point that there were not enough local benefits. This view came out in many ways and on many different specific aspects of oil development. The following comments illustrate this concern about the lack of local benefits:

"The jobs -- for this area, the jobs mostly come from outside the Tri-counties [Santa Barbara, San Luis Obispo, and Ventura] because we don't have a core of people trained in offshore oil development here. Most of it comes from elsewhere and especially when it comes to drilling. Drilling crews -- the oil companies don't drill anything. They hire drilling companies to drill and drilling companies have drilling crews and they come from somewhere else. The jobs are in construction. And construction is temporary because when you put up a building, the job is over. ... Revenue -- public revenue. The companies that are producing oil offshore don't pay any royalty to Santa Barbara County. They pay it to the state, if they're operating in state waters or to the federal government, if they're in federal waters. So the production revenue or royalties do not come to Santa Barbara county expect a little bit, very indirectly -- as a property tax." (ENV-1, p. 60)

"One thing that I used to talk about in my campaign [for public office] was that if you go to that facility [the Chevron refinery in Gaviota] and look at who's working there, you see Texas license plates, you see Louisiana license plates ... You used to see all California license plates ... Over the years the local people have been eliminated so not only do we bear the brunt of potential disasters, of spills out there, and everything associated with the development of oil, but we don't even see the benefits anymore of having people employed out here." (DEM-2, p. 155)

"There's no benefit to the community. We're talking about increasing the jobs. It doesn't happen; it doesn't work that way. The local people, they're not going to go to work in the offshore platforms. The companies take their own employees from other areas and rotate them across the country." (DEM-1, p. 137)

As we noted above, the development activists and Republicans also discussed local impacts. Not surprisingly, they saw more benefits than costs to local residents, as the following comments illustrate:

"One [benefit] is the economics. And I guess it's probably at the top of our immediate list. I believe that the average wage or salary of people in the industry in this area is significantly higher than the average wage or salary overall. So it tends to provide well-compensating jobs. That's a benefit... . Second is the spin-off from that economic activity of -- I don't know if we want to call it the multiplier or the trickle-down effect, but people with good paying jobs -- high paying jobs or relatively high paying jobs -- spend their money. They don't put it in the mattress. And that creates economic activity for people in restaurants and law offices and doctors and dentists and insurance and everything." (REP-2, p. 188)

"This county, with the reserves that we have, could be one of the wealthiest counties in the state. And yet they've [environmentalists] chosen to fight the oil companies through litigation, and that's one of the reasons why the county is broke." (DEV-1, p. 92)

But in addition to seeing local benefits, development activists and Republicans were also more likely to comment on national interests and see benefits to the nation from more offshore oil drilling in the Santa Barbara area.

"I suppose if we were just being very selfish, sort of NIMBY, Not-In-My-Backyard attitude would say, 'Well, don't do it at all.' But the national economy and national security depends upon our country developing its share of oil." (REP-2, p. 184)

"I feel ... that it is a national reserve of oil. It may be a tremendous amount of a natural resource sitting offshore. And it should be used, in order for us to be less dependent on foreign oil. Now getting into some of the benefits. The economy--local, state, national: jobs." (DEV-1, p. 89-90)

"I think that production and exploration to determine additional oil reserves in California and the extent of them are both important. I think it's important to the nation and also important to California. California consumes a great deal of the products of the petroleum industry. In fact, if California were an independent nation, it would be one-sixth, number six in the consumer list of all the nations in the world. California should produce its share and contribution to the United States oil reserves." (DEV-2, p. 103)

"The fact is that California has one of the largest reservoirs of oil in the world. It's oil which is here in the continental United States. It's, as you would say, 'our oil.' I think that rather than our promoting foreign oil and overseas oil, we should be promoting our oil in this country. I know you might say, 'Well, why use up our oil?' It's a matter very strongly of economics. Along the coast of California we have a large reserve and can use that reserve to provide our needs as they exist today, providing jobs, providing revenue." (DEV-2, p. 103)

Even in the case of one of the Republicans who was opposed to offshore oil drilling, national interests came up prominently:

"I would more likely support offshore drilling in Santa Barbara if I believed that were vital to the nation's security. I would support it. But that would be a very hard argument for me to buy in that I don't believe the deposits are large enough, and in the global economy we are in, that oil is just not significant." (REP-1, p. 167)

Fishing and Tourism. Two local industries that repeatedly came up in the comments of the environmentalists and Democrats were fishing and industry. In fact, we treat the two together because they were often connected in comments. There were a couple of comments suggesting that oil platforms provided artificial reefs which helped fish, but most of the Democrats and environmentalists clearly saw oil as a threat to the continued success of both these businesses.

"Oil and gas development also have economic impacts on other industry, on uses such as -- in our area there are conflicts with the tourism industry, with the fishing industry ... The oil spill in the Shetlands totally wiped out the

commercial fishing industry there for who knows how long -- probably decades. So there are severe economic disadvantages ..." (ENV-1, p. 53)

"The City of Santa Barbara -- tourism is one of the two main sources of income. So I think that's the type of thing where you do have a direct economic cost [from offshore oil development] and then there's the ... recreational boating. And then there's the commercial fishing. Santa Barbara is one of the largest exporters of sea urchins, and that whole industry would be wiped out if we were to have an oil spill or even if there's a lot of disruption of the habitat." (DEM-2, p. 153)

"We've made mention of the tourism. Santa Barbara is a tourist town. Make no mistake about it. Second to that is the service industry--the University, the schools. Overall, service, tourism. Without tourists, the town will have problems. Without the beaches, without the resource. It could be disastrous to the economy. The risk is too great, I think, to run the risk of drilling and have a possible blow out ... Not only to the environment, but to people in terms of dollars and cents." (DEM-1, p. 139-140)

The Republicans and development activists saw matters differently. With regard to fishing, several commented that they saw the oil platforms as offering artificial reefs to boost fishing. Others said that they believed that oil spills posed little or no threat to fish or whales:

"Well the environment and the birds and the fish and everything seem to thrive on the -- whatever -- the metal or the steel of the rigs of the frames, and the mussels and everything seem to adhere to it, like artificial reefs when they're still upright. And fishermen, commercial and sports fishermen seem to love fishing around the rigs. And scuba divers love it too because there's so many things down there to see that have adhered to the rigs." (REP-1, p. 168)

"I once saw a gray whale come and lean on an anchor chain in the sea up north and rubbing the barnacles off his back. It was fantastic! He just laid there and rolled across and came back and rolled across again. Animals, I think, adapt very easily." (DEV-2, p. 112)

"There's a lot of assessment that has been done to the benefit that those platforms have as artificial reefs. And now they're talking about taking down some of the platforms in state waters off of Carpinteria, and knocking down those tremendous resources of reefs that have been built up. Artificially, yes, but it's real life that is around those that they have to take out ... They are going to be destroying a resource to revert it back to nature." (DEV-1, p. 93)

With regard to tourism, there was a bit of a surprise--near silence. No one in either of the Republican groups mentioned tourism at all, and the topic came up only briefly in two of the development activist groups--and it came up in one of those groups because the moderator brought it up. In both groups, the panelists completely dismissed the claim that the oil industry has any impact on tourism:

"For some reason ... they tie oil development to impact on tourism. ... They being [California State Assemblyman] Jack O'Connell, when he opposed further

oil development in the channel out here and the people supporting him. And his AB244 [a bill in the state legislature]. He ... passed that on the basis of one of the things which was affecting tourism. Well, there is no direct tie-in between tourism and oil-drilling. There never has been. The thing is that if you look at the history of oil production along the central coast, you could say, 'Well, tourism has grown along with it. I guess people like oil drilling because they come here in larger and larger quantities as the oil drilling has gone ahead and developed.' But that's not true. The two aren't tied together at all. But they try to make a case of it and ... it's totally bogus. It's a red herring." (DEV-2, p. 109-110)

"I think if it would impact tourism that those people that are against oil would be the real cause of the impact on tourism because of their campaign of disinformation." (DEV-3, p. 130)

"I don't really believe that the differential in tourism has been affected because of those platforms out there. It's still a beautiful place to come to visit. In fact, in some places I've heard people commenting how beautiful the platforms look at night." (DEV-3, p. 131)

Given these statements and the silence from the other Republican and development groups, we believe that the Republicans and pro-development activists generally do not see any connection between the oil industry and tourism, and generally do not recognize that Democratic and environmentalist leaders see a connection and regard it as important. That latter point--that pro-oil development leaders do not seem to realize that their critics are concerned about the effects of the oil industry on tourism--is a break down in communication.

Perceptions of Risk

Our focus group moderator specifically asked what risks people saw in relation to offshore oil development. Broadly speaking, the Democratic and environmentalist participants saw a number of serious risks, while the Republican and development activists saw only minor risks and believed that those risks could be effectively managed with current technology. In this area, the two sides differed sharply.

Spills and Leaks. The risk of oil spills from tankers or pipelines surfaced regularly in the Democratic and environmentalist focus groups. Recall that all three of the quotations from Democrats and environmentalists about tourism and fishing highlighted the risk to those industries posed by potential spills. Although none of the comments presents the risks in any precise quantitative way, clearly the focus group participants regarded those risks as significant. The following comments further illustrate the fears of spills and leaks:

"The oil industry prefers to tanker rather than ship by pipeline and tankering--nobody has to argue that point--is extremely dangerous. And there've been a number of accidents in the channel. None of them, I suppose, are described as catastrophic, such as the *Exxon Valdez*, but they have been here and they're usually the result -- well, a combination of poor technology and human error.

That's why we're deadly afraid of letting that kind of activity come into the
NV-1, p. 59)

"The oil industry ... is heavy industry. It carries many hazards and problems with it--spills, H₂S [hydrogen sulfide] leaks, all kinds of heavy development consequences. If they're going to tanker the oil out, you run the risk of gigantic spills like they had in Alaska. So that, in exchange for a very brief boom, which a neighborhood or an area will get, you run the risk of degrading the area permanently." (ENV-2, p. 71)

"We produce food for the people of the United States and, by export, for the people of the entire world. And the quality of the food, whether it's crops, whether it's from ranching, whether it's off of the vine, is highly sensitive and dependent on the quality of the air and the quality of the water and the nutrients or pollutants contained therein; they go through that chain... . And we are threatening our food and water supply -- not just for our region, because our underground water tables are being polluted and, a few years from now, when the courts get done with it, Union Oil -- UNOCAL -- will own the city of Avila Beach because it's so polluted there from their pipes -- not their tankers, their pipes -- that they will have to probably buy every home and building there." (ENV-1, p. 59)

Development activists and Republicans also discussed the potential for spills and leaks, but they clearly regarded such risks as being far less likely to happen than did the environmentalists and Democrats. Moreover, they were more like to mention and express confidence in technological solutions. When asked about the possible costs of offshore oil development, one Republican responded,

"It's hard for me to think in terms of costs of oil development other than in the sense of some potential environmental cost ... The potential is there. The probability is so low that I'm not sure that it's something that should be of primary concern... . The technology has advanced tremendously in the past twenty or thirty years even -- or even in the past ten years -- so that those potential costs are minimized so much that it seems well worth the expense for exploration." (REP-1, p. 169)

"I think that the oil accidents that have taken place have ... been blown out of proportion on a long term basis. There's no question that 1969 when the Union Oil Company blew out was very significant. Many things have been learned. The government has put on more constraints on down-hole procedures and drilling procedures and so forth, and so I think that as we live through those accidents, and certainly we hope that we don't have very many of them, we want to make sure that our engineering is such that we hope we don't have any. But we have learned from those accidents that we have had, and I think we can go down the road." (DEV-1, p. 90)

"There's always impacts, real or perceived ... in any sort of development--the oil company's no exception. The spills, of course, have an impact. Most of those have been shown ... to be rather short term, and don't have long-lasting

or catastrophic effects to the environment. That doesn't mean we shouldn't do everything possible to prevent and mitigate those spills and I think the oil companies do that. Most of the companies now have very strong preventative programs. They have very strong oil spill contingency plans to react and minimize the effect of any spill to the environment. Millions--virtually millions--of dollars have been spent on equipment. And the oil companies are now, for the most part, prepared to handle all but the most catastrophic events at sea, collecting, minimizing impact to the shoreline and to the ecology." (DEV-2, p. 107)

"As I say, my biggest concern is what happens if there is a gas leak. And I don't know enough about the [Mobil Clearview slant-drilling] project for me to come out and be one hundred percent behind it or be one hundred percent of the post at this point in time, but I do believe the technology is here, that wells can be drilled at that length and go down into the ground, under the ocean floor, and back into the oil, where you're not going to have the possibility of having a blowout like Union Oil did in 1969." (DEV-1, p. 98)

"The blowout in 1969 galvanized the anti-oil environmental movement within the country really. Since that time there has been a tremendous amount of new technology advances in well control and design and completion technology of the wells. And since that time there has been so much improvement that the likelihood of an event like that happening has been greatly reduced." (DEV-3, p. 126)

Another line of reasoning that one sees in the Republican and pro-development activist panels is that life is inherently risky. People have to recognize that there are trade-offs. Without accepting some risk, we will not have many of the things we regard as important. The following comments illustrate this point:

"Life's full of risks, especially in energy acquisition. So if we're going to be a major industrialized country, we accept risks." (REP-1, p. 171)

"There are a few extremists who run around and say, 'Well, we have one little blowout of an oil well in Santa Barbara and therefore we shouldn't develop any more oil.' But that's one blow out. We had one failure of a space shuttle. Does that mean we should stop the space program? No, I don't think so. We have a lot of accidents everyday on the freeway: a lot of people are killed. Does that mean we should stop using the freeway? NO. It's a question of what is more valuable to the society as a whole and the society as a whole needs oil." (DEV-2, p. 104)

"Do you really expect to have anything that's free? I hear these people talking like they should never take a risk in their lives, like, why get out of bed in the morning? I mean, the oil business is relatively safe. It's safer than flying an airplane. Flying an airplane is very safe. The thing is that there's always going to be some risk." (DEV-2, p. 109)

"There's risks in everything you do. There's risks in driving down the freeway, parking your car here. There's a risk to trying to find a parking -- I mean, come on! But the community is just obsessed with the negativity of any issue. They [environmentalists] want us to go back to when the Indians, Chumash, were here." (DEV-1, p. 98-99)

Finally, some Republicans and pro-development activists suggested that when oil spills or other environmental accidents occur, they usually are not as bad as the worriers had feared. The outcomes are not catastrophes:

"The actual accidents we have had and the pollution that has been forthcoming from the Union Oil spill, the *Valdez* tanker collision, a few of those things that are highly publicized. And of course, it's like starving children in Bangladesh. The photographers are right there taking the grimmest view of it. And actually most of those things heal themselves rather well in a very short period of time. They're really not the big long term hazards a lot of people would have you believe." (REP-1, p. 169)

"As far as spillage goes, I read something just the other day that if you change your own oil in your car and do not dispose of it properly, you have polluted more than the *Valdez* did off the coast of Alaska." (REP-1, p. 168)

"I look at the risks--especially with today's technology--as almost nonexistent. And even if there is a spill, we shall recover from that." (DEV-3, p. 127)

"I don't think I see anything at Leadbetter Beach [where oil poured ashore in Santa Barbara] these days from 1969." (DEV-2, p. 104)

Earthquakes. In addition to spills and leaks, a risk peculiar to oil development in California is the potential for earthquakes. The more obvious risk here is that an earthquake could damage an offshore oil platform or sever an oil pipeline, causing a leak. Several environmentalist and Democratic panelists mentioned or alluded to such risks:

"I'm almost completely against offshore oil drilling in California. I see it as first off geologically, sort the incorrect thing to do here, particularly after you watch what's happened in Japan and our earthquake of a year ago in southern California. To realize that they want to start poking holes in the ocean floor and putting these platforms up out there and the chance that they could sway and the chance that they could get knocked over and the chance that they could spill--geologically--it's a huge mistake and you end up with huge oil spills." (DEM-2, p. 151)

"If they get the oil, there's all the risks involved in doing something with it. You either stick it in tankers and tankers collide and go aground. You stick it in pipelines and pipelines take out tons of terrestrial ecosystems to get to the refinery and pipelines rupture, like the Northridge quake." (ENV-2, p. 79)

"Pipelines get destroyed or damaged by earthquakes and that's another source of potential trouble, so continued or increased development just means increased risk." (DEM-1, p. 144)

Another aspect of the dangers of earthquakes that came up is the possibility that oil drilling activity and the removal of oil from under the sea might cause earthquakes. This possibility was mentioned in one of the environmentalist panels and one of the Democratic panels. There was no extended discussion as occurred on other topics such as jobs, fishing, or tourism, but the existence of these worries is interesting. In the comments below, we also see that the worries about earthquakes are related to distrust of the oil industry and the sense that the people do not know enough about the consequences of oil development. In one panel, the idea was brought up by one person and a second agreed that the possibility should be taken seriously:

"Also, some other costs that I could see, possibly, is the instability of our coastal region, just geologically. That an over-excess of drilling, of puncturing the surface, of -- especially off the coast, where the coastal floor is relatively unstable -- that could have impacts on our geological security. We have fault lines running all through here." (ENV-2, p. 75)

"I'd just like to support what ___ just said about the geological risks because they're one of the risks that we just plain don't understand. We don't know what we're playing with. And whether continued withdrawals of subsurface fluids out of the channel is going to provoke more and more earthquakes is a really good question." (ENV-2, p. 75)

The discussion returned to earthquakes again when a discussion of the natural seepages of oil into the ocean and onto the beaches shifted to worries about possible earthquakes:

"We don't know ... how much the seepage has been affected by development and the pressurized kind of drilling that we're doing, so it's hard for us to know what the impacts are. But it's the same thing as -- what are the long term impacts of offshore drilling to the formations that we know that are already destabilizing? Is it going to cause more seepage or not? Is it going to cause more earthquakes on shore or not?" (ENV-2, p. 76-77)

The comment in the Democratic panel about earthquakes included a reference to "some talk" about it in the community. In other words, the speaker claimed that this had been the subject of community discussion, rather than an original thought from the speaker. The comment also showed distrust of the oil industry.

"The earthquakes of 1981, '82, the Goleta earthquake. Some talk was made that they were manmade. The oil level's lower, of course. To bring them up, what they do is they pump salt into the oil wells themselves. The salt will settle to the bottom and crystallize and push the other oil, the oil level up, as it expands -- the crystal expands. It causes problems. The information is there, but the industry is not going to release that and let us know that they were the ones that caused the earthquakes." (DEM-1, p. 140)

On the Republican and pro-development side, there was again silence. Earthquakes did not come up at all. There were no comments about earthquakes potentially causing oil spills or about oil development activity causing earthquakes. Given the number of comments about technological solutions to various dangers, we assume that the possibility was earthquakes

causing spills or leaks was regarded as trivial because offshore platforms and pipelines had been engineered to be earthquake-proof. We also presume that no one believed that oil drilling could cause earthquakes. Again, we have an area in which the two sides of the debate were not responding to one another's concerns.

Aesthetic Judgments

One might suspect that aesthetic judgments lie at the heart of the resistance to the oil industry. After all, the platforms and associated onshore facilities are industrial sights in the midst of what virtually everyone agrees is a stunningly beautiful area. But to most of the participants, aesthetic issues did not seem to be a driving concern.

In only one case did a participant specifically say that the ugliness of the platforms caused his opposition to offshore oil drilling. That participant was a Republican activist. Two other Republicans responded. The first agreed that the platforms were ugly, but said that this was not an adequate reason to oppose offshore oil development. The second claimed that they were beautiful, although later in the discussion it became clear that his view stemmed from the money and jobs they brought to the area.

"I am specifically opposed to offshore drilling in Santa Barbara. That opposition primarily stems from an aesthetic opinion. That I find the rigs blight what is one of the most beautiful locations in the country." (REP-1, p. 167)

"I guess I agree with _____. Agree a little bit in terms of the blight of the rigs out there in the channel, but with modern technology minimizing the risk to the environment, and with the potential for the horizontal drilling rather than the oil rigs, I think there's some valid reasons to support oil development in our channel." (REP-1, p. 167)

"I would take issue with _____ there. I think ugliness is in the eye of the beholder. I've always thought these offshore oil rigs, particularly at night, are like little jewels sitting out there." (REP-1, p. 167)

In general, Republicans and development activists tended to regard the platforms as inoffensive or even beautiful at night. Comments about the lights on the platforms at night came up regularly and generally were a target of praise:

"I think they're beautiful. Certainly they're not as pretty as mountains. I don't find them particularly offensive." (REP-2, p. 192)

"When I first came to Santa Barbara as a freshman at UCSB and walked out to the cliffs one night and looked out there and saw those platforms, I thought they were absolutely romantic. Being 18, you feel romantic all the time, but actually there used to be an old television show called 'Mr. Lucky' and it was about a fellow who ran a gambling operation on a big boat and it all glittered at night. And that's what it made me think of at night." (REP-2, p. 192)

"The platforms in Santa Barbara have been done tastefully. ... They're not aesthetically intrusive." (REP-2, p. 183)

Democrats and environmentalists mentioned the platforms far less often. They mentioned the topic when the moderator brought it up, as she did in every panel, but they quickly moved on to other aspects of offshore oil development. When Democrats and environmentalists did mention aesthetic issues, they generally indicated that they did not like the sight of the platforms, but few of their comments about the platforms were about their personal reactions. Instead, they often related the sight of the platforms to the tourist industry. There are a number of brief references scattered throughout the Democratic and environmentalist sessions about "visual resources" or "aesthetic resources" that are tied to the tourist industry. In other words, they did not explicitly argue that the coast's beauty should be protected for its own sake or for the sake of the local residents who see it every day, but for the sake of the tourist industry and the jobs it brings to the area. One of the remarks we quoted above about the economy explains the connection:

"It concerns me that offshore oil development could actually be very bad for the economy of the South Coast. We certainly pride ourselves on a beautiful, pristine coastline, a very nice environment. When you open up a brochure or watch a video for Santa Barbara that a conference or business bureau has put out, it doesn't list the offshore oil development. So I think it is clearly a threat to our tourism industry by threatening our environment." (DEM-1, p. 138)

More commonly, when Democrats and environmentalists spoke of the beauty of the coast and the tourist industry, they mentioned the possibility of an oil spill destroying the beauty and ruining the local economy. The beauty or ugliness of the platforms in isolation from its economic value was rarely mentioned and did not seem to be a central issue.

One environmentalist rejected the entire notion that the sight of the platforms was a serious matter. To him, the sight of the platforms was a side issue that distracted people from the critical issues:

"There's something about the edge [of the continent] that magnifies the implications of any potential development that will have an impact on that edge. And by 'impact on that edge,' I mean a whole lot more than this bullshit about whether you see an oil rig or not and how much difference it makes if you don't see an oil rig on the water. I mean that level of discussion is so trivial, I get really impatient when it's even brought up because to my mind, it's a part of the Big Game to keep people from talking about real issues." (ENV-2, p. 70-71)

In sum, we conclude that these political leaders, pro- and anti-oil alike, do not regard the appearance of the platforms to be an important issue. In this respect, our findings match the findings of other studies of the NIMBY syndrome, which have found that people's aesthetic judgments were not the causes of their opposition to various local proposed projects (Freudenberg 1984; Hunter and Leyden 1995). We should also add that this implies that Mobil's Clearview strategy, which focused on removing an offshore platform and making the view more beautiful, did not address an important concern of local political leaders.

Trust

Most scholars believe that people's trust in various sources of knowledge (for example, government and industry spokespeople, and scientific experts) plays a key role in whether people worry unnecessarily about potential risks (Covello 1984, 1992; Laird 1989). If trusting people are told by government spokespeople that some potential hazard is extremely unlikely to occur and not worth any attention, then they will feel reassured and ignore the potential risk. Their information will be more accurate and they will make their decisions more rationally. However, if people do not trust government spokespeople or scientific experts when they say that something is safe, then the expert statements will have no effect on people's perceptions of risk or attitudes toward the proposal in question. People who do not regard experts as trustworthy, therefore, will be more likely to exaggerate risks and irrationally fear minuscule risks. For these reasons, distrust of project sponsors has also been identified as a critical aspect of NIMBY response patterns, as we noted above (Kraft and Clary 1991). In short, trust is a key variable that theoretically helps to explain responses to proposed projects such as offshore oil development.

Comments either openly voicing mistrust of the oil industry or implying a lack of trust were scattered throughout the Democratic and environmentalist focus groups. Moreover, no one in any of these groups defended oil companies or suggested that they were being unfairly criticized. All the participants seemed to share the view that the oil companies' promises about safety could not be taken at face value, as the following comments illustrate:

"I guess I just don't trust the corporations that are engaging in this exploration and drilling in terms of really following through on the kind of safety procedures and testing that they would need to do before they just go in there and start pumping the oil." (DEM-1, p. 137).

"You're talking about technological claims. Unfortunately, the petroleum industry has always made tremendous claims, including those about their vessels, their safety. And I would say that in any of those cases the best thing to do is to find if there is such a person or persons -- a group of totally objective, independent experts to evaluate those claims. I don't think we're capable of evaluating them. But I think that we have ample ground to be suspicious until the validity of those claims is actually proven by objective people." (DEM-1, p. 146)

"I see oil companies as a sort of bad guys -- citizen bad guys -- They haven't proven themselves worthy of the chance to exploit what's off our coast and what belongs to the state and the nation." (DEM-2, p. 151)

"Since this part of corporate America doesn't seem to attend to its problems and show us that it can handle the problems we've brought up time and again -- 'we' meaning the neighbors in every part of the coastline and every part of the country -- we have no real solid ground on which to trust them and to appreciate much of what they say... . They try to impress us and we can't find much ground on which to work with them. So the whole perception, of course, then is colored by ... what they have shown us in the past. It's not been a clean industry; it's not been a very honest industry; it certainly hasn't been a very safe industry." (ENV-1, p. 51)

A few environmentalists also expressed some mistrust of the Minerals Management Service (MMS)--the federal agency responsible for regulating offshore oil development. MMS did not come up as a topic in either of the Democratic groups. There were a few references to government regulations and regulators in the Democratic groups, but none of them seemed to refer unambiguously to MMS. The environmentalists did not offer many comments about MMS, and their comments were clearly not as hostile toward MMS as they were toward the oil companies. Nevertheless, at least a few participants regarded MMS with a measure of distrust:

"The other people who are interested [in drilling more oil wells] is the Minerals Management Services. That's the federal agency that's interested for the same reason the oil companies are--to make money. So to me, the question is, should we develop offshore oil in order to make money so that these two interests ... can make money? ... Of course the people who are giving this information [about community impacts], largely these agencies are promoting it, are telling us, 'Well, we need oil.' Well, first of all, I question the fact that we need any more oil development. I think the people who are telling us that are the people who are making money. And the people who sell you Twinkies aren't going to tell you that they're going to make you sick, you know?" (ENV-2, p. 69)

"Although we can sit and look at the facts and analyze ... more EIR stuff on offshore development, what I'd really like to see is us look a little more to the future, you know, especially from agencies like Minerals Management Development. They been responsible for a lot of degradation, both oil and mining and drilling." (ENV-2, p. 85)

The one other interesting comment about MMS came from a Republican who was quite critical of offshore oil development. He, too, like the environmentalists regarded MMS as an adversary:

"What I see is a lack of cooperation between the feds and local agencies. They tend to run roughshod when they come into an area like Santa Barbara and say, 'Well, we're gonna set the agenda. We want the oil; we need the oil. Get out of the way.'" (REP-2, p. 186)

So far, the pattern of mistrust looks as one might expect based on the literature about NIMBY patterns. Those who oppose the local oil development do not trust the oil companies or the government spokespeople who seem to support the oil companies.

Trust in Project Critics. We have examined the extent to which the Democrats and environmentalists trust the project sponsors and the government, but we have yet to consider the responses of the Republicans and pro-development activists. When we turn our attention to those who favor more oil development, we see that many of their comments are quite similar to those of the opponents of oil development--except that they distrust a different set of people. The supporters of offshore oil distrust environmentalists and others whom they see as

opposing them. Indeed, many of the supporters of offshore oil see their opponents as extremists, kooks, or political manipulators, as the following comments illustrate:

"Probably one of the greater risks that we had locally was from the throngs of anti-oil demonstrators that cause traffic accidents and caused public fights, and things of that nature that back in the early 70s were a major problem for us. (REP-1, p. 170)

"We have a lot of people, particularly in Santa Barbara, who don't have to work for a living, or if they do, they don't work in things that I would call the really productive areas of our economy. We tend to be highly service-oriented and here you have a university, which is -- I'm not too sure. I don't want to be derogatory, but you have a group of people here who are not involved in the real world, let's say. Not to say that you don't do an important function. But as that kind of people ... come along in the world, they are the ones who comprise most of our environmentalists--people who don't have anything else to do." (REP-1, p. 175)

"The problem is with UCSB and the crowd from Montecito. Their income is not tied to the local economy. They are not living in the real world economy. They don't care what happens to the local economy. For the most part, they're living a kind of isolated, island-mentality existence." (DEV-3, p. 130)

"It's [Clearview] simply such a great idea to me ... Of course, it's already generating all kinds of opposition. Of course, the forces that are against it would be out there, but I think there's a certain element which would be protesting regardless of how safe it was, how clean it was, how unobtrusive it was. There's still going to be a group of people out there opposing it. Because there is an element of people who oppose oil per se and the industry per se." (REP-1, p. 177)

"It's part and parcel of an overall mentality. That there's not-in-my-backyard syndrome. There's a no-growth mentality in this community. There's a radical environmental movement in this community. ... I would just come down on the side of our scientific and technological prowess in terms of what we've been able to accomplish. I just am not a Chicken Little. I don't automatically do things because something may not work out the way we would all like it to. I just think that's a little hysterical." (REP-2, p. 193)

"I think that people are ready for a change. As we've seen, the pendulum has been to the extreme since 1969, and county policy has been dictated by a small, vocal group in this community, and I think that it's time for change, and I think that people realize that. I think if you ask the average person, they would say, 'Let's work with oil companies, and don't fight them.'" (DEV-1, p. 99)

"When I think of offshore oil, I think of basically two big areas. The first is that it is a very sensitive political issue, particularly California, and it's used by politicians in general to basically manipulate opinions and votes rather than to

be used for what it should be--the economic advantages that are potentially there." (DEV-2, p. 103)

The evidence that supporters of offshore oil distrust their opponents does not contradict any findings in the literature on NIMBY syndrome. Indeed, the literature on the NIMBY syndrome does not include any investigation of this subject. Previous investigations of trust have looked either at trust in the corporate sponsors of projects or at the government, which was the sponsor in most cases (for example, nuclear power, nuclear waste dumps, etc.). Researchers have not looked into questions about trust in the environmentalists or scientists opposing projects.

Yet when one considers the question of trust on both sides, our findings seem perfectly sensible. A little observation of politics at virtually any level suggests that a basic characteristic of political disputes is that neither side trusts the other--and that includes the so-called experts that the other side offers to support its position. The literature on NIMBY responses makes that point clearly about opponents of local projects; we wish to add that it our evidence suggests that it also applies to the supporters of local projects.

We do not wish our argument to be exaggerated. We are not suggesting that experts never have any influence because their advice is always mistrusted by the other side. Expert advice can obviously have an impact on what people think. But to say that experts can persuade people some of the time is not to say that experts are always believed all of the time. In that gap lie questions of credibility and trust.

Our finding about the two-sided quality of lack of trust brings up a question about the role of trust in the NIMBY syndrome. Most studies of NIMBY responses have found that distrust is a key variable which predicts strong opposition to proposed projects. That view has not gone unchallenged. Margolis (1996, 28-32) argues that the conventional argument that a lack of trust in experts causes exaggerated perceptions of risk can be turned on its head. That is, perhaps the facts that people have exaggerated perceptions of risk and that they realize some experts do not agree with them causes those people to distrust the experts. Instead of trust causing perceptions of risk, perhaps risk perceptions cause trust.

We do not have the data to sort out the direction of the causal path between trust and risk perceptions, but we believe that our findings make Margolis's argument more plausible. Our conclusion is this. Instead of a lack of trust being a characteristic only of people who are strongly opposed to a local project--that is, only of people who are caught up in a NIMBY syndrome--we see it as being characteristic of being involved in local political disputes. If further investigation supports this conclusion, then not being a trusting person does not make one more likely to oppose local projects. Rather, the role of trust depends on which groups one trusts and which one distrusts.

Emotional Involvement

The final aspect of the conventional description of the NIMBY syndrome is that it entails highly emotional, and often highly personal responses to a situation. We are somewhat less confident about any conclusions on this point because we are not certain that a focus group among elites would reveal emotional responses as well as other research methods.

Nevertheless, insofar as we were able to judge from our focus groups, all the group participants were highly interested in offshore oil development and committed to their principles regarding the subject. There were some references to personal experiences or personal situations, but not many. Moreover, personal references were not offered as explanations for the participants beliefs or behavior. The focus group discussions were not characterized by emotional appeals or personal anecdotes that might pull at one's heart strings. Instead, they were policy discussions. Finally, both opponents and supporters of offshore oil development seemed quite similar in the extent of their emotional reactions to the issue. There does not seem to be any basis for distinguishing the two groups. In sum, we find little evidence to support the claim that NIMBY responses are driven by emotional responses to issues.

6. Summary and Concluding Comments

We will summarize our findings by returning to the conventional description of the NIMBY syndrome. NIMBY responses to proposed development projects are generally described as extreme opposition to local projects characterized by: (1) limited information about project siting, risks, and benefits; (2) parochial and localized attitudes toward the problem, which exclude broader implications; (3) high concern about project risks; (4) distrust of project sponsors; and (5) highly emotional responses to the conflict (Kraft and Clary 1991, pp. 302-03). Our findings contradict the conventional description on two of the five points, but strongly support it on another and suggest that two points tell only half the story.

We did not find that the activists had limited information. We must qualify our finding about knowledge because we used no formal test of knowledge about offshore oil development; nevertheless, we believe that the transcripts clearly show a fairly high level of general knowledge about the subject among the anti-oil activists. Given that our focus groups consisted of activists, this is exactly what previous studies of political knowledge tell us we should expect. In fact, we find nothing that suggests the existence of any special relationship between NIMBY responses to local projects and knowledge.

We found that the opponents of oil development emphasized local aspects of the problem and that they did so more than the supporters of offshore oil development, although the difference was not large. Moreover, the opponents of oil development did not focus exclusively on local issues; they also brought up broader implications. So on this point, the conventional description of NIMBY responses seems exaggerated, but not wrong. However, the conventional description of the NIMBY syndrome tells only half the story because it ignores supporters of proposed local projects. When we compare supporters and opponents of offshore oil development, we find only small differences in the extent to which they emphasize local impacts. Both supporters and opponents of offshore oil development emphasized the local impact of oil development. Consequently, any characterization of the supporters as being people who take the broad view, while critics focus narrowly on local issues would be false. In short, all of our participants--supporters and opponents alike--were local residents and all of them emphasized local issues. This hardly seems surprising, but it does not fit the conventional description of the NIMBY syndrome.

The third point in the conventional description, that project opponents are characterized by high concerns over risks, is strongly supported by our investigation. Moreover, on this point, the supporters and opponents of offshore oil development differ sharply. The supporters saw low risks and believed that the risks could be mitigated by technology; the opponents saw substantial risks and did not believe that technology could be relied upon to save them.

Our evidence also strongly supports the fourth point, that project opponents distrust project sponsors. But here the conventional description again tells only half the story. The supporters of offshore oil development strongly distrust anyone who they believe does not agree with them on the issue. In short, neither side trusts the other.

Finally, we found no evidence to suggest that the critics of offshore oil development were especially emotional in their thinking. They may have been driven to activism because of emotional reasons, but their arguments were not stated in emotional terms. Moreover, once again the supporters and opponents of offshore oil development seemed similar to one another. If the opponents are to be described as emotional, then so should the supporters.

The conventional description of the NIMBY syndrome has not fared well in our study. It has two sorts of weaknesses. First, our evidence does not support it on all points. Second, by looking only at opponents of local projects and ignoring the supporters, the conventional description tells only half the story. Once the supporters are brought into the picture, we see that supporters and opponents are similar. This similarity suggests that in order to understand some aspects of what has been described as the NIMBY syndrome, one ought to look at the dynamics of local political disputes.

The one and only part of the conventional description of the NIMBY syndrome that stands out both as being confirmed by our evidence and as distinguishing supporters from opponents is perceptions of risk. Supporters and opponents of offshore oil development held widely differing views on how much risk offshore oil development entailed and whether the risks could be technologically managed. In fact, the label NIMBY may tell us little other than that a local political dispute exists and that the key element of the dispute is about the risks associated with the proposal.

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**APPENDIX I:
MAP OF SANTA BARBARA COUNTY OIL AND GAS
FACILITIES**

INSERT MAP OF SANTA BARBARA OIL
FACILITIES

APPENDIX II:
EXPLANATION OF FOCUS GROUP TRANSCRIPTS

EXPLANATION OF FOCUS GROUP TRANSCRIPTS

When reading the transcripts, the reader should remember that in normal conversation, people frequently break off sentences and restart them, so some of the participants' comments are not as crisp as they would have been had the participants been given the opportunity to put down their thoughts on paper. Because of this pattern of normal speech, some of the comments have been edited by omitting words so that the sentences flow more smoothly. We took care not to omit words in any way that would change the meaning of any remarks.

When the moderator or panelists referred to one another by name or when the name of a company or organization was used in a way that would identify a panelist, an underscore () is inserted. When other significant words are omitted from a quotation, ellipses (...) are inserted to mark the omission. No marks were used to indicate trivial omissions such as the words "umm" or "ahh." In addition, when a panelist said a word, but then immediately changed it, the transcript shows only the final sentence. For example, if a panelist had said, "I went down to Carpenteria -- ah -- Summerland", the transcript would read, "I went down to Summerland." When a panelist pauses in a natural break in his or her comments, a dash (--) is used. When necessary, explanatory comments from the editor are placed in square brackets ([]).

In the Report, a citation identifying the focus group and page number in the appendices follows each quotation so that the reader may examine the statement in context. The labels use 'Dem' and 'Rep' for Democrat and Republican, and 'Env' and 'Dev' for pro-environment and pro-development, and a number to distinguish the first, second, or third focus groups for each type of group. The page number is at the end of the citation.

APPENDIX III: PRO-ENVIRONMENT FOCUS GROUP 1

Env1. Environmentalist Focus Group 1.

M: We'd like to begin by asking you to take 3-4 minutes to write down what your personal opinions are about drilling off the California coastline and after that we'll go around and have each of you make an opening statement as to what you think about offshore oil development off the California coast. So if you would take 3-4 minutes just to jot down your thoughts on this topic and then we'll get started.

[pause]

P: Sure. First of all, offshore oil reserves are a very valuable national resource and it's a scarce national resource. And the present direction for leasing and exploiting that resource, as we've seen in the last 15 years, was as a result of the Arab oil embargoes in the 1970s. And the purpose of granting those leases at that time was to make the United States less energy-dependent on overseas oil and to assure that all of the offshore oil that was developed in the United States was used for purposes of domestic consumption and domestic support of domestic industry. And one of the questions that we've encountered repeatedly here is trying to get assurances that from companies that have invested a lot of money and have leaseholds in federal lands off the coast that the oil that they extract will, in fact, be used for domestic markets. The question that we've raised—and unfortunately, most of the oil companies are very reluctant, legally and on paper to give those assurances, which raises concerns here—and that's part of the question with Chevron about, you know, tankering. Put it in a pipeline and it goes to Oklahoma or Texas to refine and you're pretty certain that the oil is going to be refined and utilized in the United States. You put it on a boat on the Pacific Rim and when the price in the East Asian spot market is much higher than it is with American refineries, the chances are that it's going to vanish.

The question that's been raised, I think, by conservationists throughout the country—not just here in California—is, although we recognize this as a very valuable and increasingly scarce resource, is it to the national advantage to develop all of that resource which is limited and not replaceable now, or is it to the greater national interest to keep those proven domestic reserves for such time as other sources of energy and oil are not readily attainable by the United States? And that was something that was heavily debated by Congress and the White House at the time that they made these leaseholds available in the 70's and early 80's. Part of it was, of course, they wanted to get some income, which they always need, but part of it is what is best for the long-term interests of the United States.

And I think when we look at this valuable resource, we kind of look at it in a three-way split. And the energy companies always prefer to ... They have to go and get the oil because of national needs and national priorities. And, as I see it and groups that I've worked with see it, there are actually three, four different sets of interests here. And one are strictly the local, parochial interests—those who are immediately facing offshore oil platforms or would be adjacent to an onshore refinery, for instance, which are personal problems or you might call them NIMBY problems. The other one are regional needs. This area is very heavily dependent, for instance, on commercial fishing, on retirement, on tourism. And it's not an insignificant portion of our economy throughout the entire central coast of California. And so what happens is you extract oil which has a genuine value both for the United States and for our general balance of trade, but the impacts of noise, aesthetics can have a potentially very serious adverse effect on the regional economy where we live. And we are American citizens. Our tax dollars are being taken to give these leaseholds to degrade our environment. And I know people have seen what's happened in Alaska. We see what's happened in Louisiana, where robust fisheries have been completely destroyed. The wetlands have been destroyed and not replaced. They have the highest cancer rate in North America because of the exposure to uncontrolled petrochemicals in every step of the refinement process. And we're concerned about those things.

The third thing that we think about is that we not only have a question between the national needs and our own regional needs, which are a little bit different, but we want to distinguish that the national needs for energy self-sufficiency are not the same thing as corporate needs for short-term profits. That the corporations which have taken a chance—they made a speculative investment in buying leaseholds—their desire to make a

profit is not synonymous with the long-term national needs of the people in the government of the United States. And it's no more so than a private investor who goes to Oklahoma or Texas and invests in a wildcat oil operation. You know. Sometimes you come up with a dry well and you can take it off your taxes as a loss, but no one expects that someone will say, "It's a national priority that you must strike oil and get rich."

We think in the same way. The mere fact that companies have invested speculatively in leaseshares off the coast doesn't necessarily mean that the corporate interest is identical to the national interests. And the national dependency on different types of energy is always changing and evolving and we've reached the point now with more fuel efficient cars, with cleaner smoke stack industries where we can actually get more utility on a national basis from conservation than we can from exploiting the offshore resources. I think that we recognize, however, that this is such a valuable resource that at some point it will be developed and I think we have always been concerned that this be done in the cleanest and safest manner possible, consistent with a fair and reasonable profit for those who have bought the leases. That doesn't mean, you know, they have to go broke. It doesn't mean that they have to make windfall profits. But what we expect is that at the proper time for development of these resources—and that may or may not be now—it may be twenty years from now, it may be fifty years from now—maybe never that it be done in a clean and safe manner and that this is a national responsibility as well as a corporate responsibility.

And we've been concerned over the years that, while monitoring and enforcement of commercial on and offshore oil operations has been especially rigorous on the local and county and regional level, and until recently, on the state level, that the degree of federal interest has waxed and waned depending on the administration and a particular department and how much budget they have and how much staff they have and what kind of court decisions they're having. And this focuses in three particular areas: one is operations—are they safe and clean and non-polluting? The second is that, as we found out after the *Exxon Valdez* and as we had testimony even in Congress at the beginning of this year—in the event of a major offshore oil spill, there ... in bad weather ... there is still no combination of technology or human resources that can guarantee even a moderate assurance of a clean-up and containment. So that means, you know, we're gambling with the entire ecosystem of this part of the West Coast—the flora, the fauna, the jobs tied to it, the people which have long-term residual impacts. There are areas from the *Exxon Valdez* which still have not recovered, even though they're going into court. And that finally something that we're just coming up to with some of the older wells here and that is, how reliable are the guarantees for proper clean-up and dismantling, once the individual leaseholds have been commercially exhausted? And I think we recognize that, you know, oil was first discovered here almost 100 years ago and there have been different periods when oil has been commercially harvested and exploited, so this is ... these new leaseholds in the channel, you know, aren't something that just popped up over night.

But we are still troubled locally. And we, locally and in the state, bear the costs of cleaning up the pollution and the buried deposits from the chemicals and from the oil exploitation by private companies from 50 and 75 years ago. We're still cleaning that stuff up every time a freeway goes through or a big office building had to build a sub-foundation in the coastal areas near where this was happening. So we're concerned how these things are going to be utilized.

So, as an individual, I hope that the exploitation of the leaseholds happens later rather than sooner. But if it's going to happen sooner, we'd like to see an immediate nexus to the needs of the United States rather than the needs of the corporation and assurance—both from the companies and from the US government—this is done in a clean and safe manner. And, I guess, that's probably where I would start off.

- M: Thank you very much. You've certainly raised a lot of questions. I'd like to come back and rejoin some of these issues as we move on. ___?
- P: Well, I think I'll go home now because ... I came into the process like a lot of folks do—ones who are dubbed NIMBY'ed by people who aren't. And I think the neighbor-to-neighbor approach will show as I'm speaking. What we end up doing is finding out something's happening in the neighborhood and we start asking questions, which is like reinventing the wheel. Many times, we don't know what we have to ask or where we

have to go. And in the process, over a period of time, we find out how little reliability, accountability there is in this part of corporate America. And we find out locally, regionally, and nationally what their records are and we don't find a lot to make us feel comfortable.

When that happens, the neighborhood network starts happening. And that's hard to stop. And I think that Santa Barbara county probably is a good place for anyone to try to see how that works. It hasn't stopped for, what is it—decades, generations, maybe centuries now. So it's really disturbing to imagine that the drilling question keeps coming up without any of the old problems being attend to first. And, since this part of corporate America doesn't seem to attend to its problems and show us that it can handle the problems we've up time and again—"we" meaning the neighbors in every part of the coast line and every part of the country—we have no real solid ground on which to trust them and to appreciate much of what they say. So that's where ... that's one problem. They try to impress us and we can't find much ground on which to work with them. So the whole perception, of course, then is colored by fact—by what they have shown us in the past. It's not been a real clean industry; it's not been a very honest industry; it certainly hasn't been a very safe industry; and the public is real interested in things like property values, safety issues and aesthetics too.

Now in our neighborhood, we're real interested in the fact that it's not just offshore oil. It's an offshore facility going to onshore. They want to bring the thing from out there to right amongst us in our houses, neighborhoods and child care centers. They want to bring it here, that which is out in the platform now. They want to bring the platform onshore, tell us that's better somehow, and the we have to deal with the problems close in.

We, what are they going to do when they bring it in? They're going back out there, underneath the sanctuaries, into the channel. And it's ... in our area that does go forward. What is going to happen to the tidelands of California generally? We have a concern about the kind of precedent-setting nature of what's going on here. And it doesn't seem to mix—like oil and water doesn't mix—to bring this to our part of the coast. And unfortunately, there are not too many places where they can easily bring offshore oil onshore without doing that these days. There's precious little area left for them to maneuver that isn't going to elbow right into the neighborhoods and into the open spaces and into the preserves of the little bit of coastal open space there is left that's being preserved. That's a problem; that's a serious problem—a priority. Because, in terms of national, state, local priorities, we do value our natural resources.

Here in California, it's pretty obvious that we have some great natural resources. We, ... our dollars depend on it, our fisheries, our tourism. But we really depend on it as human beings living here as well. We don't respect an issue that comes that comes foisted upon us, that says, "That doesn't matter. We're coming anyway." And we have, up to now, I agree with ____, that we have had an opportunity here to see good regulation, but now we're also seeing some problems with how we're going to see the regulation done in the near future and we're not, maybe, feeling so trusting in that respect either.

So the public is out there, not very happy with the trend. We're also noticing that energy trend is supposed to be away from using fossil fuels. This doesn't show us that that's happening at all. And it shows the lack of really true long-range planning for all of us, including up to a national priority. So it's not much of an energy program up there, apparently.

M: When you're saying, "Up there" you mean ...

P: In Washington.

M: Washington or corporate headquarters?

P: Washington in this case.

M: And when you say, I mean, ... You've used a couple of times "NIMBY." What do you mean by that? Is that an acronym for ... ?

- P: It's an acronym and it means, "Not in my back yard."
- M: Okay. You've brought up the issue of neighborhood watches or neighborhood constant vigilance. Are you, either one of you, residents over the past 10, 20 years or so? I haven't gotten a sense of how long you all have been active in this area.
- P: In this area?
- M: In Santa Barbara, or in California. Have you been active for 10, 20, 30 years? How would you characterize yourself?
- P: I remember when I was four years old, my dad warned me not to try to drink any of the motor oil in an open can he left open in the driveway.
- P: Well, that counts!
- P: So that's probably the original source of my interest in the industry. But I'd say my interest and involvement was intellectual and visceral probably going back to the mid, early-70s simply because of the destruction that had been caused by the 1968 oil spill off the coast here, which was and is the most serious oil spill ever inflicted on the lower 48 states. And I think that that got ratcheted up a couple levels of consciousness, both intellectually and emotionally through the 1980s when big oil discoveries in the early 80's were made in the channel and a lot of new leases started going out and instead of having the 3 or 4 or 5 platforms that, you know, we always were used to, we were looking at the possibility of 20, 30. You know, at one time we were talking about 50 or 80 or 100, depending on how many the companies chose to put down. So I'd say my level of interest over the last 12 or 15 years has been much, much higher.
- P: As for me as an activist in the area I now live in, five years. Activist in the sense that I actually went out and started talking to the neighbors and joined them at some meetings and ended up helping further the networking issues on oil and other issues.
- P: Well, I've lived on the channel about 38 years—most of it in Santa Barbara, part of it in Ventura County. And the last 20 years, I guess, or more, 25, very actively involved in the whole offshore oil activity in a number of different capacities. Speaking strictly about California and offshore oil, which goes back 99 years—we're on the verge of the centennial—it should never have happened. Period. It did happen, however, and we are where we are. We're not ten years ago or even yesterday. It'll never be earlier. And I think it should be phased out just as rapidly as it can practicably be done, but we're being trapped into constantly discussing oil industry plans for the future and should it be done this way or that way? Well, I'm a flat-out opponent. And I say, it should not be done. It should be phased out.

For 100 years, we've had offshore oil development off California, most of it off Santa Barbara county. It's been a disaster every step of the way. Even when everything has gone well—and it very seldom has—but even when everything operates exactly as it should, the oil industry is a polluting and degrading industry every step of the process, from geophysical exploration to stepping on your starter and the dozens of steps in between. As least as early as 1970, it was obvious we had to replace oil, fossil fuels, as a source—main source—of our energy. But we've had no leadership on that in the public sector and very little in the private sector. By this time, we could've had the oil monkey off our backs. But nothing, virtually nothing, has been done. A little bit on automobile engine efficiency—it's still a grossly inefficient kind of locomotion and I think what has to be done now, should have been done 20 years ago, is establish an energy policy that uses alternative fuels; efficiency in whatever source you use; and certainly conservation. And alternatives, not only alternative fuels, but alternatives to fuels, such as communications. The communications technology we have today is simply miraculous and it's only the beginning and that can replace so much of our useless traveling in this archaic transportation system that we have. But again, very, very little political leadership in that direction because petroleum companies finance a good part of the political campaigns. Nobody in office

You want to ...?

P: I've been involved in environmental issues for probably most of my life. I've been involved in offshore oil and gas development issues since the early 1980s, since I became aware of the current threats facing Santa Barbara County. I've been a resident here since 1975 and became aware of the current proposals for further oil and gas development here, became involved with groups that have worked on environmental issues since the 1969 oil spill and became more aware of the history of oil and gas development here in Santa Barbara.

I see the problems with offshore oil development on varying scales. I think ___ has done a very good job of explaining the very local, specific impacts of oil and gas development and the same problems exist on a global scale. There's no scale of oil and gas development that is compatible with the environment or with health and safety or with our quality of life—whether we're talking Santa Barbara County or we're talking in Russia. Any kind of oil and gas development will have environmental impacts.

There is no way to produce and develop this resource without having environmental impacts—whether it be a planned impact, like certain air emissions, or an unplanned impact from accidental spills and leaks—there will be environmental impacts. And the corporate world has decided to accept that. Unfortunately, the governmental sector has also chosen to accept certain levels of impact, but I think that the public would not share those acceptable levels—levels of acceptance.

Oil and gas development also have economic impacts on other industry, on uses such as—in our area there are conflicts with the tourism industry, with the fishing industry, possibly with the growth and enhancement of the university here with respect to the Clearview proposal. The oil spill in the Shetlands totally wiped out the commercial fishing industry there for who knows how long—probably decades. So there are severe economic disadvantages as well in the private sector. There are always impacts to quality of life and health and safety. There is no way to prevent that.

So these conflicts occur at any level and I think what we need to realize is that there's a balance between the private good and the public good. And we need to make choices, and the public has to get involved in those choices because the private sector is very strong in lobbying for their interests and the public sector hasn't

been as strong. So I think when something happens like the 1969 blow-out or the *Valdez* oil spill, public education and awareness and, you know, even vocally expressing concerns, increases, but then it dies down after a while and we need to perpetuate the public's awareness because I do think that the public interest suffers in the face of the private activities.

As other panelists have mentioned, there are much cleaner alternatives and whether they're talking about alternative fuels and technology or simply conservation and efficiency, we don't need to perpetuate the oil and gas development. We don't need to have these impacts to the public sector and to the environment. And we need to push in those directions.

What concerns me is this. I think there's a misperception of public opinion and that's why I'm glad to participate in this. I participate in a lot of community outreach activities on the issue of oil and gas development as well as specific projects and invariably someone in the audience says, "Well, how many of us here drove our cars to this meeting?" and goes on about how we all have to take responsibility and, as long as we keep driving cars, we're going to keep needing the oil and gas. Well the opposite is true. The reason we drive cars is because our choices are limited. Anyone who comes to these type of meetings and forums and rallies would love to not drive their car. They would love to have the zero emission vehicle. They would love to have better bus transportation. They would love to be able to bicycle safely. But they don't have those options. I would go out and buy a solar car in a second if I could, but they aren't available. And the reason they aren't available is because of the industry.

really find out what the public does feel and be able to have that communicated on the same level as the private interests are communicated. What I see right now as the two main threats are the emergence of new technology and the emergence of new support for natural gas development. And the new technology is what we're facing here locally as a pilot project in the context of Clearview, where areas off our coast that were thought to be off limits because they were either protected in the sanctuary or there was no feasible way to access the reserves now with new technology, those reserves can be accessed physically or technologically by industry. And so areas that we thought were safe now from oil development are no longer safe. And so we have a whole new generation of battles ahead of us. And the same goes with the issue of natural gas. If we are to convert to natural gas as a fuel source, we're basically just giving oil companies another generation of exploitation. So I think those are the two main threats and I don't think the public supports either of those.

M: Thank you very much. And then, we can come back to some of the costs and some more of the issues that you've raised in just a second. Did you want to say ...

P: Thank you. I've written my thought down and I think ...

P: ____, now we'll get into ...

P: I'd just like to register my objection to being the last one having to say something new. I've only become active in this since I became aware of Clearview, although my sympathies have always tended to lie in the environmentalist side of issues. I'd like to repeat the things that I think were particularly important.

First, there is significant, unnecessary damage being done to prolong an unsustainable industry. We're going to have to change eventually. I think we should do it now rather than later. I think oil-based industries and industries that are surviving as a derivative of that are probably the most damaging industries on Earth and will continue to be so, unless some terrible nuclear catastrophe occurs.

Related to that, I think there are significant questions about the economic prudence—long-term economic national interests of continuing on the path we've gone on. I don't see it as clearly being in our own best interests to do this.

Thirdly, locally, as you raised, there are health and safety issues that aren't being considered sufficiently, I think. All those issues have been raised already and have been spoken to, but now I can speak to them.

One other, I think, has to be emphasized and that's something that's not prudential in any sense, it really doesn't deal with human interests at all, but rather interests of other sentient beings. My specialty is ethics and the more I study, the more difficult it is for me to find a relevant distinction between ourselves and other sentient creatures. And I think that, if that is correct, then I think there's a moral imperative to stop doing this type of damage to our environment. And I think the moral imperative has to override any—questionable at best—economic and prudential concerns.

M: Since you're currently a student, are there any particular interests that the university has brought up that hit on ethics questions?

P: Yeah, well, there is a task force, as you're aware, and they tried to get feedback from the community. This was a task force. And the task force was pretty much opposed to going forward with this proposal. The concern or the limit to that being that they were afraid that if they were too adamantly opposed to it, they'll lose control over it; whereas if they work with the oil company a little bit, they'll be able to exert some influence. From the community, there were a number of letters sent into the task force and all but one—there were perhaps 30 or something like that—were adamantly opposed to going forward with this for health and safety issues, quality of life issues.

M: Thank you. Did you want to rejoin the conversation or should I ... Was that part of your opening statement?

P: I'm sitting here thinking that ... First of all, I'm thinking ... for bringing up what was, I think, probably my original reaction to oil issues when they hit me a few years ago here in Santa Barbara. And that is not to just keep the conversation, as we often feel it's necessary to do, in the terms that corporate America takes or that our politicians take it. We find ourselves so often constrained to sound logical according to the powers that we perceive are out there that have to control a decision-making process. We're always talking about dollars and trying to equate things to that. But ___'s right. There is an ethical imperative here as well. There is a gut understanding here that what's going on is wrong on every level. It is damaging to an entire ecosystem. And time and again those who like to get a profit without regard to that like to ignore the whole term "system." They don't like to see "ecosystem" anywhere. They don't like to talk about connectedness. They don't like to talk about biodiversity. They don't like the whole idea that we're in a network—whatever level network it is, whether the sentient level or whether it's simply that we are all reliant on one another for health. It's pretty simple to take a look at it from all those levels and notice that no matter how you tweak it, everything's going to shake. And the oil industry has a tendency to shake everything up. It doesn't every seem to come out right.

M: The first topic I want us to get into a discussion about—and you see it in many of the topics you've been introducing—is the issue of costs. What are the costs or what you see as the costs of offshore oil drilling?

P: I'd like to approach that from three different directions. First of all, even the *Wall Street Journal*—which usually doesn't have a lot of truck with conservation and environmentally-oriented people—increasingly in their editorials, as well as in op-ed pieces from Fortune 500 executives, has postulated that in the generation to come, one of the most productive and revenue-efficient growth industries that the United States will have, both for domestic production and overseas export, with or without ... and with or without NAFTA, are industries springing up to clean-up and try to remediate the effects of prior pollution and industries that are springing up to allow us to utilize energy, and systems less dependent on energy, more efficiently. And we're even seeing federal studies that are indicating that if the government—I'm talking about now federal, but it's the state as well—began to put tax credits and incentives and deductions for individuals, for businesses, for industries to shift to new technologies, to cleaner technologies, to more conservation-oriented technologies—even on the same level that they support the petrochemical industry through things like what used to be called the oil depletion allowance and various tax credits, that such a significant portion over the remainder of this

decade of individuals and industry would shift over to those cleaner, more efficient areas, that the need for exploiting our offshore oil reserves would be greatly diminished.

So in terms of costs and benefits within the economy—not just regionally, but nationally—the real golden eggs which are yet to be harvested are in research and development of newer, cleaner technologies that are safer and also for technologies to clean up the mess that we’ve already created over the last 100 years.

In that regard, I think one of the other panelists, it might have been a question you gave to ____, was there a critical juncture where things at least in this area turned around for me? I think it was in the period between 1979 and 1981. There were two modes of thinking in Washington and in the state in the decade after the offshore oil blow-out and the era of oil embargo. And one was, “Well, we can’t get the oil from the Middle East. Let’s find it elsewhere and let’s develop it as an immediate substitute as quickly as possible.” And so we looked at solar; we looked at nuclear; we looked at oil shale; we looked at energy from other kinds of resources—renewable, nonrenewable—whether we could save more by conservation, you know, what we now call telecommuting, delivery rather than going out, carpooling, whatever. And Congress and the White House under Ford and under Carter in his early years launched a number of programs which began to do a lot of demonstration projects. When inflation heated up late in the Carter administration and they had to bring costs down, and he was diverted by an Iranian hostage scandal, many of these programs were jettisoned. When Carter lost to Reagan and Reagan came in with a new mindset—and Reagan, of course, had been heavily financed, both in his races locally as governor and in his federal races, by the petrochemical industry—and the rest of these tax credits and these experimental R&D programs were pretty much jettisoned. And as I look back over these last 15 years, I agree with ____. If we had pursued these, the chances that we would even be worrying about whether or not to do sophisticated technology to extract offshore oil from sensitive areas—which is what, you know, ____’s talking about with the Drillview project—would not be coming up. And I’d like to just get on the record for our friends at MMS that I notice that the briefing book you’re carrying has this seal of the People of the United States of America and it has the name of the United States Congress on it. And I noticed in the *Wall Street Journal* that the Atlantic Richfield company, better known as ARCO, which is considered within corporate personalities in the energy industry to be one of the more progressive and benign corporations—you know, they were into philanthropy until recently and whatever—they were listed as the Number 2 business or industry in the entire United States for funneling soft money and contributions for federal candidates in the last election. Number 2 in the state of California. They were the leading contributor of soft money and PAC money to our charming, chameleon friend, Assembly Speaker Willie Brown, in 1992 and 1993. And this is not an isolated circumstance for ARCO. If you follow the *Wall Street Journal*, if you follow *Fortune*, if you follow *Business Week*—you know, I’m not talking about *Sierra Club Bulletin* although it’s wonderfully well written—you will see that the industry councils and study groups for the automobile industry and the petrochemical industry have invested literally tens of millions of dollars in local and regional lobbying and in candidate contributions to block development of cleaner alternative fuels and technology. We’ve seen it just within the last couple of years where they’re trying to block mandates from the EPA to develop electrical cars and transit systems with renewable energy.

M: You may want to address the question about costs of offshore oil development. It seems like you were implying, as ____ was saying, it’s really the other industries that experience the biggest cost. Do you want to elaborate on that or maybe react to what ____ was saying about the corporation interest in the investment and political leadership by these corporations?

P As far as costs to other sectors of the community, as I mentioned, there are costs to other businesses, either because they are put out of business locally ... There are certain areas off our coast where the commercial fishermen just can’t fish any more because there’s too much interference with their vessels and their nets from the oil facilities and the crew boats, etc., etc. So there’s some direct losses because other industries just

The tourism industry is affected because we need the aesthetic and quality of life attractions. And if people hear about oil spills here, they’re not going to come here. If people come here and get tar on their feet,

they're not going to come here. There is an impact that people aren't even aware of that is a little more subtle, which is that the oil industry eats up regulatory resources. The best example is the area of air pollution. We have very strict air quality standards because we need to maintain certain air quality based on state and federal standards. And to attain those standards or to maintain them, we have to limit additional polluting sources in our county and if we decide that we have "x" number of tons of emissions that we can permit for the year and a huge oil facility comes in, it's going to eat up 80% of those allowed emissions. You have all these smaller businesses which may not be very polluting in and of themselves competing for that tiny remainder. Some of the current businesses aren't going to be able to stay. A lot of new businesses aren't going to be able to come here because they cannot establish a new operation and satisfy the countywide air quality standards.

So there's a lot of ways that costs are pushed onto other industry. Ultimately, a lot of costs are pushed onto the public when there's a major accident or spill because even though we have stricter liability requirements and insurance requirements, the actual clean-up and restoration costs and response costs far exceed what the oil companies contribute so the public at large pays a quite a bit of the cost of clean-up and recovery and restoration.

M: Did you have -- ?

P: I wanted to add to that the answer from the public – and I hesitate to say I'm representing everyone in that word, but – the answer isn't necessarily, "Oh, then let's just scotch those regulations, make them go away so that we don't have to worry about all this." That's not the answer. We know why we have regulations. We need them. Why do we need them? Because corporations are not taking care of this on their own. We need them also for our own health and safety – and that's the only reason you want government around anyway, is to take care of those things.

So the answer isn't to kick the knees out from under our regulatory system – it's not to take and pay-off politicians to go out there and ignore the rules that we live by – to lessen the air quality, for example. That's not the answer. And I think it's important for MMS or anyone else to know that the public isn't satisfied necessarily with that kind of answer. We put out by vote and initiative that we want certain things here – we want them that way. It's about time that the oil industry, for example, upholds those things that our local politicians aren't bought off to ignore those things. That is something that won't go away – the public isn't

M: I think you have the strongest statement that oil – off shore oil development shouldn't occur ever occurred. What would you characterize as some of the costs of it having occurred at all?

P: One of the things that amazes me is that Santa Barbara County is one of the – I'll get back to your question – is one of the toughest and it levies more costs, fees on the oil industry here than probably any other governmental agency in the world. Just to file for an application to do something for a permit, for no other purpose other than filing for a permit, costs tens of thousands of dollars. I don't know quite where it is not, but it is tens of thousands and maybe hundreds of thousands of dollars, just to file an application for a permit to do some off shore activity.

And yet, with all these costs, and there are all kinds of special fees that oil companies paid here that they have to pay nowhere else in the world just to cover the costs that the public would have to otherwise cover – and yet their profits here are obviously substantial. Now I feel that if these – and their philanthropic contributions are substantial – write offs – if the corporations were adequately taxed, we would have that money in a general fund and not a special fund for all the oil companies – both in terms of the federal, state and local governments and we could do all the things that we now cannot do because we don't have the public revenues.

In that sense, the costs are better covered today than they used to be. They are certainly not -- the public costs certainly are not covered adequately, but we are still paying for cleaning up the mess of 100 years ago, 80

years ago, 50 years ago – every oil – every step in the oil development along the coast here has left us with enormous clean-up costs and, of course, there is the daily additional costs here of traffic, health problems and all these things that oil companies don't pay for, the taxpayers pay for.

M: ____, did you want to address the costs of offshore --?

P: Yeah. I think everyone's nailed everything so far. I think maybe it should be reemphasized what potential industry as well as actual industries are affected, what industries might be developing – I'm sure that those industries would like to come into existence eventually, because oil's not going to last forever. So we're making ourselves less competitive, I think, for the future and re the point I made earlier – I think, again, we have to look more broadly. Costs are now seen almost automatically in terms of dollars and cents, but a little more broad based, as you said, in terms of quality of life, health, and safety – all right, those are costs. And then again more broadly still, other beings and their pain and suffering, I think is just as relevant too.

M: We hit on some of the risks in answering the question of costs, but maybe we can focus in on what are some of the risks that each of you see and maybe some of the things that have come up already in the national interest. What else – what other risks, specifically, do you see associated with offshore oil? You've hit on a few, but if there are others that you might have missed or you want to include now, it would be a good time. Some of the risks involved in even exploring offshore oil.

P: The one thing that mainly comes to mind that I have read something about in the task report is the possibility of sulfur dioxide release. Is that right?

P: ...sulfide.

P: I guess there are potential health risks that are very serious.

P: It's fatal.

P: What is it specifically or what does it do or --?

P: Hydrogen sulfide is a gas that naturally occurs in certain oil formations. A lot of the formations off Santa Barbara's coast include H₂S in the oil reserves and so as the oil is produced H₂S is produced along with it and H₂S is a deadly gas. It can be deadly levels as low as 300 - 1000 parts per million. It's the gas that smells at very low levels like rotten eggs, but at about 300 parts per million, the first thing that the gas does physically to your body, physiologically is, you lose your sense of smell. So you cannot smell it when it's at a deadly level. You have no idea what you're being exposed to.

The H₂S levels in the Ellwood field, which is the reserves for the drillview project are as high as 20,000 parts per million. So, clearly, if there's any kind of a leak of H₂S, it will be deadly. And there's quite intensive use of the area surrounding the facility site, both in terms of the residents and the schools, but also recreational users. Chevron facility up the coast has very high H₂S levels as well. Levels up there get to about 9-12,000 parts per million and one of the things we're trying to get Chevron to do right now – and we're working with the county and MMS on this – is we're trying to get chevron to re-inject the H₂S at the platform because that's where the production occurs for the Chevron project is at the platform and then all the gas and oil are piped onshore. Well, if they can separate the H₂S at the platform and re-inject it, you don't bring that safety risk on shore.

With a project like Drillview and, you know, what I was describing as this new technology of extended-reach drilling, we don't have that safety option because the production is on shore and there's no way you can prevent the reintroduction of this deadly gas from residential neighborhoods and coastal communities so that's another reason why this type of technology is unacceptable because, as ____ was saying, it brings all these risks right home to roost and right in people's backyards, literally.

Another major risk, of course, is tankering of oil and we have fought that battle with Chevron and its partners for a number of years and ____, representing our coalition before the County Board of Supervisors and the Coastal Commission and other agencies – we have done rather well in getting – not everything we want, which is no tankering at all – but we got permits that have very strict conditions in them and the most recent permit that Chevron got, Chevron could not meet those conditions and they asked for all kinds of waivers and exceptions and extensions. The Coastal Commission finally said, “Nothing doing.” And right now, they are not tankering. The tankering that’s done along the coast here now is very, very slight – almost nonexistent. But the oil industry prefers to tanker rather than ship by pipeline and tankering – nobody has to argue that point – is extremely dangerous. And there have been a number of accidents in the channel. None of them, I suppose, are described as catastrophic, such as the *Exxon Valdez*, but they have been here and they’re usually the result – well, a combination of poor technology and human error. That’s why we’re deadly afraid of letting that kind of activity come into the channel.

M: We’ve isolated a great many of the costs and risks so far with this industry. I just wanted to focus our discussion. Maybe we could explore maybe some of the benefits that ... Did you want to add something? Before we do that topic, did you have something else to add?

P: I seem to have the function of the P.S., right? Yes, there is. There’s another one. And I was getting ready to laugh – it’s so grim – but it is funny. When you look at all the risks we’re starting to enumerate and then you go back to see what had been offered to us as a panacea or a mitigation for any given project lately, it’s always to give us another risk.

To get rid of the off shore risk, they’re going to give us an on shore risk. To get rid of an on shore and tankering risk, they’re going to give us a leaking pipeline risk. There is no place ... that hasn’t got a risk factor or a history of risk. I would just add my extra little P.S. comment here with the pipeline risk..

I live in a neighborhood that has – is laced underground with old pipelines. I know that the county people, with all their artfulness can’t extract a map of all the old pipelines and we know that statewide, that’s an issue right now. I live close enough to watch Mobil now working on – recently testing their lines. And strangely enough, within weeks or maybe a month or two of that test, they are feeding a permit-exempt project to replace all those pipes in time, maybe for that drillview application it seems. But I want to know, when they put in all those pipes, what’s wrong with the old pipes? What’s in the ground under our houses, our streets and in our open spaces out there. And no one will tell us this. I suspect it’s not safe as they’d like us to think. And that’s a major risk because, again, it’s a residential area and any time anyone digs, constructs and removes pipes or builds more houses or anything else, they’re going to run into pockets of pollution down there and we don’t know where and we don’t know if the aquifers are affected. We don’t know and they are not telling us. That’s a major risk and they’re not making the public very happy with the way they’re handling that either.

P: I think about risks that are even more basic. If we had another oil embargo – there was no gasoline at all for our cars because what little we had was shunted to industry and national defense, people could do as they do in Athens and Mexico City, where you can only – during the smoggy season – drive your car every other day or every third day. They’d either walk or bicycle or take the bus or car pool or just hang out. On the other hand, if people didn’t have food or water, within a very short time, they would become sick and die.

And we ignore the fact that, even at the end of the twentieth century, one of the three largest industries in our county is agriculture. We produce food for the people of the United States and, by export, for the people of the entire world. And the quality of the food, whether it’s from ranching, whether it’s off the vine, is highly sensitive and dependent on the quality of the air and the quality of the water and the nutrients or pollutants contained therein, they go through that chain.

And the oil industry – even with the best safeguards we’ve been able to devise at the end of this century – and, as ____ said, you know, you look at the permit costs, I mean, they’re extensive – has the highest level of health risk associated with it of any major industry in the United States today, with the possible exception of

the tobacco industry. And we are threatening our food and water supply – not just for our region, because our underground water tables are being polluted, and a few years from now, with then courts get done with it, Union Oil – Unocal – will own the city of Avila Beach because it is so polluted there from their pipes – not their tankers, their pipes – that they will have to probably buy every home and building there.

Then, 5 or 10 years from now, as people's health is affected from polluted drinking water and polluted water on the beach, there's going to be another round of things where Unocal will own several of the larger HMOs in Southern California and because of their leaking pipes at Guadalupe dunes, Unocal will make the Nature Conservancy probably the wealthiest conservation group by the end of this century simply because of the litigation costs on conservation lands.

But beyond all of that, ... chemical products that go through before refining and after refining are highly associated with known carcinogens and the changes in the federal law – every month you'll pick a daily newspaper of record and see these little classified ads which Mobil and ARCO and Chevron and Exxon and every place else say, "The law requires us to let you know that, you know, our business involves carcinogenic

The risk of health and cancer to the oil workers on and off shore is much higher than the population as a whole. The risk of cancer to residents and to people with depleted health – seniors, the chronically ill and children – is much, much higher in communities which are sponsoring heavy petrochemical extraction or refining for the population as a whole. I mentioned that the lower part of Louisiana, where oil has had carte blanc for the last 60 years, since the time of ... is the highest cancer rate in the United States. So, when you're talking about risks, it's not just economic risks in terms of supply and demand.

When you look at the cost to the gross national product of ill health to the people who work in that industry and whose lives are cut short prematurely and the enhanced risk to the community – to the children, to the average people – those are risks – I'm sure the actuarial tables exist for it, but you – as ___'s saying, you know, from an ethical point of view, you almost can't put a dollar value on it. And so, you know, we're looking at risks to our food supply, our water supply and our public health. And, to me, beyond any lost jobs or lost markets or whatever, those are three key risks that you can't trade off on for any amount of money.

- M: It isn't exactly an easy segue into this, but I was wondering if you might be able to hit upon any benefits to off shore oil drilling. For instance, jobs are often touted as a benefit. Perhaps we could start with ___.
- P: You mentioned, you know, what are the benefits earlier, so I jotted down three things I can think of that the industry always proposes or suggests as the benefits and they are: jobs, public revenue and energy.

The jobs – for this area, the jobs mostly come from outside the Tri-counties because we don't have a core of people trained in off shore oil development here. Most of it comes from elsewhere and especially when it comes to drilling. Drilling crews – the oil companies don't drill anything. They hire drilling crews to drill and drilling companies have crews and they come from somewhere else. The jobs are in construction. And construction is temporary, because, when you put up the building, the job is over. The job of management and maintaining an oil enterprise is very capital -intensive, very few jobs involved. And much of it is high skill. You are sitting there watching dials and gauges and switches and so forth and this is how oil fields are operated, once you have the structure in place. So there aren't many jobs available for the local economy in oil development.

Revenue – public revenue. The companies that are producing oil off shore don't pay royalty to Santa Barbara County. They pay it to the state, if they're operating in state waters or to the federal government, if they are in federal waters. So the production revenue or royalties do not come to Santa Barbara County, except a little bit, very indirectly – as a property tax, whatever, is constructed on shore. But that's as much as the – I believe the county can put a property tax on structures in state waters. And that's always a battle, because the companies don't want to pay and the county thinks they should. But under Prop. 13 and Prop. 4 this revenue is very, very limited.

The energy thing, we've gone through very intensively here. This is not the kind of energy we want. The odd jobs, revenue and energy – for the revenue thing, let me say this too, that property tax revenue doesn't pay for the public services that the industry demands of the county. That's why all these extra fees come in, like this ... funds and other things. So this is revenue, but it's revenue that falls short of saying the bill for what the county is required to provide in services and goods. So all of these – and, of course, well – these are the three benefits that the oil industry says are available and they all fall short of doing the county any good or doing the state any good.

P: You all are shaking your heads. Did you have any other to add --?

P: And while I am on a roll here, I want to emphasize something ____ said. We're always wondering what are we going to do with the county economy with losing military contracts, etc., the economy is going into a slump. I think that the major industry of the next generation, once we get into it, is going to be cleaning up the mess we've made in the last 50 years – not only from the oil industry, but from chemical industries and the nuclear industries. These are going to cost hundreds of billions of dollars and I have argued in this county for a couple of years for recruiting industries that are into this kind of thing because we go an awful lot of clean up to do tight here. We're either going to pay industries, corporations from outside to come in and do this, or we can pay our own corporations, is we establish them here, to do these things, as well as going out and getting contract from other areas which need clean-up.

P: I'd like to touch on the issue of waste management jobs. It could be construed that the more waste we produce, the more jobs we would produce, because there is bigger waste management industry and I think we have to keep in mind that there's no net creation of wealth through this, right? It's as if the oil industry puts us in a hole and then we pay somebody to fill the hole back up. So I don't think there's any net gain, net growth of the waste management industry.

P: If someone wants to go sailing, I will say that a real, but exceedingly minor benefit of off shore oil development are that the platforms themselves – not the oil that comes out of it – just the physical existence of the platforms, make for good off shore reef and good fisheries, but this would be equally true and probably true to a higher level if there were no pollutants and poisonous materials coming out of them. It's just their physical presence of the structures in the water and then the fact that the feds require them because they're so dangerous if they should be hit by a tanker or a low flying plane, to be lit up like Christmas trees that they make very excellent navigational aids when you're sailing or boating. [laughter] But compass technology is probably such that we could do without the latter.

P: I would really just like to tack on, as with the economic benefits, there are economic prices that go with that. Same thing with the energy benefits, there are prices that go with that. We may attain energy through the production of oil and gas but the downside is that for us to use the energy is polluting, for us to use the energy causes air pollution and global warming. So there are no benefits from oil and gas development that aren't associated with risks or adverse impacts as well.

M: Coming to the close of our session. Maybe we can wrap it up by getting a summary statement from each of you. You've hit upon quite a few things. Perhaps you could mention the others things that we didn't discuss yet, or close with thoughts that you haven't expressed yet. Would you like to start from this end?

P: First I'd like to object to being the first person. [laughter] Speaking from the position of being a member of the university, we're trying constantly to recruit the very best faculty as well as graduate students and undergraduates students. And there are plans for a number of housing units for potential faculty members out there. And I imagine a great deal of money is going to be spent to put them up. And the attractiveness to potential faculty members will diminish significantly if Drillview goes on.

P: One of the most fascinating things that I've noticed is in about fifteen years of intense activity since the recent discoveries were leased and begun to be exploited, is really how little permanent visible presence or benefit this industry has had for the local economy or the local community, the public weal. With one or two

exceptions, there was a woman named Joselyn Kemp in the mid or late-eighties who was very resourceful in moving charitable philanthropies from one of the companies into local institutions for a couple of years 'til she was killed in a plane crash. But most of my friends in the oil industry who actually do the permitting process or who actually work the fields and the platforms are all brought in from other parts of the country. And in the long run, all of their income and savings and revenues, both for the companies that retain them as well as for the various individuals, go back to where they live or they're headquartered. And talking to most of them, even in the early 80s when there were small groups from Philips, which is no longer here, from Exxon, and from Chevron, they're coming in from Oklahoma, from Texas, and from Alaska, Louisiana. They couldn't wait to get out of here. And not because they don't like Santa Barbara, they just didn't feel comfortable in southern California at all. And with the exception of ARCO and Chevron, most of the headquarters of these companies are out of state, so the people and the equipment and the infrastructure come in from out of state. The experts and the workers come in from out of state. The money flows out of state. When you look at the permanent edifices that they've constructed, it's a great industry. And you look for the great museums that they've built or the great public monuments or the housing or the clinics ... I don't see the Exxon wing at Cottage Hospital. I don't see the Chevron cancer treatment center at St. Francis Hospital. The only evidence that they've been here is the detritus of their industry. You see the leaking pipelines up North. You see the profusion of the platforms in the channel. You see the ugly refinery of Chevron as you go up the coast, which they promised us would not be visible from the highway. Just the industrial infrastructure of a visitor who has come in and taken their money out. And the long term benefit that I see to the community for fifty years of intensive exploration and permitting and development has really been fairly nil. And on a positive or a neutral side. So I find that very fascinating.

- P: One of the things that strikes me is that my vision, as we conclude this discussion, is that we are reminded every day of this intrusion. It's not like having one facility out in Goleta that the people in the neighborhood see. Everybody in this county sees it every day. You see the platforms; you see the onshore facilities. I had a friend out from Washington, D.C. a week ago and we went kayaking and walking on the beach and one day she said, "Isn't there anywhere we can go and not see these platforms?" And it's in our face and not just the visual, but also the constant crises in the industry. Our office tends to get a lot of phone calls because we're in the phone book under 'environmental' and we get calls weekly about "I smell this near the Ellwood facility," or "I was walking on the beach and there was a pipeline spill." It's one problem after another and it's not going to stop at the current rate. It's going to perpetuate. We need to stop it now. We need to clean up this area and give it back to the people.
- P: I think one of the public costs, and there are many, is the time that the cities and the county staffs and their governing bodies have to put into planning for and arguing with and wrestling with, and accommodating the oil industry. The oil industry is paying for it in a sense, but it isn't really paying for the time that is required, that is taken away from county governmental structure or that could be put into other things. We have many other problems that need this attention.
- M: ____, your concluding comment?
- P: Right. Well, some months ago I was called by a member of a new staff that came in from Mobil about the Clearview, or what we call the Drillview, project, asking me if I wanted to go on a site tour. My first reaction was, "No way. I don't want to go near there. I don't believe you. I don't trust you." Then I thought, "No, no, no. I'm supposed to be a good neighborhood activist. You don't go closed minded to your doom. You go and you listen first, and then you do your decision making." So I went. We got fed. We got treated to breakfasts and lunches. We got put in a beautiful bus and taken to one facility after another. We were taken through the facility with hard hats. Look what I did to my hard hat [participant shows group her hard hat.] They gave me the best education their money can buy—boots, hats, a nice ride, a beautiful discussion, very nice people to talk to and a very well-planned itinerary. They didn't let me wander off and get lost in places I wanted to go or anything. And then we got out in the water and took a beautiful boat ride around Platform Holly, which is far more fascinating close up than it is from shore. You got to see the sea lions jumping around off the buoys. And you saw the marvelous little bubbles come up that they always say is natural. Everything that smells and stinks and sticks to your feet in this county, according to the oil companies, is

natural. Always. Anyway, we got back from that trip and had a great lunch, too. And they asked for our opinions. And this is my opinion: I like my hat and I appreciate my hat. But public education it ain't. I'm afraid they'll throw money at us to try to tell us the things that we know already. No we don't have good jobs coming from this. No we're not getting great health benefits from this. No this is not the answer to our energy crisis. But they will tell us that over and over, as if repetition is the truth. And the public is real tired of that. We'll get it. And unfortunately, we'll get it over and over. And my point is , we'll just keep standing up and having the neighborhood meetings. We'll just keep standing up, and with no trouble at all. One day last year, we stood at a supermarket and we got nearly 600 signatures from people. All we had to say was, "This is likely to come. The little we know is this: do you want this kind of thing in your neighborhood? And the answer was, "No." It's not hard to see that people can educate themselves with facts. I just hope that MMS believes that too.

M: Thank you very much for your participation. And I think that wraps up our discussion.

APPENDIX IV: PRO-ENVIRONMENT FOCUS GROUP 2

Env2. Environmentalist Activist Focus Group 2

M: We're interested in -- as Eric was saying -- we're interested in what you think about off shore oil drilling in general. There is obviously the specific instance of Clearview being proposed right off the campus here. You might use that as an example, but we're interested in painting as broadly as possible about off shore oil drilling off the California coastline. Because we're interested, as Eric was explaining, the film isn't actually part of what we sent to Mineral Management Service. What we send is the written transcript -- and the recordings of the written transcript rather. But the specific product that we're trying gather this morning is the written transcript and for that reason, and because we'd like to actually engage you in a discussion amongst yourselves -- not necessarily in a series of exchanges between the Moderator and the Panelists.

I'd like to set up a few ground rules so that we can make sure that we have a clear tape of what you'd like to express. So, first of all, since we do want a discussion and not a series of exchanges and so on, I'd like to have one person speak at a time. And also it's basically for the transcription, that the tape becomes confusing if more than one person speaks at a time and so on. Secondly, if you have a particular -- if we can avoid side conversations, that would also be helpful, because it also affects the tape. It's hard to distinguish who's saying what in response to what question.

Because we're interested in the exchanges, we're asking the same questions of all the focus groups. So I'd like to make sure that we go through all the questions. So we'd like to be able to hear from everyone in this discussion. So if you are actually in agreement or disagreement with someone, instead of nodding or shaking your head, if you could make a note of it and make sure that you do in fact say, "I am in agreement with ___" or "I'm in a disagreement with ___ over, you know, the following three things" or whatever might emerge. That is extremely helpful as well because there are little nuances we might miss in the transcription. Also, from time to time, I will intervene to bring up new questions or to change the direction of the discussion if we are remaining on one topic a little too long and want to move onto the next question and so on. Do you have any other specific questions?

I'd like to begin by asking you all to take the first 3-4 minutes and using the pads and pens provided, if you would write what your particular views are toward drilling off the California coast. I'd like to start there. Then when we're done with that, we'll go around the room and express what your -- as an opening statement -- what your personal opinions are about drilling off the California coast.

P: What -- I mean, I don't --

M: It's pretty broad. Just your thoughts on the California coast -- on drilling off the California coast.

M: If we're ready to get started, would you like to begin? Simply state what you think about off shore oil drilling. Would you like to get started?

P: Me? OK. Well, I wanted to say, generally, I mean, I don't oppose the extraction of oil in a general sense. That is, I think the use of fossil fuels is not necessarily a bad thing; it's not necessarily a good thing. It's a thing that's happening, though. Anyone who drives a car has to consume a little, so the extraction of oil, I don't oppose on very general grounds.

It seems to me that the extraction of oil is historically a dirty business, though. It's not as clean as computer software or something. And because of that one wants to be careful before extracting oil and one has to be very sensitive to the fact that you make a big dirty mess, as has been done in this county several times, as far as I know.

But it's probably true that it's getting cleaner over time -- the extraction of oil. That is, the extraction of oil 100 years ago in Summerland or wherever it was, was probably much dirtier than it need be today. But there is still a question of how -- is it clean enough -- is the extraction of oil clean enough. And I don't

really know in every case. It seems to me that the oil industry has done better. As to whether they've done good enough, I don't know exactly. It's something I might want to discuss.

And there are different criteria. An operation that might be clean enough, for example, at Point Conception or away from an inhabited area -- there's a lot of oil extraction going on right now off shore near Point Conception and it's very hard to even see it. You can't even drive near it. And I -- the cleanliness there -- there might be a level of cleanliness appropriate to keep the environment safe, but still might be inappropriate if people were living at that place. There is another level of cleanliness if you extract oil near a populated area. And I'm not sure that the current technology is clean enough to do something like that.

Generally, also, with any oil, particularly off California, you can ask when is the right time to extract this oil. Is there any reason to extract it now, for example, and in my opinion, oil prices are probably only going to go up over the next 100 years. Why extract that oil now?

And further, it may be that oil in the U.S. is particularly secure. You know, there might be a time of crisis in the next 100 years, where it would be very clever to save our safe oil in the United States, to keep it in the ground and just leave it and extract oil elsewhere -- maybe. So I'm not so sure that right now is the opportune moment to extract any particular oil. Those are my ideas initially or what came to my mind.

P: I have mixed feelings with regards to oil extraction on the California shores. And the first point, most -- I think in general a misconception -- people believe that a lot of the seepages we see on the beach are a result of oil drilling, which for the most part -- as far as my understanding goes -- those are a result of natural seepages from the ocean floor. So there's an obvious resource that can be utilized to, perhaps, the betterment of the ecology. And, of course, we as a nation consume, just hundreds of millions of gallons of oil. And the argument always goes, "Well, the small amount of oil that we extract off the shore is really not going to do much for the nation's total oil consumption." So a lot of factors that play into it.

Another one in which I agree with ___ is that I question the quality control of our present drilling situation. How much security has gone into insuring that the oil isn't spilled, that the extraction process isn't as messy as one might believe it could be. And past experience has shown that there have been a lot of mistakes -- especially with the transportation of oil from drills to tankers to other places.

For the most part, it is very difficult -- for me, at least, it's a difficult, I guess, philosophical battle whether we should extract it or not. I think there's a difference, though, between -- my personal interest is in the Clearview project, which I see as being a little different from general off shore drilling, considering that it's off shore drilling. And I prefer onshore drilling as opposed to off shore drilling because I believe that it's safer and, for the present Clearview project, I'm actually for it. So I hope I don't screw up this --

P: This is supposed to be a group of people that are generally opposed. I tend to be pretty open minded with regards to it. But through my studies and reading of it, I feel that it's safer and it removes an off shore drilling site directly opposite to it.

M: OK. Thanks ___, ___?

P: Well, first of all, we're not -- what we're talking about now is management services. It has nothing to do with Clearview or really the seepages. So I'd like to address that another time. Some of your conclusions, I think, you'd be well to find out some more facts. This whole idea that onshore is safer than off shore. You know, my first question is, like this, you know, where are you getting your information?

On the whole off shore drilling, your question is what do I think about off shore drilling. My response is, well, why are we asking that question, first of all? Why are we considering off shore drilling?

Well the two people that are interested in off shore drilling right now are: (1) oil companies -- because they either want to make money, they think they can make money off the reserves that are there, or they're getting some kind of offset for developing oil here, either tax incentives or something that's going to make them money. It's purely a financial interest. They're not doing it out of any -- you know, to benefit people to plan it. The other people who are interested is the Minerals Management Services. That's the federal agency that's interested for the same reason the oil companies are -- to make money.

So to me, the question is, should we develop off shore oil in order to make money so that these two interests -- and supposedly a lot of individual interests -- can make money? What do we as a community -- how are we impacted, both positively and negatively? Of course the people who are giving this information, largely these agencies are promoting it, are telling us, "Well, we need oil." Well, first of all, I question the fact that we need any more oil development. I think the people who are telling us that are the people who are making money. And the people who sell you Twinkies aren't going to tell you that they're going to make you sick, you know? People who sell you coffee aren't going to tell you the long-term effects of caffeine.

So, first of all, I do not believe we need more oil. I think through changes in our personal use, through changes in the incentives right now -- our incentives for energy development are for the big capital developments. People who profit most are the big capital developments instead of small long-term. We are very much tied to the quarter report and I think that's, you know, a negative impact -- that's one negative impact for oil development. It's the way the financial system is set up. It doesn't benefit long-term.

The way that the -- so that's the other -- and then the other impacts are things like environmental. Well, OK, yeah, let's consider the effects on people. Way off shore. It doesn't affect us directly, but what's happened to our ocean ecology over the last 7 years. Now none of us -- I don't think, even ___ -- who are actually here, are able to dive under the ocean or have seen the ocean ecology. We have some information. But, really, we don't know what it was like. We don't know how it was degraded. But I can say that, for various things in my lifetime, you know, toxic waste and oil development, which are the biggest industries on our coast and, you know, people, and their dogs, it's severely degraded the coastline. You don't see the kind of even basic natural life that you would see here even 20 years ago. So that's an impact.

Yes, oil development impacts people as far as: how safe is the area? What is the quality of life? And those kinds of things. And in looking at off shore oil drilling on our coast, I think one thing that has happened, especially in the state is that, you know, every little community had a lobby for their own and that's the benefit of this recent sanctuary act, where now everybody's included under the same umbrella. We can lobby as a state. I think one thing we have to look at as at least a state -- or really Oregon, Washington and California need to get together and -- we know that there's pressure to develop -- and look at it and say, "OK. What area is really degraded and where do we need to stop? Is there any restoration? What area might be tolerable to develop, like closer develop, like you would, maybe, homes? What areas are even worth drilling? Is the quality of oil even worth anything?"

And so, you know, I mean, initially I don't, you don't have the facts to convince me that developing oil is an economic benefit and there's a lot of environmental benefits both to plants, animals, all kinds of life. But if we're going to look at it, I think we have to analyze it along the whole western coast and we have to look at it in terms of where is it really beneficial? Or is the degradation so bad that we have to stop? Or is already long-term development set in and how is that going to off set other areas? So it has to be comprehensive.

They've been very successful in having Ventura, for example, and Santa Barbara Counties compete against one another. And I think that's something that we need to overcome if we're going to really have a chance to participate in the long-term planning of our coast, which -- we know there's very serious questions between the health of our coastline and if we're going to choose oil or fishing or tourism, which are more long-term and quality of life-type things and they cannot be fought on a county by county basis.

M: Thank. ____, would you like to continue?

P: Tough act to follow. Since off shore oil is being produced, one can't take a real binary position on it, as though you could be against it and it would never happen. But I think on any question of oil onshore or off shore, one really should start with the fundamental question of: Are we better off, ultimately, for those fossil fuels to be out of the ground? And it applies to oil and coal and all the other fossil fuels. And you can look at it on two levels at least -- on a planetary level and then on a human society.

I think on a planetary level, the answer's pretty clear that the release of fossil fuels into the biosphere is killing the planet or is causing changes on such a dramatic and abrupt level that species extinction, possible massive changes on a time scale unlike anything the planet has seen, presumably, is coming down and that's reality.

On a human society level, the verdict might not be in entirely yet, but the evidence to my, obviously, biased, jaundiced view, looks pretty damaging as well. And, specifically -- oh, a couple of things in particular. In economical terms is this whole thing of internalized or externalized costs and so on.

Fossil fuels have been used in a way that's squandered. And the full value of them has never been acknowledged. They've always been bought and sold extremely cheaply compared to their overall impact. And, look at the society that we've created based on that -- just the amount of paved land. The unbelievable quantity of resources of all kinds that are necessary to sustain life on a normal civilized level for people in the industrialized world. And what it takes in terms of resources that have to be sucked away from everywhere else on the planet to put food in the supermarkets and to have consumer goods in packaging carried around in diesel trucks and deposited in shopping malls with hundreds of acres of parking lots. Whatever the planet had been before it was paved is part of the cost of this whole thing. On the big picture level, it doesn't look so hot.

Then, specifically, dealing with the real tangible, you know, project-by-project, development-by-development, proposal-by-proposal actual history of oil, I get real impatient with most of the level of debate because all the major powers that benefit from the extraction of oil do everything possible to phrase the terms of the debate so that the real issues are never brought up or never dealt with in a thorough manner.

Real specifically, I mean, stuff that evolves, you know, the economic trade-offs and, you know, the big buzz word of cost-benefit ratio. And I remember really well, a couple years ago, when Cesar Chavez was still alive and he was here at Campbell Hall and he said words I remembered really, really well. He said, "You know, when anybody ever talks about a cost-benefit ratio, the first thing you want to do is figure out who pays the costs and who gets the benefits. 'Cause, you know, the way the world works, they're rarely the same people." And that level of debate, as well, applied to this issue.

And the final thing, specifically, about the California-ness of this whole thing. Because of, you know, the cosmic fate and subduction of plate tectonics, we live -- 30 million people -- on an abrupt edge. And a single oil installation or the whole extraction process of oil on this edge, for various reasons, some of which I can understand and some I can't, is greatly magnified, compared to anything -- I mean, there's something about the edge of California and the importance of that edge and the abrupt transition between the mountains and the sea and the beauty of it and the fact that because it's an abrupt edge, the surface-to-volume ratio is really different than if there was a minutiae of little bitty islands that made the intersection between the ocean and the land.

There's something about the edge that magnifies the implications of any potential development that will have an impact on that edge. And by "impact on that edge" I mean a whole lot more than this bullshit about whether you see an oil rig or not and how much difference it makes if you don't see an oil rig out on the water. I mean, that level of discussion is so trivial, I get really impatient when it's even brought up because to my mind, it's a part of the Big Game to keep people from talking about the real issues.

P: So what impacts are you talking about? What impacts are going to be magnified? What impacts are you talking about? You're not talking about rigs and visual impacts. What I want to know is you say these impacts are going to be magnified because of the specific construction or form of the coast, so what are those impacts?

P: There's only so much surface area of kelp beds. There's only so much places where sea urchins can live, you know, at a certain -- there's a boundary of depth that's their potential home. And the impact of any oil production is going to have -- let's say, how do I say it --?

M: You know, we have a moment to -- a little later in the discussion, where we all discuss impacts directly and so, maybe we can take it up at that time.

P: I just want to understand. So you -- just the construction of the area is more limited and therefore the impacts are magnified?

P: Yeah.

P: OK.

P: Everything is concentrated at an edge.

P: OK. I see.

P: Regarding different human population, infrastructure, off shore marine life -- everything.

P: Thanks.

P: Well, that's really easy to build on -- what ___ and ___ have been saying. And I want to add to what ___ just said. One of the things that we've had a terrible time getting them to talk about is the cumulative impacts. They want to discuss the effects of this one project on this one area in this given period of time. They are loathe to discuss what the Point Arguelo project and the Santa Ynez project and the Clearview project and all of them together are going to mean to us here.

And my particular concern relates to what ___ was saying, which is that, I think the natural beauty and the natural resources of the entire Pacific Coast is worth protecting and anybody who has been to the Oregon coast knows what they accomplished by buying up that coastal property and refusing to have commercial development, industrial development, anything along an entire stretch, which they have turned into park areas. In California, we were late getting started with this and also we had readily tappable resources so that the oil industry was in and running before the environmental movement ever developed and before people had any idea what effects they were going to have. So that we've degraded large areas of the California coast already and we concede that. We say, "Those areas have been damaged irreparably."

I think that at this point, we ought to be working to preserve those areas that have not been degraded. And that is what I particularly work on most of the time. The oil industry, as ___ said, is heavy industry. It carries many hazards and problems with it -- spills, H₂S leaks, all kinds of heavy development consequences. If they're going to tanker the oil out, you run the risk of gigantic spills like they had in Alaska. So that, in exchange for a very brief boom, which a neighborhood or an area will get, you run the risk of degrading the area permanently. And enough of California's coast has been degraded. I think, at this point, we ought to be fighting to preserve what's left of it. And Jack O'Connell's new bill of creating the California tideland sanctuary is an excellent first step for trying to ward off future oil leasing, oil developing and preserving what is left of what is really a remarkable coast.

M: I'd like to -- we have some genuine areas of agreement and disagreement. I'd like to continue on this discussion on -- specifically addressing the costs of off shore oil drilling. And, specifically, what is it that

we see in our -- we've touched upon it -- you know, as we've been introducing our points of view, and so, who'd like to start? About the -- specifically the costs of off shore oil drilling.

P: I can say something. I mean, there is one thing I -- one cost I don't necessarily subscribe to, which -- you know, I might, but I guess I'm a skeptic -- and that is, I don't necessarily agree that in a global sense, that the burning of fossil fuels or the industrialization of the world is as dire as is presented. I don't necessarily want to say it's a good thing. I don't want to say that at all. It's a bad thing. But I don't necessarily -- I do think there is a current bill of goods that the degradation of the environment is somewhat worse than it really is. For example, I feel if humans were made to disappear tomorrow, the earth would heal surprisingly quickly, for example. The time constants --

P: How about -- shall we do it yesterday?

P: Can we do what yesterday?

P: Get rid of all the humans?

P: Well, you see, that's -- in my opinion, humans are part of the biosphere. I don't see any sense in defining humans and non-humans in the world. We're part of this place too. And I don't necessarily agree with that. I also don't necessarily agree with the current fads of global warming and atmospheric degradation and various things like that. I think that it's possible to be intellectual and be skeptical of such things and noted scientists in my field have lost their jobs over just asking rather scientifically motivated questions in their agencies and it bothers me a lot, in fact.

So in the big sense, I don't necessarily subscribe to the cost that's perceived that humans somehow, in a dirty way, make everything dirty -- use fuels, ruin the earth. I don't necessarily subscribe to that, to that big cost.

I'd also point out that in a practical sense, on the California coast -- you can even see this right here. The Ellwood area is less developed than Santa Barbara. The Ellwood area historically had oil and Santa Barbara prohibited it. And, in fact, the humans are a much bigger influence on the environment than the oil development in Ellwood in my opinion. OK?

P: May I correct you?

P: Yeah.

P: I live on the Mesa.

P: Yes.

P: Right off of Shoreline Drive.

P: Sure.

P: I've got an aerial photograph from 1943.

P: Yeah. It's still not as big as Ellwood.

P: That shows an oil derrick in the approximate position of the backyard of my home.

P: Yeah.

P: It's one of about four dozen oil derricks on the seaward side of the Mesa.

P: Sure. Yeah. I'd still say that --

P: It's just exactly like Ellwood.

P: I think the amount of oil extracted like Ellwood was probably a factor 10 or 20 larger than the Mesa, but, you know, generally, at least in the Ellwood area, I think, it was -- you know, it's a strange fact, in my opinion, that it was an unpleasant place, probably, to live 50 years ago, so it wasn't developed as much. And that place, maybe we can hope to return to nature. So I sort of scratch my head sometimes.

Now, it'd be better, of course, if -- I agree, if there were no development whatsoever in a lot of areas. But a peculiar fact seems to be people don't want to be where oil development is. So it keeps the real destroyers of the environment -- a bunch of subdivisions and houses -- out, perhaps.

P: That's an interesting question. And that brings up the question of Clearview, which is proposed to be put in the middle of a residential area within a half-a-mile of three schools of relatively helpless people who can't be evacuated. I think that is the most ironic proposal I have ever seen because that is a ridiculous place to put a major oil development. There's something to be said for putting isolated oil powers up the coast to Point Conception, hoping that it will keep other development out, but I don't think I can go for that because I suspect in the long run, the oil is more destructive than the housing might be. But, you're right that there probably is a trade-off here somewhere down the line.

P: Well, I think the issue was what are the costs involved in oil development? And, ____, were you making a point? I mean, first you said you didn't --

P: My point is the global cost is one I question. I question the --

P: OK, you question -- what? How much it is or how--?

P: How much it is. I agree it's a cost. But I don't agree that it's one that necessarily dominates consideration of the issue.

P: OK. So. So. And this one cost is burning of fossil fuels and the overall effect of both extracting the oil and burning it? I mean, what exactly are you talking about?

P: I guess I would say, what I was thinking was predominantly the use of the fossil fuel, the burning of the fossil fuel. OK, that -- I don't necessarily agree that on a global sense, we're desecrating the earth irreparably by doing that. I think it's quite possible that at the end of the fossil fuel era 100 years from now, the earth will heal rather -- or the atmosphere will heal on a shorter time scale than we envision right now.

P: OK. Depending on what's left.

P: Yeah, that's right.

P: OK. So. So. So you -- is that the only cost that you want--?

P: That's the primary cost. Then I -- the second cost was local environmental cost, OK, where I noted that, in fact, by keeping people out of areas where oil is produced, you may end up with a less cost relative to having housing subdivisions anyway.

P: So if you look at the environmental costs between an off shore oil platform and a housing development onshore--?

P: That's right.

P: -- could you compare them?

P: I think that it's quite possible that you end up with less environmental costs by having the oil there and, of course, I agree that if there's nothing there you have the least environmental cost. Of course.

P: Well, and the question is whether we've reached the point where preventing both -- the accelerating housing development and the onshore or off shore oil development -- both should be excluded in the interest of protecting the coastal areas. Put the housing developments and put the oil wells somewhere else and not on the coast, which is both as fragile as ___ pointed out -- very fragile environment and a very valuable one to California.

P: I should note that, one argument I've heard, which is a sort of contrarian argument, is that you should put oil wells where people are because those areas are already spoiled by people.

P: Yeah, if you're not afraid of the H₂S and explosions, why that would be an argument.

M: ___? ___? Did you want to chime in with a few costs?

P: OK. Well, the cost to me, to begin with, if you step back from dollars and cents and look at costs in -- and I'm not an economist and I'm kind of anti-economist -- but this phrase they use about "opportunity costs." Let's look at oil as commonly considered in a spectrum of fossil fuels: natural gas, high quality oil, low quality oil like they have off the coast here. And then the transition to coal is ambiguous, chemically, to me. I'm not sure how it goes. But hard to soft coal to peat.

The really high quality stuff -- with whose combustion -- all things considered -- probably has the minimal environmental impact on the planet -- is the natural gas, high quality oil end of things. If you have nothing left to burn but peat or soft coal, like in China, then the combination of the low BTUs you get for your combustion per volume and the amount of smoke in the atmosphere, etc., etc., is such that it's really inefficient. Any discussion about the costs of off shore oil drilling has to deal with the fact that the history of oil is everywhere. In every nation, people have gone for the best stuff first and used it all up first before they moved on down the line, all right?

I've talked to astronauts who've talked about when they're on the dark side of the planet, they can locate themselves really, really well when they get around the general vicinity of Saudi Arabia, because there's a couple of major Saudi oil refineries that have, that combust their natural gas in plumes that are so monumental that you can see them from hundreds of kilometers away in space. I'm not making this up. Why do they burn all their natural gas? Because it is relatively unprofitable for them to tap it and send it off to some natural gas market. So they torch it.

What would be the value of that natural gas in the next century, when there's twice as many people as there are already? What's the situation now in China where China -- the big time bomb, really, of oil and environmental politics to a lot of people is the fact that one out of every five humans right now is in China and they have very little oil. They have some medium and soft coal and -- basically, they have a lot of soft coal and some hard coal. But unless things change remarkably because of dramatic inventions or international intervention or whatever, a major fuel source for China going into the 21st century is going to be soft coal. Go to China. Talk to people who've been in Chinese cities and the level of pollution and contamination that people have to deal with already!

I mean, I've -- people from my ___ have been involved on major research expeditions into the Gobi Desert in Mongolia and so on and the amount of coal residue that's in the atmosphere way in the middle of interior Asia already, compared to what's going to be coming down in the next century, is appalling.

So off shore oil drilling, in that context, is part of this game of getting the best fuel right now and using it -- just because in the limited sense, it's the cheapest and the most profitable. But what's the long-term impact

of doing that? That's part of my impatience. And, ____, what you said about this narrow focus on the immediate minutiae with losing a sense of perspective of the big issue in either space or time sense.

P: So, ____, just to reiterate real quickly, your opinion of the future costs of immediate oil extraction are what are going to be the most significant. The future costs of what it's going to mean for us in the future extracting oil now is what's going to be the most significant.

P: I don't quite understand what you're saying, but I'm saying that a major component of the cost of doing anything right now is the -- is what you've either saved or deferred or have squandered in the ___?

P: I would mention just some points concerning potential costs of off shore drilling that in that respect there are future costs. What we're consuming now; how it's going to affect us in the future. What we're extracting now; how it's going to affect the environment, as well as the ecology and society in the future. The potential there is the deleterious effect that could cause significant coastal damage. That it could create large amounts of pollution, burning of less refined petroleum products. Also, some other costs that I could see, possibly, is the instability of our coastal region, just geologically. That an over-excess of drilling, of puncturing the surface, of -- especially off the coast, where the coastal floor is relatively unstable -- that that could have impacts on our geological security. We have fault lines running all through here.

And the other, of course, apparent impact is that is -- the destruction of oil to life. And, when I -- that was a good point that was made, looking back 7 years at the coast and what it was like and the amount of life that was prevalent in the tide pool regions. I grew up by Malibu and they -- historically, they had some of the nicest tide pools around, especially Leo Carrillo, and now when I go back, there is really nothing. And it's very sad. Unfortunately, I don't know the cause of that. Why has the life been removed from that region? Is that due to oil drilling or not? I don't know. There aren't any apparent off shore drilling sites in that area, but that is an impact -- what oil does destroy.

M: That's a good segue into our next -- the next question that I'd like to go to considering specifically what are the risks involved in -- that you might each see in terms of off shore oil drilling. We've hit upon a few and if this seems repetitive, it's because it is. But it provides us with a specific conversation on specific -- the topic of risks -- but obviously these are all interconnected, but if we could focus in on risks for a few minutes, that would be very helpful.

P: I'd just like to support what ____ just said about the geological risks because they're one of the risks that we just plain don't understand. We don't know what we're playing with. And whether continued withdrawals of subsurface fluids out of the channel is going to provoke more and more earthquakes is a really good question.

I lived in Denver earlier and in Denver we demonstrated that the Rocky Mountain arsenal, which was pumping fluids into underground spaces -- slits that they had found in the earth -- were creating earthquakes in Denver where they had never had any. And so they forced the Rocky Mountain arsenal to quit forcing those liquids into the ground. We don't know whether withdrawing liquids from under the ground will have the same kind of effect as far as instability goes. And I think ____'s absolutely right that this is one of the risks that nobody seems able to evaluate, but that really gives you good cause for concern in unstable Southern California.

P: I'd like to make one comment on costs. I really didn't get to do my cost analysis, although I got a little bit out in my first scene.

[Laughter]

P: Just that there's both short term and long term costs, as well as short term and long term benefits. And I talked a little bit about, you know, the financial structure. I mean, right now, we see MMS pouring millions of dollars -- I mean, there's millions of dollars, not just for this study but for -- there are several

studies right now ongoing looking at onshore and off shore oil development. Now I'm sure they're happy to fund people who are interested in this subject, but it's not -- it's an investment. It's not just money being thrown out because, gee, they thought it would be a fun subject. And, although, of course it is!

But you know, the one cost, not only looking at, you know -- just very isolated -- looking at how our economic structure now benefits oil development and what are the short term and long term costs of that and, you know -- and we have all these federal resources being dumped into oil development. Why aren't those resources being dumped into something that's clean?

P: Alternative sources of energy!

P: Well, for example, we -- they call them alternative because they like to isolate it, but it's really more efficient ways of developing and how do we -- and how do -- one of the -- when you look at long term versus short term investments and when you look at developing a more stable economic base, what you find is putting money into very short term returns, like oil, destabilizes our economy, but it makes a lot of money for a very few. Or if you look at long term investments in very stable, small return industries -- like conservation is the most obvious one and we have projects here at UCSB that show that a little investment in retrofitting is very long term and it's stable -- it creates a stable base.

So one of the costs, to me, of oil development is not just going to be the obvious environmental cost, both short term and long term, cumulative, stuff like that, but how does this affect our financial stability and our ability to invest in long term energy development. And I think this is one of the most important issues. And this challenges oil development in a way where we can -- you know, they can stop isolating environmentalists from the economic discussion. You know, because "Well, they're just a, you know, they're afraid for the animals, that the animals will come back. Or they're afraid, you know, they're afraid they're going to get blown up. That nothing's going to blow up." Or you know, "They're afraid. They're reactionary. The world's gonna end. You know, Chicken Littles." So they'll say, "You know, OK, fine. All those -- much of the environmental costs are quantitative. Some are not." You can't determine a cost of a species that you lose, but I believe that looking, turning it to the cost of economic stability is something that we really need to look at. That my cost analysis.

P: We actually took account of some risks, as well. It's a trade-off for technology.

P: Yeah, well, I mean, I can go into that from risks. The risks are both short term and long term. You know, it's the same thing -- the risks. What do we have left in the ocean, you know, and how is it -- like, I think his point is -- one of the interesting things that's come out of this recent Mobil P.R. campaign for Drillview [Clearview] is that now they're trying to tell us that the seepages are actually going to be reduced by long term drilling. And what they do is they take -- they say by taking the oil out -- and, well, there's a 20 year deferral, but by taking the oil out, it reduces the pressure enough and therefore there's less natural seepage. Now the whole discussion about -- now, there are natural seepages out here, but we -- my first problem with that is that we -- anyway, we don't know how big, how much the seepage has been affected by development and the pressurized kind of drilling that we're doing, so it's hard for us to know what the impacts are. But it's the same thing as -- what are the long term impacts of offshore drilling to the formations that we know that are already destabilizing? Is it going to cause more seepage or not? Is it going to cause more earthquakes on shore or not? Is it going to -- how is it going to change an environment that's already very unstable and you know right now insurance companies are going broke because -- why? Because of car accidents and drunk drivers? No. Because of earthquakes, floods, all these natural disasters that we cannot control, but if we increase the impacts, we, you know -- it seems to me that the more impacts there are, the more risk you have of greater degradation and that -- and --

P: Whether we're affecting things like on a big scale -- we really don't know that. That's one of the problems with the global warming and the ozone layer and things. On a very big scale it may be that human activity and burning fossil fuels is affecting even the weather patterns.

P: That's right. We don't know. It may be that we're not.

P: No. That's right. But I think it's a possibility that we have to kind of live with and consider whether we want to make it a whole lot worse before we find out a definitive answer. I guess that's my question.

P: I wanted to comment just on the extraction of oil creating earthquakes. It's possible. I don't know enough about it. It's probably true -- I tend to agree with the argument -- that, for example in the South Ellwood field, if you take the oil out, you reduce the pressure. And probably in a long term sense you would reduce seepage. However, in the intermediate stage, as you're pumping the oil out, it may be you open up cavities that leak into other cavities that increase the seepage in a short term way. And that's something that I haven't heard addressed in any of the discussions.

They are measuring quite carefully now the seepage rates, in particular, of gas, which you can measure real well with easy instruments like fish finders -- they're going in with fish finders and measuring the seepage rates.

P: My only comment was that we don't know what it was like before oil development.

P: That's right.

P: So it's hard to compare.

P: And you know there is, there is an activity that goes on and -- gosh, I don't hear anyone talk about it -- which is this, the gas company operates a compression facility over on whatever it's called, near the Mesa -- near More Mesa, not The Mesa, but off of More Mesa. And there is an enormous cavern of -- you know, beneath the earth -- that they pump gas in and out of and who knows how much they've fooled with pressures and voids and stuff and that. It's been going on day-in and day-out for 40 years now. And, you know, it could be you could look at that data and make some conclusions about, you know, what the possible risks of earthquake might be. Those are my things in response, actually.

And generally, I agree, earthquakes around here are a really unpredictable aspect. And it may be a show stopper for oil production. Historically, in earthquakes that have been recorded before it was really heavily populated, things would happen like oil gushers would appear after earthquakes. OK. And, you know, I don't think the oil companies or geologists necessarily have a handle on what could happen in earthquakes at all. I think that's a very good question.

On the other hand, I do believe that the extraction of oil can only be getting safer in time. You know, technology gets better. Computers get better. People think more. It can only get better in time.

P: Well there --

P: Yeah.

P: Why has there been a rash of recent accidents?

P: Yeah.

P: Why has the Ventura plant and the -- Mobil Oil -- it's not Ventura, it's around Inglewood -- why has that been a consistent hazard for 20 years?

P: That's a really good -- Torrance, is that the one?

P: Torrance.

- P: Yeah. Torrance. That's a really good question. And, you know, I think it lies in exactly the profit motive. It is the highest profit way to scrimp on your safety measures.
- P: I mean, yeah, I mean, the Unocal spill's another example. I mean, part of the problem is they police themselves. But just on the issue is that it's getting safer.
- P: Yeah.
- P: What facts lead you -- or what information leads you to believe that?
- P: Yeah. Well, probably the proper way to say it, is the envelope is getting safer. That is, there's a boundary of what we could get to -- what, with good technology and, you know, the best thinking, the best modeling, what we can attain in safety is getting better over time. OK. And my own research is one place I would, you know -- the things we do now, we do much more reliably -- it's not a safety issue in my field, but we do much more reliably than was done 10, 20, 30 years ago.
- P: What's your field?
- P: Building particle detectors and accelerators. And what we -- we do things that are just more reliable than they used to be. OK, that's the way I'd say it. And I'm sure that that, you know -- the simplest example is that you can deploy hundreds of computers on a site to analyze what the problem is then you need to get someone smart and conscientious to look at the data that you've got in some facility and do a good job of taking the data you get and actually making sure you cash in on the advances in technology.
- P: And not monkeying it.
- P: And not monkeying. And, you know, it's definitely true that there's something about a pure profit system that makes it happen, that people don't necessarily do the right thing in safety issues -- people doctor x-rays of nuclear power plants and stuff. There's no doubt it happens.
- P: Wait -- that could be a whole 'nother week. We could go forever on that.
- P: Of course we could, but I would encourage you to -- you know, what I see it -- not as a failure of fundamental technology. I think the fundamental technology does get better over time and it does become more possible to do those things. It's a failure somehow in our oversight system or something. OK. But, you know, I tend to think, since I'm a researcher, of where the envelope is going and where they could get to if they really tried and I always tend to be charitable in terms of plant safety issues and, nevertheless, even though I feel they could make a safe plant, it really bothers me that's no guarantee that a safe plant is going to -- but still, I find it an interesting issue to contemplate what if, you know, really they overwhelmingly proved that -- suppose they could overwhelmingly prove that they could make a safe, smell-less, spill-less, unseen extraction of oil. OK. Suppose the oil companies came and said that. And somehow showed a demonstration site where they did it. What would we do?
- P: Well, that's what they say to you. If you worked with the oil companies on a regular basis, they say, "This will be the cleanest, best engineered plant in the country and we have the technology and the County insists on the technology here." They ram it down their throats whether they like it or not. So they come along, they give you all these assurances. But then when the operating plant or platform gets turned over to the roustabouts from Louisiana and Texas, I have actually wondered if some of them are really put off by Santa Barbara County's regulations to protect themselves, which Texas and Louisiana never demanded and whether they might even sabotage some of those safety efforts. Just because they think it's really stupid that Santa Barbara County should demand all this high tech stuff and who cares, in Texas we do it this way. And I think that one of the problems we may have here is the import of labor on the actual operating rigs and platforms, who do not see it as a Californian might see it and who probably resent that we are demanding more safety procedures than they demand at home. So I think this is something we really have

to think about in dealing with the oil companies here. Because, normally, their work crews are the imported workers, technically skilled, from other areas. They're not local people at all.

M: Before we move onto another question, does anybody else want to address a few more of the other risks?

P: I just wanted to mention one thing. I've done a lot of thinking on the long term risks, which basically raises the question: what does it mean for the future off shore oil drilling? What will our dependency on oil be in the future? As opposed to -- as compared to what it is right now. What is our present level of oil dependency? And how much does our extraction from off shore drilling actually contribute to our overall consumption? Is it necessary? Is it superfluous? Is it stored? What security does it provide for us?

And my second question or risk is: what happens when it's been extracted? Once it's been sucked dry, what does that mean to ourselves? What does it mean to the area, to the oil site, or say, for instance, with Clearview. On the whole onshore drilling site, once that's been extracted -- because it will technically be able to do it much quicker than the present off shore drilling site -- what will that mean for the area? What will the impacts be environmentally and ecologically? The whole area around, once you suck -- I'm not quite sure how large the volume is, but it's a pretty --

P: Depends on the leaks. Yeah.

P: -- big volume of empty space that would be left after the oil's been removed. I'm not quite sure what effect. That, to me, that is a risk. I also -- to put in a plug -- I believe that in the future, I believe that there are efforts made toward investigating alternative energy sources. I believe that those efforts are also being made by the companies that are trying to enforce fossil fuels now because they see the need for that, the realization that fossil fuels are temporary and that the future money is going to be in other energy sources.

P: They're doing it, but they're also trying to control it so they can get every last dollar out of oil before those become financially feasible.

P: But I see it as two big risks. Our future dependency on oil and what will happen when it is extracted.

M: Thanks, ____.

P: I'd like to follow-up on what ____ said in terms of risks. On two levels, there's geologic, all those other kind of prosaic risks that you think about in the process of them trying to find the oil and then, if they get the oil, there's all the risks involved in doing something with it. You either stick it in tankers and tankers collide and go aground. You stick it in pipelines and pipelines take out tons of terrestrial ecosystems to get to the refinery and pipelines rupture, like in the Northridge quake, etc., etc. So there's that level of risks, you know, in great detail. But then from what you're just saying, there's the other level. There's only so much time and energy and particularly time that we have right now available to try to deal with massive changes in terrestrial and marine ecosystems that are taking place. I mean, exactly what you're saying about the tide pools in Malibu where you don't find anything now.

Marine life in Santa Barbara channel is plummeting. A few years ago there was concern about withered foot syndrome or black abalone. All five species of abalone that live in the channel are now afflicted with withered foot syndrome. It's unclear. There's all kinds of speculation about why and what and so on, etc. But here's Mineral Management Service spending millions of dollars to evaluate the possibility of this or that platform and off shore blah-de-blah and I can testify for friends I know that work at the Marine Science Institute and so on -- people who are trying to study abalones are lucky to get thousands of dollars, all right? The millions of dollars that it might really take to discover the root cause of withered foot syndrome are being spent by Mineral Management Service to evaluate implications of off shore drilling.

I mean, there's only so much money and there's only so much time. And money and time are being used in a certain manner so part of the risks are what's being lost by not using that time and that money in another

direction. And there's not -- apart from window dressing stuff, there's not one damn good thing that off shore oil production does for the marine environment. I mean, they'll have all these fancy ads about, "Oh, mussels love to glom onto the legs of the towers and, you know, an oil terminal after it's shut down is a practical biological paradise." But, you know, come on!

M: That leads -- it's very exclusive and straightforward -- to my next question, which is: what might you imagine are some of the benefits of off shore oil drilling and maybe we could toss that around a little bit more, with ___'s introduction. Are there any particular benefits that you might, might occur, or might actually ...

P: There's one thing that probably, I don't know if people say this very much, but, you know, consumption of petroleum does do some good. It probably runs hospitals, for example. OK. There's probably oil combustion plants that power hospitals, that power, you know, Cesar Chavez's car as he drove to the lecture that you heard and so forth. And those are also usually not accounted for in any discussion that I'm aware of. So just by having petroleum around, a lot of good things happen that don't necessarily get said. Now, I'm not in the pocket of the oil companies, but I would still point that out and as to what there's a better way to do it, of course there's a better way to do it, perhaps, but the fact is, good is done by having petroleum.

P: I mean, you know, my first question is, is how many people drove a car here today?

P: I did.

P: I did.

P: You know, I mean. I don't know whether it's good, but the real fact is that currently we use oil. The biggest consumer is the car. And it's why, you know, one of the things people in Santa Barbara County have been doing is trying to get it more safe and more practical to use bikes so that we don't have to become constantly enslaved to using a car. Here, unlike L.A., a car is not the only place we can be alone or have any sense of control. I believe the transportation has a psychological as well as a practical component. But, if you live in L.A., as someone who's from a big city -- I've lived in L.A. and San Francisco and at Berkeley, let's say, just recently. And it's -- if you want to do anything but just go during rush hour and if you have the capability of planning for plenty of time all the time to get somewhere and back, you can use public transportation, but even that burns fossil fuels. But it's impossible to live without a car almost in big cities, even though you get them ripped off on a regular basis now, so that's another thought. But it's obvious that our systems right now use oil. I don't know if that -- I don't think it's good. For me, it's a reality. And it's one we have to deal with. So, yes, petroleum right now perpetuates our lifestyle. And I use electricity and I use gas and so I'm part of the problem.

But in looking at the benefits of oil and oil development. And looking at off shore oil on the -- off our western coast, I believe are two separate questions. In other words, just because we use oil, does that mean we need to develop our coast? Personally, I already feel like we've -- they've got most of the "sweet oil" off. Most of the oil that's left is "sour oil" that requires ___? with higher ___? sulfite, which is one of the reasons it makes it more of a safety hazard. But anyway, we've had oil development here since -- what? The 20's at least. I feel like we've already paid our dues. We've already degraded our environment. We've already, you know, dumped all this crap into open land and the ocean. And I just say, "You know, we've made our contribution." Now we need -- you know, here, as ___ says, you know, we have our whole marine environment at risk -- maybe not directly, but degradation is what's causing disease and so, we've paid our dues. Let's clean up our act and if what we need to do is develop other options, if what we need is to reduce our oil consumption, if that's what we need to do here in California, then that's what we need to do.

And I don't believe -- now, I don't know what the reserves are off shore. They must be extensive. But I think if we developed, if we pumped oil for 25 years off the new leases they've drilled, 25 years of oil development. This is not even the first 3 years of construction where trucks will be up and down. I mean,

this is on shore, which is actually some of what Minerals Management is interested in. Let's not even talk about, you know, construction. Let's just -- 25 years of constant drilling -- and all the accouterments that go to that -- will provide something like, I think, maximum, seven days of power for the country.

To me, that's not a benefit. That's -- I don't want to use that term -- that's a rip off. And I can't believe that with all our intelligence and all our advancement and everything that we have to offer, just on the California coast alone, there must be 100 universities, that we can't come up with something better, that we can't come up with a better choice than completely degrading our environment for, so people can drive their cars.

P: So what do you think would be the benefit?

P: The reason we're all being asked to think about this all the time is about the federal and state government are very short of money. And the benefit to be gotten out of this is the revenue from the oil that goes to state and federal government. And so that's why the question comes up constantly why we have to deal with it all the time. In the case of Clearview, it looks as though there may be no economic benefit to the county. If the University should permit it on their property, there may be a few taxes they would pay, but basically the University property would get the money and the state would take most of the rest of the oil revenues and so we're kind of a sacrificial lamb sitting here because it would be good for the federal budget and it would be good for the state budget and it would probably -- it would be that all the impacts would be here, where nobody but us would feel them.

P: Along that same line, I do think that there are direct economical benefits from it. First of all, the creation of jobs. From what I understand, there should be something around 100 new jobs created.

P: I would think --

P: Just as a result of the Clearview project.

P: I -- first -- well, no. That is not correct. And Clearview is very different. I think if we're going to use Clearview or Drillview as an example we should differentiate between what is going to happen there and what would actually happen in the type of development that the feds are talking about. Because, in other words, are you -- and I did it too in using it -- but I'm thinking about -- we're using examples that may or may not apply and so we're formulating opinions around information that may or may not apply.

P: What do you mean?

P: OK. Is the type of development that Mobil proposes the same type of development that would be happening were the feds to develop off shore leases?

P: Uh-huh. You're aware of that -- that outside of three miles is a different thing than --

P: Yeah.

P: I was just using Clearview as an example. But that is an onshore drilling site. It directly affects us. So I'm saying, just in that respect, using that as an example of our county and what the impacts are here, I do believe the creation of jobs -- that the promise is that 80% of those jobs will go to people who live within the Santa Barbara community; that's the promise. I think on a more macro scale just relative to off shore drilling sites themselves, it provides security due to storage because -- the point was brought up before in catastrophes while, you know, say there's a catastrophe and we become dependent upon our own oil. Well, say there is a catastrophe to such a proportion that we need immediate use of our own oil and we don't have the time to pump the oil out of the sites. So it does provide for storage. I'm not sure what the actual -- don't you --

- P: I think the most likely thing, if they go the oil out, is they'd sell it immediately. It would be used.
- P: That's the assumption, that it will go to the Torrance refinery and be put into the current --
- P: What I do not know is how much of the present oil that's produced is actually consumed and how much is stored. On the contrary, if we leave it in the ground, we know it's stored.
- P: True. But the question is, in a catastrophe where we might need immediate access of it, we won't have it. Say there is an earthquake which takes away our use of utilities, which takes away our ability to get fossil fuels that we need to have electricity, to have gas. What if we don't have some of these things in some type of storage? Then it will be impossible for us to --
- P: One thing, when I think about this, that occurs to me is that, you know, for that sort of planning, it might be clever to make reserves now. The world is somewhat politically stable. We can probably get more oil from the Soviet Union now than we ever have been able to before. I'm not sure of that, but that's probably true. If we get our reserves as high as possible, when we could get foreign oil, then save our local oil in the ground for a time when various emergencies might strike, that's one strategy you could imagine playing out.
- P: I think that's what Elk Hills does. Back behind Bakersfield is a big storage project, just gigantic tanks, that is the national -- part of the national reserve. And I presume there are others in Texas. So there are some that they tap in emergencies and then later fill and whether they're full now, I don't know.
- P: I think the question that you're posing -- I don't think you can call it a benefit, but the question is -- does developing our own oil provide us with security? -- is a good question. But I'm not sure the answer would be yes.
- P: And I'm not sure that's so, which is why I'm simply making as a point --
- P: Yeah. I think it's a good question.
- P: -- as some possible benefits.
- M: We're trying to sort of wrap up our discussion. What we might want to do is take a few minutes and summarize each of your points of view. You might include something about Clearview, if that's a particular interest or issue. Note particular local community costs or local community effects from off shore development in Santa Barbara. You might use that in your summary statement, since those are a few other questions. And many of you hit upon this, but another question you might focus on as well is the impacts. You can intersperse that as you're discussing some of these other issues.
- P: I wanted to say more about the benefits. I'll just, whatever I say in closing, I guess, will be in terms of the benefits.

Locally, in the area of Clearview, you know, it's a very specific argument of that place. One is -- or there's been a long term plan to put faculty housing there and I think that, if you look at the economics of it, it's probably true that the number of faculty who would move in there would bring in more money per year in extramural funding from competitive grants and so forth than the Clearview project would provide in taxes to the state. So, in my opinion, the economic argument is probably -- for Clearview -- is probably overwhelmed by the argument of having faculty here. And I would point out, there aren't that many UC campuses in California. I mean, there are less than 10 or less than 15, certainly. I don't know how to count them exactly.

P: Nine.

P: Nine, OK. But UCSF and then various, you know, there's something in Fresno. OK. But there's not that many and they are -- one of their roles -- not their only role -- but one role is they are an economic element. Universities. If you look at where, you know, Silicon Valley is, for example, it's near a university. If you look at whatever will be called Biotech Alley, it's related to universities. Economically, it's not at all clear that Clearview is a net benefit.

But nevertheless, there is something that bothers me here. Even though that oil that's out there in the South Ellwood field is only a week's supply for the U.S., it's still worth between \$1-2 billion. And I don't think any of us would turn it down if someone handed us a billion dollars. None of us would turn it down and say, "That's insignificant."

P: Depends on where it came from.

P: Depends on where it came from? Fine. OK. But the thing -- when I look at this project -- in some ways I feel more radical than all of you, OK. In -- to get some of that money to do what you want in this community or in this state or whatever, involves diving in and getting into the details. You know, you can talk about the big picture all you like, but if you actually want to start getting dollars into something you're interested in, you're not going to get it by standing off and talking about the big issue. Small issues end up being the way you convert that money into something you want to do with it. And so I think a potential benefit in the long term -- and I think of 100 years -- I don't necessarily think of 5 years -- and I agree that a quarterly time scale is just inappropriate for something like this. And you look at it and how could this community use that oil the best way it could for this community? And it may be the best way to use it is for wait for an emergency -- we just want to keep it there in case there's an emergency and who knows what this country will be 100 years from now, we might want it some time. And it will be more valuable then anyway. But we also might want to think through how we want to get more money to benefit this community in whatever ways we want out of that oil. And that's going to involve diving in and going one-on-one with oil and the local government, not standing off and talking in global terms. So that's the sort of benefits one could get from this.

P: I think that that's how we got where we are today, with a whole bunch of almost unsolvable problems, is by going after that buck, that billion dollars without regard for what the long term consequences were going to be. I've been working with the ___ [environmental group], who have been working on oil issues for 50 years in this town, and for 10 years, we've been tracking every project and seeing the consequences and the cumulative impacts of one big development after another. I've got to say that we see the Clearview project as the most outrageous that we have ever seen because it requires changing all the county rules that govern oil development. It requires putting a very hazardous industrial production right in the middle of a very vulnerable community and residential area. So we're really opposed to it and we're also at the present time opposed to further off shore development off the Pacific Coast because we feel that what oil is there can be reserved, regarded as money in the bank, ___. We've got to plan for the future and we sure don't have to exploit it today. We might have to sometime. But I think the protection of the whole Pacific Coast, with which we have lots of cooperation from Oregon and Washington. They're fighting big oil up there all the time and they see it the way we see it. That there's something on this coast that's worth protecting. And we're going to work to do it.

P: OK. Well, I didn't say anything about benefits, so I'll make my closing arguments in terms of that. And I want to start off echoing something ___ said that's really great about the federal or state revenues that would adhere from any oil development and in the strange voodoo economics climate that we live in, where taxes in particular are the, like, the greatest mortal sin, revenues that any level of government can get from their take on oil that gets extracted is like free money in the sense that it's just as much money as tax money, but it doesn't look like a tax because the tax is actually being passed onto the ecosystem and to future generations. But it looks irresistible from the point of view of a Republican mandate sweeping in. And the necessity to continue government services and to live in a social manner, trying to balance that

against this rabid desire to downsize the individual contributions of people in society to government. So that's, I'm sure, from the point of view of all levels of government, it's an irresistible possibility to think that there's a way they can get away with it without getting caught, why sure!

The other benefit from that development is that it continues the concentration of capital into vastly powerful syndicates that now dominate the world and just are so apart of what the world's become that it's really -- I mean, frankly, my imagination is limited -- it's really hard for me to imagine a world that is, without the Seven Sisters, the oil companies, and their counterparts, and what they've done to this planet and what they've done to national and international politics and wars and -- I mean, you know. Lots of wars, for example. So, you know, to summarize, I mean, the major benefits to me of not increasing off shore oil production or onshore for that matter are, given the way it's being done right now, not exacerbating this trend is not necessarily, by any means, any guarantee of movement in a more democratic fashion -- and I'm not talking about the Democratic party, I'm talking about democratizing society -- and people taking --

P: -- from the benefits --

P: Yeah, and the risks and the benefits of people taking greater responsibility for their lives and their contributions to the whole. And the nature of the whole changing because of the different levels of responsibility and share costs and risks that everybody entails. But as far as I see, to continue oil production in my sense or to increase it is anti-democratic, not to do it -- there's at least the possibility of moving in a more democratic direction.

M: ____, ____, we have just a couple minutes for wrap up.

P: OK. Well, the subject, as I understand it, is how do we feel about off shore oil development, is that correct? And from that, as I understand it, in federal waters, which is beyond the three-mile limit.

M: In both. State or federal waters.

P: Oh, is Mineral Management looking at development of state waters?

M: We're saying that -- well, it's a broad question. It's just development.

P: Because the issues in state waters are different than they are in federal waters. But anyway, that's what I thought the subject, as I understood it, was. I can tell Drillview is a hot topic and very close to us right now and we can't -- we're all drawn to that -- but to me that project is somewhat different than off shore oil development in federal waters.

As far as the benefits, immediate benefits are going to be money. And they're going to be money for oil companies and money supposedly some taxes for the federal government. But how that actually filters down to us here in Santa Barbara, California -- especially when the current Congress has definitely said that, once again, offense funding is going to be their priority -- And we know they're refunding a machine that has constantly degraded us and we know that because the biggest toxic waste sites are all military sites. So I see any possible, conceivable benefits as very short term and benefiting people and entities that, yeah, have already benefited and I don't think that's beneficial for the whole country. I think we can get the oil or the energy somewhere else. I believe we have an obligation to begin to stop degrading our environment and to begin to restore it if we can. And I guess that's where my sentiment or my bias lies. I just have seen enough degradation, can we try something else?

I think the costs are very damaging -- are very high, both short term and long term -- both economically, because of the type of investment it sets up, and environmentally, because we don't really know what the long term effects are. We can only try to look at the last 70 years and I would say that we can't measure it all definitively and scientifically. We know it's been negative, along with a lot of other things, along with

our lifestyle. Personally, although we can sit and look at the facts and analyze, you know, more EIR stuff on off shore development, what I'd really like to see is us look a little more to the future, you know, especially from agencies like Mineral Management Development -- they've been responsible for a lot of degradation, both oil and mining and drilling. And say, OK, how can we turn our investment structure around how we can develop energy that really looks to the long term benefit for everyone.

P: Just make a quick comment. I agree with what ___ said and that it's important for us to look toward the future with regard to what our needs are going to be then. In the case of off shore drilling, it is a question of need and gain, pro and con, benefit and degradation. What, where it actually -- where is that point for us right now -- how reliant are we on that oil? Or how extra is it? Is it purely, a pure conspiracy to gain money or is it a true attempt to supply the amount of energy and the amount of security that we need now, both economic and just security in itself. I've grown up on the West Coast my whole life, and so I naturally have a desire to see the Coast be preserved. It's a beautiful place, as ___ spoke of before. It's very unique. And it's just a shame when I look out and I see the negative effects that are taking place -- the negative things that are taking place right now in the marine ecology. I don't know exactly what is causing that. Unfortunately, I'm not as informed as I should be. I can guess but to really pinpoint it, as ___ said, to get down into it, instead of just talking in global terms, and really find out what the issues are, what the specifics are, I'm not as informed as I should be. I would like to see -- and I believe it will happen -- a change toward a more efficient use of energy, as ___ said before. And I believe we will naturally do that. Because I do believe in man's ability to propagate its own survival. But I'm really, I'm left with mixed feelings on off shore drilling. I don't agree with its environmental effects. I don't necessarily understand its true benefits.

M: OK. Thank you.

P: Thank you very much.

APPENDIX V: PRO-DEVELOPMENT FOCUS GROUP 1

Dev1. Pro-Development Activist Focus Group 1

- M: So I'll be asking you some general questions and I would like you to say what you think and discuss the issues, perhaps amongst yourselves. Your participation in this group, as Eric was mentioning, will be anonymous. You will never be identified by name in any publication or report stemming from this project. The cameras are here for two reasons. First, so that we can identify who said what for the transcripts, which we will analyze for the report. Second, so that we can make a short educational film about the focus group process. That film will be used in teaching courses such as public opinion or environmental politics. If you want to allow us to use you in the film, you need to sign the statement which we will provide at the end of the conversation, so don't worry about the cameras. Now in order to keep the conversation going we have a few ground rules set. This isn't exactly a rowdy group, we've had larger groups than this but I'll go ahead through the ground rules. Like I was saying, we want a discussion- not necessarily a series of exchanges between the moderator and the panelists. To help that along we've developed a few guidelines. Basically, because we are interested in, and because I am transcribing these tapes, we want basically one person to speak at a time. If you have a thought in agreement or disagreement with someone else, with what someone else said, you might want to write it down, and then state that you are in agreement because while it might be on the tape, if it's not verbally said I don't transcribe it. Also, side conversations shouldn't occur because then that gargles up the tape, too, and it's kind of hard to tell who was saying what and so on. We'd like everyone to contribute to the conversation so if you feel someone is hogging up the conversation, or something, but you might want to just share your views and kind of ask each other what the other person thought or said, or what they meant by a previous statement; that sort of thing. From time to time I will intervene with a new question or to change the direction of the discussion in order to move us along and keep on track and on schedule with the studio time. To get us started I'd like to ask each of you to take three or four minutes to write on the pads provided your own thoughts about California off-shore oil development, and then the first thing that we will go into is an opening statement by each of you all from those notes. So we'll take three or four minutes just to do that. Then we'll get started with the discussion.
- M: All right, shall we begin? Maybe we could start with Mr. _____. Kind of just begin by making an opening statement on what you think about off-shore oil development.
- P: Well, particularly in California. I'll start with the question, and the question is, how much oil is there? And I don't know. Frankly I don't know if anyone knows. I'm sure there are some estimates. From the limited knowledge I have, it's my understanding that there is a huge quantity of oil off the coast of California. And if that's the case, it comes to mind that that could serve as the national energy reserve. And, if I were to approach it in that way, that we can quantify how much energy is there, and rather than pumping oil, processing it and storing it in underground caverns or above-ground storage areas, why not just earmark that as the reserve. Then, through a political process determine at what triggers access to those reserves, and how you access them, and who accesses them. And that's a political question. I guess that's my first reaction. I think that the use of the oil under current leases is appropriate. I personally don't have a problem with the pipeline programs that exist and that are proposed, and frankly, I don't have too much of a problem with tankering. I think more is made of the pollution caused by tankering than is real. Clearview seems to be a worthwhile project. Certainly there are a great deal of negotiations going on as to the scope of the project, the size of the project, location of the project. And I think a great deal of that is strategic maneuvering by the parties that are affected. But I think it's in the best interests of the .. since that lease already exists it's in the best interests of the community to pursue Clearview. In fact, I think that it will be done. It will just take in typical Santa Barbara fashion, eight years instead of six months, which is probably what it should take. That is my response.
- M: Thanks. Mr. _____.

P: I feel that the benefits outweigh the negatives. There certainly are negatives in this type of business, but they need to be addressed and with scientific base. We have always had natural oil seeps off-shore, and long before the oil development, there was certainly oil on the beach and things like that. And I feel, like ____, that it is a national reserve of oil. It may be a tremendous amount of a natural resource sitting off-shore. And it should be used, in order for us to be less dependent on foreign oil. Now getting into some of the benefits... The economy- local, state, national; jobs, and those are some of the benefits I'm working on here. And I think when you consider the people, or the human aspect of, when discussing things like this, the benefits certainly outweigh the negatives. And the negatives can certainly be addressed with a little common sense. Those things can be worked out. Today's environment we're dealing with in the political arena with these issues, and that confuses them quite a bit.

M: Confuses the issues?

P: Confuses the issues.

M: All right, thanks Mr. ____.

P: Thank you. Joining really with ____ and ____, I look at oil production as a activity that really has turned out to be very necessary in our economy. Both the U.S. and the California economy really are based on energy in many, many ways, and oil is a very significant source of energy. And, fortunately or unfortunately, oil is where you find it. And it's true that the oil companies, have located, I think, a great deal of the oil in this world. They haven't located it all, yet, by any means, but then once you locate it, you get into the problems of producing, and then handling that oil to get it to the markets where it could do the most good. I think that's kind of where we are today. We know that there is a lot of oil resting off the coast of California. And if we can allow the development of this energy source in a way that doesn't all happen at once, where it can be protracted over a long number of years, then we'll be able to use a lot of our facilities for a long period of time. If one has to develop a lot of facilities to handle a great big development push, and then all of a sudden the oil runs out, you have the facilities left over. Where I do believe with the facilities that we have on the coast today two main processing plants. Production is forecast for a number of years under the known developed source; but it will be starting to tail off. And as more sources are actually developed, we can continue to use those facilities, continue to use the pipelines that are developed, that I think that will be developed, calls for development. I prefer to see the transportable oil through pipelines, overtime, rather than ships. But I have felt that it is only economical to allow shipping as the pipelines were put into place. And I agree with ____, that I think that the oil accidents that have taken place have really they've been blown out of proportion on a long term basis. There's no question that 1969 when the Union Oil Company blew out was very significant. Many things have been learned. The government has put on more constraints on down-hole procedures and drilling procedures and so forth, and so I think that as we live through those accidents, and certainly we hope that we don't have very many of them, we want to make sure that our engineering is such that we hope we don't have any. But we have learned from those accidents that we have had, and I think can go down the road. So, as far as long-term federal is concerned, I think that it would be very appropriate to either allow the companies that currently have leases to develop those in sort of a programmed way, if there is any government constraints on them now, I don't know that there is, other than the shore facilities. But if we if the U.S. Government puts out more leases I think it should do it in a very calculated and slow manner. I think another bit of technology that's come in is what Union [Union Oil Co.] has done up on Platform Irene. They've developed one lease and possibly a second lease from a single platform that they thought was going to take probably three platforms when they first engineered that. So I think the companies have increased their technology. And can produce in a really very safe way. I'm concerned about what we allow on the coastline, as far as on the land is concerned. But I think if it's done in a way as the Las Flores Canyon, as opposed to where Chevron was allowed to put their facilities, it will fit into our coastal plan. The other thing I am concerned about is the poisonous gas. The hydrogen sulfide that I think ... that is one thing that we have to be very concerned about. How that's handled because that

could have a really very major effect on human life. And that was one of the big concerns, I know, with the Port Arguello Project. The gas concentration came in higher than was originally estimated.

M: I think you all have hit or previewed some of the specific questions that I'm going to be asking; but for the sake, again, of uniformity I'll go in the order although you may have hit on some of these already. We might want to start with the costs what you all might see as costs of offshore oil drilling- you've hit on a couple just at the end of your opening statement. In terms of what we might see as bad things it might come from further offshore oil drilling. Do you have a ready response there?

P: The costs of the negatives?

M: Yes sir.

P: The impact on any kind of environmental people-

P: You're probably looking at the subject matter rather than the dollar cost. Just to identify some of the impacts-

M: The impacts- the bad things...sort of unexpected bad things or expected bad things that might occur from further offshore oil drilling.

P: Well, you could not have it and then keep the oil companies mad at Santa Barbara, and gasoline prices will stay forty percent higher than anywhere else in California.

That's a joke- but I have to tell you that when Fred Harvey was alive, you know, Fred was the chairman of the board- of Union- and he hated Santa Barbara. I mean, I had him on a board that I was on, and he hated us up here! I mean, personally had a vendetta because he felt that Santa Barbara, the people of Santa Barbara had unfairly castigated him for an accident that he tried to clean up; and you know, it was out of his control. Frankly, I think, this is a little off the subject, but the biggest damn problem were the attorneys! You know, you have an accident, and instead of putting in the money into to cleaning up the accident, you're spending a billion dollars on attorneys for lawsuits. But I had a guy come to me who had a phenomenal idea for oil-spill clean-ups. Using, it was an ingenious concept, and I saw the prototype. And I watched it work. And he was looking- you would think the oil companies would fund this, right? It was a great idea. He took a little chip- he sprayed hot oil out over the ocean with a little sprayer. The wax, (it made wax,) the wax absorbed the oil from the water, when it congealed. It scooped it up into the ship, brought it inside, melted the wax, collected the oil, and re-sprayed the wax out again! Brilliant! Simple! But no oil company would fund the production and this clean-up. And they tested it, and it works. Why wouldn't they fund it? They said, "Because we have to spend so much on attorneys whenever there is an accident that, what the hell...we'll just spend the money on the attorneys: do the lawsuits, we'll clean up what we can but we're going to spend so much on law suits. So, somewhere we've gotten screwed up here, but that's typical of our society. I don't know. I think that treating offshore oil as a reserve is a sound principle. Frankly I think that we're going to get beyond oil, eventually. I think technology will take us to the point where oil is not the most efficient and most cost-effective source of energy. I don't know when it's going to happen; university engineers probably have a concept of when that'll happen. But it might be we never have to touch that oil. It might not make any sense to touch it. Right now, you know that it's politically I don't know- you guys know? What do the oil companies say? I don't sense, other than they'd like to get at Clearview because they've got the equipment out there already and they've got the lease, is there a tremendous pressure on the feds to develop more leases? I don't sense-

P: No. I think you're looking at two different things. You're looking at Clearview being, it could be land-based development. Yes, it could be reasonably expensive but I think they'll be able to recoup their expense. They know where a good deal of the reserve is out here that they can get at it. I think that's a little different than continuing to develop some of these untapped lease areas out in the federal

waters. It's going to be more expensive to actually recoup their investment where Mobil that was Arco ... their investment, yes will have to be increased on Clearview, but I think they'll be able to see it payout. I've heard some talk from the other companies that they may never be able to pay for Las Flores Canyon. But the only way that they can pay for it now is to go ahead and extract and work it and make money on that that comes through to pay off their long-term debt on their extreme development costs. I think this is one of the reasons why oil companies have been pulling out of California. The majors are basically pulled out a great deal of California. They are leaving it to the independents that come in with a lot less money behind them. They'll try to skimp by, and hopefully these people will be able to afford to clean up when they are done. That's a very major concern when one turns it all over to the independents.

M: That's an unexpected cost from offshore oil drilling- the switch from oil companies to independents.

P: I don't think that you'll ever see the offshore be able to turn toward the independents. They don't have the resource to go. Where you've seen it on-based land-based operations the development is already in. They are picking up oil wells that have already been drilled these types of things so their expenses are more in producing. But down the road, they'll have an expense of capping those wells off. And, hopefully, those independents will be able to do that. And if they can't it may will go back to the land owner. So anybody that owns land and owns the oil may well be buying in a certain amount of liability with an oil leak.

P: But it's not an offshore oil-

P: You don't see the smaller ones going into offshore oil.

P: But I think you're talking about the impacts and we have felt the negative impacts through the economy and like ___ mentioned, right off the bat, that this county, with the reserves that we have, could be one of the wealthiest counties in the state. And yet they've chosen to fight the oil companies through litigation, and that's one of the reasons why the county is broke. And oil companies have been very generous to this county in the early stages, building everything from the city hall to the schools and libraries and towns. The township of Cuyama was developed with the oil companies. And then the job producers. But since the over-regulation it's gone the other way. We as land owners, talk about the land base a little bit, but felt as the oil companies pull out they quick-claim their land leases and that's just a loss of revenue to us that we've enjoyed traditionally over the years is completely gone. The independents can't pick that up. And then like ___ says, the offshore oil development is for the big boys and they have the technology and the money to look at that. But the local regulation, on top of state and national it just doesn't make it very feasible for them.

M: So you think the city and county has lost out of both attention and revenue-

P: Absolutely. The schools suffer, the libraries, the people suffer and we're all paying for it.

M They wouldn't necessarily be from oil drilling but the reaction to oil drilling...

P: Well, I think chosen to fight the oil companies instead of working with them.

P: It comes from the tax-base that the oil companies have in their facilities. The Las Flores Canyon, for instance, I'm not sure how many thousands or millions of dollars a year they pay in property tax that goes to the counties and into the school districts in their districts. When the Port Arguello Project was held up the facilities were complete, but because of some permitting problems and I could see some problems on both sides- and I'm not saying that the government completely created it. However, once those facilities were complete, they didn't start paying property tax until they were used, and I know that the principal of the Santa Ynez High School, which has that in its district said, "Gosh! Let's get that going! That is a lot of tax revenue for the high school, which is educating children between ninth

and twelfth grades in all the Santa Ynez Valley. So, yes, there is a lot of wealth that the oil patch brings in. When oil was very active in the Santa Maria Valley, a lot of industries there were supported by the oil companies. And once they started to dry up it really hurt Santa Maria economy and a lot of small private businesses.

M: Well, along those lines I think we've touched on the litigation and have some clean-up expenses for the oil companies. What might be some of the other risks or you might want to explain in more detail what are the risks incurred by either the leasees or the actual oil companies that have to do this oil drilling. What might be some of the other risks that are associated with offshore oil drilling?, that you may not have brought up yet. You were talking about the--

P: Hydrosulfide gas? I think to me, that's one of the most significant risks. You know, by having platforms out in the channel, some have said, gee, are you presenting a hazard to ship it? I was talking to a fellow that's handled a lot of shipping litigation over the years, and he said, "Really, ____, that when the platforms have gone in the navigation has become more sophisticated because of technology, but also people are paying more attention, because they know that there is a possible hazard out there and really, there have not been the shipping accidents that were anticipated," and I don't know if there have been any, because of those platforms that you might say are obstacles in the shipping channel. As a matter of fact there's a lot of assessment that has been done to the benefit that those platforms have as artificial reefs. And they're now talking about taking down some of the platforms in state waters off of Carpinteria, and knocking down those tremendous resources of reefs that have been built up- artificially, yes, but it's real life that is around those that they have to take those out, completely, they are going to be destroying a resource to revert it back to nature. So I don't think that many of those platforms, those islands, have become a hazard, at all, when you really stop and look at it, there is a small risk, of course, in piping the liquid from the platform to onshore. But I do believe that the record has been tremendously good in the way they monitor pipes these days, and I think this is something the feds are very interested in making sure that this is monitored continually; that you have a very very low chance of spilling in the ocean from a pipe. And once it gets on shore, again, I think that the chances of a spill are very very low and to what the damages would be done. Like I say, my biggest concern is the poisonous gas that can get out into the air and do some damage. I think that, like I say, Las Flores Canyon is developed well, where people don't see it, and I think that that's the type of development that the County can allow. So, I don't see as many down sides to this as people really come up with.

M: When you speak of keeping it as a reserve, is that because of specific risks, or, maybe, what would be the triggers that would have us go to this reserve, as a nation.

P: Well I'm sure we have a reserve now. I don't know, but I would think it would be a natural thing to do. And I think, as I recall, that we store our reserve oil in natural caverns somewhere here. That's my understanding. So, that doesn't make a whole lot of sense to me. But I would imagine that we have an energy policy that dictates when those reserves are to be used - the current reserves we have pumped and stored somewhere. So I guess that one could use the same policies if there was a plan that allowed you to access this on-shore oil fairly readily. And, maybe that's possible, maybe it's not. It seems to me, that it would be possible. We could even use the Santa Barbara processing facilities, which as I understand, they don't ever expect to use to the maximum potential that they can process oil there. So maybe that's another ... maybe we could help subsidize that. We'd be really friends with the oil companies. As a national resource, the process potential reserve. So, there's probably a policy in place, frankly, and you'd have to modify it if you were to use the existing reserves you have stored somewhere, and sell those off, and pay off part of the financial debt. There we go.

P: You know what- just thinking of reserves, there used to be one called the Outfield Reserves out in Kettleman City and going farther north in San Joaquin Valley. And, I believe it was the Department of the Navy owned that, and was in charge of it. But they had at that time Standard Oil Company on their contract but they had actually drilled oil into those reserves and the contract called for those wells

- being able to pump they would have to pump them occasionally just to make sure everything worked. So that in an actual emergency you are able the government was able to actually produce oil to go toward shipping and so forth. And I can't remember it was about the time of the Mid-East war or maybe it was before that that they got into some trouble. And finally, I think, they actually privatized that reserve. I'm not sure that oil is really pumped, and pumped back into the ground. Natural gas is stored in caverns. At one time the reserves were, I thought, identified underground, pumping facilities were actually put in so that they could pumped, but I don't know- maybe there are places that they store, and ___ I honestly don't know that.
- P: I don't either, for sure, honestly-
- P: In order to be a reserve one could cap, in an actual emergency you'd have to have it set up so that it's all ready- the oil wells are drilled and you'd be able to produce within a foreseeable future.
- M: It would have to be accessible.
- P: Yeah, but the other part of the reserve, I think, is, as ___ is talking about, is if development were say, allowed, slowly, you know that you've got a reserve of natural resources that we're not going to burn all up in a ten year period, and that may well force our economy into developing other sources of energy, which ultimately, I think, will come along. And oil, rather than being a primary source of energy may only be used as a source of lubrication- as time goes on.
- P: But knowing America's love affair with their independence and their automobiles and the volatility of the world politics, it can happen tomorrow. The oil can go over twenty dollars a barrel, we can have lines at the gas stations again, and there we go. These things take time to develop these reserves. It just seems to be prudent planning to look at the reserves and forecast what the needs are going to be and become less dependent on foreign oil. It just doesn't make sense to- when it's under twenty dollars a barrel, and then it makes more sense. If you can buy it cheaper somewhere else, then do it, but that's not always a guarantee.
- M: That brings us into our next specific question, which is, you might want to be more specific about what are the benefits that we see about offshore oil drilling, and I think this discussion on keeping as a natural reserve, or as a national reserve, rather, would be; it's a nice segue, in any event. Are there other benefits that you all might not have mentioned already of offshore oil drilling?
- P: Well with the side-product gas, some of this gas is wonderful, very pure, sweet gas that's used a lot. I'm not that familiar- I don't know all the facts- but I understand that there is some good gas running around.
- P: But it's put right into the system. It goes right out of both- I know it comes out of the Port Arguello Project and think it also does- I know it also does to- out of the Las Flores Project. That when the gas is treated, the sour gas removed, it gets put right into the to our marketing system, and those of us that use natural gas at home, that's where it comes. And so, like I mentioned in my opening kind of statement, is that our economy is really based on using quite a bit of energy. Those of us that are in agriculture, we use energy to work, to till the soil, to produce food; we use energy to haul cattle back and forth, or to haul cattle; to pump water; drive here today; whether these lights are being powered by fossil fuel or by some other source, fossil fuel does contribute to generating electricity. So, a number of years back, when my father first came to Santa Ynez valley, and if there was a drought, you had no place to go with your cattle, and you could not bring feed in. You just could not do it. When we shipped cattle, we drove them out of Santa Ynez Valley over the mountain and hit the train, and took coach. As time went on, we'd bring cattle in, from the East Coast at times, or if we have a drought, we can ship them out. We can bring hay in. Our whole economy and that's just in the cattle business, that I'm familiar with. But based on transportation, when vegetables leave Santa Maria, maybe tonight, within two days or three days, they're in New York City. So, again, I think that it benefits all of us,

whether we're living in the country, whether we're living in the city, whether somebody even has a car that they put gasoline into- they are using energy.

P: Also, the recreational uses of any kind of oil by-product or oil-based petroleum-based products-unbelievable: fiberglass to airplanes, boats, surfboards, water-skis, and the plastic uses we use everyday in our lives from milk containers to everything- these chairs right here... tires, road-base, asphalt, building material.

P: Well now, how about this? I had the people from Mobil on my radio show. We were talking about removing the platform out there. I thought that people would call in and say, "Yeah, great! Let's get that platform out!" That's not what happened! [a few jumbled words] People called in and said, "We like those platforms! We like looking out at them! We like them lit up at night!" This is the truth! I mean, even listening to them, myself, I think, baloney! But really, it's true! Someone even suggested that rather than pulling those platforms, they ought to take a couple and turn them into classrooms. I mean educational locations where students can go out. You could have professors out there. You could do diving classes, you could do marine education classes, and maybe turn one into a hotel! People could go out, and use a recreational facility, stay out there. It would probably make a lot of money... But apparently, as I understand it, the leases with the feds say that you have to remove the platform and return the area to its natural state. The whole thing's got to go. It can't stay. Too bad. I think that's not a bad idea.

M: And so people generally calling in, they were actually-

P: They liked the platforms; yeah!

M: Some people have said that- that it's just a sort of Christmas tree effect out on the water. I think probably not something that we would think of, or whatever, is also, some people have mentioned, I think one of you all mentioned today, as well, the artificial reefs and sort of the dolphins and other mammals that might enjoy them out there.

P: They are working on that, to get some state legislation and the state lands to perhaps allow some to stay out at Carpinteria. I don't know what the status is, but I don't know whether the fed has jurisdiction in state lands on that part, or if it was only part of federal lands. I'm not sure whether it's a state issue or a federal issue when it comes to these closer ones like Platform Holly. Again, Platform Holly is right off the University. It could work into something with the University. If it were abandoned, and turned back over as a resource.

P: Yeah- you guys have a shortage of classroom space! There you go!

P: Watch the whales go by!

P: You know, another thing we've already touched on, on the plusses, is there is a lot of service generated that through oil production the employment of people and small business. A lot of small business is being affected possibly through the processing that Port Arguello and Las Flores. The plumbers, and, just a lot of different trades that are involved in this type of thing. So it is, definitely, a positive part of our county's economy.

M: Some people talk about the impact of offshore oil development on their communities, and I think you've touched upon that kind of jokingly/kind of seriously in terms of the opinion that oil companies may have of Santa Barbara/Santa Barbara County/Central Coast. What sort of impact do you think that oil development has had on the Santa Barbara area, and what sort of impact do you think more offshore oil drilling would have on the city... We talked a little bit about tax revenue and so on, but some more of the specifics would be helpful in terms of how Santa Barbara is viewed. What are some of the things that we might connect up with the oil companies, and so on.

- P: You know, one of the potentials that the city fathers had an opportunity to do might have been right in not doing it, I don't know. But the oil companies as they were wanting to develop along the coast needed access to the ocean and they looked at the harbor in Santa Barbara. And they were willing, as they understand it, to completely redo the harbor so that the sand would not build up and plug it off, as it does today. That they had gone through their modeling, to make sure that they developed it a certain way that sand would not come back in and fill up. I don't know where they would've, what type of facilities they would've built, what the traffic would've been going into them for trucks and so forth. And so I'm not faulting the city fathers for not doing it but there are opportunities for a big plus if you can handle the traffic in this type of things for facilities to be built that the rest of us can use in a recreational way. And so, it's too bad, perhaps, that that wasn't able to have been worked out for both people's benefits. But oil companies, if they aren't controlled, they're like a lot of people, they'll look to the bottom line, and see what they can do to make money. And there's no question. That's part of private enterprise. And I think that Santa Barbara is, even though they've been tough, did some very good things, the county and the city, to make sure that there was not a proliferation of facilities up and down the coast. You know, not lots of pollution. And yes, there was a big tussle over air pollution. Now the companies have finally been able to come along, and I think we've addressed that. And so the offshore oil platforms are not a burden to my knowledge to air pollution without the restrictions that were in place or restrictions similar to that.
- P: That's a good point on the harbor issue. When you look at the coastline..I've been involved in the marine issue recreationally. Here we have between Santa Barbara Harbor and Avila Beach a stretch of maybe one hundred miles of no harbor, and as our population increases and the beauty of this coastline, the access of the Channel Islands. It's just a wonderland for the recreational user and the fishing industry. It just seems unnatural to involve, in some future time with the oil companies in some sort of element I just think it's going to happen, it's just a matter of time. You look at the rest of the United States or the East Coast, for example, where there's boats and harbors up and down the coast, and they have a little older history than we do, but it's going to happen here, with just our climate and year-round boating. It's unnatural to not have at some point some development, in the form of a harbor along the coast between Santa Barbara and Avila Beach.
- M: And you think that's furthered by further oil development?
- P: Well you sure would want to include oil companies, because these things are very expensive, and make the facility available. Then also Coast Guard use, for the safety of the boaters out there, and people transiting up and down the coast of California- if they're in trouble, it's a long ways to go for helicopters or for Coast Guard equipment out of Point Mugu or Hueneme
- P: Yeah, Point Hueneme I think is where the oil companies do most of their servicing from, and that's a lot of miles.
- P: That's a lot of energy used on their equipment- boats, transferring and transferring people via helicopter or boats, and that's just using more energy right there. So as a good example of people benefiting along with the oil companies and as more of a partnership.
- M: Mr. ____-
- P: Well, you know, if you just look at the economics of the oil industry, you'll find that the people working in the mining and oil in the Santa Barbara County are the most productive workers. By productive I mean produce more revenue per worker than in any other industry. So, certainly there is an advantage to the economy of Santa Barbara to encourage that kind of work here. The multiplier effect is tremendous.
- M: That's true. We have often people say.. I think we've touched a little bit upon this- the platforms themselves... We've talked about the possibility of removing one platform, some of that discussion.

Some people think that they are not attractive off the coastline. Which may have been why you were talking about it on the radio. In any event, what might you all say to people who think that? We talked a little bit about that out of sequence. Is there any other thoughts on that themselves; I mean the platforms damaging the beauty of the coastline, the aesthetics of the coastline?

P: I would prefer it if they weren't there. But I'm not one that likes to get up on a hill at night and look down over a city full of lights, either. And, if I could turn the clock back, to the twenties and the thirties when I, well I wasn't around then, but a little bit later when I first came to life ... [several people talking, laughter] Well I don't think we can turn the clock back and I'm not suggesting that all of us live in houses that have lights on should leave this area either, but I have found it interesting, and like ___ mentioned, I know of a case down in the Long Beach area within the breakwater that they built. They built four islands and they called them the Thumbs Islands back in the late sixties or seventies, I don't know which. And the two closest to the city, they put fake apartment buildings around the drilling- the drilling brakes, and there was four apartments on each of those two islands and the islands further out did not have them. When they got ... and they were on kind of like a river track. When they got done drilling one well they could move them over a little bit. When they got done with the drilling phase, and they didn't need those derricks any longer and they would just go to small derricks to service their wells they were going to remove all the derricks and the apartments. And the people in Long Beach put up such a fuss that they left either one or two apartment buildings on each of those two islands. They took all of the insides out. They took all the works out of them, and then they had to put, I've forgotten how many they told me, how many tons of cement on the bottoms of each one to stabilize them because of all the weight they had taken off. But they're there- you can drive along Ocean Boulevard in Long Beach, and you can see those fake apartments sitting on those two islands and they've got palm trees around them an so forth. I would have liked to have had them taken those off because it does cut into the horizon, but it's kind of different and unique. So I can see why people might like it.

P: Basically they have colored waterfalls, too. There's water being pumped over, and there's a colored light shining on that.

M: I don't think I've never seen that.

P: Drive along Ocean Boulevard in Long Beach...

P: They give me a sense of security- of this national security that we are producing our own oil, and less dependent on foreign oil. But as they become obsolete, there is other technology available, and some of those are like ancient dinosaurs out there and they probably should be removed and as time goes on, they're a benefit to the boater, again, the recreational person that may become stranded out there and they help from time to time. They rescue people from those platforms that happen to be nearby.

Other than that, I don't think there's that many of them out there that we're worried about. I sail out there, past them, and don't give it a second thought, that they're a problem.

M: We touched upon Clearview a little bit- there's that proposal to remove one of the platforms. Do you have any specific thoughts on that project, specifically? As you may or may not know, it proposes to take down that specific platform, and have an on-shore access slant drilling to the pool of oil. What are your thoughts on that project? Perhaps some of the players involved- you've mentioned the University and so on. Any specific thoughts on that project so far? You were sort of giving us a timeline of how long it's going to take... Well why do you think it would take eight years?

P: Everything takes eight years in Santa Barbara! That's what I tell everyone! Then they complain about their project, that they've been in it for four years, I just tell them, "Well, you know, it's eight years... That's what it took to approve the Hyatt Hotel; that's what it took to approve Fess Parker's Red Lion Project; that's about what it took by the time we get the Cachuma Golf Course up there... Eight years is

kind of the magic number, so you just have to plan for it to be that way. So that's what I told Mobil. Was, what they announced their plan officially to the county last week, the week before- eight years! There we go. I think it'll get done and I think that, you know, they have the rights to the oil, they know where it is, they have a plan. Everybody's going to benefit, and everyone should benefit. I think the University, whether it's UCSB, or the Regents, you know, the whole UC System, I think they are going to benefit from, financially, significantly benefit from the project. I think the state will, I think the county will. I mean directly benefit, share in revenues. And I think that the region will benefit from the taxes and the jobs and the services that are offered because of the development. I mean, I wish that if there was another place to put the eighteen-story tower that you need, to access that oil, because it's unfortunate that it's right there on the beach, and it's right next to housing that the University is proposing to build and that you need. And quite honestly, even though I've looked at the proposed project several times, it's still difficult to envision how they are going to mitigate the noise. And I mean I don't have a real problem, personally, with the height of the tower. It's about ... it's not as tall as the tower you've got on campus, so, I mean, that's a pretty good argument- that, well, what's wrong with it? Just as long as you make it. It's either you can see right through it, which they tell me is going to be the visual effect of it. But how you mitigate the noise for people who live in the area- I don't know. And I really don't have an answer for that. And it might just be that housing isn't appropriate within a certain distance and something's got to be compensated, if that's the case. And it's probably the University that's got to be compensated. But this is a huge project. I mean, it's billions and billions of dollars of oil, so there is money to compensate. That's how I feel about it.

P: I think the noise can be handled to really be minimized. I really do. I've seen oil rigs right downtown along 405, for instance- not too far from where the Veterans Hospital is. Their derrick was completely sound-proof. I think, depending on how much sound-proofing one puts around the derrick going up, so whether you see through it or whether you see the derrick, and that can be decided if it gets to that point... If it's open, you'll have a certain amount of noise from pipes banging. Even though I understand now that they, as they pull a pipe up out of the well and they lay it aside, out in the oilfields you get a big hard bang when that takes place. They can actually lay down these pipes, and so you don't get much of a bang. If it's still encased in sound-proofing, I think you'll get very little. They tell me that the project here would call for all electric motors, where in the oil patch they use diesel or natural gas, and so you get a lot of noise there but where your motor noise would be basically non-existent. From what I can understand, probably the most impact would be truck traffic coming in and out. Again, that could be regulated to certain parts of the day so that it wouldn't interfere with, say, night sleeping. That is an impact that I think has to be recognized and dealt with to go forward.

I understand that they are not talking about processing anything at the derrick. Their first plan, they were going to process some gas. But I haven't seen the second stage here, but I understand everything, really, is to be shipped over to Ellwood Shores to be processed. So that that would actually break the county policy, which now only allows two facilities along the coast. I see no reason why a third can't be allowed if it is done properly. Whether that is the exact proper spot, or not, I couldn't tell at this point. I don't think two is a sacred number, but I think when you change the policy one should do it making sure there are a few impacts. As I say, my biggest concern is what happens if there is a gas leak. And I don't know enough about the project for me to come out and be one hundred percent behind it or be one hundred percent of the post at this point in time, but I do believe the technology is here, that wells can be drilled at that length and go down into the ground, under the ocean floor, and back into the oil, where you're not going to have the possibility of having a blowout like Union Oil did in 1969. That technology Platform Irene, over off of Vandenburg.

P: This is a community obsessed with the negatives on any issue. And in this case, the benefits far outweigh the negatives, and the negatives can be mitigated and it's not that big of a deal. But yet it's going to be torn apart, analyzed, scrutinized, and criticized between now, and when it's done and long after. It's just the way this community is. We'd love to have something like this in the North County. Let's put it in- we'd love the benefits for the economy and so forth. But, you know, I think the world is focusing, and the environmental world is looking at this project and it would be a real feather in the

cap to have a project that is accepted, and at the same time the benefits are tremendous. And it far outweighs the negatives. Take out the offshore derricks, whip them in for on-shore, eliminate the pipelines, wonderful. Eliminate the tankering, beautiful.

M: That's very clear- it clears out some of the risks that we were talking about that could come from piping and so on.

P: There's risks in everything you do. There's risks in driving down the freeway, parking your car here. There's a risk trying to find a parking- I mean, come on! [group jokes about parking lot] But the community is just obsessed with the negativity of any issue. They want us to go back to when the Indians, Chumash were here, and yet they patch their canoes with oil on the beach. And they were able to paddle out to Santa Cruz Island, and take their woolly mammoths with them. I mean, this is just- you know- it's just part of the twenty-first century, but here in Santa Barbara we have these tremendous reserves- more than Prudhoe Bay, perhaps. They put a pipeline from there all the way down just to get the oil up there in sub-zero Arctic weather.

M: I basically wanted to close off our discussion today, and give you all an opportunity to make closing comments- anything else that you wanted to have, that I haven't specifically asked you about, that you might want to make sure makes around to our conversation this afternoon. Just generally- drilling off the California Coast.

P: I would make one comment having to do with the Board of Supervisors- a month or so ago sent a letter saying that if there is to be consideration of increased offshore oil drilling, they would like to at least be at the table in discussing how it should be done. And I really think that that is responsible position for the board to take. The oil that has been developed offshore, a lot of it's been done with the board saying, "No oil, no oil, no oil," and yet still end up happening to deal but almost not being able to. They were not a player at the time when some decisions could be made. And I don't think that Santa Barbara County should take a real pro-oil stance, on really inviting a lot of oil. The economy is going to dictate that. But, on the other hand, that we should be present at the table in talking about our concerns. And if there is to be additional development then we'd be in a position, perhaps, the handle it and channel it, and so forth. Rather than waiting for the last minute and then having the companies have to come in and deal with a board that basically says "no oil" but then turns around and deals with things on land afterwards.

P: I think that people are ready for a change. As we've seen, the pendulum has been to the extreme since 1969, and county policy has been dictated by a small vocal group in this community, and I think that it's time for change, and I think that people realize that. I think if you ask the average person, they would say, "Let's work with oil companies, and let's don't fight them." We've spent too much money and energy fighting the oil companies. It's time to work and to help our economy by working with them instead of fighting with them.

P: Well I think this is a very special place in the world and Santa Barbara County. Maybe ninety-nine percent of the world's population would choose to live here if they could. I think that is true. It attracts some of the most intelligent and wealthiest people in the world to come and live here. It has a University with a history of activism at the core of its economy. So you have immediately a controversy. You have very intelligent people living in a very special place, and everyone wants to protect it. No one wants Santa Barbara to become Santa Ana, California. So, I think that the decisions that are made here and that will continue to be made here will be balanced decisions. And the decisions that, for the most part, won't endanger the quality of life. I have great faith in that. And that's why it takes eight years.

M: Thank you very much for your participation today. I appreciate your patience; being able to standardize these questions, it's not like a usual conversation, but it went very well.

APPENDIX VI: PRO-DEVELOPMENT FOCUS GROUP 2

Dev2. Pro Development Activist Focus Group 2

- M: All right, perhaps we could begin. Perhaps start off with ___ and work our way back in terms of your opening statements.
- P: OK. Basically, my perception is that offshore oil drilling is that they are quite in depth I guess as far as California goes. We ought to keep the focus of the discussion to California. When I think of offshore oil, I think of basically two big areas. The first is that is a very sensitive political issue, particularly California, and it's used by politicians in general to basically manipulate opinions and votes rather than to be used for what it should be -- the economic advantages that are potentially there. I have a background that my whole entire career is involved with offshore oil operations and ___? support, so I don't speak blindly or shooting from the hip on most of the things I'm talking about. I've been out to most of the rigs that are out here in the channel. I think that the public's perception of the oil industry and offshore oil in general is that it's bad for some reason. I'm a believer in a quality standard of living for Americans and I happen to understand that we are an oil-reliant nation and I think that anything we can contribute from California we need to do. The fact that the oil is offshore in deep waters is something that we have the technology and capability to extract. I think we have the capability to extract it safely. So I have a lot of other thoughts and comments, but I think I'll let you pass on.
- P: I think that production and exploration to determine additional oil reserves in California and the extent of them are both important. I think it's important to the nation and also important to California. California consumes a great deal of the products of the petroleum industry. In fact, if California were an independent nation, it would be one-sixth, number six in the consumer list of all the nations in the world. California should produce its share and contribution to the United States oil reserves. Oil development provides jobs and livelihood for many people beyond the employees of the oil company. Examples of this are service firms that provide services for the oil industry; agency personnel; and then the trickle-down from that, both on a tax base and spending base is very important to the California economy. California needs jobs to replace those lost aerospace -- the aircraft industry and defense -- recently. We are busy -- we, the politicians -- sometimes are busy looking for new industries, looking for new ideas, new ways to create income and revenue and tax base for California. We in fact have a healthy industry here that is probably fostered and supported by the state and by the citizens. We provide those jobs.
- M: Thank you.
- P: Excuse my voice, it's a little raspy. I'm getting over one of those colds that have been going around for the last three weeks here.

I've lived here on the central coast for about 15 years now and have lived in California for 40 years and have always been aware of the oil content of California. It seems to be our major business, next to aerospace. If you put it in order, it's aerospace first, oil, farming and tourism. I think the issue of oil being developed in California in the future has been made into more of a political football than into being treated like the business it is. There isn't any other substitute for oil. We've built this huge industry -- we've built this huge economy that's based entirely on oil. All the plastics that we use in this country, that are used all over the world, are based on oil -- come out of oil production. You can shut off oil for cars, but you still need oil for plastics and still need oil to run airplanes and trains.

The fact is that California has one of the largest reservoirs of oil in the world. It's oil which is here in the continental United States. It's, as you would say, "our oil." I think that, rather than our promoting foreign oil and overseas oil, we should be promoting our oil in this country. I know you might say, "Well, why use up our oil?" It's a matter very strongly of economics. Along the coast of California we have a large reserve and can use that reserve to provide our needs as they exist today, providing jobs,

providing revenue. The aerospace business has been cut back because, essentially, the United States won the Cold War. Now we have to find other revenues for the money that went into the aerospace business in California. Otherwise, we have jobs, are losing jobs by the thousands every year.

So one of the best ways to provide that revenue is through oil. And, actually, it is a very clean, safe and easily accessible way of providing revenue and jobs. If you'll look at our record along the coast of California for the last 60 years, it's been a very good one. There are a few extremists who run around and say, "Well, we have one little blowout of an oil well in Santa Barbara and therefore we shouldn't develop any more oil." But that's one blow out. We had one failure of a space shuttle. Does that mean we should stop the space program? No, I don't think so. We have a lot of accidents every day on the freeway; a lot of people are killed. Does that mean we should stop using the freeway? No. It's a question of what is more valuable to the society as a whole and the society as a whole needs oil. And if we had a substitution for oil, and that were in place or that was being developed parallel with oil development, so that some day it may replace oil, then I should say, "Sure, let's cut back on oil and plan to substitute something else." But there is nothing afoot on a national scale that's going to replace oil in the next 40 years and what we're doing, essentially, by running around saying, "Let's stop producing oil in California" is shooting ourselves in the foot. We're killing jobs; we're killing revenue; and we are not giving ourselves an opportunity to use the greatest natural resource we have out there and that's oil.

And I say "natural resource" because oil is a thing of nature. It's not man made. It was made by nature. It is made, as you all know, through the decay of huge forests hundreds of thousands of years ago. And it is a thing of nature. When oil comes up out of the ground naturally, it dissolves. It becomes part of nature. In the ocean, it dissolves totally and disappears. If it didn't, we'd have it on our beaches, piled up by the ton, but we don't. So oil is a thing of nature and is a natural part of our phenomenon in this world until man takes it and processes it. After that, then it needs to be managed as to the effect it has on the environment.

M: So, Mr. ___ is nodding there. Do you want to elaborate?

P: Well, I agree totally with ___'s comments that we are an oil-reliant nation and you can sit all day long and say, "Well, alternate fuels! Alternate fuels!" When they become economically advantageous, yes, then I think we'll move that direction. Solar power. I think conservation is very important. While we're trying to look at other things, we cannot just stop this country and say, "We're going to switch now." We have to slowly, maybe, wean ourselves off of, maybe, this one fossil fuel and look at developing more. But the fact is, we're over the line. And our everyday standard of living would be basically just shut off. Our defense capability would be minimal without oil. If you look at the products that we produce, everything goes back to oil. ___ mentioned plastics. If you could name a product that does not get traced back to oil, I would like to hear it. In this room, any piece of equipment you have that's natural product, at some point or another, if it's a food, it went on a truck. The trucks burn fuel. They are oil-reliant.

So I see the economic advantages of it as being the main issue. The environmental concerns, yes. There are concerns. There are concerns about the environment in whatever we do. And I think there is a balance. We've found a balance here in California. We've been producing oil, as ___ mentioned, for a very long time without these main disasters. When we have disasters, it is when we import oil. We're currently importing over 50% of our oil and we have foreign tankers and we have underground accidents there. Then you can have natural disasters. But the long-term effects of those, as ___ mentioned--? I don't think I see anything at Leadbetter Beach these days from 1969. I keep hearing about it from special interest groups that want to manipulate -- back to what I said earlier -- political issues. So we've got to pull together and come to a consensus with offshore oil and deal with it and accept the fact that we're oil-reliant.

M: Do you pretty much agree with that?

- P: Yes, I'd like to point out that California, in general, and Santa Barbara, Ventura, San Luis Obispo Counties specifically, are the most highly regulated and totally policed, as far as care and regulations to protect the environment. This makes oil produced here very expensive. In fact, it's counter to our hope that additional development can occur. It has reached the point -- coupled with low oil prices -- that many of the operations have become economically unviable before their time. Platforms are being removed that would have years more of service life were the margin of profit larger. The same economics are affecting the drilling or the lack of same, exploration or establishment of additional reserves and then the production and the building of platforms and things of this nature. The economics are pushing in one direction; the environmental concerns and the cost of mitigations required by the State are pushing in the other. Something has got to give if future production, future exploration is to occur in the channel. Most of the oil companies simply can't make a viable profit in doing this today. And it's like the old story, if you're losing a nickel a barrel on each barrel you produce, you have to produce a lot of barrels to come out.
- P: That's true.
- P: I think the word "profit" is very important for people to understand. I don't care what anyone says, oil people are businesses and they're in the business of making money and there is nothing wrong with making money; it's American to make money. To bad mouth oil companies because they make money is ridiculous. That's what they're there for. And the things that, in addition to producing a product which we all need, they're there to make money. Just like the airlines are there to make money. Many of the businesses that are key to our country are there to make money. That's the whole idea of it. There's nothing wrong with making money. People seem to bad mouth companies because they're out to make money. That's what they're for. It's legal. It's American.
- P: Sure.
- P: And one of those things I want to mention is that we tax the oil companies here in Santa Barbara County with the CREF [Coastal Resource Enhancement Fund]. That is a tax on the oil companies to mitigate any effects on the coastline due to oil drilling. And they take so much money a period. I forget whether it's per year or every other couple years. And they take this away from the oil companies and they use it for various miscellaneous projects along the coast of California. Well, this is a tax of oil development. It's a tax on us because oil companies pass it on to us in the way of the cost of gasoline and we don't get a chance to vote on this tax. It's something the Board of Supervisors have done to us. And it affects the oil companies. It affects the oil companies' ability to come in and produce oil in an economic way. And every one of these things which are sort of political look-goods by local politicians hurt the oil company and therefore they hurt us. It's part of our business. But, again, the political side of all this is so extreme here in this county and in the state that people seem to think it's OK to do these things. Essentially people don't realize that every time a politician passes a law that says oil companies have got to pay this and that, we have to pay it; it's a tax on us -- our gasoline.
- P: Eventually.
- P: Eventually. And we don't have a right to vote on it. So what we're going it competing -- out-competing ourselves and addressing new regulations, mitigations and everything else that make the gasoline higher at the pump. That's not the only effect. It also is driving the oil companies to use foreign crude and bring it in competition with the domestic crude and to create the products from that. There's a whole lot better profit picture. And again profit's not dirty. These profits aren't windfall profits to the oil companies, they go to establish an infrastructure that we vitally need for our country. The profits also, you must remember, go to stockholders, who are people like ourselves, people who derive their income from their investment in the oil companies. So it's not a group of blackhearts collecting their pot of gold, so to speak. Every time Exxon declares a dividend, that means some

retirement person who has a fixed income is getting the money they need to live a quality life. I think that's important to keep that in context.

P: Going back to what ___ was talking about -- there's nothing wrong with an oil company making money -- I agree with the statement. But I want to take it a step further. Companies provide jobs. Not only just directly for people that are in the oil industry, but the people that serve those people that are working -- just generate and stimulate the economy, just the fact that you're working and you have a job. Our problems nationwide with unemployment, drug abuse -- our society is basically being harmed by the fact that people don't have jobs. Therefore, they rely on the government for whatever they can. We have now a new generation of people that are growing up and coming into adulthood that have been subsidized by the governmental all along.

So we have to -- I think the last election had a lot to do with it -- and, basically, woke people up that we, as Americans, have to provide for ourselves. We do not have to sit around and have politicians tell us what we need to do: "If you're for oil, therefore you're not for the environment; and if you're for the environment, then you're not for oil." That's the way they'd like to see it here in Santa Barbara. That's the way the politicians like to control it. They can control the votes very easily that way. That's not the case.

I'm as much an environmentalist as anybody else, probably more so because I use the ocean as a resource. I dive it recreationally. I've spent probably a fair amount of my professional career in the water. I don't see the direct effects of offshore oil drilling in my everyday life, as far as -- people would like us to believe -- as far as pollution goes and things like this. They want to perceive an oil company as a big polluter, the Big Bad Giant that makes money and that pollutes. It's not the case. We pollute. People pollute.

I have some data here that I was just thumbing through. Over a 15 year period in California in the OCS (which stands for outer continental shelf), there were 100 million barrels in accidental spills. OCS blow-outs nationwide, there were 850. Providence, Rhode Island, border is changing their own crank case oil. 4,800 spills. The first data, there was 100 spills in the OCS. That was incorrect, not a 100 million. And it goes on down this list, where we have, L.A.'s waste water treatment plant: 2 million instances. We are the polluters, the people that are offshore and on the beach. We need to look at those areas as well and not just point the figure at a company because they make money.

M: I think a useful distinction -- those are useful bits of information -- but a useful distinction in terms of moving onto a question of costs of offshore oil drilling, I think, was brought up by Mr. ___ in the difference between a natural resource and managing the resource once it's processed. Could we focus a little bit on what you all might envision as possible costs of offshore oil drilling or bad things that might come from offshore oil drilling? There might -- kind of along the lines of some of those facts that you were elaborating on, or maybe you might want to elaborate on the distinction that you drew early on between drawing from a natural resource and managing it once we extract it?

P: There were impacts from the operations offshore, certainly. You have the fishing community, which - - the commercial fisherman -- have a very viable concern when there is a structure that -- or an operation that is going in place of one of their grounds where they fish. They make their livelihood from this. We need to mitigate those and we do that very well in California.

M: In what ways?

P: In what ways? Basically, if a fisherman is snagging their net on a structure, that net is replaced by the oil company. If an area is deemed as a -- a good proportion of the work that we used to do is go out and look for these rock outcroppings and map these things out so that if that area were to be potentially leased, we should say, "Oh, no there's a -- you cannot put a structure here because there's a reef there." So, those issues are looked at. And there's a lot of money spent on looking at those areas.

And sometimes, unfortunately, people take advantage of it. Board of Supervisors with the ___? fund is a fine example. It's a tax so that people can apply for this money to offset the negative impacts? They all get in their cars and drive down to apply for those ___ funds and feel that it's something that's owed them other than the fact that they're ending up with a product in their gasoline tank or in their homes or in their everyday life in terms of perfume, plastics or whatever.

So, back to your original question as far as negative impacts. Yes, they're out there. Potential spills can do some short term harm. I believe marine traffic. We've always had boats here in California. Pollution from accidental spills from vessel traffic is inherent as well. But we look at that and take that very seriously in California and the outriggers -- the people that are out there running the boats -- take it very seriously too.

P: There's always impacts, real or perceived, that a company -- in any sort of development -- the oil company's no exception. The spills, of course, have an impact. Most of those have been shown, as ___ said to be rather short term, and don't have long-lasting or catastrophic effect to the environment. That doesn't mean we should do everything possible to prevent and mitigate those spills and I think the oil companies do that. Most of the companies now have very strong preventative programs. They have very strong oil spill contingency plans to react and minimize the effect of any spill to the environment. Millions -- virtually millions -- of dollars have been spent on equipment. And the oil companies are now, for the most part, prepared to handle all but the most catastrophic events at sea, collecting, minimizing impact to the shoreline and to the ecology. So, I think there is trades, there are downsides.

Another downside, which is widely publicized, are the emissions, the air quality emissions. These have, through the regulatory process, pretty well been mitigated. The oil companies now operate much cleaner than any other industry in the state. They have better controls. They have better record keeping. They have, in spite of their controversial nature, they have a better record of implementation and they have done more to clean up the air than any other industry in the State of California. So, for those impacts, most of them have been addressed, and most of them have been mitigated -- not once, not twice, but over and over again at no small cost.

P: I have to say that in the last year or two of watching the news media, they tend to look for reasons to bad mouth the oil company. The smallest little infraction, they are out there to really blow it up into a big story. And there's just a negative mindset on the part of the news media. The *News-Press*, the *KEYT*, any of the news media papers seem to want to say and do things which are harmful to the oil company. Now the oil companies are forced by state law and federal law to regulate themselves and to be regulated by inspectors more than anybody else in this country.

P: They're the highest regulation of anyone. And the stories that are propagated by the news media, you know, totally expand on the most minor infraction and they're totally detrimental to the whole process and that costs us money. But in the offshore development, I think, the news -- the oil companies certainly spend huge fortunes to explore and build and put in things which are as safe as you can possibly make them. The production facilities the piping and all that is just huge. People don't realize just how gigantic a system it takes to build and to produce oil.

The fact is that they do this with a very good record and they have for 60 years. The people offshore here have these towers which they've built which are higher than the Empire State building. If you looked at them from the bottom to the top and the rigs on top are nearly 40 stories high. And these things are gigantic structures which the oil companies manage -- develop and manage -- extremely well. You almost never hear about them.

When we were tankering oil, there were no major accidents along California in tankering. Again, all the hype was a part of the news media on tankering, when in fact there were no outstanding accidents or failures on the part of tankering. Tankering -- it goes on worldwide and there has been, you know,

no really bad accidents, except the Valdez. And, even there, all that oil dissipated in the water. Where'd it go? Well, you have to realize it's a natural substance. It's an organic material. And, just like anything else that falls into the ocean, it is soon dissolved and eaten up by the microbes in the water and that's what happened to it. Well, the tankering is basically a safe function, but has a political bad image. And how and why it was developed that badly, I don't know.

Piping on the other hand -- we have pipes everywhere in California. People don't realize how many pipes there are running through Goleta right down Hollister. There are dozens of pipes running down Hollister, carrying the horrible, nasty H₂S gas and also all kinds of oil. This piping has been relatively safe. But most of the oil spills that have occurred in the state have occurred due to broken pipes, not due to tankering. The big blow-out in 1969 that everybody points to was a broken pipe. Wasn't due to tankering, it was a broken pipe.

And the management of the oil by the oil companies, I think, is outstanding. To say, "Oh, well, this happened in 1969. Therefore--" (Nothing has happened since then.) Is totally erroneous and misleading and detrimental to us, the users. So I think that the offshore oil production is good for business, it's good for the country. It's safe. If it weren't safe, it wouldn't be there. And I have no objection to tankering or using pipes. They have both proved to be about as equally reliable.

P: A mistake that the public makes in preferring pipelines over oil tankering is one interesting to look at. When people preclude tankering, for instance at Gaviota, the bottle effect is more tankers coming in that are not U.S. flag. In other words, you have foreign oil being delivered by a maritime industry that's far less regulated than the United States and, perhaps, less safe statistically. And so when the environmentalist claim their victory at Gaviota with no local tankering, they have in effect endangered the California coast with more foreign shipping.

M: Foreign shipping and more pipelines?

P: Well, that interesting, because the pipeline solution hasn't turned out to be too viable. And it's sort of, "Gee, you have to play with square marbles." They're not going to let you put a pipeline through L.A.

P: They can't find a route for the pipeline now is the problem. So you -- it almost seems as if you can't win for losing, if you're an oil company in California. And you can't blame them. Now, granted, there is a problem. We've had cases and people that are maybe on the other side and find some extreme could cite specific examples, but maybe, maybe there's some people that didn't play fair-and-square with certain issues and that, but that's business. I don't know any business people that always play fair-and-square when it comes down to the big stuff. It's difficult.

P: Well, now, on offshore oil drilling, you would in fact, use more pipes, pipelines, no? I mean, offshore oil drilling than tankering?

P: You would bring the oil ashore? That would be the case in almost any event, except as Exxon is under the treatment offshore with the OS&T [Offshore Storage & Treatment]. Generally speaking, the economics are such that you build the production platform. You also build oil and gas and perhaps even water lines to shore. That will come ashore. It will come ashore to some sort of processing plant where some conditioning will occur. It may be the removal of H₂S. It may be the separation of water. It may be the separation of oil from the gasoline. And it may be treatment of all those things to make them, like the gas, to become a media product to be added to the local risks.

P: I think, too, one thing to report here in California that may be different from other areas -- I spent two weeks in Naticumbit? this summer, where they have very big oil and gas drills. To say that you work in the oil industry or you're associated with the oil industry is not a bad thing to say over there, simply because they think that, when you stand there and you look at the North Sea or whatever, from where I

was standing, you can't see any rigs. They're further out. If that were the case out here, I think the general public would feel different.

I think the main problem we have here too is education. We have people that are just shooting from emotions and, as ___ was saying, that are stirred by the media. They want to get a rise out of people. They want to create controversy and they overstate this very well here locally. We have columnists that will write columns and try and get people's interest up. But I think we need education on the fact that, if they didn't see these rigs, they would just have to say, "Well, there's not a problem. This is beautiful here." But, "Oh, no. I look at these rigs and I got tar on my feet." And they think that the tar is coming from the drilling rigs. The fact is, as most locals know, the Chumash Indians would line their canoes with the tar from the natural seeps here. So it's an educational thing that contributes to this whole process as well.

M: Returning, just briefly, to some of the lists associated in the industry with offshore oil drilling, because of the specifics that have to take place, either because people don't want these platforms onshore or whatever -- are there some specific risks that might be associated, specifically with this type of drilling offshore?

P: There is a risk associated with almost anything you do.

M: Yes, sir.

P: Including coming to work every day. And, to say that this is a risk-free industry, would be certainly misleading.

P: And the attorneys would love us to say that, "Yes, this is safe."

[Laughter]

P: Yes, nothing is safe.

P: But I think the risks are acceptable. And I think the risks are well-mitigated. And I think that the risks are the prevention of instances are well-in-hand. So when you go into any situation, whether it's walking into an unexplored jungle or anything else, there is an inherent risk in dealing with the unknown. And this is particularly true on exploration. However, there are very many safety devices employed, generally, and it's important to note that what we had in 1969 was related to a production platform and not an exploration rig.

In fact, there have been no -- and I repeat no large oil spills associated with the exploration offshore of the United States and the history.

P: No OCS blow-outs in California, going back to this data here -- a 15 year period. 850 in the OCS, that's nationwide. 100 barrels of oil spilled in the California OCS and 5 million from the 13 California waste water treatment plants from San Luis Obispo through San Diego. I would say that the risks are there, but they're far below what's happening here. Offshore people are not looking at that.

P: Yeah. Do you really expect to have anything that's free? I hear these people talking like they should never take a risk in their lives, like, why get out of bed in the morning? I mean, the oil business is relatively safe. It's safer than flying an airplane. Flying an airplane is very safe. The thing is that there's always going to be some risk, but you've got to look at the big picture -- what's been the big picture? -- which I point to, and the history has been very good.

For some reason, there are two things. They tie oil development to impact on tourism.

P: They being Jack O'Connell, when he opposed further oil development in the channel out here and the people supporting him. And his [California State Assembly Bill] AB244. He, you know, passed that on the basis of one of the things which was affecting tourism. Well, there is no direct tie-in between tourism and oil drilling. There never has been. The thing is that, if you look at the history of oil production along the central coast, you could say, "Well, tourism has grown along with it. I guess people like oil drilling because they come here in larger and larger quantities as the oil drilling has gone ahead and developed." But that's not true. The two aren't tied together at all. But they try to make a case of it and, I just -- you know, it's totally bogus. It's a red herring.

The other issue which they've brought up -- they being the environmentalist and the CPA [Citizens Planning Association—a private sector lobbying group in Santa Barbara] and the EPA [U.S. Environmental Protection Agency] -- is the threat of the H₂S gas.

P: And, you know, that--that is, it's like, all of the sudden they've invented a new boogie man that essentially has always been there.

P: You'd have to include "deadly."

P: Deadly.

P: Insidious.

P: I mean, it's been there from the first days of oil production. And it's always been a part of tapping oil and it's always been managed and handled. If you go back and look at the people who have been harmed by it, you'd have to look pretty hard, considering the size of the oil business, to find many. Last year, there was a case over in Ventura, where they were breaking into some old wells -- what, two or three people were killed by the H₂S gas escaping, but the fact is that, in production anywhere around here, H₂S gas is part of that.

P: It was thought that it was carbon monoxide --

P: Carbon monoxide's not --

P: --they didn't say --

P: No, personally I think the case is possible H₂S, but apparently the medical examiners say no.

P: It was just asphyxiation by carbon monoxide.

P: Perhaps.

P: Yeah. The thing is that it's very difficult to pin down.

P: Yeah.

P: It's used as a big boogie man, when in fact it's always been there and it's always been managed by the oil companies. It's nothing to overlook. I mean, you've really got to be on top of it. But it's always been a part of oil production in the whole world.

P: Well, you know, we've spent an awful lot of our time addressing technical issues and how to resolve them and how to mitigate them. The truth of the matter is that when we do that, we're fighting the wrong war. The war's political, not technical.

P: That's right.

P: What we're facing in the California offshore and particularly the Santa Barbara channel and offshore Santa Barbara county is a voting constituency that does not rely on the local economy for their income. These people in turn elect their officials who have the program before them and the platform before them that says, "We don't want additional economy here. We do not want a boost to our economy. We do not want an additional tax base. We want this place to remain pristine at any price -- and that includes the economy. We do not care if middle class people here or earn their living here or prosper here." So when you're fighting a situation like this, your mitigations can go on and be as expensive as they can be, but they won't solve the problem, because as soon as you mitigate one problem, another problem, real or perceived, arises.

The real answer is, a large amount of people in this area, do not depend on the local economy; therefore, do not have as a priority in their lives helping the economy.

P: A 5% decrease in nationwide production in 1978 resulted in the loss of a million jobs. That's data that I have from U.S. Department of Interior. When I heard that, read that, it really rung a bell for me. In 1986, I was working before I started getting into teaching, on an offshore drilling rig, and when the barrel of oil went off, the resulting job losses just kept coming, every day, every day. It was just staggering. It was tremendous. So we do rely on it. I think we need to again educate people as to the importance of oil.

Locally, we do things such as, we perceive that there's a problem or a boogie man out there, what are we going to do? We're going to call a national smoke out or something like that, then we'll have people looking at cigarettes and things, so we'll do a day where nobody smokes. So, if oil is a big, big problem in California, or maybe just in Santa Barbara, we have all these bad feelings about oil, maybe we should just say, "OK. Today we're not going to drive cars. We're not going to use any products or anything that pertains to oil." See what kind of disaster we have if we were to try and do that. I think people would stop and look at that and go -- buy into the fact that, you know, we're oil-reliant. We've got to educate ourselves and we've got to work with public officials and they and they can become us and work these things out, so that we can have a healthy economy and can all prospect as Americans, not just Santa Barbarans or Californians.

M: And you were saying that the political ramifications and the political rhetoric has squeezed out the oil industry from every direction? Would you say that some of these risks associated with the management of oil would be mitigated more or less by these regulations? That is, if there were less regulations, would it be safer?

P: Regulations, generally, are not a problem because, if the rule is written and people know what to expect and they know how to mitigate and it's one thing. But the reality is that when you go before the Board of Supervisors and the Coastal Commission with an oil project, you do not know what the regulations are. The regulations that will apply to that facility are formulated by those panels at the time of the permit. So if you're anticipating a large investment, there's no way to anticipate what the mitigation will be. I'm in the business of consulting with the oil companies for the regulatory issues and I have to sit down and tell them. They say, "What does it take? What is it going to cost?" And I tell them I don't know. It'll be depending on how many people come out at the hearings. It'll be what problems are introduced, both in the environmental assessment or the EIR and how the agencies respond to them. For instance, an essential non-issue at this point in time is the California gray whale -- the migratory patterns. If an exploration or even abandonment of a ___? where a temporary platform is there, then you have to mitigate by carrying out a scientific program to observe exactly how the whales behave when the rig's there versus how they behave when they weren't. Kind of tongue-in-cheek, we came up with a program, where the oil companies were required to teach them a language, so they could interview them.

[Laughter]

P: We handed the mitigation to the person who was pretty experienced in the business and they read it and thought it was serious.

[Laughter]

P: But some of the things get almost that far fetched and very difficult to implement, very expensive to implement. And, I might add, to no good scientific or technical benefit. Some of the things appear to be introduced and brought in as mitigation simply not to get the money from the oil companies but simply to cost the oil company money.

P: I think it's important to mitigate when we do that work. We're very good at doing that here locally. In particular the air emissions from an operation. You know people hemmed and hawed about the Board of Supervisors and Air Pollution Control district had basically set down their restrictions and the companies responded. So now we're all benefiting. We're running cleaner, less emissions, and, yeah, that's technology, that's a done deal. It's also important I think in -- maybe not disagreeing with ___ - - I think the whales are an important thing to look at. We need to do that. They're out there. They're part of our environment. And we need to study that. We need to look periodically at what we're doing. My disagreements with the way they do things. They're just going to formulate a plan right on the spot. They need to really pull in some experts and I think spend a little more time in that area when they're concerned with the marine environment.

P: You know, along these lines, I often hear local people talk about this area as if nothing ever happened here before. When you sit on the coast here and you look out in the ocean, it looks like nothing's ever happened here before. There's never been an oil business, never been an oil industry. You know, and you can convince yourself of that because there's not much evidence of it. If you go out and look at the history, you look at the pictures and see what's here before. You know, it's a huge development activity out here. But before all that came along there were, you know, literally hundreds of thousands of whales going up and down the coast of the channel here and, at the same time, there was a huge natural flow of oil into the ocean. I mean, far greater than we've ever seen today. And the area out here was just literally covered with tar. The water, the ocean, everything for miles. And we don't know the effect that the oil had on the whales going through this area, which were 10 or 20 times more whales than there are today.

P: I once saw a gray whale come and lean on an anchor chain in the sea up north, and rubbing the barnacles off his back. It was fantastic! He just laid there and rolled across and came back and rolled across again. Animals, I think, adapt very easily. And I'm not very qualified to say that, but, the important thing is that if we look at it -- again, there's more jobs, there's the marine scientists that can come out and use their expertise. And certainly here at UCSB there are numerous experts. They can go to work and use their knowledge and their expertise and contribute to this process as a whole, rather than saying, "I'm against that because I'm an environmentalist." I'm starting to dislike that word because it implicates so many things that you either are an environmentalist or you're not, so we need to put that behind us.

P: Yeah. But my point I was getting to is that we, you know, try to make a big deal out of the whales and the effect on oil when whales and oil were here for eons and in much worse conditions than we have today out there in that bay in the channel, just from the natural seeps that went on here. And the early sailors that came through here recorded how thick the oil was on the water. And, of course, the whales were going back and forth -- this was before whales were hunted, and, you know, they -- we don't know what effect that natural oil had on them. I would guess that the whales went below it or around it.

P: The interesting thing is these studies are not directed at the effect of oil on the whales but the effect of a drilling rig being in place in a migratory route. This is why I have a little hard time with it as an obstacle. I don't think the whale really cares. Like you say, he'd going to rub his back a little bit on

the chain and maybe that's like the camel finding a roadway mark in the middle of the desert. He hasn't ever seen anything to rub his back on before. So --

P: I think they're smart enough to probably say, "Well, I need to go around this thing." And continue on their path.

P: I would think so too, but again, if we're looking at the ingestion of all whales, I think that's been pretty well documented throughout the world and the whales according to all the studies I've read of either (a) avoided or (b) are able to ingest small amounts of it with virtually no harm. And I think that's been pretty well documented by NOAA and several other federal agencies.

M: I wanted to revisit briefly the benefits of offshore oil drilling and the industry associated with that part of the oil industry in general. I want to briefly give you another change to speak directly to offshore oil drilling, if there's something else that has come to you.

P: Commercial diving industry is a direct spin off of the oil industry. In fact, much of commercial diving that has been developed worldwide basically started here in Santa Barbara back in the early 60's, 50's - - we have a number of companies that are still here in town -- when offshore oil and gas started to develop, we needed to put men down there to service certain pieces of equipment, inspect certain components and the diving technology just was not there at the time. We were basically putting people in on exotic breathing gases and things like this and knowing very little about it. So that technology has advanced tremendously into the oil industry. We've now developed remotely operative vehicles and submersibles. They were all originally developed for support of offshore oil and gas operations. In particular, the ROV [Remotely Operated Vehicle] which everybody knows is the great vehicle used for marine science -- the one that went down with the Titanic. That type of technology -- the minisub -- outside of the military realm -- was developed again from offshore oil and gas. So we have tremendous research capabilities for marine science due to remotely operated vehicles and diving technology. So we can learn more about the ocean by being on the ocean as a resource when we have decided that we needed to take the oil underground and bring it offshore. We were able to proceed in this direction. So I could go on and on and on about the spin-offs from commercial diving and the jobs created in commercial diving and recreational diving as well. There are people that dive off platforms. And the commercial diving industry is only one industry. I'm sure ___ and ___ can comment on additional industries that are as well.

P: Yeah, it's interesting to think of the various service companies. I am a member and former ___ [officer] of the ___ [oil industry trade group], which was made up of service companies. And at one time, we had over 200 firms in the Tri-County area here.

My company is relatively small. I have less than 25 employees. Yet, if you extend that out, we're talking about nearly 100 or 110 people who are depending on the livelihood that our businesses currently derive from the oil industry. In periods of more activity, obviously, we have more employees and more people doing work and gaining their livelihood, but if you look at what those people pay in taxes and what those people in turn support among the businesses in the personal service industry -- for instance, the man at the service station, the man at the dry cleaners, the man at the fast food place, and the waiter in the restaurant and a few other things -- I think Santa Barbara would do well to look at that impact compared to the local visitation of the tourists that come through once a week -- not that we don't need the tourist industry -- but I think, if they think that's important, they ought to look at what they're deriving from a local industry such as the oil.

P: The oil industry, as I mentioned, is only second to aerospace or what aerospace used to be. You know, we're talking about billions in aerospace. And you're talking about almost a billion in oil, somewhat less than that. You're talking about 100,000 in tourism. 100 million in tourism, maybe. You know, in this area. So on a relative scale it's order of magnitudes different. And the advantages are that people realize how huge they are in terms of -- but my, from my viewpoint, the main advantage is the

revenues it brings into our area from the sale of oil and the jobs it brings to our area and the spin-off of the jobs. I think those are the things which are really the key things to developing oil in this area. And it's like any other business. When you bring it into this area. Business pays taxes and employs people who spend money and that's what makes an economy go. There's nothing wrong with making money.

M: You've touched on tourism a couple of times and my next question has to do with the impact of offshore oil drilling on communities. And people will often say -- I'm glad you quantified it in that way, in terms of how much money relative industries are to each other -- but in terms of -- you all are long-term residents of Santa Barbara and what, in your opinion, would be the impact to this community because of offshore oil drilling over your lifespan and industry span?

P: Impacts could be both positive and negative. I think there are positive impacts for the oil industry developing. I think there are additional jobs. In fact, even if you were wealthy enough to where you didn't need to depend on a local economy, which a lot of Santa Barbara citizens are, even if you may have children who have to leave this area because they cannot afford to live in a middle class community that doesn't exist, I think if nothing else, the citizens of Santa Barbara should look toward their children and their future when they may not be quite as independent from that and so I think the impacts are bringing more jobs in, bringing higher tax base in, providing taxes that provide benefits to the citizenry, whether it's in parks, schools, public services, fire department provisions -- all those things that benefited positively from what development there has been. There's no reason why the oil industry can't continue to contribute and make our standard of life much better.

P: If we continue the way that we're going, I mean, locally, it's the same. We have people that don't depend on the local economy, but we have -- I've seen two distinct classes of people developing here in Santa Barbara. We have the wealthy and then we have the people that serve the wealthy, in the restaurant business and the tourist business. Those are not very high paying jobs. They're generally filled by students who are coming here to UCSB to college, spending their time to get an education and then moving out of the area.

My students in particular, when I'm teaching, they all ask me, "Well, how can I live here? How would I stay? I like it here." And it's very depressing to sit down with a student and then discuss the facts of our local economy. There is not a place for them here unless there are jobs. Middle class jobs. Jobs that, you know, pay the rent. Ultimately, they want to afford, to try and afford to buy a house here. It's going to take some doing. You've got to have a net.

I personally have two small children, 3 and 5. And I want them to live here. But I know that if we do not do something locally economically, that's not going to really be possible, unless I hit the lottery. So we have a problem and I think if we can bring in more jobs with a -- I want to say -- an entire evolution of business -- and people perceive, "Oh, we're going to have smoke stacks and we're going to look like Long Beach and all this stuff and--!" That's not going to happen here. We need to take steps and we need to at least open up our minds to whole new economies. Not just offshore oil and gas.

P: You know the kids have a hard time finding a place here. And both of my kids have left. They don't live in the area at all. They've gone back East or, you know, out of the area entirely.

M: Do you think they want to live here, ___?

P: Oh sure, they'd like to live here. They'd like to come back if they could find a way, but --

P: That's sad.

P: You know, they're adults and they can, you know, make their way in the world, but this is not just a place where you can live. If you can get a job here, the job doesn't pay enough to pay the rent. And

the issue is, you've got to have good paying jobs. You've got to generate good paying jobs. The oil business generates good paying jobs. So why not promote the oil business? Or why kill it? A lot of the opposition comes from students at the university, I hear. And I hear a lot of that. And these people are not long-timers here. Most of them are here for only a short time. So they're really not looking to living here or looking --

P: -- it's emotional--

P: -- other issues --

P: -- moving to another part of the country.

P: It's easy to be emotional when you're young. I was emotional on a lot of issues before I became a capitalist. When you have to quit taking Mom and Daddy's dole, and start making your own living, people become a little more materialistic. So these people, I feel, are actually working counter to their own benefit because I know we, just as a small firm, characteristically employ 2-3 students year round in odd jobs, working jobs, given the flexibility in their hours of working and so forth. The oil industry, if it were viable here, would produce more of those jobs. Many of the students need these jobs to get their education. We find that not everybody came from a completely self-supporting situation and they do need to augment their student fees and so forth. We find a lot of kids are very earnest in having a job and working.

P: The presence of an industry here locally can also help the educational institutions' internships. Putting a student in a working environment where they can at the same time work and learn and get real hands-on experience is just invaluable for the educational process. We don't really have a lot of people like that. We have Delco, GM -- big companies like that -- Santa Barbara Research, but they're are not a lot of big firms that can provide the internships and the things these students will need too. So that's another area that will be an advantage. We were talking about tourism, though, and I know I got off the subject.

M: No, no, that's fine actually. We were talking about just generally the impact on the communities associated with the offshore oil drilling.

And actually, the next thing I wanted to touch upon is that people often say that the offshore oil drilling platforms damage the beauty of California along the coastline. And I was wondering if you don't mind, address that critique or opinion. What you all think about --

P: Beauty is in the eye of the beholder.

P: I look at that and say, "That's my economy. That's my livelihood. That's my gasoline in my car. That's beautiful, man!"

P: I personally think it breaks up the horizon, particularly at night. In fact, the lights on the oil rig, I find, are -- it's very attractive. It's like our Christmas card last year portrayed the coast of California with a palm tree here and in the background you could see in the darkness the silhouette of the lighted platform. I guess, I'm being prejudiced, but I think it would go good -- it enhances the view. When you see nothing but black out there, there's very little enhancement. We're fortunate enough to be able to see the ocean and I can see 2-3 of the platforms and I find it attractive.

P: I've heard this issue raised many, many times. I went to Palm Springs last year for my first time. And, driving through the desert, all the sudden I came across all these windmills. And I'm looking at windmills and windmills and windmills. Well, that's an alternate energy source, isn't it? And we have stacks and stacks of windmills. If we do solar, we're going to have miles and miles and miles of solar cells. Those are impacts. I don't care how many people --

P: Have you seen those -- out in the valley out here?

P: It's wild.

P: Yeah. Miles and miles of solar panels. I mean, it's like a huge garden.

P: And again, that's in the eye of the beholder. It's an alternate energy resource where people are and it's a good thing to go after, sure. If that's beautiful to you. We switch on a light switch and we get electricity, don't we? Well, if you go down to Ventura, or down the freeway, you're looking at all the big towers that are taking those wires and stringing them -- those are probably bigger than a drilling derrick and we hear people complaining about those. You know, they're there. They're accepted. Personally, those rigs are there. They were there when I came to California. I accept them.

P: You know, I think it's an expensive objection. You know, I don't think we can afford that kind of objection, in my opinion. And, as an engineer, I really think those are pretty wonderful things out there. I like to think about what an achievement it was to build that. It's equivalent to building pyramids, as putting one of those up. I don't think they're ugly at all and they're not going to be there forever. You realize that all of the piers that we have in Ellwood, which were dozens and dozens of them, are all gone today. They were put up in 1929 and they were gone by 1950. These rigs, the same thing will happen to them.

M: It's transitory.

P: It's transitory. They'll be gone. And I don't think that it's something we can't overlook for the sake of achieving the end goal of providing economical local fuel to run the economy. And at the same time, I don't think they look bad at all personally. I have no objection to them taking up the landscape at all.

M: I think you're all probably familiar with the Clearview project, a Mobil proposal to turn ___? into platforms and replace it with an onshore slant drill. I imagine you all know the details of this. What do you all think of that proposal? And, it's still on the political landscape, but I thought maybe you all would like to address it a little bit.

P: I know that Mobil purchased platforms and leases out there from Arco. I remember standing before the Board of Supervisors when they were trying to add an additional rig out there. And I remember all the public opposition. I remember all the booing and hissing going on from various students who were there because it was going to be another eye sore. And at the time the Board of Supervisors was made up of a very -- I hate to use the word "liberal" but I want to say anti-growth type of majority. I watched the project just go "Pffew!" One of the issues that they had said was -- and the State Lands Commission had echoed this -- was that they considered removing the rigs and doing it onshore.

If my understanding is correct, I believe that that's what this project will accomplish. Now, the impacts of this project are yet to be known and they're going to be studied. We need to move ahead with that, in my opinion. But to me, to take a structure out, which everybody's saying is an eye sore to begin with, and has all these potential risks of -- real or imagined, as ___ was saying -- then I would see this as an advantage. We can put this onshore and make a directional drill down at an angle and tap into deeper reserves. So I see some very good trade-offs there.

I do see some concerns. I know it's going to be near, near UCSB and there's faculty that want to have their housing there for them. I can understand that. I do not have subsidized housing. I teach at Santa Barbara City College. I have to pay for my house. I do not make nearly as much as a UCSB professor does. So I can understand their concerns, but I don't see that the presence of that project causing the concern that some of the faculty members are saying that "We won't be able to attract the faculty because of this project."

- P: It's going to be interesting. It's going to be hot. Everybody's going to come out of the woodwork. In opposition, maybe, I think you're going to see a lot of people that have had it up to here with the business-as-usual, myself included. And I support the County's efforts at looking at it and moving ahead with the environmental analysis of it. Let's get together. Look at the negative impacts. Let's make this thing work. We can't pass this up.
- P: It's a very viable principle. More important than the Clearview project itself is whether or not this can be done. As you know, O'Connell's bill created a moratorium for many of the state leases. I think that's sad, since this new technology is here. Because I really do believe that drilling from onshore to the offshore leases is -- to keep from having near shore platforms, which by definition would be a little more objectionable than one in the OCS -- and would certainly allow the state to recapture lost revenues that they have, that they're losing because of closing of the Chevron platforms and because of the state leases that are being abandoned. So it's certainly a viable concept. And to dismiss it out-of-hand because you are going to have a -- what is it a 70 story building or whatever the hyperbole has been used to describe a drilling rig -- is not a viable objection to me. Because that drilling rig won't remain there forever. It will be there during the drilling process. Then it will be removed and so, again, a temporary impact on visual for the benefits really seems like a wonderful trade to me.
- P: Storke Tower could be perceived as an impact, a visual impact, as well.
- P: It's as high. Yeah. And I guess we could hang a bell on the top of those things.
- P: I think it could be -- with the number of experts that we have here in this community -- I think this could become a model project. I think, for people to just ignore it and not look at it and try and work together, it would be ridiculously stupid at this point. I think everybody can win by it. And, again, I echo that there's concerns and they're very real concerns. And, if it were next door to me, I'd have concerns too. I don't know what I would do in those people's shoes that are going to be right next door to the projects, or if that's even going to happen. But I think we have the expertise and the political know-how and the technical know-how to make this thing work.
- P: Well, I'll tell you, a good example is the ___? off Long Beach. It's a joint effort with the City of Long Beach and the state and several of the oil companies initially but now it's mostly controlled by Arco. The rigs were actually disguised as though they are part of the landscape, i.e., a high rise on a building. They have a little easier job than these people would because of directional drilling. Those require a taller platform or a drain? for the drilling rig process. But, still, there are ways to make a drilling rig not totally objectionable individually.
- P: Yeah, we're taking a positive attitude toward this and I've been through two cycles of all the anti-rhetoric already. And I've read the report the University's put out and the things they've said and it's incredible. It's just that there is no interest in taking a positive attitude, it's all negative. And there isn't even a scotch of a chance of getting positive attitudes from people. They've heard about the housing districts. They hear how it's going to affect them and how it's going to put off professors who come here and all that sort of thing. The first thing they don't know -- how much they're going to build out here -- 405 acres they're got. They don't know how much of that they're going to build and when they're going to build it.
- M: In the housing area.
- P: In the housing area. And somehow the project has to be dealt with here. It can't be dealt with up the coast or down the coast, it just turns out, as far as I understand it, it has to be dealt with here. The oil reserve is right out there. It's not ten miles up the coast or down the coast. And their range is limited to how far they can drill. So the most logical place for it is this on shore spot right here. They can do it on the rig and they can get some of the oil up by slant drilling from the rig, but they can't get it all.

And the only way they can get it all is to put another rig out there over on the other side of the reserve and to slant drill that. So it means putting up another rig out there.

M: Out of the water?

P: Out of the water. So the best way to solve the problem -- it allows them to shoot in all directions with this drilling process -- is from this location. Now that's the way it's presented. Now I think that in the process of going through the EIR other things be brought up. A lot of the comments of the people who are against the project will be reviewed and their questions answered, that sort of thing. And so we've got to go through the process of saying, "Let's look at the project in a logical way" and not just be totally against it right away. And that's what it is, it's just this total wall that I've seen in working and talking to people around here being totally against it. And that's not the way to deal with a project. This processing over here on this site has been going on for many years. There's a -- it was a designated industrial site and there was one small section of about an acre where they were doing processing on shore and the housing district has been here -- all the condominiums on Matilda, all of the condominiums over on Canon Green, you know, that university housing area -- has all been there for years. While they've been doing this minimal processing there, they've stopped doing that and they've removed the facilities that they've had there but they were doing some minimal processing. And, of course, they've been storing that oil there since 1929. And offloading it onto a tanker twice a week, taking it down to Long Beach, so that's been going on since 1929. Those big tanks have been sitting there all that time full of oil.

M: So how would you improve the report?

P: So the --

M: Would be a historical context that's missing to--?

P: The historical context has to be presented very clearly and the option has to be presented. OK, if you don't drill from here, then you've got to put other platforms out there and so forth. But the advantage to doing this is the footprint. Presently the footprint is so many -- 17 acres -- with the two tanks. Actually there are 4 tanks there. They're going to reduce that to just a couple acres and it's going to be re-vented and sound proofed. The tower itself is an interesting thing to look at. It is an oil platform tower. They have them all over Long Beach, in Wilmington, and in terms of the amount of the area that they cover of the sky, certainly it's not going to cover as much as the Stork Tower, you know. A lot of people around here aren't aware of the two [radio station] KTMS towers and yet they've been here since 1936 and they're right over here on the eastern part of Goleta next to the airport and they're twice as high as this tower that they're talking about building. So, you know, it's things you've got to look at to say, "OK, what is real? You know, what should we be afraid of?" Well, the big gotcha that the so-called environmentalists have brought up is, "Oh, this gas processing!" They're going to bring in the gas here, the H₂S gas, because the well had to be there. And that again is something which has been handled over and over again all over the world. At every well ever drilled. It's nothing new. But they bring it up as the big boogie man, like it's something new. And people aren't aware of it.

M: Unless you -- you've been there.

P: You've been there. So I think Clearview ought to be given a chance for people to look at. Certainly if the overwhelming opinion is that the advantages aren't outweighed by the disadvantages, then you know they should vote against it, but I think they'll vote for it. If they bring in the revenues to the University, like they're planning to, god knows the University needs money and it's one way of bringing in revenue.

P: It almost seems that everybody wants a pay-off in this project. And again it goes back to --

- P: What's the advantage of the project?
- P: -- stimulating, yeah, what's the advantage -- what am I going to get out of this, you know?
- P: Yeah.
- P: That's what everybody's asking. I think people need to -- everybody concerned about this project needs to take the attitude, "I want to be part of the solution, not part of the problem." And, you know, let the politicians work it out. I think it can happen. The "Just Say No" attitude does not really apply.
- P: Well, that's what came through. I think that ___? complex is very much present here in this controversy. I'm sure that most of the students would be -- and faculty as well -- would be glad to have the money if we could move this up the coast 20 miles. But unfortunately, the oil pool is where it is and it's a very viable one and the location is viable from the historic standpoint. The land has been previously used for oil development and so forth. It makes it somewhat more acceptable from an environmental standpoint, you're not interfacing with completely virgin territory or something of this nature.
- P: I think what Ed is saying, they're going to have to define what is "your backyard?" "Not in my backyard." "Not in my backyard." But what is "your backyard?" If it's right next to your house, yeah, that's your backyard. So I think if they're trying to put a project and there's going to be a house, like, right next door, mitigate. "We'll buy your house. We'll buy you a new one." Maybe that's something they need to take a look at.
- M: I'd like to --
- P: Yeah, projects like this, you know, have been built all over the country.
- M: Yes, sir.
- P: There is nothing in terms of that special about this. You know, you go a lot of other places in the country -- down South, up North, Colorado -- I mean, these kind of projects have been put into communities all over. And you go down to L.A. and you find in the middle of -- what is it? -- Wilshire Boulevard and all that.
- M: The conversation starts all over, though, with every new project. I was hoping to wrap up our conversations. The studio, I think, we have reserved till 1:00. I wanted to give you an opportunity to have a closing statement if you'd like. Something that you haven't --
- P: I think as far as offshore oil is concerned, in California, people in general need to come to terms with the fact that we are oil-reliant. That the oil industry is a very, very big economic force in this country. That oil is a part of your everyday lives. That oil is a part of your national security. That, basically, you can't live without it. Here we also need to basically educate ourselves and educate the public as to the benefits of this and I think we're moving in the right direction.
- P: I agree with _____. I think that if we all could look at this thing in a realistic manner and weigh out the things and remove the emotional issues, remove it from a political arena and bring it into the technical arena and economic arena, then I think that everyone would be encouraging the further exploitation of the resources as opposed to opposing it.
- P: I think we ought to realize oil is a natural substance in our environment. And we've developed it, are totally reliant on it and we need a reasonably priced source of it. The oil industry has developed itself through regulation as being one of the safest industries in the world and I think we need to use it to provide our energy sources until something new is available to take its place. The more American oil

we buy, the better off financially we are as a country. The more foreign oil we buy, the more we undermine the financial viability of the United States. So I think we need to keep those ideas in mind here in presuming the offshore oil drilling.

M: I appreciate your participation today, greatly.

P: Thanks for having us.

M: Very, very informative. I guess we can wrap up.



APPENDIX VII: PRO-DEVELOPMENT FOCUS GROUP 3



Dev 3. Pro-Development Activist Focus Group 3

M: Let's start with ____.

P: I'd like to just say so far as myself, that I have lived on the central coast, and specifically Santa Barbara county, since I was ten years old. And since the time I was ten to my current age of 36, I've probably done a 180 on the issue of offshore oil. As a youngster getting tar on my feet at the beach, I used to curse at the oil companies. But as I've grown older and I think wiser and more mature, I've realized that the oil industry is a vital resource to our state and nation and the world in general. Historically it's been a mainstay to our local economy. I believe that it is absolutely vital and essential industry. Locally it does safely. I believe that the industry has been treated very poorly and unfairly in modern times. And finally, that the restraints, the constraints, the cost of doing business in this area is not based on the relative risk that is posed by the industry, but on heightened fears that have been projected on the industry by people that I believe are not truly ethical in their arguments against the industry's presence in our county.

M: All right. ____, would you like to ...

P: Well, I was raised in the oil industry as a child in the San Joaquin desert near Bakersfield and Taft. I grew up not knowing very much else really existed except the oil industry. And I was fortunate enough to work in it over thirty years, and feel that we need these resources desperately in this country obviously for economic reasons. And we should produce our offshore reserves, develop them and produce them. There are many other reasons, but I think there is a telling reason that an economist brought up some time back about the comparative amount of oil spilled from tankers to offshore production. According to Walter Mead, an emeritus professor here who has quoted a number something like 32 barrels are spilled for every million barrels shipped into this country vs. .13 barrels spilled in offshore operations per million barrels produced. And also, I'm impressed by the US Geological Survey estimates that there may be 112 billion barrels of oil to be produced in the country compared to our present known reserves of something around 20 billion. A fair share of that will be offshore. And it's an asset that this nation of ours and our economy can ill afford to pass over. I feel it should be developed, very strongly.

M: Mr. ____

P: Well, my cohorts here have been here a long time; I'm fairly new to the environment—the California environment; I've only been here about eleven years. But a lot of my time has been spent in the San Joaquin Valley doing exploration and production work over there in the oil and gas industry. But also I've been involved with coastal activities all that time. The US is a major user of energy and oil and gas is the major source of energy that the country uses. And currently we're having to import over 50 percent of what's used in this nation. Oil and gas reserves are located where they are in the ground in the geological area. They're not something that you can say, "Well, I want oil here," and they'll find it. You're going to have to go where the oil is located. And currently there are vast reserves of offshore oil in California that could be produced. And, I think, from the industry's perspective we feel, ... I feel that these reserves can be produced in an environmentally sound method where you can develop the energy that you have in your own backyard and help provide the energy that people are wanting to get back and forth from school to home, and light the building that we have here, and other uses of it.

M: ____?

P: Well I sort of look at the oil industry here in regard to the different impacts that it has on our community and our state. And we can look at environmental impacts, we can look at financial impacts, we can look the employment or unemployment impacts, and we can look at a general

economic impact. And my business is the installation of oil facilities offshore, the inspection of those facilities, the repair of those facilities, and also the renewal of those facilities when they are depleted. And so I have a fairly good feel for what the environmental impacts are offshore. In the underwater industry, I have been a diver myself for a number of years and have been in this business since 1972. And in fact in 1971 and '72, I collected oil samples for this university's chemical engineering department right off Coal Oil Point here, and monitored the natural seepage that was going on offshore. And I believe that the environment is very well equipped to deal with this natural occurring substance that appears on our beaches. The impact of the offshore oil industry and the structures that we install are really a beneficial impact. We create artificial reefs; we create entire ecosystems offshore; and the marine life is thriving out there. And I witnessed that as a diver underwater out there on most of the platforms in the Santa Barbara channel.

From the financial impact, I'm kind of dismayed to see the state that our state is in financially and certainly some of our local governments, and to see the revenues that they could be benefiting from, from oil production, that they're throwing out the window by choosing to pressure the oil companies to go elsewhere, to put restrictions on them that make their business unprofitable. And then I move on to the employment impact. As I watch oil companies decreasing in size exponentially, sending their people away, sending those families away, sending those taxpayers away. Then I see the service companies that supported those oil companies consolidating—as small companies can no longer survive and they're swallowed up by larger companies in order to survive. And we see reductions in the work forces, we see people going into other industries and other states. We see people going overseas where they can continue in the oil business that they are familiar with. So I see a lot of reduction in our work force here. I see a tremendous loss in employment and, of course, in tax revenue. And then we see the general economic impact from all of this in our area. Our state is in financial straits; our local governments are having problems. And we have real estate that is vacant, waiting for business. All of these things could be helped by pride in the oil industry. And having worked in other areas in the world where I've seen very poor areas just become boom towns from the impact of oil production, specifically some areas in South America and in Scotland, where I went to Scotland in 1973 you couldn't even find a place to live, but within three years there was a thriving real estate market, all kinds of industry, and side businesses were beginning to pop up. And it became a place of real focus for the entrepreneur or for the business climate, and was ultimately very beneficial to the United Kingdom. So I'm disappointed to see our country pushing oil out.

M: Well, why don't we address that briefly. ____, you mentioned that you thought that the industry as a whole is treated unfairly. And I think each of you has touched on different parts of that. Do you want to make that a little more explicit in terms of how you feel they've been treated unfairly?

P: Well, I think it's treated unfairly by local government and state government, and to some degree our federal government. I believe that our media preys upon the oil industry. I think that in this county, in Santa Barbara County, I know that the prevailing political philosophy that was driving the Board of Supervisors for many years was to make it as expensive and difficult as possible for oil companies to locate here. And to try to drive out as many as they possibly could. Bill Wallace, the Third District Supervisor, still brags that he helped drive ARCO out of this area. They basically did this by creating a regulatory climate and bureaucracy that's probably epitomized by the air pollution control district in this County, that had obscene growth and fees. They look at the oil industry as a cash cow. They basically coerce and blackmail these corporations into paying millions upon millions of dollars to mitigate impacts that they're not creating. And then they're treated very poorly. For instance, I can give you an example. If an oil company has any spill whatsoever, no matter how small, in this county, the Board of Supervisors requires that spill to be reported to all the news agencies within the county. And so you have that no matter how small, they want it reported. And of course, let's not talk about the agencies the oil industry has to report to legally. They want it reported to the newspapers. We just had a multi . . . I don't know how many tens of thousands of gallons of raw sewage dumped into Lake Cachuma, which is the drinking water supply for southern Santa Barbara county, and I only saw one newspaper story on that. And the Board doesn't seem to have concern that those stories get media

attention. And what is the real hazard, oil on the beach or pure raw sewage in the local drinking water supply.

M: Do you tend to agree with that ___?

P: Well I've seen a material deterioration—as ___ has pointed out and the others—in the attitudes of the public. But particularly, I think that's been stimulated by the political people, the people in office in city and county government. When I first started working here in 1959 and we put the first platform in service, which was the first steel platform on the West coast, I took many hundreds of visitors around. There weren't enough hours in the day to get much work done and still host people on Platform Able, and Hilda later, who were interested in how that platform looked, who were impressed by the size of it. Without making a martyr of myself, but I practically wore my voice out a number of days, above the din of the machinery and all, hosting groups of 10 or 20 people in my wake. And the impressions of the platforms and the oil business at that time seemed, and I believe it was, highly favorable toward the offshore activities that they saw. That lasted for something like ten years until 1969, the time we all know what happened. At that point there was obviously an about face. As had been said earlier, politicians and our elected officials took advantage of that in many cases to their own benefit. So the industry has suffered and because of one event. That event wasn't the end of the world as we all know. I feel that the media which celebrates that event now in their paper every year is doing a serious disfavor to the offshore oil industry at least in the continental United States, certainly up and down the coast of California where there are substantial reserves known to exist that are reachable and commercial.

M: Thank you. ___?

P: There seems to be a lot of misperceptions out there. There are misconceptions about what happens and what goes on in the oil industry. And I think part of that misconception is that we're portrayed by the regulations that are in place and the media, the way they talk about things and portray things. I think it was mentioned earlier that there's tar on the beach all over California. And those are coming from natural seeps. ___ mentioned that he's dived out there. As far back as some of the early explorers who were coming in here, there's a document from logs in 1793 that the ocean was a sea of oil off Coal Oil point in 1793. So you still get people complaining that the tar on the beach is from the oil companies producing it, which is absolutely not the case. And there are regulations in place on the local level that are not seen anywhere in the world, except in California and Maryland, with Santa Barbara county probably being one of the leading counties as far as the size of the regulations, the number of regulations, and the severity and the cost of doing business here in this county. One thing I want to add, which is kind of ironic, just last week in a newspaper in Kern County, there was an article talking about Maricopa, which is a town on the West side of the valley, having a whole weekend celebration to commemorate the gusher of 1910. It blew out and made a major discovery on the West side of the valley, where the attitude there is that they're celebrating that because it brought the economy and wealth to the area and created an industry there, where here we have an attitude that everything is native.

One example that happened recently, along that line, where everything was automatically assumed to be the oil companies' fault was fairly interesting. I got a call one afternoon a few weeks ago that there was a major oil spill on the beach down by Stern's Wharf—a huge pipeline gushing oil all over the beach and everything. And what it was was they were dredging the harbor. And that was the water coming out from the dredge and they were filling the beaches up with that sand and water. Automatically it was assumed that it was negative and it was oil industry polluting the beaches. And so there seems to be a reaction that's always negative towards the oil industry.

M: No matter what is out there.

P: Right.

- M: Our conversation so far has hit upon some of the perceptions and misperceptions of the oil industry. Some would say that managing the oil once we get it out of its natural state, once it's produced, is a problem. What would some of the costs or bad things associated with the industry be—from each of your points of view?
- P: Well I could respond to that. I've seen the industry in action overseas where there is no regulation on it. And certainly there can be some negative impacts when there is no regulation. And we see oil companies from, for instance, companies in South America which are totally unregulated using chemicals that might be harmful to the environment, allowing leakage to go on as an every day occurrence. You can find some of the platforms in South America just by following the oil slick. But this is not the case in the United States. We are heavily regulated here and some of the regulation is good. Our chemical usage is entirely controlled. And our environment does not suffer from it. So I think the oil industry here in this country has done a very good job of complying with the regulations that have been set before. And I think the environment does not suffer from it. We get into discussions about air emissions and if you wanted to call that a negative impact ... However, this is one of the areas where I think the oil companies have been unfairly treated. They are very much restricted from producing modern emissions from diesel engines offshore when 18-wheelers are running up and down [Highway] 101 all day long producing quite a bit more, but without any type of restriction that you could compare to what's happening to the oil industry. It's hard for me to come up with negative impacts right here other than the type of air emissions that occur for every industry.
- M: What about you?
- P: You know I'm not really clear on what you're looking for there as far as negative. Is this negative things that are happening within the industry or as a result of the industry?
- M: Well, some would say that there are some bad things about the offshore oil development, since we're dealing with offshore oil drilling. You touched upon it in your opening statements in terms of an assumption is made that any seepage is a bad seepage or that anything bad out there, you caused it or the industry caused it. The underlying assumption is that there is a bad side effect or cost caused by the industry. I just want to elicit from you a list of bad things or whatever comes to mind, a list of bad things associated with offshore oil development.
- P: You look at any of the EIR's that are done on any of these projects out here, and there's a number of things that are studied or impacts as a result of offshore projects. But technology has come a long way. I think ___ mentioned earlier that the blowout in 1969 galvanized the anti-oil environmental movement within the country really. Since that time there has been a tremendous amount of new technology advances in well control and design and completion technology of the wells. And since that time there has been so much improvement that the likelihood of an event like that happening has been greatly reduced. And with the technology we have the platforms are designed so that there is basically zero discharge, where even the rain water that falls on the platform is contained and is not discharged into the ocean. You have the conflicts that exist any time you have two entities or industries wanting to use the same area. But the area the platform disturbs is very small in relation to whole Pacific coast. So you're looking at a very small footprint of a platform to develop a very large reserve. With today's technology, you can develop a large oil field from a single location because of drilling technology that allows you to reach out three miles from the platform. So that the number of impacts with today's technology is greatly reduced.
- M: ___, ___?
- P: What are the negative aspects of oil field and offshore management? The only general negative aspects that come to my mind are innocent accidents that take place because of human beings operating those mechanisms. There's potential neglect. We are all probably victims of that in our own lives. There is sometimes a lack of rigorous inspections and tests that are required in the offshore

wells and systems. There are many systems that exist on the platforms and onshore, too, for that matter. It's basically, in my look, simply human error that's our major source of negative items that fall in our oil fields, our offshore. We have systems, some of which were put into play by the oil operators themselves and some of which were added by regulatory groups. In many cases they sometimes made the inspection methods that the oil companies and the operators initiated more rigorous than they were. But basically, in my opinion, that may be the weaker part of our offshore operations in regard to safety. And that to me is a cause that will never be eliminated in any phase of our industrial lives. In fact, probably in our personal lives.

M: Simple, straight-forward accidents? Human error?

P: Human error. Two words said it all.

M: Yes sir. ___?

P: If I was to be critical of management, my criticism would be that they caved in to extreme regulations. They're like the giant that refuses to fight back. They have set a precedent that is applied to other industries that have been crushed, financially crushed by burden. And my criticism is that the major oil companies for the most part didn't fight back, they didn't challenge with lawsuits the unfairness because they are so big that they can just pass that cost on, first of all. But secondly, they're not committed to the local economy. There's a part where as long as they can sell their finished product in California, they don't care whether they produce it in Venezuela or Ventura. And my criticism—and this is kind of to the larger picture—my criticism of the locals such as the Bill Wallaces and the GOO's and the Environmental Defense Centers is first of all, they claim that this coast is their coast. It's not their coast. This coast and the oil offshore belongs to the entire United States of America and to all the citizens. And I believe that in their very selfish, narrow point of view, they do not want their viewshed contaminated by the sight of offshore oil. And they're willing to basically risk and lose billions of dollars in revenue both to the local and state and federal economy. And secondly, from an environmentalist point of view—this is a point that I wanted to touch on that ___ brought up—If they were really, truly concerned about the environment and were not hypocritical about their own insatiable desires and needs for oil products, they would want that oil produced here in the most environmentally sensitive manner in the entire world. And if they truly had a global, environmental perspective, they would want the oil produced here and not in those third world countries that have no rules or regulations. And so my criticism of the oil companies is that they're not fighting this fight. And educating the people in the Mohave Desert so to speak about how their schools have been impacted by the dearth of funds for capital construction projects because folks in the Third District of Santa Barbara County don't want offshore oil here. And they haven't created the nexus of the millions and billions of dollars of royalties that would accrue to capital construction projects in schools from offshore oil. They've just done a pathetically poor job in doing that. They're their own worst enemy.

M: Thanks. We want to touch also on some of the risks associated with offshore oil. You've touched on some of those, so maybe you would just want to continue with some of those comments.

P: Well, I think that Dr. Walter Mead, who ___ quoted earlier, articulated this more clearly than anybody I have heard. The risks are the soiled beaches, the birds covered in tar, and things like that. That's the risk. Those are the images of the 1969 spill that we all live with or the *Exxon Valdez* spill. But the point that he brought out is that the environmental community will always say that it is absolutely impossible for nature to overcome the effects of these catastrophes, when the reality, what ___ said earlier, is these are naturally occurring phenomena and in reality the risk to the environment and relative risk of spills is minimal compared to the value to society and the fact that some of these things are naturally occurring anyway. And so I look at the risks—especially with today's technology—as almost nonexistent. And even if there is a spill, we shall recover from that.

M: Would you say that this is a manageable risk that's accruing in the offshore oil drilling industry.

- P: I couldn't say anything better than what ____ just said. I think his analysis is just right on. And do I think we could manage it any better?
- M: The industry.
- P: The industry. Well just as a matter of life, everything can be better. Yes. But I have no solutions to those suggestions. Specifically as to how, I think it's well managed. The risks that are taken are almost zero.
- P: I think that the ... some of the governmental agencies create as much or more risk than the industry does itself. We have a situation here where an oil company might have a situation on a pipeline or a facility that requires remediation, requires some kind of repair. It's not an emergency situation, but it's a condition that requires remediation. And our governmental authorities will hold up that oil company for months and months and months on approval to make that simple repair or that simple remediation, and expect the oil companies to shut in production on their platform if they feel there's any hazard. And therefore they put all of the incentive going in the wrong direction. Of course, the oil company cannot afford to shut in their platform and therefore the government authorities create an unnecessary situation where a simple remediation action could take place without any restrictions and they don't allow this to happen. I feel like that is something that should be changed.
- M: Do you agree with that?
- P: You mentioned risk. The oil and gas industry is probably one of the biggest industries that is run on risk. They know how to manage risk. The whole concept of exploration and production is a risk management concept. So they understand risk. They know how to manage risk. They know how to evaluate what the risks are and make decisions based on the risks that are evaluated. Where sometimes in the environmental community, you're wanting to have zero risk, and that doesn't exist anywhere. But the risks of things happening through offshore development are evaluated and there are programs in place to minimize the risk. And the oil companies, the oil industry is an economic industry. They are looking to their shareholders and want to provide a return to their shareholders. And putting a barrel of oil in the ocean isn't in their interest either. With today's prices, a barrel of oil will sell for \$18. If you put that barrel of oil in the ocean, it's going to cost you thousands of dollars to get it out. So it's not in their interest either. So they're working hand and step with everyone else to try and minimize any spills or negative impacts to the environment.
- P: I'd like to add one more point on the issue of risk. And that is that one of the points ____ made is the environmental community is not just limited to the environmental community, but government agencies expect there to be no accidents in this industry. They have zero tolerance for accidents or catastrophes within this industry. I don't think there's any other industry in the nation except perhaps for atomic or nuclear energy that is subject to the same strict regulation. And the point of this that really bothers me is that if we're not drilling that oil off our coast and processing it somewhere onshore, then we're tankering that oil here. And so the bottom line is there's always risk no matter what you do. And the question is, is tankering as risky or riskier as offshore oil production. And my understanding is they're both relatively safe. I think if you were to compare the number of barrels produced safely vs. the number of airline passengers carried safely or the number of vehicle miles traveled safely, etc., etc., you're going to find out this is one of the most safest industries in the world. And when you talk about risk, it has to be comparative and comparable. And that's the one thing that a lot of the detractors of this industry don't do. They don't compare it to the safety record. They don't compare it to the production record. And they don't compare the historical records.
- M: Those are all good points.
- P: ____ makes a good point. I would like to expound on that a little bit. I am getting back to the way the government agencies try to restrict or eliminate oil from their area, Santa Barbara County being an

example. In the early 1980s, there was an oil company that wanted to produce through a shore facility here in Santa Barbara County and they were blocked at every turn trying to achieve this. So instead they created a facility out in federal waters where they could load this oil on tankers and proceeded over the next decade to produce over 100 million barrels, put onto tankers through a rubber hose rather than coming ashore in a steel pipeline to generate revenue for Santa Barbara County. So Santa Barbara county created what they would probably term an increased hazard so they wouldn't be in a position to collect revenue. That does not seem like a smart policy to me.

M: When was that, do you remember?

P: Well, let's say it was the early 80's.

M: Okay. We started off our discussion talking about the benefits of offshore oil drilling and I want to revisit it briefly and allow you each to enumerate some of the benefits that offshore oil drilling brings. And I think that you just hit on one of them, which is that it produces revenue. Do you see benefits of offshore vs. onshore drilling? What are the benefits?

P: I was talking earlier about the technology. I think we need to probably differentiate what we're talking about here. One project that's being proposed now is to drill directionally from onshore, under the ocean, to tap an oil reservoir offshore. The technology today has advanced to the point where that's technically feasible to do, where ten years ago, it wasn't. And the limit of that technology today is pretty well limited to leases within the state waters, which is from the shore line to three miles out from the shore line. Most of the platforms you see in the Santa Barbara channel are in federal waters. And those platforms have to be established because the technology probably will never allow to drill that far offshore. You need to have some facilities to physically drill your wells and produce your wells there. The technology to reach farther out, however, is minimizing the number of platforms that will be needed to develop any resources found out there.

You asked at the beginning as to any benefits that are being had. They're had across the country and locally—big impacts. From the federal program, just the leases that exist today, which are very small in number compared to anywhere else like the Gulf of Mexico. The industry has invested over \$2.6 billion for the right to have that lease. Those are the bonuses paid for the 85 leases that are existing out there. And that says that with the existing leases being developed, they feel that there's over \$20 billion in revenue that could come to the federal government, which is a major impact on the budget that we have here today. On the local side from the federal development, there is what they're calling "8G funds," which is portions of that royalty that's paid to the federal government that comes back to the state. I think that there's more than \$400 million that's been paid back to the state of California as a result of the federal platforms that you see out there. Also there is local funds where the local community right here in Santa Barbara county has received funds from federal production. I think that there's over \$2.7 million that have been used to purchase park lands and develop parks and recreational and community projects here in Santa Barbara county. Now in the state waters, those are all funneled directly to the state of California. And there are a few leases that are left that can be developed. However, there is a case where just this past year, well, basically a moratorium on state leases was passed. And as a result of that, there will be no opportunities for revenues to come into the state of California directly from oil production.

P: Was your question involving offshore drilling generally or offshore drilling near the California coast?

M: All along the California coast.

P: California coast. I think as far as I can comment it's been well covered. I might say that in defense of offshore drilling, our maturing in the Gulf of Mexico where, now, operations in 3,000 feet of water are being carried on. That is an immense potential benefit anyplace along the coast lines where there may be deep water fields discovered. It can open up a tremendous amount of resource to this nation of

ours, which we need to offset partially at least our balance of payments. That's a long way of saying that deep water drilling is now rather common, very deep water drilling. And that goes along with offshore development.

P: Well I think that the benefits are obvious and that is, it's well-documented that the oil industry is the highest paying sector in the local economy, with average wages on \$45,000 per year. One of the things that does is because of the standard of living in this area, especially in the northern county and other places in the state, that produces what is called, the "disposable income." And for instance, one of our members, I don't represent the oil industries, I represent ___ [a large trade group in Santa Barbara County]. We were created to seek to balance the environmental economic interests. What our concern is, is that, for instance, many cattlemen in Santa Barbara County have oil leases on their property. The revenues from those oil leases basically have been able to supplement the income of those cattlemen so that the cattlemen are not forced to develop their land. So there you have open space and the preservation of open space is a benefit accrued to the oil industry or from the oil industry. I had a small jeweler that was a master craftsman in his trade and in business for twenty years in the Santa Maria Valley. He just moved to another nation, another country. And one of the reasons he did, he said, "___, the only people that could afford the jewelry I make were people who maybe working in the high tech industry out in Vandenberg Air Force Base, which has taken a nose dive since the shuttle disaster, and people from the oil industry, in which we've lost hundreds of jobs in this county." And if you talk to motel owners or restaurateurs, or jewelry people or cattlemen, you'll find out that because of the what they call the multiplication factor that each one of those dollars has a return to the general economy. And in terms of tax dollars, the Mobil Clearview project, for instance, could single-handedly wipe out our county's debt. And so what happens is, if we don't have those revenues coming in from there, we have to cut social services as a benefit to the poor, being able to have this. There's issues of charitable contributions. I know the company I used to work for in manufacturing and one of the other oil companies, we used to give tens of thousands of dollars, sometimes fifty thousand dollars a year to local charities. Well the company I used to work for is no longer in business. There's charities that are suffering as a result of them not having the support from these industries that were major economic drivers.

And so the problem is with UCSB and the crowd from Montecito: their income is not tied to the local economy. They are not living in a real world economy. They don't care what happens to the local economy. For the most part, they're living a kind of isolated, island-mentality existence. They say that this town can do without the oil industry, this town can do without blue collar manufacturing, that they're not going to be here to try to pick up the pieces of what's left over of our shattered economy. They'll go on to other things and they get their pay check from other areas. Well that makes me mad because I grew up here. I'm committed to this area. I'm staying in this area and I want to help the economy. And if you cannot harvest and manufacture and produce things from your natural resources, then what do we have left. And the choices that seem to be given to us is service sector jobs vs. blue collar or manufacturing. I don't want to be working in a motel changing bed sheets for minimum wage. And I don't know very many people that want to buy a house and raise a family here that are willing to work for the tourist industry, which is the bottom dweller in the economic sectors, they're the bottom dwellers—the absolute bottom, minimum wage, no benefits and usually not even 40 hours a week. And we're supposed to sacrifice the oil industry, sacrifice blue collar manufacturing for the sake of people that don't even live here, that pass through with their automobiles that are the major source of pollution. They leave the litter on our beaches. They use our water by flushing those toilets in those motels and drinking it in those restaurants. It's a no brainer.

M: Would you like to add to that? [laughter] Often people have talked about the impact of offshore oil on the community and tourism is one of them. It's put out there as a direct hit on tourism if offshore oil drilling is continued or more offshore is allowed. What would you say to that?

P: I would have a comment for that. I think if it would impact tourism that those people that are against oil would be the real cause of the impact on tourism because of their campaign of disinformation. And

I can bring a specific example to mind. Several years ago there was a ballot initiative down in the Los Angeles area for some drilling activities that Occidental wanted to do on a beach front location in Palos Verdes. And the opposing side during the political campaign had a videotape of an oil rig with an explosion happening. This was their visual representation of what oil meant to our coast line. And it was totally ludicrous for them to do this. And of course the ballot initiative failed and they were not allowed to drill there. But this is the kind of disinformation and lobbying that is going on all the time, painting a false picture of the oil industry. I haven't really seen what sort of lobbying is going on in reference to the local project here, but I suspect there are those that are painting a pretty bleak picture of oil on the beach here as well. When it's a safe activity, certainly there is a visual impact. But you make a choice on that I suppose. That's for the public to decide. But hopefully they'll decide on the basis of the truth and not on the basis of disinformation.

P: You mentioned tourism and the impacts to the county through that aspect. Santa Barbara County is a beautiful place and it has great weather and it's a great place to raise a family and to come to visit. And the platforms have been out here for a few decades. And I don't believe really that the differential in tourism has been affected because of those out there. It's still a beautiful place to come to visit. In fact, in some places I've heard people commenting how beautiful the platforms look at night. You can see all the lights and you can see what's out there at night vs. just having a total black scene. But the activity that is taking place here is very small in comparison to places it's happening elsewhere. Say in the Gulf of Mexico there are over a hundred platforms a year being placed in the Gulf of Mexico. Granted a lot of those are far enough out so that you wouldn't be able to see them, but there are still platforms off the coast and their tourism is continuing to thrive too, on Andre Island and other places down there. So personally I don't see that developing the valuable resources that we have located off our coast here is going to be a major negative impact on the tourist industry at all.

M: ____, you've lived here a long time. Do you think that there's an impact on the community because of offshore oil drilling?

P: Well, there's been an impact in the editorial sheet. I feel that the future impact of oil development offshore in this neighborhood or up and down this state because of technology and safety requirements the oil companies' consciousness of its posture in the community, and all the bending over backwards efforts that the industry will make to be a good citizen will result in very little impact on the community physically. There will be public opinion expressed. Since the platforms have started out here, at least up until the time that we mentioned before, there seemed to be a sort of a childish curiosity about, "What are those out there? Gee, they look nice at night." And you mentioned earlier, they're not hurting anything. But of course that happened; that changed, as we all know. I feel that the people will adjust to additional offshore drilling. A couple of reasons: Primarily, the one I can think of mostly is in many cases they won't even see the platforms. Very few people see the platforms up off Point Arguello, except maybe some residents there.

M: ____, do you want to add to this?

P: One of the issues, and we've probably touched on this already, is that the term "oil rich" comes to me. And ____ earlier said that Maricopa celebrates a gusher, we celebrate a spill. That has financial ramifications and repercussions. For instance, today at the Board of Supervisors the auditor-controller wanted to set aside something like \$1.7 million because of a potential property tax reassessment from several oil facilities. As we drive out the oil industry, this town will become that much poorer. On to the point that we historically have been a very rich and wealthy community and county, that was due primarily to the oil industry. And California as a whole, when it was swimming in extra revenues, much of that could be attributed to the oil industry. And we are bringing a lot of woes upon ourselves and the residents and all classes, but especially the poor, by driving out something that could make us wealthy—I believe without making any negative impacts.

M: ____?

P: The project that's being proposed now, from my personal point of view, is a project that has grown out of more than a decade of discussion about that oil reserve that's sitting there. That oil field is a major oil field, with platform Holly built in 1966. And the reserves are significant reserves that can add to the economy of the state. The royalties from that production go directly to the state of California and

benefits all of us directly. And a lot of those funds go back to the schools, including UCSB for their projects and development. I mentioned earlier the advance in technology. That oil field has been known for a long time. And in the mid-80s another company tried to develop and permit that project. And the technology didn't exist then to reach it from shore even though that was an option that was analyzed at the time. And their proposal was to develop another platform offshore to develop that. And there was a tremendous outcry about the visual impacts and all the other impacts that were anticipated because of that new platform. With this advent of technology the company that's now trying to develop is trying to, in my opinion, go back and look at all of the concerns of the community and to try to address those concerns was their plan. It's a project that needs to go forward and should go forward and with the constraints that are going to be put on the project will be a good neighbor. Again, in my opinion.

There's an example of that type of coexistence, if you will, at a number of locations in the L.A. basin, where you'll have drill sites that are not visible. You don't know they're there. They're behind a wall and they're producing oil from underneath downtown L.A. Another example exists down in Long Beach, where there are islands that were developed in the sixties. They don't have the technology to reach out as far as what they're proposing to do here, but it is an example of communities working together for a joint benefit. The drill rigs there were camouflaged. There were sound barriers put in place where the noise was nonexistent. And a lot of that technology plus a lot of new technology I'm sure will be incorporated into this project. It's a project that can be done very environmentally soundly and safely and be a good neighbor for the community.

M: ____?

P: Well, I was born here in California. I've been here most of my life except for a few years overseas. In reference to the Clearview project here at UCSB, it angers me to see the university take this position where they don't want to have any part of this project because of the inconveniences of it. I have a son that's in the UC system and our tuition went up about 30 percent in the last year. And it's people like myself that will be subsidizing these type of decisions made by the UC system. And I don't appreciate those positions. I don't believe that they're right. And I think that the community would be better served to take opportunities like this and to offer more opportunity to students that don't have money. I mean, we're creating a society where only the rich can become educated, where only those that are financially fortunate can get that higher education. And we're creating exactly the thing that those people that would be against the Clearview project would be preaching against. They're actually creating the opposite.

M: We have just a couple of minutes. We're about to wrap this up. The studio's only reserved until nine o'clock. We want to offer you an opportunity to have a closing statement, just as you had an opening statement. And perhaps you could elaborate or touch upon a couple of things that we haven't gotten from you already. Would you like to start Mr. ____?

P: Well I think I've said most of what I believe about the issues, but I'd like to point to a time back in 1973 when I was working in Louisiana. And that was a time when we were in the middle of an energy crisis. And of course, Louisiana is a great oil-producing state. And there were many cars driving around back then with a bumper sticker that said, "Keep our oil in Louisiana and let everybody else freeze in the dark." I think if the oil companies were to take the next step with that attitude and pull their oil out of California, I think the anti-oil population would be screaming first and loudest.

P: I would just elaborate on what I said in the opening statement. It's a vast resource, a very valuable resource for the country and for the state. Economics is really the bottom line on this. And for these resources to be developed for the benefit of all of us, we have to make an environment that the oil companies are willing to risk coming in and operating in. I mentioned earlier that the oil companies are in business to make a profit for their share holders. And if the companies have four projects that they can do and one of them is offshore California and they only have budget for three of them, they're

going to go where they get the best return and unfortunately, it seems to be driving a lot of these companies to be looking elsewhere, in foreign countries.

P: I know very little about advancing technology, except that there are many oil fields which have been passed over here and gone by which have now been surveyed by a technique called 3-D or three dimensional seismic exploration processes. There were a number of fields that were missed that have been found since that are profitable fields and afford an economic resource needed by this nation. That can and will continue to a greater extent as time goes on. The processes of technology are advancing ever and onward. This country needs way more oil than it has now. I think it's been said before, we're importing something over half of our petroleum liquid energy requirements. We can be held hostage very easily, and have been if we all remember 1973 and 1978. And even today, with our dislike for the policies in Iran. And today one company was overruled from going over there to develop that tells me that these type of blockages of needs which we buy overseas, at great a cost—something like 40 percent of our deficit payments—can be shut off again. We're not sovereign under our own selves in this nation. And California was an integral part of the picture, and maybe by some standards and some people's opinions was relatively minor. But should be a very important asset to this community and our economy and jobs and progress.

P: I would just like to say I hope that the folks that read this transcript will realize that, I believe, it's a majority of citizens in this county and in this state and in this nation that have a common sense perspective on energy needs and policies. Whether it's logging in northern California or mining in the deserts or farming in the San Joaquin Valley or mining oil off the coast of our waters, that our economy and real wealth is based upon our ability to convert natural resources to usable products. And that wealth is being undermined by people with no scientific basis for their movement. And I think that they're destroying our nation. I think they're living a lie in that they want all the finished products, but they don't want the resources to be mined or harvested in their backyard. And I think at the same time they decry the environmental destruction in third world countries. They can't have it both ways. There's a tendency to look back on past ages as the good old days. And yet we know that there was environmental degradation and pollution in those days as well from quote-unquote natural sources or pre-industrial ways of life. And I'm hoping that the folks in Washington, D.C. that make these decisions, especially in federal waters, and the ones in Sacramento will have the wisdom and the fortitude to make the right decisions which are good for our economy as a whole.

And the last thing I would say, and one of the reasons I believe this will happen, is that there is some justice in this world. Sacramento that bans offshore oil has a multi-billion dollar deficit. The *Santa Barbara News-Press* that has been extremely harsh to the oil industry is shrunk to a two-section newspaper. UCSB that opposes offshore oil is watching their student fees go through the roof and the graduates are hard pressed to find jobs. And hopefully they'll come to their senses when they think that the economic reality of these decisions will come to haunt them. And in time, I believe they'll

M: Thank you very much. Thanks for your participation.

APPENDIX VIII: DEMOCRATIC PARTY FOCUS GROUP 1

Dem 1. Democratic Activist Focus Group 1

M: We'd like to begin by asking you each to write on your pads what you specifically think/feel about the issue of off shore oil drilling along the California coast. I should mention, we're interested in off shore oil drilling along the California coast in general, but there is a specific issue of the Clearview project that might come up in conversation, but we're interested in the proposition in general, as a proposition, to drill for oil off the California coast. So, if you would take 3-4 minutes to write your own thoughts on it and then, I'd like to begin by going around the asking each of you to make opening statements from those notes.

[Pause]

M: OK, shall we -- shall we begin? Do you want to get started? What is it you think about?

P: My thoughts on the idea of offshore drilling are that it's not necessary. The whole idea is preposterous, I think. We can be looking at the impact overall in the community. There is no benefit that I can see. The argument can be made, "Well, we need to -- as an energy source -- we need to continue development, etc., etc." But what I think we need to start doing is looking at the alternatives. What are the alternatives? Mass transit. Do we need more cars on the freeway to bottle neck the freeways on week mornings or evenings or weekends? No. I think we need alternative sources of transportation.

You know, it's not so far fetched to say, "What about the possibility of ferry commuting?" as they do in the Bay Area. It's -- actually, it's much more -- it's more fun to go to work by boat. And you can take your time, relax, take a nap or whatever, and in the afternoon perhaps, if you want, you can have a drink or cup of coffee or take a nap. The railways, they're sitting there. They've been there for 100 years totally underused. The other existing resources to minimize the oil consumption: solar. California is -- particularly our stretch of beach -- is -- what? -- amongst the 12% of the environment, or the solar environment in the world? We are the only stretch of beach from Ventura to Point Conception that is on an east/west direction. We get a full effect of the sun the whole day. Let's utilize the sun. Wind. There's plenty of wind out in the mountains. Solar generators. Out in the ocean as well. You know, they clock the winds at 80 mph. Let's utilize that instead if we want to reduce the consumption -- the dependency in oil.

There's no benefit to the community. We're talking about increasing the jobs. It doesn't happen; it doesn't work that way. The local people, they're not going to go to work in the off shore platforms. The companies take their own employees from other areas and rotate them across the country. I follow the pattern because I used to be in apartment management and I can see people going from Bakersfield, back East, back over here, north and south, wherever the industry is. You know, it's understood. They have the experience. They have the background and the know-how. The oil companies do not have to re-train the employees. It's to their benefit. But to the benefit of the local people? No. So overall, I'd say there is no benefit. There may be a benefit to the industry itself. I mean, available broader resources to exploit, but not to the community overall, not to the environment, not to the people of California -- particularly here in the Santa Barbara area.

P: Yeah. Well, when I was thinking about how I feel about off shore oil drilling, I guess what I focused on is my concerns about the effect on the environment. I've just recently visited the Monterey Bay Aquarium and going through that place and seeing how complicated the marine environment really is and how interdependent all of those organisms are and how easy it is to upset the balance. I guess I don't trust the corporations that are engaging in this exploration and drilling in terms of really following through on the kind of safety procedures and testing that they would need to do before they just go in there and start pumping the oil.

I'm involved in the Union on campus and my feeling is that big companies and big organizations don't take care of safety and look out for the interests of the people that are working at those places unless they're forced to. You know, what they're interested in is getting the biggest profit as fast as they can. And that, to me, mitigates against them doing things in a safe, careful manner. So I basically ... At the same time, I guess, I have a feeling that -- I have to admit, I drive a car and most times I'm in my car by myself. For me, it's not practical to commute in a van because I have kids that I have to pick-up. Normally at the end of the day, I probably make 2-3 stops before I get home. So it would add an extra hour or two onto my day to be commuting in any other manner.

So I think that some dependence on oil is probably inevitable at the moment, but I guess my feeling would be that it's really important to have very strong regulation oversight of the oil industry and have people who are not beholden to the industry in any way involved in watchdogging what they're doing and making sure that anything they do is really environmentally sound. And I also feel that the workers at those places earn a high salary, but they're exposed to very unsafe conditions. I think that they probably are not in a position where they can speak out very freely and talk about those things, but I think about the accidents that can happen on those platforms too. So, I guess, my feeling would be basically against it, but I recognize that there may be a small amount of it that may be necessary but there should be very, very stringent regulation and control.

P: Well, I, when I first moved to the area 15 years ago, I was really surprised that the oil rigs off shore were in many ways really the most prominent feature of our coastline and there's about double the amount now than there were when I moved here. And that's a difference I certainly notice.

It concerns me that off shore oil development could actually be very bad for the economy of the South Coast. We certainly pride ourselves on a beautiful, pristine coastline, a very nice environment. When you open up a brochure or watch a video for Santa Barbara that a conference or business bureau has put out, it doesn't list the off shore oil development. So I think it is clearly a threat to our tourism industry by threatening our environment.

I would also say that I've lived in the beach area since I've been here and it's not just my attitude or the attitude of folks that live here, but it's the attitude of the folks that visit. That is really the most common question that people ask about our coastline, is "How many rigs are there? How far away are they? How tall are they?" And then they get to questions about the islands and the beaches. And the beaches, usually, with the tar that's on them. So that certainly concerns me a great deal and what ___ said about dependence on fossil fuels on oil development is, I believe, right on. Yes, we do drive cars to a certain degree. We are going to be dependent for the time being on fossil fuels. But eventually, I really think it's going to look silly to have so much dependence on single vehicle conveyance and polluting fuels that have to power them.

Actually, the Santa Barbara area is a leader in alternative transportation. Our Metropolitan Transit District has electric buses and Easy Lift has natural gas buses and they work beautifully. So there are alternatives. It's really, I think, a matter of making the public more aware of that and providing true incentives for using it.

M: ___?

P: OK. First of all, I want to indicate my support for the major positions taken by all three of the folks who preceded me and, rather than go over some of that, which was roughly in my notes, I'll just go on from there and talk about some of the negative contributions or impacts of the petroleum industry on national and international corporations, which are part of this picture.

In regard to ___'s comments about the development of alternatives, such as solar and a number of others, I would heartily agree that, with the exception of nuclear, which poses other kinds of problems in and of itself. And just note that petroleum industry has been a consistent and generally successful

opponent of various legislative and presidential efforts at moving toward using those alternatives, not the least of which is their ability to defeat Jimmy Carter's efforts at achieving some of those goals a few years ago.

Another of the negative impacts of petroleum corporations are not only those in domestic politics but in global politics as well. In the past, they certainly have been prominent in the source of wars, not the least the Gulf War, which everybody sort of concedes would not have occurred if petroleum had not been a factor. We don't see anybody fighting to stop the carnage in Rwanda or Bosnia to take a couple of other examples.

And what I end up saying is that we ought to do a number of things to eliminate the long range influence of petroleum corporations. Domestically, we're in a situation where we have a new majority in the House and Senate that is trumpeting that they're really going to get rid of entitlements. I heartily agree with that, if they include among those entitlements those that are enjoyed by major corporations, like the oil depletion allowance -- you can tick off a whole list of them -- which really, in effect, increase tax payer levies because other people have to make up for those deficits and they really enhance the continued influence of petroleum corporations. This sort of move would help us reduce the federal deficit, which, presumably everybody is for, and it also would reduce petroleum corporation's influence in and of themselves.

Among those sort of limitations, it always comes to mind to me for the last 20 or 30 years, have been, for example, restrictions on the claims that petroleum and other corporations make for what they call the "cost of doing business." In California, petroleum corporations and perhaps insurance corporations are the biggest of these and, if you eliminated the tax reductions they can generate out of claiming as operating expenses the cost of advertising the defeat, say, of a national health plan or a state insurance program or efforts at controlling petroleum pollution -- just taking a whole bundle of them together -- you would also both reduce the federal deficit and reduce the kind of tremendous influence that they have in politics. And if they wanted to do those things, they wouldn't be prohibited from doing it, but it shouldn't come out of the stockholders' pockets. These are a few ideas along those lines anyway.

M: Thank you. Well, I see some general areas of agreement. Do we -- there may be some disagreement, I'm not sure. You're basically nodding at ___'s statements. Are there any particular things you'd like to add or, as we speak about the costs of off shore oil development, what would be some of those that you might see as, you know, prominent in your mind as the cost of off shore oil drilling along the California coast?

P: Yeah. The costs are very real. And I'll preface that by saying, in 1969, I was a student here at the University during or subsequent to the blow-out. And I was one of the people that paid consequentially directly as a result of the spills. I paid for it dearly. I moved into an apartment in I.V. that had been stained by oil. People had spotted the carpet and I paid no attention to it. I was 19 years old. What the Hell. What was I to do. You know, I had a place to stay and it was close to campus. Once I had to move out. The previous manager had left and the oil stains were there. The manager knew. I unfortunately didn't make a note of that, didn't write them down on the condition report. I don't even remember if there was a condition report that would have noted the condition of the carpeting. I had to pay for new carpet. And through no fault of my own. Maybe some for the normal wear and tear, but at the end of the quarter, you know, I had to pay -- well, actually in five months -- I had to pay for a new carpet. That was expensive.

The cost of the overall to the community we've made mention of the tourism. Santa Barbara is a tourist town. Make no mistake about it. Second to that is the service industry, the University, the schools. Overall, service, tourism. Without tourists the town will have problems. Without the beaches, without the resource. It could be disastrous to the economy. The risk is too great, I think, to run the risk of drilling and have a possible blow-out. We're still not, we still haven't recovered from

the *Exxon Valdez* incident. We still have problems here as a recent, you know, in Ellwood, in Oxnard in the Mendalay area. There are problems all over the place. The risk is too great. Not only to the environment, but to people in terms of dollars and cents.

P: I would also add, the fishing industry that we have a quite successful fishing industry out of the Santa Barbara area and it was drastically impacted by the '69 blow-out. Clearly, I would agree there are a great deal of risks associated with it. And that should be alone, should be an overwhelming reason why we should look hard at doing this kind of development.

M: OK. Any other things you might want to add about the costs of off shore oil drilling or some of the bad things associated with it?

P: Well, I think there's a cost about regulating and overseeing the industry that's usually picked-up by the tax payers and the consumers. The problem with trying to get the industry to pay for it is they usually pass that on to the consumers again, so they don't usually decide to take it out of their profits. So either way, we as the consumers and tax payers end up footing the bill for the industry's development and also its oversight so I think that's very costly -- all the environmental impact reports that have to be done and all of the government meetings that take place.

P: Yeah. That brought up another point. The impact on air quality is tremendous. In this area, I think, we've, really -- we're certainly -- we're the first local government, county government, to really address the impacts on air quality. I understand that in the Gulf Coast and places like that, or even Southern California, they haven't had the same kind of regulation of air quality problem that comes up with offshore oil.

P: I think I can piggyback a comment on that. Maybe a sarcastic statement. You mentioned the air quality. One of the outgoing politicians stated some time ago, "If we didn't monitor the quality of the air, we wouldn't have the problem of worrying about the quality." I think the problem may be that with the new Congress and the new outlook toward life in general, our dear friends might just deregulate and in so doing save us money. "Look people," I'm sure the argument will be "If we don't have to worry about overseeing the production of the industry, you're going to save money." You know, it doesn't make sense. Unfortunately, some of the arguments that they've made don't make sense at all. Just by pretending that the problem is not there, it's not going to go away. These are very real problems.

And -- what was it? -- the earthquakes of 1981, '82, the Goleta earthquake. Some talk was made that they were manmade. The oil level's lower, of course. To bring them up, what they do is they pump salt into the oil wells themselves. The salt will settle to the bottom and crystalize and push the other oil, the oil level up, as it expands -- the crystal expands. It causes problems. The information is there, but the industry is not going to release that and let us know that they were the ones that caused the earthquakes.

M: That's a good point. Are there any other risks associated with this advancement? Either the technical skills or the corporations opening up new drill sites or any other risks with the industry itself?

P: Well, you mentioned earthquakes and I'm not a geologist. I wouldn't know if they cause earthquakes or not, but earthquakes are certainly a risk in California and there are thousands of off shore faults criss-crossing the channel and dozens of oil derricks, so I think that is a further risk and, of course, it brings to mind the fact that these are located in and around very sensitive marine sanctuaries, so it's -- in particular, I think the environmental risk is particularly high in this area.

P: I just noted from my notes that before I'd listened to everyone else, I have one thing I forgot to mention, that is that petroleum -- at least the easily attainable petroleum of good quality -- is rapidly depleting. Energy scientists generally view that it's becoming obsolete and because of this rapid

depletion of the more easily useable petroleum, the continued use of it is going to mean using processes that are absolutely bound to create more pollution. And to the extent that we continue to use our scientific know-how and our support for this sort of thing, to continue to pursue this obsolete goal and not use new money to pursue the newer devices -- solar or otherwise. It's kind of a matter of national interest, if one wants to put it that way. And that is, a number of other nations, even though the United States had a group of scientists that really virtually pioneered the use of solar, we're permitting other nations to move ahead because they have the good sense to use it right. They are not necessarily political opponents of ours, but in an economic sense, we're certainly losing out because the political power of big petroleum within our system and their ability to feed efforts at forging new frontiers in this area.

P: And I would just add to that again, and I referred to it earlier, we manufacture electric buses in this area and I think it's an industry -- you know, I'm all for supporting industry and economic growth -- and often enough environmental industries, I believe, are under-supported by society in general. And we could go a long way to, as ___ said, basically, remaining competitive worldwide because, clearly, environmentally clean industries are the future. And even if you look at Eastern Europe and the massive destruction that their industrial revolution caused, even in Eastern Europe, they are going to look now toward cleaner industries and environmental technologies. This area is truly in the forefront of that and I think it needs more support.

M: Is there anything else you might want to add on the costs or risks or oil drilling off the California coast? I was wondering what you might envision as some of the benefits of off shore oil drilling off the California coast? A segue there. They might not be as readily apparent, but are there any particular benefits that you might, that you might -- we were speaking about the idea of jobs earlier. Does everybody agree with that, that it doesn't actually create jobs in the area or disagree with that or see any other benefits to it?

P: I think over the last couple of years -- and I think I need to preface my comments. I do support the creation of jobs, but not at the expense of the environment, not at the expense of people overall. Of all the production and development these people were talking about, a dozen -- at most -- told me jobs were going to be created. I feel that the cost is too great. The risk -- I mean, if we're talking about, you know, being risk takers, look at Orange County or -- what is it they call it now, Lemon County? If we're taking all those risks with other people's money. Now they're broke. You know, sooner or later things will come back and haunt you. Now here it is, the witching hour is upon us and these people are broke. The benefit of further drilling, continued production, it's not there. We need to look at alternatives. Now, alternative sources of energy will create new jobs -- the expansion of the solar transportation or the electric buses or wind generators. What's wrong with that? Look at the wind generators all over Northern California. We have some of the finest winds here over the pass. Why not there? It's cost effective. That would create jobs. That would help the economy. What's the risk involved? Well, sure, you know, there's a risk to everything you know, one of these propellers might fly off or do something or another, but there's a risk of everything. The human factor, the human cost, the pollution, the bottle necking of more and more cars on the road; it's difficult and people hate it -- going to Ventura on evenings or weekends the road will back up all the way to Rincon. And yet, you know, we come up with great ideas that we wanted to broaden the corridor between southern Santa Barbara and Summerland. It's only a couple of miles. We've got another 25 miles, 40 miles to worry about expanding, but that's not the -- where the focus should be. The focus should be on channeling our resources, utilizing the existing means of transportation. The railways! You know the rails will sit there empty for hours and hours at a time. Why not running a commuter, as they do, they call it -- what? the Interlink in -- up to Lancaster. Amtrak wants it -- why not do it here? Why not have a ferry boat that will take off in the morning from Ventura and come down here from Northern Santa Barbara, Lompoc, Santa Maria? Have a ferry boat that will come down here and vice versa. Reduce the other transportation. Reduce the pollution. Reduce the accidents.

P: The problem I see with that approach is that, I think you have to offer people incentives in order to get them hooked into those new methods because I think people have habits that are very hard to break. Having your car available, using your car for all those things, using these traditional energy sources. I agree with you, that's a direction we need to go in, but I worry about whether the society is ready to sign onto that and put the commitment into it. I mean, right now, politically, the environment is less taxes, less government, etc. And some of these new technologies require some start-up and require a real, you know, a push-start to get them going and get them accepted by the public. I mean, some people don't even want to pay for public schools. You know, it's like, somehow, the concept that we live in this society, we should be paying taxes. People that are working have a responsibility to pay-in in order to have all the services that a society requires. For some reason that idea is somehow in question now. It's hard for me to understand but it is. I just think that when you start talking about something like alternative forms of transportation, in many people's minds that's you know way down on the list of things they're willing to spend money on. They're going to go for police and fire and hospitals and maybe freeways before they're willing to invest in those other things. So I think we have to figure out a way to make it economically palatable to people before it's really going to have a chance of succeeding.

P: Well, on that, I'd have to agree with both. But what P was pointing out is that there are some Caltrans plans to widen our freeways down here and there is a grassroots howl, you know, rising up as a result because somebody used a new technology to computer-model what it would look like. In fact you showed me the pictures of it and you know it looks awful. And people can quantify that. And we're running out of room to build freeways. We're going to have to build double-decker freeways and people -- you're right. I mean, right now they don't see it because we still -- the car's still an easy way to get around, but I try to remember what somebody -- a friend of mine was doing a study on L.A. traffic and it's projected the average speed on the L.A. freeway is projected to have dropped down below 30 mph. And, after awhile, it's going to become rather clear to people that taking a bus would be better.

P: Yeah. Maybe that'll be what it takes.

M: Well, mass transportation might be a solution to the congestion. What about reinvestment from oil companies into these alternative sources? Would you find that as a benefit of off shore oil drilling if they could be regulated to do that?

P: Well, I have a two-fold reaction. I guess one of the things I've been sort of asking, whether intentionally or not, is, you know, can you guys think of anything in the petroleum industry that was good? Well, historically, obviously not intentionally, to relieve the pressure on the rapidly depleting population of whales. I mean, it's now pretty well known that they probably would have all been eliminated -- the sperm whale and so on -- and petroleum sort of filled that need eventually. Not out the goodness of anybody's heart, but it just happened to work out that way.

You can certainly cite matters like, abandoned rigs have turned into fairly decent fish and undersea life habitats as a side benefit, but it hardly justifies putting a whole bunch of them out there and risking spills and, oddly enough, I don't think any of us mentioned the Valdez spill and so on, you know, big ones. The enormous negative impact of those things is so great that it sort of mitigates against the benefits. But I do agree with the comments of a number of -- I think all of you in one way or the other have said this -- that obviously there has to be a transition. I don't think anybody is sitting here and saying, "Well, let's shut all of these babies down tomorrow and start with solar or something else." But the troublesome thing is that the continuation of these old practices keeps making matters worse and the political power that these corporations have perpetuates that and helps prevent the development of these other alternatives.

The basic thing that, you know, there's a tremendous problem of public education that is out there, but that is difficult in that any one who sits down before TV any evening will see a beautiful,

environmentally sound Chevron ad and if you don't happen to know what Chevron has done off your coast, then you might be influenced to say, "Gee, what nice fellows these guys are, you know, in protecting the birds" and whatever it is they happen to be talking about. They have the resources to project all of these things. There's a tremendous imbalance in the whole political structure as well, now accentuated by the Rush Limbaughs of this world and all that sort of stuff. You know, Rush Limbaugh would have a great time with our conversations today. I can hear it. And the only difference -- I don't resist his having his voice. I do get rather worried that he's on so many outlets and no one counteracting him is. But what is rapidly happening is that the voices for these forces have virtually now a monopoly and most of them now are set up to keep out in a realistic sense opposite points of view.

- P: Benefits and reinvestment I think we're talking about as well. Along with the stringent regulations that Santa Barbara County has put on off shore oil -- air quality which I had mentioned -- which were usual at the time. The local government has also required, as part of -- to mitigate the impacts -- has required the oil companies to invest in local parks and other projects like that. So every year there is a certain amount of money that comes up that the companies are forced to invest in the community. They don't want to do this. They obviously fought it but it was in their economic interest to do so because this is a rich oil field. I think requiring the companies to invest not only in the local communities but they should also be investing certainly in alternate technologies. Obviously they're going to resist this, though, because it will practically put them out of business. Even if you can look at any positive impact from jobs or their investment in the community, I think what you will see is that it's far outweighed by the negative impacts in the short term and in the long run.
- P: You know I think as far as requiring the oil companies to reinvest in alternative sources of fuel is like asking the fox to guard the chicken coup. In 1969, 1970 UCSB was part of the development of a steam engine for buses. It was there; it was viable; it was working. Unfortunately the engineering student who was a junior at that time was siphoned off by the industry and went to work some place and never continued the development of the steam engine. The steam engine has been around since at least the first engine was -- what? 1804 or thereabouts? 17--? 1804 I believe it was. It's been around for centuries now! The alternative is there. We ask these guys to reinvest? Of course they're not going to find it. It's the industry is so interrelated, whether it be from the sale or production and development of automobiles, the servicing, the new parts, the auto parts, etc., the asphalt on the roads being so interrelated that, you know, we have to, I think, educate or reeducate ourselves and to some extent learn to rethink our priorities and learn to sacrifice a little to gain a lot over the years. The oil companies reinvesting? Yeah. Sure, I'm sure they probably do, you know, being the conglomerates that they are, they invest their money and reinvest it in many different ways that we may know or now know about. But asking them to be in charge of that? Nah. So they'll be obtaining further tax breaks and benefits for doing the thing that they should be, if not only legally, morally, economically they should do those things on their own.
- M: Many people tend to focus on the local impact of off shore oil developing. Being in Santa Barbara, we already have oil development along this stretch of the coastline. What might each of you look to as possible further impacts of offshore development along this area? That is, could you assess and discuss some of the effects you might've seen in the local community since the offshore development started here, and what might you assess as a further impact?
- P: I think we're going to pay more for it and after the blow-out in '69 the price of gas at that time may have been around -- what? \$0.30. Now it's \$1.41, \$1.60. Where have we progressed? How has it helped? If you look at the different ethnic groups in the '80's, farm workers were having contracts, were earning \$6.50-7.00 an hour. Right now the minimum wage is \$4.25-\$4.35 in the fields. We're not better off than we were then. The benefit to us? I don't think there's going to be a benefit to the community. There's not going to be more money coming in. The oil once it's refined and processed, it's taken elsewhere to be refined and shipped, distributed elsewhere. We're not -- I don't think we're

seeing any of that oil that comes out of here. I don't think ... unless there may have been some studies that follow the flow of the oil.

M: Well, just generally, just general impacts in this local community which you might've assessed.

P: Well, now that you've mentioned distribution. It has to be shipped out of the area and after the recent earthquake the pipelines were damaged and the oil companies really took that as an opportunity to argue that they should have tankers shipping as well and I can't imagine that if you put in more off shore oil drilling or off shore development, I can't imagine how you would be able to ship it by pipeline. It would have to all -- or maybe not all, but a good portion of it, would certainly have to go by tanker. And in any case, oil pipelines get destroyed or damaged by earthquakes and that's another source of potential trouble, so continued or increased development just means increased risk.

P: Yeah well I would cite something that I'm very familiar with in the community in which I live. In fact our home is right on the border of the buffer of the now-obsolete, but still functioning Chevron refinery down there. And in that community the refinery has one major problem, a fire in which everybody in that neighborhood -- that happened to be before I lived there -- everyone in the neighborhood went to sleep. It was real -- I mean, it was that dangerous. Yet in testimony for a housing development which they want to develop Chevron and Frank Serano want to develop on the bluffs next to it. Their game plan for the housing development includes 250 major units. Their bow to affordable housing is a small number of them for senior citizens. And guess where they place the senior citizens? They're adjacent to the old refinery. They'd be the first to glow -- go and -- if the damn thing blew up, you know, and it's -- so you have -- it's not only the petroleum itself and that particular plant -- being obsolete, it's grandfathered in. In other words, it can operate at lower standards than, say, the new one in Gaviota, which is so large and has so much in it that it makes me nervous to go by it, even though it's all lighted up. But ours is very old. It's not noticeable, but I was able to get a lot of documentation about what they do in there because prior to the overturn of the old city council, they had one of the key employees of Chevron on the counsel, or mayor for a time, and therefore all the documentation from the company went to him or was given to the planning commission. It became part of the public record, so you couldn't go back into it. And that goes into a number of things, if you talk about benefits to the community. Let's say something like the proximity of a refinery to a community which one might guess would be translated into lower gasoline prices. All of these petroleum companies claim that one of the reasons that gasoline is so high in Santa Barbara is the high cost of shipping it out! It's right in Carpinteria! I've seen the documentation. They ship it out and it verified what I had always believed, but I thought it was sort of an old wives tale, that it doesn't matter what gasoline you buy, it may come from somebody else's refinery. So there's a lot of this in terms of local benefit.

Now, to be sure, there are people who have jobs. But that matter was a matter of some intense debate. Some of the old time employees from these companies who now live in and around Carpinteria whom I've gotten to know in the last few years have all cited instances where the companies have argued for a benefit and said it would translate into jobs and then it didn't. They either brought in outside domestic crews or in terms of the big platforms, they actually had them built in Seoul, South Korea, towed across the ocean, put in and you know as far as the total additional American employment, it might've been a negative figure, who knows? So you know we sound very negative, but when you start getting into the nitty gritty of looking at what they actually do, it's still negative largely.

P: The oil company distribution, it sounds like the old -- no pun intended -- the old shell game. It'd be the basic -- the only difference between the various companies and the gasoline itself is the types of ingredients that they add onto after it's processed, after it's refined. So you could have the same oil going into one platform processing coming out gasoline. Different additives added onto it and it becomes, either an 89, a 90, or a 91 octane. It can be a different brand of gasoline coming out of the same hole in the ground the same processing, just with different attitudes, it makes it a different brand. There's no benefit. That's why I say it's the old con game, you know, this thing, this business is so old that they have even glorified the Big Lie. It's a matter of semantical manipulation.

Affordable housing. What the hell does affordable housing mean? The definition by bankers terms -- and I -- having been in real estate before I'm very familiar with the terminology -- affordable housing is the housing that can be -- the type of house that can be bought by someone given the current prices and rates of interest. That doesn't mean low cost housing, it's how much people can afford to pay! As simple as that! It doesn't mean that they're going to have low cost housing for low income people or unemployed people. The low cost housing they talk about building here. Oh sure, \$120,000 for a one bedroom or two bedroom. That's not low cost. There may be low price given the market conditions, but not affordable. It takes the average, the median price here in Santa Barbara is \$269,000. For someone to be able to afford a home that price, they need to be making \$5-6,000 a month. It certainly doesn't, you know, many of us don't fit the minimum income requirements for that type of housing.

M: Do you tend to agree with the statements?

P: Yeah, I'd say so. I'm also having a hard time thinking of anything good to say. The general impact? The experience here in Santa Barbara, positive or negative, of it, since there has been oil development off this coastline.

P: Yeah. I think, a lot of times you just have to take it for granted. It's like a background feature of the landscape and you don't devote a lot of thought to it, unless you live right next door, as ___ does, to a refinery, but my overall impressions of it are that it's something we can live without and, I mean, I have problems with this argument that it brings jobs because you can justify anything with that argument. I mean, drug dealing is employment, right? People dealing drugs have a job -- they're drug dealers. You can't just go out and say, well, therefore we should have this as an industry in our community. So I really kind of discount that as an argument that carries any weight.

And I think the pollution factor, both from the off shore rigs and also from the refineries, does affect our quality of life and I don't see, as people were saying, mitigation of fuel prices in the area. I think that that's just completely -- my experience has been that that's driven by competition more than anything. If you have a market where there's a lot of competition, you can get lower fuel prices -- a large urban area. If you're in a more isolated community, you tend to have higher prices and it has nothing to do with how close the source of the fuel is. It has to do with, again, how much money the company thinks they can make. And if they can get away with it, so in Santa Barbara, they're getting away with it.

M: Well, some people often talk about the beauty of the California coast and some say that perhaps these platforms we see off the Santa Barbara coastline in particular or along the California coast may damage that beauty. What do you all, what would you all say to that?

P: They do. You might argue, well, at night they light up beautifully.

P: Some do.

P: Nonsense. Nonsense. Those are constant reminders of the dangers, I see the potential for something going wrong, you know? The one thing that we need to understand is that some of these platforms have been built to withstand an earthquake of 8 or 9 on the magnitude scale. That's great. But what happens in the process of drawing that oil out into the tankers who are 25-30 years old or to the pipeline which is constantly moving with the shifting of the ground. As we pointed out, we're in a fault zone and there are thousands of faults. Nobody addresses those issues. Yeah, the structure -- the roots are structurally sound and for an earthquake of that magnitude to hit a lot of other things are going to happen to California and the rest of the country, but the tankers and transportation of that is the problem. The coastline? I -- having noted over the last three decades the change of the scenery, I - - when I moved away, I would go by and just occasionally glance over the ocean, you know. Now that I'm back, I look and, Jesus, what has happened? There's on any given day, trying to see a sunrise or a sunset, I can go up there and count 20 rigs or so. That's awful. That's dangerous. Because you

multiply the potential danger by each one of those platforms. The potential of spill. Either from that particular platform or the potential of spill from the pipe rupturing is tremendously high. Not counting or discounting the "now" that has been sold to us as natural seepage. It's natural because naturally they didn't do it right, it's going to seep out! God!

M: Do you all tend to agree with that assessment?

P: I already spoke briefly about, I think, the impact on the tourist industry. People certainly notice them. I don't think I've heard anyone clearly or even really attempt to articulate a positive viewpoint of seeing oil islands off our coast.

P: I think Ronald Reagan said they look pretty lit up at night.

M: Well, addressing that, Mobil's Clearview project is touted as a project that would eliminate one of these platforms and instead drill from a distance and actually have a -- actually drill from a distance and have the storage on campus or on land as opposed to actually having a platform out there. What do you all think of that project? Have you heard of it? Do you want to address that?

P: You know, I think that the -- isn't it a fact that the lease is up already on that particular platform and Mobil just wants an easy way out?

M: That's what I understand, that the lease will be up in the year 2000, 2005, something like that.

P: So they're looking for a way of minimizing their loss. It'll be a -- slant drilling is not new. The Texas oil companies were doing this for years, back as far as the Fifties. And what they were doing, they were actually stealing the oil from Mexico. They were just drilling at an angle, five miles deep, there you are! But again whatever they do the dangers are there. Of course, it's cheaper and easier for them to have to deal and drill with the softer ground that there is to possibly go out on the other side of the valley and drill at an angle down below. In other words the further, harder, it gets more costly to them. But to have to go through the granite than to have to go through the softer earth--that's the only benefit that I see to them. It's cheaper, it's easier. For the community? No. They made an attempt to bamboozle the Chicano community into thinking that there were going to be great employment opportunities for people. Where? How? I don't see them actively recruiting and training people for this.

P: I would just say that it would appear that they're wanting to replace one platform in a beautiful area off shore and put it in a beautiful area on shore.

P: Yeah. I don't know a lot about it but I know that people who live in that area are very up-in-arms and are very much against it, so it leads me to believe that it's not as innocuous as the oil company is trying to make it sound.

M: Have you heard much about it? Would you like to comment on what you might think about that technology?

P: I really haven't followed it closely, to be honest.

P: I'm sorry. I was just going to say that I guess what scares a lot of people about it is that it's going to be so massive, it's going to be large in an area that, as I say, is rather beautiful. There will suddenly be a massive oil structure.

P: And another thing, you're talking about technological claims. Unfortunately, the petroleum industry has always made tremendous claims, including those about their vessels, their safety. And I would say that in any of those cases the best thing to do is to find if there is such a person or persons -- a group of

totally objective independent experts to evaluate those claims. I don't think we're capable of evaluating them. But I think that we have ample ground to be suspicious until the validity of those claims is actually proven by objective people.

M: Well, in trying to wrap up our conversation, I was wondering if maybe you all could wrap up or summarize your views on off shore oil development along the California coastline, maybe bring up some issues that we haven't addressed or haven't addressed in more detail. If you'd like to make a summary statement of your position.

P: I think from my perspective -- and again these are my own individual thoughts -- I am not an engineer, I'm not an expert in the subject -- but from observation, from experience, these are the things that we have been happen: the blow-out, the recent deaths of these people who were out there working on the capes or subterranean wells. The safety factors. The figures are against them. The benefit to the community is not there. There may be some economic benefit to the corporate industry, but not to the community overall. It's a reality that we have to deal with. It's there. Get used to this as it goes, but it needs to be overseen. My fear is, as I jokingly stated earlier, if I regulate it, there won't be so many problems. The least problems that we know about, the less factors that we have to consider. That's the thing that I'm looking at, conceivably the other Congress can do nowadays instead of alleviating a problem, they're going to cause more problems. Unfortunately, this is one of the sad realities. We need to go back and educate people, let them know what's out there. Even to some extent ourselves. More information. The more informed we are, the better educated we'll be to make decisions and to tell other people.

P: When I think about off shore oil drilling, I just think about a real threat to our quality of life in Coastal California, just environmentally, in terms of the landscape. I had a job for a while where I worked in Bakersfield and the contrast between Santa Barbara and Bakersfield was very clear and I think we don't always appreciate what a beautiful community we live in because we've had pretty strict regulations and to me, you go some place like Bakersfield that's had very, very little regulation or zoning and you see oil rigs right next to residential areas throughout the town! There's no zoning. You know, it's just been allowed to develop laissez faire. And I think ___ said that's what happens when you don't closely regulate these industries is they're going to go wherever they think they can make the most money and I really worry about that in Santa Barbara that our quality of life could deteriorate very quickly if we are not vigilant in insuring that those companies only operate in a very safe and controlled manner. So I really think we ought to hang onto all of those safeguards if we want to preserve what quality of life we have here.

P: Well I started with the tourist industry and I'd like to touch on it just again because I just as maybe some people aren't aware of what we've got, they don't know what we have in the tourist industry. Well, communities across the state have suffered terribly in the recession with the state government shifting funds away from municipalities, Santa Barbara has remained afloat. Because of the tourist industry primarily. Really the 1969 spill here really raised environmental consciousness nationwide, but certainly, particularly in this area and out of that disaster we really had an environmental legacy that has, I believe, done wonders really for the community, economically and also aesthetically. It's pleasant to live here and to visit. Those are benefits, I think, that are underrated. And any, or certainly most, of the economic benefits you get from petroleum development are offset by its negative impacts on, especially on a vital visitor industry and a quality of life.

P: I just wanted to add a brief other dimension that I think we've been sort of skirting and that is that, in addition to all that we've said about the negative impact of the petroleum industry itself, the negative impact of the petroleum industry on local, state and national and global politics is a tremendous illustration of what I would say is a real definition of what people call the Old Politics. It's the politics of special interest, special interests that are very deeply entrenched at every one of these levels -- with some exceptions from time to time, as have occurred in this county for a few years. And the dangers of that are tremendous, not only in terms of the political leadership that they often stifle, but the

technological and experimental innovativeness that they stifle along the way and if they continue to have control as they have in many of these areas, I think they will contribute to the undermining of the scientific supremacy of the United States as a force in world economic and technological change.

M: How so? Specifically.

P: Well, simply by, as I said before, cutting off innovative experiments. Controlling them, as ___ said -- and the fox and the chicken coop analogy is a good one -- they probably have undermined through they themselves or their auxiliaries as say the automobile or bus industry undermined the entire transportation system of L.A. some years ago, as the tremendous transportation of the City of New York, which I grew up in, was really undermined. Not, it wasn't removed, as the L.A. system, but it was really made distinctly secondary and one of the reasons for its inability to really function very well is that it was simply starved for money that was diverted to road building, to increasing congestion on already congested city streets in a city which was really not appropriate for autos anyway. L.A. at least, you could argue that there was a lot of space, you had sort of a fighting chance. New York City, forget it. But you could multiply a lot of examples. That's a few of them, anyway.

M: Well, we appreciate your participation today. I think that that wraps it up for tonight.

APPENDIX IX: DEMOCRATIC PARTY FOCUS GROUP 2

Dem2. Democratic Party Activists Focus Group 2

- M: What I'm going to start it off with is asking you to take three or four minutes on a pad in front of you what you each think about offshore oil development off the California coast...again, we're interested in your view broadly--not specifically about any one project--such as Clearview. You may use that as an example. So, take three or four minutes what you think in particular about this issue. Then, we'll get started by going around and having each of you start with an opening statement.
- P: you've answered my next question of what are we doing with the pads...
- P: Is this going to be graded?
- M: Okay, shall we begin...would you like to begin ____? ... The other thing that is important is that if you're in agreement or disagreement instead of nodding your head it's important to state it for the written transcripts..
- P: So "Amen's" are acceptable
- P: Well, let me, I'm almost completely against offshore oil drilling in California. I see it as first off geologically, sort of the incorrect thing to do here, particularly after you watch what's happened in Japan and our earthquake of a year ago in southern California. To realize that they want to start poking holes in the ocean floor and putting these platforms up out there and the chance that they could sway and the chance that they could get knocked over and the chance that they could spill--geologically-- it's a huge mistake and you end up with huge oil spills. So, the potential for huge oil spills. I see oil companies as a sort of bad guys...citizen bad guys...they haven't proven themselves worthy of the chance to exploit what's off our coast and what's our belongs to the state and the nation--where they're talking about drilling. They haven't proven themselves to be worthy of that...I mean when we look at UNOCAL, and everything they've done in San Luis Obispo County and the Nipomo Dunes. There's somewhere over 40 or 50 different leaks that they have had all throughout San Luis Obispo County and coming down here. and now they ask us, what ever guys they are, whether it be ARCO, CHEVRON, EXXON, UNOCAL, for the chance to come and drill and I view them all as sort of bad corporate citizens. ARCO tapping leaks--natural leaks--is no excuse for allowing anyone else to be able to drill. So, I mean overall, I am pretty opposed to offshore oil drilling.
- M: Thanks ____.
- P: I guess I'm somewhat in sympathy with what ____ was saying. I think that the people in California have shown time and again that they regard the coastline as one of the greatest assets and treasures of our state. It's a commercial, if you will, asset for us. We have tourism which is very strong in California--especially for this region--we have fishing and then we have commerce. I think people have shown this time and time again, with the passage of prop. 20, the creation of the coastal commission. [note: Proposition 20 was the 1972 California state ballot initiative that created the California Coastal Commission and a set of laws protecting the coastal zone.] Statements people will make--that, oh, they love California. because of the coast. The coastline we have. To think that we would allow one industry to ruin it for everyone is...it just seems to be totally unbalanced. and I think in Santa Barbara. what we saw with what happened with oil spill in '69. We saw the tremendous economic damage that an oil spill can cause to the fishing industry, the tourism industry, all our businesses. It just doesn't seem that we have any good rationale for why we have to sacrifice the beauties of our state and our economic well-being for the interests of a few companies. And I think another point is that the technology in theory may be there to do things safely but like ____ said, it certainly hasn't been proven and we aren't in that situation where we MUST have that oil for any national security reason whatever. So I think to sum up what my feeling is that that you can't sacrifice the whole state, our economic well-being, for just the interest of the few.

M: Thank you.

P: I agree with both ___ and ___ very largely. The development, offshore development of oil interferes aesthetically with our unique coast line which is unique in the world. ___ mentioned economic impact because tourism and recreational use of the coast is one of our big industries. And ___ mentioned the fact that oil companies have not shown in the past that they are good guardians of our natural resources and I'm reminded of the fact that years and years ago SEASIDE OIL used to have drills in Santa Barbara and when I first moved to Santa Barbara in --I think it was '59. I saw an abandoned well on the mesa, which was a hazard for children, for animals--to fall into. SEASIDE OIL had just abandoned this well and it was then left up to the taxpayers of the state and the county, and the city to rectify that situation. And that is sort of typical. This past history is probably why people think of the oil companies as being bad corporate citizens. Now another point is ... I'm a little bit, I'm not as, I don't understand the point of view of people who say well as long as each one of us insists on being able to drive an automobile, wherever, and whenever we wish and an automobile uses gasoline to get there we can't just sort of disregard the entire problem of where the oil is to come from. The oil right now comes to a very large extent from overseas and we fight wars to keep the flow coming. The oil in the U.S. has been becoming more and more expensive which is another way of saying it's been becoming rarer. And drilling for more oil is only going to postpone the day when we have to find out how to get around from one place to another without gasoline and I think it is very, very important to make oil drilling everywhere a part of a general energy policy in which we devote some of our national riches to research and practical ways to become independent of oil. At any rate, I'm largely opposed to the drilling of, the offshore drilling of oil because it ruins a beautiful and unique coastline.

P: I have to agree with everyone as well that offshore oil drilling is not in the best interest of the community, it is definitely in the best interest of the multi-national corporations. And so we hear a lot of their propaganda about the safety. I would have to definitely agree that we do have to look toward more renewable energy sources and I think that we should realize that the day will be here shortly that we will be able to use something other than oil to power cars so we should not give in any time soon especially for that reason. And where I believe, and where I'm coming from is that...I can't remember the person's name, but from the Rocky Mount Institute, there's a car that's going to be coming out, that's going to get 2 to 300 miles to a gallon. And so oil is going to become obsolete within the next 10-20 years, and so drilling for more just doesn't make sense because we're going to see the technology where we don't have to rely on it. And so, that is the main reason why I would say besides all of the other valid and excellent points that as long we continue to hold out, technology will catch up and we won't have to rely on it so.

P: ___, I think I know the man that you are talking about--his name is Luvins. And his wife also wrote an article recently in the Atlantic Monthly in which they talk about the improvements that could be made to the motor car to allow it to get 300 miles/gallon. Now, I must say that between a proposal in the Atlantic Monthly and a commercially available product, that is reliable, that is well built, etc. etc. There's a lot of mileage. I mean there's a lot of time that has to elapse whether your estimate of ten years, or twenty years is right I don't know. But, it is true that there are many improvements that can be made, that ought to be made and that ought to be stimulated by various levels of government that will allow us to get a lot more mileage out of a gallon of gasoline there still remains the problem of where to get the fuel from. Hopefully, eventually, in a stable way, it can be gotten from renewable sources. Probably bio-mass--farm products. But that's something that ought to be looked into.

P: I think ___'s point on the Luvins car that you were talking about goes to something almost all of us were saying in that if you allow the oil companies continued access to the coast and they keep drilling and drilling and drilling...Our reliance on our automobiles and the way we conduct our lives now, just continues. If you say, no there's going to be scarcity in the future we want to protect the coast and the commerce that we get out of the coast, and we're realizing the scarcity so we're going to have the scarcity now. We're not going to drill the oil, then things like that car and the electric car and electric bus, you know, there's more emphasis on it. When we had the oil crisis in the 70s that's when there

was a lot of emphasis on wind power and hydro-power and all these other things. There were tax credits for that. And companies were encouraged to go into it. And now that oil is flowing abundantly, you know that encouragement isn't there. In part, not allowing offshore oil development here, not only does all the positive things that we talked about, but it could relay and push towards a better more renewable society later on.

P: It's amazing to me in keeping in that same line that during the last Congressional session the president proposed a gasoline tax and I've forgot what his proposal was but it was far more than what was finally approved by Congress. I think the Congress approved a five cent raise of the gasoline tax. I think Mr. Perot in order to balance the national budget, the budget deficit, during his presidential campaign proposed a 50 cent increase. And, in comparison to the world price for oil, there is the price one has to pay per gallon one has to pay in Europe for example, that's a very modest increase in the price of oil. But none the less the pressure was so great that it was not approved. and that kind of shows a lack of leadership. A lack of leadership over in Congress and the President. Most people say well, yeah, I don't mind paying taxes and I want to have unlimited oil, I want to have it as cheap as possible and I want to drive lots and I want to be totally irresponsible. And the Congress is influenced by this, because the Congress says lets look at the poll. If the people are irresponsible, we'll be twice as irresponsible. That seems to have been the history--lately-- and it's something that ought to be reversed.

P ____ , you touched on something about, before when you made your opening statement, about a national energy policy. And I think this is all part and parcel when you're talking about the alternative sources that need to be developed and, maybe that's an egocentric viewpoint here, but it seems that even with the big picture of oil, there doesn't seem to be any good rationale for why California's coastline needs to be sacrificed. It has a small percentage of the oil that is available in the world. (interjected, yeah, it's true). And so given that, the thought that we would be sacrificed for what is a very short term expedient or goal. When we can already tell there are other things out there and that we have there are supplies to last till we get to a more comprehensive strategy for energy. I think that's very significant. Somehow we have to get the political will to get, to having an overall energy policy. And that it's not something that, "Oh, well, we'll deal with that next time we have a crisis, or whatever.

P: Yeah unfortunately, ____ , what's been happening is that the Congress has been going in exactly the opposite ways. That is the Congress denies that there are national problems. They now say, "Well let's give some money block grants to states and cities and let them solve the problems." That's not the way it can be done because energy is not only a national problem, it's probably a world problem. But it's certain that it transcends the boundaries of any particular state or region. In this country there are certain states that are oil rich, California. being one of them, Texas another, Oklahoma, etc. and certain other states that have absolutely no oil--Maine and Vermont, New Hampshire and so forth and so we can't have each state having an oil energy policy.

This is a good example of why we need to have people in Congress who are concerned with national concerns, not just local concerns.

M: We have touched upon some of the costs of offshore oil drilling, politically. I was wondering if we might want to focus in more directly on some of the other costs or bad things that each of you might see in developing, or drilling off the California coast.--or further development.

P Well, I think we touched on or talked about tourism. And certainly that is a large source of California's revenue, and for our local community. The city of Santa Barbara, tourism is one of the two main sources of income. So I think that's the type of thing where you do have a direct economic cost and then there's the-- ____ mentioned the recreational boating. And then there's the commercial fishing, Santa Barbara is one of the largest exporter of sea urchins, and that whole industry would be wiped out if we were to have an oil spill or even if there's a lot of disruption of the habitat.

- P: I wonder if there's a --and it's almost impossible to quantify--if there's a social cost--to our kids who would look out at the coast and see-- and do see oil platforms--and you know in comparison of kids in Louisiana who see hundreds and hundreds of oil platforms, and what their view of their social responsibility is, what their view of the leaders are. When you have a kid who looks out, and says jeez that's my future, that's my horizon. And my horizon is blighted by an oil rig. You know, how does that make them look at what they want to do in terms of job or what they want to do in terms of , how they want to participate in society. When there's a social cost for us industrializing our coastline. For the most part this is not an industrial area, it's shocking when you drive up the coast and you see some of the oil facilities and it's certainly shocking when you see Diablo Nuclear Power Plant, you know, if you can get close enough to see it--they do a good job of hiding it--!. You know what does it say when this community in particular looks out and sees heavy industrialization--I mean that's what it is--that's the basis of it.
- P: Well, I claim that there is a cost, in the following sense. There are many industries which have brought wealth to California. which are industries that are based not on transforming material things from one shape into another--but instead working with ideas. And The two industries which come to mind foremost are the movie industry which have nothing to do with making things, they are ideas that are on celluloid, or sent over the airwaves. And the related music industry. And the other industry has to do with high technology. There again is a minimal amount of material transformation involved and a maximum of ideas. And even the aircraft industry which is so large in southern California, has a strong element of the same kind of thing because the material input is very little relatively speaking in value and the out put is very valuable simply because of the high technology thought, and design that's been added. And this kind of theme runs through California industry in general. For example, there's a big fashion industry in Los Angeles which again has the same kind of ingredients. People who engage in that kind of industry are people to whom aesthetics are very important. In fact, aesthetics is an important element in those industries. Certainly in the movie industry, in the fashion industry, the music industry. But as well, in the computer industry they, the semi-conductor industry and so forth. Those people are motivated by a kind of aesthetic. And to, to eliminate the aesthetic element from the environment tends to be depressing to those industries. And even though that sounds very soft it's a hard fact. I think if you have embed people in an un-aesthetic environment they will lose some of their motivation, some of what pushes them to do good work.
- P: I guess one thing that I would add to the social cost that ___ was talking about--this might be a little tangent--but I think the more that we give in to the offshore oil drilling, the more that we are accepting that our society is just caught in this consumer society and that everything is based on consumption--'cause obviously oil is used a lot to produce a lot of things that everyone wants to buy. For future generations, if we just give in to that idea and continue to accept that, you know our society is a consumption society and we need oil to buy things, so we can pretend that we are these type of people, so we can buy more things and you know so that our status rises, I think that's all part of the social cost that we're going to be giving in to if we allow, a small premise to a larger problem, but you know if we give in to that, you know it's just further going along with that idea that we have to have material things to be happy. And we need oil to make things so that we can be happy and that type of attitude.
- M: I appreciate that. In conjunction with that there are some risks. We've talking about privileging one industry over another and the social costs of that perhaps in motivation, and also in development of new industries that might do the same things, it doesn't necessarily have to be that same product as you just mentioned. What might you all articulate as risks to offshore oil drilling. Very specifically, we've talked to risks to other industries, perhaps social and motivational costs and aesthetic value as well. What are specific risks that come to mind in speaking of offshore oil drilling?
- P: Well, you mentioned oil spills--whether as a result of leakage in the pipes, or as a result of the toppling of rigs during an earthquake, that's a very serious consequence. It affects the wildlife in the ocean and on the shore and it affects the aesthetics very badly as we saw during the oil spill in the '60s.

- P: ____, wouldn't you say that there are health risks too? I mean none of us have really mentioned I mean our own health, what happens to us when we eat food that's captured off the coast of Santa Barbara, that's obviously consumed oil or particles of oil or plankton that has taken the oil into itself, and that's being combined in us. I worry about those kids in Santa Maria or Nipomo that are, that have been living or growing up with this oil in everything that they are--in the groundwater, the rainwater, everything they touch and they walk--they're walking barefoot through it, and what sort of long term impacts are...
- P: Yeah, I don't know that that has been proven to be kind of as bad as that? I mean you'd think so, but I don't know. I mean is it a medical finding?
- P: I don't know.
- P I don't either.
- P: I think in various parts of the world where any body of water has become polluted, then that has killed the fishing industry and I mean before you actually get to eating it--the industry would already be dead and then eventually the food, I mean the fish, are gone. So, I don't know how much would actually....
- P: Well, certainly after the oil spill--the big oil spill here--there was an increase in certain organisms that actually thrive in an oil environment. Some people say that the biologic clean up happened quicker than expected because there are some organisms out there that actually thrive in--not a pure oil environment--but an environment with some oil in it and then of course those organisms thrive and the other ones died. My point is okay, you have oil production, and there's leaks, and there's spills and then there's big spills and you have those organisms in our fish that might not die but that eat those organisms and are bringing them into the food chain. I've got to imagine there is stuff coming up through the food chain that normally wouldn't be coming up through the food chain because we're encouraging these organisms at the bottom of the food chain to be there. So, once you start incorporating, just like the DDT with the pelicans. Who thought that.....
- P: Yeah, but that was an actual poison, I don't know if this has a valid ... I mean this is a medical question and I just don't know the answer.
- P: For example, Shell oil was dumping, in the San Francisco bay they were responsible for dumping selenium, which is definitely a cancer causing chemical. Just from that type of production, it's happening probably all over the place, but that's a prime example of a company known for violating the Clean Water Act by dumping selenium in the San Francisco bay, killing off fish and then what fish do get eaten winds up in our bodies. There's definitely that health risk that, like you mentioned is not talked about enough though, because it is long term and no one really wants to think long term.
- P: There's another kind of bad effect on us, and it has to with the emissions and smog that is created both on and offshore. Onshore in connection with the refineries that are built by the oil companies. I don't know how many oil refineries there are along the coast here, but I know there are at least two you pass as you go north of Santa Barbara on the coast. One is sort of hidden in the hills--in a canyon. One is on the shore, right next to the freeway. I'm sure that they add smog to the atmosphere, to some extent.
- P They add smog and they've stopped--One thing that I used to talk about in my campaign was that if you go to that facility and look at who's working there, you see Texas license plates, you see Louisiana license plates, you see--you used to see all California license plates, and there used to be people who worked in those facilities and worked on the rigs who were a strong lobbying force in this town--I'm not making any suggestions for anybody to do this--but they were a strong lobbying force in this town for oil development. Over the years the local people have been eliminated so not only do we bear the brunt of potential disasters, of spills out there, and everything associated with the development of oil,

but we don't even see the benefits anymore of having people employed out here. You know we talk about the commerce and the fishing, I mean it used to be local people that worked on those rigs. I mean good or bad, they were bringing the money back here and supporting education here, they were buying products here, and now they take their money and they spend a month on the rigs and they go back to Texas or they go back to Louisiana and then they come back. So they're not spending any money here, the other thing that I found out, when I was running for office was that they're hiring less union folks. Which okay, you can say you're pro-or anti- union okay that's one thing, but they're trained at a lower level. I was looking at something the *Santa Barbara News-Press* today about an oil rig worker being killed and there was a fellow killed down in Oxnard, and I talked to some of the oil and chemical and atomic workers and they said that would have never happened if he'd been trained to do what he was doing. But they're using untrained or poorly trained people because it saves them money. So, again it goes to them being corporate bad guys. It also goes back to they want to take back from us and they don't want to give us back anything. So, that's sort of an unintended cost that I see.....so we bear the brunt and other people get paid. Ant the Gaviota, or the Nipomo dunes clean up they want to bring Brown and Root Company from Texas. to do the clean up. They want to bring in Texans and set up a tent city of Texans and we have unemployment in Santa Maria. You know the Santa Marians are not, overall, are not as concerned about the environment as City of Santa Barbara people. But they certainly are with, are not going to like the tent city of Texans that they should be doing.

M: Well, that sort of will be an interesting segue to my next question, which is what advantages can you envision from offshore oil drilling? Would there be any benefits you could mention?

P: I think the obvious benefit--and I want to reserve, or make some reservations about it—is that we're all addicted to driving cars and cars need gasoline and somebody's got to get the gasoline to the pump where we can buy it. That is, of course, the chief argument for drilling for oil anywhere. To counter that I would like to say that the important thing right now is probably not drilling for more oil because we don't know exactly when the oil will give out, but it's going to give out, at some point. And it's going to get more expensive before it gives out. So the important thing for us as a country to do is to find out how to get by with much less oil, how to stretch the available supply of oil over a longer period of time and how to get by with other fuels. For example if this Lovens idea that you mentioned of a car that will travel 300 miles on one gallon of gas were to become a reality then we could undoubtedly all afford a gallon of gas that cost twice as much and could therefore come from corn or from wood pulp or from some other kind of biological source in much smaller quantities. So even though we are all addicted to using gasoline in enormous quantities, for the country at large it is much more important to push conservation of some sort on gasoline. And allowing unlimited drilling doesn't help that cause at all. Increasing the gasoline tax would.

P: In answer to your question about the benefits, there are certain advantages that the state realizes from having this production. So much more tax on the oil that is produced. And then also the nature of the industry. People come in to the platforms, and as ___ pointed out, the one of the benefits is that they're not bringing that many more people into the community. You don't need that many more houses. You don't need more schools for the children. So it's a much more technology-intensive industry than labor-intensive, which in times of high unemployment is better. But certainly California state is happy to get the tax revenue.

P ___ sees no benefit [laughter]

P: I guess the one benefit I would see, though, is that if you continue to produce more oil, is that more people will drive and at some point we'll have to find alternative ways for getting around, other than our cars. The downside of the Loven car, he admitted, is that he has produced a car that can get 200 miles per gallon, so more people will drive, which is actually a bad thing. I guess if we continue to drill oil and more people are driving, at some point you got to realize you have to get more mass transit, you have to car pool. But then once again it comes back to education and spending some

money on promoting those ideas. So I guess that could be a benefit, but probably not in the eyes of what the oil companies are thinking.

- P: There are folks on just the jobs vs. the environment stuff, who unfortunately don't look at the overall view that we've been talking about here; they don't look at jobs created by not drilling oil—the tourism, the fishing industry, the aesthetic industries that ___ mentioned. It's sort of confusing. You can't touch that. You can certainly touch 200 or 300 workers building Clearview. You can touch workers out on the platform. So in times of a economic recession like right now when people are hungry for jobs, they say, "Well let's go build Clearview because that will put a bunch of people to work." They don't say, "Well jeez, is that going to hurt the overall economy over time."
- P: My point is that those are temporary jobs.
- P: Right. Exactly.
- P: There not going to be long term jobs.
- P: So the benefit is temporary jobs. Look, all the benefits are somewhat temporary is what all of us are saying. You know, you get the oil, you can drive your car. You get this ... You can buy the products. But it's not a long term benefit. And I think Santa Barbara, if anywhere, is interested in the long term. We're a beautiful place and we look at things very much in the long term.
- P: For us it makes sense to preserve this beautiful coastline.
- M: Some people speak of the impact of the oil development on the communities, and I wonder if you could address that a little bit. What might you see as a further impact of offshore oil development off the Santa Barbara coast? What are some of the changes you see?
- P: Well, aesthetically you can look at places like Louisiana and some other places and say, "Ow. This sure is ugly." I think that the other source of income for Santa Barbara, for the City of Santa Barbara, is property and pensions, which means money from outside. So it indicates a lot of people are coming here. Well they're coming here because it's pleasant. I mean, if it's not attractive, they won't come. So it could conceivably change the whole nature of our economy and life. I think it's clear that it's heavy industry. And that tends to change things. So I guess one could speculate that everybody that's here would leave and a new group would come. But it would mean such a dramatic change in what we know of California and Santa Barbara today.
- P: Well you might contrast Santa Barbara with, say, Long Beach. Long Beach is on the California coast, but how many people would want to retire there? Not too many, and yet at one time it was quite beautiful before the oil industry settled there and made it into the city that it is now.
- P: I guess also, not to jump on the Clearview bandwagon, but our educational system could be going down in the sense that professors and educators come here because of Santa Barbara. It definitely has a very high competitive rate of people wanting to teach here You could find professors wanting to go elsewhere just because, for example, their housing just happens to be next to some big several hundred foot tall oil rig. But other than that, there's other development as well, so ...
- P: That's why we have better professors here than, say, UC Riverside.
- P: Yeah
- M: You mentioned that you moved here in 1959, could you point to some specific changes in the community because of the oil spills?

P: Well I remember all the activity at the time I worked for Gene Temple, which was a think tank, which is a slang word for this kind of institution which was set up by General Electric Corp. And a lot of people there were totally up in arms about the oil spill. In fact, one of the founders of GOO, Get Oil Out, was my friend Bud Bottoms, who was also the sculptor who made the dolphins statue down at the harbor, at the pier. And there were other people from this organization and from all around town who were up in arms and spent all of their time campaigning against oil in Santa Barbara because they were so shocked. And I might add that it went clear across the community. There was almost unanimity. There was Republicans and Democrats and poor people and rich people, and in-between people. It seemed to mobilize the entire community and bring everybody out in opposition. This seems to be something that unites people here—absolutely. There's our venerable Mr. Kalman, who's been in politics on the conservative side for many years, who is also opposed to the oil spill and oil drilling. So this is something that just galvanizes the community totally. And there was very little opposition; very little sympathy for the oil companies.

P: One thing that I was thinking about when you were talking was the sort of flip side of that. The community was and is very galvanized against oil. But the oil industry now pours a tremendous amount of money into politics here and into public relations here. And one of the sort of unintended consequences that I see is that they help elect—indirectly because they help get contributions—but they help elect people in the north county, Staffel and Stoker, and people in Congress like Andrea Seastrand, who received thousands of dollars in oil company money, who don't share the community's concern and not only do they vote the wrong way on oil but they make people who are malleable to other interests—development interests that most of this community opposes, malleable to industrial interests that most of this community opposes and the unintended consequences we get are that we get people with a lot of money elected that affect us and the entire county, that aren't necessarily reflective of the community--because of the money coming in from outside. They couldn't win here by themselves, so they get a lot of money.

And another unintended consequence is they make us conduct a debate about jobs and the economy, rather than things that are important to Santa Barbarans such as way of life and aesthetics. We have to conduct a debate because of the amount of money the oil companies pump in here talking about jobs and the economy on their level. We don't get to debate on our level. Santa Barbara is a very spiritual community, but you don't hear people talking spiritually about what happens when you get oil development off the coast. You don't have the aesthetic arguments that ___ made. And even the tourism arguments that you made aren't as out there as, "Jeez, there's jobs! We have to compete tourism vs. ..., fisheries vs. ... So it skews the whole debate for us.

P: Well I think it's very important in that connection to point out what kind of jobs and who are these jobs filled by. Because jobs in and of themselves don't mean that much for a community. What kind of City Santa Barbara could be under various populations. One of the things we found out is if we got a lot of big hotels in Santa Barbara that would create jobs, but would not necessarily create the kind of jobs that would strengthen the community. In many cases, a job that pays at the minimum wage or below will cost the community because the people who take those jobs will bring their families and the family will then use the educational system, but no taxes are paid. So it's very important to stress the kind of jobs that strengthen the community, rather than jobs in the raw.

P: The way it plays out is somewhat divisive because you end up with certain parts of this community very interested in any sort of a job right now—the Latino community for example. So when the oil companies talk about jobs, they don't think, "Oh you're getting locked into a low earning job or a job that's going to degrade the local community." There's going to be no job for you after a while. They say, "Well, we want those jobs now." It hits ... One thing it does is break apart the Democratic party coalition. I heard from various people when I was running for office, and I was surprised to hear it, but community members say we've got to have Clearview because of jobs. And that's members of our coalition, minority groups and labor. They're getting split off and split away from our overall Democratic agenda because of these issues.

P: What we previously thought, though, is that if we hadn't had the oil spill that we had in '69, the environmental movement that people have come to know probably would not have existed, or be as strong. So it's really interesting to feel that. You have the oil spill, then you have the reaction. Now that we're further moving into the future, and away, people have forgotten what has happened. That you see the, "Well, jobs, well, sounds fine." And the shift in the economy and the jobs in your life They've somehow captured the debate and defined the issues and we somehow never quite get to the balance where you can have some environmental practices and create jobs. There's a tremendous potential for getting more jobs that would be long term jobs. Somehow we never get there, to that aspect. And I know the whole thought of the oil company money coming in is a powerful thing or lobby. That can affect us all. And it gets back to my first point that it seems very tragic to think that certain interests could ruin it for everyone in the whole state.

You know, I was in Nevada recently. I recently met a lady in a coffeehouse. And this one lady said, "I've been here a whole year, and I don't really like it." And I said, "What is it you miss about California?" "The coast." And I asked here, "Where are you from?" "Utah." "Oh." So it's people from out of the state are in the area and it's people in other areas that the coast attracts. It's not only aesthetically pleasing, it's something that brings people to California. So in that sense it is a positive

P: The point that you make is one that's known to me. People in inland places like Bakersfield and Fresno, especially during the very hot, long summer will take a weekend on the coast to cool off a little bit and relax. And it's an enormous relief.

M: You have hit on this already—the beauty of the California coast. Some people believe that offshore oil development will mar that beauty further and some people actually will say that the platforms off the coast are cute looking or nice looking, like Christmas trees or something like that. Do you want to be explicit about what you believe about that?

P: I feel a little spoiled and fortunate in the way that I feel. That when you look at the lights out there, you see the little, lit structure. Well, it's kind of neat, the lights and everything. But what people don't see or what they don't think they will see is when we have lots of them. It wouldn't be that isolated little spot of light out there and then we would also have the heavy industrial developments and everything that goes with it. We're not just talking about platforms with lights the other chemicals and substances involved. People don't realize that we would turn into an industrial area if we had more. The one or two, we can cope with, we can say it looks nice. I don't think ... You know,

P: Even though they're sort of pretty sometimes, especially at night, they are an intrusion on the majesty of the untouched ocean. The ocean is not quite the same when you see those structures out there.

P: I'd say that my two favorite spots in Santa Barbara would be watching the sunset at Santa's beach and then going up to the waterfall in Montecito. And in both spots, when you look out there you see an oil rig. It's maybe me personally, but when I go somewhere to relax and to enjoy the beauty, and I look out and see these things, its not all there. At some point, people will just not want to do this. What's the point of watching the sunset when all you see is a bunch of oil rigs out there?

P: For me, if Santa Barbara wants a light show they should put on a light show. We had 'Sparkle' last year when we raised money to buy fireworks on the 4th of July. So if we want a light show, we'll pay for it with a one day cost of traffic and congestion and all the fun stuff we had that day, and then be done with it rather than having the daily reminder of lights.

M: You hit upon a little the recession affecting the debate in the Democratic coalition and other things. In fact, Clearview is evolving with the University of California into a big issue. Maybe we could all talk directly on the Clearview issue to see what you all feel about that.

- P: I'll just jump in to start. I know everyone's going to have something to say on Clearview. You mentioning my comments reminds me that I fell into their own debate of saying that this is about jobs and all that other stuff, when it's really about huge oil profits that they're going to make. I think you have some very large, potentially irresponsible players in the Clearview debate. You have oil companies trying to pretend to be doing things for the good of the community or for the good of the country or for the good of all. We know they're just after profit, so all that's just hype. We unfortunately have the university, from my understanding, that can make up its own rules on the land out there, which may decide that it's in its own economic benefit or its own benefit for some reason to go out there and to hurt the community. And I see that this university is so tied to the community that it should be a more responsible player, and it should say, "This university should protect and defend this coastline, not hurt it more." So I see a lot of irresponsible players.
- P: I would just say with the Clearview project, or Drillview, which ever you want to call it, it's really scary, the magnitude of the lobbying effort done by Mobil. Our PIRG, public interest research group—and I'm out there talking to people every day at their doors about Clearview ... It was unbelievable the amount of money Mobil was spending. I mean I would go to a neighborhood and literally have six to seven out of every ten people say that they just got called by Mobil, or they received information about Mobil. And the farther away you get from Ellwood, as you get into Goleta, all of a sudden I see more and more backing for the project. And it just goes to show, once again, money can sway politics. Mobil can continue to spend money, and people who may at one point have wanted to protect our environment and coastline are starting to get swayed to the other side because of this massive propaganda drive on jobs and all that other stuff. And so it's really scary. It's really frightening.
- P: I have a tangential thought that, in response to what ___ said, there may be a responsibility on the part of Democratic groups and Democrats to get together and have forums on this kind of issue, because Clearview very definitely is an issue that affects the community. There's a tremendous amount of information coming in from only one source, from Mobil. They're mailing like crazy and we're not actually taking our side out to the public in the context of us being Democrats.
- P: It's a very cynical effort. They assume that they can spend a lot of money and can win over the minds of this community and they know they have a small window of opportunity to do that in because we're economically depressed right now. And they know in one, two, three, four years we'll be coming out of that. They also maybe realize that in one, two, ten years or so, the move toward environmentally-correct business will be much greater. And we won't be susceptible to this jobs argument, so there is basically a window of opportunity right now to affect Santa Barbara. They see it nationally, that the tide is turning sort of thing. This real right-wing representative representing us in congress ... The board of supervisors is now chaired by this guy from Lompoc. And they say, "Okay, we go for it now." And that's why we're seeing this massive lobbying effort directed at us.
- M: What would you all say to their effort to maintain the beauty of the coastline? I don't know how much you know about the details of why they call it Clearview, but hits upon what we were just talking about
- P: I wonder if you could ... Do you know a lot of the details? Could you ...
- M: Well a great deal of it has to do literally with the name. It's included in the name in that they wanted to maintain the view and reach the reserves of oil by a slant process so that it would actually be on campus, on shore and slant drill out to these pockets of oil. So they were, in fact, as the name implies, trying to keep the coast ...
- P: Greenwash.
- M: What?
- P: What we call "greenwashing."

- M: What's that?
- P: Greenwashing is just when you have a code word to make it sound like you're very environmentally friendly. By saying, "Clearview will give you guys a clear view because we want everyone to enjoy the beauty of the coast. But instead we want to slant drill underneath the marine sanctuary and next to the Devereux slough and the monarch butterflies, but that doesn't count, that doesn't count. It's a clear
- P: It's actually just a little bit insulting that they're doing this, that they're saying, "Well all these Santa Barbarans, all they care about is their aesthetics. All they're concerned about is that view from Montecito or out at the coast line. And then that's it. So we'll take care of the aesthetic. Not to mention that there is a huge aesthetic problem with building the tallest structure along the coast, but ignoring that problem. They're saying ... They're boiling down everything that we've all talked about today and I'm sure other people have brought up and just say, "It's all an aesthetic problem." All these people can be handled just if we handle the aesthetics and they'll be happy. And the fact of the matter is, we've been talking about all the other things underneath that. And a lot of this goes to lifestyle and how you want to see this community as a community, and this nation as a nation. That has nothing to do with the view out there.
- P: Well what kind of structures are they proposing?
- P: I think it's, what, it's supposed to be 10, 12, 14 stories high. What they have to be able to do is, they want to be able to take the drills and drill them down at a slant underneath, so you need a structure tall enough for them to be able to angle them or ... I'm not sure of the engineering, but you need a very tall structure out there and I would assume a very broad structure. None of us at all know, once we drill it, where does it go then? And if once we drill it, you got to pipe it somewhere, so we're looking at we have to pipe that stuff. And it gets back to the point I made about geology. When there's an earthquake, we've had some of these pipelines running up and down the state rupture. So maybe we don't have this spill. Maybe we build Clearview and Santa Barbara is spared the spill because the earthquake occurs and the spill occurs somewhere else in California. Should we be any less concerned because we avoided the spill because we don't have a platform that is going to get knocked over and Clearview's supposedly better designed for earthquakes.
- P: You know one of the things that you say about the project is that there's supposed to be 175 feet and the tallest trees out there in Ellwood are 80. So it will literally be twice as tall as any tree out there. So it's just higher than anything else. It's crazy what they're going to do. And from what I heard from [Santa Barbara County Supervisor] Mr. Wallace last night, he talked about that if Clearview does go through they'll have to sanction off certain areas because they won't have any development or any housing within a certain proximity of the project, which will not let us—if we need to in the future—do any more development for faculty housing or anything else like that. So that's another problem
- P: We don't, again, I guess as a panelist I can speak for all of us: We don't buy the premise that you need to be drilling oil out there. So if you don't buy the original premise that you need to be drilling oil out there, then whether it's a platform or it's a Clearview type, the point is moot. Because they've got to convince us that they need the oil from Santa Barbara channel. I think there's very little chance that they can convince folks that they absolutely need that pocket of oil.
- M: Are we done with Clearview? I'd like to wrap up our conversation now and give you a chance to say anything else that you'd want to say, that we haven't hit upon specifically with these questions. In your closing statement you could add something that you thought of while we were talking about costs or risks or so on.

- P: Well, I guess I'll go first. In my mind whether drilling should be done off the California coast is intimately tied up with general energy policy for the country. And I think that this is one of the cases where contrary to current fashion, the free market doesn't tell us a thing because we're dealing with the future here. And the free market is concerned with things right now. The free market doesn't concern itself with future problems, future impacts, future solutions. And I think that's where I, as a Democrat have a totally different point of view from that which is fashionable now, say, in the House of Representatives. I think the market doesn't have all the answers. And energy is certainly one of the
- P: Nothing is wrong with what ___ said. I definitely agree that we need to have an energy policy and it needs to be national because I think that is the only way that we'll be able to accomplish the marriage of having that what we need to guard our cars, do our technology, but also to be positively creating these long-term jobs that we talk about. I think that, getting back to my point and maybe being redundant, but when you're talking about letting the people decide what they want, I think the people in California have been very strong. The people want to preserve their coast. But we also need jobs. And we can never seem to get passed this thing that jobs and the economy are incompatible with the environmental values and aesthetics. I mean we need to bring it together to get the best of all worlds and to create a positive, friendly environment that doesn't have some of the social costs and the short term nature of some of the oil jobs. We need a source of energy in the future and we need jobs. So why can't we bring those together? Make us a stronger economy. And California could be the leader in some of this, but I think we need it in the context of a national energy policy.
- P: I guess I would just say that a couple of things I guess that we didn't touch on that seem of interest to me and that I guess would be more of question to be are that my understanding is that most of the oil off California is not oil you can produce into gasoline because it's not a light crude. And so that whole argument that people say, "Well if you drive a car then you need oil and so we should drill out there in Santa Barbara," is completely wrong about the oil to begin with. It's not the type of oil we need. And even if it was, that shouldn't be an excuse to drill off our coast. And that we can create jobs if we can get the federal government to spend a little more money on, say, a program for electric cars or other renewable energy sources instead of spending the money on tobacco subsidies or mining subsidies. So there is that potential. We just need to—as a society or as a party or as an environmental movement—try to focus that debate. Not make it jobs vs. the economy vs. the environment. It's all one package. There is this big sentiment about cutting federal spending, but if you cut it in the right areas and maybe place it toward more renewable energy then we can come to that agreement.
- P: For me, I'll try to look on the optimistic side of oil development here and the threat of oil development here. And the optimistic side is that Santa Barbara, because it's uniquely threatened and because it's somewhat of a unique community and because it's a fairly educated community, can go out and educate the rest of the country and the rest of the world about oil. And everything that we talked about was an education process. Because we are threatened, we are more actively concerned. We can go out and we can talk about the need for an energy policy. We can go out and talk about commerce and fisheries and tourism and what the impacts would be on that. And we can go out and talk about electric cars and those sort of things. We are threatened by this development, so we have to look for the alternatives. So in one way, that's the one benefit. Because we are threatened we are active and vocal on needing the alternatives. And the alternatives make more sense than this short-term solution that the oil companies are proposing because if they get their chance to put up 300 rigs and drill all that oil, they'll just be gone in the short-term. And we'll still have these problems. So what we're saying is let's educate on a long-term view on what needs to be done.
- P: I like the mention you made of Santa Barbara being a leader in various things. Sheila Lodge, the former Mayor of Santa Barbara, just recently wrote an op-ed piece in the paper in which she said—and these are her words—that the electric bus fleet that we have in Santa Barbara is unique in the country. And she claimed it is the largest such fleet anywhere. I think there are about eleven buses that cruise

up and down State Street and various places, and that I'm sure it eliminated a good deal of individual driving.

P: You know that's a good point and it also points to something that we were talking about earlier. Sheila wrote that article in reaction to those people that were saying there was no concentration on economic growth or the economy while she was mayor in previous years. And that goes back to pollution of the debate that the oil companies and some other interests have created here. Suddenly we're looking back at a time when we were creating environmental businesses, when we were building electric buses, when we were doing those things and people were living well here—and saying, “Those were the bad days.” So it's really interesting that she had to respond to that and say, “Hey hold on! We've been doing some good things for a while. Just because your idea of jobs ... I mean electric buses are a renewable sort of thing that you can build from Santa Barbara, and that's our idea of jobs—something renewable that you can grow and grow and grow as opposed to something that's constantly depleting like oil. It's just that we need to sort of remind ourselves. I'm glad she wrote that article.

M: Thank you very much. We appreciate the lively discussion.

APPENDIX X: REPUBLICAN PARTY FOCUS GROUP 1

Rep1. Republican Activist Focus Group 1

- M: I'd like to begin now. I'd like to start with _____. Begin by discussing your opinion about offshore oil development/drilling, and then we'll come back this way.
- P: All right. As I mentioned to Mr. Smith, it's an issue that people wear on their shirt sleeves--you're either adamantly for or against. I'm in the industry. I know how hard it is to find oil. There's oil here, so someday the oil will come out. So I'm pro-development, even if it's slow.
- M: _____
- P: Surely. While I'm in no way hostile to the oil industry, I generally oppose offshore oil drilling in Santa Barbara. I am not opposed to offshore drilling in general, as far as nationally. However, I am specifically opposed to offshore drilling in Santa Barbara. That opposition primarily stems from an aesthetic opinion that the rigs blight one of the most beautiful locations in the country. I would, on the other hand, more likely support diagonal drilling from the coast if that were possible. And I would more likely support offshore drilling in Santa Barbara if I believed that were vital to the nation's security. If it can be proven to me that the oil deposits were absolutely essential to national security, I would support it. But that would be a very hard argument for me to buy in that I don't believe the deposits are large enough, and in a global economy we are in, that oil is just not significant.
- P: I guess I disagree with _____. Agree a little bit in terms of the blight of the rigs out there in the channel, but with modern technology minimizing the risk to the environment, and with the potential for horizontal drilling rather than the oil rigs, I think there's some valid reasons to support oil development in our channel. Particularly revenues to the government in terms of usage and tax revenues, opportunity for increased resources for the petroleum industry and certainly I think it's an advantage to keep those resources at home instead of relying on foreign oil and I think that we have an opportunity to contribute something to the industry without doing damage to our local community. It's an appropriate thing to do.
- P: I would take issue with _____ there. I think ugliness is in the eye of the beholder. I've always thought these offshore oil rigs, particularly at night, are like little jewels sitting out there. Be that as it may, only a few things create wealth, and digging things out of the ground, whether it be oil or gold, does create wealth--which the country and we as individuals all like to enjoy. We have an insatiable appetite for petroleum products, and there aren't that many things in this country, at least not that are easily available. So I think we need to exploit them currently. There'll be a time for high priced oil later down the stream. And I think to add one more little thing, the idea that they are dirty and noisy and polluting, what not and what not is largely a myth. They're one of the cleanest and quietest, you might add, industries around.
- M: Thank you, I appreciate that.
- P: I agree with everybody excepting _____[second speaker who was opposed to drilling]. I'm sorry. I think they look pretty at night. Also there's a fact, you can get gas not just oil. Gas--you can get electricity from there, which we would have cheaper electricity. The revenue coming into Santa Barbara could certainly do no harm. I keep thinking of the Sultan of Brunei, which I don't think we're going to get to be him, but if they discovered a lot of oil, there could be a lot of money coming in. Also in the environmental side of it, what they have done off the coast of Louisiana, but when these rigs run out, which the oil does run, and say in twenty years or so, they remove all of their equipment but the frame. Cut the frame down, and make artificial reefs, which help the fishing industry very, very much—especially for snapper and gerber and that type thing, and they have done that in Florida, in Louisiana and Texas and some of the other states.

M: ____, you were shaking your head.

P: Well, the environment and the birds and the fishes and everything seem to thrive on the whatever the metal or the steel of the rigs of the frames. And the mussels and everything seem to adhere to it, like the artificial reefs when they're still upright. And fishermen, commercial and sports fishermen seem to love fishing around the rigs. And scuba divers love it too because there are so many things down there to see that have adhered to the rigs.

M: Can you think of any costs associated with offshore oil drilling?

P: Not detrimental. I live in Lompoc and we have a lot of the drillers living there and the helicopters fly in and out running them back and forth so it helps our community. As far as spillage goes, I read something just the other day that if you change your own oil in your car and do not dispose of it properly you have polluted more than the *Valdez* did off the coast of Alaska.

M: ____, can you think of any particular costs associated with ...

P: Well, I'll go back to the statement of wealth creation. Oil definitely creates a lot of wealth for any community that it is in. But further than that, I was raised in an oil patch back in Illinois. We used to go out and poke a hole in the ground--you know, 12, 15 hundred feet—and you'd hit oil. Those days are gone. There aren't any of those left. And we're now looking at offshore oil as probably a third tier as far as expenses go. It's not cheap oil, but it's some of the only oil we have. And everything else we're finding in any quantities is much more expensive. And when you raise the price of gas ten or fifteen cents a gallon in, say, Santa Barbara, and the environmentalists yap just as loud as everybody else.

M: Do you have anything ...

P: I don't. It's hard for me to think in terms of costs of oil development other than in the sense of some potential environmental cost ___ mentioned. The potential is there. The probability is so low that I'm not sure that it's something that should be of primary concern. What I see, on the other hand, is the potential for good. I was just smiling at something that ___ had said. The Queen of England has decided that it's a pretty good venture. If it's good enough for the Queen, it ought to be good enough for Santa Barbara. I say that facetiously, but it's hard for me to find any costs associated with it other than the potential for some environmental problems. And the technology has advanced tremendously in the past twenty or thirty years even—or even in the past ten years—so that those potential costs are minimized so much that it seems well worth the expense for exploration.

M: ___, do you tend to agree that the technology has advanced?

P: Oh yes. We shouldn't be scared that we'll run out of oil. You can produce tar sands oil. But you have to get a price of about \$60, \$70 dollars a barrel to make it economical, which means we would triple or quadruple the price of gasoline if we depended on that only based on today's dollars. So it's not that we'll have to stop driving our cars, and maybe it's true we should use oil in third world countries while we can steal it from them at these low prices. If we're selfish, we should take that route. I think we should be a little less selfish and explore the potential we have here. Whether it's onshore, offshore. And it'll be held in reserve due to low prices. It won't be overproduced.

M: Perhaps we could start looking at some of the risks associated with this technology.

P: We all remember the space craft that blew up. We also all remember the Union Oil spill. So here you have two big news items. But we're still going into space, and we're still producing oil and both are being done more safely. I don't think anybody's more embarrassed about what he said than Fred Hartley, after the Union Oil spill, when he said, "What's a few birds." Most of us don't feel that way. We certainly don't act that way in our own operations. So risk, ... money avoids catastrophe. If you're willing to spend enough you can take a lot of precautions. You have to recover that in the sale of the product—whether it's natural gas or oil. So I don't think that anyone's willing to take risks whether it's in Santa Barbara, Ely Nevada, or the Athabasca tar sands just for the reputation of having a spill of any kind.

M: Thank you, ___. Is there anybody else who would like to address that question?

P: I think ___ addressed that one.

M: Yes, Ma'am.

P: I think I'd have to agree with ___ there. The actual accidents we have had and the pollution that has been forthcoming from the Union Oil spill, the *Valdez* tanker collision—a few of those things are highly publicized. And of course it's like starving children in Bangladesh. The photographers are right there taking the grimmest view of it. And actually most of those things heal themselves rather well in a very short period of time. They're really not the big long term hazards a lot of people would

have you believe. And I don't think anybody, whether it be Exxon or Arco or Union goes out and purposely pollutes anymore. It's not to anyone's advantage. So the risks are probably not near as great as my friend ___ said. People dumping oil to kill the weeds or just driving down the road and polluting the atmosphere, is a lot more hazardous and a lot more tonnage of pollution is developed by the same people who don't like the offshore oil and the risks involved. They still get in their car and drive to the grocery store that's just at the corner and do a lot worse job on the environment.

M: Than the people who work in the industry?

P: Oh yeah. I think the industry has been very responsible.

M: ___, would you have any risks associated with offshore oil drilling or drilling of the California coast?

P: Well, not that haven't already been mentioned. Of course, the risk is there. The potential is there for an oil spill. I would hate to go back to the period of 1969, 1970 when we had such a hard time on our shore locally. Like it's already been said, those are minimal risks compared with the benefits that come. And those occurrences are few and far between. Probably one of the greater risks that we had locally was from the throngs of anti-oil demonstrators that cause traffic accidents and caused public fights, and things of that nature that back in the early 70s were a major problem for us. But I don't see

M: Were you a resident in 1969?

P: Yes, I was.

P: May I ask a question of ___? If there was an oil spill off one of the rigs, would it come into the beach? Would that be the way it would come in? What I was thinking about ...

P: You'd have to place the oil spill. Are you talking about our beach and one of the platforms out there?

P: Yeah, one of the platforms. Yeah. What I'm thinking of is taking my children, when they were little, at that time they were little, you know, sixth, seventh grade, to the beach and having all of this tar on the beach and trying to clean tar off of those kids' feet.

P: But ___, the tar has been there for as long as Santa Barbara has been here.

P: Now, is the oil any worse than the tar?

P: That's one of the things I remember when I was first elected to ___ [name of city] City Council in the mid 70s. One of the first things I did, just by accident, was go upstairs into the archives in City Hall and I was reading a bunch of old newspapers from the turn of the century and before. And one of the newspapers had a huge article on the complaints from the tourists who were visiting the old Potter Hotel and all the tar on the beach. There was so much tar it was getting in their shoes and their children weren't able to play at the beach. And when I read that I thought, "That's funny. I didn't know there was tar back then." Then I did a little research for a speech I was giving and discovered that the seepage out of there was a lot more than what would come from the spills.

P: Is that what it is? Natural seepage?

P: The natural seepage of the oil which has plagued me when I walk barefoot at the beach ever since I moved to Santa Barbara, which is 25 years ago.

M: ___, then we'll go to ___ and ___.

- P: In response to seepage, perhaps you remember that Atlantic Richfield put in a tent over a fissure in the ground and I believe they have been recovering around 100 barrels a day of oil and a million cubic feet a day of gas--which would have been polluting. The gas you would never see, because it's sweet methane. But the oil would have--after it had been dehydrated of its light ends, come ashore, and that's the oil you see.
- P: That's tar.
- P: Of course, I don't think there's anyone on this panel that doesn't know Carpentaria was named for carpenters, which is where the Indians were building their boats. And the tar was there to clog up the seams. And I think the first mention of tar on the beach was around 1592, when Cabrillo sent a group ashore. So the 1969 oil spill certainly made the newspapers. The big news was 1592 or so; there was oil in California.
- P: Why do some places have beaches with tar and the onshore wells and others don't? For instance, we came from living in Singapore and they have offshore wells every place. And there's nothing on the beach.
- P: There's ...
- P: Is that a geological thing?
- P: Well, we have a lot of earthquakes, natural fissures. They get jarred, moved around. There are periods of time when there's more seepage. Perhaps Singapore may be more stable that way. One of the most logical means of eliminating the problem of seepage coming ashore is to go ahead and get rid of the oil. So go out and put platforms and eliminate that problem for the next generation.
- ? I'm sure that would raise a few eyebrows. [laughter]
- P: On the question of risk, my general opposition to offshore drilling in Santa Barbara is not so much based on risks. Life's full of risks, especially in energy acquisition. So if we're going to be a major industrialized country, we accept risks. However, I actually would disagree a little bit with ____, or take issue. I wouldn't mind exploiting some of the other nations. I would be a bit more selfish perhaps. If I were a businessman, for example, right now rather than go after the oil in Santa Barbara, I'd be much more interested in going after the potential wealth in the former Soviet Union. That's where money is to be made. And there are staggering reserves that have not been tapped and the Russians are after our resources to do this. And if I were to balance risk, I would say I would dismiss the idea of drilling in Santa Barbara. Oil, on balance, is not nearly ... On balance there's no comparison to oil to be found in Santa Barbara vs. the oil to be found in the former Soviet empire.
- P: And you could find a lot of oil just by damming that river in northern Russia.
- P: I think the vast majority of my issues have been addressed here in one form or another. But to speak to one of yours ____, to bring in the political monster into the issue, I think the idea of exploiting oil--or to use a word I prefer--of tapping into a resource, a natural Earth resource, anywhere we can is a fine idea. However, I think that in relying increasingly on foreign oil, be it oil in the former Soviet Union, be it in the Middle East, be it in Indonesia, we run the risk of getting into situations where we have a lot less control than we like to.
- P: This is the only point that's made so far which I would strongly disagree with. Because I do hear that as an argument about the need to tap into U.S. reserves in the context of lessening our reliance on foreign oil. This country is reliant upon foreign oil. And there's precious little that can be taken out of the Santa Barbara channel that will ameliorate that. 65% of the reserves, oil reserves, I understand are in the Middle East. We simply are tied to that oil. Not so much the U.S. which takes out less—I

think there are people on the panel who know the specific stats better than I—but our allies are tied, the Japanese specifically tied to Middle East oil. The Europeans are tied to Middle East oil. In that our economy is tied to their economies, we simply are involved in that political dynamic and to say that we're going to lessen that by pumping here, I don't believe is accurate because the demand is so great internationally that we can't lessen it, in any demonstrable terms, by focusing domestically.

P: Well, I think I understand the argument; however, I think I would differ in terms of the cause and effect of what you're proposing. I don't know enough about the industry to be able to speak with any coherence about what kind of volumes the U.S. requires vs. what kind of volumes we can produce. One of the things I have found, however, is that we have become reliant on a certain volume of oil given the price of oil. If the price of oil were twenty times what we're accustomed to, I imagine our demands for it would decrease, significantly. Whether it'd be twenty times, I don't know. I don't think by ignoring our own resources and by exploiting others' resources we answer that question as well as we might if we in fact looked to what we can produce domestically. Should, in fact, there be an issue. Turning a blind side to it and saying because today we are completely reliant—and again, I can't speak to the validity of that statement—because I don't know. But we are completely reliant on Saudi Arabia, plus Indonesia, plus ten percent of the former Soviet Union. I don't think that truly speaks to the issue. Mexico, for example, has great oil reserves. We haven't tapped into them traditionally because of the cost of extracting the oil. Now if the cost of oil goes up, those reserves become functional for us. That's a resource. So I'm not into the international/political, let's get the nationalistic hype going. But I don't think you can put a blanket statement on it and say we just can't do it.

P: I think I would agree with _____. And I also would suggest that maybe there's a little bit of an insurance policy that we have by keeping our fingers in the domestic pie. Whether it's exploration here or other places domestically where we're keeping up to date and we have an alternate source in the event the other sources are not available. I think there's an advantage in that.

P: Well, I would ask _____ a question here. When do you think we should develop these offshore oil pools.

P: Pardon me?

P: At what time do you think we should develop these offshore pools?

P: I don't. In the context of Santa Barbara, I can be persuaded in other areas.

P: I think it would be nice.

P: I cannot be persuaded in Santa Barbara. But that does not mean I in any way oppose ...

P: If we could locate Santa Barbara anywhere up and down the coast, that would be a pretty nice place. But you can't locate that oil field down there, any place up and down the coast.

P: I don't consider it significant enough—the oil to be drilled to be significant enough.

P: I don't think you would find that in any particular field, except maybe a hand maybe a handful around the world. That any particular field would be a dramatic boost or detriment to production.

P: I ask this, a factual question. What is the context of the field that lies off the waters here.

P: Reserves? I don't know.

P: I've read the figures.

- P: It's sufficient to get a lot of people interested in drilling out there.
- P: It may be only two billion barrels, or so, aggregate.
- P: Let's address it from one other stand point. And ____, herein, I think that I agree with you entirely and I very much think that the stand that you're taking is excellent. In that you're saying where Santa Barbara is concerned, I don't think that it should be developed because Santa Barbara is a jewel. I tend to agree. I think that Santa Barbara is a gem. And you would not be hard pressed to convince me that it would be just as beautiful without the platforms out there as it is with them. In fact, I can easily be convinced. I would not miss them. If they were gone tomorrow, I'd say, "Hey the blinking lights are gone; it's a vacuum out there; it's black." But that's the extent of it. However, my general feeling is that even if there are fifty, ... How do we measure oil?
- P: Pools, oh, you mean barrels? Let's say there's 500 barrels in terms of capacity a day, which is probably insignificant. If we in Santa Barbara can say that we don't want it for X reason and it's purely an aesthetic reason or for whatever rationale is behind that and everybody up and down the coast decides for the same rationale that "They can drill anywhere else they want, but we don't want it here," that starts to add up and we start to have a problem.
- P: It also goes to the question of how well you can organize and if we're talking about political activists here, the resources of a small community like Santa Barbara in the context of its political potency, I'm not convinced that other locales would put up that sort of opposition to oil drilling
- P: But wouldn't they have as much right to do it as ____'s saying?
- P: Who's going to oppose it in Lubbock, Texas? It's the perfect place to drill.
- P: I think Orange County right now would like to see a little oil revenue [note: Orange County, California was facing a highly-publicized financial crisis at the time because of bad investments], but I think I'd like to draft a picture of what we consume and where we get it. We consume roughly 14 to 16 million barrels a day. We produce half of that, 7 to 8 million barrels a day. California produces 1 million, or did—it's dropping. Alaska, I think, 2 million, and then you put in Texas and Louisiana and you get the rest. As the rest of California drops to half a million barrels a day, if a half million barrels a day are produced out here, we're still very much in balance as to where we were. Transportation charges on getting the in are less. Less tankering, which nobody wants. And if that half million barrels can be found on shore or just far enough offshore to where we can get at it with slant drilling, I think it should be explored. At least the reserves found and known where they are even if they are not developed. That underground storage in Louisiana, which gives up 180 days of reserves based on our total consumption right now, which in effect, since we import half in case of another oil embargo we actually have 360 days of storage. I think that's the goal when it's full. Well, no country's going to sit by and not sell oil for a year, so that' part of what's lessening the necessity as ____ was saying, toward finding our own now. But in the long run, we're going to have to draw on the reserve just to keep our cars running.
- P: And that doesn't help our economy either.
- M: That leads me into our next question. You've tapped into it in the beginning and in several of your responses so far--the further benefits of offshore oil drilling and certainly the national interest that ____ has isolated. Can you think of other benefits that haven't been mentioned so far, that you'd like to explore?
- P: Well, I think we're touching here on just one small facet of a very complex energy problem. And you know we stick our head in the sands, when it comes to developing and really exploiting the power of nuclear energy. But petroleum—and I go along with ____ right here—is a valuable commodity and it's

the only thing we have found and can even imagine that you can, that is portable, that you can put in your gas tank and get up and down the road in a fair fashion. I think we should be conserving our oil resources for that particular purpose, and in many cases we are using our oil to generate—as ___ says—electricity, to heat our homes which could be done in other ways which would alleviate a lot of the problems ___ sees today. But those problems are going to come up. Sooner or later. Sooner or later we are going to have to drill for that oil. It's going to become essential. Whether you do it today or you do it a hundred years from now I don't think makes a whole lot of difference except to you and I.

P: Are we talking about the specific oil in Santa Barbara, that we have to have that oil?

P: We'll have to have it every place.

P: I agree with you largely in that context. I'm very finite.

P: It would be very nice if I could take a coal mine and put it off in the boonies some place so that my own town didn't get a little coal dust on it. Or that I could have a steel mill and get it off some place

P: Right.

P: Or that I could take a farm and put it some place where it didn't bother me. And I didn't get the dust

P: And the flies.

P: We're lucky here because if you've ever been or lived in west Texas or gone through west Texas and smelled west Texas crude ... I mean you can smell it for miles and miles and miles and miles. I mean you can smell it clear into Oklahoma at times.

P: When I was a kid, that always smelled like money. [laughter]

P: That was people making a living, paying their rent, buying their groceries and driving their automobiles, sending their kids to school and those things are very important. Santa Barbara has its head in the sand quite often, you know. It's such a beautiful place we can't do anything to it. But they would do that to the detriment or just dying on the vine ...

P: That's just sulfur you smell. They use that to cure apricots and everything else. It's not a bad deal.

P: It smells like money to you, ____. [laughter]

P: But you know I lived in Santa Barbara before there were any oil wells out there, and I don't know if I am the only one here who was in Santa Barbara ...

P: There's nobody here who's that old.

P: I moved to Santa Barbara in 1965 and there were no oil wells. And when the first three oil swells went out, there really wasn't a whole lot of controversy about it. Nobody seemed to have any objections to it. They were, I guess, amusingly dubbed the Nina, the Pinta, and the Santa Maria because they looked like ships coming into the harbor. And that's really what was the interesting view because they were way out there. And over the years, I guess I must not have been paying a lot of attention other than the period surrounding the Union Oil spill. It was just fairly recently that I looked out one day coming back from the Ventura area, and I thought, "Where did all of those platforms come from ... there must be fifty of them out there."

- P: There's a new one I think every day, _____. It seems every week, I go down to Los Angeles or something, ... there's another one.
- P: I'm thinking about that, in preparation to come here today. I really did give some thought to it. From my personal stand point, maybe I'm looking at it differently than someone else would, but I don't notice a lot of difference in Santa Barbara with the other oil wells out there. I don't notice any detriment in terms of the beauty of the sunset, the surfing, the beaches. I don't see anything different, and I'm inclined to agree with those who said at night, it's beautiful, particularly coming down the freeway. It's absolutely exquisite to see all those lights out there at night.
- P: If you had said that it affected the surfing, I would probably be a Democrat right now, no question at all.
- P: I really and truly don't see that it's affected Santa Barbara at all.
- P: The city of Santa Barbara could do like Long Beach and have them build things around the rigs like that beautiful deal right off the coast of Long Beach there. You'd never know there's oil rigs behind it.
- P: There aren't any more oil rigs than there used to be. There's just less fog. [laughter]
- P: One thing I might add there. In my lifetime, I've seen this happen. I don't mean this to be pointed at you particularly _____. When I was a youngster back during the Depression, you know if you had an oil well, that was job, that was food on the table. Or if you worked on an oil rig, you were a roughneck or whatever. And we didn't worry about whether it was slightly or unsightly. And as we have prospered from those days on, we have a lot of people, particularly in Santa Barbara, who don't have to work for a living, or if they do they don't work in things that I would call the really productive areas of our economy. We tend to be highly service-oriented and here you have a university, which is, I'm not too sure ... I don't want to be derogatory, but you have a group of people here who are not involved in the real world, let's say. Not to say that you don't do an important function. But as that kind of people, you know, come along in the world, they are the ones who comprise most of our environmentalists—people who don't have anything else to do. I don't ...
- I may have to back out of here ... [laughter] ... but I think that goes every place. You find a lot of people today who have leisure time, don't know what else to do, see the environment as a popular place to get involved.
- P: They volunteer for politics.
- M: That leads us into another area. We've talked a little bit about the impact in the Santa Barbara community. What impact would you expect further drilling to have?
- P: More jobs. More people living in Lompoc.
- P: I was really interested just the other day ...
- P: No props. That was a rule. [laughter]
- P: Just last week, in fact, I was thinking about this and I picked up my *LA Times*. Right there on the front page was this article about drilling in the Santa Barbara channel. Basically, when I got through reading the article I thought, "Now hey, that's revolutionary. That could change the mind of all the quote unquote anti-oil people, because basically what it does is ...

I mean, I'm not an oil person. I'm not a geologist and I don't understand all the mechanics. I can look at it from the political sense and not from the practical sense. But apparently they are talking about drilling horizontally and getting rid of the platform and that if this is successful in this one instance, they can get rid of the rest of them. And they would all be going underground. You wouldn't see them anyway and that would resolve ___'s problems and I think it would be wonderful for Santa Barbara. Would you still be objecting if they converted all these to underground ... ?

P: You mean the diagonal drilling? No, actually I said that. In fact my opening remark was something along the lines, while I'm in no way hostile to the oil industry ... and it's intriguing that—and I'll put on my political scientist hat on here for a moment—that while my general comments have been rather limited specifically to Santa Barbara, the general thrust of the panel is that I am an environmentalist. And I am anti-oil drilling. And not productive, probably, although I tend to work about 80 hours a week at what I do. [laughter]

That's probably a problem with the party these days. Being activists, all of us, we risk marginalizing ourselves occasionally when we speak in this way. Because I don't see it primarily as a black-white issue, and most environmentalists frankly, if they were here, would not exactly be thrilled with what I've said. I told ___ that I would exploit the third world. That is not exactly a raging environmentalist strategy.

P: I said I don't take it personally

P: I know, I'm not. I was a very strong proponent of the Gulf War primarily because of economic issues. We simply cannot afford a hegemon to take control of a major region in the Middle East. Our interest are just that clear. So consequently, I'm involved in it from a bigger perspective. From my perspective, Santa Barbara is small potatoes. My bigger concern regarding oil is that we are linked internationally to the major economies because we are the major economy. And we have to be proactive. Santa Barbara is not terribly significant in that broad picture.

P: Like I said, very few places, taken as an entity, are significant.

P: Right.

P: When you add them all up together, you know a whole bunch of potatoes make up a big sack.

M: We've been discussing the beauty off the California coast. Some say it is marred by the platforms and we've hit upon that briefly. Maybe if there's anything else you'd like to address about that. ... What would you say to people who say that platforms mar the beauty of the California coast?

P: Well, I drive between here and Lompoc quite often, down 101. And it's surprising how many days you can't even see the platforms ...

P: That's right.

P: So you look at the fog or you look at the platform.

P: I think platforms are better looking than onshore oil rigs. Because you're right there to see those, when you drive down the highway.

P: Well, you're talking about slant drilling vs. horizontal drilling vs. offshore rigs. There's a limitation on how far you can slant drill. There's only so much torque you can develop on a certain size pipe and push it only so far out. And I think the Clearview project that Mobil is proposing reaches the outer limits of today's technology.

P: Okay.

P: I think that goes out about 20,000 feet, or something in that neighborhood.

P: I'm working with the Molino energy group in Gaviota where they're doing the same thing. And they've got it before the county now. And they want to go out 17,000 feet in order to go down 11,000. So 17,000 is three miles; that's a lot of pipe to be turning and trying to twist that rotor rooter, you know. So the oil further out still would have to be handled either by sub-sea operations or platforms. And at the 800 foot depths, sub-sea is not the way to go ...

M: P, did you have comments about this?

P About offshore oil platforms or just ... No, I really don't to be honest with you. I think it'd be nice if they put red and green lights out there at Christmas time though.

P: Why don't you suggest that?

P: Yeah, that would be nice.

M: Actually, this leads us into our next discussion about Mobil's Clearview project. I don't know if you know a lot of the details. Maybe we could talk about that. Do you think there's a viable future for this?

P: It's simply such a great idea to me. And I think ... Of course, it's already generating all kinds of opposition. Of course the forces that are against it would be out there, but I think there's a certain element which would be protesting regardless of how safe it was, how clean it was, how unobtrusive it was. There's still going to be a group of people out there opposing it. Because there is an element of people who oppose oil per se. And the industry per se. Not the safety, or the interest, or the use—but the industry. And this seemed like such a great project to me. It just seems like a marvelous advancement in technology and opportunity without adding more wells and providing something that has an increased safety factor as well. And I know it's right off the backdoor of UCSB, so I know it's of interest to people here.

P: Well, it might be a big advantage to UCSB if you put a little fence around it and keep a lot of people from falling off the cliff. [laughter]

P: Well there are benefits. But I think—and ___ can give you a lot more insight there than I can—that slant drilling is not a new technique. The horizontal drilling is fairly new, but there have been people who had a section of ground they put a well down here and they clot clear over in the middle of the next guy's section. And a lot of people caught at that. That's been going on for years.

To talk about it's proximity to UCSB: Few people realize that downtown Los Angeles, in fact up and down Wilshire Blvd., there's several buildings there that people think are office buildings. You walk in the door and there are dozens and dozens of oil wells.

P: That's right, they're just facades.

P: And nobody knows it. You walk by and they're just as quiet as a studio. And the ability today to do a job like this and not intrude on anybody's life. In other words, they put a building out there to house a rig. They can make it look like the bell tower here. You don't complain about that. It can be made so it's not an aesthetic eyesore. And it should be. But if we carry it to extremes, you know, and if you're only out there to see if you can get it to jump through one more hoop. Now that's really not what we're trying to do. I don't think what we should be trying to do.

- M: Did you want to add something?
- P: I'm sorry. I was jumping in there. In fact, these are even shorter than the Storke tower here on campus, I believe. So they're not all that unsightly. The environmental defense group has not found a great deal wrong with it. So I think ... I guarantee that Mobil would lose a lot of money ...
- P: So there has been an environmental impact assessment done.
- P: Oh, it's in the process.
- P: So far so favorable, because I was looking for what environmental impact ...
- P: Well, the slough is on the list of potential concerns, the Devereux slough, because there's a question as to what it would do to the slough. The question is raised, of course, how many endangered species you're going to put ahead of something that might be of greater interest. That's one. Another of the complaints is that the building would be probably 17 stories high. And that, of course, would block the view for a bit of a distance. But with a coastline out like this, all you have to do is move over about three feet and you won't get any obstructions. That's about all I can find.
- M: Can you think of any other benefits or detriments to the slant drilling proposed for Clearview?
- P: Well, one thing about it if you're looking for some economies. When you go to the gas pump, these all count. The horizontal drilling where you can actually drill under the lower edges of a pool—you can drain that pool much more effectively than you can with dozens of vertical holes.
- P: Well it also seems to me that it is a marvelous opportunity for research. For the Geology Department or anybody else to have something right at the doorstep of the university, to have access to it and maybe be able to tap into some of the research possibilities there. That seems to me would be an advantage.
- P: ___ brought up the idea of endangered species. Now, again, here you have a myth. The Earth has been around for what 3.5 billion years. And life was created not too long after that and it has gone through several metamorphoses where all life was just wiped out long before man ever got here. And it has a remarkable way of coming back and regenerating. And even in our very best of times with no help from man at all, we have lost hundreds of species every day that the world has been in existence. New ones are arising over here.
- P: And if it can live in the Goleta slough, it can live anywhere, right?
- P: But we tend to feel that man is the cause of all these extinctions and that's not really the case. That's been going on since the first amoebae crawled out of the sea.
- M: ___, would you like to bring up anything under the environmental impact of this?
- P: The slant drilling certainly will relieve some of the pressure of the formations just beyond the campus here.
- P: What's the depth of this horizontal pipe that goes in?
- P: How deep?
- P: Yeah, at the shoreline.
- P: Oh, way down under the water, at least 1,000 feet.

- P: It says 1,000 feet.
- P: I was going to ask ____, what do they call this point down here?
- P: I don't know. I've only been here ... I only teach here. It's not like I go for walks.
- P: I was just going to remind you that they do call it Coal Oil Point.
- P: Is that right?
- P: And there's a reason for that. It goes back long before you and I or our forebearers were even around here.
- P: Actually, I'm sorry to interrupt, you're absolutely right. That's a prime surf and bathe area. The natural seepage out there makes it very difficult to stay in the water for more than five minutes actually.
- P: Well, that's actually good for me because then my students are more inclined to be studying.
[laughter]
- P: I don't have strong feelings about the Mobil project, but on balance I support it. As long as it's in this context of the drilling that's being designed, I don't have a problem with one 170 foot tower. I'd be even interested in it... I'm not terribly interested in it to be perfectly frank. I'd be interested in it if it led to the lessening of the rigs. If this was seen as something that the public supported in the context ... We'll even support this in greater capacity if the rigs come out, then I'd be in even greater support of it.
- P: Well, I think that you would probably find that because if this works out as ... has this ever been tried before ____? To this extent?
- P: Oh yes. This deep? Oh yes.
- P: But at any rate, if we were able to drill say two or three horizontal holes into a pool of oil, and thoroughly exploit it if you will, it would—and if it were economical—it would certainly tend to obliterate the present rigs out there. Where they're drilling 70 or 80 vertical holes and trying to get out here and drain that field, they do a pretty poor job of it really. They leave about 60 percent of the oil in there.
- P: Well, this one Clearview project will eliminate platform Holly, which started off being ARCO's and it's now Mobil's. And so it will be a one to one. You wouldn't eliminate any more than that one, but that's the one that gets most of the complaints being so close to the campus here.
- P: But even there if you get into the ones that are further offshore, it may require you to put a platform out there to start your bore. But like everything else, I don't care what you say, ... Money is what makes all of this go around, and if somebody can come up with a cheaper, better way to do it, it's going to happen.
- M: Well, that leads us to our summary statements. I'd like for us to go around and simply summarize anything that we haven't actually discussed or your personal views on offshore oil drilling. As we close up this session, anything that we haven't actually discussed that you felt would be of use or relevant. If you feel comfortable, ____, would you like to start again?
- P: Yes. I only wrote down three things here. And it's back to oil here. Everybody wants peace, but does not like war. They like food, but they don't like to farm and clean the barn. They want to drive, but

they don't want oil in their own back yard. So I think limited development, so they can find out where the oil is and is not... They can just start X-ing out many areas of this will never be. And I think from the time when all that's done is not very many spots that would be in hot contention. And the next generation won't go through what we've been going through on the hostilities on both sides. Slant drilling where you can. And maybe a balance with ___ of using their oil, but finding out where ours is, so we're not hung out to dry some day.

P: I very much agree with your agreement with me.

We certainly should know all of our natural resources in the country. And if this were a major natural resource in the context of vital security interests, I would drill oil with rigs in Santa Barbara county. But from my perspective, because that is not the case, my general inclination is to take a look at this entire question from a very self-interested perspective. I'm a resident of Santa Barbara county. I've lived in many different places in the world. I wouldn't mind if Bulgaria, where I lived last year, might have had a little oil drilling going on. But I would oppose it in the south of France, and I would oppose it in Santa Barbara county. My broader interest in this bigger debate is to go to this question of, are we reliant on oil. I'm a realist. I don't believe in trying to spend my days trying to change the world and be out there with placards. You won't see me with placards protesting anywhere. But you would see me dealing with the reality. And the reality of the situation is that our economy is a global economy and oil is key to that success, and so consequently we have to be engaged internationally. And this issue is rather peripheral to that, from my perspective.

P: Well, I agree with all that's been said and can add only a couple of things. One, I think that the petroleum industry as an industry is such a vital part of everything that we do. Not just the gas that we put in the car, but a lot of other things that we haven't even talked about—the reasons for the whole petroleum industry. So with that in mind, I feel that they're doing what they can to advance technology and make things safer and more aesthetic. And as long as that's going on, I don't have a problem with it, even if it is in Santa Barbara. It never ceases to amaze me, though, how many totally—I use the term lightly—uneducated, that is, they're not geologists, they're not scientists, they're not zoologists, or whatever, but totally uneducated people can develop such totally magnanimous opinions about something that really I don't know why it's in the public/political arena to begin with. I never understood it twenty years ago and I don't understand it now. I think these are economic and exploratory interests. It just never ceases to amaze me, that so many people can get so involved and have so many opinions and really to no avail.

APPENDIX XI: REPUBLICAN PARTY FOCUS GROUP 2

Rep2. Republican Activist Focus Group 2

M: Shall we begin? ___? I want you to basically go through what you think about offshore oil drilling.

P: I'm generally in favor of offshore oil drilling. I admittedly am not as, perhaps, educated about some of the politics as it would be relevant locally; I'm not originally from this part -- I'm from down south where there's not as quite a problem with opposing views on this issue. At the same time, I'm obviously very aware of the concerns by many of the people -- residents of Santa Barbara County and the Central Coast -- to not want to take away the beauty of our coast, of our views. I guess, I unfortunately see the need of oil to be too important to our economy -- both in a micro-sense and also in a macro-sense. I think the oil industry is a very positive, important industry -- not only for the United States, but for the world economy. I, admittedly, would like to see us move more toward natural gas, as opposed to an over-dependence on fossil fuels and that type ... As far as the environmental impact of oil -- oil spills -- which I obviously know the environmentalists are concerned about, I would only raise the point that oil is in essence organic. It's not an inherently destructive element to our ecosystem. It's not the prettiest fluid, I suppose, that we're aware of but beyond that, again, my views are usually from an economic point of view. I just think it's a little naive to pretend that oil isn't important. It is; it's critically important to our economy and in fact if we hadn't depressed the domestic oil producers in the 70's, we wouldn't be as dependent on foreign oil as we are today. And now what we have in essence is really an over-dependence on multinational oil companies as opposed to local, domestic, American producers. I think that was probably one of the biggest mistakes of the Carter administration in the 70's.

M: Thank you. ___?

P: Yeah. I don't see oil as a terrible threat in offshore drilling. The platforms in Santa Barbara have been done tastefully. And they're not considered the enemy at this point, I don't think. Fishermen tend to like them. They're not aesthetically intrusive. The problem I see with oil development is industrialization. If offshore oil development is moved into Monterey or somewhere that doesn't have it, industrialization follows it. And I believe the oil will eventually be pumped out, whether or not it's needed more right now than it would be 55 years from now is a question I think we need to address. I don't see the urgency in pumping out oil in great haste, when it's going to be worth more later than it is now. And if you want to think way ahead 100 years, perhaps oil will be very valuable. The industrialization thing has to do with support facilities, trucking in drilling mud, getting the drilling mud to the site, and then disposing of it. And nobody wants the drilling mud; nobody wants to have it shipped by boat or by truck to their neighborhood or through their neighborhood to get where it's going to be deposited. I'm in favor of offshore oil development in areas where it's a good neighbor. And in Santa Barbara we've seen some instances of not very good neighborliness. One example I see is the offshore storage and treatment facility that was installed in federal waters 3.1 miles from the California coast in opposition to the local county administration that didn't want to have that up there. There was quite a battle between Exxon and the county over placing that treatment facility -- it was basically a big tanker ship -- moored 3.1 miles off shore.

Another thing that it unneighborly is flaring gases that include hydrogen sulfite. In this area particularly, there is a lot of what's called "sour gas" and when you flare sour gas you get sulfur dioxide and sulfuric acid and all kinds of things spraying down and it was a state project in state waters but the proposed Platform Holly upgrade where they were going to put in proposed -- Arco proposed to put in 6 platforms off shore from this area -- they proposed flaring and hydrogen sulfide bearing gas as a short cut to putting in a more extensive processing plant that wouldn't flare any. And just let the neighbors take the heat. The offshore platforms have done a lot of flaring -- I believe more than they really needed to do. It was done to save money and I don't think that's a proper reason for an oil company to push their will on others.

It wasn't neighborly for Union, of course, to have a blow-out at platform A in 1969 and that was, I believe, in haste and money-saving attempt by not putting enough casing down the well, not deep enough, not strong enough that the well blew out of the top. It was a calculated risk and the calculation was wrong and it blew out. Exxon Valdez -- I don't know what their responsibility was there -- but that wasn't neighborly, it was a major mistake. So, we know about all these things, and I think we need to -- if oil development is allowed in near state waters, that it needs to be done in a neighborly, friendly way.

M: So you'd be an advocate for responsible drilling or responsible corporate involvement?

P: Yeah, with a great big capital RESPONSIBLE.

M: Could you define this flaring for me -- what you mean by that?

P: Well, in the Platform Holly case, they wanted to test the wells for two days. They wanted to drill about 100 wells and run each one of them at full speed for two days -- 48 hours -- to see what came out of the ground, so that they could design a plant later on to process the gas and have it the right size and right type of plant. Until you have a big flow of oil coming up, you don't know what's going to come up out of the hole. So they wanted to find that out. It would've amounted to 24 hour a day flaring. Gigantic flames. Loud, bright -- middle-of-the-night, lights up the night sky -- and polluting. And burning gas that includes hydrogen sulfide and that makes the nasty stuff. On top of which, hydrogen sulfide is extremely toxic and if it doesn't flare, then you have a poisoning event.

Another event that it brings to mind is the POPCO [Pacific Oil Pipeline Company] gas processing event that happened in our neighborhood. POPCO was going to supply natural gas from the wells that are right off shore here and they had a little accident and sent a slug of hydrogen sulfide down the pike -- didn't tell anybody and tracked it and finally released it next to Santa Ynez High School. And it was a little -- you know -- uproar about that at the time, but we've all forgotten about it since then.

M: When was this?

P: I don't remember. It was

M: The 70's? 80's?

P: Mid-80's, I think. With the name POPCO, you should be able to research it.

M: OK. I'll look it up. Thank you, _____. _____? ... more with ____ or _____?

P: I'm not sure I can say which person has articulated my views best. I would say that, overall, we need to have oil exploited both for our immediate energy needs and for all the economic benefits that that activity creates. The question is where, how and when. I guess, putting it bluntly, south of us -- the southern part of California is so industrialized, so commercialized, so populated, it's really -- it's easier to see that activity continue in an intensive fashion there, because there's not a whole lot to hold onto in terms of visual resources. It all has to be done safely -- any oil exploration or exploitation should be done with state-of-the-art equipment and technology from a safety and environmental protection standpoint, but having said that, here in the central coast area, along the Santa Barbara channel, we sit on one of the richest oil fields in the world and it needs to be exploited over time, but I strongly feel that we do not want to create a Long Beach-type situation up here. You know, I suppose if we were just being very selfish, sort of nimbi not-in-my-backyard attitude would say, "Well, don't do it at all." But the national economy and national security depends upon our country developing its share of oil and, frankly, even from a somewhat selfish standpoint, we have strong environmental concerns. We want to protect our beautiful Santa Barbara coastline. We also need to have an economy that can

allow those of us who are here to make a decent living and a responsible oil activity is consistent with enhancing the local economy.

So, I do favor some continued oil exploration, but I also believe that new exploration should be done only if the county receives some of the economic benefits -- the revenues -- from the oil. And I would prefer to see slant drilling occur more than new platforms, wherever that's possible because it's, I think, safer and visually preferable -- for our visual resources. I am opposed to any refining along our county or in our county or our coast beyond what may exist. And, as far as tankering, I think it should be done only on a limited or emergency-type basis to minimize the risk of an oil spill. And also I think that those who are working in the oil industry in our area particularly -- and it's true anywhere -- who are in a position, because of their responsibilities, through inadvertence or error to trip the wire of an oil spill should be subject to periodic drug and alcohol testing because, in the case of *Valdez*, it was a captain with an alcohol problem who, if he didn't have it, we probably wouldn't have had it -- that problem. And, while ___ says, and I generally agree, he said that oil is organic, the environmental disaster we had here in '69 with the oil spill on the birds and the fish and all of that life was destroyed, so it's not just something that we can tolerate. We have to be very, very demanding in the environmental and safety standards. But, saying that, we should still allow some development to go forward. That's my position.

M: Did you want to expand on any of your opening remarks or I'll go down a series of questions now. Basically, I can see some areas of agreement and disagreement amongst you, but I was thinking that maybe we could start off discussing some of the costs of offshore oil drilling; that is, what are some of the bad results, expected or unexpected, that you might see with offshore oil drilling, continued offshore oil drilling? You said that you came from the south. Maybe some -- you've lived here a short period of time? You may have seen some of these costs of further offshore oil drilling. Would you like to start on that, or --?

P: Are you referring to the actual monetary costs for oil or the monetary cost of not doing offshore -- I'm not sure I understand the question.

M: Either way. Some of the bad things associated with offshore oil drilling or some of the costs that might be -- you mentioned the economy, maybe the effect on the macro or the micro --

P: Yeah. I think that basically right now in the current political environment -- not to use that word too loosely -- we, I think are creating, literally, a necessity to drill for oil in areas that are perhaps not as acceptable to some groups of people as a result of certain other policies with respect to, for example, up in Alaska. By literally nationalizing 90% of Alaska and not allowing us to, as ___ pointed out, exploit the tremendous energy resources -- yeah, unfortunately, we do have a situation where our only alternatives seem to be along the continental shelf of the Pacific coast.

As far as the costs, I guess, the obvious cliché would be the environment. I mean, people who want to see Santa Barbara look like it did in the 1700's and that's just -- sure that would be wonderful, if it was possible, but it's not. And, you know, beyond that, I really can't add to that.

M: ___?

P: The cost I see is compliance with federal regulations, when the feds are causing the problem. I pointed out the 3.1 mile business. There is also the business of air quality management and part of Santa Barbara's problem with air quality is due to what goes on in platforms in federal waters and up until, you know, not too long ago, diesel engines provided all the power on the platforms and that was sending Santa Barbara county out of compliance -- facing Santa Barbara county with loss of road funds from the feds, if we didn't fix our air problem, created by, as I said, the feds.

UCSB became involved in that at one point, when the expense of putting electricity out to the platforms from shore became known, the oil companies decided it would be better if they could get it provided from some other agency. UCSB started to design a cogeneration plant that would produce electricity, heat and distilled water or, you know, water for campus. The main thrust was to get water so the campus could keep growing but as a side benefit, there would be some savings in heating costs on the campus. It was a good deal, but the plant kept growing in size. And the reason it kept growing in size and the reason it kept growing in size was because there was electricity produced by the plant that was not Edison Company electricity, it was UCSB electricity that could be sold to oil companies to get into compliance with their pollution requirements. And the whole thing eventually died because it got too big. It would've been too big an industrial thing on UCSB campus and it wasn't designed, really, for the campus, it was designed, I believe, for the convenience of Barney Klinger and the oil interests that wanted this cheap UCSB electricity to run their offshore plants. Now, maybe that's too much of a conspiracy theory, but I believe it.

What I see is a lack of cooperation between the feds and local agencies. They tend to run roughshod when they come into an area like Santa Barbara and say, "Well, we're going to set the agenda. We want the oil; we need the oil. Get out of the way."

Another example of that is the whole scenario over using pipelines vs. tankering. And I believe that the oil companies have been allowed to duck their responsibility to use existing pipelines. Pipelines were built to solve that problem and for one technical reason or another, they're not being used to their fullest ability. And there is a cost. If you want a heated pipeline for our heavy, sludgy oil from this area, it costs a lot of money and so it isn't just a matter of building a pipe. You've got to have one that can do the job. And the oil companies have, perhaps rightfully, said, "Well, that's too expensive. We're just going to go ahead and tanker because we think it's safe and it's much more economical." And, what are they doing now? I believe they're tankering to San Francisco and putting it in the pipeline to take it to Los Angeles. Isn't that the scenario? I guess that's enough of that topic.

M: Thanks. ___?

P: I would like to tackle and emphasize a point that was just made. I think we tend to underestimate the impact on air quality from the offshore platforms, particularly those beyond the jurisdiction of the State of California and our air quality standards. I've been told in the past that the potential for air pollution generated from the platforms could essentially overwhelm all of our air quality mitigation efforts on shore. It has that potential. Now, I'm not sure that's accurate. I was told that. I haven't really researched it. But the point is that it has a significant potential.

And we can't eliminate that, but we can do better if, for example, from a political standpoint, the California delegation in Congress, working with the Governor and legislature in Sacramento could more or less come up with a united, firm stance vis-à-vis the federal government. And I think each political faction has to give some from their most extreme positions to do that, but, if we're going to have oil exploration and exploitation, which I think is necessary, we want to do it in a way that minimizes the air quality problems.

And you can't blame the oil industry. They account to shareholders and they're not expected, I think, to pursue the most costly, which may often be the best environmentally, way of carrying out those operations unless it's unequivocally clear to them that that's how it's going to be. And it isn't unequivocally clear to them a lot of the time, because I don't think we muster the political will in California and channel it intelligently to get that message across. And we can work cooperatively with the oil industry. But they need to have a clear, sustained message that we intend to clean up the air and also have the energy we need.

M: Thanks. Along the same lines, what are some of the risks that you might all see that are associated with further offshore oil drilling? We've hit on air quality and so on. A little bit about the political

climate. What are some of the other risks that environmentalists and perhaps others that you might think of and might come to mind?

P: May I? One thing that comes to mind in that regard is the unintended effects of economic growth. We want, to the extent that it's feasible, when we have a growth-inducing activity, to try and get some handle on how much growth and how fast, because growth requires infrastructure and infrastructure requires taxes and we get to know? at the end. We want to make sure that we're paying for what we really want. And so, we want to have the growth more or less to the extent we can on target with what -- the way we want to see our community evolve. And be sure that we have the services that are needed when new people come in and there is that kind of lure to the area.

The other thing is, and it's sort of parochial, but so be it, I think we want to have the oil companies, when they come to us and ask us if they can grow in this area, to do all they can to hire from the local work force so that the benefits come back more to the people who are being burdened. After all, we're going to give up some of our visual resources and some of our quality of life, if the environment's affected. It's only fair that, in return, those who live here get the first chance at the jobs and the chance to better ourselves. That seems fair.

P: I'd like to say that there's a tendency to demonize the oil industry and that there's as much of that going on as any sign of rampant pollution. ___ worked at the Energy Department in Santa Barbara for awhile and, at one point, the Planning Commission was taking a trip up the coast to visit the oil facilities. And under the Ralph M. Brown Act, they had to invite the public, so I went along as the public and got to go on Platform Holly, went to the processing plant at Ellwood, and then on up to Gaviota to the oil processing plant.

An anecdote on that is when the Planning Commissioners saw that plant, they said, "Oh, my goodness, if I had know it was going to be that big, I wouldn't have voted for it!" They had no idea what they were putting at Gaviota. And the discussion centered around, "Well, we're going to get some trees growing to hide this thing!"

And so, that's the industrialization question. Even the people that were planning it and making it happen didn't understand how big it was and they also had no intention of allowing that much industrialization and they didn't want it to spread. They said they didn't want that to spread out. And already we're seeing expansions to that project. The Marine Terminal is supposed to be the interim short-term solution. It doesn't look like it's going to be that short-term, but it seems like there may be an agenda to continue on with some kind of tankering.

P: Although there is a consolidation policy that they try and consolidate all those activities to one or two spots.

P: And that's --

P: -- wise, I think.

P: And it also seems to be working.

P: Yeah.

M: ___?

P: I would just, maybe, touch on the opportunity costs of oil development, the economics. There's always opportunity costs that they look at. I know, a very unpopular view and at the same time, a very controversial view, has to do with nuclear energy. And I'm -- based on what I've read and heard and observed -- I think that we, as a society, run the risk of not being willing and not being open to taking

- advantage of the potential for nuclear power. And a lot of that I think has to do with the environmental movement, the way they've sort of turned that whole -- talk about demonizing! -- the oil industry. I mean, nuclear energy is pretty much doomed as an alternative source of energy in this country and I think that's too bad, because I think that it provides the United States with one of its only options to become totally energy independent and so I would just, you know, add that on as one of the potential opportunity costs associated with this whole discussion.
- M: In other words, in fighting the offshore oil development, there's also the unintended costs of suppressing another type of energy or --?
- P: Well, no. You know, when we talk about the costs associated, whether they're costs to the environment, costs in terms of regulation, costs in terms of whether the economy grows, oil development in the United States is being done almost exclusively as our source of energy and by focusing -- or, I think, by basically -- socially, being accepting of the fact that oil seems to be our only energy source -- which isn't the case. We have alternatives, but those are also not socially acceptable, whether it's tapping the ANWR [Alaska National Wildlife Refuge] up in Alaska for natural gas or building nuclear plants to provide energy. Those two options are just totally and completely unacceptable to those organized groups.
- M: Do you tend to agree with that view or you see it as an intended cost or -- of not exploring nuclear capabilities or whatever?
- P: I'm not sure I have enough information to talk about that too definitively. I mean, as a basic proposition, if other sources in energy are closed off, then it does put the focus here. I mean, I think, in the case of nuclear, you can't be *too* careful because the consequences can be so catastrophic, but the French certainly seem to have done fairly well and they're heavily into nuclear and my sense is that the French people are very concerned about their environment and their civilization, so I think it can be done. And I don't know that we've built any nuclear plants in this country in the last ten years. That may be a sign that we're getting too mucked up in politics over it. We should be able to technically have nuclear power plants that are within a manageable safety range. But there certainly are examples like Chernobyl and the disposal of nuclear waste is a big hindrance. We haven't managed that at all or thought that through, I think, sufficiently. So there are reasons why we go slow in nuclear, but it shouldn't be insurmountable to have nuclear plants. That's my simple understanding of it.
- P: I have an opinion on that, also. I think the cost of the environmental impact reports is a real burden. The environmental impact report for the Platform Holly project was a box this big with four volumes and it threatens our forests if we keep doing that. And the cost of creating those things is an added cost of doing business. As I see it now, it's more of a weapon to stop a project than to inform the public. I've plowed through enough of them at the library to know that nobody reads all that stuff and they certainly don't act on it. So environmental impact reports as an end in themselves and in the industry, I believe, detracts from getting the real job done, which is to safely develop energy sources.
- M: I appreciate that. I was wondering if maybe we could switch a little bit and talk about some of the benefits we might see with continued offshore oil development. That is, some of the specific good things associated with further exploration and, maybe, if we've been long-term residents of the central coast, what we've seen in terms of benefits that have come from offshore oil development. We're switching gears a little bit.
- P: Again, one is the economics. And I guess that's probably at the top of our immediate list. I believe that the average wage or salary of people in the industry in this area is significantly higher than the average wage or salary overall. So it tends to provide well-compensating jobs. That's a benefit. People need to work to live here -- most of us do.

Second, is the spin-off from that economic activity of -- I don't know if we want to call it the multiplier or the trickle-down effect but, people with good jobs -- high-paying jobs or relatively high-paying jobs -- spend their money. They don't put it in the mattress. And that creates economic activity for people in restaurants and law offices and doctors and dentists and insurance and everything, real estate. Very important for real estate that we keep a strong economic climate or obtain a strong economic climate. I don't think anyone would say we have an existing strong economic climate in this area, but it certainly enhances real estate values when that happens.

P: Not to state the obvious, but, of course, there's always the oil, which we do tend to consume. But, I would agree with ____, ultimately you have to take a look at the ripple effect -- as I know Mobil likes to editorialize in the *Time* magazine piece every other week -- but it's true; it is true. The economics are hard to ignore. We do have a local economy and a macro economy and in fact a world economy and a world market. And those are very compelling reasons to at least, I think, be open-minded and realistic about the importance.

P: I see it as just dollar bills. It is cash money. Over and above what it costs to provide the infrastructure, then there's a net gain. I can't say that I've seen an improvement in the environment, the economic climate or any of the other in Santa Barbara since we moved here in 1961. I think the quality of life has gone downhill as a result of the industrialization and I wouldn't blame that entirely on the oil. Other high paying industries have left here because of our sorry economic climate. Too much taxes. Land is too expensive. And I believe that further economic industrialization is going to hurt the area rather than help it. It has so far, I believe.

P: You actually believe that the oil activity has hurt the local economy?

P: I believe so, yeah. It's increased the scale of everything. There's more going on. More people working. More jobs, more factories, more everything. But the per-person amount available, I don't think is any bigger than it was in '61. The per capita income from industry in general overall, I don't think has increased. I don't know any facts, but that's my feeling.

P: I don't have any facts either on that. I have the opposite feeling. I think, if anything, the presence of the oil industry has probably been a plus for the overall economy. But, I'd be willing to be shown otherwise. I just -- I don't have the facts.

P: I know one thing that we have to consider in all this is -- everything is interrelated -- is the growth of population in California and the country and in the world -- particularly in the world. I mean, unless we're going to have a dumbing down and a significant degradation of the quality of life for, certainly, middle and lower class people, you know, we have to do something to sustain the energy that's needed. And, you know, that's inescapable. If we don't, we're going to be living more like primitives than most of us care to think about. We just have a population explosion that's going to -- it *is* -- not "going to" - - it is dramatically transforming the economy and we're caught up in that world economy and we can't bow out. And oil is a resource -- particularly here in the Santa Barbara channel. It's important enough, potentially, to make a difference in the national economic equation.

And, you know, in our lifetimes, in all probability, we're going to see the world double again in population and, I think, when I was born, maybe there were a billion people. And how, what, four billion? And for my life expectancy? Well, I mean, that is just so radical and transforming and I don't think we have a national policy to deal with that, even though our internal growth in the United States may be manageable, we live in the world economy and we're going to have to compete in it, because everyone's going to be out there fighting for not just oil, but everything else -- our food resources and everything else that follows -- and how do we have the money to compete in that world market for even these other products, if we don't have a strong economy?

So, unfortunately, you know, our decisions have to be influenced, in part, by what's happening in the rest of the world and how that impacts our national economic needs.

P: I agree with your earliest premise that we need to get our share and to be selfish about it. I have a neighbor who is a welder who now operates a dry cleaning establishment in Bishop because he couldn't get any oil industry business. And I used to listen a lot to the marine radio ship to shore and there would be people calling home in Louisiana, Mississippi and it would be from a Danish oil ship doing the survey of the channel. So it's a global industry and it benefits the globe. But I think we have to be plenty selfish to make sure that whatever, as you say it so well, whatever impacts it has on us are more than compensated by our share of whatever money comes out of it.

M: That leads me to my next question, which is actually further discussion of what the impact has been on our communities because of offshore oil drilling. ___ you said that you have lived more of your life down in Southern California?

P: In Los Angeles.

M: What might you describe as some of the impact offshore oil drilling had on some of those communities in addition to, you know, what we were just talking about -- the Santa Barbara community?

P: I don't know. I mean, I can't sit here and draw any particular correlation between oil development and the economy -- good or bad. It's, like ___ said, it's part of the equation. The oil industry is part of the equation. I think there are so many other macro events that effect the economy, whether it's interest rates, whether it's debt. And regulations. I think that we had disastrous regulatory policy in the 70's which, like I said, almost eliminated our domestic oil producers from the world market.

Los Angeles is an interesting place. But I think more and more so because of the overpopulation and a lot of the Third World movement from people from that part of the world coming in and just literally draining resources. But as far as being able to put my finger on any type of relationship between offshore oil and what the economy is in Los Angeles, I'm not qualified to do that.

M: What are the general effects on the community? For example, in Santa Barbara, we were talking about regulation in the Santa Barbara community. It has a -- some people feel that the oil companies have a distinct dislike a Santa Barbara, that actually might be affecting our economy in tourism or in fisheries or in other industries that we have in Santa Barbara proper. What would your feelings be on that, in terms of the interaction between regulation, the community and these -- this oil industry -- it's multifaceted, it's not only the local oil producers or, like you said, multinational and so on--?

P: I think that sounds a little ambiguous as to what type of impact the oil industry --

M: Well, it has to be ambiguous.

P: -- has on tourism.

M: I want your opinion!

P: I mean, I don't know if anyone feels --

M: I'm trying to be ambiguous!

P: -- it would seem difficult to draw a relationship between tourism and whether or not Mobil likes the City of Santa Barbara. I'm not sure that that's something that can be easily measured. One curious thing is that fact that we pay more for oil than they do in Los Angeles. Now some would say that we have a free market. Well, they're more free down in Los Angeles than it is up here in Santa Barbara.

Now, is that the result of their "not liking us" that would be, I think, easy to measure, in terms of what do we have to pay for a gallon of gas up here in Carpinteria as opposed to even in Ventura or Oxnard. I don't know. One of these guys probably has more to say about that.

- P: In terms of further oil development and the effects on the communities which, you know, host -- it's just luck that this oil is right off Santa Barbara. In other words, what do you see as the ...
- P: Because they view it as the red to the green light for much more development than they want. I guess to go back just a half-step to what you were -- I think, the focus of your question to ___ -- about whether the oil industry and other industries perceive Santa Barbara to be a difficult place in which to do business and whether that has unwanted effects on the community. I think the answer overall as a generalization is a resounding, "Yes!" It is a very difficult place in which to do business. The oil industry is caught up in that. But that doesn't answer the other question: whether it should be a difficult place to do business. Yes and no, in my opinion. We have something that's precious and worth preserving here and it shouldn't be possible to just move in and radically change our community without the community wanting it.

But the other side of that is, there is a lot of jerking around of, not only business entities but individual citizens. If you want to add a room on your house or change your water heater, I mean, it's excessive. And so, I think the answer is that, in part, we need to have regulation. There's a reason why, over time we have different agencies set up and ask them to get involved in the decision-making, but it's become too cumbersome, too time consuming and too costly. And I think, whether as an individual citizen or an oil company, wanting to do something in Santa Barbara County, people should be able to get -- know what the standards are -- and those standards should be reasonable ones that most of us agree to -- and then, in a reasonable amount of time, they ought to be able to get a straight answer and not have to go to two dozen different places to understand what's expected of them if they want to do their project. One stop permitting as a goal would help. And procedural reforms that put time limits on how long government can withhold an answer. Those things will help and they won't eliminate it, but you don't want everything to be so fast tracked that the community can't catch its breath, but we have a long, long, long way to go before we run in danger of that. We need to move more toward that direction.

- P: I think the best example of that would be using water shortage to control growth. If you can't confront the issue directly and you can't get the political powers to say "Yes, we want to control growth in this manner" and default -- don't do anything -- then it leaves it open to somebody else in a different agency -- water agency -- to solve the problem that way. I think the same thing goes on with oil development. If we can't stop you based on the facts or based on the rules, we'll find some other way to frustrate your activity to keep you from getting the job done. I think that's what needs to be eliminated, is this power-play stuff and one answer to that is to find some way to empower the state and local agencies in relation to the federal government. The federal government is a big bully in most of these activities and then the local agencies go into guerrilla warfare mode and "Well, we can't beat you on your rules, but we can make some other rules that will make life miserable" and I think that's what ends up consuming a lot of effort and keeping us from dealing with the real issue, which is we want the feds to develop whatever oil is there according to some plan they put in place early on and follow it for the next 50 years and not just simply do it on a battle-by-battle basis.
- P: I think your analogy is really excellent and, you know, if I can just pick-up on that a little bit, because it's something I've thought about over the years. Initially, I was sympathetic to the water moratorium or whatever as a way of allowing the community -- especially in the Goleta area -- to catch its breath. There was some very rapid growth and people looked around and said, "Hey, you know, the whole character of this area could change dramatically in ways that we don't want it." And I think water was looked to as an effective means to put the brakes on it because there was a lot of concern that other legal means weren't sufficient. But leaning on water as a substitute for a sound growth policy created a lot of problems. I mean, obviously. We didn't have enough water. There is no water shortage. It's

- the greatest myth in the world. Three-quarters of the planet is water and we sit on it. So it's all a self-contrived problem with water shortage. Same thing is, I think, analogous with why we can't have business in Santa Barbara. I mean, it's an apparent desirable area. If you had a choice where to live, you'd live right here. We're always saying that. But the business people feel that the economics are too adverse and they can't get clear direction without investing an inordinate amount of time and money and they can't predict and business people are supposed to be rational economic decision-makers and so they need to have some predictability -- other than "no!" -- they can predict that and that keeps them out! We want them to come in and be able to make a decision in a reasonable time.
- M: Some people often think -- talk about the beauty off the California coast and think that the oil platforms that we see off the coast to the horizon mar that beauty. What would you all say to that?
- P: I think they're beautiful. Certainly, they're not as pretty as mountains. I don't find them particularly offensive.
- M: What would you all ... ?
- P: They won't be there very long. I sat in Dan Grant's office -- Supervisor Grant -- when he was talking about painting them blue so they would disappear, but their south exposure is such that the sun is always behind them and they always look like silhouettes, so prettying them up doesn't help; making them look like Long Beach islands doesn't help. We might as well get used to them for the short time that they're going to be there. They're removing some of the platforms, one or more have already been abandoned.
- P: What would you say to --?
- P: When I first came to Santa Barbara as a freshman at UCSB and walked out to the cliffs one night and looked out there and saw those platforms, I thought they were absolutely romantic. Being 18, you feel romantic all the time, but actually there used to be an old television show called "Mr. Lucky" and it was about a fellow who ran a gambling operation on a big boat and it all glittered at night. And that's what it made me think of at night. I think they're much nicer at night than a lot of things you could look at. And I don't think -- here in Santa Barbara, of course, we have the channel islands to look at -- there's something out there to see besides the horizon. But if I had to compromise the visual beauty of looking out over the ocean vs. what we put on shore and look back at, I'm more concerned about the latter. But this whole issue of longevity of the platforms raises another cost or planning issue in exploration that I think is important. We don't want the oil activities -- the structures, the piping the wells, whatever it may be -- not to be properly removed when the activity is over. And to make sure that there are clear understandings at the beginning when those things will be removed and making sure that there's a security, financial security -- bond or something -- in the event that some oil company fails and doesn't have the means to -- you know, so they should have to bond or something. At least the smaller companies.
- M: Does that all take place now?
- P: I don't know. It may very well take place. But that is a legitimate concern, I think -- make sure that when the activity is done, the structures get removed.
- M: As a matter of fact, the Clearview project that we're -- that is being talked about right now -- is a proposal to remove a platform and instead drill from a slant angle from onshore. I'm not sure if you know too many of the details or what you may or may not know. What are your thoughts on the Clearview project?

- P: We discuss it a lot in my neighborhood because we live in Isla Vista not too far from Clearview. And we've come to a consensus that the right way to do it is to dig a 200 foot pit and put the 200 foot tower in the pit. We think that's a wonderful way to do it.
- M: Are you serious or--? Is this an engineering project or--?
- P: Again, the big threat from Clearview is industrialization. Trucks running through the neighborhood to bring drilling mud and drilling pipe to a site, the site operating 24 hours a day with lights and noise. When Platform Holly was put in a mile off shore, we got plenty of noise, particularly late at night from machinery running and at that time, they were running boats with open stacks back and forth to the platform any time they wanted. There was little sensitivity to neighborhood concerns. And, I'm sure there will be more sensitivity with Clearview, but it's not going to be easy to put Clearview in there and have it access from land rather than the way it's done now with boats that finally have mufflers.
- M: So you would probably say, you know, it would probably be more desirable to establish another platform or ... ?
- P: Well, Arco's proposal was to put in -- to double the size of Platform Holly and make two of them -- taller and bigger -- and then to put two more platforms at two other sites for a total of six platforms within a mile from shore. And that was all wrong. The environmental impact report, first of all, didn't even mention the existence of people. They overlooked Isla Vista's 15,000 population, or whatever it is, and portrayed it as "empty coastal land by Vandenberg." And that was what the E.R. said. It wasn't til the hearing started that that motion got changed and that whatever's done there is right in the midst of an urban area. I'm very concerned about the hydrogen sulfide problem. There hasn't been a track record of taking good care of it. There have been H₂S problems at the Ellwood plant, which is right next to the school and there just isn't a good enough ___? with hydrogen sulfide to allow something like Clearview that close to residential areas. It's closer to faculty housing at I.V. school that Platform Holly is out in the water. And the drift from Platform Holly, according to the environmental impact report, first touches shore at Hope Ranch. So we don't mind if Platform Holly leaks H₂S and gets the chance to dilute before it comes back on shore.
- M: Have you all heard about or have views about Clearview?
- P: I have a limited understanding of the project in its detail. But when you combine the thousands of jobs which they're describing and the hundred million dollars in oil royalties, I think it becomes a very intriguing concept. I think Clearview is a good example of how the oil industry can't win. I mean, they can't win. Whether they're doing it off shore, or they want to do it on shore. I mean, they're never going to satisfy the environmental movement in this town. They're just never going to. You know, we're going to deal with it in Carpinteria. It's going to become a very, very explosive issue for our City Council which are very, very active in and ... the political community. I think it's at this point probably not a very realistic idea, based on all the opposition that's going to be unleashed, I mean, from all over the state -- probably from all over the country on this particular project. But, again, based on my limited understanding of it, it sounds like a pretty, pretty interesting idea. I would probably be more in support of it than against it.
- M: Do you believe it was the political climate that creates this braking effect on it, or what do you attribute as a reason for all this negative opinion about this project?
- P: Well, I just think, again, it's part and parcel of an overall mentality. That there's not-in-my-backyard syndrome. There's a no-growth mentality in this community. There's a radically environmental movement in this community. I just think it's a number of things that make it very difficult. I'm one of those people who believes in man's ability to solve problems and, I mean, I acknowledge and respect his concerns. I think those are solvable problems, whether we release these obnoxious things into our air and our environment, I believe man can solve that problem. If that's the extent of whether or not it

should go forward or not, I would just come down on the side of our scientific and technological prowess in terms of what we've been able to accomplish. I just am not a Chicken Little. I don't automatically do things because something may not work out the way we would all like it to. I just think that's a little hysterical.

P: I guess what I see are two very polarized sides to this whole question and I've been in both camps. I believe I'm now being confronted by radical environmentalists who want nothing but local, native plants in our local park and "local native" means from this plateau and there hasn't been anything local native here for 100 years that I know of. So that's that side of it. The other side is that I've worked as a mechanical engineer for 35 years and have great faith in the ability of technology to solve any problem if the engineers are assigned to solve it. And I find that man and woman can solve any technological problem having to do with Clearview if they're given the resources to do it and the mandate that they have to do it. And that's where I have little faith in things coming out the way they could come out if you just leave it unregulated and the key to the whole thing is that there has to be an understanding up front that if it is done, it needs to be a first class job and no short cuts, no little things that can be done cheaper if you take a little more risk. There's always going to be some risk and, I think there needs to be an understanding as to how much risk and how much inconvenience is to be allowed.

My own personal opinion would be that I would rather see a drilling for Platform Holly that can reach those same locations -- actually, it's closer than Clearview -- than to have anything done on shore. And, even if it meant another platform, I think that'll be preferable to having all that stuff brought through neighborhoods.

M: ___?

P: I'm optimistic about the Clearview project. I think I like what both ___ and ___ have said about this overall. I'm heartened by an engineer saying that we can solve those problems and that's my understanding. I think we are properly concerned about something like hydrogen sulfide, but that risk is there in many communities more densely populated, as I understand it, so it should be technologically manageable. Particularly if the legislation is passed that would allow, essentially, a form of revenue sharing back to the county on this, I think that would be wonderful. It will be a critical factor in the political equation on whether it gets through -- and it should be. I think what's part of my optimism about it is because we have such a strong environmental awareness in this community that -- and because, frankly, we've been hurting for several years with a weak, weak economy. Those factors together signal to me a pretty good prospect that Clearview will get through in some manner, shape or form in the not-too-distant future. And, when it does, I think it will have the stringent safety and environmental controls that it should have. And it may be that -- I like the technology. I like the idea of the slant drilling that will allow the oil company to extract far more of the oil than otherwise would be the case and that's great. They should. They should get to it.

P: I guess some of my concern is technical. I've been told that that oil field is poor quality oil. First of all, it has 1-1/2% hydrogen sulfide in the produced gas, which is a much higher level than found in almost, you know, any other major oil field. It's a really high concentration.

P: Sour.

P: Sour by far -- 1-1/2%. And that produces an exceptional risk in this one case. As far as being in my backyard, there are other people a lot closer, so I don't worry that much about it. They're the canaries that are going to fall over dead when the thing happens. But I think it's unreasonable to have that happen close to Isla Vista school and close to the residential neighborhood. If you go through the Ellwood processing plant, they have gas masks and alarms. They have hydrogen sulfide alarms all over the plant and gas masks. We don't have them at Isla Vista school. And I believe that, you know, that equal risk business needs to be considered. If there's a need for gas masks in the plant, then

there's a need for gas masks just a little ways down. Isla Vista school, even in their current circumstances, has had hydrogen sulfide odors and they may or may not be from the processing plant, but it's not something that we should mess around with.

P: The school may be just the cost of doing business. It may have to be relocated. I don't know how serious the risk is. But, I've never been through that school, just bicycled by it. It doesn't look like, I mean, with no disrespect to the people who built it or maintain it, but it probably could be replaced without losing a landmark, you know?

P: Well, you'd also have to replace Isla Vista, too.

P: Well, then we're getting to your point. It's more than just the school children.

P: Well, it is the school children and, even closer to the plant, there's faculty housing full of professors and graduate students.

P: They don't need professors.

P: Students. Other students. There was 15,000 students in Isla Vista. Something like that.

M: In any event, we wanted to close up the conversation now and give you all a chance to summarize your thoughts and anything else that may come to mind that we didn't touch on specifically. You're each asked to do a closing statement. ... or we could continue with the Clearview discussion. It might be part of your closing statement as well.

P: Well, I'll go. I think the most creative thing that could happen would be if Minerals and Management, whatever they are--

P: Management Service?

P: Service. And the federal government were to treat local entities as equals. And that, when they come into an area to lease off some federal land and have some projects that they spend the time and put up with the, all the conversation that they're going to get from local agencies and, in fact, even change their ways, if necessary, to meet local concerns.

M: ___?

P: I would just conclude by saying that I believe that oil is a very important fundamental in our -- important building block in our economy. I don't think that oil is a four-letter word. I believe, like I said earlier, that the concerns that he has raised from a technical perspective are certainly valid and worthy of full consideration. I have great, great faith in man's ability to solve problems. And I believe that, ultimately, the free enterprise system works and that we should -- things like this are very, very constructive and helpful and I believe that we can move forward and solve all of these problems and have a better, growing economy for everybody.

P: I just would echo my optimism about our ability to manage the issues technically. And I think the community in which we live properly is concerned about the environmental and safety concerns and they need to be thoroughly addressed, but I believe that we can go forward with some oil development and the Clearview project, from what I've seen, sounds like it's going to be, on balance, a plus.

M: Thank you very much for your participation today.



The Department of the Interior Mission

As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our energy and mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under U.S. administration.



The Minerals Management Service Mission

As a bureau of the Department of the Interior, the Minerals Management Service's (MMS) primary responsibilities are to manage the mineral resources located on the Nation's Outer Continental Shelf (OCS), collect revenue from the Federal OCS and onshore Federal and Indian lands, and distribute those revenues.

Moreover, in working to meet its responsibilities, the **Offshore Minerals Management Program** administers the OCS competitive leasing program and oversees the safe and environmentally sound exploration and production of our Nation's offshore natural gas, oil and other mineral resources. The MMS **Royalty Management Program** meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

The MMS strives to fulfill its responsibilities through the general guiding principles of: (1) being responsive to the public's concerns and interests by maintaining a dialogue with all potentially affected parties and (2) carrying out its programs with an emphasis on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.