

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
MINERALS MANAGEMENT SERVICE

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OCS ALTERNATIVE ENERGY AND ALTERNATE USE
PROGRAMMATIC EIS
ARGONNE NATIONAL LABORATORY
PUBLIC COMMENT MEETING

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Thursday, May 3, 2007

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Mariner Room
Courtyard Marriott Hotel
35 Lockwood Drive
Charleston, South Carolina

The above-entitled meeting was conducted at 7:00 p.m., pursuant to notice, before: JOHN GASPER, Facilitator, Argonne National Laboratory.

PANEL MEMBERS:

MAUREEN BORNHOLDT, Chief, Minerals Branch, MMS
MARY BOATMAN, Environmental Assessment, MMS
MARK ROUSE, MMS

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Scoping Comments:

MR. GASPER: Elizabeth Kress from Santee Cooper.

MS. KRESS: Well, I'm Elizabeth Kress from Santee Cooper, and my comment was really going to be a question of you, to explain -- asking about the way that the grandfathered sites in the northeast would come under this programmatic EIS. And so I was -- I had misunderstood the purpose of the comment period, and I can wait until later for this with the Q&A part.

MR. GASPER: If you wouldn't mind doing that, that would be good.

MS. KRESS: Okay. Thank you.

MR. GASPER: Next speaker, Nicholas Rigas, Clemson University.

MR. RIGAS: Yes. My name is Nicholas Rigas or Nick Rigas, and I'm with Clemson University. There's just a couple of comments I wanted to make about the programmatic EIS.

First of all, out of the three options that you listed, the I think the first option, which sets a standard nationally, is the one that should be pursued; I do not think Options 2 and 3, which take it on a case-by-case basis or no action at all, are

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1 really viable options for development of this
2 technology.

3 I also ask to consider the issue of small-
4 scale projects. As you stated, there is -- this is
5 new technology. The United States does not have
6 experience in this new technology, unlike Europe in
7 many cases, whether it is wind power or wave energy.
8 And in order for us to gain experience, it will
9 require the development of some small-scale projects
10 not only for the public and the environment issues to
11 be considered, but, also, from the operations,
12 maintenance and construction of these facilities, for
13 which the experience does not exist here.

14 So is there a way to weave in, you know
15 considerations for smaller scale projects, not to
16 demonstrate the technology, but to really gain in
17 experience with the technology?

18 And the other thing, just building off
19 that, is the European experience, that the Europeans
20 have been doing this technology for some time. They
21 have gained experience in the area of the environment,
22 the environmental impact, how to build these
23 facilities. And they are pushing -- in some cases,
24 they're probably ten years ahead of us in some of this
25 technology.

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1 So my -- we ought to look at the lessons
2 learned from them and do a best-practices, so we don't
3 have to reinvent the wheel here, and try to get some
4 of these new technologies going here in the United
5 States.

6 And finally is to provide a fair return to
7 the nation. I just want to comment on that. A lot of
8 these technologies -- unlike oil and natural gas, they
9 are not going to have a national impact. They're
10 going to have a regional impact.

11 The minerals that come out of -- for
12 instance, the natural gas or oil serve the nation.
13 They're distributed throughout the nation. If a wind
14 farm or a wave farm is developed off the coast, it is
15 going to be a regional impact. It's really going to
16 serve that community and that region.

17 So the whole issue about how the leases
18 are handled and what are the duties or whatever is
19 going to be, you know, charged for these facilities
20 needs to be considered into that equation. And the
21 fact that this is really just going to have -- a
22 regional impact is what these technologies are going
23 to have.

24 And also, we don't want to burden these
25 new technologies with undue type of leases or whatever

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1 that makes them even more or less cost-competitive,
2 because they are competing with existing technologies:
3 The coal technologies and the nuclear technologies.
4 So we need to try to increase their viability, as
5 well.

6 So that is all. Thank you.

7 MR. GASPER: Thank you.

8 Our next speaker is Michael Arendt,
9 Surfrider Foundation, Charleston Chapter.

10 MR. ARENDT: I actually didn't realize
11 that the EIS had been prepared. I have not read it.
12 So I think I'll save my questions because that was
13 really what -- if I have a question, I'll save it for
14 the Q&A.

15 MR. GASPER: Okay. Thank you.

16 Next speaker, Nick Uglini.

17 MR. UGOLINI: Ugolini.

18 MR. GASPER: Ugolini -- I'm sorry -- from
19 the Naval Facilities Engineering Command.

20 MR. UGOLINI: Hi. My name's Nick Ugolini.
21 I'm just a private individual at this time.

22 I agree with the national standard. We
23 need to prevent governors and local representatives or
24 local entities from putting their personal
25 considerations on these projects like what happened in

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1 Martha's Vineyard, where the governor stopped the
2 offshore process of building wind farms just because
3 of the political impact of those individuals that
4 lived at Martha's Vineyard. So there should be a
5 national standard where that can happen.

6 I somewhat disagree with the small-scale
7 projects. This technology has been proven over in
8 Europe; they are way ahead of us, and we need to
9 aggressively pursue wind generation because it'll help
10 reduce our carbon emissions from this country. I
11 don't think that really solar systems would work well
12 offshore, mainly because of the cleaning and
13 maintenance involved with the solar cell-type
14 situation.

15 And another item that I noticed was your
16 discussion about construction impacts when they
17 actually build these offshore. As a pilot flying up
18 and down the east coast all the time -- there is
19 tremendous damage to the environment from shrimpers
20 and from those people that drag nets across the bottom
21 of the ocean. And if you ever saw that, you would be
22 appalled at the damage. It's a wasteland out there.

23 And the construction impact of a properly
24 managed process would be very minimal to the
25 environment. Thank you.

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1 MR. GASPER: Thank you.

2 Our next speaker is Michael Hudgins.

3 MALE VOICE: He's not here.

4 MR. GASPER: Oh. Okay.

5 Our next speaker, Catherine Key.

6 MS. KEY: My concerns are twofold. First
7 of all, I agree with the necessity of small-scale
8 projects with respect to wildlife; that would be my
9 major concern.

10 I can understand that yes, we ought to
11 benefit from the experience of Europe and other
12 countries that have done this technology and that have
13 this technology; I don't know whether they have the
14 same environmental problems with respect to wildlife
15 that we do. And that's something that we need to look
16 at very carefully. I think we've done a lot of damage
17 with respect to whales and our use of SONAR by the
18 navy, and that is something that we have to prevent in
19 the future.

20 My second concern. And this may elicit a
21 little humor here, but I'm very serious about it.
22 After we get something like this going and we have a
23 few companies or perhaps a number of companies that
24 are successful and really make an impact with respect
25 to the power that is generated, are we going to permit

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1 the oil companies to buy up these companies and
2 abandon them like we have with solar energy and with
3 the electric car?

4 I think that's very, very important, and
5 it's something that I haven't heard addressed by
6 anyone. But I have personally seen it happen over the
7 last, oh, what, since the '70s, the last number of
8 years. And I would certainly not want to see our
9 taxpayer money used again to develop technologies that
10 are then going to be dismantled by companies that
11 don't like the competition.

12 MR. GASPER: Thank you.

13 Our next speaker, Kristen French.

14 MS. FRENCH: Hello. I'm Kristen French.
15 I'm a private citizen, and I just had a few comments.

16 I was wondering if -- once you get the
17 record of decision made, how much longer is it going
18 to be before regulations are going to be able to be
19 implemented? And would you allow case-by-case
20 permitting while you're developing the regulations and
21 putting them in place?

22 I wondered a little bit about maintenance
23 and operations impacts on some of the technologies,
24 because I felt like they were glossed over a little
25 bit, especially the underwater turbines. You

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1 mentioned that marine life could get caught up in the
2 turbines. How big marine life are we talking about?
3 Are there ways to exclude marine life from the
4 turbines?

5 How much maintenance is going to be
6 involved from damage of contact with marine life? And
7 how would that impose another environmental impact --
8 the maintenance of the turbines themselves?

9 I agree that the return to the nation
10 consideration should probably have a low priority for
11 this five- to seven-year outlook because it's not a
12 competitive technology yet. And the oil and gas
13 industries are still heavily subsidized. So I think
14 that that's a major consideration.

15 I do want to see care taken with affecting
16 wildlife, but I also feel like we don't want to
17 overburden a new technological industry that has the
18 potential to provide clean energy with too many
19 regulations at this point, since we don't know a lot.
20 So I would like to see the regulations be smart, but
21 not too difficult to wade through, at this point. And
22 I guess I would see this five- to seven-year period as
23 a learning period. I expect that you're going to
24 revamp the regulations at the -- towards the end of
25 five years. And that's what I would hope.

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1 MR. GASPER: Thank you. I think probably
2 some of those questions you might want to raise again
3 in the question-and-answer period.

4 Our last speaker that's registered right
5 now is Robert John Wyatt.

6 MR. WYATT: My name's Robert John Wyatt;
7 I'm a former employee with the government. I worked
8 as an auditor and, also, did environmental work.

9 My main concern is the first. Number 3
10 and Number 2 I do not see as being viable in any way,
11 shape or form, because they do interfere with mammals,
12 diving and the fishing industry. You're asking for a
13 major headache.

14 Number One I feel is the most viable one,
15 but it needs to be put in very specific locations, not
16 just lining up a half a dozen of them in a row simply
17 because it seems like a good place to put them. My
18 thought on that was to put them in very specific buoy
19 locations, especially -- and it needs to be -- the
20 buoy locations and the markings on the actual
21 windmills need to be put so that not only the
22 commercial boats can see them.

23 So the markings -- so you might have to --
24 and I have seen them. They don't -- they only have
25 one row of lights, at the midpoint. They should have

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1 at least two different levels of rows as far as the
2 lighting is concerned, because you have the commercial
3 shippers and then you have -- which are at a much
4 higher level, especially on the Maersk and, you know,
5 the other lines.

6 And then you have the small boats. And
7 you're talking about weather conditions. They also
8 need to be color coded. That's very important because
9 during bad weather conditions, the lights might shine
10 up, but you also -- and this is what I do now. I
11 design things. I've got all kinds of inventions.

12 But the bottom line is: If you don't have
13 the proper contrast on these wind turbines along with
14 the lighting, under bad weather conditions, you're
15 asking for a huge fiasco. And as far as what is under
16 the water level, what is actually under the water
17 level, it should be and it can -- well, I'll put it
18 this way. It can be made so it is very proactive to
19 the environment.

20 And especially when you're dealing with
21 mammals, the whales, the surfaces and the texture of
22 the material that is under the water need to be almost
23 an incredibly slick surface. And it also needs to be
24 very shock-absorbing.

25 And I would even go so far as to --

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1 knowing the actual size of it is the main part of it.
2 If you don't know the actual size of it, you have to
3 have a certain amount of shock-absorbing power between
4 the actual impact -- it's like cars that get in a
5 wreck. You've got the bumper, and you have a certain
6 amount of room there that you have to have.

7 If you don't have that amount of room --
8 say you have a commercial liner that gets in bad
9 weather and runs into one of these things. That's
10 going to be a disaster especially if it's an oil
11 tanker.

12 So you have to have -- it has to be shock-
13 absorbing, and it has to be slick, and the bottom side
14 of it below the water level needs to be made as
15 environmentally proactive as it can possibly be. And
16 that includes all the lines that are connecting. So
17 what you don't want to do -- and I -- that was the
18 first thing I saw.

19 What you really don't want to do is have
20 a whole bunch of them lined up one right after
21 another. That's a huge mistake because not only are
22 you destroying the overall appearance of that
23 particular section of the water, but you're also
24 creating more of a hazard for more mammals and
25 shrimpers, boaters, divers and commercial boats to get

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1 caught up in between those gaps.

2 And so for the lines themselves, they need
3 to be in very specific locations that are normally
4 associated with buoy locations. You can actually turn
5 them into buoys. The bottom half of them can be made
6 up into buoys and be lit up just like the buoys are.
7 So what you end up with is a multi-purpose operation
8 that's being -- you're taking two or three things at
9 one time and you're making it as safe as you possible
10 can.

11 Even the lines like the lines that come up
12 to shore -- and you have the towers. You have the
13 lines coming up the shore, and you have the towers.
14 Well, you know, those can be proactive as far as the
15 environment is concerned, also. Certain aspects of
16 the energy can be used to do something else possibly
17 for the wildlife in that area.

18 And the lines, the energy -- I invent
19 things all the time. So I mean I'm just -- this is
20 just right off the top of my head.

21 But right now, the lines -- you could
22 actually put a small percentage of the amperage off of
23 that to create almost like a miniature coral reef that
24 generates more of a population and blend it in, you
25 know, like the old battleships. They sink them out in

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1 the ocean, and they let that -- they let them go
2 underneath. They let the wildlife start to take over.
3 And within two to three years' time, it has turned
4 into a, you know, perfectly normal, let's say, habitat
5 for wildlife.

6 But you've got to do that. You've got to
7 think about that because, when you're just putting
8 these -- and I've seen different locations where
9 they've lined them up.

10 I've seen them out on the west coast,
11 where they take pieces of land and they've got dozens
12 of them lined up, one right after another. It just
13 trashes the entire area. It looks like garbage, you
14 know. They might as well have a couple of dumpsters
15 next to the damned towers, to be honest with you. And
16 I can see by your impression there that you know what
17 I'm talking about.

18 So -- and as far as the governments, who's
19 actually going to be controlling this? I've dealt
20 with the government saying one thing with one hand and
21 doing the other with the other. So who's actually
22 controlling this, and how much say-so is the general
23 public really going to have in how it's implemented?
24 That's about all I have.

25 MR. GASPER: Thank you.

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1 [name withheld]: I'd [inaudible]

2 MR. GASPER: Sure. I was just going to
3 ask if there was anybody else who'd like to make a
4 comment.

5 [withheld]: My name is [withheld], and
6 I'm here as a citizen. I'm here particularly because
7 our younger son married a Danish girl and we flew to
8 Denmark for many, many years to visit them monthly.
9 They're here now. But we flew in to Copenhagen before
10 the wind generators were there and afterwards, and the
11 first time we saw them, they were beautiful.

12 I've heard negative comments, but I think
13 Charleston and Copenhagen are similar in many ways.
14 They pride their history. They maintain their
15 buildings. They want to preserve the beauty of the
16 environment around them, and the Danish people did
17 very well with their placement.

18 And I think that we have to admit that we
19 can learn from other people; we don't have to always
20 be the first at something. And we have to acknowledge
21 this investment they've already made. And I think we
22 should not be fearful of the way it will appear. I
23 think there is a way to make it beautiful. It was
24 gorgeous from the air the first time we saw it.

25 And I just want to encourage everyone

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1 involved to think about what the grander benefits are
2 in the future for all of us: A cleaner source of
3 energy. But also, keep in mind that it is possible to
4 do something in a pleasant, aesthetic way. Thanks.

5 MR. GASPER: Thank you.

6 Anybody else who'd like to make a comment?

7 [Name withheld]: I'm [withheld]
8 general citizen. One thing that I didn't see up on
9 the screen was anything to do with financing and
10 subsidies.

11 And from studying some about alternative
12 energy sources -- it has been stated that it pretty
13 well is going to need to be subsidized in order to get
14 it off the ground. So I think that that's -- an
15 important thing for us to look at is, What are the
16 financial implications of dealing with a new
17 technology, and what kind of incentives are going to
18 be offered to companies to actually get this ball
19 rolling.

20 Secondly, I'd like to talk a little bit
21 about how I got here tonight. I found out about it on
22 an article on the internet. But then last night, I
23 watched the 11 o'clock news, and they did a clip from
24 Martha's Vineyard instead of talking about what was
25 going to happen here locally tonight.

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1 And I wanted to say that I think the
2 placement of the windmills would be tremendously
3 important not to generate that kind of community
4 backlash that goes, "Not in my backyard," because the
5 aesthetics, of course, are going to be extremely
6 important.

7 There were specifics tonight that you
8 didn't address that I would have liked to have heard
9 more about, particularly about placement, how far
10 offshore, so that we could avoid some of these
11 controversies about people not having their beachfront
12 properties overlooking that, and the kind of backlash
13 that's invariably going to happen when people think
14 that their property values are at risk.

15 So I think the thing that I'd like to
16 proceed with is, What can we do to get this to work?
17 We all recognize how important it is right now to
18 reduce the carbon emissions. And just what can we do
19 to make this a good alternative? Thank you.

20 MR. GASPER: Thank you.

21 Anybody else have a comment they'd like to
22 make?

23 MR. HUDGINS: I pass. My name's Mike
24 Hudgins. I pass. I wanted to hear what most people
25 had to say. I'm from South Carolina, and I've walked

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1 the beaches. And I have been -- back in '73, I did
2 work in Puwoe [phonetic] Bay and Port Royal. We did
3 do some clean-up down there.

4 I think, like the lady said, that you --
5 she said pretty much we're concerned about this
6 program, about if oil does become, you know, on a
7 continental shelf -- we've had this program before.
8 In the past 15 or 20 years, oil was the thing that --
9 and we've had enough oil, and there's plenty of oil,
10 but we don't want to bring it out on our continental
11 shelf, even though it's in the gulf and there's plenty
12 of it in the gulf and Mexico.

13 I think basically what you're looking at
14 is wind power. And there's some concerns about the
15 operation, but we've -- already have our European
16 friends that have it operating, in the Dutch
17 community, in Portugal and in other places. There are
18 other alternatives, sun/solar.

19 So I commend you on your MMS -- minerals.
20 I do not -- I hope it's not going to be a slide-in
21 with oil, but that's something we'll all have to
22 watch. My main concern is, basically -- you know,
23 today is a hazy day. In China, it's a smoggy day. In
24 California not more than 20 years ago, you couldn't
25 take your children out; you had to wear a mask of some

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1 type.

2 It's time to act. I mean I'm glad you're
3 here. I know the technology's there. If it happens
4 to be out here, sure, we're going to have the value of
5 property maybe -- I don't know -- three or four miles
6 out. I've been out to sea. You can't see land from
7 three or four miles out.

8 But yes, we have concerns about
9 electromagnetic. We have concerns about the fish and
10 wildlife, but the main thing is if today's hazy -- if
11 you give it another ten years, you may have to have a
12 mask just to walk around this country.

13 And it's not about us -- I mean about me,
14 you. It's about we, us, the global economy. We know
15 it's a global warming. We know it has affected. Some
16 say no. There's nays and there's yes, but it's out
17 there.

18 So I think we have the technology. I
19 think we have friends in Europe. And like I say,
20 future. And change is good. And we have to make that
21 move. I'm -- I think we -- I thank you all for
22 coming. That's my comment. Thank you.

23 MR. GASPER: Thank you.

24 Anyone else?

25 Yes, sir.

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1 [Name withheld]:Hi. My name's [withheld].
2 I'm just a private citizen, but my comment is mainly
3 about the time frame and piggybacking on some of the
4 other comments.

5 From what I understand, the technology is
6 there and Europe has done it. So my comment would be,
7 Is there anything that can be done to shorten the
8 five- to seven-year outlook given that we need this
9 renewable source now? And maybe give some
10 consideration to letting one or two or three pilot
11 projects through now.

12 And the question I had for later was, Are
13 there any proposals that you have on your doorstep
14 that are just waiting for the government to come up
15 with the program?

16 MR. GASPER: Any other comments?

17 Yes, sir.

18 MR. ARENDT: Good evening. My name's
19 Michael Arendt, and I'm speaking as a private citizen.

20 I think everyone has probably covered a
21 lot of the points that I wanted to make and questions
22 that I had. Obviously, placement is critical. Do you
23 have like -- I'm following up on what the last
24 gentleman said. Do you have any specific proposals
25 for the South Carolina coastal region that we could

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1 review? And if so, we'd love to see those.

2 And I agree that we can learn a lot from
3 the Europeans. That -- you know, I think -- the
4 electromagnetic comment I've heard raised a few times.
5 We have a number of tower systems, telephone lines and
6 such off our coast and other states' in the southeast.
7 So I think there obviously are ways to mitigate the
8 electromagnetic effects.

9 But the one thing that I have not heard
10 mentioned is -- we don't know, but is there -- you
11 know, we don't know the effect. We don't know the
12 effect. But I didn't hear anything about a provision
13 of money for research to study these things and to
14 evaluate them during, you know, the early years of the
15 operational. And I don't know. Maybe that's
16 something that should be included.

17 I think selfishly. I'm a fisheries
18 biologist. So there's opportunities there for me.
19 But I -- on a serious note, I do think that that is
20 critical. And I would -- if you have any funds that
21 you could designate for that, I think that would be
22 really important. Thank you.

23 MR. GASPER: Thank you.

24 Yes, sir.

25 MR. WYATT: The gentleman I just spoke

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1 with made a very good comment, and that is -- when I
2 used to work as an auditor, the biggest thing was,
3 Rush, rush, rush, get it done. And I used to catch
4 people making mistakes on a regular basis. And I
5 think the time frames that you actually listed here
6 you should, like I suggested -- and I was one of five
7 auditors for the entire facility, and when I made a
8 comment, they stuck with it.

9 The bottom line is: I think it should be
10 with the buoys on an isolated basis. And you should
11 give at least a certain time frame, just like the
12 gentleman just said, for research and evaluation of
13 that time, for at least the first three years.

14 Stick with strictly the buoy locations.
15 Do just the wind turbines. Set them up the way I was
16 talking about. Make them incredibly -- make them as
17 environmentally proactive as you possibly can, and
18 then evaluate them for at least three years. Don't
19 just put a bunch of garbage out there.

20 And, you know, you've got time. Hands
21 down, when I saw people rushing, they always, always
22 made mistakes. So that's it.

23 MR. GASPER: Thanks.

24 Anybody else have a comment on the
25 programmatic EIS they might want to make?

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1 (Pause.)

2 MR. GASPER: Okay.

3 Questions and Answers:

4 MR. GASPER: Well, we've heard a lot of
5 good questions. One of them I know that several
6 people made was, Are there any proposals out there now
7 that are waiting. That might be a good one to start
8 off with.

9 MS. BORNHOLDT: Presently for this area of
10 the United States, we're not aware of any proposals.
11 We do have proposals -- people and companies that have
12 contacted us, saying, When can we file applications.
13 And presently, we will not engage in evaluating any
14 applications until our program is in place.

15 This kind of relates to one of the other
16 questions: When will the regulations be out. Well,
17 we're targeting the end of the summer for our proposed
18 regulations, and there will be a public comment period
19 offer for that. The hope is then we take a look at
20 the kind of comments that we get and we can probably
21 bring those regulations to final sometime in '08.

22 MS. BOATMAN: Cape Wind.

23 MS. BORNHOLDT: Oh. Cape Wind
24 grandfathering?

25 MS. BOATMAN: Grandfathering.

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1 MS. BORNHOLDT: Okay.

2 There was a question with regard to the
3 two wind farms that we are presently reviewing up in
4 the northeast. One is the Cape Wind project up in
5 Nantucket Sound, and the second one is the Long Island
6 Offshore Wind Park off of Long Island, New York.

7 Those two particular wind farms were
8 grandfathered by a savings clause in Section 388 that
9 called those two projects out and exempted them from
10 competing for their proposal sites and exempted them
11 from refiling existing permits that they had already
12 filed. They, those two projects, are being reviewed
13 right now. Environmental impact statements, site-
14 specific ones, are being prepared for both of the
15 projects.

16 Neither of the projects will be approved
17 or any decisions will be made until the regulations
18 are in place. Both projects will have to adhere to
19 the regulatory regime. They'll have to be subjected
20 to the fiscal terms, the fees, the revenue sharing
21 that the rules for this program will state.

22 So the only exemptions that they have
23 is -- they don't have to compete for their proposal
24 sites, and they don't have to refile already-filed
25 permits.

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1 MR. GASPER: I think there were also
2 several questions that related to visual impacts or
3 impacts on fisheries of individual plants. Maybe some
4 clarification about the tiering that's going -- that
5 you're planning to do?

6 MS. BORNHOLDT: The programmatic EIS is
7 our first step, a really very broad-brushed base
8 evaluation of, like I said in the presentation, the
9 generic impacts regardless of locations -- it's not
10 location specific -- and it's interface with the
11 marine and human environment. Then the plan is for
12 areas that are willing. And I'll give an example.

13 In the northwest United States, the states
14 of Oregon, Washington and California want to work with
15 the Minerals Management Service on a task force to do
16 some planning and some regional planning and regional
17 environmental impact evaluation. So we're going to
18 engage with them to do that.

19 So there'll be -- that'll be -- one step
20 up from this broad programmatic EIS will be a regional
21 EIS that will examine those implications to the
22 environment, but actually using analogs in the real
23 environment, unlike the programmatic, which is the
24 general. And then if we would have a project in the
25 northwest United States, that project would be

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1 subjected to a very specific location-oriented
2 environmental impact evaluation.

3 That's how we're viewing this now. I
4 don't know if that helps.

5 MR. GASPER: Any other questions?

6 Yes, sir. Would you mind coming up to the
7 mic just to make it easier for everybody to hear you?

8 MR. SWEENEY: One of the questions that I
9 have -- and I've sailed by the towers in Savannah.
10 And you're not very far from one of the largest
11 nuclear sub bases in the country. Is the defense
12 department also interested in this? Because if you're
13 generating huge amounts of kilowatt power, it would
14 not be hard to believe that they could use it for
15 underwater SONAR, which, obviously, is not what we're
16 here to talk about.

17 But has the defense department issued an
18 interest in this? Or are you -- are they working with
19 you, or do they even have to go through this process,
20 or can they do pretty much whatever they want?

21 (General laughter.)

22 MS. BORNHOLDT: Okay. I guess I hear a
23 couple of questions.

24 Is the defense department working with us
25 on this particular programmatic EIS? No, they're

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1 really not. But the defense department are
2 cooperating agents -- different services in the
3 defense department are cooperating agencies on our two
4 project-specific EISs, for Cape Wind and the Long
5 Island project.

6 It is envisioned, though, if we go to a
7 regional EIS or if we would have a sale, an auction,
8 to allow access on a competitive basis that we would
9 partner with the defense department, Department of the
10 Navy, the Air Force or whatever service that could be
11 affected to work with us to understand the
12 implications of our action.

13 We do that already on the oil and gas
14 side. We do that already on the marine minerals side.
15 That works. So we would do that here. I don't know
16 if that --

17 MR. SWEENEY: It's just that we haven't
18 head anything that would -- I mean this isn't about
19 the defense department, but it certainly -- if you
20 just have any imagination at all, it would not be
21 hard, when you have these standing towers out there,
22 to conceive of ways that they could use them. I'm not
23 going to go into the whole --

24 MS. BORNHOLDT: Right.

25 MR. SWEENEY: -- low-energy star stuff.

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1 That's not what we're here about.

2 MS. BORNHOLDT: Okay.

3 MR. SWEENEY: I was just curious if they
4 had expressed an interest in this project.

5 MS. BORNHOLDT: Not like that, but just in
6 the sense of the two projects up north, to be a part
7 of that environmental evaluation and to be apprised
8 and to be able to offer their advice when it comes to
9 taking a look at decisions associated with them.

10 MR. SWEENEY: Okay. Thank you.

11 MR. GASPER: Any other questions?

12 Yes, sir.

13 MR. RIGAS: The question I have is -- when
14 these projects bring in their cabling onshore, the
15 cabling at some point is going to cross into state
16 waters. Is that going to require these projects to
17 also get state approval for that three-mile area where
18 the cabling is going to come in, you know, onshore,
19 regardless of the technology?

20 MS. BORNHOLDT: Yes, because we don't have
21 jurisdiction to do that. In fact, I can use the Cape
22 Wind project as an example of that. We're working
23 with the state of Massachusetts because they have
24 responsibility for the transmission line when it's in
25 state waters and the onshore implication of that. Our

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1 environmental impact statement, though, for Cape Wind
2 covers everything.

3 We are taking a look at what the impacts
4 are to that coastal environment, to the state water
5 environment. So even though we don't have
6 jurisdiction to make any decisions associated with the
7 state waters, for our environmental impact statement,
8 we take a look at the whole project from cradle to
9 grave outside of our jurisdiction.

10 So yes, we're working with the state of
11 Massachusetts. And I would imagine that if we would
12 have a project proposed off of this state, we would
13 work with the state of South Carolina to make sure
14 that where ever we could share information we would.
15 If there were documentation or analysis that was
16 required, we could do that maybe in one document
17 instead of two. We would try to work it so the
18 systems were efficient.

19 (Pause.)

20 MS. BORNHOLDT: Oh, the other thing, too,
21 Mark mentioned: The Coastal Zone Management Act.
22 Obviously, that's where the state really has a good
23 strong opportunity to take a look at projects from the
24 CZMA perspective as it relates to enforceable policies
25 in the state's coastal management plan. So that's

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1 another way that we can work with the state. There's
2 a third way.

3 In the proposed regulations, we're talking
4 about establishing a state federal task force because
5 from our marine minerals experience for sand and
6 gravel in particular, we've learned that that really
7 helps with state planning, as well as our planning.
8 And we don't get out ahead of issues. We can work
9 through issues together, whether it's transmission
10 issues or resource issues offshore. So it's kind of
11 three ways.

12 MR. GASPER: Yes, ma'am.

13 MS. FRENCH: Again, my name's Kristen
14 French, and I had two questions. One is -- you
15 mentioned, for instance, there could be a moderate to
16 major impact on sea turtles, due to construction
17 lighting, and hatchlings.

18 And I'm wondering if you're going to offer
19 specific proposals for mitigation in terms of either
20 setting up the construction site so that it won't send
21 light to the shore or not allowing it in areas where
22 sea turtles hatch, you know, either one. Do you -- I
23 don't know if you have anything specific for that.
24 That would definitely be a local interest here.

25 MS. BOATMAN: Right. And like you said,

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1 that would be a -- I coordinated the EIS, but I'm not
2 a biologist. So -- but just -- I guess I have to
3 caveat.

4 But basically, you know, sea turtles --
5 they do their nesting during a certain period of time.
6 If for some reason the way we would impact them is
7 bringing a transmission through that area, you just
8 simply would not do that activity while the sea
9 turtles were laying their eggs, for example. And then
10 it's going to be buried up in -- we're assuming,
11 buried to the sub-station. So it's going to be gone
12 once -- you know, for the next year, essentially.

13 That's what we're envisioning if -- that's
14 what would happen -- or avoiding the area completely.
15 Three miles offshore, of course, you don't have to
16 worry about sea turtle nesting, et cetera. So that's
17 one of the issues that was brought out, you know.

18 And you have to understand that the EIS --
19 we're just trying to lay everything that we could
20 think of on table -- and that we've heard about and
21 that have had -- been concerns from our experience
22 with the oil and gas activity, and just put it out on
23 the table for everyone to start talking about and
24 thinking about, and not coming to absolute definitive
25 answers at this point. We're just -- we're all still

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1 learning, essentially.

2 MS. FRENCH: Okay.

3 MS. BORNHOLDT: And one advantage we have
4 about being in the Department of the Interior is that
5 we have the Fish and Wildlife Service within our
6 department, as well as -- we work with the NOAA
7 fisheries on these issues, because we come across --
8 and particularly in the marine minerals program, where
9 we do beach renourishments. We've done them in South
10 Carolina, Virginia and Florida, where turtles nest,
11 and we've been able to work with those two resource
12 agencies to make sure we don't have an impact, because
13 they are protected species.

14 MS. FRENCH: Okay. Ant then the other
15 question I had is, Do you know if wetlands would be
16 irreversibly impacted by cable installation or sub-
17 station installation and maintenance of the equipment
18 that's going to carry the electricity?

19 MS. BOATMAN: There is -- first of all, in
20 terms of wetlands, there is technology that you can
21 use, directional drilling -- they can put it
22 underneath the wetlands. They use that for pipelines
23 along the Louisiana coast now, presently. So that you
24 don't disturb the sensitive areas of the wetlands, you
25 basically channel underneath it to get to a sub-

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1 station.

2 And I don't -- in terms of sub-stations,
3 there's the corps of engineers regulations and
4 everything about endangering wetlands when you build
5 something like that. And they would have to comply
6 with that type of thing.

7 MS. FRENCH: Okay. Thank you.

8 MR. GASPER: Anybody else?

9 Yes, sir.

10 MR. LOWERY: I hadn't heard it
11 mentioned --

12 MR. GASPER: Would you mind mentioning
13 your name?

14 MR. LOWERY: Oh, sure. My name is Cameron
15 Lowery. I'm a master's student in environmental
16 studies at the College of Charleston.

17 I was curious who was planning on
18 underwriting this type of project. Would there be any
19 type of federal funding or subsidies to encourage this
20 type of growth off the coast in terms of wind energy?
21 I know we heavily subsidize the oil industry.

22 And, I guess, related to this, what is --
23 were you interested in encouraging indigenous South
24 Carolina companies from doing this type of work, or
25 was it more of a federal effort to encourage companies

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1 of, you know, other states to come in off the coast
2 and develop this type of technology?

3 MS. BORNHOLDT: With regard to federal
4 subsidy, presently, there's a production tax credit
5 for renewable energy for wind farms. With regard to
6 federal programs -- somebody asked a question about
7 research and studies -- one of the things that the
8 Minerals Management does or -- it has is an
9 environmental studies program. And we conduct
10 baseline investigations to understand implications
11 associated with construction, big questions on sorts
12 of environmental issues.

13 So if we would conduct in this particular
14 program a lease sale for, let's say, wind leases off
15 of South Carolina, we would have to have some baseline
16 understanding of the ecosystem out there, the
17 critters, the physical oceanography, those sorts of
18 things. We have dollars to be able to do those kinds
19 of general studies.

20 If someone were to access and win a lease
21 and have their plan approved to build a wind farm,
22 there would be particular study requirements of that
23 developer. That developer would bear the cost of
24 those particular studies, because they receive the
25 benefit from it. It is site specific. So we have

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1 some funds to be able to do broad environmental
2 studies.

3 With regard to encouraging either local
4 companies or companies coming in, that's something
5 that we're not going to regulate. We figure that it's
6 a capitalist society, I guess, and economics are
7 driven like that.

8 And if there is a company -- homegrown
9 company that wants to go out there and create one of
10 these facilities, if they meet the qualifications for
11 an operator -- we do have that in the regulations; it
12 just can't be somebody -- they have to meet a
13 particular standard -- then, you know, that would work
14 well.

15 You know, one would hope, though that --
16 sometimes regional companies understand regional
17 issues and have really good dialogue and a really good
18 relationship with stakeholders and affected groups.
19 So I mean that would be wonderful, but we're not, you
20 know, advocating one or the other.

21 MR. GASPER: Yes, sir.

22 MR. SWEENEY: I just -- you're stimulating
23 some ideas. If someone buys a lease, do they have to
24 use it?

25 MS. BORNHOLDT: Good question. We --

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1 MR. SWEENEY: And there's -- let me give
2 the second piece.

3 MS. BORNHOLDT: All right.

4 MR. SWEENEY: If someone buys a lease for
5 a wind farm and says, "Hmm, we just happened to buy a
6 lease where there's oil," do they have to go through
7 a separate process for oil? Could they get a two-for-
8 one bargain? I mean it's not inconceivable, because
9 we're already talking about drilling offshore. Why
10 not do two things at once, especially if you're the
11 same company?

12 MS. BORNHOLDT: First -- let me answer the
13 second question first. If you get a lease for wind
14 energy, that's the only type of activity -- supported
15 activity that you can use that lease for. The lease
16 will be written specifically for that.

17 The second thing is if there were to be a
18 lease sale off of South Carolina. Presently, we
19 cannot as a federal government lease lands off of
20 South Carolina -- they are under moratoria, and it's
21 not going to happen -- for oil and gas. But we can
22 lease them for renewable energy.

23 And again, as I said, it's a -- if a
24 company wins a wind lease, that is what they must do.
25 If they start operating something which is different,

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1 it's not going to happen. They're not going to be
2 allowed to continue on that lease.

3 We have built into our regulations what we
4 call diligence requirements. You can't just hold a
5 lease for 40 years; there's a staging of events that
6 must occur in order for you to continue to hold your
7 lease.

8 You know, those are those lessons learned
9 from the oil and gas side, from the sand and gravel
10 side and, the other, marine minerals side. You know,
11 the lease will be specific to renewables, and it'll
12 have specific conditions that you must meet in order
13 to continue your lease.

14 MR. GASPER: Yes, sir.

15 MALE VOICE: As a follow-up to your
16 statement about --

17 MR. GASPER: If you could, come up here so
18 that -- the court reporter needs to -- yes.

19 MALE VOICE: I'm usually loud. Sorry.

20 As a follow-up to your statement about how
21 you would first before you sold the lease conduct an
22 assessment and then the buyer would be responsible for
23 any further research, would monitoring post-
24 construction be a requirement of the purchaser?

25 MS. BORNHOLDT: That's a really good

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1 question. And you talk about taking a look at this
2 new opportunity in a different light.

3 One of the things that we're folding -- in
4 the proposal that we're folding into the regulation is
5 a small adaptive management piece to -- because we
6 don't want to be overly burdensome to this new
7 technology. But we know that monitoring those post-
8 construction activities is very important to help
9 understand the interface of these new technologies and
10 the environment.

11 So there'll be an adaptive management
12 piece into the regulation that -- we will take a look
13 at particular critical items that perhaps were pointed
14 out by the environmental impact statement or that were
15 perhaps raised by the state that we're partnering with
16 that -- we would want that operator to monitor and
17 report back so we can gain a better understanding and
18 maybe improve our regulations or improve the way we
19 regulate or improve the way we would permit these
20 types of activities. So yes.

21 MR. GASPER: Yes, sir.

22 MR. RIGAS: Maureen, the question I had is
23 when -- you talk about opening up, for instance,
24 leases in South Carolina. I know in the oil and gas
25 industry -- I mean, there's only certain areas that

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1 there's oil and gas and, therefore, they're opened up
2 for bidding and such.

3 In the case, for instance, of wind power
4 off of South Carolina, there's large swaths of land --
5 I mean ocean land -- out there. Even if you exclude
6 the shipping channels, you know, and all the
7 exceptions that you make, is it going to be that a
8 developer is going to come or -- they're going to come
9 and say, "We're thinking we want to put an offshore
10 wind farm, for instance, in this area," and then is it
11 going to be a requirement that that all of a sudden
12 becomes opened up for other potential developers to
13 bid on, as well?

14 Or is it that that developer that
15 identifies that specific area -- because it's only
16 going to be several square miles, or whatever it's
17 going to be that they identify -- that they're going
18 to apply for that lease and then -- I don't understand
19 really how that's going to happen, because when you
20 say you're opening -- going to open up the lands or
21 areas of South Carolina especially for offshore wind
22 power, it could be enormous swaths of land that are
23 opened up. So if you could, just clarify that for us.

24 MS. BORNHOLDT: Thank goodness our
25 attorney's not here, because he'd be yelling and

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1 screaming at me. In the sense that this is -- these
2 are just what we're proposing to do. And the
3 regulation is going through its internal review. So
4 I can just kind of give you just --

5 MS. BOATMAN: Where we are right now.

6 MS. BORNHOLDT: Yes, where we are right
7 now, because I can't guarantee.

8 Let me say one thing. In Section 388,
9 there's a require in the law that says the secretary
10 of the interior must make available these lands on a
11 competitive basis unless the secretary determines
12 there's no competitive interest. That was a new twist
13 that came out of the joint committee that developed
14 this EAct. It wasn't something that we foresaw.

15 So there would be competition. We have to
16 determine if there's competition.

17 So if you came in to me after our
18 regulations were promulgated and said, "I have a 24-
19 square-mile area off of South Carolina that I would
20 like to build a wind park," and I say, "That's really
21 nice; give me," and I would have information
22 requirements that would be in the rule that you would
23 have to give to the Minerals Management Service, we
24 would then do what we call a call of competition or
25 call for interest. That -- and we would make it

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1 blind.

2 So no one would know who, but they'd have
3 an idea of where. And we would say, Is anybody else
4 interested in competing for this site.

5 If we get somebody else who wants that
6 geographic area, then we would hold an auction for
7 that area. I do not believe -- this is my personal
8 opinion -- that you're going to see oil and gas-like
9 sales for alternative energy. They're going to be
10 smaller, defined areas based on the input that we
11 receive from companies and if there's an overlapping
12 interest.

13 So you won't see 200 square miles, you
14 know, off of South Carolina being offered. It will be
15 very distinct polygons, if you would, depending on the
16 level of interest.

17 MR. GASPER: Anybody else?

18 Okay.

19 MR. SWEENEY: If someone -- and this is
20 happening with our port. We're having a little
21 conversation about Georgia. Suppose somebody buys a
22 wind farm. Do they get to choose which state they
23 sell the electricity to?

24 MR. GASPER: Good question.

25 MS. BORNHOLDT: That's an excellent

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1 question, and I don't have an answer. I know that how
2 we are preparing the regulations is that they must
3 tell us where they want to bring it to shore.

4 Depending on -- Section 388 also talks
5 about revenue sharing with affected states, and it
6 talks to that 27 percent of the revenues would be
7 shared with the states that are within -- and this is
8 your congress that wrote this; not me -- 15 miles of
9 the geographic center of that particular proposal.

10 You will see probably at the end of this
11 summer a separate rulemaking come out that is talking
12 about the formula that the secretary of the interior
13 has devised to be able to determine who's an affected
14 state and how to share that. So that's how -- you
15 know, they may go to Georgia, but, depending on where
16 that particular site is located, if it fits the
17 formula, South Carolina could also benefit in the
18 shared revenue.

19 MALE VOICE: Crude oil and natural gas are
20 the same way. They bring it ashore in Louisiana, but
21 it goes all over the country.

22 MS. BOATMAN: Yes.

23 MR. GASPER: Okay. Any other?

24 Yes, sir.

25 MR. WYATT: Excuse me. This is Robert

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1 Wyatt again.

2 The way you referred to the contracting,
3 whether it -- you know, making it competitive,
4 that's -- it sounds all fine and good on paper, but
5 you know good and well the bigger contractors could
6 end up squeezing the smaller contractors out, like a
7 monopoly. And are there any provisions in the way
8 it's written to make it much more fair, I should say,
9 and make it above board?

10 And that was Number One. And, Number Two,
11 before they start installing these windmills up in the
12 northeast, I would really like to -- provided you're
13 willing to take my input on it, I really would like it
14 if you would speak to me about the way they're
15 actually doing it.

16 I design stuff all the time. And I
17 guarantee you I could come up with all kinds of
18 innovative ways to make sure, Number One, it should
19 not be -- we have enough oil all over the country.
20 There should not -- we've got enough environmental
21 problems as it is with the tankers and everything
22 else.

23 I really don't think it's even necessary
24 or in the best interest of this country to be drilling
25 offshore where ever they're putting these windmills.

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1 You know, I understand that you implemented that, you
2 know, they only have one specific type of contract,
3 but what happens in the process could end up changing
4 that. And you don't know what's going to actually
5 happen in the process until they actually do it.
6 So --

7 MS. BORNHOLDT: With regard to commenting
8 on the impacts associated with the construction and
9 installation of the two wind farms up north, I would
10 suggest that you go to the mms.gov website and keep
11 track of how the Cape Wind process is going, as well
12 as the Long Island process, because once those draft
13 EISs go out, there'll be an opportunity for public
14 comment, and then you can offer your ideas at that
15 point in time. That would be the most appropriate.

16 With regard to oil and gas being drilled
17 on those sites, I can tell you absolutely now with all
18 due certainty that when we issue a lease for renewable
19 energy, that lease will not be controverted to be used
20 for oil and gas. That is not how the leases are going
21 to be written.

22 MR. GASPER: Yes, sir.

23 [Name withheld]: [withheld], private citizen.
24 just had a question. Will there be any mechanism in
25 place if an entity, say, starts going through all the

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1 hoops, identifies a site and then most likely has to
2 spend a lot of money to do a lot of monitoring, if
3 they're not guaranteed a lease, they can recoup those
4 costs? Or how would that work?

5 MS. BORNHOLDT: Once a lease is issued and
6 if a company goes through and, let's say, spends a lot
7 of money on environmental studies and goes out and
8 contracts for whether it's turbines for wind or
9 turbines for ocean current and it goes under, there's
10 no way at this point in time in the regulation to be
11 able to recoup that.

12 I'm not an expert on tax law or anything
13 like that, but, with regard to coming back to MMS and
14 saying, "I failed; can I have my money back," no, not
15 going to happen.

16 MR. GASPER: Okay. Anybody else? Going
17 once, twice.

18 (General laughter.)

19 MR. GASPER: Well, thanks again for coming
20 tonight. And we sure appreciate you taking your time
21 and giving us input and look forward to your
22 participation down the road. We'll officially call
23 the Ms. Graham closed at 8:25.

24 (Whereupon, at 8:25, the meeting was
25 concluded.)

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