

TRILPL_20180921_INTV_SteveMartin_ArcM_Audio-lowres.mp3

Steve Martin [00:00:05] Well, my name is Steve Martin, and I am I'm originally from Devil's Lake North Dakota. I'm an enrolled member of the Turtle Mountain Chippewa Tribe. I'm the CEO of an energy company that I co-founded in Africa called Caius Energy. Prior to that, I used to run and consolidated all of the energy business for G.E. in Central and Eastern Europe in 19 countries.

Chuck Banner [00:00:35] Wow, I am not supposed to do that, but I just thought I'd do that. OK.

Jim Kambeitz [00:00:38] All right. And what is your connection to the Standing Rock NoDAPL movement situation? What was your involvement there?

Steve Martin [00:00:48] Late in 2016? Well, a lot of people got involved. I... I woke up one day and I'd had a bit of a... Not an unusual thing for it to happen to me, I've solved a lot of engineering issues. I'm a mechanical engineer, and a lot of times things will come to me. I'll go to sleep thinking about a subject and I woke up one particular day. And I just had this vision that this thing is just wrong. I mean, I hear the arguments, but nobody has really dug into this issue of a pipeline going under such a huge body of fresh water and an important reservoir that was, you know, a drinking water source for a lot of Americans. So, I started to investigate everything that they had planned to do. I got their environmental impact statement, or assessment that they had done, the real preliminary one. And the further I got into it, the more I realized that this is just something wrong with this whole process, that they've gone about it. I hadn't worked a lot in the U.S., so I began asking a lot of questions. And... I, I basically just wrote a Facebook post. I didn't have I'd never been on Facebook. And I got on Facebook specifically because I wanted to learn a little bit more about what was going on, to read up, to study. And I wrote a piece on Facebook that had immediate traction, and it kept it 24/7 for a number of weeks. People that just said, wow, this is it. This is this is where did you come from? Who are you? What's your background? How did how did you get this? Not, you know, this type of thing. So I had a lot of dialog going on. And as that began to grow, I got in touch with people from Standing Rock tribe and then eventually with the Cheyenne River tribe. And I, by December, just a couple of months later, I was working for both tribes as their technical expert to try to give him some guidance on the technical matters. So leaving everything else aside, I had opinions. But I when I when I spoke with them, I said, I'm going to let people who are more qualified on the other issues that you're approaching to speak with them, because if I try to address them, it's going to dilute the the objective technical concerns that I have. And so I want to stay focused on the technical issues and I did.

Jim Kambeitz [00:03:20] And what were some of the key technical issues that you identified?

Steve Martin [00:03:28] Well, the number one, I think the concern is that I couldn't find another application like the one that, in particular... A large diameter tunnel, basically, that was going to be drilled and a pipe pulled through that tunnel that's going to carry crude oil under a freshwater drinking source. I could find natural gas pipelines. I'd been involved in some. I could find crude oil pipelines that crossed narrow bodies of water, even some that crossed some saltwater. But I have never, ever, ever been able to find a reference of a pipeline that had been commercially put into into operation that went under that far, like at least a mile under under a freshwater body, couldn't find one. That was a big concern to me. I also, as a mechanical engineer, I'm I'm I'm very well aware of the

stresses that go into putting a pipeline under in a bore. I've done horizontal boring as well. So I know that process very well. And I know it can happen. I know the complications and all the bells just started ringing. And then I started to ask questions about why are they doing this? Why do they insist to go in this spot? Why don't they go further north? Why did they choose to cross any water? And I began to ask the questions about the routing of the pipeline, because obviously there were other solutions that they could have explored. Why did they have to choose this spot forgetting about every other subject? But there were spots along the river that they could have gone. That would have been a far less technical risk... And it bothered me when I found out the answer was basically they had insisted to follow a gas pipeline that had been built in the 1980s, I believe was 1982, somewhere in that time period. Saying that you didn't complain then, why are you complaining now? It's complete. It's like comparing apples and bananas. One is carrying gas and one is carrying crude oil. I don't really care if it is a mechanical engineer, if you have a methane leak out of a gas pipeline, it's no big deal. Okay? It's a big deal, but it's certainly not. You know, methane gas would find its way into the environment. And that's not a great thing. But it's not like having an oil spill in the bottom of the Lake Oahe. So I don't I didn't buy that logic at all. And what it came down to basically was trying to piggy back off of that right away. And I started to realize and put two to two together that this is nothing to do with this being the best crossing. This has everything to do with not having to go and permit the project the right way, by taking this pipeline oil from that field to its intended destination without crossing water, there was no way to do it without getting the permission from all the landowners going through a long form ESA – environmental statement. So, I realized that this had nothing to do with the technical aspects, but everything to do with just trying to get the project done in a very short period of time without going through the the long form permit process.

Chuck Banner [00:06:55] So you're saying that the piggyback basically on how many how many how far was it from the gas pipeline?

Steve Martin [00:07:03] Literally it crossed the same right of way. It'd be like if somebody had.

Chuck Banner [00:07:09] Hundreds of yards.

Steve Martin [00:07:09] Yes.

Chuck Banner [00:07:10] Fifty yards

Steve Martin [00:07:11] Yeah. I don't remember the exact dimensions. But in that in that it... They didn't have to go through and create another right away if you will. It was the exact same pipeline routing.

Jim Kambeitz [00:07:26] And you know, the pictures they have of gas lines are way up here. And then here is the pipeline path right in the same area. um you know, Have you seen this picture?

Steve Martin [00:07:42] Oh, absolutely.

Jim Kambeitz [00:07:44] You know, this on Web site is labeled as sand. And this is pretty much sand as well. More or less in on the Web site. And it's it's the DAPL Web site. And then our government site put on their ND response Web site and the Tribune pasted it on

their Web site for several months. But when I look at this, it seems that this isn't just sand here. Is this is this an aquifer.

Chuck Banner [00:08:16] Or I have another way to ask this. What's wrong? What's wrong with this picture?

Steve Martin [00:08:21] Well, there were a couple of things happening in this picture. I'm not a geologist. I'm a mechanical engineer. But I did hire geologists to work on my expert team. And there were a lot of unstable shales that were starting to come out of the formation at that area. There were the you know, geological risks with creating a, let's say, a large diameter bore through that unstable formation. I've I've done that. I've drilled through shale, I've drilled through the let... Mother Nature doesn't have full predictability in how she lays down her her beds of her formations and those things change. And so while drilling engineers may make a great plan for how they're going to drill through, things change. So taking the gas pipeline, which was not put into a horizontal bore at that depth, but laid on the bottom of the river was probably the right technology, taking a horizontal drill, drilling it through formations which have questionable integrity in terms of mechanical integrity, so that perhaps when you're pulling that pipe through, you may have a hole collapse. I've had that. I've got stuck in a hole doing it. The amount of stress that it takes instantaneously to break a pipe for you when you're trying to pull it through would be enough to cause catastrophic potential failure on the pipe. So you've you've got a pipe that's been assembled. It's welded. It's not homogeneous. There are places where those stresses can rise. And then you put it into a pipe and into the board and you pull it through. It's already stretching like a rubber band. And then you get stuck or something happens. And it's the person who's doing it is not going to wait for an engineer or somebody to tell them. Well, let's think about this. Typically, the first reaction is pull it, because if you don't get it right away and you get stuck in those clays, start to swell and things start to happen, could be a complete loss of that bore. So you and then as this whole process went through and you as an engineer who's been involved in these things before, it seemed like that there were long periods of time where something could have happened. I mean, they were out there doing that work for a long time. I don't know. I've never been able to have access to the records to see what happened, if they had difficulties. It's something I would have loved to have seen.

Jim Kambeitz [00:11:15] What about the leak detection system, because people say, oh, it has a leak detection system on it. We shouldn't worry is that, How would you assess a statement like that?

Steve Martin [00:11:28] There is no leak detection system in the most critical part of the pipeline, which is in the part where it goes below surface into the horizontal bore across the lake and up until it breaks surface again on the other side. Zero. There is no leak detection. There is leak detection before it goes underground. And on the other side, that leak detection is a system that has instrumentation tolerance, that would allow for a long, slow, continuous leak of about 1 to 2 percent, probably potentially of the flow of the oil going through that to go undetected. That concern me a lot more than than than a major pipeline burst. So imagining you have a pipe, you have a pipe that's been welded together and that weld could have some some issues. Not a perfect weld. And you've pulled that pipe through. You've stressed it. Now you've created a point where there are potential stresses in that material and then you're putting a fluid through the pipe that we know chemically is a very corrosive material. So it may not happen in the first year. It may not happen in the first two years or five years. It's it's impossible to predict because, number one, we don't know if there's a slow leak happening. Number two, we don't have a way to

go down and see. There's no way to inspect it. Number three, if a company did realize it. Oh, I think we've got a slow leak. Are they gonna do something about it? And that was one of the issues I had, is that you're putting all of the faith in the company who's created this problem in the first place. I'm gonna self-police because it would be against their, you know, every every every nature. You know, the instinct that they would have if they did and said, you know, I think we've got a problem. What do you do? You can't pull that pipe out of fix it. You can't put something down there to fix it. You basically have to abandon your entire investment and drill another bore or find another way to do it. So I don't have faith that they would do the right thing, since they can't detect the leak, since they can't fix it if there is a leak. I mean, and now the state of North Dakota or the Army Corps of Engineers has put all their faith that, well, they've got a leak detection system. No, they don't have a leak detection system. They've got a mitigation plan. If there is a leak. No, there's no way to clean up that leak. You contaminate that soil. It gets into the fresh water. So all of those things, all of those those areas of concerns that we raised are still, in my opinion, very much unanswered. They haven't been addressed.

Chuck Banner [00:14:39] So good, so then so then hearing the way you say that. Does that mean that I saw you there on the frontlines protesting? Now tell me, tell me. But.

Steve Martin [00:14:51] I'll tell you.

Chuck Banner [00:14:51] About how how volatile I've got and the idea that the tribe was supposed to you were part of the tribe participating and trying to to deal with the environmental impact study. These.

Steve Martin [00:15:05] Yes.

Chuck Banner [00:15:05] These engineers and these people who have been doing this for decades themselves and understand these things. How is it that eh, eh? How are things? How was regulation and things captured in a way and with the state and law enforcement that people aren't dealing with the environmental impact statement on, on or on a real level, that an insurance company, in fact, might give them an insurance policy if people know it's safe. You're saying it's not safe, it's gonna break. They're not going to fix it. How is that possible? in this, in 2018?

Steve Martin [00:15:37] Well.

Chuck Banner [00:15:39] can you pause just one sec.

Jim Kambeitz [00:15:41] i'm going to switch batteries.

Chuck Banner [00:15:47] Well you remember that question right?

Steve Martin [00:15:48] Yeah.

Chuck Banner [00:15:49] O.K. So we are good.

Jim Kambeitz [00:15:50] Yeah.

Steve Martin [00:15:54] I want to answer by qualifying to say that I didn't say that it absolutely will leak. I think that there is a enough significant risk that we don't know what has happened to that pipe as it was put into the ground that it could have been avoided

with proper engineering. I don't think that there was ever in it an attempt of the regulatory authorities involved to push back and make energy transfer partners do something that would have. Checked all the boxes in favor of the local stakeholders. I think there was an attempt from the very beginning to do the absolute minimum so that people could argue the fact that they put the right plans in place, that they mitigated without ever having an intent of gaining what I would classify as educated and free consent of the local population. And I'm not speaking only of the Native American population, but the entire population of that area. And that was a strict violation of how projects are conducted of this type all over the world. If you tried to do a pipeline in Europe or in Africa or anyplace other outside of the world, you have the burden to go get the free and the educated consent of people who are affected. And that absolutely wasn't the case. So I don't think there was any intent to make them follow the rules. I had the opportunity to sit with the Army Corps of Engineers just a couple of months ago in Cheyenne River. And I read to them excerpts of what's called the equator principles that have been established for projects of this type that are meant to be a set of guidelines, which all of the I believe it's the largest ninety five financial institutions from around the world have subscribed to that any project that they're involved with has to have 100 percent compliance with these principles. And if they don't, they won't fund them. And during the entire Standing Rock and Dakota access pipeline, there were a number of banks that backed out of this project. And ING the Dutch bank was one who stated in there in their statement that the reason was because they violated the equator principles and that they were blacklisting energy transfer partners and would never be involved in any of their projects anywhere in the world again. Those kind of...um... Statements are not to be taken lightly when we work on projects in Africa and other parts of the world. Every government that we work with makes us make a statement to even qualify that we will adhere 100 percent compliance to the equator principles. So to even get involved in a project. In the US, people don't even know what it is. So the equator principles are guidelines to deal with. you know, public engagement, the social impact. They're there. The banks have authored these and work on them in great detail to manage how they fund projects for very good reasons. They don't trust governments in most parts of the world that they will do the right thing. And I'm not sure how the US body's involved in these kind of projects, have avoided it, but it doesn't say for every country in the world except the U.S., it says every country in the world. It's just that they haven't been applied very much in the US. So there are rules and there are guidelines on how these things are. You know, the rules of engagement, if you will, on large infrastructure projects. And my hope is that in the future after we've gone through this. Terrible example of how not to do something like this with Standing Rock. People will listen and get more educated on these things and hold people to do the right, you know, their projects. We didn't say as a people, you're not going to do your project. Nobody said that. We gave a lot of. I was involved in a lot of the discussion of saying, help me understand. How can we do this project that meets, you know, you know, our requirements and your requirements? I remember listening to Dave Archambault say, you know, one solution would be rather than putting it under the lake. Why don't you build a bridge and have a walkway that we can physically go out and just look and see that this pipeline is not. Okay? It was a suggestion, but it was creative thinking. By a man who was at the forefront in this whole thing. And I'm not saying that was the right technical solution. I'm talking about the mentality of having people sitting in a room listening to people say, no, we're going to drill a bore and we're gonna pull that pipeline through there. Whether you like it or not, that's not free consent.

Chuck Banner [00:21:36] So let me ask another you, good there be. Not...um... So. So, again, talking to him, ETP is in the process of still two to the people have been dismissed from the case, but they are suing Greenpeace. Are you familiar, familiar with.

Steve Martin [00:21:57] No.

Chuck Banner [00:21:58] The Energy Transfer Partners, is in the middle of a claim for all and for billions of dollars, saying that Greenpeace and, in collusion with members of Red Warrior Group and people at the camp, basically caused that exact thing you're talking about that lost of money and investment that is based on your RICO. It's a RICO case against Greenpeace for for for taking away their income. And again, I'm going here these people where they're not following these regulations and there's a lawsuit based on saying they lost money because of this. These banks have been pulling out. What does that tell you?

Steve Martin [00:22:44] I don't have any doubt they lost money. I don't have any doubt whatsoever that the actions that they took. Was a direct result in causing people to push back whether it was Greenpeace. I didn't have any interaction with Greenpeace. Or whether it was people from the tribes that are from the local area that felt violated or whether it was, you know, myself coming from halfway around the world. When you're in a situation where you have somebody that has obviously the ear of the people in power and a lot of money. It doesn't give them the right to to inflict whatever they want to have done to you. I mean. All they would have had to do. In the beginning was be sincere about what their intentions were. And to invite for engagement and I'll refer back to this meeting with the new colonel who came in and we met with him in Cheyenne River lately, and I said, if you ever. Consider doing a project again and the. And I read him all of the, you know, all of the principles, if you will, the equator principles. And I said, if you ever think about doing a project in this area again. And you go about it the same way. There was a very smart man named Albert Einstein that once made a statement, something about, you know. They had to do with insanity was the definition of know doing the same thing. It doesn't, you know, get the results you want twice. That would just be stupid. So hopefully you've learned something that you're gonna lose money if you try to, you know, really force what you want to have done just because you may be in a position of authority and have money to do it. But to go back in and say that somebody should should pay you now for those losses when you didn't have when you didn't actually go through and and do what's expected of you in the entire world community, is it unreasonable to think that you should have to sit down with people and get them to get their their fair? I'm not. And I said this in the meeting with the entire tribal council. I'm not saying you have to get their unfair consent. It's their fair consent. It doesn't mean that we can just say you're not going to do your project no matter what. We shouldn't have that authority either. But we should have the opportunity to say, no, not like this and be heard. Do I feel sorry that they lost money? Absolutely not. I mean, that's, you know, should have been a lot more. They should have not been able to achieve their commercial goals with the way they went about developing this project. Shame on them. They broke every, you know, decency rule in the playbook of how to develop projects. I know I've developed projects very similar to this in Africa. And I had to go through this entire process of getting consent. And I go down and I'll sit with the tribes and the tribal leaders in Africa. They want to have a meeting. OK. Not only do they get a meeting, but it's prescribed by the government and by the equator principles that we will have a meeting in their setting, in their environment. We won't send them an email and say you're hereby invited to the Holiday Inn in Bismarck for a meeting. And when they don't come, say, while we send an email, I mean, they didn't come. It's not our fault. Now you go there and you have the meeting on their setting. It's their land. I'm not speaking just of the natives. I'm just in general the way the rules are. And in their language. Yes. In America, the U.S. Army Corps of Engineers and any project developer has the obligation to go into the land in this case of the of the tribe. Conduct a meeting in their offices and in the

language of their preference involving bringing in translators. And listening. I've done it. You know, it's not that big of a thing. And you'd be surprised what the results are when you go to somebody and say, I wanna have a meeting in your environment and I want to do it in your language. And I'm going to have people there that can do it. And so that you're comfortable. You don't get turned away. They don't. They don't chase you out the door. They embrace you. And they oftentimes become the biggest advocate of your project when you're done. Why? Because you listen and you're it. You're sincere. I mean, I hope that. You know, something will have been learned from this. Sadly, I don't I don't have a lot of faith....Um...But projects, infrastructure projects can be done successfully with the right approach.

Jim Kambeitz [00:27:51] See, so for, um, for the bigger context, just kept coming back to the time.

Chuck Banner [00:28:00] How are we doing on time? Just.

Steve Martin [00:28:01] Yeah,. I'm fine. I'm having fun.

Jim Kambeitz [00:28:04] Good for the bigger text of the study that showed that your group it was you that authored it for the.

Steve Martin [00:28:13] Yes.

Jim Kambeitz [00:28:13] Could, could you tell us just in explaining to the audience what this was and what your part was? Kind of a big picture. 2000.

Steve Martin [00:28:24] Yeah. So basically, we had come together for some brainstorming sessions to get input from a team of people that had been put together that had some knowledge, technical knowledge, and so a technical expert expert team had been formed. And yeah, this would have been I think the first time we physically met was in December seventeen. So things had been early December. Yeah. It was cold. Excuse me. 2016. December 2016. We came together and we talked about where this. This if you if I mean, call it an environmental impact assessment. It was where it was lacking. And the general consensus of our team was that they understood. I say they Dakota Access our or Energy Transfer Partners, understood that they really didn't. All they had to do was check the boxes. They didn't have to do a lot of work on this document and there wasn't a lot of effort put into it. And it was really it was lacking in so many in so many ways. So we decided that the best thing we could do at that time was to try to do a shadow type of environmental impact assessment of if we were the developer, how would we have done it? That was the initial thought we set out to look at areas that it was weakened and the engineering report was basically a critique. If we were. Persay, the engineers for a bank or for a government institution looking at it, areas that we had major concerns. We've talked about leak detection. We've talked about, you know, looking at the impacts that have had on water, so many different areas, how it graded the impact on human life in the area. We talked about the geological aspects of it. Basically, to write a report that wouldn't be so deep that an average person who doesn't have the technical background perhaps wouldn't understand it would be able to read it, and that would be put up with enough significant items. To cause somebody to who would read it, a judge or somebody from the Army Corps of Engineers to basically say, no, wait a second, this bears further thought. You know, let's let's let's put this through a little bit deeper test these guys raise some good points. And so that was the purpose rerouting. That was during that time that the construction of the critical areas leading up to the crossing where energy transfer partners

had skipped ahead of their construction schedule and came and started to try to build some of that part of the pipeline. You know what our thought process was? Nobody. Nobody asked them to accelerate that construction. So if they lose money, because we have to force a rerouting of this pipeline, which we thought was a realistic goal at that time, it's their problem. They're the ones who developed this project poorly. So are you know, we went through what would normally be done and looked at three different alternative routings and we graded them objectively using criteria that that we and the technical consultants that I had hired would use and had used for other projects. I specifically did not want to use a u.s.-based consultant. I felt like there wouldn't be objective. Perhaps that they might be influenced by being involved in something like this. So I chose a pipeline company at a company that has been involved in doing a lot of pipelines around the world that really knew their business. And I asked them to build, you know, objective quantitative models on how to actually grade these different routings. And all of the entire process and to actually suggest what some of those routings might be. And so that was the purpose of the document, was to create an alternative alternative view to looking at this project and to point out the weak points. We felt like the criteria that was used in the grading process by Dakota Access was extremely subjective. It didn't adhere to what we would call good engineering principles and practices.

Chuck Banner [00:33:32] Let me ask if. Grade Grade them. A, F, D.

Steve Martin [00:33:42] D Definitely.

Chuck Banner [00:33:45] Can you say that in a sentence?

Steve Martin [00:33:46] I would say that the. If I were to grade the environmental impact assessment that had been provided. On a scale of one to 10, 10 being the best and one being the worst. Probably a two and I don't think I've ever seen a one.

Chuck Banner [00:34:07] So I guess that means on a pass fail system,.

Steve Martin [00:34:10] Absolutely fail. That document would have failed any standard anywhere in the world that I've worked, even in some of the most underdeveloped areas. Known to mankind. It wouldn't have been accepted.

Chuck Banner [00:34:22] So, again, part of me. So why if you have the PSC and we have the Army Corps of Engineers that we have, we have the federal government and state regulators. Why were they allowed to get it through? And why didn't your study have an impact?

Steve Martin [00:34:39] It was one of the more heartbreaking aspects of this one entire experience. I've been away from the US for a lot of years. I've never really worked professionally and I I guess I just had a belief that somehow the US was better. Then the rest of the world. Coming back, I was rudely educated that the US has probably. No different than a lot of places, worse than many. I think that the. Basically, to be frank, I think that the desired result was already known before this entire process was undertaken. I don't think there was objective scrutiny. Throughout much of the process, and mind you, I'm I'm not at this point. I'm not blaming an administration because remember when all this happened, it wasn't. Donald Trump or anything like, you know, we were we were against the entire process of how it was being done and it wasn't political, it was just the fact. And I think that the you know, it has something to say, not about one party versus another. But how, you know, people that have, big oil in this case can dictate the terms and the rules to

the game in which they, you know, in the sandbox that they play. That's not fair. I think the. The outcome was a predetermined outcome before this process was completed.

Jim Kambeitz [00:36:22] So where did your study physically go? Who received it and what was the reception?

Steve Martin [00:36:27] Let me say one more comment about this. With something like an oil pipeline or a large infrastructure process. I've worked for large corporations, for G.E. for a lot of years. I can't think of another experience anywhere in the world where a company would have made the kind of investment that they did. With the flimsy kind of approvals that they had, nobody would put that much money into a project. Nobody that had to answer to shareholders. It just wouldn't happen. I'd never seen anything like that where a project is executed, they're actually pulling pipe without having proper approvals on how they're gonna cross that river. Remember, that didn't happen until when? It was first quarter of twenty seventeen when they finally got approvals to cross. Who in their right mind on any executive, you know, management of any company, public or private, would approve that kind of an expenditure unless they knew what the outcome was. So basically. Coming back to your question about what was our desired result of this report? We wanted this report to go into the official administrative record. In the court documents, in other words, and. We were told that it was impossible because the files had been closed. We submitted them, we circulated them, we sent them to unsolicited to the Corps of Engineers and we found people within the Corps of Engineers that wanted to listen. And they read it and they thought it had merit. There was some dialog starting....Uh... When I say to some, it went to the secretary, you know, and it went to the top levels of the Corps of Engineers, we know that there was dialog that was happening about what the content that was in those reports. Whether it was that alone or just the entire that being one element of things that were happening at that time, it caused the the Obama administration to take a step back and say, all right, it's time that we may not have done things right, but let's open this thing up and at least without making any promises. We need to have a better process of listening and going through this in a longer form. This project deserves to have that the long form environmental impact and social statement done. Which would have delayed the completion of this project by probably six to eight, maybe 10 months. Depends. That would have compromised the project significantly commercially. No doubt about it, but it was the right thing to do. And when he did that, when they when they made that declaration, which was shortly before he left office, it opened the admen records so that new documents could be filed. And that morning, the legal team from tribes' was there. And the first thing they did was hand-carried that document in and got a hand receipt and put in. Then we all know what happened when the new admin, when the administration changed and the first Monday after the inog.. Inauguration. There was the. The very...uh.. Egotistical signing of this executive order that this was going to happen. And that record was sealed again. And we understand that that document was taken out ceremoniously put in the round file. OK. But we also understand that the judge had declared at that time. What do I do with this now? I've seen it. I can't ignore it. But it was at the end of the day. It's never really. I think even during my last meetings with the Army Corps of Engineers, I don't think they had any intent of looking at where they were noncompliant with, you know. Paul uh.. You know how this project should have happened, we presented a number of areas where we felt that there was no compliance or lack of compliance. And I don't think. The Army Corps of Engineers were. Had have really had an intent to do anything other than to find a way. To allow that investment to keep going because by this time. Bill Doyle's already flowing. So for the U.S. Army Corps of Engineers to say, you know, they think they've got a good point on this one, this point at this point, that would have been a really difficult situation, a difficult position for them to take. And I don't think they were ready for that blowback.

Chuck Banner [00:42:10] Look, why this? Why does the. One second. Can we do about i want to do about 20 seconds? Just real quick. In case things change in tone. So we just sit real still for about 20 seconds.

Chuck Banner [00:42:37] So. So it sounded as though you're saying the Army Corps of Engineers had an investment and is going through almost as much as the oil companies are, they shouldn't. Should should they or the. You just said that it seemed as though the Army Corps was like this just kind of needs to happen. We can't risk it not happening at this point. Why would the Army Corps say something like that when their primary charge is how the land is utilized and they're charged with the environmental taking care of the environment? How could they be saying this has to go through now? We can't risk slowing it down?

Steve Martin [00:43:18] Well. But the Army Corps have bosses, too. And. I I had this, you know, this hope that they were stewards of what they were charged to protect. In a non-confrontational way. I did inform the Army Corps that I think that they they let us all down. That they were not the stewards of the people in this case. That they they were. They were really on on the verge of derelict. I don't think they have really the core competencies in-house to be able to consider themselves experts. On such a project, why would the Army Corps of Engineers be the entity in of all the potential entities that we we could say these guys should be the ones that make the decision? Do they really have core competencies to say that there are qualified people to objective parties to say that? This has an impact on social or on the environment. Have they proven that? I think the answer is probably no. I think that they look at the situation for what it is. They know that they're. The people that they answer to. Want this to happen. What incentive do they have? What motivation would they have to push back on that? They're going to have a difficult situation no matter what. The Army Corps. I think we're really in a difficult situation in this case. And I started to think about. Other places where I've worked. I don't deal with the U.S., with any army, anywhere. You know, a Corps of Engineers. What is this? I mean, where does this date to this kind of policy? We have competent experts in ministries around the world who are bureaucrats that write policy and they work on these things and they have professionalism. The people that I met from the Army Corps of Engineers had no business being in this dialog. I wouldn't consider them adequate colleagues, with the exception of maybe a few individuals. I just don't think they're the right the right party to be doing this.

Jim Kambeitz [00:46:06] And could we shift over towards just generally the direction the North Dakota is moving with energy and what we decided to invest in? Any comments on that? I'm thinking of, you know, like flaring just the fact that we allow flaring. It says here we flair. Thirty four hundred thirty six million cubic feet per day of natural gas. Just burned. Any comments on flaring or the direction of our fossil fuel investments in the state? Coal? Oil?

Chuck Banner [00:46:40] And let me add to that because it in the article in the they don't want to slow down to the point that now they're considering underground storage like 75 hundred feet somewhere like Aliso Canyon. I assume in California. But, That seems to be an alternative. That was in the paper last week. They're studying underground storage.

Jim Kambeitz [00:47:02] We're also getting close almost 6 to keep our sound bytes as short as we can.

Chuck Banner [00:47:07] And I have one question.

Steve Martin [00:47:11] I had a discussion today with Jay Schuler. I guess he's the commissioner of commerce, right, for the state of North Dakota.

[00:47:22] And I'm not exactly sure how we came to the subject. He was talking about diversification. Of the economy and North Dakota. And what my thoughts were, this was on the occasion of it was the homecoming period at the University of North Dakota, and I was there for some involvement with the College of Engineering and Mines and. He was there and it came up and he he said that he enjoyed what I had to say and. We started to talk about the subject. And I asked him, why does North Dakota want to do this? I mean. You're producing all of the shale oil, and one of the things that comes along with it is this associated gas. Why don't you commercialize it? And he said that's really interesting that you say that because it just had a discussion with the governor. And we weren't really aware that there is technologies available today that would allow us to use anything other than a pipeline to move that gas. And I said you've got one of the best examples right in Tioga. You've got a company that I researched from Africa called North Dakota LNG that installed a small scale LNG plant that basically liquefies some of that gas and it's able to be transported. By by rail. Bye bye. And it's, by the way, when you liquefy gas. I want to dispel this right at the beginning of this. It's not dangerous. It's not it's not a combustible or extremely flammable or explosive material. If anything ever happened, it would basically vaporize immediately. So it it's one of the least. Risky fuels. Fossil fuels to transport LNG. The technologies have evolved at a similar pace over the last five to seven years as solar has, where solar went from being a noncompetitive fuel, where it needed government subsidy in order to be deployed. And I don't care what anybody says the Chinese have. Revolutionize the solar energy industry and they've caused the price of electricity to drop from 20 to 25 cents per kilowatt hour down to 5 to 6 cents per kilowatt hour in a matter of five years. The same thing has started to happen with small scale LNG. That used to be a necessary evil. A few years ago, but now you can you can provide small scale LNG technology like as in North Dakota and Tioga. You can transport it and be competitive with pipeline gas, especially if you don't have a huge market to to pay for the pipeline at the other end. It's an absolute excellent way that the state of North Dakota could diversify their economy. And he asked me if I would come back and get more engaged with with this initiative. Which was encouraging. I'm glad to hear that there is a an open mind to think about it because it's it's a shame that North Dakota is venting. Forget about the commercialization of it. They look at it as a necessary evil to produce the shale oil. Do something with it, don't harm the environment, more venting methane or flaring it, is worse than running coal fired power plants. I mean, that's a poison. When you do it, that would, force people. I mean, right now, North Dakota oil producers are absolutely some of the most competitive in the world. I think a little bit of a burden to make them do it the right way to to to to cause this practice, this methane that's an associated gas produced to be commercialized is is certainly well within a realistic expectation.

Jim Kambeitz [00:51:47] And you know, on the energy economy lines in your presentation back in April, you mentioned that solar is now more profitable and more affordable and profitable than coal and natural gas, even as. um.. So big picture. If North Dakota, we're investing in solar. It would it would have. It would be a lot smarter investment in natural than gas or coal or not there. What, where where's that as far as like if North Dakota can maximize its profit and make smart future investments, what would it do?

Steve Martin [00:52:30] I guess one of the issues that North Dakota has is that there's not a lot of electric electricity consumption, not a huge population. But that's OK. You do with what you have. There is a huge potential, I think, for North Dakota to be on the leading

edge of how energy is going to shape our future. I've used the analogy many times, but in parts of the world where I work, there are now generations of people who have never touched a landline telephone and they have two smartphones in their pockets. You know, just five years ago to make a telephone call, they might have to walk a day and a half to get to the next village, it has a phone. And now, you know. They've got their own two smartphones. The same is happening in electricity generation and how it's consumed. If you have a roof, if you have the ability to put up solar, why aren't you? And if it's because you're living in denial, I hope you realize that can only take you so far. Because we've come to a point now where solar is by far the most exploited electricity production fuel in the world. And simply hoping that coal may make a comeback. That's not going to help you because it's not. The world has changed. It's changed dramatically. It's like saying, man, I think sooner or later people are going to stop using social media or smartphones. It's not. So stop wishing for those things. Embrace it and figure out how you can, you know, make that work to your advantage. One idea that we're that we're looking at and in other parts of the world using gas. I think gas is one of the better fossil fuels. It's the one I have the least issue with. So looking at hybrid solutions of saying, OK, we have short days in the in the winter, but we have very long days in the summer. We have this gas product that can be liquefied. It can be moved around to different communities, give people incentive to say we we'd like you to take your municipality buildings or your universities. And put electricity generation, they're using North Dakota LNG. Put some solar up. News that solar when you can, but when you can't. It's very feasible to have LNG from North Dakota brought in. And if you do that, we're gonna give you certain tax incentives or we're gonna give you a means to help, you know, to help you to do that so that you create a diversified product that can help North Dakota show others how to do it. If North Dakota led in just looking at what the rest of the world is doing and apply it to the size of the of the market that they have to play with, I think they could really be on the cutting edge rather than be clawing their way back to the Stone Age.

Chuck Banner [00:55:45] Can you. Can you do a forty second? What did you call the principal, the equator?

Steve Martin [00:55:51] Equator principles.

Chuck Banner [00:55:52] Can you just do a quick, because you spend four or five minutes explaining that. Can you give us the forty second explanation of what the equator principles are, the bullets if they hit, and how our people adhere to that?

Steve Martin [00:56:07] There are. A number of i can't remember if its 7...9 the exact number of the principals, but basically the equator principles were written to govern how a project goes through its development process, how it engages with under served or underprivileged people in society, how it deals with social impact. Everything that you would imagine, all of the main items that go into a an environmental impact assessment and it spells out what the compliance requirements would be to be considered to be in full compliance. It's it's a very simple actual set of principles that are available, just Google Equator principles. And you'll see it's there in pretty simple layman's terms. It talks about directly. I can't remember if it's equator principle number three or four, that talks about how to deal with indigenous people from around the world because it's recognized that indigenous people, you have to deal with them specifically in a different set of rules. And so any project that affects indigenous people, whether it's in Australia, New Zealand, Finland, Africa or wherever you have indigenous people. There are specific rules of engagement.

Chuck Banner [00:57:58] What did you think about when you saw the police lines and the people being maced and. You know what? What does that bring to mind? And and?

Steve Martin [00:58:08] The reaction from around the world was one of disgust. Once again, I would say there have been so many times when I've been so proud to be an American and living my life, living overseas. This wasn't one of them. First of all, just because somebody wants to be heard and somebody, you know, wants to have a voice. Sadly, those those things happen too often in our society today. The water protectors. We're desperate. They were being. Put in a situation that was absolute, you know, a no win situation. They had an obligation, they were told by elders, by people in the community that this was something that it's time now. We have to have our voices heard. This is this is sacred to us. Who are you to say that now it's not sacred to? As it is, it's you know, if somebody wanted to build a pipeline through the Wailing Wall in Jerusalem. How would you feel? If somebody wanted to put a pipeline through and and bulldoze over the Tomb of the Unknown Soldier what will happen? What right do you have to say that it's not sacred? If it hadn't been for the water protector's making the noise that they did in the youth at that time. I wouldn't have been engaged. I wasn't out there on the picket lines. But I. I used my voice in another way as a technical expert. And I've now put the Army Corps of Engineers on warning that they better know if they don't know what the equator principles are and those rules of engagement, they better study because we're gonna hold them to it. We've learned too much from this case. I contacted the Equator Principles director, and I have spent a lot of time talking with them about this and the. I wanted to be involved in helping them to write policy for the future and being engaged, being a positive voice. And I'm doing that. Somebody has got to find a way to police this for the future. And if our government is not going to do it, and probably the best way to do it is to go after the people that funded. In my estimation, and I don't think anybody's gonna make headway. With changing the policy over one case like this, so. I'm not interested in banging my head against a wall. Just to make noise. And so we'll work on other ways and other means of making sure that people do things the right way, and that's usually by how they finance their projects.

Chuck Banner [01:01:24] Well, it's made me, Mni Wiconi kind of went around the world. Did you hear it? Do you hear that in Africa?

Steve Martin [01:01:29] Absolutely.

Chuck Banner [01:01:31] Just 30 seconds Mni Wiconi.

Steve Martin [01:01:37] Mni Wiconi is not a new concept. I don't know why. Water is not more sacred. They are one of the countries I do business with in Africa. Botswana. Their currency is called Pula. Pula means water, it means rain. When somebody finishes in the government, an official discussion. Instead of saying, in the UK, they say here, here, and they all clap on parliament in Botswana, they say Pula. And it basically means Mni Wiconi water is life. This is true. I mean, people have you know, it's not rocket science, right? I mean, stop taking it for granted that there are people that feel. Very strongly about what water means to them, it's a sacred living thing. And respect people for it just because they don't conform to your idea of norm normalcy. Does that make it wrong? I mean, that's just so yesterday. So barbarian, I mean, get over yourselves.