



State of South Carolina

Office of the Governor

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June 4, 2004

U.S. Commission on Ocean Policy
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RE: Public Comment on Preliminary Report

Dear Commissioners:

On behalf of the State of South Carolina, I commend the U.S. Commission on Ocean Policy for its work on the Preliminary Report. In conjunction with the South Carolina Department of Natural Resources (SCDNR), the South Carolina Department of Health and Environmental Control (SCDHEC), and this Administration's Quality of Life Task Force, I have reviewed the report and would like to offer comments for the Commission.

Specifically, I believe many of the findings in this report spotlight the challenges we currently have in trying to address some of the problems we are facing along the coasts. As I pointed out in my August 22, 2003 letter to the Commission, we are already seeing serious signs of coastal distress, which have a negative impact on both the health and economic well-being of this state and our citizens.

There are three general goals that I hope can be accomplished as a result of the Preliminary Report:

1. **A National Plan:** We believe that action goes beyond the borders or coastlines of any one state, and, as a result, we should have a clear and cohesive national ocean policy, coupled with a governance structure and budgeting process to support it.
- Ocean Act: The Report describes the need for improvement in coastal and ocean policies, which would require congressional action. More importantly, the structure of government must be improved to support implementation of the national policy.

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- *Budget Process:* An ongoing Coastal and Ocean Assessment System should be maintained and include a standardized reporting system among states and across regions to give us a clearer picture of the full value of these resources. This would include recreational, social and natural resources values, and assure us that we have the necessary information to make the most effective and efficient management and investments decisions. (See e.g. Recommendation 25-3 and Appendix C, C. Colgan Ocean Economics Report.)

The Administration should begin evaluating the necessary resources to support state, regional and national coastal and ocean management goals, and coordinate the budget and program efforts to better achieve those goals. (See e.g. Recommendations 4.2, 7.2, and 30.1.)

- *User pay funding support:* We believe that those who impact the oceans and coastlines should also provide support for maintaining them. Specifically, we recommend identifying a dedicated revenue stream set aside in a trust fund solely for the purpose of maintaining and supporting oceans and coastlines.

We appreciate the Commission's commitment to avoiding unfunded mandates and the subsequent identification of potential funding mechanisms to implement the ambitious agenda put forth in the Report. Dedicated funds should be in addition to the current level of support for coastal and ocean programs including, but not limited to, state fisheries, coastal zone and watershed management, water quality protection, and habitat and wildlife conservation and should seek to build on the successes of current state efforts such as the ACE Basin and Charleston Harbor projects in South Carolina.

2. **Partnership with States:** While we support increased integration at the federal level, the Report should be amended to clarify throughout that a primary objective of these efforts is support for implementing local, state and regional strategies – consistent with national goals.

Much of the Report addresses the stewardship of our nation's ocean and coastal resources, and there is a great deal of emphasis on the roles of state/local/tribal jurisdictions in guiding future stewardship of these resources. The states have, however, made significant investments to address a host of problems, ranging from scientific studies of fisheries issues to land conservation initiatives at the watershed level (e.g., the ACE Basin project, the Charleston Harbor Project, etc.). As a result, we commend the Commission's recommendations that acknowledge the critical role that non-federal partners play in stewardship of the oceans. Recommendations for the establishment of National and Regional Ocean Councils in the report should be amended to include a requirement that Governors be included as principals on the Councils, not only as members of advisory committees. (See e.g. Recommendations 4.1-3, 4.10, and 6-2.)

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- *Build on local and State models and needs:* We believe a key difference between this Report and that of the earlier Stratton Commission appears to be that this Report places more emphasis on the role of state and local stakeholders and their experience and knowledge in addressing the myriad problems facing our ocean and coastal resources. We agree with this acknowledgement and believe that the federal government should serve as a coordinator and facilitator in addressing these problems.

This approach has been particularly effective in coastal land conservation in South Carolina. In cases such as the ACE Basin, the project partners have each contributed substantially to overall success. However, in our estimation the real success story in efforts such as these is that the “whole is greater than the sum of the parts.” In other words, the collaboration and partnership approach by state, federal, and private entities has resulted in successful landscape conservation that is unmatched in its ability to leverage resources and support. We believe that this is a model approach to natural resources stewardship, and every effort should be made to facilitate similar successes with the nation’s ocean and coastal resources.

3. **Implement Ecosystem-based Management:** Improve the nation’s coastal and ocean science and information. We believe that the best decisions are based on sound science and take into account the natural and socio-economic variables that influence ocean and coastal policy responses. Credible and trustworthy information is the key to accountability in ocean and coastal resources management.

We applaud the Commission’s recommendations that relate to improving the nation’s scientific capacity. We support efforts to bolster our understanding of the ocean and coasts for several reasons: 1. improved understanding can lead to better decisions on use and conservation of the resources of the ocean and coasts; 2. investment in the ocean sciences can lead to an improvement in our scientific literacy, particularly among our school age children; and 3. advances in ocean science have been shown to lead to the development of marine-based products and services, thereby diversifying and strengthening our nation’s economy.

Regional Cooperation: We support the call for regional information programs, linked with monitoring and observing systems, to conduct regional ecosystem assessments based on state needs. We particularly support the recommendation that their regional programs include state representatives, an enhanced role for Sea Grant as well as inclusion of other marine lab, academic and nongovernmental and private sector institutions, and “ensure that product development, dissemination, and user feedback” be integral components...” of the program. (See e.g. *Recommendations 5.3-5.*) A specific mechanism should be provided to assure regular feedback and survey of state manager and other user groups’ needs. (See e.g. *Recommendation 23.1-3.*) These requirements should be included as an essential element of all the science and research

recommendations of the Report. Additionally, the regional program should be integrated with other science and research strategies, including the coastal water quality monitoring network (*Recommendation 15.2-4*), assessment, mapping and charting activities -- including an explicit commitment to map the near shore and coastal zone -- (*Recommendation 25.5*), and Integrated Ocean Observing Systems (*Recommendations 28.1-2*.)

- *Support Management and Decision-making:* Without improvements to the management/decision-making side of the equation, the improved and increased science and information recommended by the Report will be of little value. As recommended in Parts IV and V of the Report, we agree that it is important that coastal and watershed management programs be strengthened and better integrated with enhanced EPA point and nonpoint pollution control programs, particularly efforts to reduce nutrient loading in coastal waters. South Carolina supports the recommendation for reauthorization of the Coastal Zone Management Act (CZMA), particularly the call for coastal resources assessments, habitat conservation plans, and increased incentives for state and community land conservation programs. Additionally, support should be provided to states for habitat restoration and community planning to address hazards, land use and growth management (*See e.g. Recommendations 9.1, 9.4, 10.3, 11.1-2, 14.2.*) These recommendations support the goals of the SC Infrastructure Priority Investment Act and would provide communities with resources to improve their comprehensive plans.

Summary of Priority Recommendations

Part I Our Oceans: A National Asset

This section clearly highlights what we in South Carolina understand very well, there are tremendous economic, social, and environmental benefits generated by ocean and coastal resources. However, we are confronted with a disjointed set of laws and federal agency mandates. We agree with the recommendation that every agency, program, and law associated with this policy should be reviewed and structured to better manage and maintain our resources. I would suggest further, that this should be the first order of business before creating and implementing a series of new programs.

Part II Blueprint for Change: A New National Ocean Policy Framework

Due to the current highly fractured nature of coastal and ocean management at the national level, (140-plus federal laws, 15 federal agencies and departments, p.47), a clear statement of the nation's ocean policy is needed based on the principles discussed in Chapter 3, pp. 32-33. In order to facilitate improvements in the federal agency structure, Congress should work with the President on an expedited agency reorganization as discussed in Recommendation 7-4, p 77. As I stated earlier, I believe this is an important first step towards developing a more thorough national plan.

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Development and implementation of programs and processes to implement the national ocean policy should be driven from the local and state level up to the national level. We strongly support the Report's acknowledgement that "the federal government is only one actor -- and often not the most important actor -- at regional, state and local levels." (p. 58). States, due to their own public trust responsibilities and shared interest in economic opportunity from marine and offshore uses, are critical partners with the federal government in implementing coastal and ocean policy.

As such, we strongly support the inclusion of state representatives in a high-level national coordinating council as discussed in Recommendation 4-5 (p.50). However, it is not sufficient that states be included merely as another stakeholder on the advisory committee, states must be treated as equal partners now and into the future on this issue.

We support Recommendation 4-3, (p. 49), that a new National Ocean Policy be grounded in ecosystem management principles, and move federal agency programs and policies away from sector and activity specific decision-making.

We support increasing incentives and opportunities to leverage resources and address needs and problems at the regional level particularly as described in Rec. 5-2 through 5-6, (pp. 59-62). Specifically we support recommendations for regional ecosystem assessments and information programs to improve coordination and establish regional priorities for research, data collection, science-based information products, and outreach activities. These regional efforts should be based on coastal assessments and information needs identified at the state and local level.

Part III Ocean Stewardship: The Importance of Education and Public Awareness

We are fully supportive of the Ocean Commission's emphasis on using the oceans as a foundation for fostering science and technical K-12 education. In fact, we have several successful pilot projects demonstrating that teachers and students can acquire strong scientific training through the use of ocean and coast-related materials as models. This Administration has placed an emphasis on recruiting high technology business and industry and we are working towards improving and expanding workforce training to implement this goal.

We would suggest that "one size does not fit all" and that states should have flexibility to develop education programs that compliment our education system and unique geographies. In addition, we ask the Commission to be vigilant that these programs do not impose any unfunded federal mandates to the states.

Specifically, we support strengthening the connection between education and research in an effort to expand professional development opportunities for educators (Rec. 8-7, p. 95) and the quality of workforce training (Rec. 8-10, p. 99).

Part IV Living on the Edge: Economic Growth and Conservation along the Coast

We agree with Recommendation 9-1, p. 111, urging Congress to reauthorize the Coastal Zone Management Act (CZMA) in a way that strengthens states' abilities to plan, coordinate and manage on a watershed basis. These improved capabilities will result in more effective growth management. We agree that states should do an assessment of their respective coastal and ocean assets, and develop goals that can be measured to protect this important asset. In addition to goals, states should have performance measures, adequate funding, and incentives for good performance.

In addition, CZMA reauthorization should include support for a conservation and estuarine land conservation program for willing sellers; a coastal habitat restoration program; and a community planning assistance program to assist state efforts in working with local communities to address growth management, coastal hazards, waterfront revitalization, and public access.

We support the following recommendations:

Recommendation 9-3, (p. 113), that urges changes to federal funding and infrastructure programs to discourage inappropriate growth in fragile or hazard-prone coastal areas and that ensures consistency with national, regional and state goals aimed at achieving economically and environmentally sustainable development.

Recommendation 9-4, (p. 114), to amend the CZMA, the Clean Water Act and other federal laws to better support watershed initiatives and to include incentives and flexibility for local variability.

Recommendation 10-1, (p. 120), that supports making the U.S. Army Corps of Engineers projects undergo "valid, peer-reviewed cost-benefit analyses," be more transparent to the public, mitigate for coastal impacts and coordinate with broader coastal planning efforts. In fact, while I served in the U.S. House of Representatives, I introduced the Corps of Engineers Benefit-Cost Improvement Act of 2000, which required a 1 ½ times benefit for every dollar invested in an Army Corps of Engineers project.

Recommendation 10-3, (p. 122), which says the National Flood Insurance Program should reduce incentives for development in high-hazard areas. In my August 22, 2003, I urged the Commission to propose a modification of these policies.

Recommendation 11-1, (p. 127), which recommends Congress amend the CZMA to authorize and provide sufficient funding for a dedicated coastal estuarine land conservation program. The report correctly notes that protecting natural resources is much less costly than restoration.

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Recommendation 11-2, (p. 131), which states we should set national goals for ocean and coastal habitat conservation and restoration, that regional councils should determine habitat conservation and restoration needs, and regional goals should be consistent with national goals.

We do believe, however, these goals should be based on state plans and strategies and be consistent with coastal zone management and other applicable state resource management plans.

Recommendation 11-4, (p. 133), the nation's wetlands protection program should incorporate the CWA 404 permitting process into a broader management approach that considers coastal habitat and watershed management efforts.

Part V Clear Waters Ahead: Coastal and Ocean Water Quality

Recent studies have shown that household chemicals and pharmaceuticals are present in potentially harmful quantities in wastewater. Although South Carolina's estuaries have not experienced serious problems from nutrient over-enrichment, we support Recommendation 14-1 to require advanced nutrient removal for wastewater treatment plant discharges into nutrient-impaired waters. Therefore, we believe that EPA should investigate ways to characterize the extent of the impact of these chemicals as suggested in this recommendation.

Nonpoint sources of pollution represent the most significant contributor to water quality problems in South Carolina. We support the Commission's recommendations related to nonpoint source controls. These recommendations will help establish a more comprehensive approach to reducing nonpoint source pollution.

We also believe that Recommendation 14-8 should be modified to reflect protection of all coastal waters, not just ones that are already impaired. Additionally, this recommendation should clearly reflect state partnership with federal agencies in establishing measurable objectives. The consolidation proposed in Recommendation 14-9 should not reduce the particular focus on coastal and marine pollution of the NOAA program. Funding for all of these programs is critically important for Federal Fiscal Year 2005, and following years, given the scope and impact of nonpoint source pollution on coastal waters.

While South Carolina's coastal water quality monitoring program is among the leading programs in the country, neither the states nor the federal government can afford to collect all the necessary data alone nor in a manner that is consistent enough for regional and national assessments. States must be able to integrate the monitoring efforts for the national program into existing state programs. We believe Recommendation 15-1 should be expanded to clearly integrate the states into both the planning and conduct of a national water quality monitoring program. In addition, the role of National Estuarine Research Reserves system wide monitoring plans should be acknowledged as well as the importance of linking these monitoring programs to the proposed Integrated Ocean Observing System (IOOS).

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We also believe that the Commission should more clearly state that a “water quality” monitoring network should incorporate important indirect measures of water quality, such as sediment contaminant levels (measure of cumulative input) and biological condition and response measures in Recommendation 15-3 and related text. This is especially important since these monitoring components are not recommended in other Chapters or sections. Current coastal monitoring programs conducted by the EPA and other agencies already incorporate many of these measures, which are critical to evaluating the effects of watershed drainage.

Recommendations 16-6, 16-7, and 16-8, (p. 190), related to marine sanitation devices (MSD), especially for recreational vessels, are important to South Carolina. While the cruise ship industry is not significant in South Carolina, recreational vessels and the marinas necessary to support them are. If MSD standards for pathogen reduction are made more stringent, South Carolina’s coastal water quality, especially in tidal creeks, could improve. In addition, better treatment and performance would insure better water quality in waters that have not been designated as no-discharge zones. Since EPA has authority for MSD standards of performance and the designation of no-discharge zones, it makes sense to transfer portions of the Clean Vessel Act grant program related to MSDs to EPA.

With one of the largest commercial ports in the Southeastern United States, we concur with Recommendation 17-1, (p. 204), regarding a uniform national ballast water management program intended to control invasive species. The SCDNR has spent nearly \$350,000 in the last decade controlling invasive species on the Cooper River alone. This is important since ballast water exchange is currently voluntary in most near coastal waters. Better controls on the introduction of non-native species are clearly needed. In addition, support should also be provided for state invasive species management strategies and for state participation in regional and national aquatic invasive species task forces. These issues could best be addressed in reauthorization of the National Aquatic Invasive Species Act.

Part VI Ocean Value and Vitality: Enhancing the Use and Protection of Ocean Resources

South Carolina supports the Commission’s recommendations to require regional fishery management councils and interstate fisheries commissions to incorporate the findings and advice of their Scientific and Statistical Committees (SSC) into the decision-making process, Rec. 19-1, (p. 222). As recommended by the Commission, this process should include independent scientific review, and utilize sufficient data to ensure that allowable catches will not result in over-harvesting of the resource, Recs. 19-2 and 3, (p. 223).

We are particularly supportive of efforts by the federal government to fund state and local entities to conduct fishery-independent monitoring and survey work, which is in many cases the “raw material” that are reviewed by the SSCs. South Carolina has a long history in conducting fishery-independent data collection that is used by state, regional, and federal fisheries managers.

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Where sufficient data are not available, NOAA's National Marine Fisheries Service and the Councils should place a high priority for funding appropriate data collection, Rec. 19-7, (p. 225).

We would also suggest that Rec. 19-5, (p. 224), be clarified. The Councils should determine a deadline for its SSC to review and certify the allowable biological catch (ABC) provided by the stock assessment process, not to actually determine ABC as suggested in 19-5. There is an independent and peer-reviewed process to determine ABC and other stock parameters that is independent from the SSC and which occurs before the SSC carries out its review and certification responsibilities relative to stock assessments.

We also support the recommendations:

Recommendation 19-11, (p. 230), proposing Congressional action and suggesting how this jurisdiction and authority should be determined.

Recommendations 19-17 through 19-20, (pp. 238-240), we also agree that better enforcement of ocean fisheries is a critical need, and we believe that this can best be affected by an expansion of Joint Enforcement Agreements (JEAs) with the National Marine Fisheries Service and the establishment of JEAs with the US Coast Guard.

Recommendation 19-21, p. 243, which calls for an ecosystem-based approach for defining and preserving essential fish habitats, especially those sensitive habitats that support coral and other sessile growth forms. These areas represent essential habitat for most of South Carolina's commercial harvest of ocean finfish species. We believe that protection of essential fish habitat should be addressed as a component of the national habitat conservation strategy discussed in Rec. 11-2.

Recommendation 19-15, (p. 235). We are aware of various approaches that work to eliminate the "tragedy of the commons" associated with public trust resources. Many of these approaches seek to eliminate or curtail the "race for fish" associated with many traditional resource management approaches. We support the concept of dedicated access privileges and will very carefully review proposals to develop dedicated access privileges to ensure that any resulting management systems are efficient and equitable.

With regard to Recommendation 24-5, encouraging Congress to develop comprehensive management of off-shore renewable energy development, we applaud the intent of developing off-shore renewable energy sources. We agree with Commission's conclusion that the current Section 10 process as the primary regulatory vehicle for off shore wind energy development is inadequate. We would suggest that a moratorium be instituted for all projects without a U.S. Army Corps of Engineers Section 10 permit until a more comprehensive federal program is in place which would better manage the private uses of the Outer Continental Shelf. In addition,

we would also suggest the federal management proposal would also address state and local interests as well as maintaining traditional uses of coastal waters.

Part VII Science-based Decisions: Advancing Our Understanding of the Oceans

The emphasis on enhancing the investment in ocean and coastal research is critical to South Carolina Recommendation 25-1, (p. 307). The promulgation and implementation of coastal and marine resource rules, regulations and requirements will increasingly depend upon strong and justifiable science-based information. Considering that the United States as a whole spends only 3.5% of its federal research budget on the coasts and oceans as compared to its expenditures on space programs. However, more than 50 percent of our population pressures exist along our coast and ocean regions, an additional investment in coastal and ocean research is long overdue. We should make this investment based on a long-term vision and value-driven strategy Recommendation 25-2, (p. 309).

We support the Commission's recommendations that call for a larger voice for state and local governments and stakeholders Recommendation 25-2, (p. 309) and Recommendation 26-4, (p. 324) in the development and implementation of federal science and technology programs. All too often, federal efforts are undertaken using a top-down approach that fails to take into account the needs and desires of these constituencies. This "bottoms-up" approach will greatly benefit South Carolina's research institutions, business and industry groups, local communities, and the public at large by directing scarce federal resources at the real needs of these communities.

We believe Recommendations 25-2 and 26-4 should be clarified to specify partnership between federal agencies and states and other stakeholders in development of the national ocean research strategy and the IOOS.

One of the most critical information needs in South Carolina is documenting human uses and the true value of our coast and ocean to the economy, environment, and quality-of-life of the state Recommendation 25-3, (p. 312). The need for scientifically sound social and economic information will not only satisfy this need, but can be used by the state to better plan for infrastructure improvements, business investments, and educational requirements, and by local governments to improve comprehensive planning and address increasing growth issues.

We suggest that Recommendation 25-3 should explicitly recommend an ongoing Coastal and Ocean Assessment System be maintained and include a standardized national reporting system among states and across regions that enables us to understand the full value of these resources to the nation.

The State of South Carolina has jurisdiction over its territorial sea and partial jurisdiction out to 12 miles offshore. Nevertheless, the state has not documented the wealth of natural, cultural and historical assets that lie within these waters. While the Commission's report calls for increased

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coordination of federal ocean mapping efforts (Recommendation 25-5), we would encourage the federal government to undertake a directed and intensive mapping effort of the resources of the nation's EEZ in support of states' needs for this information.

In conjunction, we endorse the recommendations (in Chapter 26) of the Commission on the establishment of an Integrated Ocean Observing System (IOOS) because of the potential significance of IOOS information in saving lives, protecting property, reducing business costs, sustaining fisheries populations, and managing our coastal and living marine resources. The IOOS will provide the capacity to monitor coastal processes and changes, as well as the power to develop predictions of impacts derived from human activities or natural hazards. Such predictive capacity, in turn, creates the potential to offset or prevent damage and costs. The critical sociological and economic importance of South Carolina's coastal regions justifies support for improved coastal observations, (Recommendations 26-1 – 26-3, pp. 322-323, and Recommendation 26-9, p.331). This will greatly improve our ability to manage these important resources, and as a result, enable better management decisions.

We suggest that Recommendation 25-5 should be amended to include an explicit commitment to map the near shore and coastal zone.

To remain competitive in ocean science, we believe the United States should invest in advancing ocean science infrastructure, tools, and technologies. Through the development of a national strategy that considers regional needs and potential partnerships (Rec. 17-1. p. 204) and an assessment of needs (Rec. 27-3, p. 339), appropriate investments can be made to support regional, as well as national, priorities. Of particular importance to South Carolina are coastal laboratories and instrumentation, advanced communications technologies and broadband capabilities, and environmental sensors (Recommendation 27-4, p. 344). Additional federal investment is needed to modernize existing, and often outmoded, infrastructure (Recommendation 27-4).

The amount of environmental information that is and will be available through existing and future technologies is daunting. The capabilities to manage this information and productively transform it into useful knowledge and products must be enhanced. To ensure efficient use of current and future investments, it is essential to coordinate the existing federal agency data centers (Recommendation 28-1, p. 353) and establish the mechanisms to access (Recommendation 28-3, p. 355) and transform data into products that meet needs at state and local levels (Recommendation 28-2, p. 354). South Carolina finds that data collection is abundant; however, large-scale synthesis and dissemination of data into useful formats for resource managers and regulators is lacking.

We would suggest Recommendations 28-1 through 28-3 be amended to require explicit interaction with state and local users in the development and dissemination of information products.

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Again, thank you for the opportunity to review the Commission's Report and make comment. We believe this report is an important first step in setting forth a chance to better maintain such an important asset to South Carolina. We look forward to working with both federal and state partners to implement the recommendations detailed above.

Sincerely,

A handwritten signature in black ink, appearing to read 'MS', with a long horizontal flourish extending to the right.

Mark Sanford

MS/se