

Managing the Coast: a Federal Perspective

Remarks of the Department of the Interior
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Good morning Admiral Watkins, Members of the Commission, ladies and gentlemen. Thank you very much for giving me the opportunity to speak before you today.

Usually when people hear “Interior” they tend to think of the Department’s land holdings in the west and famous national parks such as Yellowstone and Grand Canyon. In fact, agencies within the Department play a key role in ocean and coastal activities -- including here in California. For example, the Minerals Management Service is involved in environmentally sound energy development of the Outer Continental Shelf. The National Park Service manages many marine national parks around the Nation, including the Channel Islands. Twenty-one of these marine parks have large expanses of offshore waters that harbor significant coral reef, seagrass, and kelp bed habitats. The Fish and Wildlife Service also is responsible for protected and endangered species, many of which inhabit California’s coastal zone.

The title of my testimony for the Department of the Interior is Managing the Coast: a Federal Perspective. Consistent with that theme, I intend to focus my remarks on activities of the agencies that have been most active in issues of importance to the commission. Specifically, I will focus on those issues managed by the Minerals Management Service, the Fish and Wildlife Service, the National Park Service and the Bureau of Land Management that are of significance to the Pacific coastal and marine environments. At the end of my testimony, I would also like to offer some thoughts on principles regarding the issue of governance.

California Outer Continental Shelf Management

The President has proposed a national energy policy calling for the development of reliable, affordable, and environmentally protective energy sources for this Nation. Specifically, the plan calls for increased development of the United States’ domestic energy resources to reduce the vulnerability to import fluctuations resulting from instability around the globe.

While the majority of the Nation’s Outer Continental Shelf activities and production are in the Gulf of Mexico, the Outer Continental Shelf, including offshore California, is a significant contributor to the Nation’s energy supply.

Before I discuss the Outer Continental Shelf program in detail, I would like to take this opportunity to say that President Bush has affirmed his intention to honor the current moratorium for new leases off the California coast.

The Outer Continental Shelf program was initiated off California almost 40 years ago. In that time, the U.S. Government has held 11 lease sales and issued 470 leases (including leases along the Oregon and Washington coast). Over a billion barrels of oil have been produced to date from Federal leases in the area. I should also add that over two billion barrels of oil have been produced by State offshore leases, many of which remain in production today.

Today, some 79 Federal leases remain active off California's coast. Almost 89,000 barrels of oil and 185 million cubic feet of natural gas are produced every day from 21 production platforms on the 43 producing leases. Thirty-six leases are undeveloped. The State of California is actively considering two separate proposals—one of which has been the subject of public hearings—to produce oil from State leases by drilling from existing platforms on Federal leases.

This production on Federal leases is carried out with a commitment to environmental protection and applicability of scientific knowledge. In the scientific arena, the Minerals Management Service Environmental Studies Program has spent more than \$120 million in marine, coastal, and socio-economic research in the Pacific Region which has:

- Funded extensive surveys of marine mammals and seabirds along the entire Pacific coast and pioneered research into oil spill rehabilitation techniques for marine mammals.
- Funded state-of-the-art research on physical oceanography of the Pacific coast through a cooperative agreement with the premier West Coast oceanographic institution, Scripps Institution of Oceanography, resulting in a significantly improved understanding of ocean dynamics off southern California.
- Produced an atlas of new, unique, previously unknown marine organisms from the Santa Barbara Channel and Santa Maria Basin.
- Resulted in the formation of a network of scientists along the coast to study the rocky shoreline of California. The Multi-Agency Rocky Intertidal Network is today a consortium of more than a dozen agencies and academic groups working together.

In terms of environmental protection, Outer Continental Shelf oil and natural gas operations off the coast of California have achieved an exemplary record. Since the 1969 Santa Barbara oil spill, over 1,200 wells have been drilled and over 1 billion barrels have been produced from the Pacific Outer Continental Shelf without a significant incident. Specifically, over the past 30 years a total 833 barrels of oil have been spilled from federally regulated platforms in this area. This is about as much oil in 30 years as is released from the natural seeps off southern California in any given week. Much of the credit goes to the private sector for improvements in practices and technology. MMS has had a very strong record, with stringent operating requirements and inspectors in the field 365 days a year, close and intensive coordination with other Federal, State, and local agencies, and effective use of the results of environmental and technical studies.

In his presentation to the Commission in March, the Regional Director of the Minerals Management Service Gulf of Mexico Region provided you with several observations on ocean governance. MMS has a long, impressive history of working with other regulators and interested parties, through formal and informal mechanisms, to ensure the safe and environmentally sound management of the Nation's Outer Continental Shelf minerals. Although MMS has not been able to reach agreement with the State of California on every Outer Continental Shelf issue, the agency has always listened carefully to their views and tried to incorporate them into our plans and programs.

However, a procedural issue involved with the undeveloped Outer Continental Shelf leases has resulted in litigation between the State of California and the Department. In November 1999, MMS granted the lessees' requests for further suspensions of 36 of the 40 undeveloped leases offshore of California. California sued to challenge these suspensions in Federal district court. The State alleged that MMS had failed to take certain procedural steps under the Coastal Zone Management Act before granting the suspensions. In June 2001, the district court ruled that MMS was required to issue "consistency determinations" under the CZMA before it could grant the suspensions. The government appealed that decision to the Court of Appeals for the Ninth Circuit, where the matter is now pending.

While I cannot comment directly on that litigation, I would like to emphasize that it is limited to a procedural question under the CZMA regarding suspensions. The case does not involve any new or amended exploration plan or development and production plan, and the suspensions do not authorize or grant permits for any activity on the leases. However, the CZMA procedural question is of potentially national importance, because the CZMA provisions, as well as the regulations and lease terms governing suspensions, are the same nationwide.

I am pleased to say that the CZMA procedural dispute is not indicative of the overall Federal/California State relationship. Indeed, our hope is that it will be the opposite – the exception rather than the norm. We look forward to continuing to work with California as we work through these sometimes difficult issues.

We will continue to pursue national energy strategies that best enable the Nation to meet its energy supply and energy security goals – while protecting coastal and marine environments, safeguarding social and cultural values in the affected areas, and ensuring adherence to public decision-making processes.

Let me turn now to some challenges and issues facing the Fish and Wildlife Service.

Fish and Wildlife Service

The Fish and Wildlife Service faces a number of challenges in the region. I will touch on a few examples: National Wildlife Refuges on the coastline help protect marine estuaries habitat and species in the midst of burgeoning human populations and coastal development. These refuges

play an important role in sustaining valuable habitat to support the natural places loved by so many Americans, including individuals from the West Coast. Higher density urban development has increased sedimentation and discharge of contaminants into estuaries and coastal areas. Additionally, many estuaries and coastal habitats are being affected by an invasion of exotic species. Yet, marine and terrestrial wildlife depend on these coastal areas as habitat for nesting, resting, and feeding.

In the Tijuana watershed in southern California, these issues span international borders. Two-thirds of the Tijuana watershed exists in Mexico, one-third in the United States. At the Tijuana Slough National Wildlife Refuge and the Estuaries Reserve, the waters from the watershed flow out to the sea. Human population densities across the border in Tijuana, Mexico, are extremely high, and exist with a limited infrastructure. In addition, development in southern California is ever expanding. These two situations on opposite sides of the U.S./Mexico border result in sediments, pollutants, and sewage, and are issues of major concern. To face these challenges, the California Coastal Conservancy, with a diversity of other interests, is coordinating with the government of Mexico to develop a widely supported planning effort. The many faceted efforts cut across important issues that include economic development, endangered species, and quality of life.

The Fish and Wildlife Service is also actively helping to improve the quality of our estuaries along the West Coast. Cooperative programs are removing 100-year-old dikes to restore the flow to our estuaries and opening fish passageways. Benefits are particularly applicable for salmonid species and other anadromous species. Monitoring of the results of these activities on the biological community is needed.

The influx of more people along the West Coast creates more interest in opportunities to experience and enjoy the Nation's coastal wildlife. National Wildlife Refuges along the West Coast are seeing increasing visitation and interest in their programs. This brings new challenges for managing refuges for the benefit of wildlife and people, while enhancing visitor services. Managers frequently rely upon volunteers, "friends" groups, and other partners to help in restore and maintain projects as well as educate the public.

Even when habitats are managed for wildlife, they are affected by a variety of factors. Invasive exotic species along the coast, such as the invasive saltmarsh plant *Spartina*, have the ability to take over hundreds and thousands of acres of tidelands, effectively removing important habitat for marine and estuary species, including migratory birds. Eradicating invasive exotic species is important and should be done in a timely manner. Infestation of exotic species is exponential, so not allowing invasive species to gain a foothold is important before the invasion gets out of hand. The Fish and Wildlife Service is working with many partners throughout the region to address the problems with invasive exotic species, but additional financial support is needed in order to achieve meaningful progress in the fight against invasive exotics.

Let us now turn to challenges facing the Park Service.

National Parks and the Coast

The National Park System contains an array of special places that are wonderful examples of the Nation's natural and cultural heritage. The National Park Service cares for those special places saved by the American people so that all may experience our heritage.

The bond of land and sea at the coast is evermore evident. Sixty national parks seek to preserve examples of the Nation's ocean heritage in more than 34 million acres of prime coastal habitats along nearly 4,000 miles of shoreline. The National Park Service is also developing its capacity to better protect marine resources in existing parks, and partner with others to ensure that the nation's coastal marine heritage is adequately protected and represented.

The National Park Service manages eight units along the California coast. These include:

Cabrillo National Monument, San Diego County
Channel Islands National Park, Ventura and Santa Barbara Counties
Fort Point National Historic Site, San Francisco County
Golden Gate National Recreation Area, San Mateo, San Francisco, and Marin Counties
Point Reyes National Seashore, Marin County
Redwood National Park, Humboldt and Del Norte Counties
San Francisco Maritime National Historic Park, San Francisco County
Santa Monica Mountains National Recreation Area, Los Angeles and Ventura Counties

As you would expect, there are several important issues facing these parks. These include:

- the loss of sportfishing opportunities resulting from depleted fish populations as well due to use restrictions;
- the loss of recreational opportunities from loss of native biological communities, such as kelp forests;
- invasive exotic species;
- the threat of pollution of air, water, sediment; and
- the need to preserve unimpaired Park units to serve as educational opportunities and sources of inspiration.

To address many of these issues, the National Park Service has initiated ecological monitoring programs to assess ecosystem health, provide early warnings of environmental issues, determine the normal range of variation in the ecological equivalent of vital signs, and guide and evaluate ecological restoration efforts.

In cooperation with State, Federal, and private partners, Channel Islands National Park – utilizing monitoring and other tools – continues to play a critical role in seeking to restore Southern California kelp forest ecosystems, and the fisheries and recreational opportunities they afford.

BLM's California Coastal Monument

The Bureau of Land Management's California Coastal Monument is 7,000 acres, including all islands, rocks, exposed reefs, and pinnacles off the California coast. The coastal areas run along the entire 840-mile California coast and extending out for 12 miles. The number of islands, reefs, and pinnacles was estimated to be over 1,000.

The monument provides unique habitat for an estimated 200,000 breeding seabirds, including gulls, the endangered California least tern, and the brown pelican. The monument also provides forage and breeding habitat for sea lions, the threatened sea otter, and the Guadalupe fur seal.

The Secretary of the Interior designated these areas as the "California Islands Wildlife Sanctuary" in 1983, an action that withdrew the lands from surface entry, mining, and mineral leasing and from settlement, sale, location, or entry under the general land laws. In 1990 the BLM designated these areas an Area of Critical Environmental Concern. On January 11, 2000, it was designated a national monument.

The Department is currently reviewing a range of options for monuments management that can serve as options for citizens and others affected by monument designations. It is our hope that those options, once reviewed and commented on by the public, will be helpful in guiding the future management of the BLM monument here in California.

Governance

Finally, let me provide you with some thoughts on governance. In seeking solutions to the coastal and oceans issues at the Federal level, the Department proposes to keep the following principles in mind:

- (1) Coordination does not require centralization or a single agency to address coastal or ocean related issues.
- (2) Cooperation among agencies can take many forms. Governing institutions should facilitate opportunities to customize to particular circumstances.
- (3) Performance measures are important. We need adaptive solutions tied to performance measures and monitoring in addressing coastal and ocean issues. This is particularly important because our knowledge is incomplete regarding oceans marine ecosystems and the relationship between selected policies and hoped for outcomes. Ultimately, we want to optimize the goals and values we are trying to achieve as we attempt to address solutions to coastal problems.

Let me conclude with some things I said in Washington when I testified before you last fall that I believe are particularly applicable here.

The Department's goal is to balance the needs and interests of the varied and diverse set of interests impacted by the Department's activities, while ensuring our actions are always emblematic of Secretary Norton's commitment to a 4 C's approach: conservation through consultation, cooperation, and communication.

The 4 C's reflect a dedication to solving problems in the marine environment – indeed on land as well – in a manner that focuses on real and tangible solutions. For years, we have tried to address problems in a way that has marginally improved our resources, while the debate over what to do about them has played out in courtrooms and the pages of regulatory manuals. We believe our approach is more responsive and therefore preferable to the American people.

We recognize that many challenges lie before us and success does not always come quickly. However we are committed to this approach.

Thank you for your time. I will be happy to answer any questions you may have.