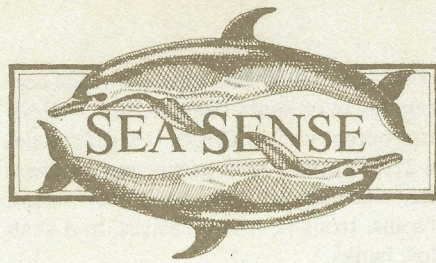


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# Oceans

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# OCS LEASING PROCESS

## San Diego Closes Ranks

by Payson R. Stevens

ALTHOUGH COASTAL DAMAGE from oil spills is usually associated with tanker disasters, the increasing development of outer continental shelf (OCS) resources confronts the shore environment with what amounts to permanent and stationary supertankers: the offshore drilling platforms. The 1969 contamination of over 100 miles of coastline around Santa Barbara, California, from an oil drilling rig just five miles from shore illustrates that such accidents are devastating no matter what their source. However, unlike tanker movement, the construction of offshore platforms is preceded by a review process that affords local communities a measure of influence on the federal leasing of sites.

Southern California has recently gone through this process with Lease Sale (L.S.) No. 48.

In 1976, the United States Department of the Interior (DOI) opened up 217 offshore tracts between Santa Barbara and San Diego for possible bidding by the oil industry. As a result, one city became particularly active in its determined efforts to protect its coastal environment.

Concerted OCS development began with West Coast oil exploration under President Nixon's "Project Independence". Formulated in the early 1970s to counter dependence upon foreign oil supplies, the policy's purpose was to provide additional fuel for Californians, who use about ten percent of the nation's gasoline. In December of 1975, L.S. No. 35 opened up 231 tracts for exploration off the coast of Southern California. These tracts, each three square miles, were in the Santa Barbara Channel and 100 miles off the coast of San Diego in a region known as the Tanner-Cortes Banks.

San Diego was relatively unconcerned about L.S. 35 since the tracts were far from the coastline. But when L.S. No. 48

designated twenty-six tracts, six to eighteen miles from shore, people became more aroused. San Diego prides itself on being "America's Finest City". Beautiful beaches and bays bring countless tourists annually, who are drawn there by stretches of shoreline that rival the French Riviera. Because the nearshore region represents a significant economic and cultural asset for residents and tourists, San Diego could ill afford a major oil spill. And when the government figures indicated that the twenty-six tracts would only provide thirty-six hours of national consumption for oil and fifteen hours for natural gas, people began to wonder whether it would be worth the candle.

Many local and state officials felt that the Nixon and Ford Administrations had pushed the lease through without concern for regional interests. Controversies surrounding the sale focused on oil company bidding procedures. Some claimed that the industry benefited from low resource estimates prepared by the government agency, the United States Geological Survey (USGS). They also pointed out that oil companies frequently provide the USGS with much of the geologic data on which oil evaluations are based. Finally, the government-prepared environmental impact statement was also criticized for failing to address sufficiently the economic and social effects of oil development.

Art Letter, executive director of Concern for Offshore Oil Leasing (COOL), an anti-oil group from San Diego saw the environmental risks of L.S. No. 48 as unwarranted, especially without any coherent national energy policy. "The tracts have a low resource estimate," he commented, "and there has been a glut of Alaskan oil on the West Coast. Without any rational federal approach, it's unfair to expect any region to suffer potential severe local envi-

ronmental and economic impacts. An oil spill or degraded air quality isn't worth the trade of development," he said. "The numbers don't balance."

An important political tool emerged midway in the lease sale process of L.S. 48. Up until early 1978, no legal provisions existed for local and state governments to influence OCS development. Local requests for information and participation in L.S. 35 were unsuccessful. As a result, many coastal regions started lobbying in Washington, circulating petitions which supported a regional role in the final tract selection.

Roger Hedgecock, a member of the San Diego County Board of Supervisors, was an active lobbyist who helped encourage other communities to oppose L.S. 48 through the League of Cities, the National Association of Counties (NACO), and the Governor's Office. Not only San Diego, but Suffolk County, Long Island, and NACO representatives testified in Washington. This East-West coalition was finally able to sponsor a coastal states resolution which amended the OCS Act to allow local participation.

"The local support created by citizens' groups like COOL, and the united efforts of various other San Diego governmental organizations gave us the muscle to go to Washington, prepare reports, hire consultants and make a case for ourselves. We knew that a strong technical base combined with a broad opposition coalition might win the deletions," Hedgecock stated. Obviously the OCS Amendments of 1978 were a critical change. Besides allowing local input on leasing decisions, they gave state OCS governors the legal right to make recommendations on DOI tract selection. These could only be overridden by a written explanation from the Secretary of the Interior. Thus, a process had

evolved in which regional concerns could counterbalance federal interests.

The tracts of L.S. 48 are located in the Southern California Bight (SCB), one of the most complicated and well-studied continental terraces in the world. It spans

#### *The OCS Lease Process*

Sites in the OCS program include all the coastal regions of the continental United States of America and Alaskan waters. There are a number of steps in the OCS leasing process. Briefly these include:

1. United States Geological Survey estimates of oil and natural gas for a particular area.
2. Tract nominations are requested. The oil industry requests high interest areas. The public presents its concerns over tracts which might have negative environmental effects.
3. The Bureau of Land Management prepares a list of tracts and sends them to the Department of the Interior.
4. A Draft Environmental Statement is ordered by the DOI. Scientific research commences and attempts to assess impacts of oil development for the lease-sale tracts. When completed it circulates for ninety days for public review.
5. Public hearings are held. A DOI Administrative Law panel records testimony in those areas affected by development. The Law Judge prepares opinions for the Secretary of the Interior.
6. A Final Environmental Statement is released; this is a modified version of the DES. It incorporates comments from affected areas.
7. A Secretarial Issue Document is released which summarizes all the pertinent information and lists DOI options.
8. The Secretary makes his decisions on tract selection. A list is sent to the affected OCS Governor. He/she in turn has sixty days to respond and make state recommendations.
9. Bidding by the oil companies and sale of tracts.

#### Outer Continental Shelf Acronyms:

BLM—Bureau of Land Management  
CPO—Comprehensive Planning Organization  
COOL—Concern for Offshore Oil Leasing  
DES—Draft Environmental Statement  
DOI—Department of the Interior  
EPA—Environmental Protection Agency  
FES—Final Environmental Statement  
IPO—Integrated Planning Office  
L.S.—Lease Sale  
NACO—National Association of Counties  
NAS—National Academy of Sciences  
OCS—Outer Continental Shelf  
SCB—Southern California Bight  
USGS—United States Geological Survey

600 miles of coastline, from Point Conception north of Santa Barbara, to the Mexican border at San Diego. It encompasses a 21,000-square mile marine environment that includes a wide variety of ridges, basins, troughs, island shelves, and shallow banks.

Surfing, boating, skin diving, surf and sport fishing are its major recreational activities. Abalone, lobster, and kelp are all harvested from the Bight, while the principal commercial fisheries take anchovy, Pacific herring, sardine, albacore, and yellowfin tuna from its waters. The Tanner-Cortes Banks are an especially rich and unique biological habitat. The islands provide sanctuary for numerous marine sea birds and mammals, some of which are listed as endangered species, such as the brown pelican, the California least tern and the Pacific right whale. The area is also the migratory route for no less than seven whale species.

As Ken Sulzer, Deputy Executive Director of the regional governmental body, the San Diego Comprehensive Planning Organization points out, "San Diego has been evolving over the last ten years to the point where the business community realizes that a good clean environment means good business."

Public use of the Bight is supplemented by extensive military operations, submarine lanes, and naval amphibious task force bases. It is also a main shipping lane, with an international port at Long Beach. Tankers carrying Alaskan crude oil as well as freighters transporting Japanese automobiles and products from the Far East navigate through the Bight.

Oil rigs and drilling operations, petroleum transfer, underwater pipelines and oil barging are the realities of OCS development. It is precisely these activities that pose questions of navigational safety, military security, marine ecosystem impact, and air quality in the Southern California Bight. Added to this are questions of local, regional, state, and federal rights over development, profits, and impact costs.

Dr. Michael Mullin, professor of biological oceanography at Scripps Institution of Oceanography, views the problem from an academic perspective. "The trouble is that society is not well prepared to accumulate accurate, long-term ecological data. Most university scientists are trying to answer rather specific environmental questions. These are defined by the present state of science and not by what society needs to know five to ten years from now."

Says Mullin: "The DOI was relatively honest in what is known about the Bight

and its inherent limitations in predicting effects. Yet its conclusion was to still go ahead and develop many of the tracts while forcing the burden of proof on those who are concerned about impacts. Really, it should be up to those who wish to impact the environment to prove that no serious negative effects will result."

To appraise the possible effect of OCS development, the Bureau of Land Management (BLM) organized a large multidisciplinary team to study specific aspects of Bight ecology. Science Applications, Inc. (SAI) of La Jolla was the prime contractor at \$12.4 million. According to Dr. Richard Callahan, the program manager, the four-year study was a huge one, politically pressured, and complicated by the BLM's lack of historical background for doing high-level scientific research. Obviously, problems arose. But the study demonstrated that large, diverse groups of academicians can get together and work with private industry.

Some of the problems centered around answering two basic questions: What is "normal" for a specific environment? How will it be affected by oil exploration? One distinct problem is the existence of diverse biological environments in the Southern California Bight. The range includes coastal waters, subtidal zones, the rocky intertidal regions, sandy beaches, kelp forests, island sites, sea banks, wetlands, and bays. And there are specific areas, such as Los Angeles, Santa Barbara, San Diego, and the Tanner-Cortes Banks, which all have distinct and unique characteristics. One way the BLM tried to tackle the enormity of the task (with a three- to four-year deadline), was to look for baseline characteristics for these regions.

Baseline/benchmark studies are large-scale surveys which attempt to define major geomorphological and population features. They are often centered on a specific site and designed to gather qualitative information from well-defined areas. Unique or hazardous environments may also be described. However, this approach has inherent difficulties. Though it is possible to generally identify certain biological communities, their variability in space and time is usually significant. Natural occurrences, such as storms with intense wave action, droughts, or heavy rains all can have large disruptive effects. In order to adjust for variability, it is necessary to collect data on organisms and their physical environment for intervals longer than a mere three or four years.

With this in mind, it is not surprising that some scientists criticized the BLM

approach, describing the baseline concept as unrealistic and as ultimately having a limited value for decision making.

Concerned over the direction of the research, the BLM commissioned the prestigious National Academy of Sciences (NAS) to analyze the OCS program. The result was a 109-page report, *OCS Oil & Gas* (NAS, 1978). It was an extensive critique, and among other suggestions recommended that long-term baseline studies be terminated.

Against this unsettling backdrop, the Pacific office of the BLM wrote the Draft Environmental Statement (DES) and published it in September of 1978 for public review. The release of the DES sparked intensive study of the document. Physical oceanographers examined and criticized the BLM oil spill model. Biological oceanographers scrutinized assumptions about Bight ecosystem dynamics and the role of hydrocarbons in the food chain. Marine geologists were skeptical of statements which minimized geologic instability and depth problems associated with drilling. The impacts of heavy metals, toxic drilling muds and turbidity effects were all examined and emphasized. Buried in the 4,000 pages were continual statements which indicated that even the BLM realized "that there were possible adverse and unknown effects from development" on phytoplankton, zooplankton, benthic organisms, and marine mammals.

Another area of controversy centered around the effects of oil discharges and spills into the marine environment. Though the effects of crude oil on marine organisms is still unclear, it is becoming increasingly evident that refined oil spills pose a long-

term marine threat. A month-long symposium, held in October of 1977 on this subject, released its findings in the May 1978 issue of the *Journal of the Fisheries Research Board of Canada*. A summary statement indicated, for the regions studied, that it takes upward of fifteen years for oil-fouled marine environments to return to a stable state. The entry of thousands of types of hydrocarbon molecules into marine food chains is also unknown. Concern exists over possible carcinogenic effects of some of these molecules. To date, these questions remain unanswered. It became obvious that much more research is still needed to assess oil impacts. Most importantly, the information presented a well-documented rebuttal of constant industry claims that oil poses no threats and that the environment recovers rapidly after a spill.

San Diego had the most organized regional response to the DES. Planning agencies, air quality boards, hotel owners associations, visitors and convention bureaus, and environmental groups all immersed themselves in the 4,000-page report. They dissected the document for facts and errors, shared information, and revealed faulty assumptions or conclusions.

Joan Werner, OCS policy coordinator for the San Diego County Integrated Planning Office (IPO), and a veteran of L.S. 35, described the city's twofold approach in reacting to the DES. "First, we wanted San Diego to be very strong and stand on its own, even if no one else supported us. Second, without changing our position, we wanted to cooperate as much as possible with other statewide groups."

Part of the strategy involved preparing

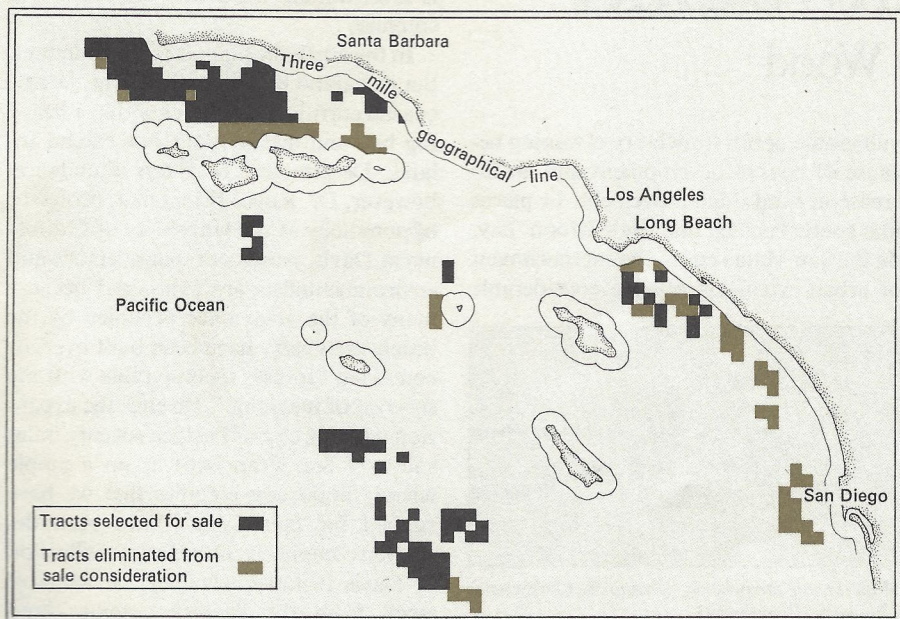
well-documented scientific reports to provide local and national politicians with the technical leverage to argue their case. A major breakthrough occurred when San Diego pressed the BLM for subregional estimates for oil and gas. Prior to early 1977, this information had never been released, and the low resource estimates provided a valuable rallying point against the lease sale.

Another strategy focused on a conflict over federal air quality directives. The Environmental Protection Agency (EPA) decreed that cities had to clean up their air. Yet the DOI was pushing for increased drilling which would only add to deteriorating air quality. San Diego leaders were aware of Secretary of the Interior Andrus's sensitivity to these conflicts and incorporated the issue into their plan of action.

Technical reports concentrated on air quality, economic impacts, and a scientific analysis of the DES. These were contracted out to different consulting groups. The importance of solid, unbiased documentation which had credible scientists behind it was a major cornerstone of the effort. The community was also fortunate to have a report prepared by the Governor's Office of Planning and Research entitled, *Offshore Oil and Gas Development for Southern California*. This two-volume report, released in October of 1977, offered a wealth of technical information on the possible impacts of oil development.

The climax of this intense effort was the public hearings held in late October and early November of 1978. With almost one hundred people in the audience, San Diego presented its case for two days. This was a striking contrast to Santa Barbara and Long Beach, where little opposition was voiced. The testimony was detailed and well researched. Local government agencies, the San Diego Regional Coastal Commission, California Public Research Group, Campaign for Economic Democracy, Greenpeace, the Convention and Visitors Bureau, the San Diego Hotel and Motel Association, and numerous private citizens all delivered opposition testimony.

San Diego Mayor Pete Wilson, United States Congressman Lionel Van Deering, and United States Senator Alan Cranston appeared at the hearings and pressed for tract deletion. Though Senator Cranston did not oppose all drilling, he criticized the offshore leasing sales and said he felt the oil companies were taking advantage of the American people by not paying a high enough price to explore offshore oil. He also urged the DOI to study the cumulative



Map of proposed Lease Sale No. 48

effects of oil drilling.

Hervey Sweetwood, the mayor of Del Mar (a suburban coastal town), a member of the regional Coastal Commission and COOL, thought the hearings were a resounding success. "We even arranged for an informal dinner with one of the DOI panel members. In a more casual and friendly atmosphere, a small group of San Diegans and the members sat and discussed life, philosophy and oil drilling. Our purpose was to transmit to the federal government what our Southern California life style meant personally, and what the impact of oil development could mean for the region. It was a very positive experience."

For five months following the hearings, San Diego continued to press its case. COOL organized mail campaigns addressed to Secretary Andrus and national level representatives. A letter was also sent to Andrus immediately prior to tract selection which was signed by the California delegation, and asked for San Diego deletion.

All this effort paid off. On March 9, 1979, Secretary Andrus announced his decision. Sixty-nine tracts were deleted from L.S. No. 48, including all the twenty-six sites near San Diego. It was the first time in the OCS process that so many tracts were deleted for environmental reasons.

For many, the deciding factor for the deletions was the low resource estimates. But most also agree that if the region had

not been outspoken in its opposition, the tracts would have been leased no matter how low the resource. Andrus had many factors to juggle: negative air quality impacts, threats to the marine environment and local economy, deepwater tracts with unproven technology, United States energy needs, and the balance of international payments. It appears, though, that an aroused public in San Diego helped tip the balance in its favor. Andrus's decision was instrumental in setting a precedent for all future frontier OCS areas. It demonstrated that a well-informed community with a documented strategy could present effective opposition to poorly planned federal directives. More importantly, it also demonstrated that the federal government was responsive to local concerns.

Even with this hopeful outcome, San Diegans are far from complacent. They are searching for alternative energy sources and have one of the first solar construction codes in the country. They also know that the BLM and oil industry are still looking at the region.

"We were disappointed by the deletion of tracts, especially the San Diego region," said Hank Wright, manager of offshore operations for the Los Angeles-based Western Oil and Gas Association. "Those areas represented the only frontier area in the sale. It's a rank wildcat region with little available information from direct drilling. Our industry expressed interest in exploring the area, especially in the light

of honest domestic shortages of crude oil."

And William Grant, head of the BLM's Pacific OCS Office observed, after Andrus's decision, "If there is any future indication of a greater resource in the San Diego region, then the tract selection process will have to be reevaluated. Even low resource areas will be considered if the crude oil problem continues."

Over thirty new OCS sale areas will be opening up during the next five years. It is obvious that America cannot continue its addiction to nonrenewable energy. Our cheap sources are ending, some predict within twenty-five years for American oil at the current consumption rate. We are in a postindustrial transition which will require creative solutions, energy restraints, and a global perspective. Local communities have to be aware of the trade-offs. More significantly, we must always be conscious of the delicate relationships which exist in the ocean, and diligent in protecting this vital resource.

What was unique about L.S. No. 48 was the united community voice which spoke out against oil development. The model presented here may not work everywhere. But it does show that people can stand together, present their case, and even win! And what they gained was the sky, the air, and the sea.

*Payson R. Stevens is a biologist and science consultant. His company, Creative Consulting, provided the technical management for the CPO analysis of L.S. No. 48.*