

UNIVERSITY OF SOUTHERN CALIFORNIA
UNIVERSITY PARK
LOS ANGELES, CALIFORNIA 90007

OFFICE OF THE
SEA GRANT PROGRAM

CIRCULATING COPY
Sea Grant Depository

OUTER CONTINENTAL SHELF DEVELOPMENT HEARINGS

Observations and Review of
U.S. SENATE COMMERCE COMMITTEE
NATIONAL OCEAN POLICY STUDY

September 27 and 28, 1974

Santa Monica, California

Written by

Lawrence C. Leopold ¹

Shirley J. Hudgins ²

U.S.C. Sea Grant Program
Marine Advisory Service

October 11, 1974
USC-SG-Special Report 1-74

¹ Coastal Resources Specialist
² Sea Grant Editor

On September 26 and 27, 1974, Senator John V. Tunney (D-Calif) convened a U.S. Senate Public Hearing concerning potential expanded Offshore Oil Drilling on the Outer Continental Shelf of southern California. While this is a part of the U.S. Senate's National Ocean Policy Study, the Hearings also served to focus testimony from all segments of society on the critical questions of major new industrialization and exploitation along the coastline of California. The Hearings also clearly demonstrated two additional crucial topics: 1) a genuine need for a comprehensive, national energy inventory and utilization schedule; and 2) a much more coordinated and predictable mechanism for Federal-State sharing of decision-making in the coastal zone area.

The Sea Grant Advisory Program at the University of California strongly believes that presenting a Summary and Review of these Hearings will greatly enable the interested persons to more completely understand the nature and complexity of the issues involved in the proposed recovery of oil and gas from the California OCS.

With the passage of Senate Resolution 222, the National Ocean Policy Study (NOPS) was set in motion. On September 26 and 27, 1974, Senator John V. Tunney (D-Calif) convened a U.S. Senate Public Hearing on Offshore Oil Drilling on the Outer Continental Shelf (OCS) of California. Those who delivered formal testimony were asked to address themselves to three major issues:

1. strengthening the role of state and local government in Federal policy-making about the timing and location of oil and gas leases along the Outer Continental Shelf and
2. providing state access to Federal decision-making on leases that will affect onshore developments.

Inputs from these issues would then be applied to the:

3. investigation of the need for leases off Southern California at this time.

It was interesting to note that the witnesses addressed these three points in the light of either the California Coastal Zone Management effort within the Federal Coastal Zone Management Program, or within the framework of the national energy problems. The battle lines were both definite and predictable.

Before a discussion of the testimony is undertaken, it is interesting to note that despite the critical nature of the Hearing's issues, only two Senators were present -- on the first day Senators Tunney and Ted Stevens (R-Alaska), and on the second day, only Senator Tunney was present.

In his opening remarks, Tunney immediately restated the focus of the Hearing's testimony: "We are here today for one purpose -- to protect the coastline of California and of the nation from rapacious development." His initial three points which the speakers were to address were more national in nature, but by the above sentence Tunney quickly narrowed the field of discussion. This shift of emphasis was a logical one, since NOPS is looking at California as a case study, and it is the only state which is currently faced with imminent OCS frontier leasing.

Tunney's stance on this issue was that the Department of the Interior "should hold off leasing off southern California until the State completes its coastline plan, and then, any drilling should be consistent with that State Plan." The remainder of his opening remarks related a brief history of the California Coastal Zone Conservation Commission (CCZCC), the NOPS Hearings in Washington, and the current California suit against the Department of the Interior (DOI).

The essential issue to be dealt with by the Federal representatives is the role which California OCS resources will play in the national energy plan. The subsidiary issue involved is the functional interaction of Federal and local governments as the key mode of acquiring these resources. It was to this second issue that Tunney directed his time and attention.

Noticeable by their absence, were any public press conferences, demonstrations, or protests. This is in contrast to the public press conferences conducted outside the public meeting held at the same location by

Mr. Jared G. Carter, Deputy Undersecretary of Interior in July of 1974. It appears that the lack of apparent public interest may have been the result of an intentional policy on the part of the Senate Hearing Committee. Their policy appears to have diffused a potential media event.

Apparently insufficient time was given to construct peripheral public information. This could be visually perceived by the lack of public attendance. The Santa Monica Civic Auditorium, the site of the Hearings, holds between 300 and 400 people. This auditorium was never more than 1/5 full at any given time. It is puzzling, considering that network TV and radio, and national and local press were present both days.

As well as being visually perceived, this lack of preparation time was evident after conversations with local participants. These people indicated that their invitation to formally testify came only one week prior to the Hearings, and that they were unaware of the actual time and place until Wednesday, September 25th, two days before the Hearings opened.

The Honorable Roy Holm, Mayor of Laguna Beach, was the first representative of local California cities and counties to speak. He concentrated on the California coastline, stressing its recreational importance and how additional refining and power generating facilities along the coast would not be acceptable environmentally or economically. Another point of emphasis was the importance of the California Coastal Commission completing its Coastal Zone Plan before leases are awarded. Addressing the issue of timing of studies, Mayor Holm said, "It is our contention that an adequate study

cannot be made in a program of this magnitude in the time allotted." He brought into question the Interior Department's lease sales at 1974 dollars. Mayor Holm also stressed a slowdown of activities to allow development of alternative sources of energy. These seemed to be the major issues which were voiced by the state and local concerns.

The second witness was Councilman Pieter van den Steenhoven of the City of Santa Monica. Mr. van den Steenhoven addressed himself to the questions from both state and local perspectives, stressing the undo haste in the leasing schedule. He claimed that the lease sales scheduled for next May "wholly and completely violate presently enforceable federal guidelines, procedures and laws", and that "Project Independence's Blueprint Report will not bear even the slightest tokenism to a supposedly significant part -- the public hearings." On the side of energy conservation, he recommended adoption of a pricing mechanism to control consumption, eliminating oil company tax deductions, and paying back the national debt.

Councilwoman Pat Russell spoke on behalf of Los Angeles Mayor Tom Bradley. She also addressed most of her comments towards California Coastal Zone Management. It was Bradley's basic contention that the speed with which the Interior Department is operating is unnecessary and dangerous to environmentally sound development. A second point made was that this hasty action preempts the CCZCC's role. He introduced an additional topic -- the future problems and conflicts surrounding California's islands. Are they to remain in their vital recreational role, or will they be faced with having to

accept induced secondary onshore industry facilities for the OCS drilling? Recommendations were to suspend Federal granting of new leases pending the completion of the CCZCC Plan, and to increase Federal aid to the Coastal Commissions.

The City of Santa Barbara opposed offshore drilling and gave only nodding recognition to a national energy plan in a phrase extracted from their City Council Resolutions 7938 and 7939: "except in the event of a national emergency declared by Congress." The questions which the witnesses were asked to address were not directly discussed in this testimony.

The final local city official to testify was Milan Dostal, Mayor Pro tem of Newport Beach, who addressed specifically the question of drilling off California's coast. The major thrust of his statement was concern over the apparent haste of the leasing procedures as they relate to accuracy and comprehensiveness of environmental data. His suggestion for change was in the area of finding alternative energy sources. Regionally speaking, he also stressed the recreational importance of the California coast, not only for its coastal citizens, but for the nation as a whole.

After Mr. Dostal's comments were complete, Senator Tunney directed questions to the panel of representatives. The most controversial questions at this point came from Senator Stevens who repeatedly tried to lead the panel into admitting that they were not in favor of any drilling at all. Councilwoman Russell's response reflected that of the other cities present when she reiterated the fact that they simply wanted the DOI to follow procedures and

that the speed at which they were moving effectively negates the input of the CCZCC's Plan Energy Element.

The first witness of the Federal Government was Duke R. Ligon, Assistant Administrator, Energy Resource Development, Federal Energy Administration (FEA). Mr. Ligon concisely set forth all the Federal issues of timing involved in the arguments for pursuing leasing for hydrocarbon recovery in the California OCS. Therefore, we shall quote extensively from his testimony.

The attainment of increased energy self-sufficiency obviously requires both increasing domestic energy production and reducing demand through conservation efforts. The Outer Continental Shelf (OCS) is unquestionably important to the attainment of our national energy goals.

The embargo -- plus its after-effects -- makes imperative the need for efficient and timely development of our domestic resource base.

Second, it is important to offer new lease acreage with good resource potential. While the Southern California resource base may be limited in comparison to other larger regions, there is more certainty that petroleum exists in this area than in areas where drilling has never taken place, such as on the Atlantic OCS.

Third, although oil will eventually emerge from Alaska to the point that an oil surplus may exist on the West Coast, the oil found in the Federal domain off California's coast could well benefit areas beyond the State's boundaries. In addition, the increased availability of natural gas would help the air pollution problem in Southern California itself.

California leasing is also favorable from a technological standpoint. It is easier to drill in areas closer to the mainland than farther out at sea. Weather conditions, moreover, make the California area attractive for resource development.

As a voice from the FEA, Ligon made public for the first time, (1) a possibility for negotiating a delay of lease sales, and (2) that onshore

developments would be years down the line and subsequently he assumed they would be subject to the regulations of a completed Coastal Zone Management Plan.

After completing his formal testimony, Ligon responded to further questions from Senator Tunney. Mr. Ligon's most surprising statement was an expression of a seeming willingness on the part of both the FEA and the DOI to possibly consider significant delays in the awarding of leases. In view of previous state/federal dialogue, this concept of possible delay was unexpected and controversial.

For the sake of continuity, the testimony of the representative from the Department of the Interior will be presented at this time.

Representing the Department of the Interior was D.E. Lindgren, Deputy Solicitor and C. King Mallory, Deputy Assistant Secretary for Energy and Minerals. These gentlemen approached the problem of California OCS leasing within "the context of the national energy and petroleum picture" to specifically address two major issues; independence from foreign sources and the balance of payment question. An interesting piece of information delivered by Lindgren indicates the following: "It is estimated that the domestic cost of production ranges from 70 cents per barrel in southern California to \$3.50 per barrel in the Gulf of Alaska." The current control price for domestic crude ranges from \$5.25 per barrel upward. Both men emphasized the position that increased development of domestic petroleum resources is critical during the next 15 years.

Turning to the problem of why specifically California, and why now;

Lindgren made these remarks:

"Further, while it is believed there is oil offshore the East Coast, we do not know that oil or gas is present. Because of the potential environmental problems in the Gulf of Alaska and the short field seasons for data collection, a considerable amount of time is necessary to assemble the needed information for a decision to lease in that area. Additionally, the physical conditions in the Gulf of Alaska, the lack of industry infrastructure, and the distance from markets will result in slower development of those resources. By contrast to these frontier areas, the resources potential of the Southern California OCS is better known on the basis of extrapolation of data from onshore production and actual on-going production in State Waters. It is estimated that there may be from 1.6 to 2.7 billion barrels of oil and from 2.4 to 4.8 trillion cubic feet of gas there. In addition, industry infra-structure and basic transportation facilities exist so that production can more rapidly follow discoveries. Thus in terms of resource potential and rapidity in which significant production might occur, the Southern California OCS is very important in meeting the nation's energy and petroleum needs in the next 5 to 10 years. In fact, of the frontier areas, only Southern California has the potential for a significant contribution over that short range."

In rebuttal to criticism concerning the completeness of the impending Draft EIS, Lindgren emphasized that other federal comprehensive national energy studies will be released simultaneously with the Draft EIS for the California OCS. He also indicated a Department attempt to include in the review process state and local government agencies in California as well as concerned citizens' organizations. Lindgren indicated the Department's awareness of the California Energy Element and that it is due to be completed by April of 1975. He makes the assumption that the policies contained in that Element will be essentially what the State Legislature puts into the

California Zone Management Plan. It should be noted that the onshore impact of offshore oil production affects other defined planning elements beyond the defined energy element. This appeared to be ignored in his statement.

A conclusion drawn by Mr. Lindgren indicates that decreased domestic production must result in increased Middle Eastern crude imports. This ignores the possibility of utilizing American Naval Petroleum reserves in the period 1979 - 1981 as the substitute for delayed California OCS production.

Mr. Lindgren concluded his 12-pages of testimony with the following: The decision to lease "involves the development of resources that are the property of, and that can benefit all, the people of this country. While the concerns of and impacts on the people and governments of Southern California are important factors in the decision, in the final analysis the decision must be made from the perspective and the needs of the nation as a whole."

The above paragraph indicates a concern for the national perspective and effectively overrides both State and Federal CZM activities. After completing his testimony, Mr. Lindgren confirmed he was able, in conjunction with C.K. Mallory, to answer policy questions from the Senator. Confronted by Tunney with Mr. Ligon's startling statement of possible delay of lease sale per the FEA, Mr. Lindgren indicated surprise and offered a further statement of policy position. This was that a delay of lease sale is a possible option open to the Secretary of the Interior in May of 1975. However, Mr. Lindgren stressed the need to continue the current studies about the potential California OCS sales.

One of the more intensive series of questions centered around the issue

of alternatives to onshore pipelines. Tunney wanted to know if the Department of the Interior was using the concept of offshore loading as a means to side-step the local refusal to permit onshore pipelines and pumping stations. Lindgren responded that offshore loading techniques are an alternative that must be addressed as a planning option.

Nobody discussed potential disposition and/or impacts of transporting the oil by ships. The questions of eventual destination, benefits to the State of California, increased ship traffic, and eventual recipients of the crude were simply not addressed during this Hearing. It should be noted that each additional transfer operation has the potential of pollution. Such questions would seem to be of real interest to a comprehensive NOPS.

Closing statements from Tunney to the representatives of the Department of the Interior included a desire that there be more apparent coordination between the policy of FEA and that of the DOI. Tunney didn't feel that there yet exists a genuine national energy resource program.

Mr. Monte Canfield, Jr., Director Office of Special Programs, represented the U.S. General Accounting Office at these hearings. His overall position can be capsulized in his opening statements:

While the specific issue of further Federal leasing of the California Outer Continental Shelf is the focus of this hearing, I believe it must be viewed in the context of a larger national issue: How do we, as a Nation, attempt to balance the supply of and demand for energy at minimum cost -- not just in dollars but also at minimum cost to our environment.

Some of the basic questions to consider here today are --
Can we get by in this country without oil and gas from the

California OCS? If not, how soon do we need it? What options do we have?

Under lower growth alternatives, I can say unequivocally that we could do without further leasing of the California OCS for the indefinite future. And having said that, I must immediately point out that such an action might not make sense from a National point of view. Any decision to develop or not develop any resource only makes sense in the context of weighing the trade-offs among alternative options. There truly is no such thing as a free lunch.

We must either put the burden on other sources and localities -- who are no more anxious to develop their resources than are people here in California -- or we must all make the hard decisions, even sacrifices, required to reduce consumption.

Expanding on the central premise of his testimony, Mr. Canfield stated that oil drilling operations should be conducted in ways that relate to regional and national supply requirements. These requirements must reflect answers to basic resource questions as well as social, economic and environmental impacts.

Mr. Canfield succinctly critiqued current DOI leasing procedures. He added: "If we do not know what we own it is pretty hard to know what to do with it. We need to improve the level of our resource understanding. We should not lease the OCS at so fast a rate that it gluts the market and weakens competition for tracts."

Mr. Canfield discussed concerns expressed by the House Appropriations Committee during their discussion of Department of the Interior leasing program of 1975:

The Committee directed, that prior to expanding its leasing program beyond three million acres a year, Interior acquire

and evaluate data which would at a minimum, justify the proposed higher leasing level in terms of: (a) the role of offshore oil and gas in a comprehensive energy strategy or plan; (b) the availability of rigs, material and manpower; (c) the availability of capital to purchase and develop the leases; (d) the ability of the Department's Bureaus to administer the program; (e) the effects on revenues returned; (f) the relative environmental risks; (g) the onshore environmental, social, and economic impacts; and (h) the relationship of potential offshore production to total reserves, consumption and energy conservation practices.

Full compliance with the Committee's desires in this area would go a long way towards better understanding of OCS leasing issues, and would lead to a more rigorous appraisal of problems and trade-offs before final decisions are made than is typically the case.

Further illustrating his divergence from other Federal points of view, Mr. Canfield indicated a disagreement with the narrowly-framed concept of the issue of environment vs. development in the California OCS.

He believes decisions based in a broader context are better, no matter which way they go. His concluding statements were the following:

If it is indeed absolutely critical to the Nation that the California OCS be developed immediately, then such studies must be set aside and the development must proceed apace.

However, let's assume that such analyses could be done in a reasonable period of time, say 1 or 2 years. And let's remember that the development which would follow leasing would be, for all intents and purposes, irreversible. Given these assumptions, I would argue that the burden of proof must rest on those who would proceed with immediate leasing without the benefit of such analyses.

In the following question period, Tunney stated an intent to introduce legislation in the U.S. Senate for a constructive delay, such as indicated by Mr. Canfield. It appears that this may have been Senator Tunney's central

interest for holding these Hearings, a development of testimony to support additional legislation for submission early in the next session of Congress. In retrospect, this may be supported by the fact that Mr. Canfield was the only person who was interrupted in the middle of his prepared testimony by the Senator to present his credentials (previous experience at policy level in the DOI).

Mr. Robert W. Knecht, Director, Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce, after introductory remarks, related the intents and goals of the Federal 1972 Coastal Zone Act starting with a discussion of Section 303 of the Act:

The Congress finds and declares that it is the national policy (a) to preserve, protect, develop, and where possible, to restore or enhance the resources of the Nation's coastal zone for this and succeeding generations, (b) to encourage and assist the states to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, (c) for all Federal agencies engaged in programs affecting the coastal zone to cooperate and participate with state and local governments and regional agencies in effectuating the purposes of this title, and (d) to encourage the participation of the public, of Federal, state and local governments and of regional agencies in the development of coastal zone management programs. With respect to implementation of such management programs, it is the national policy to encourage cooperation among the various state and regional agencies including establishment of interstate and regional agreements, cooperative procedures, and joint action particularly regarding environmental problems.

He also discussed Section 307 which sets forth the legal status of the

National Coastal Zone Management Program as it applies to the current California Program's status. "Any Federal agency conducting activities or undertaking any development projects directly affecting the coastal zone of a State shall conduct those activities or undertake those projects in a manner which is consistent with a State approved management program, to the maximum extent practicable. Commonly referred to as the 'federal consistency' provision of the Act, this stipulation does not become legally operational until a State has its management program approved by the Secretary of Commerce. We see this federal consistency requirement as an important incentive to State and local governments."

This is the relationship that the Office of Coastal Zone Management must maintain under law. In the questions following testimony, Mr. Knecht expanded upon and emphasized his desire to see California have a workable management plan that will allow the state to effectively interact with agencies of the Federal government.

Ellen Stern Harris spoke in her role as Vice-Chairman of the California Coastal Zone Conservation Commission and as a member of the Federal Coastal Zone Management Advisory Committee. The core of her statement is: "To proceed with this premature leasing, I believe, makes a mockery of the countless hours and many months of work by concerned citizens, commissioners and staff already invested in the rational planning of California's coast." Mrs. Harris requested full cooperation from the Department of the Interior in requesting that it wait until the Energy Element of CCZCC is completed. Again it is noted

that this narrow concentration on one element ignores the areas covered by the other plan elements.

The Vice-Chairman expressed what is certainly a popular belief that leasing "also means a devastating industrialization of our coast with its resultant visual despoilation as well as certain, further deterioration of our already poor air quality. We will have to consider the economic consequences of allowing such damage to occur to our magnificent scenic coastal zone and the effect this would have on California's third largest economic sector, tourism."

Expressing a rather interesting business position, Vice-Chairman Harris questioned the DOI's leasing schedule. "Why have they proposed such a massive area for leasing? As oil becomes ever scarcer, it is bound to become even more expensive. Why give the oil companies everything, now, at relatively low 1975 prices? Why didn't Interior propose leasing just the Cortez Ridge, for example?" She concluded her discussion by exhorting Senator Tunney to assemble the California Congressional delegation to convey California's interests to President Ford.

The testimony of Houston Flournoy, State Controller and Chairman, California State Lands Commission, was delivered by Mr. Edward Gladish, also of the California State Lands Commission. The core of Mr. Flournoy's statement was "The State Lands Commission has no objection to oil drilling per se. We do, however, care about how and where it is done." Mr. Flournoy flatly stated that he believes that proposed Federal buffer zones to protect the

state petroleum reserves of legally declared state tideland sanctuaries are inadequate. During his testimony, Mr. Flournoy alluded to unresolved issues concerning boundaries between offshore State and Federal jurisdictions. He did not expand or specifically identify these issues, nor did he indicate how long it would take to resolve such questions. Therefore, there is no way to estimate how these problems may genuinely affect Federal/State interaction involving OCS leasing in California. His testimony indicated that the only currently available mechanism for state input to Federal decisions is the environmental impact study process. In concluding his testimony, he posited the following statement: "I believe this environmental impact statement process will ultimately prove, for example, the undesirability of platforms in sight of Santa Monica Bay. This process may, on the other hand, prove that other Southern California OCS areas can be developed in an acceptable manner."

At the start of his presentation, Assemblyman Alan Sieroty, Chairman, State Assembly Select Committee on Coastal Resources, indicated that the bulk of his prepared testimony had already been presented in one form or another by the preceeding witnesses. He therefore used his time to randomly discuss his additional areas of concern. He noted that there is still not a national energy plan and there has not yet been demonstrated an absolute need to drill offshore. He also requested that Congress provide wide-ranging leadership in this issue which he does not see currently coming from the Executive Branch.

The second State Legislator to testify was Assemblyman Kenneth Cory, Chairman, Joint Committee on Public Domain of the California Legislature.

Assemblyman Cory's major premise was: "The factors to be balanced in arriving at a serviceable leasing policy, but which will be ignored if the present rush to lease is successful, are many and complex."

In explanation, he offered these comments. "...we in California have a special and unique situation with relation to OCS leasing. We have gone farther in setting up machinery to protect our environment, precisely because we have such an outstanding environment to protect. The beaches of California are a resource of incredible beauty and value. But California is earthquake country, and its geological structures are especially complex and shifting. Any oil drilling offshore must take account of the special beauty of our environment and the special threats posed to it by geology."

Solutions to this problem were then suggested.

First, we must insist, before the Government rushes to dispose of the Shelf leases, that it carefully explore the geological environment, not only to establish some real basis of knowledge as to its value, but to enable it to impose real and effective environmental protection. It must gather, analyze, and publish very substantial amounts of geological and economic data before it acts.

Second, we must insist that it give a far more careful consideration to the economic factors involved, not only to insure that the consumer gets a fair break, but even more because experience shows that the special environmental protections required cannot be effectively enforced against a combination of the largest companies with the enormous and political power combination gives."

Industry was represented by Gordon M. Anderson, President, Santa Fe Drilling Company; Sherman H. Clark of Sherman H. Clark Associates; Stark Fox, Executive Vice President, Independent Oil and Gas Producers of

California, and Richard Manning, Assistant to the General Manager, Western Oil & Gas Association (WOGA).

The nature of the arguments presented by the four industry people present could be characterized as a future national need for petroleum requirements substantiated by numerous tables, predictions and estimations. It is believed that their statements were effectively summarized by Mr. Sherman H. Clark.

The volumetric characteristics only become meaningful when translated into their broader economic significance:

1. We cannot be sure of the adequacy of energy supplies from foreign sources. Therefore, this domestic supply will help to support the basic economic activity of the country.
2. The average prices of domestic oil and gas are below the prices of foreign sources. Energy users in Southern California will save a significant amount of money by having access to this offshore supply; we estimate the savings at \$10 to \$20 billion over the life of the field.
3. The offshore production will yield lease payments, royalties, and taxes to governments that will amount to almost \$20 billion.
4. The less we rely on our own resources, the greater will be our reliance on oil and gas from OPEC. This could force even higher prices for all supplies from them; in any event, the nation's balance of payments will be that much more difficult to maintain on a reasonable basis.

The need for the petroleum supply from federal offshore California lands is based on the many different considerations described above, which in my judgment combine to create a most imperative and urgent need.

A more subjective testimony concerning the safety of OCS operations came from Mr. Anderson. By reviewing his company's performance history in OCS drilling, he presented testimony which indicates such operations have a

minimal risk factor.

Mr. Stark Fox reemphasized the need for increasing domestic supplies and concluded by reminding the panel that "Much time has been wasted, and it's still awastin! For the sake of the nation, we'd better get on with the job of developing it, no matter where it is."

Mr. Manning first described the membership of WOGA; "Western Oil & Gas Association is a regional oil industry trade association of about 100 members varying in size from small independent operators to integrated large oil companies. Our membership includes producers, manufacturers and wholesale marketers of petroleum and its products. Our area includes Alaska, where we operate as Alaska Oil and Gas Association, Arizona, California, Hawaii, Nevada, Oregon and Washington." The remaining balance of his testimony was an expansion and review of the following statement, "We feel it is our industry's responsibility to do everything possible and to demonstrate to the thinking public that the offshore area can be developed and the environment safeguarded at the same time." This expansion covered such issues as exploration, production, transportation, the environment and clean-up procedures as specifically related to the California OCS lease area.

Noteworthy was the observation that few, if any, members of the individual major companies that form WOGA were present in the audience during either day of the Hearings. This is in contrast to their presence at Assemblyman Alan Sieroty's hearing concerning offshore oil in April and Jared Carter's public meeting in July of this past summer.

The last scheduled panel of witnesses represented the local citizen's environmental groups.

Representing Get Oil Out (GOO) was Ms. Lois Sidenberg; Ms. Mary Ann Eriksen, Sierra Club; Ms. Janet Adams, California Coastal Alliance; Ms. Shirley Solomon, Seashore Environmental Alliance (SEA), and Mrs. Faye Hove, Planning & Conservation League.

Ms. Sidenberg, who had previously spoken as a representative for the City of Santa Barbara, now addressed the Hearings as a representative for GOO. Her message was that the promises and assurances presented by the DOI were essentially the same as those given in 1966 and 1967 prior to the Santa Barbara sale, and subsequent spill. In addition, she offered to submit documented evidence of violations of Federal OCS regulations on the part of the OCS operators. In other words, she was pointing out an apparent discrepancy between the USGS' theoretical and actual ability to regulate offshore oil operations.

The testimony of Mary Ann Eriksen centered around a request that at a minimum, a moratorium on OCS development in Southern California be imposed. Her reasons for this request were based in both economic and environmental considerations. She produced a statement from an unnamed Federal Energy official "If you look at the way decisions are made on energy, we are willing to pay much more to create a barrel of oil than we are to save it." Environmentally, she injected the possibility (based on research done at Woods Hole Oceanographic Institute) that damage to the biomass from oil spills may be more far-reaching than previously suspected.

Her closing remarks pointed up a rather cogent observation. "...it seems that as California goes on this offshore leasing program, so goes the nation..." Appended to her statement for the records, was the National Sierra Club's Policy on OCS Development.

Janet Adams of the California Coastal Alliance was not present to testify, however, her comments are to be submitted for the record at a later date.

The next speaker was Ms. Shirley Solomon. Her group, SEA, felt that "... the Outer Continental Shelf should be made a national preserve to be used for mineral exploration and extraction only in the event of a national emergency declared by the Congress." She further attacked the credibility of both the oil industry and the Department of the Interior concerning the absolute need for precipitous exploitation of this potential resource. In reference to the Federal Project Independence, SEA feels that there is a different kind of Project Independence necessary: "Independence of government of, by, and from the petroleum industry."

Faye Hove, speaking as a member of the Planning and Conservation League, a coalition of 196 organizations, urges "that the federal government grant no tract leases until the California Coastal Zone Plan has been presented to the State Legislature and acted upon by that body and the Governor." To augment her testimony, she presented a map of the Ventura, Los Angeles, and Orange County coastline showing regions of reduced biological health. The basic data for this map had been developed by Dr. Rimmon C. Fay, a regional biologist. In her final words, Mrs. Hove restated the same general

conclusion which the other concerned citizen groups had reached. This was "...until we have a firm national energy policy which recognizes alternate sources of energy, the actual state of oil requirements, and the trade-offs to be made in a sound and sane program for the long term, decisions to grant tract leases off the coast of the United States should not be made."

The remaining 20 minutes of the Saturday afternoon session were allotted to the five individuals from the audience who wished to provide additional testimony. They were allocated four minutes each. (The minimal amount of time allocated to each person came as a surprise). The authors believe that the number of individuals from the audience who wished to participate is reflective of the apparent low level of pre-hearing publicity.

The first person to speak was a Mr. Edward Gestner, a former offshore oil rig worker, who is currently a member of GOO. He wished to introduce into the records, documented violations in the Santa Barbara Channel of the Federal OCS Operating Regulations. He requested that no new OCS leases be provided under the direction of an "inept regulatory agency."

The next speaker was Mr. Gerald Shaflander, a political sociologist, currently associated with the Consumer Solar Electric Corporation. He had four concise points.

1. Ten out of the eleven prior directors of the Oil and Gas Department in the U.S. Department of the Interior have gone on to work for oil companies. The apparent conclusion is that they obviously haven't acted counter to big oil's interest.

2. He believes there is a question as to whether there actually exists a real petroleum shortage and recommended an independent audit be performed to determine the real status of supply.
3. The American oil industries have chosen to cooperate with the Middle Eastern governments by operating all of their transportation facilities in concert with Arab wishes as opposed to the apparent energy goals of the United States.
4. The technology to utilize solar electric power is here now.

The third citizen to address the Hearing Board was Mr. Alex Mann, representing the Santa Monica Canyon Civic Group. His central concern was that data in support of offshore operations is held by both industry and the Federal government in such a way that it is very difficult for private citizens to comprehensively review proposals for offshore operations.

The next speaker was Mr. Alex Cota from the EastSide-West Side Concerned Citizens Committee. After complaining about lack of public notice on the Hearing, Mr. Cota used his time to discuss the availability of alternative energy sources. He used as an example wind power to generate electricity to provide hydrogen from water to fuel internal combustion engines. It was his contention that we need to stop using crude oil for transportation purposes as soon as possible. He, in fact, suggested that NOPS hold a hearing specifically on alternative energy sources.

The final speaker of the day was Ms. Sue Nelson, representing Friends

of Santa Monica Mountains, Parks and Seashore. It was her contention that the cost of purchasing coastal park land is less than the loss to the people of the recreational uses of this same land that would result from onshore facilities used in conjunction with offshore oil recovery.

Senator Tunney ended the Hearings and indicated that complete transcripts would be available in several months.

CONCLUSIONS

1. Due to insufficient pre-Hearing publicity (which may be reflective of a determined policy of the Senate NOPS Committee), there was minimal public attendance, and a total absence of outside demonstrations or organized press conferences.
2. The Hearings tended to concentrate directly upon the problem of the California OCS without any obvious attempt to integrate the input into the framework of the National Ocean Policy Study.
3. These Hearings addressed the problem of State-Federal interaction; whereas we believe the central question is the matter of proper allocation of a national resource.
4. There was no resolution as to the timing of the Federal and California Coastal Zone Management activities relative to the DOI's efforts to lease OCS mineral rights.
5. It was difficult to tell whether the advocates for delay were genuinely interested in strong coastal zone management planning or were simply

utilizing a rationalization to inhibit the exploitation of the national resource offshore Southern California.

6. It is impossible to dispassionately evaluate the Federal position as to whether the accelerated time frame is absolutely essential in resolving the national energy questions.
7. It would appear to be in the interest of the DOI to make a positive statement recognizing that the timing of its leasing schedule could be responsive to public input.
8. It is obvious that, at the least, there is needed a credible, comprehensive, nation-wide, energy resource inventory to facilitate planning for all segments of society.

NATIONAL SEA GRANT DEPOSITORY
PELL LIBRARY BUILDING
URI, NARRAGANSETT BAY CAMPUS
NARRAGANSETT, RI 02882

RECEIVED

DEC 2 1974

**SEA GRANT
DEPOSITORY**