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**OA/ID Number:** 29163  
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**Folder Title:**  
Outer Continental Shelf (1990) [1]

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<b>G</b>	<b>15</b>	<b>25</b>	<b>3</b>	<b>1</b>

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THE WHITE HOUSE  
Office of the Press Secretary

FOR IMMEDIATE RELEASE

Tuesday, June 26, 1990

STATEMENT BY THE PRESIDENT

I have often stated my belief that development of oil and gas on the outer continental shelf (OCS) should occur in an environmentally sound manner.

I have received the report of the interagency OCS Task Force on Leasing and Development off the coasts of Florida and California, and have accepted its recommendation that further steps to protect the environment are needed.

Today, I am announcing my support for a moratorium on oil and gas leasing and development in Sale Area 116, Part II, off the coast of Florida, Sale Area 91 off the coast of northern California, Sale Area 119 off the coast of central California, and the vast majority of Sale Area 95 off the coast of southern California, until after the year 2000.

The combined effect of these decisions is that the coast of southwest Florida and more than 99 percent of the California coast will be off limits to oil and gas leasing and development until after the year 2000.

Only those areas which are in close proximity to existing oil and gas development in Federal and state waters, comprising less than 1% of the tracts off the California coast, may be available before then. These areas, concentrated in the Santa Maria Basin and the Santa Barbara Channel, will not be available for leasing in any event until 1996 -- and then only if the further studies for which I am calling in response to the report of the National Academy of Sciences satisfactorily address concerns related to these tracts.

I am also approving a proposal that would establish a National Marine Sanctuary in California's Monterey Bay and provide for a *permanent* ban on oil and gas development in the sanctuary, and I am asking the Secretary of the Interior to begin a process that may lead to the buyback and cancellation of *existing* leases in Sale Area 116, Part II, off southwest Florida.

In addition, I am directing the Secretary of the Interior to delay leasing and development in several other areas where questions have been raised about the resource potential and the environmental implications of development. For Sale Area 132 off the coasts of Washington and Oregon, I am accepting the recommendation of the Secretary that further leasing and development activity be deferred until a series of environmental studies are completed, and directing that no

such activity take place until after the year 2000. I am also cancelling Lease Sale 96, in the Georges Bank area of the North Atlantic, and directing that no leasing and development activity take place in this area until after the year 2000. This will allow time for additional studies to determine the resource potential of the area and address the environmental and scientific concerns which have been raised.

Finally, I am today directing the Secretary to take several steps to improve the OCS program and respond to several of the concerns expressed by the Task Force. My goal is to create a much more carefully targeted OCS program -- one that is responsive to local concerns, to environmental concerns, and to the need to develop prudently our nation's domestic energy resources. Although I have today taken these strong steps to protect our environment, I continue to believe that there are significant offshore areas where we can and must go forward with resource development.

While I believe that a leaner OCS program will ultimately be more effective, Americans must recognize that the OCS program is a vital source of fuel for our growing economy. My desire is to achieve a *balance* between the need to provide energy for the American people and the need to protect unique and sensitive coastal and marine environments.

# # # #

**DRAFT**

THE WHITE HOUSE  
WASHINGTON

June 14, 1990

MEMORANDUM FOR JIM CICCONI

FROM: BARRY MCBEE *BM*

SUBJECT: OCS Fact Sheet

Attached is a draft of a fact sheet that could be used in connection with the announcement of the President's decisions on the OCS Task Force and the future of the OCS program. It reflects Bob Grady's comments.

One issue that must be decided is whether all of the actions embodied in the decision memo prepared for the President should be announced by the President or whether some should be left to Secretary Lujan. Specifically, the two most significant items are Sale 96 off New England (the George's Bank area) and the proposed sale off Washington and Oregon that has been studied by an Interior Department/Washington/Oregon task force. Grady feels that all of the announcements should be made from the White House, while I think there are valid arguments to give some of the announcements to Lujan.

THE WHITE HOUSE

Office of the Press Secretary

FACT SHEET

PRESIDENTIAL DECISIONS CONCERNING OIL AND GAS DEVELOPMENT  
ON THE OUTER CONTINENTAL SHELF

The President today announced a series of decisions related to oil and gas development on the Outer Continental Shelf (OCS). The decisions are intended both to respond to the report of his interagency Task Force on Leasing and Development of the OCS and to provide a general direction for the OCS program in the future.

The President believes that the nation needs to find a balance between development of important domestic energy resources and protection of the environment in sensitive areas.

Decisions by the President on Three Pending Sales

Decision for California Sales

- o Cancel all sales scheduled for 1990, 1991 and 1992 offshore California, including Sale 91 off the coast of northern California and Sale 95 off the coast of southern California.
- o Conduct additional oceanographic and socioeconomic studies as recommended by the National Academy of Sciences in its review of the information available for decision-making, as requested by the Task Force, which should take 3 to 4 years.
- o Exclude more than 99 percent of the tracts (including all of the Sale 91 area and all of the Sale 95 area south of the Santa Barbara Channel) off California from consideration for any lease sale until after the year 2000. The Interior Department has identified 87 tracts off the coast of southern California within the Sale 95 area that have high resource potential. The tracts, ~~which are shown on the attached map,~~ <sup>confined to</sup> are located in the Santa Maria Basin and Santa Barbara Channel, where oil and gas development is currently underway, and comprise approximately 0.7 percent of all of the tracts off California. These tracts, constituting approximately 498,000 acres, represent .67 percent of the 74 million total acres off California that could be leased and 1.63 percent of the 30.5 million acres in the Southern California Planning Area. They will not be available for possible leasing until after January 1, 1996 and

after completion of the additional studies and then only if development appears viable based on the guiding principles outlined below and the results of the studies.

#### Decision for Florida

- o Cancel Sale 116, Part II and exclude the area from consideration for any lease sale until after the year 2000. Any development after the year 2000 would be pursued only if it appears viable, based on the guiding principles outlined below and the results of additional studies.
- o Conduct additional oceanographic, ecological and socioeconomic studies as recommended by the National Academy of Sciences in its review, which should be completed within 5 to 6 years.
- o Begin cancellation of existing leases off Florida and initiate discussions with the State of Florida for its participation in a joint federal-state buy-back of the leases.

#### Guiding Principles for the President's Decision

In arriving at his decisions, and as a template for decisions on future OCS development, the President considered the following principles:

(1) Adequacy of Information and Analysis -- Adequate scientific and technical information regarding the resource potential of each area considered for leasing and the environmental, social and economic effects of development must be available and subjected to rigorous scrutiny before decisions are made. Obtaining that data is the highest priority. No activity should take place in any area without such information and analysis.

(2) Environmental Sensitivity -- It must be recognized that there are certain areas off our coasts that represent irreplaceable natural resources. In those areas even the small risks posed by oil and gas development may be too great. In other areas where science and experience and new recovery technologies show development may be safe, development will be considered.

(3) Resource Potential -- Priority for development must be given to those areas which have the greatest resource potential. Given the inexact nature of resource estimation, particularly offshore, priority should be given to those areas where earlier development has proven the existence of economically recoverable reserves. There may also be other

undeveloped areas where the likelihood of significant resources, as demonstrated by the interest of the oil and gas industry, can justify possible development.

(4) Energy Requirements -- The requirements of our nation's economy for energy and the overall costs and benefits of various sources of energy must be considered in deciding whether to develop oil and gas offshore. The level of petroleum imports, which has been steadily increasing, is a critical factor in this assessment. At the same time, greater availability of alternative energy sources and savings from increased energy conservation and efficiency may reduce our demand for traditional energy supplies.

(5) National Security Requirements -- The changing nature of circumstances may alter conclusions on what is the prudent course. The completion of the National Energy Strategy and our experience with its implementation may lead to a different approach to future sales. External events, such as another oil embargo, might also lead to a reevaluation of the entire OCS program. Because of this all decisions regarding OCS development must be subject to a national security exemption -- in the event the President determines that national security requires development in these areas, he will have the ability to direct the Interior Department to open the areas for development.

The need to develop adequate information, particularly that needed to meet the inadequacies identified by the NAS, is an essential factor in calling for further studies and cancellation of the pending sales. The unique character of the sale 116 area off southwest Florida, which contains our nation's only mangrove-coral reef ecosystem and is a gateway for the precious Everglades and deserves special protection, tilts the balance toward longer-term protection. The presence of successful drilling operations and known resources off certain areas of southern California weighs toward allowing continued development at an earlier time, assuming scientific and environmental uncertainties can be resolved.

#### Other Actions by the President

The President has also directed that certain other actions be taken with respect to pending decisions that would affect the Outer Continental Shelf and offshore oil and gas development.

#### Sale 119 and Monterey Bay Sanctuary

The Task Force consideration of development off northern and southern California was accompanied by strong concern about the prospect of development off central California and the fate of Sale 119. Sale 119, originally scheduled for March 1991, covers an area stretching from San Francisco southward

to the northern tip of Monterey Bay. This area includes unique coastal and marine resources and the Monterey Bay National Marine Sanctuary, which has been proposed by the National Oceanic and Atmospheric Administration (NOAA) in response to a 1988 Congressional mandate; the proposed sanctuary would cover approximately 2,200 square miles. NOAA has also proposed regulations to prohibit all oil and gas exploration and development activities within the sanctuary, which was not required by Congress. Like the area off southwest Florida, this area contains nationally significant, environmentally sensitive resources, including the largest breeding ground for marine mammals in the lower 48 states.

The President is directing Secretary Lujan and Administrator Knauss to take the following actions:

- o Cancel Sale 119 and adopt the sanctuary proposed by the National Oceanic and Atmospheric Administration.
- o Permanently prohibit all oil and gas activities within the sanctuary.
- o Allow no development in the Sale 119 area outside the sanctuary until after the year 2000. At that time the guiding principles outlined above will be applied to determine the viability of development of the area.

#### General Recommendations of Task Force

As a result of its deliberations, the Task Force also made three general recommendations for actions related to OCS development and overall environmental protection. The President today adopted all of those recommendations:

- o Air quality controls should be adopted for oil and gas development offshore California that are substantially the same as those applied onshore. This is consistent with the position taken by the Administration in Clean Air Act negotiations with the Senate.
- o Immediate steps should be taken to improve the ability of industry and the federal government to respond to oil spills offshore, regardless of their source.
- o Federal agencies should develop a plan to reduce the possibility of oil spills offshore from whatever source, including and especially from tanker traffic. This plan should include moving tanker routes further away from sensitive areas near the Florida Keys and the Everglades, as previously proposed.

## Restructuring of OCS Program

The President believes that in order to strike the necessary balance between development of domestic energy resources and protection of our precious environment, certain revisions to the OCS program will be required. The program must be:

targeted much more carefully toward areas with truly promising resource potential;

buttressed by information adequate to ensure that oil and gas development proceeds in an environmentally sound manner; and

sensitive to the concerns and needs of local areas affected by offshore development.

These requirements are consistent with the guiding principles outlined above on which the President relied in making his decisions today.

Accordingly, the President today directed the Secretary of the Interior to take the following three actions that will improve the overall OCS program:

- o Immediately undertake a program to improve the information needed to make decisions on OCS development. This program will include conducting the studies identified by the National Academy of Sciences and studies to explore new technologies to alleviate the risks of oil spills from OCS platforms and new oil and gas drilling technologies, such as submersible drilling rigs.
- o Target proposed sale areas in future OCS five-year plans to ensure that only areas with the greatest resource potential and the least environmental risk are offered for sale. This will result in much smaller and more carefully selected blocks of tracts being offered.
- o Develop within [ ] a legislative initiative [for amendments to the Outer Continental Shelf Lands Act] that will provide coastal communities directly affected by OCS development with a greater share of the financial benefits of new development and with more voice in decision-making. In its administration of the OCS program, the Interior Department has long heard concerns raised by coastal communities about the risks to their shorelines and the limited role they play in making decisions about OCS development. The Interior Department has also noted the inequity present in the current scheme of revenue allocation from OCS development -- states receive 100 percent of revenues from leases within three miles of shore, revenues from

leases between three and twelve miles of shore are divided 73 percent to the federal government and 27 percent to the states, and revenues from leases twelve miles or further offshore go 100 percent to the federal government, but the coastal communities most directly affected by development are not guaranteed any of the state revenues.

## Background on Sales

### Sale 91

The Sale 91 area contains approximately 1.1 million acres and lies offshore Mendocino and Humboldt Counties in northern California, primarily in two areas off Eureka and from south of Cape Mendocino to south of Point Arena. It is within the Northern California Planning Area, which stretches from the California/Oregon border to the Sonoma/Mendocino County lines. There is currently no oil and gas production within this planning area. The Minerals Management Service (which is responsible for the OCS program within the Interior Department) estimates that there are between 210 million and 1.54 billion barrels of crude oil and approximately 2.5 trillion cubic feet of natural gas in the Northern California Planning Area and between [ ] and [ ] barrels of oil and approximately [ ] cubic feet of natural gas in the Sale 91 area. Congress imposed a moratorium prohibiting leasing in the Northern California Planning Area as part of the Interior Department's FY 1990 appropriations bill.

### Sale 95

The Sale 95 area contains approximately 6.7 million acres and lies offshore from the northern border of San Luis Obispo County to the U.S./Mexico border. It is within the Southern California Planning Area, which extends from the northern border of San Luis Obispo County to the U.S./Mexico border. Oil and gas production is currently taking place in the Southern California Planning Area in the Santa Maria Basin and Santa Barbara Channel. There are 135 active federal leases in the area, producing approximately 90,000 barrels of crude oil and 95 million cubic feet of natural gas daily from 22 platforms. In addition, there are 10 platforms and four artificial islands in the area that support production facilities within state waters, which extend from the shore out three miles. The Minerals Management Service estimates that there are between 610 million and 2.23 billion barrels of crude oil and approximately 3.01 trillion cubic feet of natural gas in the Southern California Planning Area and between [ ] and [ ] barrels of oil and approximately [ ] cubic feet of natural gas in the Sale 95 area.

## Sale 116, Part II

The area of Sale 116, Part II contains approximately 14 million acres, lying south of 26 degrees north latitude off the southwest Florida coast off Collier, Monroe and Dade Counties. This area is within the southeastern portion of the Eastern Gulf of Mexico Planning Area. (In 1988 the Eastern Gulf of Mexico was divided into two parts along the 26 degrees north latitude line.) There is no oil and gas production within the sale area, although 73 active leases are held within the area by ten oil and gas companies. The Minerals Management Service estimates that there are between 279 million and 1.06 billion barrels of crude oil and approximately 110 billion cubic feet of natural gas in the area and between [ ] and [ ] barrels of oil and approximately [ ] cubic feet of gas in the Sale 116, Part II area.

## Background on Task Force

In his February 9, 1989 budget message to Congress, the President imposed a moratorium on three OCS lease sales scheduled for FY 1990 -- Sale 91 off the coast of northern California, Sale 95 off the coast of southern California and Sale 116, Part II off the coast of southwestern Florida -- pending a review of the environmental effects of the sales by a Cabinet-level task force. (The three lease sale areas are shown in the attachments.)

The Task Force was named on March 21, 1989. It consisted of Interior Secretary Manuel Lujan as Chairman, Energy Secretary James Watkins, Administrator John Knauss of the National Oceanic and Atmospheric Administration (NOAA), Administrator William Reilly of the Environmental Protection Agency, and Director of the Office of Management and Budget Richard Darman. The Task Force conducted nine public workshops in Florida and California, hearing from over 1,000 witnesses, took ten field trips to sites in the two states, received briefings from various federal agencies, met twice with Members of Congress, and solicited and received over 11,000 written public comments.

The Task Force also commissioned a technical review from the National Academy of Sciences (NAS) regarding the environmental and other information available on which decisions could be made. The NAS determined that adequate ecological, oceanographic or socioeconomic information was not available to some extent for each of the three sale areas.

The Task Force delivered its report to the President on January 3, 1990. The President met with the members of the Task Force on January 18 and May 16.

One of the key findings of the Task Force based on its year of study, analysis and consultation was that "additional time and

effort are needed before environmental concerns can be resolved in a manner that provides an acceptable balance" between the goals of domestic energy development and environmental protection.

Specifically, the Task Force found that:

- o The southwest Florida shelf comprises subtidal and nearshore habitats that are unique within the U.S. continental margin and provide refuge to a number of rare and endangered species;
- o The incremental risks of an oil spill associated with the Sale 91 area off northern California are far greater than those associated with the other two sales.
- o Information concerning the onshore socioeconomic effects of oil and gas development is particularly lacking for Sale 116, Part II off Florida and Sale 91.
- o Additional studies in response to the report of the National Academy of Sciences are needed before the Secretary of the Interior makes leasing decisions in any of the three areas.

#### Background on OCS Program

Management of oil and gas found in federal waters offshore (which generally begin three miles from a state's coast and can extend out 200 to 300 miles) is vested in the Department of the Interior under the Outer Continental Shelf Lands Act of 1953, as amended. The Act directs the Interior Department to:

make OCS resources available to meet the nation's energy needs;

protect human, marine and coastal environments;

ensure that states and local governments have timely access to information and opportunities to participate in OCS program planning and decision-making; and

obtain for the federal government a fair and equitable return on resources while preserving and maintaining free enterprise competition.

These responsibilities within the Interior Department are under the purview of the Minerals Management Service, created in 1982 to oversee the orderly development of offshore energy and mineral resources while safeguarding the environment. The current director of the Service is Barry Williamson.

The Service makes resources available by leasing federal acreage offshore to private companies, which explore for resources and can develop and produce commercial deposits they find, subject to continuing review and permitting procedures. Environmental standards are established by the Service in regulations and lease stipulations and enforced through review and approval of companies' exploration, development and production plans, including drilling permits, before operations can begin on a lease, and an offshore facility inspection program, under which inspectors review safety, operational and environmental activities on offshore platforms. Inspectors currently oversee 3,800 platforms in the Gulf of Mexico and 22 platforms off California.

Oil and gas lease sales involve a competitive sealed bid process. Sales are scheduled in five-year planning cycles (the first of which was in 1978) developed by the Secretary of the Interior with public review and comment on the draft plan. Efforts are made to address concerns raised during this review process, which normally takes two years. A completed plan is submitted to the President and the Congress. After the adoption of a plan, extensive pre-lease activities are conducted before any sales occur. These activities include the preparation of an environmental impact statement for each sale, with opportunities for public review and comment, and submission of sale proposals to the governors of the affected states before final decisions are made. These steps generally take an additional two or more years.

The total OCS area covers 1.4 billion acres, and is composed of over 260,000 tracts. Since 1954 over 118,000 (or approximately 45 percent) of the tracts have been offered for lease; 10,115 (3.9 percent) have been leased; 4,111 (1.6 percent) have been drilled; and slightly more than 1,250 (approximately .05 percent) are occupied by platforms. Production from the OCS program since 1954 totals over [ ] barrels of crude oil and more than [ ] cubic feet of natural gas. Since its creation, the Minerals Management Service has been responsible for overseeing the production of more than two billion barrels of crude oil and over 25.6 trillion cubic feet of natural gas and for generating over \$90 billion in revenues from lease sales and lease rental payments for the Treasury.

The OCS accounts for a significant portion of existing U.S. oil and gas resources. The following chart shows the quantities of undiscovered oil and gas resources estimated to be economically recoverable using existing technologies (Column A) and the quantities of proven reserves that have been discovered and are economically recoverable (Column B) within the U.S. as a whole and the OCS separately:

	COLUMN A		COLUMN B	
	<u>Oil and Gas Resources</u>		<u>Oil and Gas Reserves</u>	
	<u>U.S.</u>	<u>OCS</u>	<u>U.S.</u>	<u>OCS</u>
Oil (billion barrels)	34.8	8.2	26.8	2.6
Natural Gas Liquids (billion barrels)	6.3	.8	8.2	.6
Natural Gas (trillion cubic feet)	262.7	74.0	168.0	32.3


THE WHITE HOUSE

WASHINGTON

90 JUN 1 P5:07

June 1, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: DAVID Q. BATES 

SUBJECT: President's Task Force on Outer Continental Shelf  
Leasing and Development

I. BACKGROUND

In your 1989 budget message to Congress, honoring a pledge made during the campaign, you imposed a moratorium on three controversial Outer Continental Shelf (OCS) lease sales scheduled for fiscal year 1990 -- sale 91 off the coast of northern California, sale 95 off the coast of southern California and sale 116 in the Gulf of Mexico off the southwestern coast of Florida -- pending a review of the environmental effects of the sales by a Cabinet-level task force. The Task Force, comprised of Secretaries Lujan (who served as chairman) and Watkins, Director Darman and Administrators Reilly and Knauss, conducted briefings and public workshops in Florida and California, met with Members of Congress from those two states and solicited written comments. It also commissioned and received a study from the National Academy of Sciences (NAS) addressing the adequacy of the scientific and technical data available on which decisions on the three lease sales could be made. The NAS concluded there was inadequate ecological, oceanographic and socioeconomic data for all three sales and recommended further studies be conducted. The Task Force delivered its report to you on January 5. The report identified multiple consensus options for each of the California and Florida sales, but made no recommendations. Since delivery of the report, additional options have been identified by White House staff and by the Departments of the Interior and Energy. A summary of the options for the California and Florida sales is found at Tab A.

The Interior Department options for the three delayed sales were part of a more comprehensive proposal that also addresses additional proposed sales off the West and East Coasts that were not studied by the Task Force. One of those sales is sale 119 off the central California coast, in an area stretching from San Francisco southward to the northern tip of Monterey Bay. At the same time, the National Oceanic and Atmospheric Administration (NOAA), responding to a 1988 Congressional mandate, has proposed

the designation of a national marine sanctuary in the Monterey Bay area. NOAA has also proposed regulations to prohibit all oil and gas exploration and development activities within the sanctuary. A summary of the options identified by White House staff for sale 119 and the sanctuary is found at Tab B.

Other proposed sales addressed by the Interior Department include sale 96 in the George's Bank area of the North Atlantic Planning Area, which stretches northward from Rhode Island to Canada, and a sale off the coast of Washington and Oregon. The proposed activities offshore Washington and Oregon have been the subject of a state-Interior Department task force. The task force has recommended that an environmental impact statement for the proposed sale be deferred until additional environmental studies are conducted.

## II. OPTION FOR DISCUSSION

The following option is presented as a potential resolution of the Task Force deliberations on the sales off California and Florida and the broader issue of OCS development.

### Guiding Principles

In arriving at the specific decisions that comprise the option discussed below, and as a template for decisions on future OCS development, consideration must be given to the following principles:

(1) Adequacy of Information and Analysis -- Adequate scientific and technical information regarding the resource potential of each area and the environmental, social and economic effects of development must be available and subjected to rigorous scrutiny before decisions are made. Obtaining that data is the highest priority. No activity should take place in any area without such information and analysis.

(2) Environmental Sensitivity -- It must be recognized that there are certain areas off our coasts that represent irreplaceable natural resources. In those areas even the small risks posed by oil and gas development may be too great. In other areas where science and experience and new recovery technologies show development may be safe, development will be considered.

(3) Resource Potential -- Priority for development must be given to those areas which have the greatest resource potential. Given the inexact nature of resource estimation, particularly offshore, priority should be given to those areas where earlier development has proven the existence of economically recoverable reserves. There may also be other undeveloped areas where the likelihood of significant

# Withdrawal/Redaction Sheet

## (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01a. Memo	From David Bates to POTUS Re: President's Task Force on Outer Continental Shelf Leasing and Development <del>Options section redacted</del> (1 pp.)	6/1/90	<del>P/5</del>	

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**File Location:** Outer Continental Shelf (1990) [1]

**Open on Expiration of PRA  
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 By JP (NLGB) on 12/12/07

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<b>AR Case #:</b>	<b>MR Case #:</b>
<b>AR Disposition:</b>	<b>MR Disposition:</b>
<b>AR Disposition Date:</b>	<b>MR Disposition Date:</b>

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

C. Closed in accordance with restrictions contained in donor's deed of gift.

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resources, as demonstrated by the interest of the oil and gas industry, can justify possible development.

(4) Energy Requirements -- The requirements of our nation's economy for energy and the overall costs and benefits of various sources of energy must be considered in deciding whether to develop oil and gas offshore. The level of petroleum imports, which has been steadily increasing, is a critical factor in this assessment. At the same time, greater availability of alternative energy sources and savings from increased energy conservation and efficiency may reduce our demand for traditional energy supplies. The National Energy Strategy, due in December, will provide a critical blueprint in this regard.

The relative weight of the above principles was considered in developing the options presented for each sale, leading to different conclusions for each area. For example, the NAS conclusion that adequate data are not available in all three areas is an essential factor in calling for cancellation of the pending sales and further studies. The unique character of the Monterey Bay area, which serves as a vital breeding ground for mammals, and of the area involved in sale 116 off southwestern Florida, containing our only living coral reef, tilts the balance toward permanent or long-term protection. The presence of successful drilling operations and known resources off certain areas of southern California weighs toward allowing continued development at an earlier time, assuming scientific and environmental uncertainties can be resolved.

At the same time, the changing nature of circumstances may also change conclusions on what is the prudent course. The completion of the National Energy Strategy and our experience with its implementation may lead to a different approach to future sales. External events, such as another oil embargo, might also lead to a reevaluation of the entire OCS program, as is noted in the national security exemption presented below.

### California and Florida Sales

#### Option for California

- o Cancel all sales scheduled for 1990, 1991 and 1992 offshore California, including sales 91 and 95.
- o Conduct the additional oceanographic and socioeconomic studies identified by the NAS, which should take 3 to 4 years.
- o Exclude more than 99 percent of the tracts off California from consideration for any lease sale until after the year 2000. The Interior Department has identified approximately 90 tracts off the coast of southern California that have high resource potential.

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01b. Memo	From David Bates to POTUS Re: President's Task Force on Outer Continental Shelf Leasing and Development (11 pp.)	6/1/90	<del>P/5</del>	

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- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

The tracts, which are shown on the map at Tab C, are located in the Santa Maria Basin and Santa Barbara Channel and comprise approximately .7 percent of all of the tracts off California. These tracts would be available for possible leasing after January 1, 1996 and after completion of the studies identified by the NAS.

#### Discussion of California Option

This option would enable you to frame your decision on the California lease sales in a manner that is sensitive to environmental concerns. The Administration could then state that:

- o permanent protection would be provided for the sensitive marine sanctuary in Monterey Bay;
- o no drilling would be allowed off 99 percent of the California coast until after the year 2000; and
- o no new drilling would be allowed anywhere off the coast until 1996, and then only in the most promising areas of the Santa Barbara Channel and the Santa Maria Basin and only after completion of studies by the NAS.

This option is built on two premises: first, that a scientific distinction can be made between lease sales off these areas of southern California and the sales off northern California and Florida; and, second, that the decision is responsive to the concerns expressed by the California Congressional delegation in your meeting with them and in their proposals to the Interior Department in 1986 and 1987.

With respect to the first premise, the NAS report to the Task Force clearly stated that "the southwest Florida shelf (the area associated with Sale #116) comprises subtidal and nearshore habitats that are unique (emphasis added) within the U.S. continental margin and provide refuge to a number of rare and endangered species." The NAS report also found that the incremental risks of an oil spill associated with the northern California sale (sale 91) were eight times greater than the incremental risks of a spill associated with either sale 116 or sale 95. In addition, the NAS found that information concerning onshore socioeconomic impacts related to sale 91 was particularly lacking. Unlike in southern California, there is little onshore industrial infra-structure now in place in the affected areas of northern California and the onshore effects of offshore development would be great.

The point is that distinctions can be made between sale 95 off southern California and the other two sales. The area

encompassed by sale 95 is not home to unique coral reefs or endangered species. In addition, because there is existing offshore development in state and federal waters near the areas proposed for earlier development, the incremental risk of an oil spill and the effects on onshore infrastructure are lower. Thus development in the recommended portions of sale area 95 is different in terms of environmental impact and scientific merit from development in sale area 91 or sale area 116.

With respect to the second premise, you may recall that during your meeting with the California delegation Congressman Panetta mentioned several compromises he had offered to Secretary Hodel in 1986. The central feature of his proposal was the creation of a buffer zone along most of the California coast, stretching from six to thirty miles offshore, in which no drilling would take place. The only two areas of the coast for which Congressman Panetta did not propose a buffer zone were the Santa Maria Basin and the Santa Barbara Channel. Thus, this option is consistent with his earlier recommendations. A map displaying Congressman Panetta's proposal is attached at Tab D.

In sum, then, this option is responsive to both the scientific and environmental concerns identified by the NAS and the concerns identified by the California delegation in your meeting with them.

#### Option for Florida

- o Cancel sale 116 and exclude the area from consideration for any lease sale until after the year 2000.
- o Conduct the additional oceanographic, ecological and socioeconomic studies identified by the NAS, which should be completed within 5 to 6 years.
- o Begin cancellation under federal law of existing leases off Florida and initiate discussions with the State of Florida for its participation in a joint federal-state buy-back of the leases under existing authorities contained in the OCS Lands Act. Your budget already contains \$200 million in FY 1995 for purchasing these leases.

#### National Security Exemption

- o Dictate that in the event the President determines that national security requires development in these areas, he would have the ability to direct the Interior Department to open the areas for development.

### Advantages of Options

- o Still allow relatively early drilling on promising southern California tracts. (The resource estimates for the five basins in the Southern California Planning Area and an overview of resource estimates involved in this OCS decision are found at Tab E.)
- o Development is underway in the areas where earlier drilling would be permitted. These areas were not proposed for a buffer zone out 30 miles in the 1986 proposal made by Congressman Panetta.
- o Could alleviate pressures in Congress for the creation of ocean sanctuaries or permanent bans on leasing up and down the length of both the Atlantic and Pacific Coasts (as in the Boxer/Levine bill). This decision could thus remove most of the sizable California and Florida delegations from the national coalition that threatens to jeopardize the entire OCS program.
- o Recognize the political reality that no drilling is likely to occur on California and Florida leases in the foreseeable future, given the clear disposition of the Congress on this matter.
- o Have no adverse budgetary impact, as OMB has already eliminated any projections of revenues from the sales from its budget receipt projections.
- o Respond to NAS criticism that leasing always leads to future development without any subsequent analysis of environmental impacts.

### Disadvantages of Options

- o Will likely be strongly criticized by the oil and gas industry.
- o Drilling in even selected areas off California may still be strongly criticized by environmentalists and California political leaders.
- o May be impossible to reverse decisions or adopt a less aggressive posture in the future even if energy security concerns arise.
- o Could encourage future efforts to ban development in areas not now the subject of controversy, such as the Gulf of Mexico.

## Sale 119 and Monterey Bay Sanctuary

### Option

- o Cancel sale 119 and adopt sanctuary proposed by NOAA.
- o Permanently prohibit all oil and gas activities within the sanctuary.
- o Allow no development in the sale 119 area outside the sanctuary until after the year 2000.

### Advantages of Option

- o Recognizes that this area is a nationally significant and environmentally sensitive resource (e.g., it includes the largest breeding ground for marine mammals in the lower 48 states).
- o Acknowledges the strength of public opposition to development off this portion of central California and the fact that a more restrictive legislative ban on oil and gas activities will likely be enacted (as with the Cordell Bank National Marine Sanctuary off San Francisco last year) if regulatory prohibitions are not imposed.

### Disadvantages of Option

- o Could be questioned because it ignores the precedential value of acting without an extensive analysis of the available scientific data.
- o Could bolster arguments for a permanent ban on oil and gas activities off California and even Washington and Oregon.

## Washington and Oregon -- Sale 132

- o Exclude the area off the two states from consideration for the 1992-1997 and 1997-2002 five-year programs. A state-Interior task force has recommended cancellation of the sale through 1997 pending further studies.

## North Atlantic (George's Bank) -- Sale 96

- o Cancel sale 96. (Note that the Boston Globe reported recently that Interior was planning to cancel this sale.)
- o Conduct additional studies, including studies designed to determine the area's true resource potential.

### Recommendations for OCS Program

- o Develop a legislative initiative to provide coastal communities directly affected by OCS development with a greater share of the financial benefits of new development and with more voice in decision-making.
- o Charge the Interior Department with undertaking a program to improve the information needed to make decisions on OCS development. This program will include conducting the studies identified by the NAS and studies to explore new technologies to alleviate the risks of oil spills and new oil and gas drilling technologies, such as submersible drilling rigs.
- o Direct the Interior Department to ensure that future OCS five-year plans provide for better targeting of proposed sale areas to ensure that only areas with the greatest resource potential are offered for sale.

### Summary

The option presented here will go far toward addressing the environmental concerns expressed about offshore drilling. It would put most of the California coast and the sensitive area off the Florida Everglades off limits to oil and gas development until after the year 2000. It would provide permanent protection for the sanctuary at Monterey Bay. It would suggest long delays for controversial sales off of Washington and Oregon and in George's Bank. Finally, it would respond to the concerns expressed by the National Academy of Sciences regarding the need for better information before offshore development occurs. Moreover, the option provides needed reforms in the conduct of the OCS program: better targeting of future sales and greater assistance to the most heavily impacted coastal communities.

This option should clear away an array of pending environmental concerns and allow a more carefully targeted and scientifically sound offshore development program to go forward with renewed confidence and less resistance.

**III. NEXT STEP**

In your meetings with the California Congressional delegation, some of the members hinted at the possibility of further consultations prior to the announcement of your decision, and this should be considered. Governors Martinez and Deukmejian have also been intensely interested in this decision, and some type of personal consultations or discussions with them should also be considered. The chairmen and ranking members of relevant Senate and House committees could also be consulted.

**IV. DECISION**

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Other \_\_\_\_\_

## INDEX TO ATTACHMENTS

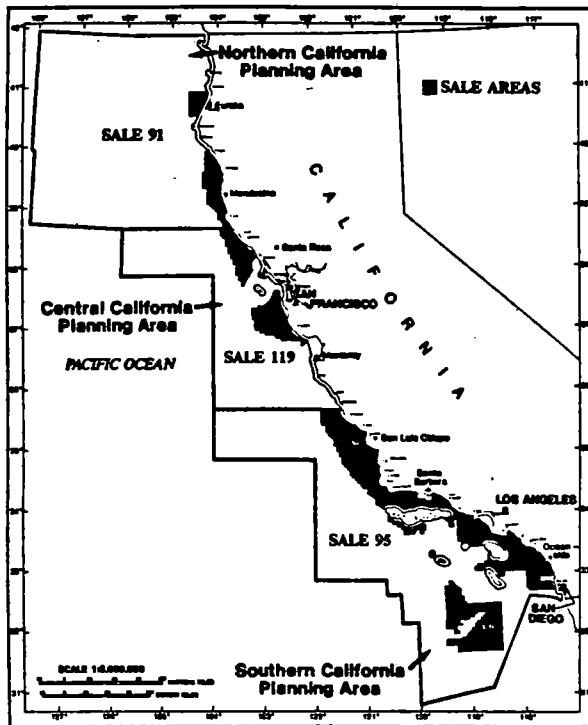
- Tab A Summary of Options for California and Florida Sales
- Tab B Summary of Options for Sale 119 and Monterey Bay Sanctuary
- Tab C Map Showing Leases in Santa Maria Basin and Santa Barbara Channel off Southern California Considered for Earlier Development
- Tab D Map Showing Proposal by Congressman Panetta for Buffer Zone off Southern California
- Tab E Resource Estimates for Basins in Southern California Planning Area and Overview of Resource Estimates

A

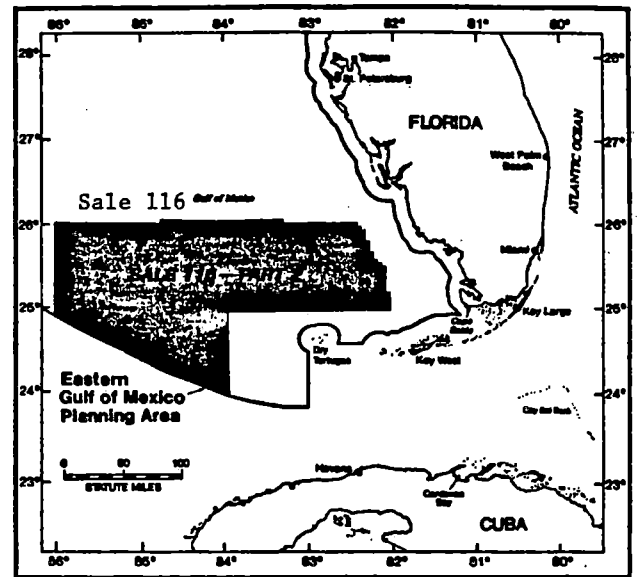


# OCS TASK FORCE OPTIONS SUMMARY

## CALIFORNIA



## FLORIDA



Generic Options Identified by the Task Force, Staff, and Affected Agencies:

Earliest Possible Drill Date

- |   |         |
|---|---------|
| 1.) Defer Presidential decision until after publication of National Energy Strategy.              | 1992    |
| 2.) Cancel sale <i>at this time</i> and defer decision until studies identified by NAS completed. | 1993    |
| 3.) Defer sale until 1992-1997 five-year plan and offer only selected tracts off California.      | 1993-95 |
| 4.) Defer sale until 1997-2002 five-year plan.  | 1997    |
| 5.) Defer sale until after next <i>two</i> five-year plans.                                       | 2002    |
| 6.) Cancel sale and impose permanent ban except for national security requirements.               | Unknown |

Option Offered for Discussion:

- |  |  |
|--|--|
| Sale 91: Defer any sale until after 2000   | 2000                                   |
| Sale 95: Defer sale in majority of area until after 2000. Offer most promising areas in Santa Barbara Channel and Santa Maria basin (91 tracts) <i>only</i> upon completion of NAS-recommended environmental studies in 1995. (The California coast has 13,000 tracts; thus more than 99% of this coast would be protected until after 2000) | 2000 for most; 1996 for selected areas |
| Sale 116: Defer any sale until after 2000. Proceed with buyback of existing leases. Begin discussions with state of Florida about participating in lease buyback.  | 2000                                   |

*Delays proposed for all 3 sales would be subject to national security exemption.*

B

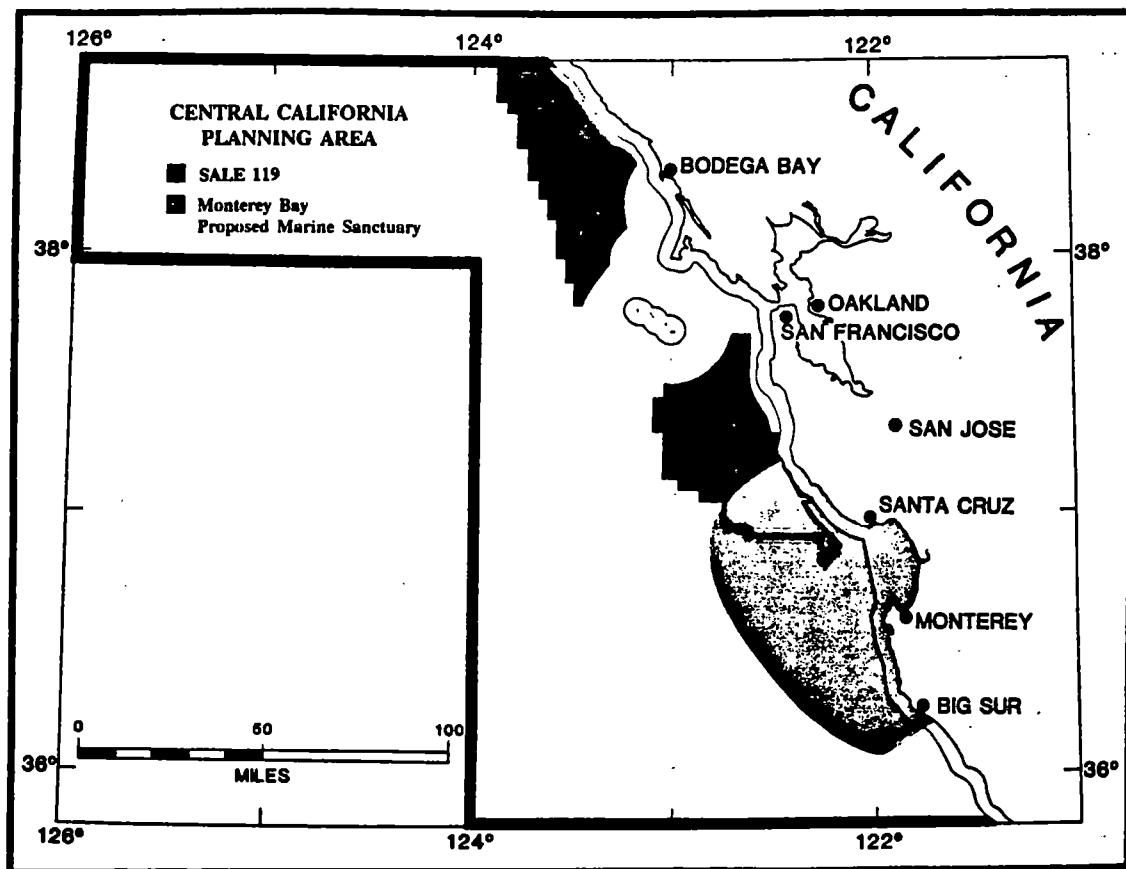


# Sale 119: Central California

## Background:

A related issue to the three sales considered by the Task Force is the disposition of lease sale 119 off central California. This area is subject to a Congressional moratorium on pre-leasing activities in the current fiscal year. The sale area, shown on the map below, stretches from north of San Francisco past Monterey Bay to Big Sur. In 1988, Congress mandated the creation of a National Marine Sanctuary in Monterey Bay. NOAA has proposed to designate an area for the sanctuary covering about 2,200 square miles -- including significant portions of the sale area. The proposed NOAA rule would prohibit oil and gas exploration and development activities within the sanctuary. Such a ban is *not* mandatory within a marine sanctuary. Sanctuaries in several other parts of the country are not subject to such a ban, although others off the California coast are.

There are two issues now pending related to sale 119. First is whether to publish the NOAA rule adopting the sanctuary boundaries and banning oil and gas activities in the sanctuary. The second is whether to cancel the sale, and for how long. Many members of Congress and the public are expecting a decision on sale 119 to be announced concurrently with a decision on the other California lease sales.



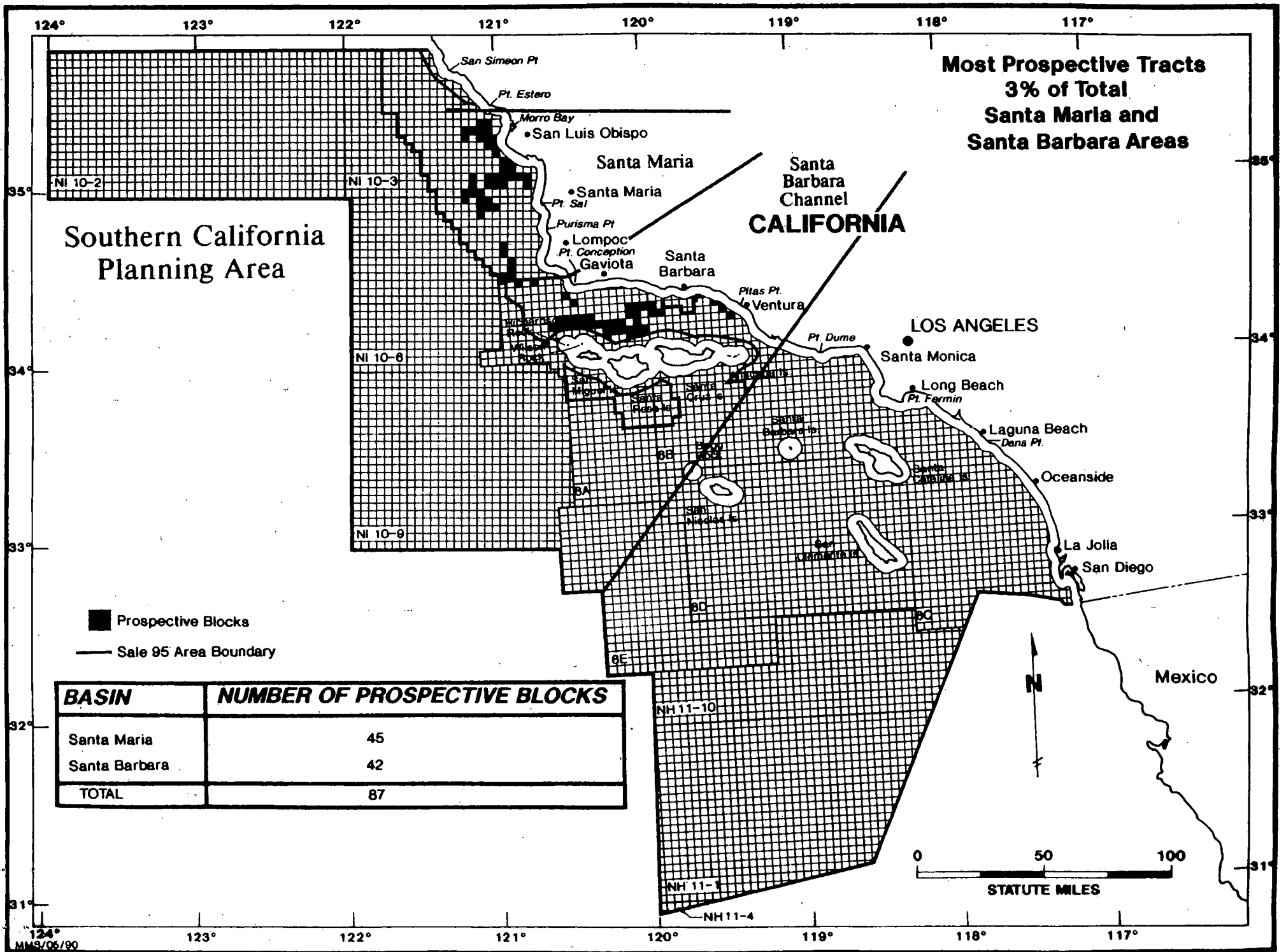
## Options:

- o Adopt NOAA sanctuary boundaries but allow oil and gas development
- o Adopt oil and gas ban in sanctuary but proceed with sale outside sanctuary boundaries.
- o Adopt NOAA proposal and cancel sale 119 until 1997<sup>1</sup>
- o Adopt NOAA proposal and cancel sale 119 until 2000<sup>1</sup>

<sup>1</sup> With national security exemption as proposed for sales 91, 95, and 116.

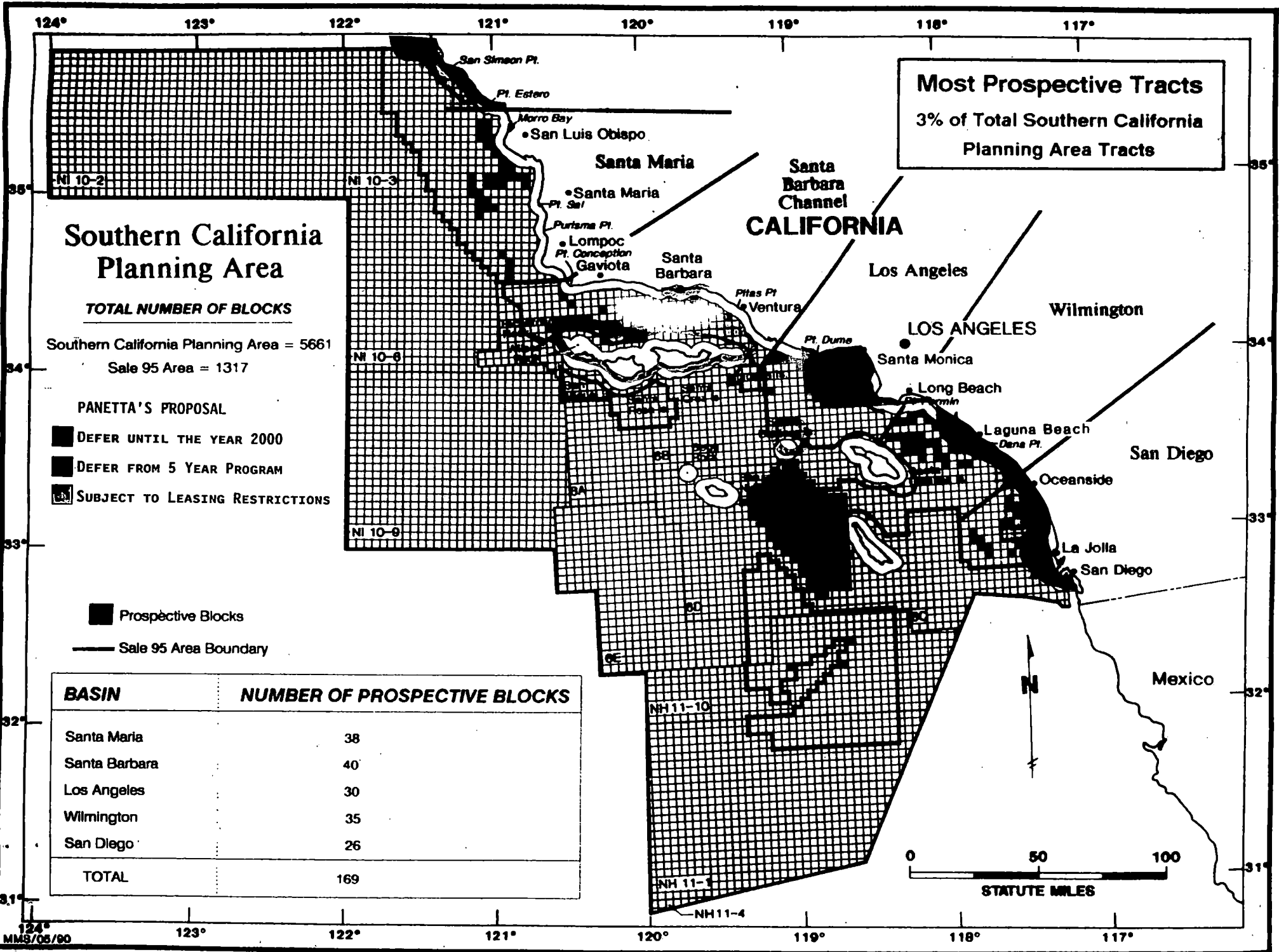
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D







SOUTHERN CALIFORNIA PLANNING AREA  
RESOURCE POTENTIAL

	<u>Oil</u> (billion of barrels)	% of Total	<u>Gas</u> trillion of cubic ft)	% of Total
Santa Maria Basin	.62	40.5	.57	23.2
Santa Barbara Basin	.32	20.9	.90	36.6
Wilmington Basin	.06	3.9	.09	3.7
Los Angeles Basin	.06	3.9	.08	3.2
San Diego Basin	.47	30.8	.82	33.3

OVERVIEW OF U.S.  
RESOURCE POTENTIAL

	<u>Oil</u>	%	<u>Gas</u>	%
	(billion of barrels)	of Total	trillion of cubic ft)	of Total
Total U.S. Resources	34.80		263.00	
Entire OCS	8.20	23.6	74.00	28.1
ANWR	3.20	9.2	6.90(1)	2.6
Existing Fla. Leases	.14	.4	.30	.1
Existing S. Cal. Leases(2)	.34	1.0	.80	.3
Sale 116	.11	.3	---	---
Sale 95	.23	.7	.46	.2
Sale 91	.20	.6	.41	.2
Sale 119	.16	.5	.26	.1

# DRAFT

THE WHITE HOUSE  
Office of the Press Secretary

FOR IMMEDIATE RELEASE

June 5, 1990

## STATEMENT BY THE PRESIDENT

I have often stated my belief that development of oil and gas on the outer continental shelf (OCS) should occur in an environmentally sound manner. In my address to the Congress in February of 1989, I stated my support for a moratorium on oil and gas leasing activity in areas off the coasts of southwestern Florida and northern and southern California where particular concerns about the environment had been expressed. At that time, I appointed an interagency Task Force to investigate further these concerns.

I have received the report of the Task Force and have concluded that further steps to protect the environment are needed.

Today, I am announcing my support for a moratorium on oil and gas leasing and development in Sale Area 116 off the coast of Florida, Sale Area 91 off the coast of northern California, and the majority of Sale Area 95 off the coast of southern California, until after the year 2000. I am directing the Secretary of the Interior to initiate discussions with the State of Florida and with lessees concerning a possible buyback of existing leases in Sale Area 116, and to initiate procedures that could lead to their cancellation under the terms of the OCS Lands Act.

In addition, I believe that no oil and gas leasing and development activity should occur anywhere in these three areas until after completion of the further studies recommended by the National Academy of Sciences in its report to the Task Force. Thus, I support a moratorium on further leasing activity in the Santa Maria Basin and Santa Barbara Channel areas of Sale Area 95 until January 1, 1996. These areas would be available for sale after that date only if the concerns expressed by the Academy can be addressed satisfactorily.

In addition to those areas studied by the Task Force, concern has been expressed about several other areas on the OCS currently scheduled to be available for oil and gas leasing. I am further recommending several actions to address these concerns.

With respect to Sale Area 119, off the coast of Central California, I recommend a moratorium on oil and gas leasing

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and development until after the year 2000. In addition, I have approved a proposal by the National Oceanic and Atmospheric Administration (NOAA) to establish a national Marine Sanctuary in Monterey Bay, and to prohibit oil and gas development permanently within this sanctuary.

With respect to Sale Area 132, off the coasts of Washington and Oregon, I am accepting the recommendations of a task force established by the Secretary of the Interior to exclude this area for oil and gas leasing and development until after the year 2000, pending completion of further studies.

With respect to Sale Area 96, on Georges Bank off the coast of New England, I am recommending a moratorium on oil and gas leasing and development until after the year 2000, pending further studies to determine the true resource potential of the area.

The combined effect of these decisions is that the coasts of Florida, Washington, Oregon, New England, and 99 percent of the California coast will be off limits to oil and gas leasing until after the year 2000. Only those areas which are in close proximity to existing oil and gas development in Federal and state waters, comprising less than 1% of the tracts off the California coast, may be available before then. And these areas will not be available for leasing in any event until 1996.

Some areas are so unique and valuable that they deserve permanent protection -- Monterey Bay is one of these.

Finally, I am today directing the Secretary of the Interior to take several steps to improve the OCS program and respond to several of the concerns expressed by the Task Force. The steps include:

- o targeting more carefully future OCS five-year plans to ensure that only those areas with the greatest resource potential and the least environmental risk are offered for sale;

- o developing a proposal to allow those local areas most directly affected by OCS development to receive a greater share of the financial benefits of new development;

- o improving the quality of the information gathered prior to making leasing and development decisions to address the inadequacies highlighted by the National Academy of Sciences in its report to the Task Force;

# DRAFT

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o proceeding with steps to ensure that air quality standards for California OCS activities are similar to those which apply onshore;

o developing and implementing an interagency plan to reduce the probability of oil spills from any source, including tanker traffic; and

o implementing immediately plans to upgrade the nation's ability to respond to oil spills from any source.

The OCS program which will result from implementation of these steps will be a leaner, more carefully targeted, and ultimately more effective program. It will reflect my desire to achieve a balance between the need to develop our domestic energy resources and the need to protect unique and sensitive coastal and marine environments.

My intent in announcing these decisions is to respond to the environmental concerns which have been expressed with respect to these sales, to put the controversy surrounding the OCS program to rest, and to allow the effort to develop promising domestic energy resources on the OCS to go forward on a more carefully targeted and environmentally sensitive basis.

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# DRAFT

THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release:

June 5, 1990

## FACT SHEET:

### PRESIDENTIAL DECISIONS CONCERNING OIL AND GAS DEVELOPMENT ON THE OUTER CONTINENTAL SHELF

The President today announced a series of decisions related to oil and gas development on the Outer Continental Shelf (OCS). The decisions are intended both to respond to the report of the interagency OCS Leasing and Development Task Force and to provide more general direction for the future of the OCS program.

The President believes that the nation needs to find a balance between development of important domestic energy resources and protection of the environment in sensitive areas.

#### Oil and Gas Leasing and Development Off the Coasts of Southwest Florida and California:

The Task Force has devoted a year of study, analysis and public consultation to the question of oil and gas leasing and development in Sale Area 116 off the coast of Southwest Florida and Sale Areas 91 and 95 off the California coast. One of the key findings of the Task Force was that "additional time and effort are needed before environmental concerns can be resolved in a manner that provides an acceptable balance" between the goals of domestic energy development and environmental protection.

Specifically, the Task Force found that:

- o the southwest Florida shelf comprises subtitle and nearshore habitats that are unique within the U.S. continental margin and provide refuge to a number of rare and endangered species;
- o the *incremental* risk of oil spill associated with the northern California sale (Sale Area 91) was far greater than that associated with the other two sales;
- o information concerning the onshore socioeconomic effects of oil and gas development was particularly lacking for

the Florida sale (Sale Area 116) and the northern California sale (Sale Area 91);

- o some additional studies, in response to the report of the National Academy of Sciences, are needed before the Secretary of the Interior makes leasing decisions in any of the three areas.

The President today recommended that:

- o No oil and gas development take place in Sale Area 116 off the coast of southwest Florida until after the year 2000;
- o The Department of the Interior initiate discussions with the State of Florida and with lessees to facilitate purchase of *existing* leases in this area, and the Secretary of the Interior initiate procedures that could lead to cancellation of the existing leases pursuant to section 5 of the OCS Lands Act.
- o No oil and gas development take place in Sale Area 91 off the coast of northern California until after the year 2000;
- o No oil and gas development take place in Sale Area 95 south of the Santa Barbara Channel until after the year 2000;
- o Development in the Santa Barbara Channel and Santa Maria basin, areas which are close proximity to existing oil and gas development in Federal and State waters, be delayed at least until after January 1, 1996 -- which will allow for the additional studies recommended by the National Academy of Sciences to be conducted. Development could then go forward if deemed prudent in light of the results of the studies;
- o No oil and gas development take place in any of the areas considered by the Task Force until the concerns identified by the National Academy of Sciences have been satisfactorily addressed and the studies recommended by the Academy have been conducted.

The task force also put forward several general recommendations which the President today adopted:

- o Air quality controls should be adopted for the California OCS which are substantially the same as those applied on shore. This is consistent with the position taken by the Administration in Clean Air Act negotiations with the Senate.
- o Steps should be taken immediately to improve the ability of industry and the Federal government to respond to oil spills from any source.

# DRAFT

o Federal agencies should develop a plan to reduce the probability of oil spills from all sources, including and especially those from tanker traffic. This plan should include moving oil tanker routes further away from sensitive areas in the Florida Keys and the Everglades, as previously proposed.

## Sale Area 119: Central California

Consideration of leasing and development off the northern and southern California coasts by the Task Force has been accompanied by strong concern about the prospect of oil and gas leasing and development in Sale Area 119, off the coast of central California. The area includes several unique marine and coastal resources in the proposed Monterey Bay National Marine Sanctuary.

The President today recommended that no oil and gas development take place in Sale Area 119 before the year 2000. In addition, the President today approved a proposal by the National Oceanic and Atmospheric Administration (NOAA) to provide permanent protection to the Monterey Bay National Marine Sanctuary. The proposal includes a *permanent* ban on oil and gas development within the sanctuary.

In combination with my decisions on areas studied by the task force, adoption of these recommendations will mean that:

- o No oil and gas development will occur off 99 percent of the California coast until after the year 2000.
- o Permanent protection will be provided in one of the most sensitive coastal areas.
- o In the remaining one percent, no oil and gas development will occur until 1996, if at all, and will occur only upon completion of further environmental studies and steps taken to address environmental concerns.

## Other Controversial Sale Areas: Oregon, Washington, and Georges Bank

The Department of the Interior has also convened a task force to address environmental concerns related to leasing and development in Sale Area 132, off the coast of Oregon and Washington. The task force has recommended cancellation of these sales pending further study. Today, the President recommended that any oil and gas development in this area be delayed until after the year 2000, pending completion of the further studies recommended by the task force.

# DRAFT

A similar controversy has arisen over oil and gas development in Sale Area 96, the Georges Bank area off the coast of New England. The President today recommended that any development in this area be delayed until after the year 2000, pending further study to determine the true resource potential of the area.

## General OCS Program Recommendations:

The President believes that if the balance between development of our domestic energy resources and protection of unique and sensitive coastal and marine environments is to be struck, the OCS program in the future will need to be targeted much more carefully toward areas with truly promising resource potential; sensitive to the concerns and needs of local areas affected by OCS development; and buttressed by information adequate to ensure that oil and gas development can go forward in an environmentally sound manner.

Therefore, the President today directed the Department of the Interior to take three broad steps in order to improve the OCS program:

- o The Department should target all future OCS five-year plans to ensure that only those areas with the greatest resource potential and the least environmental risk are offered for sale. This will necessarily result in much smaller and more carefully selected blocks being offered in the future.

- o The Department should develop a legislative proposal to allow coastal communities directly affected by OCS development to receive a greater share of financial benefits of new development and to have a stronger voice in OCS decision-making.

- o The Department should begin immediately to develop a program to improve the adequacy of the information needed to make OCS decisions. This should include the information identified in the report of the National Academy of Sciences to the Task Force, as well as studies to explore new technologies to alleviate the risks oil spills.

## Conclusion:

Taken together, these decisions represent a dramatic response to the concerns which have been expressed about oil and gas development on the outer continental shelf. They will provide significant protection for areas which have aroused

**DRAFT**

great controversy off the coasts of Florida, California, Washington, Oregon, and New England.

The OCS program which will result from the approach outlined by the President will be leaner, more effective, and more focused on producing the greatest results with the least environmental disruption.

The President has long been committed to offshore oil and gas development where it can be accomplished in an environmentally sound manner. The President's intention is that this set of decisions will allow the OCS program now to move forward with less controversy, fewer threats posed to the environment, and sound footing from which to develop America's most promising energy resources.

# # # #

# DRAFT

THE WHITE HOUSE  
Office of the Press Secretary

FOR IMMEDIATE RELEASE

June 5, 1990

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I have received the report of the Task Force and have concluded that further steps to protect the environment are needed.

Today, I am announcing my support for a moratorium on oil and gas leasing and development in Sale Area 116 off the coast of Florida, Sale Area 91 off the coast of northern California, and the majority of Sale Area 95 off the coast of southern California, until after the year 2000. I am directing the Secretary of the Interior to initiate discussions with the State of Florida and with lessees concerning a possible buyback of existing leases in Sale Area 116, and to initiate procedures that could lead to their cancellation under the terms of the OCS Lands Act.

In addition, I believe that no oil and gas leasing and development activity should occur anywhere in these three areas until after completion of the further studies recommended by the National Academy of Sciences in its report to the Task Force. Thus, I support a moratorium on further leasing activity in the Santa Maria Basin and Santa Barbara Channel areas of Sale Area 95 until January 1, 1996. These areas would be available for sale after that date only if the concerns expressed by the Academy can be addressed satisfactorily.

In addition to those areas studied by the Task Force, concern has been expressed about several other areas on the OCS currently scheduled to be available for oil and gas leasing. I am further recommending several actions to address these concerns.

With respect to Sale Area 119, off the coast of Central California, I recommend a moratorium on oil and gas leasing

# DRAFT

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Finally, I am today directing the Secretary of the Interior to take several steps to improve the OCS program and respond to several of the concerns expressed by the Task Force. The steps include:

- o targeting more carefully future OCS five-year plans to ensure that only those areas with the greatest resource potential and the least environmental risk are offered for sale;

- o developing a proposal to allow those local areas most directly affected by OCS development to receive a greater share of the financial benefits of new development;

- o improving the quality of the information gathered prior to making leasing and development decisions to address the inadequacies highlighted by the National Academy of Sciences in its report to the Task Force;

# DRAFT

-3-

o proceeding with steps to ensure that air quality standards for California OCS activities are similar to those which apply onshore;

o developing and implementing an interagency plan to reduce the probability of oil spills from any source, including tanker traffic; and

o implementing immediately plans to upgrade the nation's ability to respond to oil spills from any source.

The OCS program which will result from implementation of these steps will be a leaner, more carefully targeted, and ultimately more effective program. It will reflect my desire to achieve a *balance* between the need to develop our domestic energy resources and the need to protect unique and sensitive coastal and marine environments.

My intent in announcing these decisions is to respond to the environmental concerns which have been expressed with respect to these sales, to put the controversy surrounding the OCS program to rest, and to allow the effort to develop promising domestic energy resources on the OCS to go forward on a more carefully targeted and environmentally sensitive basis.

# # # #


THE WHITE HOUSE

WASHINGTON

00 JUN 1 P5:07

June 1, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: DAVID Q. BATES 

SUBJECT: President's Task Force on Outer Continental Shelf  
Leasing and Development

I. BACKGROUND

In your 1989 budget message to Congress, honoring a pledge made during the campaign, you imposed a moratorium on three controversial Outer Continental Shelf (OCS) lease sales scheduled for fiscal year 1990 -- sale 91 off the coast of northern California, sale 95 off the coast of southern California and sale 116 in the Gulf of Mexico off the southwestern coast of Florida -- pending a review of the environmental effects of the sales by a Cabinet-level task force. The Task Force, comprised of Secretaries Lujan (who served as chairman) and Watkins, Director Darman and Administrators Reilly and Knauss, conducted briefings and public workshops in Florida and California, met with Members of Congress from those two states and solicited written comments. It also commissioned and received a study from the National Academy of Sciences (NAS) addressing the adequacy of the scientific and technical data available on which decisions on the three lease sales could be made. The NAS concluded there was inadequate ecological, oceanographic and socioeconomic data for all three sales and recommended further studies be conducted. The Task Force delivered its report to you on January 5. The report identified multiple consensus options for each of the California and Florida sales, but made no recommendations. Since delivery of the report, additional options have been identified by White House staff and by the Departments of the Interior and Energy. A summary of the options for the California and Florida sales is found at Tab A.

The Interior Department options for the three delayed sales were part of a more comprehensive proposal that also addresses additional proposed sales off the West and East Coasts that were not studied by the Task Force. One of those sales is sale 119 off the central California coast, in an area stretching from San Francisco southward to the northern tip of Monterey Bay. At the same time, the National Oceanic and Atmospheric Administration (NOAA), responding to a 1988 Congressional mandate, has proposed

the designation of a national marine sanctuary in the Monterey Bay area. NOAA has also proposed regulations to prohibit all oil and gas exploration and development activities within the sanctuary. A summary of the options identified by White House staff for sale 119 and the sanctuary is found at Tab B.

Other proposed sales addressed by the Interior Department include sale 96 in the George's Bank area of the North Atlantic Planning Area, which stretches northward from Rhode Island to Canada, and a sale off the coast of Washington and Oregon. The proposed activities offshore Washington and Oregon have been the subject of a state-Interior Department task force. The task force has recommended that an environmental impact statement for the proposed sale be deferred until additional environmental studies are conducted.

## II. OPTION FOR DISCUSSION

The following option is presented as a potential resolution of the Task Force deliberations on the sales off California and Florida and the broader issue of OCS development.

### Guiding Principles

In arriving at the specific decisions that comprise the option discussed below, and as a template for decisions on future OCS development, consideration must be given to the following principles:

- (1) Adequacy of Information and Analysis -- Adequate scientific and technical information regarding the resource potential of each area and the environmental, social and economic effects of development must be available and subjected to rigorous scrutiny before decisions are made. Obtaining that data is the highest priority. No activity should take place in any area without such information and analysis.
- (2) Environmental Sensitivity -- It must be recognized that there are certain areas off our coasts that represent irreplaceable natural resources. In those areas even the small risks posed by oil and gas development may be too great. In other areas where science and experience and new recovery technologies show development may be safe, development will be considered.
- (3) Resource Potential -- Priority for development must be given to those areas which have the greatest resource potential. Given the inexact nature of resource estimation, particularly offshore, priority should be given to those areas where earlier development has proven the existence of economically recoverable reserves. There may also be other undeveloped areas where the likelihood of significant

# Withdrawal/Redaction Sheet

## (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02a. Memo	From David Bates to POTUS Re: President's Task Force on Outer Continental Shelf Leasing and Development [same as doc 01a] <del>Options section redacted</del> (1 pp.)	6/1/90	<del>P/5</del>	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Chief of Staff, White House Office of  
**Series:** Sununu, John, Files  
**Subseries:** Issues Files  
**WHORM Cat.:**  
**File Location:** Outer Continental Shelf (1990) [1]

**Open on Expiration of PRA  
(Document Follows)**  
 By JP (NLGB) on 12/12/07

<b>Date Closed:</b> 12/10/2004	<b>OA/ID Number:</b> 29163-008
<b>FOIA/SYS Case #:</b> 1998-0004-F[1]	<b>Appeal Case #:</b>
<b>Re-review Case #:</b> 2005-0426-S	<b>Appeal Disposition:</b>
<b>P-2/P-5 Review Case #:</b>	<b>Disposition Date:</b>
<b>AR Case #:</b>	<b>MR Case #:</b>
<b>AR Disposition:</b>	<b>MR Disposition:</b>
<b>AR Disposition Date:</b>	<b>MR Disposition Date:</b>

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
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- (b)(9) Release would disclose geological or geophysical information

resources, as demonstrated by the interest of the oil and gas industry, can justify possible development.

(4) Energy Requirements -- The requirements of our nation's economy for energy and the overall costs and benefits of various sources of energy must be considered in deciding whether to develop oil and gas offshore. The level of petroleum imports, which has been steadily increasing, is a critical factor in this assessment. At the same time, greater availability of alternative energy sources and savings from increased energy conservation and efficiency may reduce our demand for traditional energy supplies. The National Energy Strategy, due in December, will provide a critical blueprint in this regard.

The relative weight of the above principles was considered in developing the options presented for each sale, leading to different conclusions for each area. For example, the NAS conclusion that adequate data are not available in all three areas is an essential factor in calling for cancellation of the pending sales and further studies. The unique character of the Monterey Bay area, which serves as a vital breeding ground for mammals, and of the area involved in sale 116 off southwestern Florida, containing our only living coral reef, tilts the balance toward permanent or long-term protection. The presence of successful drilling operations and known resources off certain areas of southern California weighs toward allowing continued development at an earlier time, assuming scientific and environmental uncertainties can be resolved.

At the same time, the changing nature of circumstances may also change conclusions on what is the prudent course. The completion of the National Energy Strategy and our experience with its implementation may lead to a different approach to future sales. External events, such as another oil embargo, might also lead to a reevaluation of the entire OCS program, as is noted in the national security exemption presented below.

### California and Florida Sales

#### Option for California

- o Cancel all sales scheduled for 1990, 1991 and 1992 offshore California, including sales 91 and 95.
- o Conduct the additional oceanographic and socioeconomic studies identified by the NAS, which should take 3 to 4 years.
- o Exclude more than 99 percent of the tracts off California from consideration for any lease sale until after the year 2000. The Interior Department has identified approximately 90 tracts off the coast of southern California that have high resource potential.

# Withdrawal/Redaction Sheet

## (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02b. Memo	From David Bates to POTUS Re: President's Task Force on Outer Continental Shelf Leasing and Development [same as doc 01b] (11 pp.)	6/1/90	P/5	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Chief of Staff, White House Office of  
**Series:** Sununu, John, Files  
**Subseries:** Issues Files  
**WHORM Cat.:**  
**File Location:** Outer Continental Shelf (1990) [1]

Open on Expiration of PRA  
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<b>Date Closed:</b> 12/10/2004	<b>OA/ID Number:</b> 29163-008
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### RESTRICTION CODES

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- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

The tracts, which are shown on the map at Tab C, are located in the Santa Maria Basin and Santa Barbara Channel and comprise approximately .7 percent of all of the tracts off California. These tracts would be available for possible leasing after January 1, 1996 and after completion of the studies identified by the NAS.

#### Discussion of California Option

This option would enable you to frame your decision on the California lease sales in a manner that is sensitive to environmental concerns. The Administration could then state that:

- o permanent protection would be provided for the sensitive marine sanctuary in Monterey Bay;
- o no drilling would be allowed off 99 percent of the California coast until after the year 2000; and
- o no new drilling would be allowed anywhere off the coast until 1996, and then only in the most promising areas of the Santa Barbara Channel and the Santa Maria Basin and only after completion of studies by the NAS.

This option is built on two premises: first, that a scientific distinction can be made between lease sales off these areas of southern California and the sales off northern California and Florida; and, second, that the decision is responsive to the concerns expressed by the California Congressional delegation in your meeting with them and in their proposals to the Interior Department in 1986 and 1987.

With respect to the first premise, the NAS report to the Task Force clearly stated that "the southwest Florida shelf (the area associated with Sale #116) comprises subtidal and nearshore habitats that are unique (emphasis added) within the U.S. continental margin and provide refuge to a number of rare and endangered species." The NAS report also found that the incremental risks of an oil spill associated with the northern California sale (sale 91) were eight times greater than the incremental risks of a spill associated with either sale 116 or sale 95. In addition, the NAS found that information concerning onshore socioeconomic impacts related to sale 91 was particularly lacking. Unlike in southern California, there is little onshore industrial infra-structure now in place in the affected areas of northern California and the onshore effects of offshore development would be great.

The point is that distinctions can be made between sale 95 off southern California and the other two sales. The area

encompassed by sale 95 is not home to unique coral reefs or endangered species. In addition, because there is existing offshore development in state and federal waters near the areas proposed for earlier development, the incremental risk of an oil spill and the effects on onshore infrastructure are lower. Thus development in the recommended portions of sale area 95 is different in terms of environmental impact and scientific merit from development in sale area 91 or sale area 116.

With respect to the second premise, you may recall that during your meeting with the California delegation Congressman Panetta mentioned several compromises he had offered to Secretary Hodel in 1986. The central feature of his proposal was the creation of a buffer zone along most of the California coast, stretching from six to thirty miles offshore, in which no drilling would take place. The only two areas of the coast for which Congressman Panetta did not propose a buffer zone were the Santa Maria Basin and the Santa Barbara Channel. Thus, this option is consistent with his earlier recommendations. A map displaying Congressman Panetta's proposal is attached at Tab D.

In sum, then, this option is responsive to both the scientific and environmental concerns identified by the NAS and the concerns identified by the California delegation in your meeting with them.

#### Option for Florida

- o Cancel sale 116 and exclude the area from consideration for any lease sale until after the year 2000.
- o Conduct the additional oceanographic, ecological and socioeconomic studies identified by the NAS, which should be completed within 5 to 6 years.
- o Begin cancellation under federal law of existing leases off Florida and initiate discussions with the State of Florida for its participation in a joint federal-state buy-back of the leases under existing authorities contained in the OCS Lands Act. Your budget already contains \$200 million in FY 1995 for purchasing these leases.

#### National Security Exemption

- o Dictate that in the event the President determines that national security requires development in these areas, he would have the ability to direct the Interior Department to open the areas for development.

### Advantages of Options

- o Still allow relatively early drilling on promising southern California tracts. (The resource estimates for the five basins in the Southern California Planning Area and an overview of resource estimates involved in this OCS decision are found at Tab E.)
- o Development is underway in the areas where earlier drilling would be permitted. These areas were not proposed for a buffer zone out 30 miles in the 1986 proposal made by Congressman Panetta.
- o Could alleviate pressures in Congress for the creation of ocean sanctuaries or permanent bans on leasing up and down the length of both the Atlantic and Pacific Coasts (as in the Boxer/Levine bill). This decision could thus remove most of the sizable California and Florida delegations from the national coalition that threatens to jeopardize the entire OCS program.
- o Recognize the political reality that no drilling is likely to occur on California and Florida leases in the foreseeable future, given the clear disposition of the Congress on this matter.
- o Have no adverse budgetary impact, as OMB has already eliminated any projections of revenues from the sales from its budget receipt projections.
- o Respond to NAS criticism that leasing always leads to future development without any subsequent analysis of environmental impacts.

### Disadvantages of Options

- o Will likely be strongly criticized by the oil and gas industry.
- o Drilling in even selected areas off California may still be strongly criticized by environmentalists and California political leaders.
- o May be impossible to reverse decisions or adopt a less aggressive posture in the future even if energy security concerns arise.
- o Could encourage future efforts to ban development in areas not now the subject of controversy, such as the Gulf of Mexico.

## Sale 119 and Monterey Bay Sanctuary

### Option

- o Cancel sale 119 and adopt sanctuary proposed by NOAA.
- o Permanently prohibit all oil and gas activities within the sanctuary.
- o Allow no development in the sale 119 area outside the sanctuary until after the year 2000.

### Advantages of Option

- o Recognizes that this area is a nationally significant and environmentally sensitive resource (e.g., it includes the largest breeding ground for marine mammals in the lower 48 states).
- o Acknowledges the strength of public opposition to development off this portion of central California and the fact that a more restrictive legislative ban on oil and gas activities will likely be enacted (as with the Cordell Bank National Marine Sanctuary off San Francisco last year) if regulatory prohibitions are not imposed.

### Disadvantages of Option

- o Could be questioned because it ignores the precedential value of acting without an extensive analysis of the available scientific data.
- o Could bolster arguments for a permanent ban on oil and gas activities off California and even Washington and Oregon.

## Washington and Oregon -- Sale 132

- o Exclude the area off the two states from consideration for the 1992-1997 and 1997-2002 five-year programs. A state-Interior task force has recommended cancellation of the sale through 1997 pending further studies.

## North Atlantic (George's Bank) -- Sale 96

- o Cancel sale 96. (Note that the Boston Globe reported recently that Interior was planning to cancel this sale.)
- o Conduct additional studies, including studies designed to determine the area's true resource potential.

## Recommendations for OCS Program

- o Develop a legislative initiative to provide coastal communities directly affected by OCS development with a greater share of the financial benefits of new development and with more voice in decision-making.
- o Charge the Interior Department with undertaking a program to improve the information needed to make decisions on OCS development. This program will include conducting the studies identified by the NAS and studies to explore new technologies to alleviate the risks of oil spills and new oil and gas drilling technologies, such as submersible drilling rigs.
- o Direct the Interior Department to ensure that future OCS five-year plans provide for better targeting of proposed sale areas to ensure that only areas with the greatest resource potential are offered for sale.

## Summary

The option presented here will go far toward addressing the environmental concerns expressed about offshore drilling. It would put most of the California coast and the sensitive area off the Florida Everglades off limits to oil and gas development until after the year 2000. It would provide permanent protection for the sanctuary at Monterrey Bay. It would suggest long delays for controversial sales off of Washington and Oregon and in George's Bank. Finally, it would respond to the concerns expressed by the National Academy of Sciences regarding the need for better information before offshore development occurs. Moreover, the option provides needed reforms in the conduct of the OCS program: better targeting of future sales and greater assistance to the most heavily impacted coastal communities.

This option should clear away an array of pending environmental concerns and allow a more carefully targeted and scientifically sound offshore development program to go forward with renewed confidence and less resistance.

PHOTOCOPY  
GB HANDWRITING

III. NEXT STEP

In your meetings with the California Congressional delegation, some of the members hinted at the possibility of further consultations prior to the announcement of your decision, and this should be considered. Governors Martinez and Deukmejian have also been intensely interested in this decision, and some type of personal consultations or discussions with them should also be considered. The chairmen and ranking members of relevant Senate and House committees could also be consulted.

IV. DECISION

Approve

Disapprove

Other

*By B...  
6-18-90*

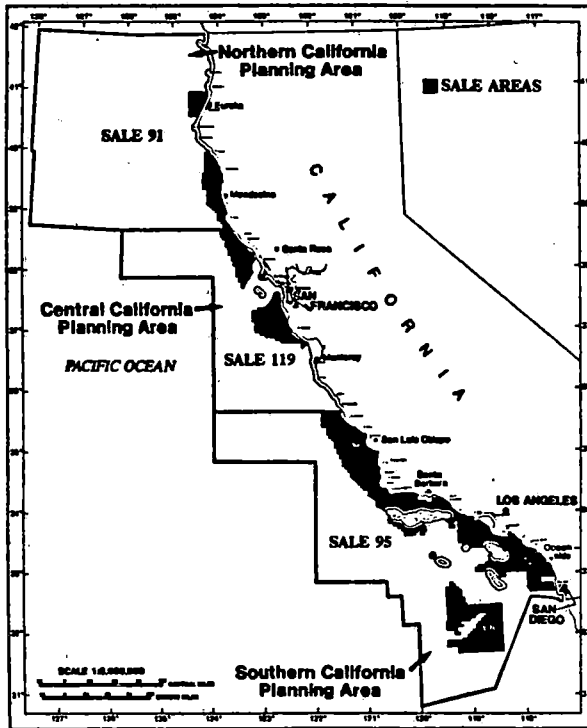
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## INDEX TO ATTACHMENTS

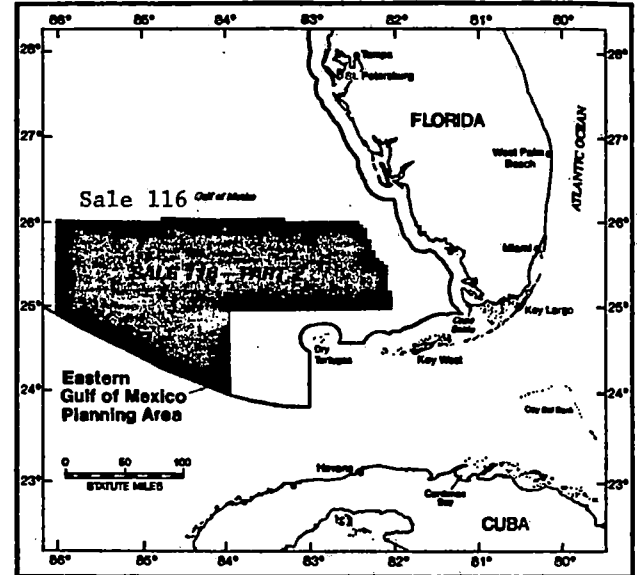
- Tab A            Summary of Options for California and Florida  
                 Sales
- Tab B            Summary of Options for Sale 119 and Monterey  
                 Bay Sanctuary
- Tab C            Map Showing Leases in Santa Maria Basin and  
                 Santa Barbara Channel off Southern  
                 California Considered for Earlier  
                 Development
- Tab D            Map Showing Proposal by Congressman Panetta  
                 for Buffer Zone off Southern California
- Tab E            Resource Estimates for Basins in Southern  
                 California Planning Area and Overview of  
                 Resource Estimates

# OCS TASK FORCE OPTIONS SUMMARY

## CALIFORNIA



## FLORIDA



Generic Options Identified by the Task Force, Staff, and Affected Agencies:

Earliest Possible Drill Date

- |   |         |
|---|---------|
| 1.) Defer Presidential decision until after publication of National Energy Strategy.              | 1992    |
| 2.) Cancel sale <i>at this time</i> and defer decision until studies identified by NAS completed. | 1993    |
| 3.) Defer sale until 1992-1997 five-year plan and offer only selected tracts off California.      | 1993-95 |
| 4.) Defer sale until 1997-2002 five-year plan.  | 1997    |
| 5.) Defer sale until after next <i>two</i> five-year plans.                                       | 2002    |
| 6.) Cancel sale and impose permanent ban except for national security requirements.               | Unknown |

Option Offered for Discussion:

- |  |   |
|--|---|
| Sale 91: Defer any sale until after 2000   | 2000                                      |
| Sale 95: Defer sale in majority of area until after 2000. Offer most promising areas in Santa Barbara Channel and Santa Maria basin (91 tracts) <i>only</i> upon completion of NAS-recommended environmental studies in 1995. (The California coast has 13,000 tracts; thus more than 99% of this coast would be protected until after 2000) | 2000 for most;<br>1996 for selected areas |
| Sale 116: Defer any sale until after 2000. Proceed with buyback of existing leases. Begin discussions with state of Florida about participating in lease buyback.  | 2000                                      |

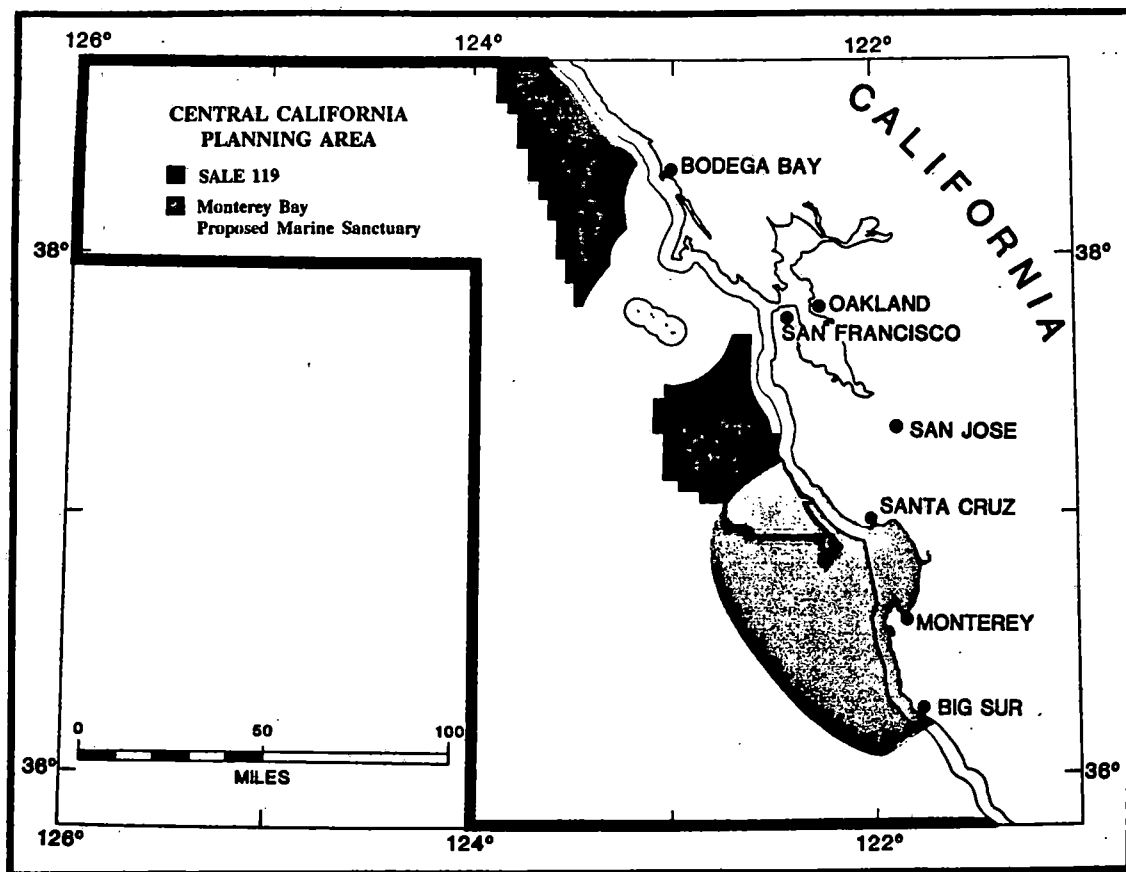
*Delays proposed for all 3 sales would be subject to national security exemption.*

## Sale 119: Central California

### Background:

A related issue to the three sales considered by the Task Force is the disposition of lease sale 119 off central California. This area is subject to a Congressional moratorium on pre-leasing activities in the current fiscal year. The sale area, shown on the map below, stretches from north of San Francisco past Monterey Bay to Big Sur. In 1988, Congress mandated the creation of a National Marine Sanctuary in Monterey Bay. NOAA has proposed to designate an area for the sanctuary covering about 2,200 square miles -- including significant portions of the sale area. The proposed NOAA rule would prohibit oil and gas exploration and development activities within the sanctuary. Such a ban is *not* mandatory within a marine sanctuary. Sanctuaries in several other parts of the country are not subject to such a ban, although others off the California coast are.

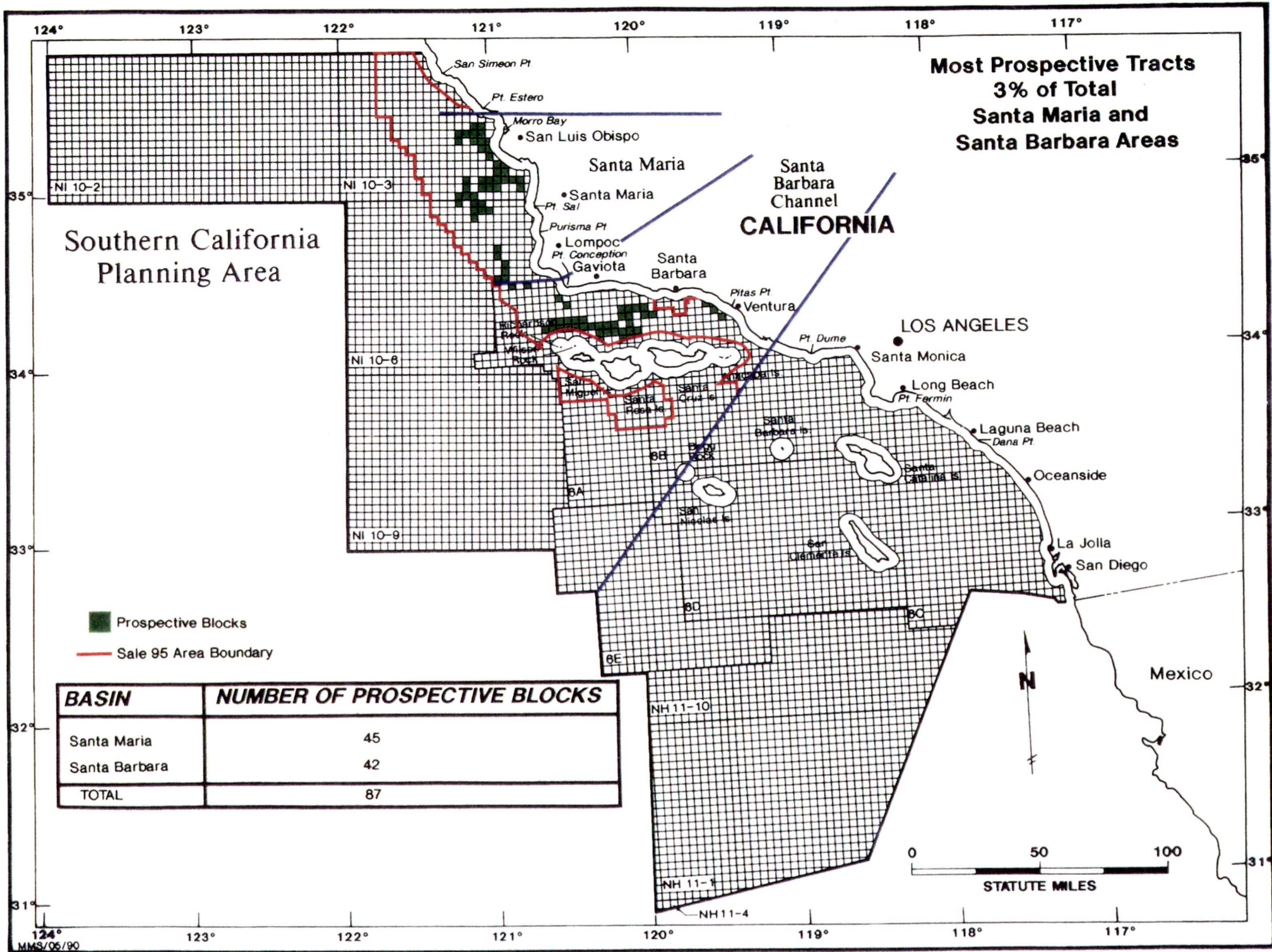
There are two issues now pending related to sale 119. First is whether to publish the NOAA rule adopting the sanctuary boundaries and banning oil and gas activities in the sanctuary. The second is whether to cancel the sale, and for how long. Many members of Congress and the public are expecting a decision on sale 119 to be announced concurrently with a decision on the other California lease sales.

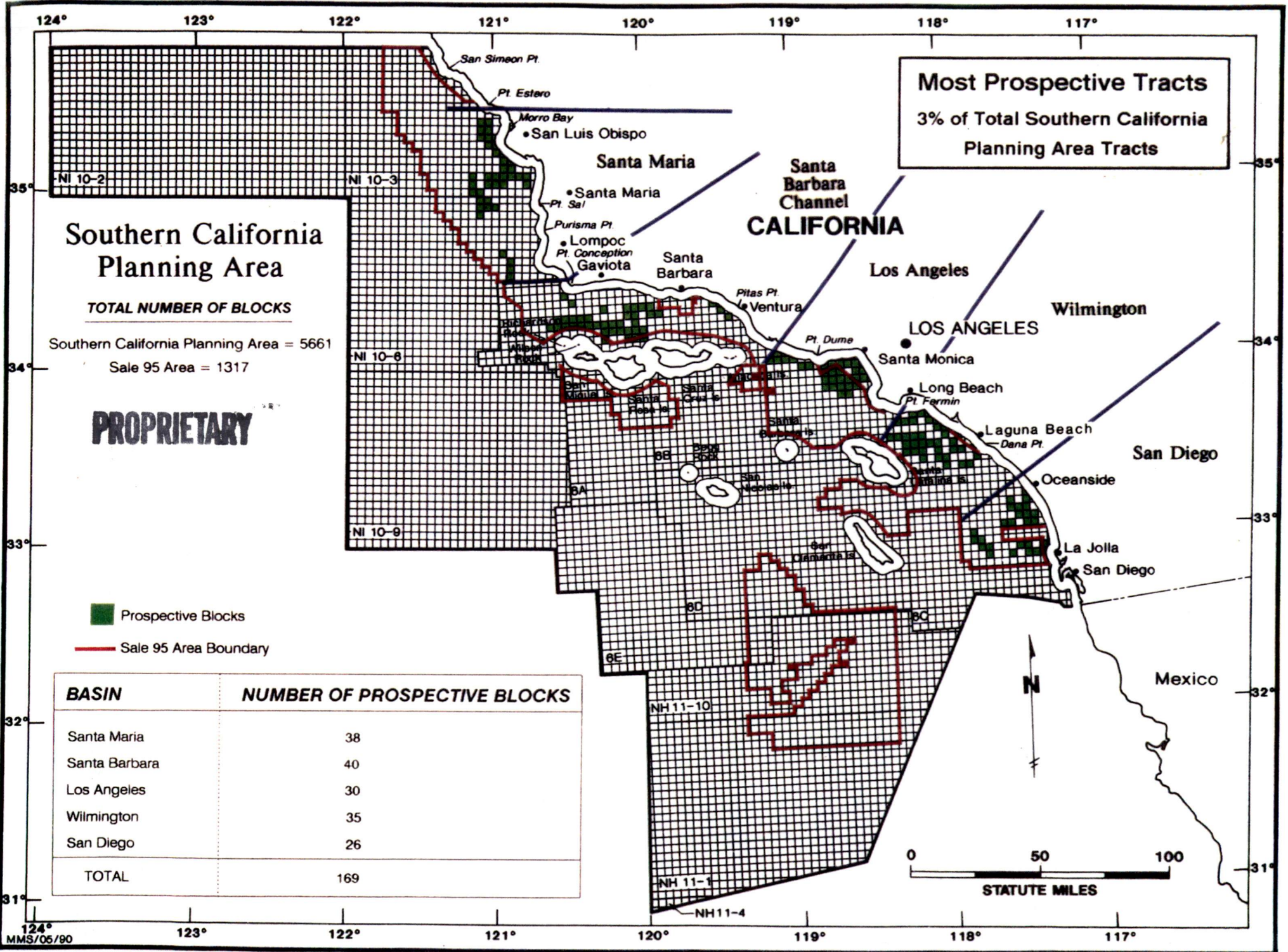


### Options:

- o Adopt NOAA sanctuary boundaries but allow oil and gas development
- o Adopt oil and gas ban in sanctuary but proceed with sale outside sanctuary boundaries.
- o Adopt NOAA proposal and cancel sale 119 until 1997<sup>1</sup>
- o Adopt NOAA proposal and cancel sale 119 until 2000<sup>1</sup>

<sup>1</sup> With national security exemption as proposed for sales 91, 95, and 116.





SOUTHERN CALIFORNIA PLANNING AREA  
RESOURCE POTENTIAL

	<u>Oil</u> (billion of barrels)	% of Total	<u>Gas</u> trillion of cubic ft)	% of Total
Santa Maria Basin	.62	40.5	.57	23.2
Santa Barbara Basin	.32	20.9	.90	36.6
Wilmington Basin	.06	3.9	.09	3.7
Los Angeles Basin	.06	3.9	.08	3.2
San Diego Basin	.47	30.8	.82	33.3

OVERVIEW OF U.S.  
RESOURCE POTENTIAL

	<u>Oil</u> (billion of barrels)	%	Total	<u>Gas</u> trillion of cubic ft)	%	Total
Total U.S. Resources	34.80			263.00		
Entire OCS	8.20	23.6		74.00	28.1	
ANWR	3.20	9.2		6.90(1)	2.6	
Existing Fla. Leases	.14	.4		.30	.1	
Existing S. Cal. Leases(2)	.34	1.0		.80	.3	
Sale 116	.11	.3		---	---	
Sale 95	.23	.7		.46	.2	
Sale 91	.20	.6		.41	.2	
Sale 119	.16	.5		.26	.1	

THE WHITE HOUSE  
Office of the Press Secretary

FOR IMMEDIATE RELEASE

June 5, 1990

STATEMENT BY THE PRESIDENT

I have often stated my belief that development of oil and gas on the outer continental shelf (OCS) should occur in an environmentally sound manner.

I have received the report of the interagency Task Force on Leasing and Development off the coasts of Florida and California, ~~and~~ <sup>and have accepted their recommendations</sup> and have concluded that <sup>sale</sup> further steps to protect the environment are needed.

Today, I am announcing my support for a moratorium on oil and gas leasing and development in Sale Area 116, Part II, off the coast of Florida, Sale Area 91 off the coast of northern California, Sale Area 119 off the coast of central California, and the majority of Sale Area 95 off the coast of southern California, until after the year 2000.

The combined effect of these decisions is that the coast of southwest Florida and more than 99 percent of the California coast will be off limits to oil and gas leasing and development until after the year 2000.

Only those areas which are in close proximity to existing oil and gas development in Federal and state waters, comprising less than 1% of the tracts off the California coast, may be available before then. These areas, concentrated in the Santa Maria Basin and the Santa Barbara Channel, will not be available for leasing in any event until 1996 -- and then only if the further studies for which I am calling in response to the report of the National Academy of Sciences satisfactorily address concerns related to these tracts.

I am also approving a proposal that would establish a National Marine Sanctuary in California's Monterey Bay and provide for a permanent ban on oil and gas development in the sanctuary, and I am asking the Secretary of the Interior to begin a process that may lead to the buyback and cancellation of existing leases in Sale Area 116, Part II, off southwest Florida.

Finally, I am today directing the Secretary to take several steps to improve the OCS program and respond to several of the concerns expressed by the Task Force. My goal is to create a much more carefully targeted OCS program -- one that is responsive to local concerns, environmental concerns, and to the need to develop prudently our nation's domestic energy resources.

While I believe that a leaner OCS program will ultimately be more effective, Americans must recognize that the OCS program is a vital source of fuel for our growing economy. My desire is to achieve a *balance* between the need to provide energy for the American people and the need to protect unique and sensitive coastal and marine environments.

# # # #

# DRAFT

THE WHITE HOUSE  
Office of the Press Secretary

For Immediate Release:

June 5, 1990

## FACT SHEET:

### PRESIDENTIAL DECISIONS CONCERNING OIL AND GAS DEVELOPMENT ON THE OUTER CONTINENTAL SHELF

The President today announced a series of decisions related to oil and gas development on the Outer Continental Shelf (OCS). The decisions are intended both to respond to the report of the interagency OCS Leasing and Development Task Force and to provide more general direction for the future of the OCS program.

The President believes that the nation needs to find a balance between development of important domestic energy resources and protection of the environment in sensitive areas.

#### Oil and Gas Leasing and Development Off the Coasts of Southwest Florida and California:

The Task Force has devoted a year of study, analysis and public consultation to the question of oil and gas leasing and development in Sale Area 116 off the coast of Southwest Florida and Sale Areas 91 and 95 off the California coast. One of the key findings of the Task Force was that "additional time and effort are needed before environmental concerns can be resolved in a manner that provides an acceptable balance" between the goals of domestic energy development and environmental protection.

Specifically, the Task Force found that:

- o the southwest Florida shelf comprises subtitle and nearshore habitats that are unique within the U.S. continental margin and provide refuge to a number of rare and endangered species;
- o the *incremental* risk of oil spill associated with the northern California sale (Sale Area 91) was far greater than that associated with the other two sales;
- o information concerning the onshore socioeconomic effects of oil and gas development was particularly lacking for

the Florida sale (Sale Area 116) and the northern California sale (Sale Area 91);

- o some additional studies, in response to the report of the National Academy of Sciences, are needed before the Secretary of the Interior makes leasing decisions in any of the three areas.

The President today recommended that:

- o No oil and gas development take place in Sale Area 116 off the coast of southwest Florida until after the year 2000;
- o The Department of the Interior initiate discussions with the State of Florida and with lessees to facilitate purchase of existing leases in this area, and the Secretary of the Interior initiate procedures that could lead to cancellation of the existing leases pursuant to section 5 of the OCS Lands Act.
- o No oil and gas development take place in Sale Area 91 off the coast of northern California until after the year 2000;
- o No oil and gas development take place in Sale Area 95 south of the Santa Barbara Channel until after the year 2000;
- o Development in the Santa Barbara Channel and Santa Maria basin, areas which are close proximity to existing oil and gas development in Federal and State waters, be delayed at least until after January 1, 1996 -- which will allow for the additional studies recommended by the National Academy of Sciences to be conducted. Development could then go forward if deemed prudent in light of the results of the studies;
- o No oil and gas development take place in any of the areas considered by the Task Force until the concerns identified by the National Academy of Sciences have been satisfactorily addressed and the studies recommended by the Academy have been conducted.

The task force also put forward several general recommendations which the President today adopted:

- o Air quality controls should be adopted for the California OCS which are substantially the same as those applied on shore. This is consistent with the position taken by the Administration in Clean Air Act negotiations with the Senate.
- o Steps should be taken immediately to improve the ability of industry and the Federal government to respond to oil spills from any source.

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o Federal agencies should develop a plan to reduce the probability of oil spills from all sources, including and especially those from tanker traffic. This plan should include moving oil tanker routes further away from sensitive areas in the Florida Keys and the Everglades, as previously proposed.

## Sale Area 119: Central California

Consideration of leasing and development off the northern and southern California coasts by the Task Force has been accompanied by strong concern about the prospect of oil and gas leasing and development in Sale Area 119, off the coast of central California. The area includes several unique marine and coastal resources in the proposed Monterey Bay National Marine Sanctuary.

The President today recommended that no oil and gas development take place in Sale Area 119 before the year 2000. In addition, the President today approved a proposal by the National Oceanic and Atmospheric Administration (NOAA) to provide permanent protection to the Monterey Bay National Marine Sanctuary. The proposal includes a permanent ban on oil and gas development within the sanctuary.

In combination with my decisions on areas studied by the task force, adoption of these recommendations will mean that:

- o No oil and gas development will occur off 99 percent of the California coast until after the year 2000.
- o Permanent protection will be provided in one of the most sensitive coastal areas.
- o In the remaining one percent, no oil and gas development will occur until 1996, if at all, and will occur only upon completion of further environmental studies and steps taken to address environmental concerns.

## Other Controversial Sale Areas: Oregon, Washington, and Georges Bank

The Department of the Interior has also convened a task force to address environmental concerns related to leasing and development in Sale Area 132, off the coast of Oregon and Washington. The task force has recommended cancellation of these sales pending further study. Today, the President recommended that any oil and gas development in this area be delayed until after the year 2000, pending completion of the further studies recommended by the task force.

# DRAFT

A similar controversy has arisen over oil and gas development in Sale Area 96, the Georges Bank area off the coast of New England. The President today recommended that any development in this area be delayed until after the year 2000, pending further study to determine the true resource potential of the area.

## General OCS Program Recommendations:

The President believes that if the balance between development of our domestic energy resources and protection of unique and sensitive coastal and marine environments is to be struck, the OCS program in the future will need to be targeted much more carefully toward areas with truly promising resource potential; sensitive to the concerns and needs of local areas affected by OCS development; and buttressed by information adequate to ensure that oil and gas development can go forward in an environmentally sound manner.

Therefore, the President today directed the Department of the Interior to take three broad steps in order to improve the OCS program:

- o The Department should target all future OCS five-year plans to ensure that only those areas with the greatest resource potential and the least environmental risk are offered for sale. This will necessarily result in much smaller and more carefully selected blocks being offered in the future.

- o The Department should develop a legislative proposal to allow coastal communities directly affected by OCS development to receive a greater share of financial benefits of new development and to have a stronger voice in OCS decision-making.

- o The Department should begin immediately to develop a program to improve the adequacy of the information needed to make OCS decisions. This should include the information identified in the report of the National Academy of Sciences to the Task Force, as well as studies to explore new technologies to alleviate the risks oil spills.

## Conclusion:

Taken together, these decisions represent a dramatic response to the concerns which have been expressed about oil and gas development on the outer continental shelf. They will provide significant protection for areas which have aroused

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great controversy off the coasts of Florida, California, Washington, Oregon, and New England.

The OCS program which will result from the approach outlined by the President will be leaner, more effective, and more focused on producing the greatest results with the least environmental disruption.

The President has long been committed to offshore oil and gas development where it can be accomplished in an environmentally sound manner. The President's intention is that this set of decisions will allow the OCS program now to move forward with less controversy, fewer threats posed to the environment, and sound footing from which to develop America's most promising energy resources.

# # # #

## SUMMARY

The final report of the Outer Continental Shelf (OCS) Leasing and Development Task Force was delivered to the White House on January 5. The report is the work of the Cabinet-level Task Force, comprised of Secretaries Lujan (who served as chairman) and Watkins, Administrators Reilly and Knauss and Director Darman, announced by you in your budget message to Congress in February 1989. In that budget message you charged the Task Force to study and resolve environmental concerns regarding the potential adverse effects of three OCS lease sales scheduled for FY 1990 that were delayed: Sale 116 off the southwestern coast of Florida; Sale 95 off southern California; and Sale 91 off northern California.

In developing options for your consideration, the Task Force examined the issues of air quality, the risks of oil spills, changes in onshore infrastructure and land use due to these lease sales, and the impacts of these sales on protected lands and species and other wildlife, commercial fishing, water quality, and tourism and recreation. The Task Force commissioned an analysis of the adequacy of scientific and technical information available for making leasing decisions in the three areas from the National Academy of Sciences (NAS). The NAS report concluded that there was a lack of some oceanographic, ecological or socioeconomic data for each area, although the study is subject to some criticism for calling for an unreasonable level of data.

In its eight-month process the Task Force solicited extensive input from the public and members of Congress. The public and most elected officials in the two states are generally opposed to the sales. The Task Force also uncovered wide dissatisfaction with the OCS program, as local residents who are most affected by OCS activities often do not receive commensurate financial benefits and feel they have little opportunity for participation in decision-making.

The Task Force presented specific options for decisions on each sale (four options for the Florida sale and three for each California sale). The Task Force made no recommendations among the various options. Additional options have been developed by White House staff and members of the Task Force independently. The Task Force also presented, and staff has developed, general options to be addressed in connection with these three sales and the overall OCS program.

Decisions are also currently pending on Sale 119 in the San Francisco-Monterey area of central California and the creation of a national marine sanctuary in Monterey Bay, which as proposed by the National Oceanic and Atmospheric Administration (NOAA) would cover the most valuable part of the Sale 119 area; NOAA's

# Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Report	From Outer Continental Shelf Leasing and Development Task Force <del>Options section redacted</del> (1 pp.)	n.d.	<del>P/5</del>	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Chief of Staff, White House Office of  
**Series:** Sununu, John, Files  
**Subseries:** Issues Files  
**WHORM Cat.:**  
**File Location:** Outer Continental Shelf (1990) [1]

Open on Expiration of PRA  
 (Document Follows)  
 By JP (NLGB) on 5/12/05

<b>Date Closed:</b> 12/10/2004	<b>OA/ID Number:</b> 29163-008
<b>FOIA/SYS Case #:</b> 1998-0004-F[1]	<b>Appeal Case #:</b>
<b>Re-review Case #:</b> 2005-0426-S	<b>Appeal Disposition:</b>
<b>P-2/P-5 Review Case #:</b>	<b>Disposition Date:</b>
<b>AR Case #:</b>	<b>MR Case #:</b>
<b>AR Disposition:</b>	<b>MR Disposition:</b>
<b>AR Disposition Date:</b>	<b>MR Disposition Date:</b>

### RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
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- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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proposal would also ban all oil and gas activities within the sanctuary. Given the proximity of these areas to the two delayed California sales and the commonality of the issues, it is appropriate to make these decisions at the same time as decisions on the lease sales are made. Four options have been developed by White House staff calling for combined actions on Sale 119 and the Monterey Bay sanctuary.

Set forth below are summaries of the options developed by the Task Force and the White House staff. A full presentation of those options, and supporting discussion of the respective pros and cons, is found in the accompanying decision memorandum. The decision memorandum also provides more extensive information regarding the Task Force deliberations.

### Task Force Options for Sales

#### Option A

Florida -- Cancel sale and defer leasing decision until additional oceanographic, ecological and socioeconomic data identified by NAS have been collected.

As for existing leases in same area, proceed with exploration and development decisions under normal procedures.

#### California

A-1 -- Proceed with preparations for lease sales but defer leasing decisions until the additional oceanographic (southern California) and socioeconomic (southern and northern California) data identified by NAS have been collected.

A-2 -- Cancel sales and defer subsequent leasing decisions until additional oceanographic (southern California) and socioeconomic data (southern and northern California) identified by NAS have been collected.

#### Option B

Florida -- Cancel sale and exclude area from consideration for the 1992-1997 OCS five-year leasing program.

As for existing leases, begin discussions with Florida and existing lessees to facilitate state purchase of leases.

California -- Defer leasing decisions on both sales until 1992-1997 five-year program and, if sales go forward, offer tracts only in limited geographic areas (Santa Maria and Outer San Diego Basins off southern California and Eel River Basin off northern California).

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Report	From Outer Continental Shelf Leasing and Development Task Force (2 pp.)	n.d.	<del>P/5</del>	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Chief of Staff, White House Office of  
**Series:** Sununu, John, Files  
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**WHORM Cat.:**  
**File Location:** Outer Continental Shelf (1990) [1]

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<b>FOIA/SYS Case #:</b> 1998-0004-F[1]	<b>Appeal Case #:</b>
<b>Re-review Case #:</b> 2005-0426-S	<b>Appeal Disposition:</b>
<b>P-2/P-5 Review Case #:</b>	<b>Disposition Date:</b>
<b>AR Case #:</b>	<b>MR Case #:</b>
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### Option C

Florida -- Cancel sale and exclude area from consideration for both 1992-1997 and 1997-2002 five-year programs.

As for existing leases, begin discussions with Florida regarding its purchase of leases and initiate procedures that could lead to cancellation of existing leases under OCS Lands Act.

California -- Cancel sales and exclude areas from consideration for 1992-1997 five-year program.

### Options for Sales Not Identified by Task Force

- A. Proceed with sales in Florida and California under existing OCS Lands Act process.
- B. Cancel sales in Florida and California and exclude from consideration for 1992-1997 program at this time; if additional studies to obtain data identified by NAS show leasing possible in environmentally sensitive manner, add tracts to 1992-1997 program.
- C. Delay decisions until final National Energy Strategy submitted in December.
- D. Cancel sales and impose permanent ban on lease sales in three areas.

### Other Actions Recommended by Task Force (to Address Environmental Concerns in Areas of Sales)

- A. In southern and northern California, establish air quality controls for OCS activities that are substantially equivalent to those applied onshore. The Minerals Management Service already has efforts underway to develop a new proposed rulemaking to achieve this objective.
- B. In northern California, evaluate the effects of OCS activities on commercial fisheries and institute measures to reduce conflicts.
- C. In both Florida and California, revise requirements for OCS oil spill contingency plans to improve their effectiveness and develop improved means of assessing the risk of damage from oil spills
- D. Institute a Coast Guard study of the feasibility of moving tanker routes away from sensitive areas.

E. Direct the Secretary of the Interior to study restructuring of revenue-sharing and decision-making provisions of OCS Lands Act and OCS program.

Options for Sale 119 and Monterey Bay Marine Sanctuary

A. Cancel Sale 119 and adopt NOAA proposal for sanctuary, including prohibition on oil and gas activities.

B. Adopt NOAA proposal for sanctuary and proceed with Sale 119 only in areas outside sanctuary.

C. Limit sanctuary to smaller size, prohibiting oil and gas activities within it, and proceed with Sale 119.

D. Adopt NOAA proposal for size of sanctuary, but allow oil and gas activities within it subject to regulation, and proceed with Sale 119.

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## (George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Report	Issue report on Outer Continental Shelf Leasing and Development (21 pp.)	4/9/90	<del>P-6</del>	

**Collection:**

**Record Group:** Bush Presidential Records  
**Office:** Chief of Staff, White House Office of  
**Series:** Sununu, John, Files  
**Subseries:** Issues Files  
**WHORM Cat.:**  
**File Location:** Outer Continental Shelf (1990) [1]

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April 9, 1990

I. ISSUE

A decision on the options presented by the Outer Continental Shelf (OCS) Leasing and Development Task Force is needed.

II. BACKGROUND

In your February 9, 1989 budget message to Congress, honoring a pledge made during the campaign, you imposed a moratorium on three controversial OCS lease sales scheduled for fiscal year 1990 -- Sale 116 in the Gulf of Mexico off the southwestern coast of Florida, Sale 95 off the coast of southern California, and Sale 91 off the coast of northern California -- pending a review of the environmental effects of the sales by a Cabinet-level task force. The California sales had been subject to Congressionally-imposed moratoria in 1987, 1988 and 1989 and the Florida sale became subject to a Congressionally-imposed moratorium last year. The Secretary of the Interior, the Secretary of Energy, the Director of the Office of Management and Budget, the Administrator of the Environmental Protection Agency and the Administrator of the National Oceanographic and Atmospheric Administration (NOAA) were named as members of the Task Force and charged with making recommendations on the future of the lease sales within one year.

In fulfilling its charge, the Task Force conducted briefings and public workshops in Florida and California, hearing from over 1,000 witnesses, met with Members of Congress from those two states and other parts of the country, and received over 11,000 written comments. It also commissioned and received a study from the National Academy of Sciences (NAS) addressing the adequacy of the scientific and technical data available on which decisions on the three lease sales could be made.

The Task Force delivered its report to the White House on January 5.

III. DISCUSSION

A. POLICY GOALS

The OCS leasing program is governed by the Outer Continental Shelf Lands Act and overseen by the Minerals Management Service (MMS) within the Interior Department. (A description of the program is found at Appendix A.) The program has been the focus of controversy in recent years over the environmental effects of offshore oil and

gas exploration and development. The controversy has resulted in yearly Congressional moratoria on certain lease sales, pre-lease planning activities, and even some post-lease exploration. The policy goal of the decisions on these three lease sales, which will inevitably affect the entire OCS program, must be to reconcile the need for adequate domestic energy supplies through robust exploration and development on the OCS and the need for long-term protection of sensitive environments and ecosystems. An additional goal must be to regain Executive branch control of the OCS program by addressing Congressional and local concerns and removing their stranglehold on the program.

#### B. RESOURCE POTENTIAL

The decisions with respect to these three lease sales must take into account their relationship to the total oil and gas resources of the U.S. The MMS has developed mean estimates for the undiscovered economically recoverable (using existing technology) oil and gas resources derivable from (1) the U.S. as a whole, including the OCS, (2) the entire OCS, (3) the Arctic National Wildlife Refuge in Alaska (ANWR), (4) the existing leases in the three planning areas in which these sales are located and (5) the leases involved in the sales. Appendix B is a table setting forth the relative oil and gas resources available from all of these areas. As you can see, the three sales represent about 1.6 percent of all U.S. oil resources and about 0.4 percent of all U.S. gas resources, equivalent to about one-sixth of the resources available from ANWR.

It should be noted that the Office of Management and Budget (OMB) has already eliminated any projected revenues from these three sales from its budget projections. The decisions on the sales therefore have no immediate impact on, and should not be considered as an issue relevant to, the budget.

#### C. RELATIONSHIP OF STATE AND LOCAL GOVERNMENTS TO OCS PROGRAM

The relationship of state and local governments and their constituents to the OCS program is also a relevant issue. The federal government's perspective on the OCS program is premised on its role in the nation's overall energy strategy, with its national security and economic implications. In administering the OCS program the federal government also exercises its national stewardship functions to manage and protect scarce and valuable environmental resources on public lands.

State and local governments, on the other hand, represent more parochial interests of the people who will experience the direct impact of OCS development. Most of the financial benefit of OCS leasing and development accrues to the federal government (states receive 100 percent of revenues from OCS leases within the first three miles of shore, 27 percent of revenues from OCS leases three to twelve miles from shore, and nothing from leases further than twelve miles offshore). Further, the residents of the localities most directly affected by OCS activity may or may not benefit proportionately from the revenues received by the state if those revenues are spent elsewhere. Despite the opportunities granted for participation in the OCS process, persons affected by federal OCS decisions often feel that their interests have not been represented; this likely accounts for the contentious nature of many recent OCS decisions. Although not a subject directly addressed by the Task Force, the concept of restructuring the OCS program to give states a greater share of the revenues arose during your January meeting with the members of the Task Force. Many members of the Administration believe, however, that this type of local revenue-sharing will not be enough to engender support by Atlantic and Pacific coastal states and localities for the OCS program.

#### D. NATIONAL ACADEMY OF SCIENCES (NAS) STUDY

The Task Force asked the NAS to study the adequacy of the scientific and technical data available on which decisions for the three lease sales could be made. The NAS report concluded that generally there are not adequate oceanographic, ecological and socioeconomic data on which to base a lease/no lease decision, but that the adequacy varies by lease sale. The NAS conclusions are as follows:

<u>Sale</u>	<u>Oceanographic</u>	<u>Ecological</u>	<u>Socioeconomic</u>
Florida	marginal	inadequate	inadequate
N. Cal.	adequate	adequate	inadequate
S. Cal.	inadequate	adequate	doubtful

The NAS recommended that no decision be made on proceeding with the lease sales until further studies are conducted, although it did not specifically identify those studies that must be conducted in order to have a complete data base. There is no clear consensus as to the length of time needed to conduct adequate studies. Staff of the Task Force estimates that it could take as long as five to six years in Florida and as little as two to three years in northern California.

Questions regarding the value of the NAS study and the weight it should be accorded have been raised. Some allege that the strictest academic "peer review" standard was used to assess the available data, which would be far greater than the standard generally used in making governmental decisions. Such a standard could be seen as unreasonable in a real world context, imposing a burden that could rarely if ever be sustained, particularly when weighed against the costs necessary to meet such a standard and the benefits of the OCS program.

The NAS was also requested to study the adequacy of resource estimate methodology used by the MMS. The NAS report concluded that the MMS methodology for developing resource estimates is adequate and sound.

#### E. LOCAL CONSIDERATIONS

As noted in Section II above, in preparing the report the Task Force conducted local meetings in Florida and California. These were designed to give the Task Force the opportunity to discuss the proposed sales with state and local officials, scientists, business leaders and other interested groups and with members of the general public. Demonstrations in opposition to leasing were held at each of the nine public workshops. In addition, the vast majority of persons who spoke at the meetings were adamant in their opposition to new leasing. Local opposition to leasing does not appear to have lessened, and in fact may have strengthened. An August California Poll found that 75 percent of those surveyed opposed more drilling off the coast, the highest level of opposition yet expressed in a statewide poll.

State and local officials are also generally unanimously opposed to the sales. In Florida, the entire Congressional delegation, Governor Martinez and all local elected officials oppose new leasing, and in fact also oppose exploration on existing leases off southwestern Florida. Both California Senators oppose new leasing, as do virtually all local elected officials. The California Congressional delegation is split on the issue, although almost all affected coastal representatives oppose new leasing. Governor Deukmajian is generally supportive of further offshore development.

#### F. ANALYSIS OF ENVIRONMENTAL CONCERNS

In analyzing the three lease sales, the Task Force identified and addressed six specific environmental concerns: (1) air quality; (2) the risks of oil spills; (3) the impact of OCS activity on commercial fishing;

(4) the effects of OCS activity on protected lands and species; (5) water quality; and (6) socioeconomic impacts. The general findings of the Task Force with respect to these six areas and the cumulative effects are found at Appendix C.

G. RELATIONSHIP OF DECISIONS ON SALES TO SALE 119 IN CENTRAL CALIFORNIA AND CREATION OF MONTEREY BAY SANCTUARY

Closely related to your decision on these three lease sales are decisions on the future of Sale 119 off central California and the creation of a national marine sanctuary in the area around Monterey Bay.

The area to be covered by Sale 119, which is still in its pre-leasing stages, stretches from San Francisco southward to the northern tip of Monterey Bay. This incorporates sensitive areas off the coast of Big Sur, Carmel and Monterey, resulting in public opposition to this sale that is at least as strong as that to Sales 95 and 91 and perhaps even stronger. The sale was originally scheduled for March 1991, but due to the imposition of a moratorium by Congress and delays in the pre-sale process, a sale probably could not occur until the middle of the 1992 fiscal year at the earliest. In addition, pre-sale analysis would likely reduce the area to be covered by the sale. OMB has already eliminated projected revenues from this sale from its FY 1991 budget projections and has also eliminated revenues from a FY 1994 lease sale in central California. Appendix B shows the oil and gas resources available from Sale 119. As you can see, such oil and gas resources are less than those available from Sales 95 and 91 and slightly more than those available from Sale 116.

The creation of a national marine sanctuary in the Monterey Bay area was mandated by Congress in 1988. Fulfilling its responsibility under the legislation, NOAA has proposed designating an area for the sanctuary covering approximately 2,200 square miles, about a third of which is within the area to be covered by Sale 119, including more than two-thirds of the most promising tracts. NOAA has also proposed regulations that prohibit all oil, gas and mineral exploration and development activities within the proposed sanctuary. Other activities are limited but not proscribed. A ban on oil and gas activities is not mandatory within a marine sanctuary; in fact, sanctuaries in other parts of the country are not subject to this prohibition, although because of the sensitivity of the issue in California other sanctuaries off its shores do bear such bans

(including one ban that was Congressionally imposed in 1989).

#### IV. OPTIONS

##### A. Decisions on Lease Sales

The Task Force presented eleven separate options for the lease sales, three for the Florida sale and four for each California sale. White House staff and the individual departments represented on the Task Force have also identified other options, including those at the extreme ends of the spectrum. All of the options for the lease sales are set forth below (Task Force options first, followed by options developed by staff) and accompanied by supporting discussion of their pros and cons. It should be noted that the members of the Task Force agreed only to include within their final report options that all members could agree would be acceptable, so some of the new options that have been developed may have been considered by the Task Force and may be supported by individual members.

##### Task Force Options for Sales

###### Option A

###### Sale 116 (Florida)

Cancel the sale and defer subsequent decision until the additional oceanographic, ecological and socioeconomic data identified by the NAS have been collected.

As for existing leases, proceed with exploration and development decisions under normal procedures.

###### Sales 95 (Southern California) and 91 (Northern California)

The same language is included for Option A for both California sales. A separate decision is needed for each sale, however.

A-1 -- Proceed with preparations for the lease sales but defer final decisions until the additional oceanographic (southern California) and socioeconomic (southern and northern California) data identified by the NAS have been collected.

A-2 -- Cancel the sales and defer subsequent decisions until the additional oceanographic (southern California)

and socioeconomic data (southern and northern California) identified by the NAS have been collected.

Discussion -- Under these options, leasing in both Florida and California could occur as part of the 1992-1997 five-year plan, which was to be proposed by Secretary Lujan in March but which is being delayed pending your decision on these sales. These are pro-petroleum industry options that signal the Administration's continued commitment to OCS development and affirm to the greatest extent the Interior Secretary's discretion over OCS decisions, consistent with current law. They recognize that the OCS is a national resource the development of which will not be unduly subject to local citizens' views. They will likely meet with strong criticism, however, particularly on the ground that a decision to cancel the sales of the leases, followed almost immediately by the inclusion of the same leases in the next five-year program, smacks of hypocrisy. This criticism can be partially rebutted by responding to the environmental concerns identified by the NAS and imposing additional environmental restrictions on new leases.

Allowing exploration and development to proceed on the Florida leases using normal procedures avoids any interference with current lessees and any "takings" problems that could arise.

#### Option B

##### Sale 116 (Florida)

Cancel the sale and exclude the area from consideration for the 1992-1997 five-year program.

As for existing leases, proceed with exploration and development decisions under normal procedures but begin discussions with the state and existing lessees regarding the state's purchase of the leases.

##### Sales 95 (Southern California) and 91 (Northern California)

In southern California (Sale 95), defer a decision on the sale until the 1992-1997 five-year program, conducting additional oceanographic and socioeconomic studies; if the sale goes forward, offer tracts only in the Santa Maria and San Diego Outer Basins.

In northern California, also defer a decision until the 1992-97 five-year program, conducting additional

socioeconomic studies; if the sale goes forward, offer tracts only in the Eel River Basin.

Discussion -- These are compromise options. Leasing could occur off California after 1992 (which, given current Congressional moratoria and the time required to complete the studies arising from the NAS report, may be as soon as leasing could occur in any event), but would be restricted to areas where development would be less intrusive and to smaller areas so that environmentally-sensitive features such as the Channel Islands National Park and Marine Sanctuary could be protected. Leasing off Florida would be delayed for at least seven years until 1997. The petroleum industry should find this an acceptable option, as it does not preclude development. There is less certainty that the environmental community will accept it as a reasonable compromise. The delays should, however, allow the Interior Department to complete the studies identified by the NAS, and this can be used to rebut environmental concerns.

Beginning discussions with Florida regarding its purchase of the existing leases imposes some burden on it to protect its tourist industry and natural resources, which is reasonable given that the state has also allowed development in this area. This could open the door to moves by the environmental community to cancel the leases, however.

#### Option C

##### Sale 116 (Florida)

Cancel the sale and exclude the area from consideration for both the 1992-1997 and 1997-2002 five-year programs.

As for existing leases, begin discussions with the state and existing lessees regarding the state's purchase of the leases and have Interior initiate procedures that could lead to cancellation of the existing leases (which would suspend further exploration or development).

##### Sales 95 (Southern California) and 91 (Northern California)

Similar language is included for Option C for both California sales. A separate decision is needed for each sale, however.

Cancel the sales (and the next scheduled sales in both areas) and exclude the areas from consideration for the 1992-1997 five-year program.

Discussion -- These are the most pro-environmental options identified by the Task Force, precluding lease sales off Florida until at least 2002 and off California until at least 1997. They do not constitute the permanent ban on leasing in the three areas that environmentalists and most local residents seek, however. These options could alleviate pressures in Congress for the creation of ocean sanctuaries or permanent bans on leasing.

The move to cancel the existing leases off Florida would be particularly welcomed by environmentalists and would respond to one of the criticisms of the NAS, namely that leasing always leads to future development without any subsequent analysis of environmental impacts. There are questions about the ability of the Interior Department to cancel the leases under current law, however, which requires a finding of existing environmental harm.

These options are also the ones on which the FY 1991 budget is based, including provision in the budget for repurchase in FY 1995 of the existing leases off Florida, valued at the lesser of the fair market value of the leases or the amount of lease bonuses paid plus investment to date (approximately \$200 million), so no adverse budgetary impact would result if this course were chosen.

#### Options Not Identified by Task Force

A. Proceed with lease sales under existing OCS Lands Act process. Pre-lease activities would be reactivated at the point at which they were stopped by the Presidential moratorium.

Discussion -- This is one of the two extreme options. It would essentially reject both the NAS study and the report of the Task Force and proceed with "business as usual." It could be perceived as a complete sell-out to the petroleum industry and would likely be severely criticized by the environmental community and probably by the general public, particularly in the two affected states.

B. Cancel the sales, excluding them at this time from the 1992-1997 five-year program, and directing that future decisions on lease sales in these areas will be made only after the data identified as deficient by the NAS have been identified and collected; if the studies subsequently show that leasing can be done in an environmentally acceptable manner, add the tracts to the 1992-1997 five-year program.

Discussion -- This is a new option proposed by the Energy Department. It allows decisive action on the sales and the OCS program as a whole; it also acknowledges that a more objective and scientific basis is needed for decision-making. It avoids an arbitrary decision to defer leasing or delete tracts from consideration for leasing by holding the door open for later inclusion of the leases in the 1992-1997 five-year program; as such, it could thwart the efforts of those who would use a cancellation decision as the precedent for seeking further arbitrary bans on OCS activities elsewhere. It would require an amendment to the 1992-97 five-year program at some point, which could focus Congressional and environmental opposition to leasing.

C. Delay any decision on the sales until the National Energy Strategy (NES) is finalized and submitted in December 1990; concurrently with the announcement of that course of action, make the OCS Task Force report public.

Discussion -- This option alleviates the difficulties posed by making these decisions in the vacuum created without knowing how they and the future of the OCS program relate to the NES. It also sends a signal that the President intends to balance environmental concerns with energy security and economic requirements. The petroleum industry may be disconcerted by the perceived signal that further development is being significantly slowed, although the strong link to the NES should offset industry uneasiness. Delaying the sales also adversely affects the time before which these resources can be tapped (assuming that some development goes forward). This option also delays any guidance to the Interior Department and the MMS for their development of the next five-year plan and other pending decisions regarding the OCS. The release of the report will remove some of the mystery surrounding the decisions, allow the public to engage in the dialogue and focus attention on the necessity for further scientific (by collection of the data identified by the NAS) and economic (by the NES) analysis of the decisions and the overall domestic energy situation. The delay in the decision and release of the report would likely be opposed by the California and Florida Congressional delegations (especially Senator Wilson), who want a decision to be made soon.

D. Cancel the sales and impose a permanent ban on lease sales in the three areas.

Discussion -- This option recognizes the political reality that no drilling is likely to occur on these leases in the foreseeable future, given the clear

disposition of the Congress on this matter. OMB has already eliminated any projections of revenue from these sales from its budget receipt projections. Implementing this option could remove the sizeable California and Florida Congressional delegations from the nationwide coalition that threatens to jeopardize the entire OCS program or at least block some future activities. It could, however, also be used as "evidence" by those seeking permanent bans on all offshore drilling activities, even on existing leases, that no OCS activities are environmentally prudent.

B. Decisions on Other Actions Recommended to Address Environmental Concerns in Areas of Sales and Deficiencies in OCS Program.

The Task Force also developed recommended options for addressing various environmental concerns that arise in the three sale areas (and to a lesser extent throughout the entire OCS). These options relate to (1) air quality standards offshore California, (2) conflicts with commercial fishing, particularly in northern California, (3) oil spill contingency planning and response capabilities, (4) tanker traffic, (5) safeguards for protected lands and species, (6) protection of water quality, and (7) steps to alleviate adverse socioeconomic effects of OCS activities. In addition, your staff developed an option for study of increased state and local participation in the OCS program. This concept, including the notion of increased sharing of revenues from the OCS with local communities impacted by OCS activities, has been discussed publicly by Secretary Lujan and other Interior officials publicly in recent days. All of these options are set forth in Appendix D.

C. Decisions on Sale 119 and Monterey Bay Sanctuary

Because of the reasonable proximity of the Sale 119 area, including the Monterey Bay area, to the Sale 95 and 91 areas, and because of the common issues surrounding oil and gas activities in all three areas, decisions on the future of Sale 119 and the size and scope of activities within the new Monterey Bay Sanctuary should also be made at this time.

A. Cancel Sale 119 and proceed with the pending NOAA proposal establishing the size of, and the prohibitions on oil and gas activities within, the sanctuary.

Discussion -- NOAA asserts that the entire proposed sanctuary area is nationally significant and environmentally sensitive. For example, excluding any of

the proposed lease sale area would exclude the largest breeding ground for marine mammals in the lower 48 states, a biologically irreplaceable resource. Cancelling the sale would also acknowledge the strength of the public opposition to oil and gas activities off this portion of central California. NOAA further argues that, if prohibitions on oil and gas activities are not imposed through regulations, a more restrictive legislative ban will likely be enacted, as occurred last spring with the Cordell Bank National Marine Sanctuary off San Francisco. The impact of such a decision where there has not been the extensive analysis of available scientific data that accompanied the Task Force report must be assessed, however, as must the possibility that this could bolster arguments for a permanent ban on oil and gas activities off California and even Washington and Oregon.

B. Proceed with the NOAA proposal for the sanctuary, including the prohibitions on oil and gas activities, and proceed with Sale 119 only in areas outside the sanctuary.

Discussion -- The proposed sanctuary boundaries were drawn to provide a buffer to protect the area's sensitive resources. Therefore, oil and gas activities could proceed outside the sanctuary without causing, from NOAA's viewpoint, any undue risk. This option acknowledges that selected coastal areas are unique and therefore require that special measures be implemented to protect them. At the same time it recognizes that oil and gas activities can proceed in an environmentally safe manner near sensitive areas.

C. Limit the sanctuary to a smaller size recommended by the Department of the Interior, prohibiting oil and gas activity in this reduced area, and proceed with Sale 119.

Discussion -- The Interior Department proposal for the sanctuary is approximately 60 percent smaller than the NOAA proposal and preserves the tracts with the greatest resource potential. Interior argues that it adequately protects valuable marine resources without unduly hindering development, but recognizes that certain areas are so unique that no oil and gas activity within them is appropriate. NOAA argues that it would exclude some of the most biologically significant areas and expose the Administration to charges that the sanctuary boundaries were gerrymandered to permit oil and gas activities.

D. Proceed with Sale 119 and the NOAA proposal for the size of the sanctuary; do not prohibit oil and gas

activity within the sanctuary but only subject it to regulation like other activities.

Discussion -- This position provides protections to the entire area NOAA has identified as sensitive, but emphasizes the view that oil and gas activity can occur coincident with sound environmental protection. It is likely to result, however, in a legislative ban on oil and gas activities. If not, the current debate on oil and gas drilling would be taken up again during NOAA's rulemaking process to implement allowable oil and gas activities in the sanctuary.

## APPENDIX A

### DESCRIPTION OF OCS PROGRAM

The OCS leasing program is governed by the Outer Continental Shelf Lands Act and overseen by the Minerals Management Service (MMS) within the Interior Department. The sale and development of leases under the Act is accomplished in five-year programs, which begin with thorough analyses to assess the potential reserves derivable from leases and any problems that would accompany their development. That process starts more than two years before the beginning date of a five-year program. The MMS undertakes twelve separate steps as part of this evaluative process, preparing two drafts of the program and an environmental impact statement (EIS). The public is given opportunity to comment at three points in the process and Congress is also formally notified before a program is finally approved.

Following final approval of a five-year program, typically another 24 to 26 months are required before any lease sale can take place. During this period another EIS specific to the lease sale area is prepared and additional opportunities for public comment are provided, along with an opportunity for comment by the governor of the state offshore which the sale is to occur. Once a sale occurs, exploration of the leases can take anywhere from 1 to 10 years and development and production can occur over several decades.

The three lease sales studied by the Task Force are all part of the 1987-1992 five-year program. The sales were at different stages when the moratoria were imposed, and could have been held within five to sixteen months. The initial steps for the 1992-1997 five-year program were scheduled to commence in March with Secretary Lujan's release of a proposal for comment, but that has been delayed pending decisions on these three lease sales. The program development process is expected to take until the summer of 1992, with the first sale tentatively scheduled for September 1992. That schedule is not mandated by statute or administrative rule or regulation, however, and could be delayed. A delay of up to six months would not significantly affect the timing of the program and the early sales, as only one to two months would be lost.

**APPENDIX B**  
**RESOURCE POTENTIAL**

	<u>Oil</u> (billion of barrels)	%	<u>Gas</u> trillion of cubic ft)	%
		Total		Total
Total U.S. Resources	34.80		263.00	
Entire OCS	8.20	23.6	74.00	28.1
ANWR	3.20	9.2	6.90(1)	2.6
Existing Fla. Leases	.14	.4	.30	.1
Existing S. Cal. Leases(2)	.34	1.0	.80	.3
Sale 116	.11	.3	---	---
Sale 95	.23	.7	.46	.2
Sale 91	.20	.6	.41	.2
Sale 116	.16	.5	.26	.1

(1) Although ANWR is estimated to contain 6.9 trillion cubic feet of gas, the production of natural gas from ANWR is considered by some to be uneconomical.

(2) None of the area off northern California has yet been leased.

## APPENDIX C

### FINDINGS ON ENVIRONMENTAL CONCERNS

Air Quality. Offshore oil and gas drilling activities produce the same types of emissions as onshore activities, with the notable addition of emissions from support vessels and helicopters. Meteorological conditions may also exist that consistently drive offshore emissions toward land, particularly off California. Despite this, the Task Force found that emissions controls currently imposed by the MMS on offshore drilling are less stringent than those imposed on similar activities onshore. The effects of offshore emissions are of greatest concern in southern California due to the generally already poor air quality; there are more limited concerns with respect to northern California also. All of the Task Force options for California include strengthening emissions standards. The Senate version of the Clean Air Act amendments currently contains Administration-supported language requiring such stricter OCS emissions standards.

Oil Spill Risks. The Task Force found that the risks posed to coastal and marine resources by oil spills are significant and that the environmental impact of a major OCS spill would be severe. It concluded, however, that the increased chances of a major oil spill caused by OCS drilling activities in the three areas are small (in the case of Florida and southern California, only a 1 percent greater risk, and in the case of northern California an 8 percent greater risk) compared to the risk of a spill caused by existing activity, such as non-OCS tanker and barge traffic. The Task Force found that coastal and marine resources warrant greater protection from possible oil spills, whatever their source, than is currently provided.

Commercial Fishing. Commercial fishing is a vital economic activity in all three areas, especially off southern and northern California. OCS activities pose a variety of conflicts between the petroleum and fishing industries, including competition for available space at sea and for port space onshore. There are also concerns about the loss or destruction of habitat due to the effects of OCS activities and the significant risks posed by oil spills. The Task Force concluded that many of these conflicts can be resolved or largely mitigated through the recommended use of joint committees comprised of representatives of the petroleum and fishing industries in areas where OCS activities are planned.

Protected Lands. Each of these three areas has unique protected lands, most notably the mangrove-coral reef system in the Everglades and Florida Keys. The Task Force found that these sensitive and highly valuable areas now receive only the same level of protection as that in ordinary areas but that

they warrant additional consideration and heightened management.

Protected Species. Each of these three areas is inhabited by species that have been placed under the protection of federal statutes, most notably the endangered manatees off Florida. The Task Force concluded that existing protections are sufficient to protect these species so that a delay in leasing cannot be justified on this basis alone.

Water Quality. OCS activities can have various impacts on the water quality near rigs and platforms. Such activity is currently regulated by EPA under the Clean Water Act through the National Pollutant Discharge Elimination System. The Task Force found that this regulation is adequate in the three areas. It noted, however (as did the NAS), that information on the long-term effects of chronic discharges is lacking.

Socioeconomic Impacts. OCS activities, though offshore, have significant socioeconomic impacts onshore. The Task Force found that these include the possibility of increased conflicts over land use and greater demands on infrastructure that could force changes in the character of an area. Tourism and recreation can also be adversely affected, although the Task Force found that this does not appear to be a sufficient basis for delaying the lease sales. The Task Force concluded that in these three areas such conflicts can be substantially reduced through better consultative relationships among the petroleum industry, government (especially state and local governments) and other affected parties in planning and coordinating the onshore activities of OCS lessees.

Cumulative Effects. The Task Force concluded that, although many of the environmental effects of OCS oil and gas activities, taken individually, are acceptable, collectively they could result in unacceptable changes to the local environments in or near the three sale areas unless new measures are taken to control or mitigate such effects.

The Task Force recognized the substantial conflict that often exists between the goals protecting the coastal and marine environments and maintaining the quality of life in coastal areas, on the one hand, and the goals of promoting energy security and economic growth on the other. The Task Force found no easy way to resolve this conflict. Based on its review of available information, the Task Force concluded that additional time and effort are needed before environmental concerns can be resolved in a manner that provides an acceptable balance between these conflicting goals.

## APPENDIX D

### OPTIONS FOR OTHER ACTIONS TO ADDRESS ENVIRONMENTAL CONCERNS AND DEFICIENCY IN OCS PROGRAM

- A. Air Quality. Establish air quality controls for the OCS areas offshore California that are substantially equivalent to those applied onshore.

Discussion -- Although the real impact of any emissions from offshore drilling or production platforms and the vessels and helicopters that serve them may be negligible, it is perceived as a substantial problem. The perception is exacerbated by the fact that air pollution is the single most dramatic environmental problem in southern California and that the standards for offshore activities are not subject to EPA control but to MMS oversight and have not always been consistent. The MMS has efforts underway to develop a new proposed rulemaking to achieve this objective.

- B. Commercial Fishing. In Northern California, reevaluate the effects of OCS activities on the commercial fishing industry and institute measures to reduce conflicts between the petroleum and fishing industries.

Discussion -- The potential conflicts posed to the commercial fishing industry in northern California were repeatedly cited. This is a particular problem in that region because of the heavy reliance of local economies on fishing, the limited existing infrastructure for which the commercial fishing and petroleum industries would compete, and the relatively small population base that could be severely affected by employment dislocations resulting from changes in commercial activity.

- C. Oil Spill Contingency Planning and Response Capabilities. Steps should be taken to protect coastal and marine resources more adequately through the following:

1. Develop improved means of assessing the risks of oil spills;
2. Revise requirements for OCS oil spill contingency response plans to improve effectiveness (particularly for the Everglades and Keys ecosystems), including requiring more analysis of response effectiveness as part of the pre-lease evaluative process and setting mandatory response times and minimum standards for equipment and technology to respond to spills;

3. Prepare special oil spill contingency response plans for protected lands, ensuring full coordination among the MMS, the Coast Guard, the petroleum industry, and state and local governments;
4. Revise regional guidelines for oil spill responses and increase the frequency of oil spill response drills, involving both government and industry; and
5. Where feasible and environmentally preferable, require that oil produced on the OCS be transported by pipeline rather than ship.

Discussion -- The unique aspects of the Everglades and the Florida Keys, including the only tropical coral reef in the continental U.S., justify revisions in planning and response capabilities for that area. Additional attention should also be given to northern California due to its extremely narrow continental shelf and normal high-sea conditions, which would make oil spills difficult to contain with currently available technology and likely to reach environmentally-sensitive areas to the south, such as Redwoods National Park or Point Reyes.

- D. Tanker Traffic. Direct Coast Guard to study feasibility of moving tanker routes away from sensitive areas.

Discussion -- The recent California oil spill shows the need to study tanker routes to see if travel further offshore and away from sensitive areas is feasible. The Coast Guard has been at work on a proposal that would provide for International Maritime Organization action to move tanker and other major vessel traffic further away from the coral reefs off Florida.

- E. Protected Lands and Species. Defer particularly sensitive protected lands from development or establish requirements to ensure the maximum practicable protection and mitigation of impacts. In addition, provide greater management attention to avoiding conflicts between OCS activities and protected species.

Discussion -- Given that certain lands have already been considered so unique as to warrant protection by the federal government (including national parks and marine sanctuaries), consideration of setting aside those lands from development is not a radical additional step. At the very least, special requirements to preserve those lands or mitigate any possible impacts from OCS activities is consistent with the assessment of their protected character. Similarly, preserving rare or endangered species through special attention from the managers of the OCS program appears reasonable and not unduly burdensome.

- F. Water Quality. The MMS should initiate research into the long-term effects of OCS activity on the marine environment and water quality, particularly such practices as the chronic discharge of drilling fluids. In sensitive environments, special mitigation programs to reduce potential adverse effects should be considered.

Discussion -- Given the scarcity of data on the long-term effects of OCS activities, further study is justified. Because the potential effects of such practices as chronic discharges of drilling fluids are currently unknown, special protection of those marine environments that are identifiable as sensitive through mitigation measures is reasonable until better data become available.

- G. Adverse Socioeconomic Effects. The MMS should note local concerns and ordinances relating to the siting of onshore facilities stemming from OCS activities in stipulating the conditions for lease development, such as considering a requirement for the consolidation of onshore facilities. In addition, the MMS and NOAA should play a greater mediative role between industry and local governments to mitigate the adverse effects of this increased onshore development.

Discussion -- The significant impact of OCS activities on onshore development and the economic and social lives of local residents should not be underestimated. This is exacerbated by the general feeling of local residents that they have little voice in the decision-making process. Greater sensitivity to local concerns and existing priorities for development and its control could be accomplished at very little cost to the federal government through increased attention to such matters by the MMS. Such actions as requiring consolidated onshore facilities could have positive effects on land use conflicts and infrastructure demands. At the very least, federal agencies should play the role of "broker" to mediate between the competing interests of industry and local communities.

- H. Restructuring of OCS Program. Direct the Secretary of the Interior to begin a study that would lead to proposals for amendments to the OCS Lands Act in order to restructure the revenue-sharing and decision-making provisions of the legislation so that state and local governments will have a greater voice in the OCS program.

Discussion -- The lack of financial benefits to the people most affected by OCS activities and the limited participatory role in the actual decision-making process for OCS development have been noted as at least partial

sources of the controversies currently surrounding these sales and the entire program. Tasking Secretary Lujan to study these issues with a goal of amending the underlying legislation could have a positive impact on these sales, lessening some of the furor. It would more conceivably be a method to address concerns expressed by Congressmen and others from areas in which OCS development is favorably viewed on the whole but where additional incentives may be needed to avoid repetitions of current problems. It also is the logical and fair approach to balancing more equitably federal and local interests. The nature and extent of authority given to state and local governments will need to be carefully considered, however, with the goal being to maintain the OCS program as a federal authority. Interior Department officials, including Secretary Lujan, have alluded to increased federal revenue-sharing with local communities in recent public remarks. The responses to such overtures have not been particularly positive, with reaction from some quarters that such action will not be sufficient to overcome opposition to OCS activities on other grounds. The result might be a reduction in federal revenues without a significant reduction in opposition.