

MINUTE ITEM

This Calendar Item No. 93 was approved as
Minute Item No. 93 by the California State Lands
Commission by a vote of 3 to 0 at its
9-17-01 meeting.

**Minute Item
93**

09/17/01

**CALIFORNIA STATE LANDS COMMISSION
(PARTY)**

Regular Item 93: Commissioners discussed a resolution to terminate 36 undeveloped federal leases. Public testimony was taken.

The item was approved as presented.

CALENDAR PAGE

MINUTE PAGE

2096845

CALENDAR ITEM

93

CONSIDER ADOPTION OF A RESOLUTION PROPOSED BY THE LIEUTENANT GOVERNOR TO SUPPORT THE TERMINATION OF THE 36 UNDEVELOPED LEASES IN FEDERAL WATERS OFF THE CENTRAL CALIFORNIA COAST

Lieutenant Governor Cruz Bustamante is proposing that the State Lands Commission adopt a resolution asking the President and Congress of the United States to continue the existing moratorium on offshore oil leasing in federal waters during FY 2002, to take all appropriate and necessary steps to protect California's coast by ending all new offshore oil leasing and to prevent development of oil and gas from the 36 undeveloped federal oil leases remaining off the central California coast.

BACKGROUND:

The State of California has a long bipartisan history of opposition to offshore oil development. The State Lands Commission has not issued a new offshore oil lease since the 1969 Santa Barbara oil spill which took place in federal waters and, through a series of administrative actions taken in 1988 and 1989, had closed all unleased state coastal waters to oil exploration and leasing. In 1994 the state legislature enacted the California Coastal Sanctuary Act which forbids new offshore oil leasing in state waters from Mexico to the Oregon border. In 1995, the California congressional delegation opposed further oil leasing in federal waters offshore California. There presently is in effect a federal moratorium on new oil leasing off the California coast which was reaffirmed for FY 2001.

In November 1999 the United States Department of the Interior took administrative action that effectively extended the terms of 36 undeveloped federal oil leases off the central California coast. Absent this administrative action these 36 leases would have expired. Governor Gray Davis, Attorney General Bill Lockyer, the California Coastal Commission, the County of Santa Barbara and various environmental groups immediately filed suit alleging that the Department of the Interior's action was taken without considering its environmental effects in violation of the National Environmental Policy Act and without first providing the Coastal Commission an opportunity to review the decision in violation of the Coastal Zone Management Act. In June 2001 Judge Claudia Wilkins of the United States District Court for the Northern District of California ruled for the state and environmental plaintiffs and ordered the Department of Interior to set aside the extensions pending preparation of the appropriate environmental documents and review by the Coastal Commission. The Department of the Interior has appealed the District Court's Decision.

CALENDAR PAGE 000987

MINUTE PAGE 0012346

CALENDAR ITEM NO. 93 (CONT'D)

Lieutenant Governor Bustamante's proposed resolution is in support of the effort to stop development of the 36 undeveloped federal offshore oil leases and to halt new federal oil leasing off the California coast.

EXHIBIT:

Resolution by the California State Lands Commission Opposing New Federal Offshore Oil Leasing and Development of Existing Undeveloped Federal Leases

COMMISSION ACTION:

If the Commission adopts the proposed resolution then it should direct the Commission's Executive Officer to transmit copies of the resolution to the President and Vice President of the United States, to the Governor of California, to the United States Secretary of the Interior, to the Majority and Minority Leaders of the United States Senate, to the Speaker and Minority Leaders of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States and to members of the California Coastal Commission.

EXHIBIT

RESOLUTION BY THE CALIFORNIA STATE LANDS COMMISSION OPPOSING NEW FEDERAL OFFSHORE OIL LEASING AND DEVELOPMENT OF EXISTING UNDEVELOPED FEDERAL LEASES

WHEREAS, California's history of protecting its coast from oil and gas development goes back at least to 1955 and 1963 when the California State Legislature passed legislation that prohibited oil and gas leasing in the state waters off Monterey and Santa Cruz counties and portions of Los Angeles, Santa Barbara, San Luis Obispo, Humboldt, and Mendocino Counties; and

WHEREAS, Since the 1969 blowout of a well in federal waters off Santa Barbara that spilled 80,000 barrels of crude oil, the California State Lands Commission (Commission) has not issued a single new offshore oil and gas lease; and

WHEREAS, In 1988 and 1989, the Commission filled in the large geographic gaps in the state sanctuary statutes by administratively establishing a sanctuary to prohibit new oil and gas leasing in all state coastal waters; and

WHEREAS, The California Legislature enacted the state California Coastal Sanctuary Act in 1994, which incorporated the administrative sanctuary previously established by the Commission and created a statutory statewide coastal sanctuary that generally prohibits future oil and gas leasing in all state coastal waters, from Mexico to the Oregon border, in perpetuity; and

WHEREAS, Since 1994, the Commission has enlarged the sanctuary by obtaining quitclaims for seven oil development leases; and

WHEREAS, In 1995, a bipartisan California congressional delegation opposed further leasing in the California Outer Continental Shelf (OCS) in response to the proposed federal 5-year leasing program for the years 1997-2002; and

WHEREAS, In 1999, the Assembly adopted House Resolution No. 20, which urged the Congress of the United States to pass the Coastal States Protection Act (S.197) and to cease oil leasing in federal waters when a coastal state, such as California, has declared a moratorium on oil development in adjacent state waters; and

WHEREAS, The citizens of Californian do not favor new oil drilling off their coastline and support protecting their fragile coastal environment over development of the relatively small amounts of oil in the California offshore; and

CALENDAR PAGE 0909
MINUTE PAGE 1242

WHEREAS, The federal government has taken steps in the past to protect California from oil development in federal waters, for example, in 1990, the Department of Interior cancelled federal Oil and Gas Lease Sales Nos. 91, 95 and 119 which would have threatened more than 9.9 million acres of offshore federal lands with oil development and the increased likelihood of oil spills; and

WHEREAS, There are many worthy options before the Congress that would increase energy independence and reduce reliance on foreign oil, such as reauthorization of the Strategic Petroleum Reserve, incentives to improve energy efficiency, research into renewable energy and alternative fuels, fully funding energy conservation and efficiency programs, including solar and renewables, weatherization, and other initiatives; and

WHEREAS, The bipartisan congressional moratorium on leasing the OCS was reaffirmed in the bill providing appropriations for the Department of Interior for FY 2001, and the leasing deferral enacted by President George Bush in 1990, and continued by President Clinton last year, is still in effect; and

WHEREAS, In November 1999, the United States Department of the Interior took steps to promote oil production of 36 undeveloped federal oil leases in the OCS off the central California coast by, among other things, extending the term of the leases without the State review required under the federal Coastal Zone Management Act of 1972 or the environmental review required by the National Environmental Protection Act (NEPA); and

WHEREAS, On June 20, 2001, in *California Coastal Commission v. United States Department of the Interior*, United States District Court for the Northern District of California recognized the state's role in regulating offshore oil development by requiring the federal Minerals Management Service (MMS) to submit actions on the 36 undeveloped leases in federal waters to the California Coastal Commission for review and to conduct the environmental review required by NEPA; and

THEREFORE BE IT RESOLVED, By the California State Lands Commission that it respectfully memorializes the President and the Congress of the United States to continue the moratorium on oil leasing in FY 2002, to take all steps appropriate and necessary to protect California's coast by ending all new oil leasing and preventing development of oil and gas from the 36 undeveloped federal oil leases remaining off the coast of California, on the basis that the environmental impacts of developing those leases, especially the threat of an oil spill, far outweigh the contribution limited quantities of additional oil would make to fulfilling America's energy needs; and

BE IT FURTHER RESOLVED, That the Commission's Executive Officer transmit copies of this resolution to the President and Vice President of the United States, to the Governor of California, to the United States Secretary of the Interior, to the Majority and Minority Leaders of the United States Senate, to the Speaker and Minority Leader of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States and to members of the California Coastal Commission.

CALENDAR PAGE

MINUTE PAGE