STATE OF CALIFORNIA
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**CALIFORNIA STATE LANDS COMMISSION**

**GAVIN NEWSOM**, *Lieutenant Governor*
**BETTY T. YEE**, *Controller*
**MICHAEL COHEN**, *Director of Finance*

*Established in 1938*

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February 7, 2018

Kelly Hammerle
National Program Manager
Bureau of Ocean Energy Management
45600 Woodland Road, Mailstop VAM-LD
Sterling, VA 20166

RE: 2019-2024 National Oil and Gas Leasing Draft Proposed Program

Dear Ms. Hammerle:

The California State Lands Commission urges you to withdraw the Pacific Outer Continental Shelf from the 2019-2024 National Leasing Program. The Commission opposes lease sales in this area because it creates the potential for catastrophic peril to California's ocean and marine environment, economy, and natural resources. The Commission also urges you to schedule additional public meetings along the coast of California so that the public can weigh in on the proposal to open up vast swaths of its coast to oil development.

The Commission manages oil, gas, and mineral resources in state waters and its jurisdiction extends along the coastline from the mean high tide line to three nautical miles offshore. The California Coastal Sanctuary Act bans new oil and gas leasing in state waters. California has not issued a lease for offshore oil or gas development since 1968. For decades, the California State Lands Commission has vehemently opposed oil and gas leasing in the Pacific Outer Continental Shelf region.

The catastrophic harm from an offshore oil spill is well established and universally acknowledged. Even with the newest technology and best safety precautions, the risk is unacceptably high. In the 1969 oil spill in Santa Barbara County, staggering environmental and economic damage ensued. Nearby communities were devastated economically and environmentally. This catastrophe, from an oil and gas lease in the Pacific Outer Continental Shelf, resulted in the death of nearly 4,000 birds, and many marine mammals, including sea lions and elephant seals, suspension of commercial fishing, and a decline in tourism. The Deepwater Horizon spill in 2010 showcased the full force of an oil spill and the devastating effect on people, the ocean, and the communities and their economies sustaining the impacts.

As a State, California has perhaps the highest risk from an oil spill and the most to lose. What distinguishes California is that it is the sixth largest economy in the world and home to two of the largest ports in the nation—the Long Beach and Los Angeles ports, which are a commercial gateway for the entire United States. California's coastline supports commerce, tourism, recreation, fishing, navigation, marine transportation, public access, and abundant marine life. California's marine transportation and commerce and coastal tourism and recreation support local economies across the country. A thematic characteristic of California's economic drivers that contribute to the U.S. economy is that they are concentrated along the coastline.

Like Florida, which recently was exempted from the proposed leasing program, California has many coastal economies that are highly reliant on tourism as an economic driver. In 2016, California's coastal economy produced $2.2 trillion of GDP or 85.2 percent of the State's total GDP and 12 percent of the nation's total GDP. In 2014, California's direct ocean economy, which includes marine transportation, tourism and recreation, living marine resources, marine construction, ship and boat building, and mineral extraction, produced $41.9 billion of GDP and employed over 515,000 people. Tourism and recreation accounted for 46.6 percent of the direct ocean economy in California ($19.5 billion). From 2010 to 2016, California's coastal economy GDP increased 19.53 percent, compared with the national economic GDP growth of 11.72 percent for the same period, outpacing the national average 2:1. If there were an oil spill the impact to the nation's economy would be catastrophic. Even minor spills can cost several hundred million dollars and impact communities and the marine environment for years.

New oil and gas developing in coastal waters near California will lead to increased oil refinery activity onshore, which will negatively affect air quality around refineries and increase the burden on low-income and disadvantaged communities. The increased pollution and negative impacts on air quality are at odds with the equitable sharing of developmental benefits and environmental risks criteria in the Secretary's list of decision-making factors. It is also at odds with our statewide efforts to curb toxic air pollution and improve air quality, particularly in disadvantaged communities that reside near refineries.

The nationwide shift from fossil fuels to renewable energy is propelling the economy forward. California is avidly transitioning to renewable energy and is a model for how to cultivate renewable energy, and its success has had a revolutionary effect. Already, a few dozen American cities have pledged to become 100 percent renewable. Continuing in this direction is the best way to maintain the nation's position as a global energy leader. Another issue is lack of pipeline infrastructure in California capable of supporting new offshore development. Given how unpopular oil development in coastal waters is in California, it is certain that the state would not approve new pipelines or allow use of existing pipelines to transport oil from new leases onshore.

Oil and gas development in coastal waters is deeply unpopular in California, and the reason is that ocean and beach conditions are important to the State's future and important to people personally. Californians are vigorous advocates for their coast, and the prospect of new drilling in coastal waters provokes fierce opposition and sparks outrage. The Bureau of Ocean Energy Management scheduled one public meeting in California, in an inland area, for the public to weigh in on the proposal to open up significant areas of its coast to offshore drilling. The Bureau should have additional public meetings in coastal communities in California so that local voices can be heard.

The premise of the proposed leasing program is that extracting oil and gas from the nation's oceans benefit the economy, but tapping into the ocean for oil development is folly—the fossil fuel era is ending, and California is not interested in the boom-or-bust oil economy. What is at issue is clear: a blighted Pacific coast with a latticework of oil development and enduring environmental hazards (and massive ozone pollutants) or a picturesque, publicly-accessible Pacific coast that reflects California's public values and protects its cherished natural resources. The California State Lands Commission urges you to withdraw the Pacific Outer Continental Shelf from the 2019-2024 National Leasing Program.

Sincerely,

GAVIN NEWSOM
Lieutenant Governor

BETTY T. YEE
State Controller

MICHAEL COHEN
Director of Finance