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OCS LEGISLATIVE GROUP WADES INTO CONTROVERSY;
FINDS CONSENSUS ELUSIVE BUT POSSIBLE (#40065)

Take an extremely controversial issue--say, offshore oil and gas exploration and development. Get a small committee together. Make sure the differing groups are represented: people from the oil and gas industry, state and city officials from areas whose populations support offshore energy development and from areas whose offshore resources are under moratoria banning such work, environmental activists.

Then try to get them to agree on how the Outer Continental Shelf (OCS) program should approach energy exploration and development, within the parameters set by Congress and implemented through law and regulation.

Sound impossible? It's not, if you have a group of people who are determined to move beyond conflict to consensus.

In fact, that's what the group--The Interior Department's OCS Policy Committee's Subcommittee on OCS legislation--decided to call its report: "Moving Beyond Conflict to Consensus."

"We purposely selected group members from widely varying backgrounds, political outlooks and geographic areas," says Paul Kelly, then-subcommittee chairman. "We had representatives from Industry [Kelly himself, of Rowan Companies, Inc.], states subject to moratoria [Kim Crawford, North Carolina], pro-development states and cities [Paul Rusanowski, Alaska; William De. Lastrapes, Lafayette, Louisiana], and conservation activists [Gary Magnuson, Center for Marine Conservation]."

The 70-page paper produced by the group outlines the history of OCS exploration and development, and the evolution of the laws governing it. It focuses on the conflicts and concerns of the past dozen years, and recommends approaches for solving them.

The concerns are not minor:

- o The U.S. OCS covers some 1.45 billion acres. Of those, 266.5 million are under moratoria, unavailable for energy exploration and development. Environmentalists and some states have come to see moratoria as the only defense against offshore development.

- o Tracts that had been leased by companies in areas subsequently covered by moratoria are now unavailable to the leasing companies, who in some cases have already invested millions of dollars in them.
- o The energy industry is on the decline in the U.S., spending less each year on domestic exploration and more in search of foreign prospects.
- o U.S. imports of foreign oil have shown a steady increase. Imported oil must be brought to America by tankers, which are much more likely to be the source of environmentally devastating spills than are offshore operations.

With all these problems, with all the highly polarized conflicts that have built up over the past dozen years, how is it possible that any such diverse group could achieve any kind of consensus?

Kelly says the group was successful because its members approached the topic honestly. "We agreed at the beginning to look at the facts and the history of the program and its importance to the domestic energy supply," he said. "We wanted to get the program in perspective, let the facts fall where they may. And, if we determined the program was needed, go on to some suggestions about how it could be viable in the future."

Whether the OCS program was necessary at all was the first issue for Magnuson, then vice-president for programs of the Center for Marine Conservation. "A lot of people believe we can satisfy most of the country's energy demand with conservation. The first thing I said was, 'Convince me we need the program.'" But after looking at the available information, he says, "if we invoked a sputnik-style crash program [to achieve the most conservation we can] right now, we'd still need the [OCS] program in the interim."

Crawford, representing North Carolina, a state with its offshore energy resources under moratoria, agreed. "We all saw the way the program's gone the last few years is not the way it should. There's a need for it to be functional."

The report put forward five major recommendations and a number of additional suggestions. It included calls for more work to reach consensus rather than depending on moratoria; reliance on Section 5 of the OCS Lands Act as the means for considering lease

cancellations; impact assistance and revenue sharing for areas affected by exploration and development; and incentives--particularly royalty relief--to prolong the life of leases and spur work on undeveloped leases.

The subcommittee called for adequate funding for the existing Minerals Management Service (MMS) environmental studies program, and for cooperation among MMS and other involved parties. They also reviewed recommendations for the establishment of environmental sciences review panels, but decided such entities could duplicate the work of the Scientific Committee of the OCS Advisory board, a highly qualified group of scientists and socioeconomists.

None of the subcommittee members believe the group's work will be a cure-all for the problems associated with OCS exploration and development.

But they do see it as a starting point. "In many ways," says Magnuson, "this document is a new beginning. The subcommittee seized the opportunity to put the program into perspective, to compare where we are today with where we've been.

"A big part of knowing where you want to go," he said, "is knowing where you are. We think we helped the Administration find out where it is."

One question, as yet unanswered, is whether the group's work will be accepted by those its members represent. Kelly says some industry members are concerned about the report's call for regional task forces, defined in the report as groups "...representing all OCS program stakeholders...established to focus more on reaching consensus on leasing decisions in an effort to obviate the need for moratoria."

"They're concerned that MMS not delegate too much power," Kelly said.

On the other hand, Magnuson says some environmental advocates favor the kind of listening and consensus-building they've seen all too little of in the past.

And Lisa Speer, Senior Policy Analyst for the Natural Resources Defense Council and a new member of the OCS Policy Committee, submitted a list of disagreements with the report, ranging from support for moratoria to opposition for incentives to

industry.

Most subcommittee members agree that heavy-handed, authoritarian approaches are not in the best interests of the program, the government, the industry, the states, environmentalists or practically anyone else.

"The way MMS treated the states in the early 1980s," says Magnuson, "was not right. It's one thing to have power; it's another to know how to use it."

Interior Secretary Bruce Babbitt received the report after it had been approved by the full OCS Policy Committee. In a letter to the Policy Committee, he said one of the document's most important observations "...is that the OCS program should be regenerated based on consensus. I firmly believe that constructive communication and consultation measures, as well as the application of sound science, are needed to proceed responsibly with the management of the Nation's offshore resources."

Acting MMS Director Cynthia Quarterman agrees: "Communication and consensus-building have marked every move we've made in the last year and a half," she said. "We've found that alternative means of dispute resolution such as consensus building are highly effective at reaching sound and satisfactory outcomes between MMS and its constituent groups. From the President on down, everyone in the Administration is committed to a program which works by consensus rather than by fiat. MMS will aggressively continue reinventing itself, seeking partnerships with all stakeholders and constituents and ensuring that the program reflects the concerns of all parties. Those partnerships will be the roadmaps that lead us from conflict to consensus."

Magnuson echoed that sentiment: "We need a new way of doing business," he said, "a re-engineering of the process, a true partnership on how we're to proceed on the OCS."

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NOTE: Copies of the report are available from
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