Clean Ocean Action

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Ocean Advocacy Since 1984

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May 3, 2010

Ms. Renee Orr
5-Year Program Manager, Leasing Division
Minerals Management Service
381 Elden Street, MS 4010
Herndon, VA 20170-4817

RE: Remand of the 2007-2012 Outer Continental Shelf (OCS) Oil and Gas Leasing Program

Dear Ms. Orr:

Clean Ocean Action (COA) is a broad-based coalition of 125 conservation, environmental, fishing, boating, diving, student, surfing, women's, business, service, and community groups. COA's goal is to improve the degraded water quality of the marine waters off the New Jersey/New York coast. It is COA's mission to investigate, review, and question proposals that may affect ocean water quality in the New York/New Jersey Bight.[1] We submit these comments on the Preliminary Revised 5-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2007-2012.

COA has consistently and vehemently opposed the inclusion of the Virginia Lease Sale 220 into the 2007-2012 program. COA has submitted numerous comments addressing the serious and negative ecological and economic consequences to the region. Moreover, the expansion of offshore drilling into the Mid-and South Atlantic Ocean by President Obama announced on March 31, 2010 has added insult to injury.

Since then, a catastrophe has unfolded in the Gulf of Mexico realizing the greatest fears of marine advocates—a fatal explosion, a rig fire and sinking, and an unstoppable blowout of the Transocean Ltd Deepwater Horizon drilling well.

It is tragically ironic, to say the least, that on April 30th, 2010, less than 30 days from the expansion announcement, President Obama decided not to allow any drilling in new areas until the review of the fatal Transocean Ltd Deepwater Horizon rig accident and oil spill has been completed.[2] However, this does not go far enough.

[1] Visit http://www.cleanoceanaction.org for more information.
[2] White House: No new drilling until oil spill review April 30, 2010. Reuters Reporting by T. Zakaria; Editing by S. Joyce http://www.reuters.com/article/idUSTRE63T1UX20100430

It will be many months, if not years, before an investigation is complete as to the following concerns, including, but not limited to:

- the causes of the blowout,
- the delay in recognizing the scope and magnitude of the release for several days,
- the lack of adequate planning and response systems,
- the failure of equipment to stop the release,
- the lack of back-up and contingency plans, and
- the deficiency of emergency response teams and equipment.

It will be more years beyond the initial investigation before the devastation is fully evaluated and understood. The ecological and economic ramifications are for now unquantifiable but must be studied and well understood. The industry and government must be held accountable. For now, it is painfully clear that the US government and oil industry is incapable of managing the technological demands of offshore drilling blow-outs and their impacts.

Thus, the investigations and answers to the many questions about the spill are not available to include in comments on this 2007-2012 Preliminary Revised Program (PRP), nor will the information be available for the expansion of the OCS program, including geologic and geophysical exploration. The PRP and the OCS program expansion is unthinkable and must be rescinded. The long-standing moratoria for the Atlantic Ocean must be reinstated. To threaten coastal areas with this potential catastrophe is unacceptable.

COA strongly supports NJ's U.S. Senator Robert Menendez, U.S. Senator Frank Lautenberg, U.S. Representative Frank Pallone and U.S. Representative Rush Holt who have stated and called for such a response in an April 20, 2010 letter to President Obama:

> *The Deepwater Horizon tragedy should bring a halt to any expansion of offshore drilling, including MMS's current decision-making process with regard to seismic testing, revising the 2007 to 2012 5-year plan and scoping for the 2012 to 2017 plan. Therefore we ask that you suspend all action on expanding such exploration on the Outer Continental Shelf immediately and reverse any plans to drill off the Atlantic Coast.*

In addition, a hold must be placed on all regulatory or planning actions that would advance any future offshore activity for Outer Continental Shelf (OCS) Oil and Gas Leasing Program until further investigations have been completed on the ongoing environmental disaster in the Gulf of Mexico. Again, no new exploratory surveying and/or drilling should be allowed in any ocean regions.

This catastrophic accident has been declared a spill of national significance by Department of Homeland Security Secretary Napolitano on April 30, 2010. According to the Coast Guard, the leaks from the rig well and related pipelines are releasing 210,000 gallons of oil a day.[3] This oil negatively affects oceanic life from tiny phytoplankton to whales. The oil spill is also now contaminating Gulf of Mexico coastlines and coastal wildlife. According to an April 29th news article, the 20,000 square-mile-plume was projected to affect at least 10 state and national

[3] http://www.cnn.com/2010/US/04/28/louisiana.oil.rig.fire/index.html?hpt=T1

wildlife management areas based on National Oceanic and Atmospheric Administration (NOAA) modeling.[4] Dr. MacDonald at Florida State University estimated based on an April 28, 2010 US Coast Guard aerial map of the oil slick that there was a total of 8.9 million gallons of oil indicating even higher leakage rates.[5] By the end of May 1st, 12.2 gallons, at a minimum, were estimated to have spilled into the Gulf o Mexico exceeding the Exxon Valdeez spill and more is being released each day.[6] In addition, it is unclear how much of the 700,000 gallons of #2 fuel oil aboard the rig burned during the fire before collapsing into the sea according to NOAA and remains an environmental risk.[7] Air quality in the spill region has been affected by vaporization and burning of fossil fuels,[8] which has also resulted in greenhouse gas emissions.

This is not the first catastrophic drilling operation in the Gulf of Mexico; in June of 1979 the 2-mile deep exploratory well, IXTOC I, blew-out in the Bay of Campeche, 600 miles south of Texas in the Gulf of Mexico. The IXTOC I well continued to spill oil at a rate of 10,000 - 30,000 barrels per day until it was finally capped on March 23, 1980. Over the 9 month period, 3.5 million barrels of oil were released into the Gulf with 71,500 barrels impacting 162 miles of U.S. beaches and over 10,000 cubic yards of oiled material were removed.[9]

The ongoing release of oil from the Deepwater Horizon has become the worst spill/release accident in U.S. history, and clearly demonstrates failures in safety control measures, as well as spill containment and response efforts. Automated blowout preventers on the well head failed, as did subsequent manual efforts to cap and seal the wellhead. A remote control device activated by sonar, a required safeguard in other countries, was not installed on the well as it is not required in the U.S.. This device might have been able to trigger the preventer and stop the leaking well.[10] The lack of progress in prevention, capping, and containment in the 30 years since the IXTOC disaster is obvious as BP officials resort to many of the same failed techniques (including attempts to plug the well to slow flow, drill relief wells, burn surface oil, add chemical dispersants, and set up booms along the coastline) with the same futile results. Despite previous claims by BP that:

> *"due to the distance to shore (48 miles) and the response capabilities that would be implemented, no significant adverse impacts are expected"*

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[4] Oil from Gulf spill is reaching Louisiana coastline April 29, 2010, The Times-Picayune by P. Rioux and R.T. Scott http://www.nola.com/news/index.ssf/2010/04/oil_from_gulf_spill_could_reac.html

[5] http://blog.skytruth.org/2010/05/gulf-oil-spill-new-spill-rate.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+Skytruth+%28SkyTruth%29

[6] Ibid

[7] http://response.restoration.noaa.gov/topic_subtopic_entry.php?RECORD_KEY%28entry_subtopic_topic%29=entry_id,subtopic_id,topic_id&entry_id(entry_subtopic_topic)=809&subtopic_id(entry_subtopic_topic)=2&topic_id(entry_subtopic_topic)=1 Accessed on April 30, 2010.

[8] http://www.epa.gov/bpspill/

[9] NOAA's Office of Response and Restoration (OR&R) Incident Report on the IXTOC I Explosion and Crude Oil Release in Bahia de Campeche, Gulf of Mexico (1980).

[10] Leaking Oil Well Lacked Safeguard Device, April 28, 2010, Wall Street Journal By R. Gold, B. Casselman, and G. Chazan, http://online.wsj.com/article/SB10001424052748704423504575212031417936798.html

from Deepwater Horizon drilling operations,[11] the ongoing contaminant and cleanup efforts at the drilling site have been inadequate and too limited, and some methods create their own damaging environmental consequences as well. For instance, the response team reported as of May 1st that "*142,914 gallons of dispersant have been deployed and an additional 68,300 gallons are available*" [12] and that dispersant is now also being discharged in the subsurface. Although dispersants may aid in separating oil, some dispersants may also be toxic and increase the bioavailability and toxicity of oil to marine organisms, notably the early life stages of fish, in the water column.[13,14,15] Six dispersants were also recently tested and found to inflict *"significant harm on coral colonies*."[16]

Additionally, much of the available resources of the U.S. government are being utilized in an attempt to control the release and reduce consequent damage. How would multiple accidents or incidents be handled that might result from mere coincidence, an unexpected natural hazard such as a large earthquake, or terrorist activity?

Furthermore, advances in technology cannot guarantee safe drilling operations despite industry claims. The Deep Horizon Rig represented cutting edge floating rig technology built in 2001. Last fall, an even newer state-of-the art rig in Timor Sea of Australia had a blowout that resulted in an estimated 9 million gallons of oil and a slick spread across more than 9,000 square miles.[17] It took 74 days to plug the spill.[18] This oil was reported to have contaminated coastline areas and negatively affected and killed ocean and coastal wildlife.[19]

COA continues to strongly oppose oil/gas exploration and drilling in Atlantic Ocean. COA and many other groups and citizens previously submitted comments in response to 73 Fed. Reg. 45065 (Aug. 1, 2008) opposing the Bush Administration's push to create the new Draft Proposed Program 2010-2015 to replace the 5-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2007-2012 well before it expires. COA also submitted comments on the Notice of Intent to Prepare an Environmental Impact Statement (EIS) and another Draft Proposed Plan in 2009 for the 5-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2010-2015.

The previous Draft Proposed Program for 2010-2015 and President Obama's strategy to expand drilling released in March 2010 proposed to open historically protected regions to oil and gas activities, including large portions of the East Coast. Inclusion of these areas flies in the face of

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[11] British Petroleum's Exploration plan and environmental impact analysis submitted to US DOI/MMS for drilling operations at the location of the Deepwater Horizon explosion and oil release, February 2009
[12] http://www.deepwaterhorizonresponse.com/go/doc/2931/535191/
[13] McIntosh, S. et al 2010. Environmental Toxicology and Chemistry, Vol. 29, No. 5, pp. 1160–1167, 2010
[14] Couillard et al. 2005. Environmental Toxicology and Chemistry, Vol. 24, No. 6, pp. 1496–1504.
[15] Singer, MM. 1995. Archives of Env. Contamination and Toxicology. Vol.29, Iss.1;p.33-38
[16] Shafir, Van Rijn, and Rinkvich, 2007 Environ. Sci. Technol. 2007, 41, 5571-5574
[17] Huge Australian Oil Spill Raises Questions, CBS Evening News, Nov. 4, 2009, at http://www.cbsnews.com/stories/2009/11/04/eveningnews/main5527406.shtml
[18] Australian Oil Well Leak Plugged but Environment Fears Grow, Jakarta Globe, Nov. 4, 2009, at http://thejakartaglobe.com/news/australian-oil-well-leak-plugged-but-environment-fears-grow/339670
[19] Narelle Towie, Key questions in a 71-day disaster, Perth Now, Nov. 2, 2009, at http://www.news.com.au/perthnow/story/0,21598,26293186-5017009,00.html (accessed Nov. 17, 2009).

over 25 years of good governance policies to protect environmentally sensitive areas and puts regional economic and environmental productivity at risk.

For many years, Congress and several U.S. Presidents protected these regions through moratorium in order to preserve sensitive ecosystems. In 2008, President Bush discarded the Presidential Moratorium and Congress let expire the Congressional Moratorium in a hasty process based on politics and not science. Until 2008, the science merited the protection of these regions for 25 years and the science has not changed. Therefore, COA strongly opposes the MMS's inclusion of any area that was previously protected by Congressional and Presidential Moratorium and respectively demands that the MMS remove the proposed Virginia Lease Sale from the 2007-2012 Preliminary Revised Program (PRP) and south and mid-Atlantic regions from the anticipated 2012-2017 Leasing Program. The basis for this request follows.

Moratoria

Beginning in 1982, the waters of the Atlantic coast were proactively defended and protected by an annual congressional prohibition on new offshore oil and gas leasing for over 25 years. These same waters were also protected beginning in 1990 by a separate Executive Order put in place by former President George H. W. Bush and subsequently extended by President William J. Clinton to the year 2012.[20] President George W. Bush lifted the Executive Moratorium (or Executive Withdrawal) on July 14, 2008, and announced the 2010-2015 Leasing Program despite the Congressional Moratorium still remaining in full effect. Presidential Bush's new Leasing Program was nothing more than a political ploy to successfully cause the expiration of the Congressional Moratorium. Instead of moving forward with the former President's plan to expand drilling, President Obama must reinstate the Moratoria to protect the Atlantic coast.

Atlantic Areas are among "Most Sensitive" according to MMS

In the recent revised environmental analysis, MMS recently identified both the south Atlantic and mid-Atlantic among those considered as some of the most sensitive to oil and gas activities based on ecological components and/or adjacent coasts.[21] It is unacceptable that MMS would even consider let alone allow drilling in environmentally sensitive areas.

The Atlantic: A Unique Ecosystem

MMS has proposed opening large portions of Atlantic OCS to oil and/or gas exploration and drilling activities, including the south and mid-Atlantic regions. These regions encompass extraordinarily important ecosystems, which is why the Congressional Moratorium had been imposed for over 25 years. In fact, in the coastal region from North Carolina to New York alone, there are at least fourteen National Wildlife Refuges, and a series of barrier islands that make up the International Shorebird Reserve designated by the United Nations as a World Biosphere Reserve. These national and international designations are designed to protect thousands of acres of coastal wetland and tidal marshes that are considered critical feeding habitat for millions of migratory birds that travel the Atlantic Flyway. There are also critical and unique habitat areas in offshore canyons, natural reefs, and coral formations along the Atlantic coast. The close proximity of the proposed oil and gas operations threatens the coastal and offshore habitat and waters of the entire region.

[20] Congressional Research Service, OCS Leasing Moratoria, 97-588 ENR.
[21] Fed. Register Notice Vol. 75 No. 63 p.16834

Moreover, the Virginia Lease Sale 220 in the PRP and larger south and mid-Atlantic areas proposed to be opened are in close proximity to New York/New Jersey Bight (herein the "Bight"), an ecologically rich and unique marine system. The Bight is defined as the oceanic region from Montauk, New York to Cape May Point, New Jersey and off to the edge of the continental shelf. In the New Jersey/New York region alone, three estuaries are designated as nationally significant; the Delaware River Estuary between Delaware and New Jersey, the Barnegat Bay, along the New Jersey coast, and the Hudson River Estuary, in the shared waters of New York and New Jersey. These important estuaries are intrinsically interconnected with the Bight, as is the Great South Bay of Long Island, New York, and are currently undergoing extensive restoration efforts to preserve and protect these valuable marine habitats.

Adding to this ecological richness, the warm waters of the Gulf Stream travel up the eastern coast from the Caribbean and pass through the Bight to meet the cold waters of the north Atlantic off Canada. This remarkable ocean river brings biologically rich southern waters and significantly contributes to the marine environment of the Bight by increasing the diversity of oceanographic conditions and species. In fact, *"the Bight has one of the highest diversities of marine mammals and sea turtles reported anywhere in the United States."*[22] The region supports more than 300 species of fish, nearly 350 species of birds, 5 species of sea turtles, and many marine mammals, with over 20 species of whales and dolphins, a porpoise, and 4 species of seals that frequent the region. The draft EIS developed by MMS as part of the Proposed 5-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2007-2012 (herein the "2007 Proposed Leasing Program Draft EIS"), ranked the proposed region first in primary production from marine phytoplankton, with almost 140 million metric tons of carbon/year,[23] thus acknowledging the importance of this region to the base of the oceanic food web. It is also true that while the hydrological currents present in this region create a unique and diverse marine environment, these same currents would carry pollutants directly to the shorelines, including the beaches of New York and New Jersey. An oceanography lesson being learned the hard way by the states of Mississippi, Alabama, and Florida with the current Deepwater Horizon disaster.

Ecological Risks

The risks from exploring, developing, and extracting potential oil and gas are high, significant, and dangerous for the Atlantic coastal state's marine ecosystems and their dependent economies.

Exploring and drilling for oil and gas resources is a complex process, which requires miles of pipelines, numerous tankers plying coastal waters, and many refineries. Oil and gas activities not only impact federal and state waters where platforms are located, but the land along the coast as well.

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[22] Significant Habitats and Habitat Complexes of the NY Bight Watershed, U.S. Fish and Wildlife Service, http://training.fws.gov/library/pubs5/web_link/text/int_fish.htm#Marine%20Mammals%20and%20Sea%20Turtles (accessed July 24, 2008).

[23] Outer Continental Shelf Oil and Gas Leasing Program 2007-2012, Draft Environmental Impact Statement, July 2006, Page 87, U.S. Department of the Interior, Minerals Management Service.

Studies have shown *"the biological consequences of such development, whether offshore, in the coastal zone, or on-land, can be acute or chronic, resulting from pollution or physical alteration of habitat."*[24] These potential risks and impacts include, but are not limited to:

- Unintentional releases of oil and gas from production, storage, or transportation facilities.[25] Such releases can range from catastrophic blowouts or spills to the release of smaller quantities of materials into the ocean. Since 2000, over 1,566,500 gallons of oil has been released into the Gulf of Mexico from such incidents (not including releases due to hurricanes or other natural disasters).[26] The immediate damage and death to marine life as well as long-term ecological impacts and toxicity of oil-related spills have been well-documented[27,28,29,30] and are also evident by the most recent large scale rig accidents in the Timor Sea and the Gulf of Mexico. Natural gas is highly flammable and several wellhead and pipeline accidents have resulted in fatal explosions.[31,32,33,34]
- The risk of fires and explosions and resulting air and water pollution: over 500 fires/explosions on OCS facilities were reported to MMS for 2006-09.[35]
- The risk of spills and leaks from drilling platforms and onshore support and storage facilities increase with high winds and waves during severe storms such as nor'easters and hurricanes. For example:
    - Hurricanes Katrina and Rita in 2005: Widespread and persistent oil slicks emanating from many platforms in the Gulf of Mexico and significant pipeline damage when loose rigs dragged their anchors across the seabed.[36] There were 124 spills from platforms, rigs and pipelines that spilled 17,700

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[24] Bolze, Dorene, and Mercedes Lee. 1989. *Offshore Oil and Gas Development: The Ecological Effects Beyond the Offshore Platform*, Proceedings from Sixth Symposium on Coastal and Ocean Management/ASCE, July 11-14, 1989, Charleston, SC.

[25] Accidents during the offshore oil and gas development by Stanislav Patin, translation by Elena Cascio based on "Environmental Impact of the Offshore Oil and Gas Industry" http://www.offshore-environment.com/accidents.html (accessed September 13, 2008).

[26] Oil Spills and disasters since 1967. http://www.infoplease.com/ipa/A0001451.html (accessed May 3, 2010)

[27] Buzzards Bay Oil Spill in Massachusetts: A cooperative natural resources damage assessment May 2003 National Oceanic and Atmospheric Administration http://www.darrp.noaa.gov/northeast/buzzard/pdf/bbfactsht.pdf (accessed September 13, 2008).

[28] *The Exxon Valdez oil spill*. Rice, Stanley D., Jeffrey W. Short, Mark G. Carls, Adam Moles, and Robert B. Spies. 2006. in: R.B. Spies, T. Cooney, A.M. Springer, T. Weingartner, and G. Kruse (eds.), Long-term Ecological Change in the Northern Gulf of Alaska. Elsevier Publications, Amsterdam. p. 413-514

[29] Induction of CYP1A in rainbow trout from bioavailable *Exxon Valdez* oil: fifteen years and still counting. Kathrine R. Springman, Jeffrey W. Short, Mandy Lindeberg, Stanley D. Rice. *Marine Environmental Research, 2006*. 62: S73-S73.

[30] The West Falmouth Oil Spill: 100 Kg of Oil Found to Persist Decades Later. Peacock, Emily, Robert Nelson, Andrew Solow, Joseph Warren, Jessica Baker, Christopher Reddy, Environmental Forensics, September 2005 Volume 6, Number 3 p. 273-281(9)

[31] Natural Gas Wellhead explodes in China, over 191 people killed, Dec. 2003

[32] Texas Eastern Transmission Corporation Natural Gas Pipeline Explosion and Fire, Edison, New Jersey, March 23, 1994 (Two apartment buildings leveled and one fatality)

[33] XTO Natural Gas Wellhead explosion, one worker fatality, Forest Hills, Texas, April 23, 2006

[34] Sonat Exploration Company Natural Gas well explosion, 14 worker fatalities, Bryceland, Louisiana, October 24, 1998.

[35] http://www.mms.gov/incidents/firesexplosion.htm Accessed April 30, 2010.

[36] Information available at http://www.skytruth.com

barrels (743,400 gallons) of petroleum products.[37] Over 9 million gallons of petroleum spills occurred at onshore facilities.[38] The hurricanes resulted 113 oil platforms destroyed, 52 significantly damaged, and 19 floating drill units adrift or damaged.[39,40]

  - Hurricanes Gustav (September 1, 2008) and Ike (September 12, 2008): 60 platforms destroyed, 31 platforms with extensive damage, 93 platforms with moderate damage.[41]

- Routine releases of toxic metals, oil, gas, and byproducts (i.e., "drilling muds" and "cuttings") from exploration and production contaminate surrounding sediments.
- Routine releases of "produced waters" from offshore activities, which contain very substantial amounts of oil and grease, as well as heavy metals, toxic organics and a variety of highly toxic additives; even if the produced water is processed, large quantities of discharged wastewater will contribute to chronic water quality and sediment contamination issues in areas under lease activity.
- Routine releases of air pollutants (carbon dioxide, carbon monoxide, nitrogen oxides, sulfur oxides, VOCs, and particulate matter) that contribute to smog, acid rain, and global warming.
- Disturbance and destruction of the ocean benthic or bottom environment, including the smothering of benthic organisms due to installation of pipeline, platforms, or anchoring of other facilities and associated required anchoring. "Anchor damage could include crushing and breaking of live/hard bottoms and associated communities. Anchoring can destroy a wide swath of habitat if the anchor is dragged or the vessel swings at anchor, causing the anchor chain to drag the seafloor. Accidental anchor impacts, however, could be extensive, with recovery taking longer than 20 years, and they could be permanent, depending on the severity of the impact."[42]
- Increased incidence of collisions of tanker and support ships with endangered marine mammals and sea turtles that cause injuries and fatalities that could jeopardize the existence of entire populations, such as the North Atlantic Right Whale.[43]
- Increased risk of invasive species due to ballast water exchanges from tankers and Floating Production, Storage and Offloading systems (FPSO's).
- Increased offshore light pollution that can disorientate migrating birds at night and attract birds in general.[44,45]

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[37] Technical Report: Pipeline Damage Assessment from Hurricanes Rita and Katrina, Det Norske Veritas, March 2007 http://www.mms.gov/tarprojects/581/44814183_MMS_Katrina_Rita_PL_Final%20Report%20Rev1.pdf

[38] Report to Congress: Oil Spill Liability Trust Fund Hurricane Impact, U.S. Homeland Security and U.S. Coast Guard, May 2006.

[39] Rice University (2008, August 29). Katrina And Rita Provide Glimpse Of What Could Happen To Offshore Drilling If Gustav Hits Gulf. *ScienceDaily*. http://www.sciencedaily.com /releases/2008/08/080829104949.htm (accessed August 26, 2009)

[40] Where offshore drilling goes, beaches suffer, Pittman, C., Tampa Bay Times, June 20, 2008 http://tampabay.com/news/environment/water/article634009.ece

[41] News Release, MMS Completes Assessment of Destroyed and Damaged Facilities from Hurricanes Gustav and Ike, Office of Public Affairs, Minerals Management Service, U.S. Department of Interior, Nov. 26, 2008.

[42] Brief Overview of Gulf of Mexico OCS Oil and Gas Pipelines: Installation, Potential Impacts, and Mitigation Measures OCS Report MMS 2001-067, Minerals Management Services, Department of the Interior, 2001, p. 14, at http://www.mms.gov/itd/pubs/2001/2001-067.pdf (accessed Aug. 26, 2008).

[43] Kraus, S.B. et al. 2005. North Atlantic Right Whales in Crisis, Science, 309:5734:561-562.

- Onshore environmental and health impacts, including extensive wetlands loss from the construction of onshore facilities and related structures and those related to air/water emissions from refineries.[46,47]
- Increased greenhouse gas emissions and resulting climatic changes (national and global land and ocean impacts; rising sea level is already a serious problem in Mid-Atlantic region).
- Acoustic pollution from seismic exploration and subsequent reservoir monitoring. Impacts of seismic activity on marine biota in the Atlantic region, with both acute and chronic effects include, but are not limited to, the following:

    - Risk of strandings to marine mammals and fish
    - Mortality, both direct and indirect (resulting from disruption of growth/feeding) of fish eggs, larvae and fry
    - Disruption of biologically important behaviors (mating, feeding, nursing or migration, including loss of efficiency in conducting these behaviors) due to temporary hearing loss or impairment including impacts due to:
        - separation of calves from mothers or separation of individuals from pods/groups (and resulting risk of predation, starvation, stranding, etc.)
        - inability to hunt or capture prey, these assessment must include impacts during critical life stages (i.e. larvae, juveniles, nursing mothers) and critical seasons (i.e. pre and post migration, calving/nursing)
        - inability to detect predators and consequent risk of predation (although noise generation from seismic activity may be transient, if organism is consumed due to hearing difficulties, the impact is obviously permanent)
        - failure to detect mating calls (again transient noise from seismic activity during mating season can result in a loss of mating opportunities for the entire season/year)
        - failure to maintain normal migration routes either due to avoidance or disorientation caused by noise generated during seismic activity.
    - Declines in availability and viability of prey species due to avoidance of impacted area
    - Habituation (causing animals to remain near damaging levels of sound)

The negative impacts and risks listed above, as well as others, would lead to serious damage or destruction of Atlantic coast's marine and coastal resources, which are of extreme ecological value.

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[44] Broadwater Final Environmental Impact Statement, Federal Energy Regulatory Commission, Docket Nos. CP06-54-000, *et al*., p. 3-112 (Jan. 11, 2008).
[45] Calypso Final Environmental Impact Statement, Docket No. USCG-2006-26009, p. 4-47 and 4-55 (July 2008).
[46] Minerals Management Service, http://www.homr.mms.gov/homepg/ofshore/atlocs/atlocs.html, 7/16/03.
[47] Epstein, P.R. and J. Selber, eds., Oil: A Lifecycle Analysis of its Health and Environmental Impacts http://chge.med.harvard.edu/publications/documents/oilfullreport.pdf, (accessed 1/6/09)

Economic Importance and Risk

The waters of the Atlantic coast also support significant economic and social values, which could be seriously damaged by offshore oil and gas activities, including commercial fishing, commercial shell-fishing, recreational fishing, recreational boating, water recreation, whale-watching, and shore tourism. New Jersey and New York coastal information is provided as an example. The summers of 1987 and 1988 provide stark evidence of water quality's link to state and local economies. During this time, raw sewage, medical waste, and dead and dying dolphins washed ashore in the bi-state region. When all indirect effects of the 1988 event are included, losses were estimated at $820.7 million to $3.8 ***billion*** [in 1987$].[48] Initial estimates of the cost of the Deepwater Horizon explosion and ongoing oil release to Louisiana's fishing industry could be $2.5 billion, while the impact on tourism along the Florida coast could be $3 billion.[49] Specific economic values of the marine resources of the NY/NJ Bight are described below.

- **Commercial Fishing:** In New Jersey, "[a]nnual commercial landings of finfish and shellfish are over 182 million pounds with an approximate dockside value of $100 million," according to the New Jersey Department of Environmental Protection (NJDEP), Coastal Management Program,[50] thus generating $100 million to the New Jersey economy annually.[51] For 1999, the New York Sea Grant study estimated that New York's commercial fishing industry contributed a total of $149.6 million to the state's economy and directly employed approximately 10,500 New Yorkers."[52]

- **Recreational Fishing**: In 2003, the American Sportfishing Association estimated that recreational fishing brought $724,634,011 in retail sales with a total multiplier effect[53] of $1,363,259,834 to the state of New Jersey.[54] Recreational fishing accounts for 12,021 jobs in New Jersey, with salaries and wages totaling $328,359,434.[55] The sport generates $7,750,295 in New Jersey income taxes and $56,339,961 in federal income taxes.[56] The same report indicates that recreational fishing in New York generated $1,116,861,525 in

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[48] Ofiara, Douglas D. and Bernard Brown, Marine Pollution Events of 1988 and Their Effect on Travel, Tourism, and Regional Activities in New Jersey, referenced as an Invited Paper presented at the Conference on Floatable Wastes in the Ocean: Social Economic and Public Health Implications. March 21-22, 1989 at SUNY- Stony Brook.

[49] Reuter's New Agency "Cost of Oil Spill could exceed $14 Billion" published May 2, 2010 http://www.reuters.com/article/idUSTRE6412H820100502 (accessed May 3, 2010)

[50] The New Jersey Coastal Management Program, Fact Sheet 2, March 2002, p.1.

[51] The New Jersey Coastal Management Program, Fact Sheet 3, March 2002, p.1.

[52] New York's Seafood Industry by Ken Gall, New York Seafood Council, New York Sea Grant, Stony Brook, NY. Available at http://www.nyseafood.org/doc.asp?document_key=NYSeafoodIndustry#commercial (accessed July 14, 2005).

[53]"Multiplier" is defined as "An effect in economics in which an increase in spending produces an increase in national income and consumption greater than the initial amount spent. For example, if a corporation builds a factory, it will employ construction workers and their suppliers as well as those who work in the factory. Indirectly, the new factory will stimulate employment in laundries, restaurants, and service industries in the factory's vicinity," *The New Dictionary of Cultural Literacy*, Third Edition, Houghton Mifflin Company, 2002. Available at *Answers.com* 26 Oct. 2005. http://www.answers.com/topic/multiplier-effect.

[54] American Sportfishing Association, Fishing Statistics, Economic Impacts of Fishing available at http://www.asafishing.org/asa/statistics/economic_impact/state_allfish_2003.html (accessed July 14, 2005).

[55] *Ibid.*

[56] *Ibid.*

retail sales with a total multiplier effect of $2,011,716,251.[57] The sport accounts for 17,083 jobs and $503,486,172 in salaries and wages in New York.[58]

- **Surfing**: Residents in Monmouth County, NJ contributed at least $10 million to the economy from surfing and associated businesses (includes purchasing equipment, wax, bathing suits, wet suits, parking fees, beach badges, food, and beverages).

- **Tourism**: According to the New Jersey Department of Commerce, travel and tourism in New Jersey contributes $38 billion in economic activities each year and generates 443,000 jobs (the third largest private sector employer). The four coastal counties – Atlantic, Cape May, Ocean, and Monmouth – account for more than 61% of tourist activity in New Jersey.[59] In 1995 (the most recent numbers accessible), coastal tourism in New York contributed $2.9 billion to the overall economy, comprising 62.5% of the state economy.[60]

- **Natural Capital:**[61] According to the New Jersey Department of Environmental Protection, the ecological goods and services provided by the state's marine ecosystems equate to $5.3 billion/year for estuaries and tidal bays and $389 million/year for other coastal waters [in 2004$], including the coastal shelf out to the three-mile limit. New Jersey beaches provide the highest value per acre of any other habitat by far, with an ecoservices value of $330 million/yr.[62] New Jersey did not include the economic value of the fish and shellfish present in these ecosystems, nor the important and valuable resources of the OCS, such as the reef and canyon systems, in their analysis. Similar values can be expected for both the northern and southern shores of Long Island, but actual dollar values are not readily available as New York has not conducted a formal analysis of the ecosystem services of their natural resources.

These revenues rely directly on a healthy and clean marine environment.

Public and Government Opposition

Numerous federal and state elected officials and citizens have firmly and continuously opposed oil and gas development off the coast of New York and New Jersey, as is evidenced by the numerous bills introduced in opposition of offshore oil and gas drilling. At a recent press event on Earth Day, NJ's Governor Christie stated his Administration's:

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[57] American Sportfishing Association, Fishing Statistics, "Economic Impacts of Fishing" available at http://www.asafishing.org/asa/statistics/economic_impact/state_allfish_2003.html (accessed July 14, 2005).

[58] *Id.*

[59] NJ Tourism Preliminary 2008 Results, Kenneth McGill, Global Insight March 2009 http://www.state.nj.us/travel/pdf/2008-04-tourism-ecom-impact.pdf

[60] Coast Alliance, "State of the Coasts: A State-by-State Analysis of the Vital Link between Healthy Coasts and a Healthy Economy," p.109, June 1995.

[61] "Natural Capital" is defined by the NJ Department of Environmental Protection as "the economic value of goods and services provided by various naturally-occurring assets over an extended period, a period that for some assets is essentially perpetual on any meaningful human time scale."

[62] Valuing New Jersey's Natural Capital: An assessment of the economic value of the state's natural resources. April 2007 State of New Jersey New Jersey Department of Environmental Protection http://www.state.nj.us/dep/dsr/naturalcap/

"***clear opposition to off-shore drilling in New Jersey, as well as drilling off the coast of other states that could negatively impact New Jersey's waters and beaches, such as Delaware and Virginia***."[63]

Indeed, much New Jersey U.S. Congressional delegation opposes Outer Continental Shelf development in general and especially in the Atlantic. In an April 6, 2009 letter to Secretary Salazar signed by both New Jersey Senators and 12 of its 13 House Representatives, the New Jersey delegation explicitly opposed the 2010-2015 Draft Proposed Program's proposal to open the Mid-Atlantic and North Atlantic for oil and gas drilling. In addition, state officials and many municipalities object to the development of the Outer Continental Shelf. Mid-Atlantic Congressional leaders have also expressed concern for the "*fragile coastal ecosystems and economies of coastal states*" and argued that:

"To put our beaches, fishing, and tourism economy at risk for such minimal resources is shortsighted."[64]

In response to President Obama's 2010 drilling plan, Senator Lautenberg stated that:[65]

"Drilling off the Virginia coast would endanger many of New Jersey's beaches and vibrant coastal economies. Giving Big Oil more access to our nation's waters is really a Kill, Baby, Kill policy: it threatens to kill jobs, kill marine life and kill coastal economies that generate billions of dollars. Offshore drilling isn't the solution to our energy problems, and I will fight this policy and continue to push for 21st century clean energy solutions."

Representative Frank Pallone urged reinstating the Moratorium and stated that:[66]

"Allowing any offshore drilling on the Atlantic Coast is an invitation to an environmental catastrophe that would have severe economic consequences for New Jersey. The coastal beaches and ocean waters of the Jersey Shore are environmental treasures that anchor the state's tourism industry and possess special meaning as a part of New Jersey's identity."

Senator Menendez has stated multiple concerns, including:[67]

"Even before the Gulf Coast incident, my staff met with NOAA to discuss the potential impact of how a major spill in Virginia could impact New Jersey. It was shocking to hear how easily New Jersey could be hit by such a spill."

"Instead of expanding coastline drilling, we should be focused on developing a 21st century green economy. We cannot drill our way out of this problem…. Instead of making rich oil companies richer we should be competing with Europe, Japan and China to win the competition to supply the world with next generation green technologies."

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[63] NJ Governor's Press Release. April 22, 2010 On Earth Day, Governor Christie States Administration Policy On LNG And Reaffirms Commitment To Protecting Our Environment http://www.state.nj.us/governor/news/news/552010/approved/20100422b.html Accessed on April 29, 2010.

[64] Letter from Congressman James P. Moran *et al.* to Randall B. Luthi, Director, MMS (18 Nov. 2008).

[65] NJ U.S. Senator Lautenberg's Press Release March 31, 2010. Lautenberg Opposed to Offshore Drilling Expansion: Drilling would threaten New Jersey Shores

[66] U.S. representative Pallone Press Release March 31, 2010 Pallone Vows To Fight Against Offshore Drilling Urges Administration To Reinstate Moratorium

[67] Statement of Senator Robert Menendez on the MMS Programmatic EIS for Oil and Natural Gas Exploration off the Mid-Atlantic Coast Newark, New Jersey: Tuesday, April 27, 2010

A Drop in the Bucket- Proposal is Poor Judgment and Bad Governance

Using 2030 national consumption rates, the proposed lease area off Virginia contains only enough recoverable oil to last between 1.8 and 2.9 days,[68,69] and only enough natural gas to last between 3.4 to 6.8 days.[70,71] The amount of technically recoverable oil in the entire Atlantic OCS is only enough to supply our transportation fuel needs for approximately **229 days**,[72] and natural gas supplies are only estimated to last **562 days**[73] using 2030 national consumption rates (the year production is expected to begin). In fact, the EIA analyzed the impact of opening access to the lower 48 OCS under moratorium, and concluded that *"[b]ecause oil prices are determined on the international market, however, any impact on average wellhead prices is expected to be insignificant."*

The EIA's 2009 Annual Energy Outlook found that drilling in historically protected moratorium regions of the lower 48 would only reduce gasoline prices by 3 cents per gallon in 2030.[74] The impact on natural gas is even smaller: "*Because the volume of technically recoverable natural gas in the OCS areas previously under moratoria accounts for less than 5 percent of the total U.S. technically recoverable natural gas resource base, the impacts for natural gas volumes are smaller, relative to the baseline supply level, than those for oil volumes*."[75]

A previous EIA analysis also concluded that *"a significant portion of the additional resource [opening areas previously under moratorium] would not be economically attractive to develop at the reference case prices."*[76] In fact, oil prices are impacted by much more than just supply issues. The EIA reported that from 2004 to 2006 the rental price of offshore oil rigs increased by 225% for nearshore rigs and 340% for deepwater rigs and prices are expected to continue to rise.[77] An ongoing global shortage of offshore oil drilling ships finds *"the world's existing drill-ships are booked solid for the next five years,"*[78] causing major delays in exploration and oil production operations. In addition to drilling equipment costs, other development costs have doubled in the past five years from factors such as *"more acute competition for energy resources, shortages in steel, engineering and manufacturing capacity."*[79] Speculative trading has been impacting oil prices as early as 2006, when a U.S. Senate staff report found that *"the*

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[68] "Annual Energy Outlook 2006", Table 24. U.S. Department of the Interior, DOI/EIA 0383, Feb. 2006.
[69] "Outer Continental Shelf Oil and Gas Leasing Program 2007-2012, Draft Environmental Impact Statement," July 2006, Table IV-3, U.S. Department of the Interior, Minerals Management Service.
[70] "Annual Energy Outlook 2006", Table 23. U.S. Department of the Interior, DOI/EIA 0383, Feb. 2006.
[71] "Outer Continental Shelf Oil and Gas Leasing Program 2007-2012, Draft Environmental Impact Statement," July 2006, Table IV-3, U.S. Department of the Interior, Minerals Management Service.
[72] Annual Energy Outlook 2007, Issues in Focus, Table 10. U.S. Department of the Interior, DOI/EIA 0383 (2007) http://www.eia.doe.gov/oiaf/archive/aeo07/pdf/issues.pdf
[73] Annual Energy Outlook 2007, Issues in Focus, Table 10. U.S. Department of the Interior, DOI/EIA 0383 (2007)
[74] Annual Energy Outlook 2009, Energy Information Administration, DOE/EIA-0383(2009), March 2008, p. 36.
[75] Annual Energy Outlook 2009, Energy Information Administration, DOE/EIA-0383(2009), March 2008, p. 36.
[76] Annual Energy Outlook 2007, Issues in Focus, U.S. Department of the Interior, DOI/EIA 0383 (2007)
[77] Annual Energy Outlook 2007, Issues in Focus, U.S. Department of the Interior, DOI/EIA 0383 (2007)
[78] "Dearth of ships delay drilling of offshore oil" by J. Mouawad and M. Fackler, NY Times Business Section, June 19, 2008
[79] "Dearth of ships delay drilling of offshore oil" by J. Mouawad and M. Fackler, NY Times Business Section, June 19, 2008

demand for a barrel of oil that results from the purchase of a futures contract by a speculator is just as real as the demand for a barrel that results from the purchase of a futures contract by a refiner or other user of petroleum."[80]

Domestic drillers have not fully used areas traditionally open to drilling and they're drilling on even less open lands now in the economic downturn. In the last year, drilling has decreased over 50% with "*943 drilling rigs in operation as of July 23, or 1,014 fewer rigs than the same time last year*."[81] In addition, the downturn has led companies to hoard oil on land and on over 30 idling supertankers, waiting for prices to rise again.[82]

The recovery of such small amounts of oil and gas is not an economically or ecologically viable option.

Furthermore, due to the limited resources in historically protected regions, expanded drilling will not help the U.S. achieve energy independence. Expanded drilling would reduce oil import dependence by 2030 from 43% to 41%.[83] More importantly, expanded drilling into historically protected regions would put at risk the active economic and ecologic productivity and potentialities of the natural resources in the region.

The public relies on government officials to make sound policies based on scientific fact and risk management. To consider such invasive and ecologically risky activities for such small amounts of potential oil and gas is reckless, at best.

Domestic Supply Scam

One of the rationales to expand offshore drilling is to increase domestic energy supply to increase energy independence. The belief of the public is that if we drill more in our ocean, we will become more energy secure. However, this is a lie. A recent review of the Energy Information Administration (EIA) proves that US petroleum products do not necessarily stay in the US, in fact, the US **exports 60 million barrels a month (see chart below).**[84]

According to the EIA:

> *"Because the United States is the world's largest importer, it may seem surprising that it also exports almost 2 million barrels a day of oil, almost all of it in the form of refined petroleum products.... For example, refiners in the U.S. Gulf Coast region frequently find that it makes economic sense to export some of their gasoline to Mexico rather than shipping*

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[80] "The role of market speculation in rising oil and gas prices: A need to put the cop back on the beat", Permanent Subcommittee on Investigations U.S. Senate Committee on Homeland Security and Governmental Affairs, June 2006 http://www.senate.gov/~levin/newsroom/supporting/2006/PSI.gasandoilspec.062606.pdf

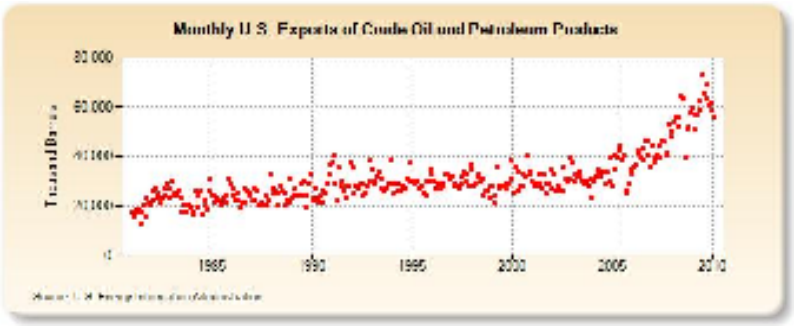
[81] John-Laurent Tronche, *After drop, drilling rig count flattens out*, Fort Worth Business Press, Aug. 3, 2009, at http://www.fwbusinesspress.com/display.php?id=10712 (accessed Aug. 3, 2009).

[82] Oil producers running out of storage space. Associated Press, March 3, 2009 http://www.msnbc.msn.com/id/29495753/ (accessed Aug. 27, 2009).

[83] Annual Energy Outlook 2009, Energy Information Administration, DOE/EIA-0383(2009), March 2008, p. 36.

[84] http://tonto.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MTTEXUS1&f=M Accessed on May 3, 2010

the product to the U.S. East Coast because lower-cost gasoline imports are available from Europe."[85]



Of special note is that these exports of domestic product significantly accelerated during the height of the energy crisis of 2007. Wild investor speculation drove oil prices to sky-rocket, resulting in gasoline prices jumping to over $4 a gallon. The "Drill Baby Drill" campaign moved in swiftly and became the anthem for the conservative domestic energy policy which sadly, has become more main-stream.

The hypocrisy of this pro-drilling for domestic national security is clear. As the oil and gas industry is owned by multi-national corporations and these petroleum-based products are global commodities, there is no requirement that this domestic supply stay in the US. The rationale that drilling will increase domestic energy supply and security is a scam.

Conflicts with Department of Defense and National Aeronautics and Space Administration
MMS continues to pursue areas for oil and gas in the Atlantic that are rejected by the U.S. military and National Aeronautics and Space Administration (NASA) due to significant risks. The U.S. Navy's Virginia Capes Operations Area (hereinafter the "VACAPES") includes offshore areas of Delaware, Maryland, Virginia and North Carolina to 155 nautical miles into the Atlantic Ocean, including 28,672 nm^2 of special use areas, 27,661 nm^2 of offshore surface and subsurface operations areas, and 18,092 nm^2 of deep ocean areas (see map[86]).[87] The U.S. Navy currently conducts training and war exercises within VACAPES that utilize several different forms of live ammunition including gunnery exercises, airborne mine countermeasures, general subsurface operations, surface-to-air weapon delivery such as strafing, rockets and bombs, and antisubmarine rocket and torpedo firing.[88] In addition, Air Force activities in the proposed area include readiness training for tactical fighters and interceptor aircrafts, refueling operations, basic fighter maneuvering, air combat training, and air-to-air intercepts.[89] As stated in the 2007 Proposed Leasing Program Draft EIS, the U.S. Navy finds that military activities in the area

[85] http://tonto.eia.doe.gov/energyexplained/index.cfm?page=oil_imports Accessed on May 3, 2010
[86] High resolution map of VACAPES
http://www.vacapesrangecomplexeis.com/Documents/VACAPESRangeComplex.pdf
[87] Virginia Capes Range Complex Environmental Impact Statement/Overseas EIS, June 2008
http://vlex.com/vid/39094396
[88] Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2007-2012 August 2006, Page 99, U.S. Department of the Interior, Minerals Management Service.
[89] Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2007-2012 August 2006, Page 99, U.S. Department of the Interior, Minerals Management Service.

"have the potential to interfere with or interrupt exploration and drilling operations."[90] Naval training exercises and oil and gas activities are mutually exclusive and in direct conflict, as military weapons testing, the potential presence of unexploded ordinances in sediments from past exercises, and subvert underwater activities create a substantial risk to oil and gas exploration and production activities that dramatically increase the likelihood of a major oil spill or other catastrophes. This alone should eliminate the entire VACAPES from further consideration by MMS.

VACAPES endures many maneuvers and ordnance activities, which can be harmful to marine life. While these warrant review and concern, it is absolute that these military activities are incompatible with oil and gas development. Indeed, in April 2006[91] and again in November 2006,[92] Assistant Secretary to the Navy (Installations and Environment), Donald R. Schregardus, submitted comments as the Defense Department Executive Agent for OCS matters, on the 2007 draft Proposed Leasing Program. In his original letter, he clearly stated,

> ***"Because hazards in this area to operating crews and oil company equipment and structures would be so great, the U.S. Navy opposes oil and gas exploration and development in the program location."***[93]

This was followed by a second letter in response to the Final Program, which still included the lease area within VACAPES with a new 25 mile buffer around the Virginia coastline.

> ***"However, the special interest sale proposed for the Mid-Atlantic region in 2011 is not acceptable to the Department because of its incompatibility with the military training and testing conducted in this area."***[94]

National Aeronautics and Space Administration (hereinafter "NASA") also operates a research range off of Virginia's Eastern Shore, where their activities include sub-surface, surface, and air exercises.[95] In August, 2008, a NASA rocket launched from Wallops Island, Virginia went off course and was shot down by the Navy.[96,97] The rocket fell to VACAPES ocean waters in

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[90] Outer Continental Shelf Oil and Gas Leasing Program 2007-2012, Draft Environmental Impact Statement, July 2006, Page IV-2, U.S. Department of the Interior, Minerals Management Service.
[91] U.S. Department of the Navy, Letter to Minerals Management Service regarding the draft Proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program for 2007-2012. April 10, 2006. MMS Comment ID # 5YR-HQ-0006-C00D1864
[92] U.S. Department of the Navy, Letter to Minerals Management Service regarding the Proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program for 2007-2012. Nov. 27, 2006.
[93] U.S. Department of the Navy, Letter to Minerals Management Service regarding the draft Proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program for 2007-2012. April 10, 2006. MMS Comment ID # 5YR-HQ-0006-C00D1864
[94] U.S. Department of the Navy, Letter to Minerals Management Service regarding the Proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program for 2007-2012. Nov. 27, 2006.
[95] Proposed Program Outer Continental Shelf Oil and Gas Leasing Program 2007-2012 August 2006, Page 99, U.S. Department of the Interior, Minerals Management Service.
[96] Press release, NASA and ATK Investigate Failed Launch of Hypersonic Experiments, August 22, 2008 http://www.nasa.gov/home/hqnews/2008/aug/HQ_08_213_Hybolt_failure.html
[97] Presentation by VA State Delegate J. Bouchard. Climate Change and the Future of Virginia Beach at The Future of Energy Alternative Forum, Virginia Beach Conference Center, Dec. 4, 2008.

flames. NASA expressed their frustration with MMS's failure to recognize the obvious *"safety and liability issues to oil activities and personnel from launch activities from our Wallops Flight Facility in Virginia,"*[98] in their original comments opposing the proposed oil and gas leasing activities within VACAPES[99], and reiterated them in a second letter, written in response to the continued inclusion of this lease area in the Final Program.

> ***"NASA believes the Mineral Management Service has not adequately recognized the potential conflicts with OCS oil and gas activities within the Mid-Atlantic and Virginia proposed area, and the Department of Defense and NASA activities within the same area."***[100]

Moreover, vast amounts of unexploded ordnances litter the seafloor throughout this region. Seismic and drilling activities would be taking place in a "mine field."

It is unacceptable that despite the explicit danger to people and the environment, and the clear and repeated opposition from both the Department of the Defense and NASA, MMS has actually increased the proposed leasing area to include all of VACAPES.

Revenue Sharing
COA opposes any expansion of the revenue sharing program with states as it serves to unfairly promote expanded fossil fuel industrialization by biasing states with monetary incentives.

Global Warming
Increasing fossil fuel production in the U.S. by opening up historically protected regions to oil and gas leasing is contrary to President Obama's priority focus on fighting climate change. Further, an open door to drilling is irresponsible in the face of such overwhelming evidence of climate change. The U.S. must reduce fossil fuel consumption and seek "green" solutions, such as those provided below, that will help solve the serious global warming problem.

"Green" Solution to Reduce Dependency on Foreign Oil and Fight Global Warming
COA supports a federal and state energy plan that first and foremost promotes energy conservation and efficiency measures, as well as renewables. In addition to improving the environmental and economic quality of the country, a plan focused on green energy provides thousands of local, long-term, high quality jobs that will sustain thousands of families.

The U.S. lags behind most European countries and Japan for energy efficiency and there is much potential for improvement. According to a 2009 McKinsey & Company report, the U.S. could

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[98] National Aeronautics and Space Administration (NASA), Letter to Minerals Management Service regarding the draft Proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program for 2007-2012. April 10, 2006. MMS Comment ID # 5YR-HQ-0006-C0001743
[99] National Aeronautics and Space Administration (NASA), Letter to Minerals Management Service regarding the draft Proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program for 2007-2012. April 10, 2006. MMS Comment ID # 5YR-HQ-0006-C0001743
[100] National Aeronautics and Space Administration (NASA), Letter to Minerals Management Service regarding the draft Proposed 5-year Outer Continental Shelf Oil and Gas Leasing Program for 2007-2012. November 27, 2006. MMS Comment ID # 5YR-HQ-0006-C0002036

save $1.2 trillion and 1.1 gigatons of annual greenhouse gases by 2020 through investing in energy efficiency measures.[101]

While there have been some long overdue increases in the Corporate Average Fuel Economy (CAFE) standards, more can and must be done. Increasing fuel economy standards to 40 mpg for all vehicles by 2020 (not even including hybrids or other "advanced technologies"), a target that has been shown to be economically and technically feasible,[102] would save more oil in 15 years than is estimated to exist in the entire area under moratorium in the lower 48.[103] This is just a 1 mpg increase for cars from President Obama's new 2016 CAFE standard and a 10 mpg increase for trucks and indeed a smaller overall increase from this new increase. President Obama is boldly increasing the mpg standard by 10.5 mpg in the four years from 2012 to 2016. A further increase to 40 mpg overall by 2020 is just a 4.5 mpg increase in the following four years. COA believes higher increases are more appropriate and consistent with the President's forward-looking energy policies. By just continuing the progress that President Obama has set in place, the U.S. will begin saving far more oil than oil companies can extract from the traditionally protected offshore areas of the lower 48.

Further increasing the renewable fuel standard to 25% by 2025 would save 1.13 billion barrels per year of oil.[104] The American Council for an Energy Efficient Economy (ACEEE) identified a large number of feasible fuel efficiency measures (beyond cars and light trucks) in the transportation, industry, and residential sectors that would result in a savings of 390.55 million barrels per year (mby) by 2020 under a moderate scenario and 525 mby under a more aggressive, but still feasible, scenario.[105]

All of these steps will not only reduce our dependency of foreign oil and eliminate the need to risk our valuable marine resources, but they will also have the added benefit of reducing dangerous air pollution, including emissions that cause global warming.

Offshore Renewables

The opportunities to begin ending the U.S.'s dependency fossil fuels are no longer limited to the land. For years, analysts have demonstrated the limitless opportunities for achieving clean and green energy independence with conservation, efficiency, and land-based renewables. Now, President Obama, MMS, and the Federal Energy Regulatory Commission (FERC) are adding more opportunities by beginning the permitting of commercial scale, offshore renewable energy projects. However, the federal and state governments must not miss this unique opportunity of the beginning of something new and large scale by allowing for haphazard development. Instead, the federal government must ensure offshore renewable energy is done right.

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[101] Unlocking energy efficiency in the U.S. economy, McKinsey and Company July 2009 http://www.mckinsey.com/clientservice/ccsi/

[102] Technical options for improving the fuel economy of U.S. cars and light trucks by 2010-2015, DeCicco, An, and Ross, ACEEE, Report T012, 2001 http://www.aceee.org/store/proddetail.cfm?CFID=1784946&CFTOKEN=60750022&ItemID=264&CategoryID=7

[103] Fuel Economy: The Single Most Effective Step for Cutting Oil Dependence, Presentation by Union of Concerned Scientists Donald MacKenzie PowerShift energy alternatives event Lawrence, Kansas April 29, 2006.

[104] Energy and Economic Impacts of 25% RPS and a 25% RFS by 2025, EIA, Sept 2007, SR-OIAF/2007-05 http://www.eia.doe.gov/oiaf/servicerpt/eeim/pdf/sroiaf(2007)05.pdf

[105] Reducing oil use through energy efficiency, beyond cars and light trucks. Elliot, Langer and Nadel, ACEEE, Report E061, Jan 2007 http://aceee.org/pubs/e061.pdf?CFID=1784946&CFTOKEN=60750022

Marine spatial planning for renewable energy facilities, ecosystem based management, the precautionary principle, ecological baseline studies, pre- and post-construction site studies beyond NEPA requirements, and pilot projects for emerging technologies will all play a role and are tools and methods that must be utilized. COA has commented on these and other issues in the National Ocean Policy process and is continuing to participate in that dialogue established by President Obama.

As MMS has noted, "[i]n order to produce the next 5-year planning document (the Proposed Program) MMS will consider the potential interaction between alternative energy projects and potential oil and natural gas leasing activities in the 2010-2015 5-Year Program."[106] By immediately allowing the expansion of offshore drilling into traditionally protected waters, the fossil fuel industry will receive an unfair advantage and could hinder offshore renewable energy projects. Offshore renewable energy is a new advancement and any "potential interaction" with offshore drilling cannot be fully appreciated at this time. As a result, interactions can be underestimated and the government will allow offshore drilling projects to advance in a manner that could undermine adequate planning and siting of offshore renewable projects. The offshore fossil fuel industry is well established and will be able to expand into new regions far faster than offshore renewable projects and, therefore, can create use conflicts before the potential problems are realized. MMS must follow the precautionary principle and allow the well planned development of renewable energy projects and forbid the expansion of fossil fuel projects that undermine the President's renewable energy goals.

In conclusion:
Based on above described concerns and rationale, MMS must rescind the Virginia Lease Sale from the PRP 2007-12 and the proposed expansion of the OCS program and exploratory activities in the South and Mid-Atlantic regions and reinstate the moratorium in the Atlantic.

Please send a written response to me Clean Ocean Action, 18 Hartshorne Dr., Suite 2, Highlands, NJ 07732, or email at science@cleanoceanaction.org.

Sincerely,

Cindy Zipf
Executive Director
Clean Ocean Action

Jennifer Samson, Ph.D.
Principal Scientist

Heather Saffert, Ph.D.
Staff Scientist

cc: NJ US Congressional Delegation; open letter

[106] 74 Fed. Reg. 3632 (Jan. 21, 2009).