## U.S. HOUSE OF REPRESENTATIVES NATURAL RESOURCES COMMITTEE

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## Witnesses: President's Ocean Zoning Threatens Alaska's Economy

**WASHINGTON, D.C.** – Today, the Natural Resources Committee held an <u>oversight field</u> <u>hearing</u> in Anchorage, Alaska on, "Alaska's Sovereignty In Peril: The National Ocean Policy's Goal to Federalize Alaska." The hearing focused on how President Obama's plan to mandate ocean zoning through implementation of the National Ocean Policy threatens Alaska's sovereignty and economic livelihood.

"Nowhere in the United States will the effects of the National Ocean Policy be felt to the extent that it will in Alaska. The reach of this 'ocean' policy will stretch throughout the entire state and affect almost any activity that requires a federal permit. As we will hear from our witnesses today, the State's economic vitality is a direct result of our ability to use our natural resources. Any new federal initiative that affects our ability to use these natural resources will cost jobs," said Rep. Don Young (AK-At large).

President Obama's National Ocean Policy calls for a new 'ocean zoning' authority headed by 9 Federally-dominated Regional Planning Bodies with the ability to reach as far inland as each deems necessary to protect ocean ecosystem health. The Regional Planning Bodies will have no representation by the people, communities and businesses that will actually be impacted by the regulations and will create zoning plans without any stakeholder input. However, all Federal agencies, the States, and the regulated industries will be bound by the plan.

According to <a href="Doug Vincent-Lang">Doug Vincent-Lang</a>, Acting Director of Alaska's Division of Wildlife Conservation of the Alaska Department of Fish and Game</a>, Alaska's marine and coastal resources support a "vibrant fishing industry that produces almost six billion dollars in economic activity in our state annually, accounts for approximately 60 percent of the nation's seafood production, and is our largest private sector employer." Testifying on behalf of the State of Alaska, Vincent-Lang emphasized the importance of Alaska's continued management of their ocean and coastal resources to the State and local economies. Alaska's current regulatory framework, comprised of successful partnerships among federal, state, tribal and local authorities, "has a proven track record and is fully capable of ensuring the long-term health and viability our marine and coastal resources. ... Overlaying the President's national ocean policy on top of the existing statutory and regulatory framework creates uncertainty and conflict, both of which are problematic if the goal is to encourage economic development, jobs, and certainty in permitting."

Several witnesses at the hearing discussed the potential economic ramifications of adding more bureaucratic hurdles to resource-dependent industries. Rick Rogers, Executive

Director of the Resources Development Council for Alaska, stated the extra regulatory layer imposed by the National Ocean Policy "adds uncertainty and anxiety to an already cumbersome and complex regime of state and federal permitting and oversight. Increased bureaucracy could hamper the already slow processes with no added benefit to the environment." Rogers noted that Alaska's economy is dependent upon its vast natural resources and, "All Alaska industries, forestry, tourism, oil and gas, fisheries and mining, are highly dependent on ocean access and marine transportation. … The decline of the timber industry in Alaska highlights our need to be ever vigilant regarding the unintended consequences of policy initiatives such as the National Ocean Policy and Coastal and Marine Spatial Planning."

Executive Director of the Alaska Oil and Gas Association Kara Moriarty's testimony focused on the economic value of continued resource development in Alaska. "The importance of oil and gas development on Alaska's Outer Continental Shelf, to Alaska and the nation, cannot be overstated. ... Alaska's OCS is estimated to hold 27 billion barrels of oil and 132 trillion cubic feet of natural gas, the development of which would translate into an annual average of 54,000 new jobs over 50 years, \$145 billion in payroll throughout the U.S. and \$193 billion in revenues to state, local and federal governments." Moriarty also highlighted the lack of details surrounding Coastal and Marine Spatial Planning and the policies and procedures of the Regional Planning Bodies charged with creation and implementation of the regional ocean zoning plans. "Under the Draft Implementation Plan, stakeholders will have no direct representation on the planning bodies, despite the fact that the planning bodies are charged with creation and implementation of regional CMS plans encompassing all ocean and coastal uses. If CMS plans are to be effective and useful tools for ocean and coastal management, we believe membership should be expanded to include representatives from stakeholder groups, including the oil and gas industry. Without such involvement, the potential is real for prohibitions against activities such as oil and gas without the involvement of the most impacted parties."

The National Ocean Policy mandates that the Regional Planning Bodies can regulate onshore activities that may have impacts on marine waters. Fred Parady, Executive Director of the Alaska Miners Association, discussed the potential for increased lawsuits and litigation driven by third parties due to the implementation of this Policy. "Clearly, uncertainty is heightened by the National Ocean Policy's stated policy of reaching to onshore activities that may have impacts on marine waters. Section 404 of clean water act and the ubiquitous nature of wetlands means upland activities already are highly regulated in Alaska. A plethora of petitions to list additional species under ESA onshore and off are adding substantial burdens to landowners and resource industries, without resulting in any recognizable progress for the underlying species. ... The National Ocean Policy adds yet another another [sic] hurdle to overcome, and will serve to provide an additional platform for third party eNGOs to litigate against projects that fail to meet the informational requirements or expectations for the National Ocean Policy."

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