

Written Testimony of Michael Conathan
Director of Ocean Policy, Center for American Progress

Hearing on The President's New National Ocean Policy - A Plan for Further Restrictions
on Ocean, Coastal and Inland Activities

Before the U.S. House Committee on Natural Resources

October 26, 2011

Good morning Chairman Hastings, Ranking Member Markey, and members of the Committee. I want to thank you for the opportunity to testify before you today to address the implications of the Executive Order establishing a National Ocean Policy. My name is Michael Conathan, and I serve as the Director of Ocean Policy at the Center for American Progress. CAP's ocean program focuses on supporting science-based policies and finding solutions that balance the socioeconomic and environmental needs of Americans and our ocean and coastal space.

In 2004, the bipartisan U.S. Commission on Ocean Policy released its final report, "An Ocean Blueprint." This report, commissioned by a Republican-led Congress and written by a panel of experts appointed by President George W. Bush, included a lynchpin recommendation that the president "begin immediately to implement a national ocean policy by establishing the [National Ocean Council]... through an executive order." The report went on to suggest that the NOC work with all tiers of government, the private sector, nongovernmental organizations, and academia to create regional ocean councils to implement the national ocean policy at a regional scale.

The previous year, an independent report issued by the Pew Ocean Commission chaired by current Secretary of Defense, Leon Panetta, also called out the need to better integrate federal agency oversight of ocean space via implementation of a national ocean policy establishing a framework to "reflect an understanding of the land-sea connection and and organize institutions and forums... [which] must be accessible, inclusive, and accountable. Decisions should be founded upon the best available science and flow from processes that are equitable, transparent, and collaborative."

In July 2009, President Barack Obama answered this call by announcing the first National Ocean Policy and the creation of a National Ocean Council tasked with its implementation, pursuant to Executive Order 13547. Subsequently, the panel issued a list of nine priorities for management of our oceans, coasts, and the Great Lakes. Among these priorities is the concept of comprehensive ocean planning, or coastal and marine spatial planning. This concept recognizes that as new potential uses of ocean space become increasingly viable, our exclusive economic zone—the area of ocean space extending out to 200 miles from our shores—will grow more crowded. Thus, in order to ensure efficient prioritization of both new and existing uses and to reduce conflicts, managers must solicit input from a diverse group of stakeholders up front rather than allowing a first-come, first-served land grab mentality to dictate how our invaluable

ocean resources will be allocated. Absent such an initiative, the status quo provides a cart-before-the-horse approach that reduces certainty, impedes the likelihood of private investment, fails to adequately protect existing uses including fisheries and recreation, and delays appropriate, beneficial development with an endless stream of lawsuits.

As Congressman Markey noted in his opening statement at this Committee's last hearing on the National Ocean Policy on October 4, 2011, planning is a fundamental, necessary part of organizing an efficient society. As coastal populations increase, and new uses of ocean space emerge, conflicts will inevitably arise, and we as a nation must develop a means of predicting and resolving those conflicts if we want to maximize economic efficiency from our oceans while safeguarding the health and vitality of the marine environment. Doing so will require coordination and conversation--bringing a diverse group of voices to the table, representing all potential uses of ocean space, to determine the highest and best of our nation's last frontier. In addition, it will provide the added benefit of improving the science used to support management decisions.

Contrary to attempts to color the policy as restrictive "ocean zoning," a comprehensive, collaborative approach to managing our ocean resources will help prevent multi-use conflicts, increase efficiency, and ensure ocean economies continue to support American jobs and a high quality of life. The National Ocean Council should be given the necessary logistical and financial support to implement the National Ocean Policy for the benefit of American jobs, economic growth, and security. Scare tactics and insinuations of doomsday scenarios will only force us into an entrenched, cloistered process that fails to acknowledge the reality that as ocean space becomes more crowded, we will need to accommodate more uses and more users.

The National Ocean Policy will increase government efficiency and enable sound management of public resources

A June 2011 report by the nonpartisan Joint Ocean Commission, comprised of members of both the Pew and U.S. Ocean Commissions, expressed strong ongoing support for comprehensive ocean planning and the National Ocean Policy, stating, "the current sector-by-sector management system is incapable of providing the integrated, comprehensive, and flexible approach needed to ensure that conflicts among proposed uses are minimized and potential benefits enhanced."

In fact, strategic planning maximizes organizational efficiency and use of taxpayer dollars. Contrary to the false depiction of the National Ocean Policy as excessive government regulation, it will bring all interested parties to the table before key management decisions are made. This will improve opportunities for industry, communities, nongovernmental organizations, and citizens to participate in the planning process and facilitate sustainable economic growth by providing transparency and predictability for economic investments. The alternative is allowing developers of individual projects to drive the regulatory process without adequate guidance from regulators or input from alternate stakeholders, a process that has been shown to lead to a seemingly endless string of lawsuits, political quagmires, and a poisonous investment climate.

There is no better example of the inefficiencies inherent in the piecemeal system than the offshore wind industry. Offshore wind is a viable and rapidly growing piece of the energy picture in other parts of the world. Today, European countries have installed nearly 3,000 megawatts of offshore wind facilities, and Europe and China combined have permitted more than 40,000 megawatts of wind turbines in their oceans. The United States has permitted exactly 488 megawatts, and we have yet to break ground on our first turbine.

Over a decade ago, Cape Wind Associates announced its intention to construct America's first offshore wind farm in the waters of Nantucket Sound between Cape Cod and the islands of Marthas Vineyard and Nantucket. This single project, which has the potential to generate enough electricity to meet 75% of the electricity demands of the Cape and Islands, has endured a litany of reviews and challenges from the U. S. Army Corps of Engineers, the U.S. Coast Guard, the Federal Aviation Administration, the Minerals Management Service (now the Bureau of Ocean Energy Management, Regulation, and Enforcement, or BOEMRE), and other agencies. Finally, in April of this year following more than 10 years of review, the Department of Interior finally issued permits and approval of its construction plan, officially giving Cape Wind the go-ahead to begin building America's first offshore wind farm. Less than two weeks later the Department of Energy informed the developer that the project's application for a loan guarantee had been put on hold.

Businesses simply will not invest in this industry until these issues are resolved. And until that investment comes, the employment opportunities these projects represent--in engineering, manufacturing, construction, transportation, maintenance, and other categories--will not be created. Cape Wind estimates that construction of its 420 megawatt wind farm will create between 600 and 1,000 jobs during the construction phase. These numbers are not a pipe dream. Earlier this year, the BBC put out a report detailing the number of jobs created by construction of a single 150 megawatt wind farm--barely one third the size of Cape Wind's proposal. The installation phase alone resulted in the creation of more than 800 job years. Furthermore, the Department of Energy has predicted that the build out of 54 gigawatts of offshore wind by 2030 would result in the creation of 40,000 American jobs.

Independent arbiters have also pointed out that comprehensive ocean planning should be used to improve the permitting process for offshore oil and gas development. The final report of the BP Commission convened in the aftermath of the 2010 Deepwater Horizon oil disaster, and co-chaired by former Senator Bob Graham and former EPA Administrator William Reilly recommended regulators “better balance the myriad economic and environmental interests concentrated in the Gulf region... [and] include improved monitoring and increased use of sophisticated tools like coastal and marine spatial planning.”

Comprehensive ocean planning is already working

Under the current administration, the Department of Interior has acknowledged both the opportunity America is missing by failing to develop offshore wind energy in

our exclusive economic zone, and the role comprehensive ocean planning can play in allowing us to tap into that resource and catch up to the rest of the world. As BOEMRE has looked to facilitate appropriate development of offshore wind farms along the Atlantic seaboard, it has instituted a process known as "Smart from the Start" to streamline offshore wind permitting. Instead of waiting for developers to request permitting, this program is in the process of designating wind energy areas in federal waters in the northeast and mid-Atlantic. Estimates are that this process can shave at least two years off the permitting timeline. BOEMRE has taken input from other federal agencies and local stakeholders while designating these areas, and amended their initial proposals—reducing the size of the area proposed to be opened for development off the coast of Massachusetts by nearly 50 percent after receiving input from the fishing industry.

Developers are already queuing up to tap into the clean energy potential that lies just off our shores. Since identifying wind energy areas, or WEAs where leases would be initiated off the New England and mid-Atlantic coasts, BOEMRE has received dozens of expressions of interest from groups wanting to lease parts of these spaces. Yet, in what is becoming a troubling yet telling trend, recently many of these applications have come from subsidiaries of foreign companies with experience developing offshore wind energy in other countries. These groups see the potential in the U.S. market, and are relying on existing expertise to give them a leg up on their American counterparts. When it comes to offshore wind, the U.S. is already late to the party, but establishing WEAs through a comprehensive ocean planning process is one way to help us catch up.

Comprehensive ocean planning has also been implemented successfully in several states, including Massachusetts, Rhode Island, and Oregon. These states have taken proactive steps to identify areas most suitable for various commercial and recreational uses of ocean space, including fishing, energy development, sand and gravel mining, shipping traffic, conservation, recreation and other activities. These efforts ensure the relative benefits of each action are considered and prioritized to meet economic, environmental, security, and social goals. The Washington State legislature overwhelmingly passed a law with vast bipartisan support that will initiate an ocean planning process in its state waters as well.

In addition, the process is working at a regional scale. Following on their in-state work, Rhode Island and Massachusetts cooperated on a landmark agreement for the development of offshore wind energy across the boundary of their state waters. Announcing the agreement, former Rhode Island governor, Republican Don Carcieri, said, "The shared waters between Rhode Island and Massachusetts hold the key to the future of offshore wind developments along the East Coast and the country. It is in the best interest for both states to work together to expedite the federal permitting process through this collaborative effort. We share mutual interests in developing offshore wind projects, bringing greater economic development activity and economic security to the region."

The National Ocean Policy will preserve the health of our oceans and the local economies they support

In addition to supporting comprehensive ocean planning, the National Ocean Policy contains eight other national priority objectives, including the establishment of a science-based strategy to align conservation and restoration goals at federal, state, tribal, local, and regional levels and the strengthening and integration of federal and nonfederal ocean observing systems and data management into one national system, to then be integrated into international observation efforts.

According to the National Ocean Economics Program, our oceans, coasts, and Great Lakes are critical components of our nation's economy. U.S. coastal counties are home to more than half of all Americans, generate an estimated \$8 trillion per year, and support 69 million jobs.

In Florida, for example, a report prepared by the National Ocean Economics Program for Florida's Ocean and Coastal Council showed that Tourism, recreation, and fishing contributed \$18.9 billion to Florida's GDP in 2005. In addition to the benefits the entire nation will reap from implementation of the nine priority objectives in the National Ocean Policy, Florida's coast is particularly vulnerable to sea level rise as a result of global climate change, and its reefs are at significant risk from ocean warming and acidification. The NOP's goals include strengthening resiliency of coastal communities to these threats.

The Joint Ocean Commission Initiative found that in California, as of 2007 more than 85 percent of gross domestic product and nearly 12 million jobs came from economic activity in these coastal estuarine areas. California's state government has prioritized ocean conservation and has used the concept of COP in implementation of the Marine Life Protection Act, which used stakeholder input to develop the boundaries of marine protected areas within its state waters.

And in Michigan, a state deeply affected by the economic downturn, 15 percent of all jobs are associated with the Great Lakes, and they make up 23 percent of the total payroll, according to Michigan's Sea Grant program. While some would imply that the administration is over-reaching its authority by extending ocean policy to the Great Lakes, the core missions of the National Oceanic and Atmospheric Administration, BOEMRE, and other federal agencies with oversight of ocean activities already encompass the Great Lakes. This is appropriate as activities on the Lakes, including fishing, boating, shipping, and energy development, are equivalent to their maritime counterparts.

Comprehensive ocean planning will further ensure the stability of the nation's seaports as additional uses of ocean space evolve. This is of utmost importance to the entire country. Again, according to the Joint Ocean Commission Initiative, the value of imports through U.S. ports was almost \$2 trillion in 2010, and in 2008 commercial ports supported 13 million U.S. jobs. Ports that accommodate oceangoing vessels move 99.5 percent of U.S. overseas trade by volume and 64 percent by value, and compared to 2001

total freight moving through U.S. ports is expected to increase by more than 50 percent by 2020.

Declining ocean health and a lack of effective coordination among regional groups, states, and federal bodies is putting this great economic engine at risk. Wise investment in the future of our oceans will provide a tune-up for our marine economic engine that will keep it running smoothly for future generations. On the other hand, failing to address these inadequacies will lead to increasing inefficiencies and systemic break downs.

National Ocean Policy answers a national security imperative

Finally, leadership at the highest levels of our nation's ocean security forces is united in their support for the National Ocean Policy and comprehensive ocean planning. In 2009, Admiral Thad Allen, then Commandant of the United States Coast Guard testified before the U.S. Senate Committee on Commerce, Science, and Transportation that, "A new national ocean policy, especially as it creates a unified framework for effective coastal and marine spatial planning, is critical to the nation and to the ability of the Coast Guard to execute its mission." He went on to emphasize that planning would "better address the 'gaps' in current ocean management regimes and better manage ocean uses. This will allow the Coast Guard to more effectively execute its many missions in support of safety, security, and stewardship in our ocean and coastal waters."

Admiral Allen's successor as Commandant, Admiral Robert Papp, has continued this support for comprehensive ocean planning and the National Ocean Policy, stating in 2010 that the final recommendations of the Ocean Policy Task Force, "provide a balance between protecting and preserving the marine environment, and promoting economic progress. The framework protects the interests of all users, improves ocean stewardship, and provides the foundation for improving maritime governance at the international, regional, state, and local levels."

Voicing the U.S. Navy's support for the president's Ocean Policy Task Force, Rear Admiral Herman Shelanski emphasized, "The U.S. Navy is committed to being responsible stewards of the environment. As such, we understand the importance of developing a new national ocean policy—one that includes ecosystem-based coastal and marine spatial planning and management in the United States.... We also believe such management should be balanced to maintain and enhance multiple ocean uses, including those that contribute to our nation's security and global stability."

Coordination begets efficiency; its absence leads to chaos

America's exclusive economic zone, the biggest in the world, presents a unique regulatory and environmental challenge but also a tremendous economic opportunity. We have seen how the policies of the past—a first-come, first-served gold rush approach—lead to chaos and delay. Lack of certainty leads to a lack of financing. A lack of financing means a lack of economic growth. And a lack of growth means a lack of jobs. Until we create and implement a process that brings all stakeholders to the table to air grievances

and develop solutions, we will continue to stagger along in a series of fits, starts, and lawsuits that will leave America's ocean industries falling farther behind our international counterparts, and adversely affect our environmental resources.

The National Ocean Policy recognizes that now is the time for common sense and partnership, not nonsense and partisanship as we determine how to manage our invaluable oceans, coasts, and Great Lakes. Support for the National Ocean Policy is support for the future of America's maritime industries and our marine environment.

Once again, I thank you for the opportunity to appear before the Committee today and I look forward to answering any questions you may have.