

No California offshore drilling for now

David R. Baker, San Francisco Chronicle, 4-1-10

President Obama's decision to block new oil drilling off the West Coast while allowing it elsewhere hasn't calmed the fears of California environmentalists, even if it helps build support for the kind of comprehensive energy bill they so badly want.

Obama announced Wednesday that he would permit offshore oil drilling along much of the East Coast, from Delaware to Florida. Swaths of ocean along Alaska's North Slope and in the eastern Gulf of Mexico also will be opened for exploration.

California's coastal waters, however, will remain closed, in large part because of public opposition to offshore drilling, federal officials said.

That was welcome news to California politicians. Days before Obama's inauguration last year, the Bush administration unveiled a plan that would have allowed offshore oil drilling along the West Coast for the first time in decades.

On Wednesday, California Sens. Barbara Boxer and Dianne Feinstein praised Obama's move.

"President Obama's decision to block the Bush administration's plan to expand drilling off the California coast recognizes the importance of protecting our state's \$23 billion coastal economy, thousands of jobs and the beauty of our state," Boxer said.

Drilling someday?

But some environmentalists said Obama's plan offers the state little protection. By allowing oil exploration in other previously protected waters, they said, Obama might have opened the door to drilling someday off California's coast.

"You get people used to it, and then you go after the rest of the country," said Dan Jacobson, legislative director for Environment California. "While California is spared for the moment, we are in no way out of harm's way."

Some oil industry leaders on Wednesday called Obama's plan a good first step that didn't go far enough.

Catherine Reheis-Boyd, president of the Western States Petroleum Association, said she hopes the administration will eventually allow new drilling off the California coast. The seabed along the state could hold more than 10 billion barrels of oil, according to federal estimates. For comparison, the nation consumes 7.14 billion barrels a year.

"We are disappointed," Reheis-Boyd said. "When you look at the resources here, they're considerable."

Drilling along the Atlantic and Pacific coasts had been banned since 1981, protected by a congressional moratorium. But as gasoline prices soared above \$4 per gallon in 2008, Congress let the moratorium expire. Meanwhile, oil platforms built along the Southern California coast before the moratorium are operating, and produced 35.2 million barrels of oil last year.

Obama's move puts some of his staunchest supporters in a bind.

On Wednesday, he cast offshore drilling as one piece of a broader energy policy that also includes expanding the use of renewable power and alternative fuels, and improving the fuel efficiency of cars.

Wooing Republicans

Much like his support for new nuclear plants, drilling represents one way for Obama to woo Republicans when the Senate begins debating a comprehensive energy and climate-change bill. Legislation developed by Sens. Lindsey Graham, R-S.C., John Kerry, D-Mass., and Joe Lieberman, independent-Conn., could be unveiled this month.

"It's an olive branch," said Whitney Stanco, energy analyst for research firm Concept Capital. "The question is whether the olive branch works."

Federal legislation to fight global warming has become a holy grail for environmentalists as well as California's growing green-tech industry. They want a system to cap carbon dioxide emissions and wean the nation's economy off fossil fuels.

The House of Representatives passed such a bill last year, but it stalled in the Senate as the fight over health care reform pushed other issues into the background.

Bitter compromise

Obama may be trying to give energy and climate-change legislation a boost by showing his willingness to meet Republicans half-way. But for many of his allies, the expansion of offshore drilling is a hard compromise to accept.

"Where's our half in all of this?" said Jim Metropulos, senior advocate for the Sierra Club in California. "Promoting offshore drilling and nuclear energy crowds out the chances that something like renewable energy gets developed."

Nor is it certain that Obama's drilling plans will win any Republican votes. Several drilling advocates in Congress on Wednesday blasted the plan as insufficient.

Rep. Doc Hastings, R-Wash., said the administration was "attempting to pull the wool over our eyes" with a plan that "closes off more areas than it opens." And Rep. Kevin Brady, R-Texas, said the president's proposal "will delay more than drill."

Obama's outline for offshore exploration through 2017 allows previously scheduled lease sales in the central and western Gulf of Mexico and in 2.9 million acres off the Virginia coast - although the latter probably will be delayed past the November 2011 sale date scheduled by George W. Bush's administration.

Opening the gulf

The Obama administration on Wednesday endorsed opening more of the eastern Gulf of Mexico for drilling, including areas at least 125 miles off the Florida Coast, that the Interior Department estimates could boost annual gulf production by 100 million barrels of oil in 2030.

But that idea depends on lawmakers reversing a moratorium on drilling in the area.

The administration also is planning seismic studies along South and Mid-Atlantic state coastlines that would update decades-old geologic data and help guide leasing decisions on the East Coast, said Interior Secretary Ken Salazar.

"That fact that we're scoping in the South Atlantic or the Mid-Atlantic doesn't necessarily mean there will be developing there," Salazar cautioned. "We're taking a look at it."