

Environmentalists: Why T-Ridge is a Bad Deal

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Today Calbuzz publishes a piece by three leading California environmentalists making their case against the Tranquillon Ridge offshore oil drilling project. The project has emerged as one of the most contentious environmental issues in the state, and is expected to remain the center of controversy next year. Environmental leaders Penny Elia, an Orange County coastal advocate; Fran Gibson, board president of Coastwalk California; and Mark Massara, director of the Sierra Club's coastal programs, respond to Tuesday's piece by attorney Linda Krop, who negotiated the proposed agreement with the Houston-based PXP oil company.

The proposal by PXP for the first new off shore oil drilling in State waters in over 40 years has been touted as "an end to drilling off Santa Barbara". Unfortunately, the hype is misleading and disingenuous at best.

The proposal will not end drilling because the so-called deal is not only not enforceable, it will set a precedent for new federal off shore oil drilling off Mendocino, and from Santa Barbara through the Southern California coast to La Jolla. One reason this sounds so tempting is that the Environmental Defense Center, which signed a secret agreement with PXP, makes claims that are untrue. The funds promised to the state over the next 14 years are not worth the risks. Here are the facts:

This project would set a precedent for new federal drilling

Allowing new drilling in state waters makes a statement it is okay to drill in federal waters because California considers financial contributions to its general fund a benefit that outweighs the risk to its coastline. Lawmakers have said that approval of new drilling in state waters will make it difficult to prevent new drilling in federal waters.

Allowing new drilling does not end drilling

It is perverse logic to say that allowing new drilling in T-Ridge will end drilling at T-Ridge early. If this proposal is denied, NO drilling into T-Ridge will occur. Other oil companies, with existing operations in state waters, are seeking to make PXP-like deals so they can expand their drilling.

Promised end dates on the project are not enforceable

The State Attorney General and the State Lands Commission attorneys concluded the terms of the agreement that relate to the cessation of oil production were *unenforceable*. The ability to enforce the end dates is hampered by such things as the ability of the federal government to exercise eminent domain, interference with the federal government's right to use pipelines in interstate commerce and interference by the state with the contract between PXP and Minerals Management Service (MMS). The state and Santa Barbara County could also opt out.

MMS has final say over the end date

Federal law requires MMS to extract all available oil. MMS may agree to a termination of the PXP lease if PXP agrees to pay the federal government for any oil not extracted. Such a requirement serves as an incentive

for PXP to break its commitment. Equally important, the ability to buy out of its lease does not prevent MMS from reselling the lease to another oil company.

EDC-PXP agreement is confidential and is NOT a settlement of a lawsuit

The confidential agreement between PXP and EDC is between private parties. If PXP decided to continue to drill it might, at best, result in the payment of damages to EDC but would be very unlikely to result in a requirement for PXP to cease operations, particularly if the State agreed it could continue.

There is no requirement to remove the platforms

PXP/EDC claim this will result in shutting down operations from four platforms. Even if the end dates were enforceable, PXP does not own three of the four platforms and there is no evidence their partners will cease operations (and pay the government penalties) as claimed.

The land deal is questionable

PXP's submission to the lands commission says some of the land may have "insurmountable title issues". Because the agreement is confidential there is no ability to review the terms and conditions that run with the land or any benefits of this. Who will hold title, how and when will the lands be conveyed, what restrictions will be placed on the use of or future sale of the land how and by whom might it be managed?

More than 100 environmental groups oppose this project

In spite of what the oil industry would have you believe, offshore oil drilling is not safe. A major spill could destroy our ocean, beaches, and coastal economy. Spills happen on a regular basis. One-quarter of all oil spills in the past 44 years have occurred in the last decade. Most recently, a spill in Australian waters lasted 72 days, in spite of using the latest technology. This spill had devastating impacts on marine life.

EDC claims that the overall risk for the PXP project is low because it will end drilling in 14 years. This ignores that the greater the amount of oil being removed, the greater the likelihood of a spill with the chances of a spill greatest in the early years. These claims are contrary to every position EDC has taken in the past. Innovation is good but it must be designed to work.