

# Ex-lawmaker Jackson to press for offshore drilling deal

**Timm Herdt, Ventura County Star, 1-31-10**

SACRAMENTO -- Former Assemblywoman Hannah-Beth Jackson, long a fierce crusader against new offshore drilling in California, has become a paid consultant to a Santa Barbara environmental group advocating for a project that would allow the first new drilling in state waters since the 1969 Santa Barbara oil spill.

Jackson intends to come to Sacramento this week to meet with representatives of statewide environmental groups to explain the project and the reasons why it has drawn support from local groups that have traditionally fought oil projects.

"I've been asked to come in and help the Environmental Defense Center," she said. "We need to try to calm down the agitated waters."

The EDC, representing Santa Barbara environmental groups, has negotiated an agreement with the Texas-based Plains Exploration & Production Co. under which the company would agree to cease all drilling operations and dismantle onshore processing equipment in exchange for the right to drill for 14 years at the Tranquillon Ridge oil reserve.

"It's time to find a way to get these companies to close down shop," Jackson said. "We have yet to find a way to end these existing leases. We have no legal way to do it, short of this kind of agreement."

PXP and the Santa Barbara groups entered into a confidential agreement in 2008 in an attempt to pave the way for the new drilling. But the project was rejected early last year by the State Lands Commission. Later last year, Gov. Arnold Schwarzenegger sought legislation that would have circumvented the commission to allow the project to move forward, but that proposal was rejected in the Assembly.

PXP and the Environmental Defense Center are in the process of renegotiating the agreement, which this time will be made public. When that agreement is completed, probably within a few weeks, the company is expected to resubmit its application to the Lands Commission.

Although a 1994 state law forbids new drilling in state waters, it allows for an exception in cases in which the oil reserves are already being drained by wells drilled from platforms in federal waters. The PXP proposal qualifies under the exception; its proposal is to drill 14 slant wells from Platform Irene that would allow operators to more efficiently pump the reserves in state waters.

Linda Krop, lead counsel for the Santa Barbara environmental group, said Jackson was retained in December to help the group better communicate its position to statewide organizations.

"We did not have regular communications with environmental groups in Sacramento," she said. "Our clients have hired Hannah-Beth to help with this. It's part of the puzzle that we were missing."

The EDC's clients are two Santa Barbara groups, Get Oil Out and the Citizens Planning Association.

Many environmental advocates around the state have expressed alarm at the proposal, saying it would set a bad precedent and send the wrong message to Washington at a time when President Barack Obama has said he wants to open additional areas to offshore drilling.

Jackson said the question of precedent will “only be an issue if people insist on misreading the agreement and misstating the facts.”

She did allow, however, that drilling advocates are likely to try to paint an agreement as a sign that California has retreated from its historical opposition to new drilling.

The proposal includes a variety of sweeteners in exchange for the support of local environmental groups: the cessation of drilling at three existing platforms in federal waters, the dismantling of onshore processing facilities used by PXP and other oil operators, the donation of 4,000 acres of land to a public trust and the mitigation of all greenhouse gas emissions.

In addition, PXP has agreed to make an upfront payment of \$100 million in advance royalties to the state. Over the 14 years of operation, the project would generate an estimated \$1.8 billion in state revenues.

Schwarzenegger’s proposed budget assumes the state will receive \$100 million from PXP before June 30 and \$119 million in the fiscal year that begins July 1. He has earmarked those anticipated revenues to pay for the entire general-fund costs of operating the state park system.

In testimony before the Senate Budget Committee two weeks ago, the nonpartisan Legislative Analyst’s Office recommended in favor of the proposal, but not the revenues directly to state parks. “Analyzing the potential risks and tradeoffs, we find, on balance, that the Tranquillon Ridge proposal merits legislative approval,” it concluded.

Krop said the revised agreement will address concerns that were raised by the Lands Commission last year. It will make the state a third-party beneficiary so that the attorney general could enforce its terms, it clarifies that PXP will give up its federal entitlements and it clears up questions about property titles that critics feared could have complicated the promised donation of land, she said.

Krop said the EDC is confident the original agreement would have been adequate, but “we’re taking an opportunity to strengthen some things.”

If and when the company does submit a new application to the Lands Commission, the panel will be different from the one that rejected the proposal on a 2-1 vote in 2009. Former Lt. Gov. John Garamendi, who cast one of the no votes, has since been elected to Congress.

Schwarzenegger has nominated Sen. Abel Maldonado, R-Santa Maria, to replace Garamendi. The Senate will hold its first confirmation hearing on the nomination Wednesday.

A day later, Jackson and Krop will be meeting with representatives from such groups as the Sierra Club, the League of Conservation Voters and the Natural Resources Defense Council.

“My goal,” Jackson said, “is to say, ‘Stop all the rhetoric, cut through the misinformation, put on our thinking caps and realize this is a creative and effective way to create the beginning of the end of offshore drilling off our coast.’”