



DATE: December 18, 2018

TO: Mayor and City Council

FROM: Director of Development Services

SUBJECT: Resolution to Protect Our Ocean and Coast from Offshore Drilling, Exploration, and Fracking

RECOMMENDATION

That the City Council adopts a resolution to oppose President Trump's decision to allow and expand offshore drilling on the California coast (Attachment II). Adopting a resolution would include the City of Hayward among the 150 communities throughout the Pacific and Atlantic coasts that have already passed similar resolutions.

SUMMARY

The Development Services Department is requesting that the City Council adopts a resolution to oppose President Trump's recent plan to open waters off the coast of California to oil and gas exploration and seabed leasing. The plan follows an executive order (E.O. 13795¹) that implements an America-First Offshore Energy Strategy. This would end a historic precedent that has protected the Pacific coast for over 30 years.

In early August, the Center for Biological Diversity contacted the City of Hayward and requested that the City voice support for California's coastline and oppose President Trump's plan. At the time, 50 west coast cities and counties had passed resolutions to oppose the plan. Currently, the number has grown to 75, including Alameda County, Berkeley, Contra Costa County, Los Angeles, Los Angeles County, Oakland, San Diego, San Francisco and many more.

BACKGROUND

States own and control mineral resources three nautical miles (3.45 mi) off their coast, but territories beyond are controlled by the Federal Government. In California, the States Land Commission (SLC) controls the leasing of state seabed. Since the 1969 Santa Barbara oil spill that discharged roughly 3 million gallons of crude oil, the SLC placed a moratorium² on new

¹ E.O. 13795, <https://www.boem.gov/Executive-Order-13795/>

² Moratorium, http://www.slc.ca.gov/Info/Oil_Gas.html

oil and gas leases. In 1994, California passed the California Coastal Sanctuary Act³ (AB 2444) which permanently prohibited new leases of oil and gas development within state waters.

Congress acted in 1982 by including a provision in appropriations bills that prohibited offshore oil and gas development in the majority of the Outer Continental Shelf (OCS), extending past state territory. President George H. W. Bush passed a similar Presidential Directive in 1990, which was extended by President Clinton until 2012. Even with the moratorium, some drilling still occurred in large portions of the Gulf of Mexico and Alaskan coastline. Until 2008, Congress continued to include drilling moratorium provisions in appropriations bills. However, this changed under President George W. Bush after he announced he would veto appropriations bills that contained the provision. Upon the start of President Obama's term, he executed actions to reinstate the previous ban, and in 2011, a plan placed a moratorium on new leasing through 2017. In President Obama's final weeks in office, he permanently banned oil and gas drilling in portions of the Arctic and Atlantic oceans.

In early January, President Trump and his administration announced it would allow offshore drilling in nearly all the United States coastal waters, notably excluding Florida. Secretary of the Interior, Ryan Zinke, stated that the drilling plan is part of a new path to energy dominance in America. This decision is a key aspect of the President's America-First Offshore Energy Strategy (E.O. 13795⁴). Additionally, the Bureau of Ocean Energy Management (BOEM) released a draft for the National Outer Continental Shelf Oil and Gas Leasing Program. Forty-seven lease sales are expected to be made between 2019 and 2024, seven of which are off the Pacific coast. The leasing programs sale schedule indicates that the first California sale will occur as soon as 2020 in Southern California. The President's plan will be a major shift in the management of oil and gas exploration and seabed leasing on the California coast which has been inactive for over 30 years.

On November 29th, 2018, the Hayward Area Shoreline Planning Agency Board of Trustees recommended that the City Council adopts the attached resolution to oppose President Trump's decision to allow and expand offshore drilling on the California coast.

DISCUSSION

At the Federal level, as discussed in the Background section, offshore drilling has historically had its ups and downs. Even with provisions banning offshore drilling, disasters have occurred. Events⁵ include: Exxon Valdez oil spill that dumped 10 million gallons in the Alaskan coast, and Deepwater Horizon that continued to spill oil for five months in the Gulf of Mexico, resulting in 134 million total gallons expelled. This resulted in detrimental environmental impacts such as habitat destruction, specie mortality, and various other impacts discussed in the sustainability features section.

³ California Coastal Sanctuary Act, https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PRC&division=6.&title=&part=1.&chapter=3.4.&article=

⁴ E.O. 13795, <https://www.boem.gov/Executive-Order-13795/>

⁵ Events, <https://response.restoration.noaa.gov/oil-and-chemical-spills/oil-spills/largest-oil-spills-affecting-us-waters-1969.html>

Upon President Trump’s plan unveiling, California reintroduced and passed legislation that would not only continue to ban coastal drilling but also infrastructure, such as pipelines and other onshore infrastructure, that support the industry. Identical bills⁶ passed in the Assembly (AB 1775) and Senate (SB 834). Additionally, in a move to solidify California’s stance on clean energy, Governor Brown signed a bill to transition to 100% clean energy by 2045 (SB 100⁷); he then went on to issue an executive order (E.O.) to further reduce the state’s greenhouse gas emissions. The E.O. targets other areas of the economy and utilizes tools like carbon sequestration to offset emissions.

The City of Hayward has also taken action regarding clean energy. In March, City Council voted to move from energy sources produced by PG&E to renewable energy producer East Bay Community Energy (EBCE). In June, commercial and public agency energy was transitioned to EBCE supply and in late September and October, the shift is expected to be made for residential customers. Trump’s plan does not follow state or local goals for a clean energy future and offshore drilling poses a major threat to the Hayward Regional Shoreline.

ECONOMIC IMPACT

Although there are economic benefits to offshore drilling, the extraction method does not fit into the State’s Renewables Portfolio Standard Program (RPS). Additionally, the detrimental effects of an oil spill put the coastal economies at risk. These economies include: fisheries, tourism, recreational fishing, and recreation. Coastal economies annually contribute \$40 billion dollars to the economy, and roughly half a million jobs. Specifically, commercial fisheries generate \$7 billion, tourism \$10 billion, and recreational fishing over \$2 billion. According to the National Oceans Economics Program, it was reported that the US “Ocean Economy” contributes roughly three times the amount of money, and six times the amount of jobs when compared to offshore drilling.

FISCAL IMPACT

There is no fiscal impact to the City associated with this action.

STRATEGIC INITIATIVES

The plan to expand offshore drilling on the outer continental shelf would not support the strategic initiatives implemented by the City of Hayward. The City’s 2040 Vision highlights the need to preserve, enhance, increase, and connects its baylands, hillsides, greenway trails, and regional parks (Guiding Principal 8). The Hayward Regional Shoreline represents a vulnerable area that may be impacted by the President’s plan. By continuing the reliance of non-renewable resources, the climate will continue to heat, resulting in melting of glaciers and ice caps that further to contribute to sea level rise (SLR). The rising of the bay waters may result in complete inundation of the Hayward Regional Shoreline and the resources it contains like the San Francisco Bay Trail and Hayward Shoreline Interpretive Center. Goal 1 of the Complete Communities Strategic Initiative calls for improvement of quality of life for

⁶ Bills, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB834

⁷ SB 100, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB100

residents, business owners, and community members in all Hayward neighborhoods. By increasing the potential for SLR, the Shoreline, which acts as a deterrent, may be overcome. This would result in negative impacts for residents, business owners, and community members.

SUSTAINABILITY FEATURES

California's coast is 840 miles long and home to a vast array of species from seabirds to sea turtles. It provides habitat to threatened and endangered species. Also, the coastline contains various protected areas, including national marine sanctuaries, a national park and national seashore. Protecting the coastline from offshore drilling is fundamental to protecting the character of California. Many of the impacts of offshore drilling are not noticed by humans. The entire process of extracting oil determinately impacts nature. Oil exploration is conducted by seismic surveys, which are high-decibel explosions that continue for week or months at a time causing problems for many marine mammals, fish, and even zooplankton. Next, drilling and processing oil results in release of "drilling muds" that contain toxics such as benzene, zinc, arsenic, and radioactive materials. Onshore impacts include massive infrastructure projects, which often disproportionately affect low income communities. Oil companies are not responsible for externalized environmental costs associated with the processes and use of offshore oil drilling.

NEXT STEPS

If the Council adopts the resolution, staff will send copies of the resolution to the City's State and Federal lobbyists for distribution to legislators representing Hayward.

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