

Statement of  
Sarah Cooksey  
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before the  
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on  
Coastal Zone Management, Fisheries Policy, and OCS Revenue Investment  
on behalf of  
The National Governors Association

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Good morning, Admiral Watkins, Dr. Kitsos and members of the commission. My name is Sarah Cooksey. I am Administrator of the Delaware Coastal Programs, and I am pleased to be able to speak to you this morning on behalf of my home State of Delaware and the National Governors Association (NGA).

I am especially pleased to have this opportunity to discuss with you this morning three issues that are vitally important, not just to Delaware and its coastal areas, but to many states -- Coastal Zone Management, Marine Fisheries and Outer Continental Shelf Revenue Investments. However, before I comment on these three issues in detail, I want to present to the Commission the Governors' views about the importance of the role of the states in environmental and natural resource protection.

#### States Take the Lead in Protecting Natural Resources

The Commission should know that a remarkable, and largely unnoticed, change in environmental protection has occurred over the past ten to fifteen years. During this time, states have become the nation's primary mechanism for environmental and marine resource protection. In fact, states now implement most of the major federal environmental laws:

- ❖ 71% of the major federal environmental programs (air, water, hazardous waste) have been delegated to the states.
- ❖ 90% or more of all enforcement actions are by state environment officials.
- ❖ 94% of the national data monitoring the quality of the environment is collected by the states.

Moreover, many states have initiated new environmental laws, many of which contain programs that go beyond federal standards. According to the National Conference of State Legislatures, the states passed over 700 environmental bills in 1997 alone.

#### States Are Key to a Coordinated and Comprehensive National Ocean Policy

While the increased role of the states in environmental protection has largely been focused in the areas of air, water, and hazardous waste, the states have also been intensively involved in managing our country's coastal and marine resources. The states see the sound management of the coastal zone as critical to accommodating population growth, maintaining the economic vitality of coastal communities and the nation as a whole, and ensuring the sustenance of natural resources on which future generations will rely.

## The CZMA and the Federal-State Partnership

Starting in 1972, the CZMA authorized the framework for the wise stewardship of the nation's coastal resources. The CZMA has encouraged coastal states to develop coastal management plans, subject to review and approval by the federal government. In addition to its oversight function the federal role in the partnership consists of a combination of financial assistance and the assurance of consistency of federal activities with approved state management plans. To date, the partnership established by the CZMA has been remarkably productive. More than 97 percent of national coastal areas now fall under a state coastal zone management plan.

Over half of the U.S. population now lives in coastal areas which are increasingly being called upon to support a tremendous and often conflicting array of vitally important activities, including fisheries development and enhancement, commerce and industrial port development, energy exploration and production, public access and recreation, waterfront restoration and housing, and wetland and beach preservation. Because of their experience in managing coastal programs, states, commonwealths, and territories have developed a unique expertise for dealing with coastal zone management issues. This expertise will become increasingly important as pressures on the nation's finite coastal resources continue to mount. We believe it is important that the states continue to take primary responsibility for implementation and improvement of coastal zone management plans.

### Federal Activities Should be Subject to Consistency Review

The CZMA is the only federal statute that requires federal activities to be consistent to the maximum extent practicable with state policies. The Governors firmly believe that all federal activities within or outside the coastal zone that may affect the coastal zone should be subject to the consistency review process. Consistency review has served to reduce conflicts between states, industries, and federal agencies by establishing processes to ensure regular communication and participation in project planning.

With respect to natural resources development, there is no credible evidence that consistency reviews have impeded energy development. In fact, since 1990, no outer continental shelf oil and gas lease sales have been denied as a result of consistency review. Additionally, thousands of exploration and production plans have been successfully completed, with only 14 instances where industry has seen fit to appeal a state's consistency decision. The limited number of appeals is primarily due to early consultation and negotiation between states and the entities applying for federal permits. During consistency review, states are able to request additional data and details on the proposed permit. This information is helpful to clarify and mitigate potential problems. Any efforts to restrict state's ability to request information and details regarding a permit would, of course, only serve to undermine this very open, effective and successful review process.

### Marine Fisheries and States

Closely linked to the management of the coastal zone is fisheries management. While the primary purpose of fisheries management is to control the exploitation of fish populations so that fisheries remain biologically productive, fisheries management should also maintain the health of marine ecosystems that support coastal and ocean tourism, recreation and other activities. A vast percentage of the fish that are harvested in federal waters spend part of their life cycle in states' estuaries and territorial waters. As the stewards of the land-water interface, the states are also the public trust stewards for the nation's marine fishery resources.

Experience shows that coordinated state and federal action is, in many cases, the most efficient and effective way of achieving national policy objectives. In this regard, we believe that fisheries management should be carried out through the states, whenever practicable, since state regulatory procedures tend to be more flexible, more expedient, and more easily implemented than federal procedures. Therefore, the

Governors are convinced that the states have a leading role to play in the development and execution of marine policies and programs.

#### The Sustainable Fisheries Act of 1996

With the passage of the Sustainable Fisheries Act in 1996, Congress set forth several new mandates, including the promotion of sustainable fishing, designation of essential fish habitat, and three new National Standards. While each standard is important, the Governors call special attention to the standards that require the consideration of the best scientific information and require the National Marine Fisheries Service to consider the importance of fishery resources to fishing communities to provide for the sustained participation of these communities and, to the extent practicable, minimize adverse economic impacts on them. As fishery managers continue to work towards the goal of sustainability, they should be aware that new regulations have severe repercussions for some fishing communities. Regulations that lower fishing quotas have historically reduced the income generated by the fishing fleet. When fishing income is reduced, the coastal community suffers. The socio-economic effects of fishery regulations need to be better understood and assistance should be provided for affected fishermen and communities during these transition periods.

#### Individual Transferable Quotas

The Governors also believe that fishery managers should be afforded the entire suite of management tools when regulating fisheries. Cooperative markets, community quotas, and limited entry permits are all valuable tools presently used to control the harvest of fish. While Individual Transferable Quotas (ITQs) are not ideal or desired for every fishery or region, ITQs provide an option in fisheries management that can reduce the race for fish, promote conservation, minimize overcapitalization, and create a safer fishery with a higher quality product.

When evaluating the use of ITQs, the Governors support the recommendations of the National Academy of Sciences (NAS) report on ITQs. In general, NAS suggests that a "one-size-fits-all" approach should be avoided and that any ITQ program must respect the individual needs of fisheries, fishing communities, fishing regions, and unique local biological and social conditions. If Congress or the federal government seeks to establish national guidelines for ITQs, the Governors urge the application of NAS recommendations. Specifically, the guidelines should ensure that if a state utilizes an ITQ program, the state's policies and regulations should be incorporated into any new federal ITQ program. The guidelines should also: ensure the ITQ program does not create an inalienable property right; limit the concentration of ITQ shares held by individuals or entities; and make certain the ITQ program promotes a sustainable fishery.

#### Outer Continental Shelf Revenues Policy

The Governors affirm that offshore nonrenewable resources belong to all Americans. As these resources are liquidated, proceeds related to their extraction should be immediately reinvested into other lasting assets for present and future generations. Given the diversity of states, Governors are best positioned to play a vital role in reinvesting these proceeds wisely. Any plan dedicating Outer Continental Shelf (OCS) revenues should provide states with a steady stream of revenue and the flexibility to ensure the conservation of the nation's coasts, wildlife resources, natural and historical resources, and recreational opportunities, and to mitigate the environmental impacts to producing states.

The Governors support legislation that dedicates and equitably distributes a meaningful portion of OCS mineral revenues with all states and territories. Such actions should not provide incentives to states for additional OCS exploration or production, affect current moratoria on offshore oil or gas leasing, or provide a pretext or rationale for the royalty valuation methodology used to assign value to oil and gas produces on the OCS.

OCS mineral revenues provided to states must not place states in a situation in which state programs are forced to compete with federal programs for funding and must allow flexibility for Governors to target investments to state natural resource priorities including but not limited to:

- coastal protection, restoration, stewardship, and impact assistance
- historic preservation;
- park, recreation, and cultural resources;
- Wildlife conservation and education;
- and farmland conservation

Again, thank you Admiral Watkins, Director Kitsos and members of the Commission for this opportunity to share the Governors' views on the future of our nation's oceans. The State of Delaware and the NGA wish to express our desire to work closely with the commission as it formulates its recommendations for a national ocean policy in the new millennium. Of course, I would be very pleased to answer any questions you may have.