

**Testimony of Tony MacDonald
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(Based on the Meeting Transcript)**

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Thank you very much. Good morning, Mr. Chairman, Commissioners and Dr. Kitsos. As was indicated earlier, I am Tony MacDonald. I'm the Executive Director of the Coastal States Organization. Since 1970, the Coastal States Organization (CSO) has represented the interests in Washington D.C., of the governors of the nation's 35 coastal states and territories on issues relating to coastal and ocean management.

Thank you for the opportunity to begin a dialogue with the Commission on the future of U.S. Coastal and Ocean Policy. I stressed "dialogue" because this is not formal testimony setting out states' priorities, but rather, the beginning of a long conversation with the Commission and with the experts and other representatives that you will have before you. But the real goal is the American public. So I think we need to figure out how we engage the American public in this conversation as we go along.

Before I start I did want to mention something. I hope that Dr. Kitsos and the Commission have seen this. This is the Stratton round table. It was a report that Dr. Nancy Foster, whom many of you knew. She was a wonderful person who convened this round table, and she passed away last year. Dr. Foster brought together some of the commissioners and some of the staff of the Stratton Commission and looked at some of the things that they thought made their efforts a success. So, first, I would suggest that you look at that. I would also charge the Commission to try to nurture leaders like Dr. Foster and I think you would be off to a good start in achieving your objectives.

Today I'm going to discuss three general things. First I would like to discuss some general challenges and recommendations for the Commission. Second, I would like to briefly describe some of the coastal oceans programs that CSO works with and struggles with in some more ongoing initiatives. And, finally, I would like to make a few comments on funding issues because I know that will be an important part of the Commission's efforts.

I won't have any answers today, or proposed solutions, because I think actually what the states want to do during this process is both inform and learn from your deliberations and the information you get. So, we will intend to participate actively in all of your regional meetings and provide information to the staff on an ongoing basis as the specifics start to develop.

Regarding the Commission's challenge, during your deliberations the Commission should keep in mind several significant public policy changes that have taken place since the Stratton Commission.

First, the increasing devolvement of decision making to the state and local level as the states exercise more expertise and interest in managing their environmental programs and natural resources. How will your governance, science and stewardship recommendations support this new federalism approach?

Second, recognition of the limits of new legislative mandates in addressing increasingly complex environmental challenges, and the need for a more incentive-based collaborative process. There are simply not going to be a lot of new laws. We need first to rationalize and eliminate conflicting mandates. We are learning at the state level that there are limits to the permit-by-permit approach and that increasingly our environmental system problems transcend the traditional cause and effect that used to be able to generate our responses. Increasingly, we are looking at cumulative and secondary impacts -- issues that defy traditional legislative approaches. So we will need help from the Commission on trying to come up with a new framework for addressing those issues.

Third, nongovernmental organizations and the private sector play an increasingly important role in environmental management and conservation. Groups such as the Nature Conservancy and local land trusts are working with the states and private property owners to protect critical conservation corridors. In areas like the Ace Basin there is a wonderful collaborative exercise under way among private sector and public sectors to protect an extremely valuable natural resource in the coastal area. In addition, businesses are setting higher environmental baselines and governments are looking for market-based solutions to work with on businesses and addressing solutions. So, again, I think this is the new world that we're working in and we need to be aware of that. As the surfers would say, "ride the wave," which means that you don't necessarily have to fight these things. If there are some things that you can take advantage of, please do so.

At the outset I want to urge you all quickly to accept and get past rhetoric such as balance, integration, science-based decision making, ecosystem management and multiple use. These are all very admirable things and virtually everybody before you probably for the next nine months will endorse those principals. But those are not ends in themselves, merely desirable means to unspecified ends. So you need help us define those ends so that people can understand them and then we can apply those principles to meet those ends.

It has been observed by those more expert than I that, too often, so-called ecosystem management and calls for more science often are a little more than a desire for obfuscation and avoiding definitive management decisions. Again, we need those things. I don't want to be confused, but don't confuse those things with the solution. The more difficult tasks identify clear goals and objectives for our coasts and oceans in tangible terms that people — which depending on your point of view may or may not include politicians — can understand. Make it real and be clear that if adopted, your recommendation is going to make a difference in people's lives. We can sit around at this table and talk about governance, but I cannot go home at my dinner table and talk about governance and expect anybody to pay attention. So, please, translate those issues into real world examples, on the ground actions and things that are going to make a difference. I think you will probably come across a lot of good examples and case studies that have been successes. Don't overstate those successes, but build on them and explain them to people.

At a recent annual meeting of CSO, we endorsed four principles which we think build on some of these policy changes. We hope these principles will be incorporated into considerations of the Commission. First, a renewed commitment to federal/state coastal ocean partnerships. Second, recognition of the sovereign rights and public trust

responsibilities of coastal states as they relate to coastal and ocean management and a commitment to shared decision-making. Third, the need for the adoption of common coastal ocean stewardship mission as core elements across federal agencies. And clearer lines of responsibilities and more effective interagency links to achieve common coastal goals and ocean objectives. Fourth, the need for a coordinated and sustained coastal and ocean research agenda at a scale relevant to improving coastal and ocean management at the state and local level. And that is supported by technical assistance and education efforts to enhance state and local capacity. All the science in the world will not help you unless people understand how to use it and how they can use it.

I was at a meeting with Admiral Conrad Lautenbacher last week. One of his principles is that only with informed scientists can we address the issues that are challenges. I retorted that in addition not only with scientists can we address this, but we need to inform managers, and we need to inform public about these issues.

As a few asides on the science issues, I just would like to mention a couple of things. I think, if you look at the literature, some priorities will start to drop out. You don't need to reinvent all of these things. There are certain issues in the coastal area anyway which over and over again are identified as cross-cutting problems. We have problems of nutrients. It's identified over and over again in all the reports and studies.

Habitat restoration, how we manage it and defining what good habitat restoration are all important. The coastal erosion process is increasingly important to coastal management issues. There are many more, but I think those continue to come up as priorities.

In addition, we strongly support comprehensive coastal and ocean observing systems. Let's make sure that it is integrated with coastal monitoring and assessment programs. That is something that has not received a lot of attention over the years. We've had legislation in the past actually authorizing an extensive coastal monitoring program, but it has never been funded. We've had legislation to establish regional research marine groups, but it has never really been funded in a sustained way. Why haven't those things been funded and how do we reinvent that and maybe do better this time around?

The second major theme is, again, we need to connect programs more closely with people and progress. I think one of the problems we have currently in the diversification of the coastal and ocean program community right now is that they are not linked as a coordinated basis to outcomes. A recent report by the Congressional Research Service (CRS) on ocean and coastal resource issues concluded that among other things, no decision has been made on an integrated, coherent approach to responding to current demographic trends in coastal areas and national policy. I think that's an important principal because you'll hear a lot about population. But it's not just about numbers or population, it's about the demographics of use, it's about the nature of people's use. In Charleston, South Carolina, you'll find that the footprint of development can sometimes be five times greater than the actual population growth. So you need to look at how people are using the coast, what are the uses, what are the fisherman's demands, what are the tourism demands? We have an aging population that's retiring. We need to look at these issues and I think that's important. So if you look at science, I hope you will look at the social science as well.

It is ironic that some of our most significant public investments and what are broadly accepted as public goods over the past 25 years -- transportation investment, food

insurance and emergency response to coastal hazards and second home mortgages, for example -- may have resulted in significant and unintended impacts on coastal and ocean resources without a comparable consideration of investment in the protection and stewardship of those resources.

We have major challenges for the Commission to structure recommendations on investments that will be seen as an investment strategy for the future. Sometimes on the land side, they talk about a green infrastructure philosophy. Maybe we need to extend that now to a blue infrastructure philosophy. What we are advocating is on a return, a long-term return that is going to make a big difference in our society.

Yesterday you referred to Senator Hollings as the Godfather of NOAA. You stretched the metaphor. The Stratton Commission spawned many children, but as someone who works on these programs every day, I can honestly say, these children are in need of spiritual guidance from the Commission. In the case of coastal ocean programs, the whole is significantly less than the sum of its very disparate parts. And, as a general matter, you need to reverse that. The problem is we have lots and lots of good programs out there, but they do not add up to a whole and you need to help us change that.

Next year is the 30th anniversary of the enactment of the *Coastal Management Act*, the *National Marine Sanctuaries and Protection Act*, and the *Clean Water Act*. Although each of these laws have made substantial contributions to reversing past decline of coastal and ocean resources and each enjoys broad public support and congressional support, there is no consensus on how to move forward to amend these and other laws to address the next generation of resource challenges and goals.

There was discussion yesterday of consistency. I'm not going to engage that discussion right now, but I think you would not be surprised to say I have a different perspective on the role of the coastal and management act and I would urge you to all look at it. It actually incorporates very broad concepts of the national interests and tries to balance these interests very well. So we would like to work with the broad community to address those concerns and reach a common consensus.

New laws have been enacted to address things such as beach water volume monitoring. These are administered by EPA. Habitat restoration issues are administered by the Corps of Engineers. Coral reef issues are administered by NOAA and the Department of Interior. Specific regional relationships such as Chesapeake Bay, and CalFed in the San Francisco Bay, are good stuff, but it's a crazy quilt of agency jurisdiction, congressional committees and appropriation that defies any coherent diagram.

The impact of this is important to recognize. The objective is to divide coastal and ocean constituencies, spread resources across agencies, increase agency turf battles, allow for deniability for outcomes and most importantly confuse the public as to what we are about.

I am very rarely in the room with some of your other panelists even though you would expect that I would be, since we are broadly interested in coastal issues. It's all because we are chasing various agencies and various programs and trying to keep those in line. So you need to find a way to sort of cut some of those corners.

I want to mention briefly some initiatives that CSO will be engaged in this year. Again, because I think this is the dialogue that we want to work with you on that we think will inform your activities. We will be working with NOAA on a national ocean economics project to provide a more consistent and reliable quantification of economic benefits of ocean and coastal resources and uses to the nation.

We will be working with the National Governors Association to convene a national governors' coastal conference. CSO will also be working with other groups on an outreach campaign, living on the edge, to provide information and raise public profile of ocean issues.

We think one of the things that we can do in addition to informing the Commission directly is to start to till the soil so that when you do come up with recommendations people are ready to hear them. We are going to do that independently and in coordination with the Commission.

In the coming months we will also be reviewing state ocean planning efforts. They are underway already. Under the *Coastal Zone Management Act*, states have the authority to look at ocean planning. At least five states to varying degrees have looked at that. We will provide information to you throughout the process about those efforts.

I'll mention specifically the recent efforts in California because Brian Baird from California, who led those efforts, is the chairman of our Ocean Policy Committee. So we will be looking at you and explaining to you the successes at the state level, and what those ocean policy experiences have taught us and maybe what we might learn about expanding those in the future.

At the same time CSO will continue to work with Congress and federal agencies to address state coastal needs and resolve conflicts. So we will continue to work on the *Coastal Zone Management Act*, and we'll continue to work on all of these other programs as well.

In conclusion, I guess I would like to just mention two things. First of all, regarding the funding issues, I will just mention that it is pretty remarkable to me that the Conservation Reinvestment Act is not broadly known by everybody on this Commission. It was a \$3 billion investment of OCS revenues into coastal and other ocean needs for broad purposes. I think it's an indication of a community we don't know what we want out of those resources because we didn't get behind it perhaps in the most effective way possible.

I also want to mention that there are many other sources of revenue that you can look at and benefits from coastal and ocean revenues. Eight years ago, I participated in a meeting on establishing a harbor trust fund. We were looking at customs revenues. We were looking at harbor maintenance revenues and trying to figure out how we get past some of the battles that that have held up dredging projects to better do harbor investment projects. So there is, I think, a broader cross-section of investment potential and need that you should look at as well as the OCS revenues.

Finally, I just would mention that the law does recognize properly the roles of the states, and we would like to work with the Commission to more officially and more formally identify a way for state input into this process to ensure that when governors receive a

copy of your report, that they are all going to take the opportunity to comment, that they're well-informed, and that you have already had a chance to vet some of your ideas with them and vice versa.

Thank you.