



**The Otter Project**

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Mike Chrisman, Chair  
California Ocean Protection Council  
California Resources Agency  
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Sacramento, CA 95814

Sent electronically to: [COPCpublic@resources.ca.gov](mailto:COPCpublic@resources.ca.gov)

November 14, 2008

To: Members of the Ocean Protection Council

**Re: A statement of opposition to proposed California State Tidelands oil revenue funding for a study on alternatives to decommissioning oil rigs in response to Staff Recommendations November 20-21, 2008**

Dear Members of the Ocean Protection Council,

On behalf of the Otter Project, a 501(c)3 listed non-profit organization dedicated to promoting the rapid recovery of the California sea otter, I am writing to comment on the California Ocean Protection Council Staff's recommendation that the amount of \$210,000 of California State Tidelands oil revenues be granted to conduct a study on alternatives to oil platform decommissioning. **The Otter Project opposes the authorization of State funds for this purpose.**

While we do not oppose the undertaking of a study on alternatives to oil rig decommissioning, we believe that the cost of this study should be borne by the companies who are lobbying to leave the rigs as artificial habitat. As noted in the OPC staff recommendation, under the terms of the current leases, the lessees are under obligation to bear the full cost of decommissioning the rigs that they have operated. The lessees willfully entered into these obligations. To use money from funds that are earmarked to mitigate damages from oil drilling in order to enable a policy that benefits the parties who created such damages in the first place is an irresponsible use of monies that could be put to much more productive purposes.

**The Otter Project maintains that requiring the oil companies to fulfill their legal obligations is a reasonable expectation. If a study is to be commissioned to prove that their doing so would result in more harm than good for the marine ecosystem, the onus is on the oil companies. State funding of**

**such a study is nothing less than a subsidy to an industry that has already made significant private gains on California's natural, non-renewable resources.**

The Otter Project believes that the benefits of removing the rigs outweigh the as of yet unproven benefits of keeping them in place. In addition to the established legal obligation to remove the rigs, we have yet to be convinced that leaving the rigs in place serves to benefit the marine ecosystems rather than the few private interests that will save millions by avoiding the cost of decommissioning. Estimates of cost savings to oil companies if the rigs are left in place range from \$400 million to \$600 million per rig. In view of these figures it is necessary to question the impetus behind the push to leave rigs in the ocean. The total cost of the proposed study is estimated to be \$575,000. Compared to the potential savings to the oil companies who stand to gain from this, the proposed \$575,000 is a drop in the bucket, and should be assumed in full by the oil companies, notwithstanding the willingly given funds from the Ocean Conservancy and the United Anglers.

Furthermore, it is the Otter Project's position that leaving oil rigs in place sets an injurious precedent for the ways in which companies are required to dispose of their waste. If rigs are permitted to remain in the ocean on the basis that fish group around them, what is to stop other entities from demanding the right to leave other equipment in the ocean as "habitat"? The bottom line is, creating artificial habitat in this manner can open the door to leaving junk, sinking ships, and building ill conceived reefs as 'mitigation' for natural habitat destruction, an outcome we wish to avoid. The proof that leaving rigs in place is an environmental benefit must be firmly established by independent peer-reviewed research, which should be funded not by the state, but by the oil industry. Public funding to alleviate this burden of proof is again nothing short of a gross subsidy to industry, inappropriately using funds earmarked to mitigate the damages caused by these very industries.

Lastly, we believe that just because an oil rig is no longer in operation does not necessarily mean there is no risk of oil seepage. Decommissioning an oil rig is preferable to leaving it in with a 'wait and see' approach to its future impacts.

That said, were the State to relieve the oil companies of their responsibility to remove the rigs, all cost savings should be rebated to projects that protect and conserve the California marine environment. In order to make any sense, the program would have to benefit—not cost—the state.

At this time when oil companies are once again making a bid to extract the non-renewable resources that are the natural heritage of all Californians for startlingly high record profits and even more startlingly record impacts to our climate and environmental well being, it is astonishing that the Council would consider subsidizing a bid by the oil companies to prove that they ought to be able to avoid their legal responsibilities. We have a hard time believing that there are no better uses for this funding, even given the limited amount of time in which they must be allocated. Given the budget constraints that the state of California faces and the plethora of projects that could unequivocally benefit all stakeholders in the marine environment, the Otter Project suggests that the Council reconsider the allocation of these funds.

We strongly urge the Council to reconsider the proposed allocation of funds and to direct them towards more appropriate projects to benefit the marine environment and stakeholders representing a broader segment of the population of California.

Thank you for considering our commentary.

Sincerely,

A handwritten signature in blue ink, appearing to read "Allison Ford". The signature is fluid and cursive, with the first name "Allison" written in a larger, more prominent script than the last name "Ford".

Allison Ford  
Program Manager  
The Otter Project