

TESTIMONY OF MR. VIPUL “VIPE” DESAI  
FOUNDING MEMBER  
THE BUSINESS ALLIANCE FOR PROTECTING THE PACIFIC COAST  
U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON NATURAL RESOURCES  
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES  
APRIL 2, 2019

Good morning, Chairman Lowenthal, Ranking Member Gosar, and Members of the Subcommittee. My name is Vipe Desai, and I am a founding member of the Business Alliance for Protecting the Pacific Coast (BAPPC). I greatly appreciate the opportunity to testify before the Subcommittee today and represent the members of BAPPC in voicing the importance of protecting our coastlines from offshore drilling. My testimony today will address the economic and ecological consequences of offshore drilling, the overwhelming and ever-growing mass opposition to opening our coasts to the oil and gas industry, and the bipartisan legislation this Subcommittee is considering with the objective of ensuring the health and long-term sustainability of our oceans.

I would like to begin my testimony with a quick story of how the Pacific has been an important part of my journey. I was an inner-city kid growing up an hour away from the ocean in Los Angeles, California. If you had asked me at that time to describe the ocean I would have failed to do so, as I had never actually seen it. However, a school oceanography field trip to the Port of Los Angeles would first open my eyes to the ocean and all its complexities. Years later, following a shooting at my school, my parents moved our family to Torrance, California, a small community nestled minutes from the beach, which became our real home. It was at that beach that my love of the ocean grew, and I discovered my passion for surfing. It is both a sport and lifestyle that has guided my career and family values.

I am here today representing more than 2,400 businesses that have joined BAPPC, whose owners and employees love and understand—as I do—just how valuable a healthy Pacific and healthy coastal communities are to our local, state, and national economies. We voice our opposition to any plans that threaten them—specifically, plans to drill for oil and gas off our coast.

### **Offshore Drilling in the Pacific Ocean: History and Implications**

As the Subcommittee is aware, the Pacific Coast is no stranger to the devastation of oil spills. On January 28, 1969, a rig blowout off Santa Barbara released over 21,000 gallons of crude oil into the waters off the coast of California—a spill that ultimately climbed to 3 million gallons. This

blowout was the direct result of insufficient safety measures pursued following the issuance of a waiver from the U.S. Geological Survey.

On May 19, 2015, Santa Barbara experienced yet another incident, the Refugio Oil Spill. In this case, a corroded pipeline carrying oil originating from a drilling platform ruptured near Refugio State Beach, sending oil down a storm drain, then into a ravine, and then into the Pacific. From this spill of more than 100,000 gallons of oil, roughly 21,000 gallons contaminated the Pacific Coast, polluting approximately 97 miles of California's coastline. In the month following the incident, the cost of clean up alone rose to \$92 million, equating to \$3 million per day.

The 1969 and 2015 spills, combined, impacted more than 90 miles of biologically diverse coastline and affected at least 935 square miles of ocean, encompassing an area almost twice the size of the city of Los Angeles. Thousands of marine mammals, fish, and seabirds were killed as a result of the dispersion of toxic oil. Decade after decade, the American people are told by the oil and gas industry that it is committed to safety and the prevention of these disasters, yet time and again, they occur.

This year marks the 50th anniversary of the Santa Barbara disaster and the environmental movement that grew out of the subsequent national outcry. This movement continues to gain steam as we progress through the years and as new generations enter our national life. You can say it is an understatement that BAPPC and the people of the Pacific Coast are disheartened and dismayed by the fact that, despite this progress, the current Administration is planning to open the Pacific to expanded offshore drilling. These plans would permit more drilling off California's coast, with one lease encompassing an area roughly eight miles off the coast of Huntington Beach, California, and one off the coast of Oregon and Washington. These would constitute the first federal lease sales off the California coast since 1984 and off the coast of Washington and Oregon since 1964. At a time when U.S. oil exports are expanding and clean energy alternatives are becoming cheaper and more widely available, these are terribly short-sighted and reckless plans that are simply not worth the risks.

### *Economic Impacts*

Oil spills are fluid. They seep into every nook, cranny, and corner of the economies of our coastal communities. There are short-term economic impacts as residents and businesses deal with the disaster, but the long-term effects can be even greater—loss of jobs, loss of income for families and businesses, and relocation.

What follows is a drastic economic blow to the tourism industry as transportation, hotels, and restaurants are affected, whether directly or indirectly. In 2017, Orange County, California alone

generated approximately \$20.5 billion in tourism, attracting 48 million visitors and creating 175,000 jobs in that sector. This industry cannot afford the loss of income and jobs related to an offshore drilling incident. Non-competitive housing markets that result from spills contribute to these economic spirals due to declining housing prices and the loss of potential buyers.

An oil spill along the Pacific Coast would also devastate dependent coastal economies by drastically decreasing revenue from commercial fishing and seafood processing, the latter of which contributes more than \$350 million to California's annual gross domestic product (GDP) and \$1.5 billion to Washington's GDP. Catches of market squid, sablefish, rockfish, Chinook salmon, tuna, swordfish, California halibut, pink shrimp, Dungeness crab, and albacore contribute significantly to the ocean economies of California, Oregon, and Washington state. Commercial fishing landings and recreational fishing opportunities in these states are worth hundreds of millions of dollars and billions of dollars annually, respectively.

An oil spill or disaster at any location along the coast would have ripple effects that would threaten both the regional economy and individual state economies. In California, a spill would devastate the \$41.9 billion ocean economy and the over 600,000 employees working to advance the clean coastal economy. Likewise, nearly 39,000 jobs and \$2 billion in GDP and 128,000 jobs and \$10.2 billion in GDP would be put at risk in Oregon and Washington, respectively.

We must remember that the Pacific is a gateway to goods that travel to and from our ports. The greatest example is the Port of Los Angeles in California; the port is the busiest in the nation and has become an economic powerhouse supporting businesses and jobs across the United States. It accounts for \$1.2 billion worth of cargo daily, equating to \$250 billion annually. Directly next to the Port of Los Angeles is the Port of Long Beach, which accounts for \$180 billion annually. The over 2,400 members of the BAPPC are working not only to protect our own sustainable coastal economies but also to protect those business throughout America that rely on West Coast ports remaining open to allow for the free flowing of goods and services. There is no doubt that an oil spill or other incident in the Pacific would have consequences affecting business and workers far removed from the coast.

### *Ecological Impacts*

The Pacific coast boasts a diversity of marine life and ecosystems that rivals any other place on the globe; cold, nutrient-rich waters attract and support everything from krill to whales. This global epicenter of ocean life includes 519 species of fish, 5 species of sea turtles, nearly 150 species of seabirds, more than 30 species of marine mammals, and more than 5,000 species of invertebrates. As a result, the waters off California are often referred to as the "Blue Serengeti," recognized for the highest known dolphin population concentration in the world. These waters

are also an internationally significant nursery area for mako sharks, blue sharks, and great white sharks, and a critical underwater highway for whale migrations.

Our coastlines are too important and too environmentally and economically fragile to handle an oil spill. Any disruption from offshore drilling, including the development of platforms, harming of marine animals, daily operational pollution, and possible oil spills would have a ripple effect that could be felt for years, as is the case with the 1989 Exxon Valdez and 2010 British Petroleum *Deepwater Horizon* spills that continue to devastate the U.S. coastline. One thing is very clear; the health of our marine ecosystems far outweighs any industry gains from the reckless plan to drill offshore.

### *Climate Change & Clean Energy*

In addition to short-term, noticeable environmental consequences, the actions we pursue now will ultimately play a much larger role in determining the health of our ecosystems and communities in the future. Daily oil rig operations and emissions from developing oil and gas resources would serve to exacerbate deteriorating environmental conditions caused by stressors such as climate change, ocean acidification, biodiversity loss, and coastal erosion.

Regarding climate change, scientists are already observing global alterations to the thermocline, commonly referred to as the Great Ocean Conveyor Belt, in which a lack of upwelling, or nutrient and oxygen cycling, leads to hypoxia, directly threatening marine life and the sustainability of fisheries around the world. These conditions put at risk the stability of the California Current, one of four large marine ecosystems on earth, where massive upwelling allows for primary production and serves as a destination area for hundreds of migratory marine species from around the Pacific.

Additionally, we are seeing the devastation from warming temperatures and ocean acidification, most clearly through mass global coral bleaching events. Coral is a foundation species, and there are more than 101 species of deep sea corals off the California coast alone, creating a biodiverse habitat in which multitudes of species, including the endangered Pacific Leatherback sea turtle, coexist and thrive. The loss of coral ecosystems would devastate not only marine life but all communities that depend on them for economic prosperity and protection from coastal erosion.

Given that the United States is already experiencing a variety of damages caused by climate change—including prolonged drought, stronger hurricanes and winter storms—now is the time to transition our political, economic, and social values to focus on mitigating and eliminating future dangers rather than continuing a business-as-usual approach to environmental management. With no federal offshore drilling leases sold in the Pacific in 35 years, Pacific

Coast states have prioritized allocation of resources into developing the environmentally friendly and economically profitable clean energy sector. California currently employs more energy jobs than any other state and has invested \$49.2 billion in clean energy, and in both California and Washington clean energy jobs account for more than 55% of all energy sector jobs. Additionally, clean energy jobs outnumber fossil fuel jobs by over 430,000 and by more than 13 times in California and Washington, respectively. In strong support of these trends, BAPPC works in close partnership with Environmental Entrepreneurs, or E2, to voice support for the development of clean energy, including but not limited to offshore wind, over dangerous offshore oil and gas drilling.

Our coastal communities are precious ecosystems, and small businesses are the heart and soul of what makes them so special. And, like throwing a stone in a calm pond, there will always be a ripple effect with every oil spill. These spills don't discriminate; it doesn't matter if you're a Republican or Democrat, what color your skin is, how much money you have, or whether you live on or even near the beach at all. This is why we oppose offshore oil and gas drilling, and we urge our leaders to direct their efforts towards clean renewable energy sources.

### **Coastal Opposition to Offshore Drilling**

To date, more than 340 municipalities across the United States, including 92 along the Pacific coast, have passed resolutions opposing offshore oil and gas drilling. Every serving West and East Coast governor has come out in support of banning offshore drilling activities due to the risks operations pose to the environment, the economy, and the well-being of all who rely upon and enjoy our oceans.

On-the-ground opposition to offshore drilling—opposition comprised of citizens, business leaders, and elected officials—is strong and growing. In California alone, polling indicated that 95 percent of residents agreed that the condition of the ocean is important to their quality of life, and 69 percent stated that they stand in opposition of new offshore drilling.

More than 2,100 local, state, and federal elected officials have voiced strong opposition to offshore oil and gas drilling off U.S. coasts. Local and state governments have already taken official actions in representing the overwhelming constituent opposition to offshore oil drilling; it is now time for the federal government to follow that lead and bring to an end plans for lease sales and offshore drilling activities off our coastlines. Although I am here to represent the views of individuals and businesses along the Pacific Coast, the threats of offshore drilling do not vary by region. An oil spill disaster on any coastline has the same devastating effects.

## **Legislation**

In response to these major concerns over the social, economic, and ecological consequences of offshore drilling, members from both political parties of the 116th Congress have introduced bipartisan legislation to halt the expansion of drilling off our coastlines.

The “Coastal and Marine Economies Protection Act,” introduced on March 28, 2019, would place a permanent moratorium on offshore oil and gas leasing in the Pacific, Atlantic, and the Straits of Florida. The “Protecting and Securing Florida’s Coastline Act of 2019,” introduced on January 3, 2019, would amend the Gulf of Mexico Energy Security Act of 2006 to make permanent the current moratorium, expiring in June 2022, on offshore oil and gas activities in the Eastern Gulf of Mexico. The “Atlantic Coastal Economies Protection Act,” introduced on March 1, 2019, would prohibit the Department of the Interior for issuing several permits to companies seeking to use seismic airgun blasting to search for oil and gas deposits off the Atlantic coast. I very much support the passage of these bills.

Although BAPPC represents businesses on one side of the nation, the consequences of offshore oil drilling have no boundaries; therefore, the Pacific Coast stands in solidarity with our fellow citizens on the Atlantic and Gulf coasts to oppose exposing our shores to the dangers of drilling. We are all dependent on healthy oceans to survive.

## **Conclusion**

When a spill occurs, it is not industry that loses out the most. Though they will bear the burden of poor publicity and possible financial hardship, it is the average individual—a worker, a surfer, a local business owner—who will feel both the economic and psychological damage from a ravaged coastal community. And unlike large oil corporations, small businesses don’t have the luxury of being financially protected by insurance policies should an oil spill occur in their region.

Early in my career, I owned a small surf shop. I can say from firsthand experience that life for small business owners revolves around daily visits from local residents and tourists. Even small natural disruptions such as rain, fire, or flooding can interrupt their cash flow and become a burden in meeting payroll and other fixed expenses. Every day a small business opens its doors—uncertain what volume of sales will take place. We start the day hoping that we will hit our daily, weekly, monthly, quarterly or annual goals. And at the end of the day, we add up the receipts to see if we’ve hit a number that will help or hinder our ability to ensure that our fixed expenses are covered and that our employees receive their paychecks on time to meet the needs

of their families: paying rent, buying groceries, making sure the utilities stay on, or saving to send a child to college.

A healthy and thriving ocean is the lifeblood of our coastal communities. It is the natural engine that powers our coastal economies, and any disruption will have an immediate effect on small businesses. Think of all the businesses that line our coasts as rows of dominoes stacked tightly together. All up and down our coasts and precisely spread throughout the country. If one of these dominoes should fall, others will fall—disrupting daily business activities and lives of our friends, families, and neighbors because they are all tightly linked. And when the dominoes cease to fall, we'll be left to pick up the pieces of a damaged economy.

Drilling off our coasts is not the answer. One-hundred percent clean energy is not only achievable, but it is also a major—and growing—jobs creator in the 21st century.

On behalf of BAPPC members, I applaud and thank Members of Congress who are working to protect our oceans and coasts from expanded offshore drilling and for their leadership on bills such as the “Coastal and Marine Economies Protection Act,” “Protecting and Securing Florida’s Coastline Act of 2019,” and the “Atlantic Coastal Economies Protection Act.”

I thank you for the opportunity to testify before the Subcommittee today, and I look forward to answering your questions.