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Mitigating the Impact of Offshore Oil Development

Final Technical Summary

Final Study Report

U.S. Department of the Interior
Minerals Management Service
Pacific OCS Region

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Final Study Report

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FINAL TECHNICAL SUMMARY

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KEYWORDS: California; Santa Barbara Channel; Santa Barbara County, California; intergovernmental relations; regulation; facility siting; coastal zone management; implementation; case studies; survey research

BACKGROUND: California's Santa Barbara Channel has been the site of periodic, locally-intensive private, state and federal offshore energy development since 1896. In each period of development, the socioeconomic impacts from the development have become more pronounced. Starting in the mid-1970s, numerous environmental impact assessments for federal and state offshore leasing and subsequent development and production plans characterized the various socioeconomic impacts that could have resulted for each scenario and identified measures to mitigate those impacts. However, the analyses failed to characterize the administrative, legislative, budgetary and ajudicatory structures and processes which had to be created by local government, primarily Santa Barbara County, to respond offshore energy activities within its jurisdiction. This research project characterized the changes to the essential governmental institutions, structures and processes that resulted from offshore energy development.

OBJECTIVES: (1) To determine the changes to local government structure and decision making processes in response to offshore energy activities over time. (2) To characterize the assessment of elites involved in offshore development regarding the effectiveness of local government efforts to regulate the impacts of offshore energy development.

DESCRIPTION: A study of offshore energy development in the Santa Barbara Channel was undertaken to identify how the development affected the structure and processes of Santa Barbara County, California government. The research consisted of two different but related efforts using different techniques. The first effort developed a case study of energy development in the Santa Barbara Channel. The second effort consisted of a survey administered to individuals involved in offshore energy development in the Santa Barbara Channel.

The case study (1) created a chronology of events that characterized offshore energy development from 1896 to the late 1980s; (2) gathered information on local government reaction and response to these events; (3) classify the overall attitude and response of local government to the events; and (4) compare and contrast the reactions of local government across time. The case study information was developed from a variety of primary and secondary sources such as newspapers, official minutes of government deliberations, environmental impact analyses, fiscal information, land use regulations, and government organizational data.

The second effort involved administration of a survey to approximately 89 individuals in different categories regarding their perception of the seriousness of the impacts from offshore energy development. The respondents were also asked about their familiarity with the various offshore energy projects in the vicinity of Santa Barbara County. Furthermore, the respondents were asked for their evaluation of various programs that had been established to deal with the impacts of these problems. Potential respondents were selected on the basis of a demonstrated familiarity with offshore energy development issues in the Santa Barbara Channel region. The survey instrument was administered on two separate occasions, in 1989 and in 1994.

SIGNIFICANT CONCLUSIONS: The researchers concluded that the structure and operation of local government has been substantially impacted by offshore energy activities. Local government's greatest influence comes from its police powers and land use authority over onshore activities within its jurisdiction. Generally, as the level of offshore activity increases, local government develops more highly-specialized fiscal, administrative, and policy strategies. The increased capacity to address offshore energy activities creates a more complex and time consuming approval and regulatory process. Researchers also noted significantly different perceptions within the policy community as to the seriousness of impacts from offshore development and the effectiveness of current local government policies and programs to address the impacts.

STUDY RESULTS: Government and the outcomes of political processes determine the conditions under which the offshore resource will be developed. At any given time in the history of offshore development, economic conditions, the requisite technology, and geographic considerations have made some form of offshore activity viable. However, the activities could not go forward without government's approval. In large part, this approval was determined by the level of community acceptance of offshore activity. When the activity was less controversial or could be made so approval was more readily granted and in many cases, prior to the 1969 oil spill, was routinely given.

The case study revealed a number of changes that occurred to local government over time as the level and complexity of offshore activity increased. Offshore activity issues came before the Planning Commission and Board of Supervisors more frequently over time, achieving permanent status on the weekly agenda during the 1980s. More detailed, specialized, and comprehensive land use policies, regulations and procedures were created to limit the siting of onshore components of offshore energy projects to designated areas. Local government administrative organizations which addressed offshore activity became more technically specialized until separate and exclusive agencies were created to handle offshore activities. Fiscal policies, such as service charges, were instituted to ensure that local government could recover the entire cost of project approval and regulation from the offshore industry either individually or collectively.

STUDY PRODUCTS:

Publications:

Lima, J. 1994. The Politics of Offshore Energy Development. PhD Dissertation. Special collections, Davidson Library, University of California, Santa Barbara

Presentations:

Woolley J. and J. Lima. 1990. Local Government's Responses to Offshore Oil Development: Implementation of Mitigation Measures. Annual Meeting of the American Political Science Association

Woolley, J. and J. Lima. 1992. Santa Barbara County and Offshore Oil Development--Applicability of the Lessons to Other Communities. The California Coastal Zone Experience

Lima, J. and M. McGinnis. 1993. California Ocean Use Management: An Assessment of Two Integrating Approaches. In International Perspectives on Coastal and Ocean Space Utilization

Lima, J. 1993. History of Early Offshore Oil Development in the Channel. Proceedings of Information Transfer Meeting

Lima, J. 1995. The Life Cycle of a Land Use Planning Agency in California: Santa Barbara County and Offshore Energy Development. Southern Political Science Association Annual Meeting

Lima, J. 1996. The Design of Environmental Impact Mitigation Measures. 73rd Annual Meeting of the Alabama Academy of Science Annual Meeting

FINAL STUDY REPORT

1.0 INTRODUCTION

For more than a century, California's Santa Barbara Channel has been the site of locally-intensive offshore energy activities (i.e., exploration, leasing, development, production, and abandonment). Offshore energy development started with the drilling of wells by private landowners into the tideland and nearshore in the 1890s near Summerland, moving further offshore and expanding along the coast as further development became technologically and economically feasible (Lima, 1994).

Little consideration was given to the ecological impacts of this development prior to the 1969 Santa Barbara oil spill. In the two and one half decades since the event, the impacts of offshore development to the ecosystem have been intensively studied. However, the impacts to the area's social and economic network from the development, if considered at all, were often treated as a secondary consideration. In fact, sizeable voids in knowledge needed by decision makers to guide future offshore energy development in the region have been noted.

Numerous environmental impact analyses from federal leasing plans, individual lease sales, and individual development projects from the 1970s to the present have characterized the various socioeconomic impacts that could have resulted had the development scenarios been realized. These environmental impact reports/statements characterized the impacts of development alternatives on the human environment (i.e., noise, cultural resources, aesthetics) and to the services provided by government (i.e., schools, solid waste disposal, public safety).

However, the analyses failed to recognize that fundamental processes of government and the relationship of government to its citizens affected by the development. Increased offshore activity caused local government to expand existing functions and create new ones. Ironically, the very preparation and certification of these environmental analyses was a novel activity for many local governments. The affected governments had to create new administrative, legislative, and ajudicatory structures and processes to cope with the demands placed upon them by offshore energy development. In many cases, local, general purpose governments were profoundly affected by offshore activity.

This research project was undertaken to characterize the impacts to the government institutions, structures and processes that resulted from offshore energy development. The institutions of government and the outcomes of political processes determine the conditions under which the offshore activity will be allowed. Economic, technological, and geographic factors are important influences shaping offshore energy policy. But, government is paramount among these factors in ultimately sanctioning offshore development. This point cannot be overemphasized. At any given time in the history of offshore development, economic conditions, the requisite technology, and geographic considerations have made some form of offshore activity viable. However, the activities could not go forward without

the government's approval. In fact, government's reluctance to authorize an otherwise viable activity has caused much of the conflict associated with offshore energy (Lima, 1994).

Creating public policy, administering and enforcing that policy, and adjudicating claims made within the public policy framework are the three essential functions of government. In the United States, the authority and power to carry out these functions are divided among several institutions and levels of government. As such, any analysis of offshore energy activities must recognize the multi-level and multi-institutional influences.

However, concentrating on institutions ignores the multiplicity of political processes and stakeholders inherint in American government in general and offshore energy development in particular. Majority-building is acknowledged as the primary method of legitimating government policy. Through this process, policies which are not be contrary to the values of the overall policy community are considered viable and often adopted and implemented. The implemented policy then becomes the foundation for subsequent modification of the policies. Therefore, at any given time, offshore policy is a mixture of passt circumstances modified for foreseeable developments. An in-depth and complete political history of offshore development must include government actions and the outcomes of political processes. In addition, the research must examine the acceptance of the policy community to the governments strategies for mitigating the impacts.

Changes in the general political environment over time affect government response to energy development, including offshore development. The political reaction to offshore development over time reflects the general political climate of the community. In other words, offshore energy decisions of local governments reflect the larger political climate. Analyzing reactions throughout the entire period of development reveals continuity and changes in the specific issue area as well as in the general political climate.

2.0 MATERIALS AND METHODS

A study of offshore energy development in the Santa Barbara Channel was undertaken to identify how the development affected the structure and processes of Santa Barbara County, California government. The research consisted of two separate but related efforts using different techniques. The first effort developed a case study of energy development in the Santa Barbara Channel. The preparation of the case study involved intensive analysis of public documents and extensive informant interviews. The second effort consisted of a survey administered to individuals involved in offshore energy development in the Santa Barbara Channel.

2.1 Case Study

The case study (1) created a chronology of events that characterized offshore energy development from 1896 to the late 1980s; (2) gathered information on local government

reaction and response to these events; (3) classified the overall attitude and response of local government to the events; and (4) compared and contrasted the reactions of local government across time. Part of the extensive case study material were presented in a doctoral dissertation by J. T. Lima. A copy of the front matter and abstract for this dissertation is presented below in Appendix A.

2.1.1 Chronology of Events

Events are important as a mechanism for defining and bringing problems to the attention of government. Identifying events was the first step in developing the local political history of offshore development. The chronology, which described the events and reaction of Santa Barbara County government to offshore development was initially assembled from many primary and secondary sources including newspapers, official minutes of government deliberations, environmental impact analyses, fiscal information, land use regulations, and government organizational data.

2.1.2 Evidence of Reaction to Events

Local newspapers of record were examined to ascertain the reaction of local government to the events. These newspapers include the Ventura Star Free Press, the Santa Barbara News Press, and the San Luis Obispo Telegram Tribune. Regional newspapers include the Los Angeles Times and the San Francisco Chronicle. These newspapers are available for the entire period of offshore development. In addition to newspapers, trade periodicals such as the Oil and Gas Journal and Offshore are available for post-1955 development.

Government publications provide another source of information on local reactions to events. These publications include official minutes of government deliberations, environmental impact analyses, fiscal information, land use regulations, and government organizational data. The Minutes of the Santa Barbara County Board of Supervisors are part of the public record, are available for the entire study period, and have proven invaluable in the research. Public records of County Planning Commission meetings yield similar information, although these were not used as extensively as Board minutes in the research.

Offshore energy activities after 1969 are subject to federal and state environmental reviews. The Environmental Impact Statements (EIS) and Environmental Impact Reports (EIR), respectively, resulting from these reviews contain the comments of local governments. Federal lease sales in the late 1970s and 1980s (each step in the sale being a discrete event) involve extensive areas off the California coast. Comments of local governments to the proposed sale, contained in the environmental documents, allow comparison of the reaction of local governments.

Budgetary data was collected to show the costs incurred by local government in responding to offshore energy development. Similarly, since state offshore oil leases are subject to local property tax in California, the contribution of offshore energy development to local revenues can be estimated. Land use policies and regulations used to govern the siting of facilities by

local government were examined to ascertain the level and character of local government response over time.

2.1.3 Classifying the Reaction

Classifying government reaction to offshore activity is a fairly straightforward process. Government attitudes may vary from project to project or between phases of any single project, but this will not preclude determination of a overall attitude of local government toward offshore activities. As decision making within each period becomes more routinized, a fairly consistent attitude pattern emerged which characterized government perception.

2.1.4 Comparison of Reactions Across Time

To simplify analysis, development in the Channel was divided into eight periods. These periods, which are described in the Results section, are defined by numerous factors, such as the political actors and legislation that controlled development, the technology available to discover and recover offshore energy resources, the geographic scope of the activity, and public acceptance of the activity. For example, the Southern California offshore development in the period of 1955 to 1965 involved mainly local and state government, was conducted from nearshore, shallow-water platforms, was geographically widespread, and was generally accepted by the public.

2.2 Survey Research

A survey instrument was administered via mail to a number of individuals in different categories to ascertain their perception of the seriousness of the impacts from offshore energy development. In addition, the respondents were asked about their familiarity with the various offshore energy projects in the vicinity of Santa Barbara County. Furthermore, the respondents were asked for their evaluation of various programs that had been established to deal with the impacts of these problems.

The selection of the respondents for the survey was purposeful. The people asked to fill out the questionnaire were directly involved in some aspect of offshore development, either as individuals or as representatives of groups or companies. As such, they were expected to have a degree of familiarity with, and relative expertise concerning, offshore energy development beyond that of the average citizen.

The pool of possible respondents was developed from a variety of sources, such as environmental impact reports, records of public hearings and meetings on offshore energy issues, and civic directories. For example, environmental impact reports (EIR), especially the public comment and response section, provided a rich source of names, addresses, and affiliations. In addition, the comments submitted by the individuals in the EIRs allowed us to determine the level of familiarity that each possible respondent had with offshore energy development. Examination of multiple EIRs allowed us to develop a list of names and organizations that were continuously involved with offshore energy development. Over time,

a number of individuals and organizations emerged as being attentive to offshore development.

The environmental impact reviews were not the only source used to identify prospective respondents. The attendance records of public meetings regarding offshore energy development, such as the Minerals Management Service's annual Information Transfer Meeting, were canvassed and potential respondents identified.

The first survey was administered in the Spring of 1989. While the surveys were addressed to specific individuals, the completed surveys were returned anonymously. That is, the identity of the individual returning the survey could not be ascertained with certainty. Three weeks after the survey was mailed, a follow-up letter was sent to all respondents requesting that they complete and return the survey if they had not already done so.

The second survey was administered in the Spring of 1994.[1] The instrument used in the 1994 survey was identical to the instrument used in the 1989 survey. In order maximize continuity and comparability between the two surveys, the survey was sent to the same persons and/or organizations as the 1989 survey. Prior to sending the survey, the mailing list was updated to reflect changes since the 1989 survey. In most cases, there was no change in persons and their function within the organization they represented. However, some substitutions were necessary. In a few cases, the people were no longer with the organization and the survey was sent to the person who now served in that function. For example, electoral changes in local governments resulted in the survey being sent to the elected official who was in office, not the individual who occupied the office in 1989. In very few cases, the whereabouts of the person could not be established and the organization no longer existed. In these cases, equivalent organizations were identified and contacted. For example, some of the ad-hoc community groups polled in 1989 survey no longer existed in 1994 and replacement for these respondents were identified and contacted.

3.0 RESULTS

What follows is a highly compressed summary of the research results. A much more detailed account of the historical information up through 1975 can be found by consulting the doctoral dissertation presented by J.T. Lima and abstracted below in Appendix A. A second body of findings and analysis is found the form of a seven-chapter report attached as Appendix B. As noted above, the history of offshore energy development can be divided into eight periods.

[1] In light of the poor results from the first survey and because the PI was on leave without pay from the University of California in 1993-94, the PI suggested to the project manager that it would be appropriate to abandon the second wave of the survey. The project manager chose to fund the second round of the survey, and the work was carried out by J.T. Lima in Santa Barbara.

Period 1. 1896-1920

Initial offshore oil development at Summerland. Local government had little influence in this development, however when the development encroached on the City of Santa Barbara waterfront, private citizens objected on aesthetic grounds.

Period 2. 1921 to 1929

California Mineral Leasing Act of 1921 authorized the state to issue offshore prospecting permits which were convertible to production leases. Provisions in law prohibited prospecting and production in the offshore area contiguous to incorporated city limits. In 1927, California's Surveyor General refused to issue any more prospecting permits. This action was overturned by the California Supreme Court in December 1928. Legislative action, supported by the local delegation, changed state law prohibited the further issuing of prospecting permits, thus limiting the applicability of the Supreme Court decision to permits previously granted.

Period 3. 1929 to 1938

In this period, four separate ballot initiatives attempted to overturn legislature's action. In each case, the ban on new development was upheld, but development from permits issued prior to 1929 continued. Many of these permits covered the Ventura and Santa Barbara County offshore area, including the area that developed into the Ellwood field. In 1938, the California legislature in special session passed the State Lands Act which prohibited any new offshore development unless offshore pools were being drained from private onshore wells. Even then, development had to take place by slant drilling from onshore sites. Offshore structures were prohibited by the act.

Period 4. 1939 to 1955

The issue of Santa Barbara Channel offshore energy development became nationalized as Congress and the Executive Branch debated whether the state or federal government had control over offshore energy resources. In 1947 the U.S. Supreme Court ruled that the federal government had paramount rights over these resources, effectively negating state claims and regulation of development. The court's decision began six years of attempts by the Congress to overturn this decision through legislation. In 1953, the Submerged Lands Act returned control of marginal sea to the state (3 miles for California) while the Outer Continental Shelf Lands Act allowed federal control for area beyond the marginal sea. Locally, while little "new" development took place, citizens and local government opposed offshore exploration activities which were believed to be a precursor to actual development.

Period 5. 1955 to 1965

The Shell-Cunningham Tidelands Act passed in the California legislature after a hard-fought battle. The act, which removed many of the restrictions in the 1938 law, allowed development

only in areas which already had development (i.e., Santa Barbara, Ventura, Los Angeles and Orange counties) while precluding development elsewhere (north of the Santa Barbara-San Luis Obispo county line). The Act established a sixteen mile drilling sanctuary running from Goleta to Summerland--approximately the then-urban environs of the greater metropolitan Santa Barbara area. Both the City and County lobbied vigorously for the sanctuary, which could only be leased if there were "drainage" from non-state wells. Thereafter, the political strategy became one of "protect the sanctuary" from encroaching development. Otherwise, the County was either ambivalent or quite supportive of state offshore leasing. However, new exploration techniques, offshore oil platforms, and sizeable onshore processing facilities were new challenges to Santa Barbara County government. After the initial land use ordinances were developed and adopted, onshore facilities supporting offshore development were routinely approved on a project-by-project basis. The dispute over jurisdiction within the Channel stalls federal leasing in the area. Tracts along the California coast north of Point Conception leased by the Federal government in 1963 were explored but did not reach production.

Period 6. 1965 to 1968

An U.S. Supreme Court decision in 1965 divided the Santa Barbara Channel into state and federal areas, allowing federal leasing beyond three miles to proceed. This action once again "nationalized" the issue of offshore development. The first federal lease sale in 1967 consisted of a single tract sale in response to drainage from an adjacent state lease. By this time, most of the offshore area adjacent to County's coastline had been leased by the State. Onshore facilities in rapidly urbanizing portions of the County resulted in conflicts between residential and industrial land uses, as illustrated by the siting of onshore facilities needed to develop the South Ellwood field. During 1967, the County implemented a comprehensive onshore facility siting policy while attempting to delay the onset of federal leasing in the Channel in order to accommodate onshore facilities. A November 1968 County-wide referendum overturned County approval of a onshore processing plant in Carpinteria.

Period 7. 1969 to 1975

In the aftermath of the January 1969 oil spill from Platform A in the Dos Cuadras offshore field, Santa Barbara County attempted to halt any further development in the Channel. By the early 1970s, it was apparent that this strategy would not be successful, so the County adopted a strategy of heavily regulating onshore facilities. Environmental legislation enacted in the aftermath of the oil spill, such as the National Environmental Policy Act, California Environmental Quality Act of 1970 and the California Coastal Zone Conservation Act (Proposition 20) in 1972, as well as powerful land use authority traditionally granted to local governments in California provided the County powerful tools with which to regulate onshore development. The environmental legislation also allowed much wider public participation in offshore development. The Santa Ynez Unit is the first major offshore project to be approved in the aftermath of the legislation. A May 1975 County-wide referendum failed to overturn Board of Supervisor approval of onshore facilities for the Snata Ynez Unit.

Period 8. 1976 to 1990

Renewed federal leasing in the Channel and area north of Point Conception resulted in major discoveries and demand for new onshore facilities. The County's coastal plan, which addressed onshore facility siting was approved by the California Coastal Commission. Faced with the demands of evaluating and approving several complex development projects, the County created a special agency to develop policy and process permit for onshore facilities. Most, but not all onshore facilities were subjected to long delays in construction and start-up. A County-wide referendum in 1986 affirmed County policies on offshore energy at a time when other local governments in California area enacting ordnances to preclude onshore facilities.

The influence of Santa Barbara County in the regulation of offshore energy development results principally from its authority over land use within its jurisdiction. For the most part, offshore energy development and production

4.0 DISCUSSION

The circumstances of offshore energy development in southern California, which requires extensive onshore processing and support facilities, places local government in a position to potentially exercise considerable influence over the pattern and character of offshore development. This influence derives in part from a function inherint in many local governments, that of land use planning and regulation (Woolley and Lima, 1990).

The research identified three reactions of local governments to offshore energy activities. The first reaction involves immediate mobilization to oppose leasing and development. The second reaction involves a gradual change from initial accommodation to active resistance to offshore development. The third reaction regards development as inevitable and attempts to exploit the "unique position of local government to influence outcomes of development" (Woolley and Lima, 1991). Yet, the ability of Santa Barbara County government to aggressively regulate offshore energy development is predicated on (1) legislation which gives the county the authority to act, (2) the scale and intensity of development which motivates the County to act, (3) institutional skill and expertise which allows the County to act, and (4) public support for aggressive regulation.

The history of Channel offshore development (Lima, 1994) suggests that the first reaction is most appropriate and effective for areas where oil development has not yet taken place, i.e., in an area where development is currently prohibited, such as a drilling sanctuary. The second reaction characterizes County behavior from the beginning of leasing in 1955 until the mid-1960s when concerns over coastal industrialization and aesthetic, residential, and tourist values emerge. Absolute resistance to any potential and existing offshore activity in the aftermath of the oil spill was short lived, giving way to the third reaction, which proved pragmatic given the political realities of offshore development in a federal system.

Yet, throughout the history of offshore development, local government has had a reservoir of capacity that allowed it to act. Santa Barbara County has always asserted a great deal of influence over the pattern and character of offshore energy development, especially when the development occurred in the state-controlled zone. However, the County often had to rapidly develop additional capacity to supplement the rudimentary capacity it possessed at the beginning of each period.

Offshore energy development influences the executive, legislative, fiscal, and administrative functions of local government. The development of the capacity to act is most prominent during the last period when several factors combine to challenge County government to simultaneously manage the impacts from several large offshore energy projects.

While land use authority allows local government a great deal of influence over offshore energy development, it also imposes a responsibility to act upon local government. California legislation required that local government develop and adopt land use policies and regulations for energy facilities in the coastal zone. These general policies, which were debated before the Board of Supervisors prior to adoption, mandated that the Supervisors consider all but the most minor actions regarding the siting of individual onshore facilities. In addition, the Board exercised oversight of County administrative agencies responsible for implementing the policies and decisions of the Board. As a result, offshore energy issues achieved near permanent status on the weekly agenda of the Board of Supervisors (Lima, 1995a, 1995b). The County developed many innovative strategies for dealing with offshore energy development. These innovations included a "living permit" strategy for offshore energy projects. This policy allowed a previously issued permit to be modified if analysis revealed that the conditions originally imposed by the permit did not sufficiently mitigate the impact (Woolley and Lima, 1990).

Administratively, the County is forced to develop new routines to cope with the demands placed upon it by offshore energy development. Intergovernmental decision making, especially in the area of environmental impact assessments afforded the County a great deal of influence in the deliberations but required the County to participate in several ad-hoc, temporary task forces (Lima and McGinnes, 1991). After the assessments were completed, the County had to create new programs to ensure that the measures to mitigate project impacts were adopted (Lima, 1996).

The highly complex and technical nature of offshore energy activities required that specialized expertise be developed by County administrative agencies. Initially, individuals within existing land use agencies specialized in offshore energy development. The increasing level of offshore energy activity necessitated the creation of a specialized land use planning agency that was exclusively dedicated to working on offshore energy projects. To sustain this level of administrative effort, special mechanisms were created to ensure that the cost of providing the service would be fully recovered from the offshore industry, either individually when costs could be isolated to an individual project or collectively when costs could not be attributed to a single project (Lima, 1995b).

5.0 CONCLUSIONS

The process of offshore energy development is technologically driven. Technology determines the location of the activity as well as the feasibility and cost of the activity. Location of the activity determines the jurisdictions that will be involved in the decision to allow the activity to proceed. Ultimately, all levels of government must approve in order for the activity to go forward. Often, the activity ceases or continues at a less than desired level until a concensus for allowing the activity emerges. Inevitably, local government will be involved in the decision making process because of the authority it has over onshore processing and support facilities needed to complete the production and distribution of energy products. The complex technical nature of the activity forces local government to develop new and specialized executive, legislative, fiscal, and administrative mechanisms for dealing with the activity. The ability of local government to create capacity does not necessarily ensure that its efforts will be welcomed by stakeholders in offshore energy activities.

UNIVERSITY OF CALIFORNIA
Santa Barbara

The Politics of Offshore Energy Development

A Dissertation submitted in partial satisfaction of the requirements for the degree of

Doctor of Philosophy
in
Political Science
by
James T. Lima

Committee in charge:
Professor John T. Woolley, Chair
Professor Dean Mann
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March 15, 1994

ABSTRACT

The Politics of Offshore Energy Development
by
James Lima

The dissertation examines the complex relationships of technology, location, and the economics on the politics and policy governing offshore energy development. Using a model of offshore energy development, the dissertation posits two decisions are necessary for offshore energy development to take place. First, the private sector must decide to undertake the activity. Second, the public sector must give its permission for the activity to proceed.

The relationships between the independent and dependent variables are described using a case study of offshore energy development in California's Santa Barbara Channel from the 1890s to 1975. The case study data are drawn from a number of primary and secondary sources including a census of Santa Barbara County Board of Supervisors weekly meeting minutes from 1955 to 1975 to determine the extent and character of offshore energy development.

The research concludes that technology is the single most important factor affecting the politics and policy of offshore energy development. Technology determines the location of the activity as well as the feasibility and cost of the activity. Location, in turn, determines which jurisdictions will be involved in the decision making process and whether the activity is compatible with local social and economic values. The cost of the activity is the factor which determines whether or not the private sector is willing to undertake the activity. Compatibility of offshore development with local values determines whether the community will support or oppose development.

The research indicates that each level of government has an acceptable level of offshore development. Permission to proceed with new increments of development is normally forthcoming until the acceptable level of development is exceeded. When the level is exceeded, a period of political turmoil ensues, arresting further development until a new level of development is established by consensus or by unilateral action by the level of government which has primary permitting authority.

CHAPTER 1. SANTA BARBARA COUNTY IN THE ENVIRONMENTAL REVIEW PROCESS[2]

Abstract. The conflict between the multiple users of California's ocean and coastal zone have made management of this unique state's natural resources problematic. Policy makers have failed to "internalize externalities"--to balance the interests of the various users and act in a coordinated fashion to problem solve--and have yet to develop an integrated approach to ocean and coastal zone management. In this essay, we will briefly review the fragmented responsibilities and activities of the state agencies involved in managing California's ocean and coastal resources. We will concentrate on two fundamental mechanisms for encompassing externalities and balancing diverse interests--the ad hoc organization and the regional organization. Scholars and policy makers have recommended both. Regional organizations cover all or part of several states and may be comprised of state, federal and/or local governments. Regional organizations have been justified in the United States in that they provide coordination and centralization in a federal system which often can be described as fragmentary and conflictual. Ad hoc organizations have been recommended by federal and state environmental law and can also be made up of federal, state and/or local governments. We suggest that different forms of integrating mechanisms are appropriate for different ocean and coastal policy areas; and different social principles will govern the decision making and planning process.

INTRODUCTION

Intense conflict found between users of the ocean and coastal zone have led to the specific problem of the need for coastal zone administrations to "encompass externalities". In other words, coastal zone planners have yet to adjust and accommodate to those interests not represented in decision making processes. California's ocean and coastal managers have found it difficult to act in a coordinated fashion to problem-solve which often entails working with the federal government and the local governments who often receive the crux of the costs. This essay will review two integrating mechanisms--the ad hoc and regional organization.

CONFLICT AND COMPETITION IN THE CALIFORNIA COASTAL ZONE

The California coastal area supports a number of activities such as energy production, recreation, transportation and commerce, national defense, and commercial fishing (McGinnis, 1990). Each of these activities is significant in and of itself, contributing greatly to the economic strength and quality of life of the state. Yet, each activity often "bumps" into

[2] This chapter was jointly authored by James T. Lima and Michael V. McGinnis. It was presented as a conference paper at the Coastal and Ocean Space Uses II Conference, Long Beach, California, April 1991. Background material on multiple uses of the California' ocean and coastal zone and state government management of ocean and coastal resources is the result, in part, of research sponsored by NOAA, National Sea Grant College Program under grant number NA85AA-D-SG140, project number R/NP-1-1-16D, through the California Sea Grant College Program.

the others, leading to disputes among the multiple users of the coastal zone and its adjacent marine area. Conflicts are exacerbated by the intensity of use and the proximity of uses endemic to the coastal zone. Much of the coastal zone of California is densely populated, with major population corridors extending from San Diego to north of the San Francisco Bay area. Furthermore, most uses occur within relatively close proximity to the coast line, increasing the likelihood of users pressing demands for exclusionary access to coastal and ocean space.

In addition to multiple uses, the area is one of multiple intergovernmental and intragovernmental jurisdictions. Local governments within California are delegated a great deal of authority over land use decisions within their respective political boundaries, which generally end at the intertidal zone. State jurisdiction extends from the coastline seaward three nautical miles. Federal jurisdiction generally extends seaward from the three mile state limit. In response to the challenges posed by these uses and the conflict arising from them because of spatial proximity, California state government regulates the uses employing traditional hierarchical agency-department bureaucratic structures with authority extending to the limits of the three mile state waters (Lima 1990). Reflecting the federal government organization scheme, management of resources is sectoral (i.e., a separate department regulating each use such as fisheries, energy development, etc.). Conflicts between sectors must often be resolved through the agency-department hierarchy. While reliance on bureaucratic means to resolve conflict is the general defining characteristic of state and federal management systems, there are circumstances when cross-jurisdictional conflict requires cross-jurisdictional solutions.

There is a nexus of multiple uses, the potential for conflict, and multiple jurisdictions in offshore energy development. There are many potential impacts associated with offshore development that affect every other use. Given the cross-jurisdictional nature of this development, traditional local, state and federal bureaucratic decision making structures may need to be augmented by multi-jurisdictional organizations. An example of this is the ad-hoc structure created to develop environmental impact analysis for offshore energy development.

AN INTRODUCTION TO THE AD-HOC ORGANIZATION AS AN INTEGRATING MECHANISM

A single, preferred organizational form for conducting environmental impact analysis (EIA) has not been developed, although a preference not to isolate EIA in planning or staff groups has been expressed. This gives rise to a hypothesis that a type of ad-hoc administrative arrangement is needed to conduct EIA (Bartlett and Baber 1987:407).

Ad-Hoc Organizational Structure

Generally, three forms of ad-hoc administrative arrangements have been identified: Task forces, Task teams, and Matrix organizations. Common motivations for adopting these forms is the desire to overcome coordination and communication problems which result from the division of labor within, or in an intergovernmental context, between organizations. The

simplest form of ad-hoc structures is the task force. Essentially, task forces are committees which are established to coordinate a particular project or solve a particular problem, disbanding once the task is completed. Task teams are similar to task forces, but are permanent, similar to standing committees within many organizations. The matrix organization is more complex than either the task forces or teams (Gerloff 1987:254-255). When an organization habitually employs a system of interdisciplinary teams centered around discrete projects, it is often referred to as a matrix organization (Bartlett and Baber 1987:610), although one scholar suggests a typology of matrix organizations which will encompass task teams as a form of matrix organization (Sayles 1979:101), while another suggests that, in some cases, matrix organizations evolve from organizational experience with simpler forms of ad-hoc organizations (Galbraith 1979:46-51). For discussion, the term "matrix pattern" will encompass the three aforementioned types of ad-hoc organizations.

Matrix pattern organizations have two distinguishing features, dual authority and balanced power. Dual authority means that members of the organization have a dual reporting relationship; that is, two managers to which they are responsible. While this characteristic violates the principle of unity of command, it is viewed as being appropriate for conditions under which the matrix pattern will be effective (Gerloff 1987:256). Balanced power encompasses the principle that relative power between the two managers defining the matrix should be approximately equal. While achieving balanced power may be problematic, it is necessary for dual authority to have any validity. Without balanced power, one manager would be able to dominate or unduly influence members of the matrix (Gerloff 1987:256).

Analysts have identified three conditions which "pressure" organizations towards a matrix pattern; outside pressure for a dual focus, need for high information-processing capability, and pressures for shared resources (Jackson and Morgan 1982:151-152). The presence of these conditions in major offshore energy development projects has led to the creation of ad-hoc formal organizations exemplified by the joint review panels (JRP) formed during the 1980s to produce environmental assessments for offshore energy projects.

Evolution of Joint Review Panels

Joint review panels have been described as "experiments with quiet incremental reforms" (Duerksen 1983:130). Use of the joint review panel was pioneered by Colorado initially as the result of a ski resort siting dispute and in subsequent application to major energy and mineral resource projects. In the latter application, the JRP sought to "coordinate regulatory and administrative reviews conducted by the three levels of government, thus expediting those review processes and improving the quality of project planning and review (Colorado Department of Natural Resources 1980:1). Initial application of the panels in California coastal development occurred with its application to offshore energy projects in the eastern Santa Barbara Channel in the 1970s.

Benefits of offshore development are usually realized at a national or state level while costs are often borne at the local level (McGinnis, 1990:5). Also, energy development in the Channel usually requires permits issued by federal agencies for platforms and pipelines placed

on outer continental shelf leases; state agencies for pipelines across state submerged lands, coastal development permits, etc.; and local agencies for related onshore facilities (Lima and Woolley 1990:2; Wade 1989:111).

Prior to JRPs being utilized, separate environmental reviews were conducted by each cognizant level of government. This system had two immediate results. Local governments believed that their interests were not adequately addressed in federal and state level reviews. Furthermore, the duplication and overlap inherent in separate reviews and the resulting delays in permit processing caused widespread dissatisfaction with the review process (Hershman, Fluharty, and Powell 1988:151-152).

Provisions of the National Environmental Policy Act (NEPA), the California Environmental Quality Act (CEQA), and the California Permit Streamlining Act encourage the production of a single environmental document that will satisfy local, state, and federal requirements. Intergovernmental coordination in the preparation of environmental documents for the onshore and offshore components of Chevron's Santa Clara Unit, facilitated through responsibilities outlined in memoranda of understanding (MOU) is credited with allowing project permitting to proceed in a timely, orderly fashion (Graves and Simon 1980:319-334). While this mechanism was not a formal JRP, it established the system for and demonstrated the tangible benefits of intergovernmental cooperation.

The major responsibility of joint review panels is to oversee preparation of an environmental impact assessment document that satisfies the requirements of NEPA for federal agencies and CEQA for state and local agencies. The JRPs do not issue permits. Rather, they produce an analysis which provides permitting agencies the *information needed* to approve projects and issue permits in accordance with federal and state environmental law. This information includes probable impacts from development and suggested measures to mitigate the impacts.

The first panel was established for the siting of Platform Gina and Gilda off the Ventura coast and was made up of agencies having any permitting authority over various project components. Involvement of numerous agencies made the environmental impact assessment process unwieldy (Kahoe 1990) and is credited with actually hindering the project's development (National Petroleum Council 1982:599). However, the experience from each of these projects incrementally changed the system for conducting environmental impact analysis. The next application of the JRP with the Exxon Santa Ynez Unit project in 1983 proved to be more successful and signified the beginning of widespread use of joint review panels to conduct analyses for offshore energy projects.

Analysis of more than 10 panels formed to oversee preparation of environmental documents for development in the area offshore of Santa Barbara County indicates the panels were very effective in meeting the needs of the agencies involved in offshore energy, although the panels were not without their problems. In fact, agencies have become conditioned to expect a JRP when new offshore energy projects are proposed (Dunway and Callahan 1991:2). Other analysts note the JRP has facilitated the inclusion of local interests in decision making (Alarcon, Fleisher, and Margerum 1987:3744); have been a "substantial success" in resolving

incompatible or competing mandates and goals and/or overlapping jurisdictions (Callahan, Cantle, and Minick 1987:3728) and suggest that use of panels may resolve conflicts between energy development and other users by ensuring mitigation or compensation is provided (Hildreth 1989:280).

Nature and Structure of the JRP

The offshore energy JRPs have been comprised of representatives from the federal, state, and local governments exercising major primary permitting responsibilities for project components. These agencies include the Minerals Management Service, California State Lands Commission, California Coastal Commission, the California Office of Planning and Research (Secretary of Environmental Affairs Office of Offshore Development in later panels) and the Santa Barbara County Resource Management Department (the land-use planning agency). Although any agency which has permitting authority over any part of the project is eligible for membership on the JRP, membership is usually defined in terms of level of jurisdiction over project components. Disputes over membership have the potential to jeopardize efficient task completion (Alarcon, Fleisher, and Margerum 1987:3739-3740).

The panel operates under a Joint Review Agreement which specifies panel member responsibilities, time frame for completion of the panel's task, and extent of the panel's decisions. The panel selects and directs the contractor who produces most of the analysis and documentation. One member of the panel is designated lead agency (co-lead agencies have been used on some projects) to direct the panel in its tasks and make final decisions on key issues including the required level of impact mitigation (Alarcon, Fleisher, and Margerum 1987:3736-3738).

Participation in the JRP is voluntary. Each member has the right to withdraw from the panel and pursue its analysis independently. While there is a possible erosion of a government's ability to singularly manage the project when it serves on a JRP (Guzman 1983:3), the advantages which accrue to members are numerous. The JRP allows jurisdiction problems and policy differences to be worked out at staff level, enhances sharing of expertise, provides the means to evaluate multi-level benefits and costs, and coordinates various land-use, development, and environmental regulations (Kahoe 1987:1920).

Consensus decision making among panel members is the preferred method of dispute resolution. Most JRPs have operated solely by consensus, with voting mechanisms specified in the JRA used sparingly as a last resort (Dunway and Callahan 1991:6). This characteristic has resulted in JRPs being described as "reflective bodies" (Moory 1990). A portion of this tendency may be attributed to the nature of committees which views decision making as "a matter of invention, rational discussion, compromise, and eventual agreement on the best practical solution" (Barber 1966:47). Another influence on the consensual deliberations is the presence of a facilitator on JRPs. The representative of the Office of Planning and Research/Secretary of Environmental Affairs mediates differences between panel members to prevent the necessity of a vote from ever occurring (Kahoe 1990). JRP participant interviews indicate generally positive attitudes toward the facilitator (Dunway and Callahan 1991:9).

Ad-hoc Organizations and JRPs

As initially established, the JRP exhibits characteristics of a task force organization. Several different agencies, each with a different and potentially conflicting mandate come together to solve a single problem--production of an environmental impact assessment for a single project.

With continued use of the JRP to evaluate several projects in a relatively short period of time, the organization begins to exhibit characteristics of a task group. With each repeated application of the technique, agency roles and organization procedures become more routinized. As learning occurs, organizational efficiency improves.

Members of task forces and task groups are influenced by the hallmarks of matrix pattern organizations--dual authority and balanced power. Dual authority is present in that each agency representative is responsible to their respective agency supervisor and the JRPs lead agency representative (who essentially acts as project manager). Balanced power is achieved through the JRA which favors consensual decision making while giving the lead agency paramount powers in final decisions when needed. The voluntary participation aspect acts as a veto point balancing power towards the member agencies. The presence of a facilitator will act to mitigate a preponderance of power as will the self-view inherent in committees.

As noted above, outside pressure for a dual focus, need for high information-processing capability, and pressures for shared resources are influences which foster matrix-pattern organizations. The dual focus involved in offshore energy projects is the need to fulfill the mandate of the agency, be it the development of energy sources or the protection of local health and safety and the need to produce an acceptable environmental impact assessment. High information processing capability is required given the voluminous data which must be generated in the assessment. Shared resources are required to control the costs associated with assessment, to eliminate duplicated effort and politically embarrassing project delays, and because the "sharing" is mandated by federal and state policies.

There are incentives for participating in a JRP. Among the most important is the ability to influence multi-level outcomes in both the definition of problems and the preferred solutions. For example, the panel defines conditions which constitute environmental impacts to be addressed by the assessment. Given the different orientation of agencies and the uneven distribution of benefits and cost of offshore energy, a condition may be recognized as a problem at one level of government, but not at another level of government. Additionally, mitigation measures identified in the assessment are seldom implemented by a single agency or by a single level of government. Furthermore, the mitigation measure preferred by one level of government may be implemented by another level of government. Thus, the ability to influence the classification of impacts and the measures used to mitigate the impacts provide a strong incentive to participate in the panel.

For those issues which are regional and transboundary in nature, e.g., fisheries and pollution control, an interstate mechanism may be more appropriate than an ad-hoc mechanism. Many

environmental problems which contemporary society faces transcend political boundaries and a different encompassing mechanism may be called upon.

AN INTRODUCTION TO THE REGIONAL INTERSTATE ORGANIZATION AS AN INTEGRATING MECHANISM

The management of the ocean and coastal zone is one example of a concern which is regional in nature. Regional organizations cover all or parts of several states and have been justified in the United States in that they provide coordination in a rather fragmented federal system (Derthick 1974:8). Recently, scholars have recommended the interstate compact as a means to resolve multiple-use conflict in the Pacific ocean and coastal zone. Cicin-Sain, Hershman, Hildreth, and Isaacs suggested:

> "There are a number of reasons why it is advantageous for coastal states to act regionally on common or shared ocean management problems. These include: 1) spillover effects (positive and negative) of ocean resource economic development in one state on other states; 2) the need for interstate planning for resources or uses that are transboundary; 3) the sharing of state experiences on common problems; 4) the promotion of standardized state policies/procedures that can encourage private investment; and 5) the development of a collective state approach for dealing/negotiating with the federal government" (Cicin-Sain, Hershman, Hildreth, and Isaacs 1990:xi).

The broad interest in such compacts is based on the assumption that states can effectively pool their resources and cooperate to offset obstacles to environmental policy making (Bowman and Kearney 1986:27, 243-247).

However, it is by no means clear that such regional compacts can reasonably be expected to work effectively. Effectiveness may depend on relatively special circumstances. Little if any systematic study of the efficacy of the regional interstate mechanism has been undergone. In addition, for a number of political and economic reasons, the federal government has been reluctant to entrust policy decisions to regional administrations, and many citizens dislike decisions taken by government officials not elected to office. Also, unless coerced into forming regional administrations, interstate administrative mechanisms would need to offer incentives to states to join (this is consistent with a wide range of work on group formation). Moreover, regional administrations may reproduce the many problems now facing present state-level ocean governing organizations.

Horizontal and Vertical Regionalism

In the U.S. federal system, it is useful to distinguish two types of interstate relationships, vertical and horizontal. Horizontal regionalism is essentially a lateral, non-hierarchical, and voluntary relationship (Wright 1982:329). It is a relationship between states which have entered into a formal contract which is often, but *not necessarily*, binding if it has

Congressional consent. The issue of Congressional consent is somewhat vague and many horizontal compacts have flourished without such consent (Ridgeway 1971:20-23).

Vertical relationships typically involve an active federal government participant--indeed, the federal government may well have organized the regional agency. The states are subordinate to the national government in vertical relationships. Because of federal sovereignty, there is the possibility of parties appealing decisions made in the framework of the commission to the relevant federal agency. In some cases, this may act as a barrier to consensus building. For example, pursuant to the Magnuson Fishery Conservation and Management Act of 1976, fishery management councils were created to conserve and manage the fisheries in several regions. Fishery management plans adopted by each council are given to the Department of Commerce for approval or disapproval and states that cannot agree at the council level are able to appeal to the federal government.

An Overview of the Use of Compacts

The use of the interstate compact appears to corresponded with shifts in the role of the states in policy making. In the 1950s there was a rise in the use of the interstate compact because of the new dimension of state power in intergovernmental relations. Between 1950 and 1970 the rate of adoption of compacts accelerated to more than four a year (Nice 1987:70). During this period, several organizations recommended the compact, ranging from the President's Council on Environmental Quality; the Committee on Economic Quality; the Brookings Institution and the Advisory Council on Intergovernmental Relations. After 1970, growth in the use of compacts fell dramatically (Council of State Governments 1987). Perhaps this decline can be understood partly as a response to the increased role the federal government played in policy making during the period. In the 1980s, under the philosophy of New Federalism, the Reagan Administration cut grants-in-aid for environmental projects (Hershman, Fluharty, and Powell 1988) and there was a rearrangement of responsibilities along more decentralized lines (Crotty 1987; Fitzgerald, McCabe, and Folz 1988; Vig and Kraft 1984). The federal government began looking increasingly to the states to provide environmental policy innovation (Crotty 1987; Davis and Lester 1987; Fitzgerald, McCabe, and Folz 1988) and conflict over natural resources intensified. The Bush Administration continues to look to the states to resolve their particular environmental problems. In an attempt to adjust to complex environmental difficulties, states may begin to cooperate with other states by joining either interstate cooperative commissions or formal interstate compacts. For example, the California Assembly has passed a bill supporting the notion of an interstate compact to manage the Pacific coast region (California Assembly 1989).

Before investing the interstate compact with special responsibilities and high expectations, we need information on whether and when regional institutions are effective means of decision making. In general, literature on regionalism can be portrayed as skeptical about the effectiveness of such administrative mechanisms. One scholar maintained that "regionalism seems to flourish when the stakes are low and when there is no perception of winners and losers" (Bowman 1985:139-140). Ocean and coastal use conflicts are often zero sum games played out between users. For example, private interests proposing offshore oil development

compete with commercial fishing interests and recreational users for the same space (McGinnis, 1990). An ocean regional administration would have to contend with a myriad of user preferences located at the local, state and federal level.

The Cases

Three different cases of environmental regionalism are reviewed. Before developing the typology, it is important to note that the authors recognize that an argument exists against using land management principles for ocean management. The authors contend that policy makers can learn from the successes and failures of land management regimes. Each case was chosen because the issues the regional agency addresses transcends political boundaries and represents an example of the problem of integrating diverse interests. The Southwest Low-level Radioactive Waste compact (SWLLW); Northwest Power Planning Council (NPPC); and the Pacific Fishery Management Council(PFMC) are compared in terms of primarily two endogenous variables, the structure of authority surrounding the regional agency; and the costs and benefits associated with the substantive issues the regional agency addresses.

Membership of the PFMC includes the states of Oregon; Washington; California and Idaho, representatives from state fishery agencies from each state; federal agency representatives; and citizens knowledgeable of fishery concerns. In fishery councils, costs are often concentrated and are found in the various commercial fisheries within the region. Public concern over fishery conservation is not as intense as radioactive waste concerns.

The PFMC is an example of the conjoint form which is predicated on a vertical relationship between states and the federal government. The states are subordinate to the federal government and individual member states can appeal agreements made in the agency at the federal level--which constitutes a veto point. The PFMC is subordinate to the Department of Commerce who approves or disapproves council decisions. Because of this lack of discretionary authority, the PFMC has no "implementation teeth" (Cicin-Sain, Hershman, Hildreth, and Isaacs 1990:126-127,135) and has been found to be ineffective in protecting the fisheries in its region.

The NPPC was formed in 1981 pursuant to the Pacific Northwest Electric Power Planning and Conservation Act and incorporates two members from each of the following states--Idaho; Montana; Oregon; and Washington (there is no federal representative). The NPPC has the unique authority to bind federal agencies--a rare constitutional power--to follow the guidelines adopted in the Fish and Wildlife Program adopted in 1982 (Hemmingway 1983:692; Lee and Lawrence 1986:10). Costs of action are widely diffused because funding is provided by the utility companies and their costumers within the region.

The Fish and Wildlife Program adopted by the NPPC is grounded in the adaptive decision making process which represents an alternative to the traditional means of environmental assessment as depicted in the environmental impact statement (Holling 1978:2-21). In particular, the adaptive approach values a "trial and error" process of learning from mistakes and assumes that environmental assessment is an ongoing investigation and not a one-time

prediction of impacts (Holling 1978:133). It has been suggested that the NPPC has been quite effective in implementing the program (Lee 1989; Lee and Lawrence 1986).

Pursuant to the Low-Level Radioactive Policy Act of 1980, as amended, the SWLLW formal compact made up of Arizona; California; North Dakota and South Dakota has the unique authority to treat, package, ship, and dispose of low-level waste (LLW)--a power traditionally considered a federal responsibility. Each state participating in a LLW compact has to balance the interests of the local population bearing the costs and the local populations' interest of not-in-my-backyard or NIMBY against the interests of the region which receives the benefits (Kearney and Stucker 1985:216). The LLW compact may be a model for future compacts to emulate because concentrating costs at the local level may be necessary in other environmental areas (Kearney and Stucker 1985).

Due to the perceptions of risk related to low-level radioactive waste, each state is an adversarial representative of its own interests. Successful implementation of regional LLW compact decisions requires a completed and agreed upon environmental impact statement. To date, the SWLLW compact may be the first regional compact without a radioactive waste site to develop one (Nuclear News 1988) and a consensus has been reached between member states. The SWLLW compact has chosen Ward Valley, California for its first LLW repository and an EIA will soon follow.

A Typology of Forms of Environmental Regionalism

From the cases, a typology of three forms of environmental regionalism have been derived (See Figure 1.1).

Figure 1.1 Characteristics of Regional Decision Making Forms.

	Regional Forms		
	Adversarial	*Adaptive**	*Conjoint***
Case	SWLLW	NPPC	PFMC
Authority	Horizontal Shared	Horizontal Shared	Vertical Federal Sovereignty
Purpose	Single	Single	Single
Costs	Concentrated	Diffused	Concentrated
Perceived Risks to Social Welfare	High (LLW)	Low	Low
Process	Answer Oriented	Question Oriented	Information Gathering
	Competing Values	Competing Values	Competing Values

* Many of these characteristics were derived from Lee, Kai N. and Jody Lawrence, "Adaptive Management: Learning from the Columbia River Basin Fish and Wildlife Program," Environmental Law 16, (1986), p. 448.
** The term conjoint is derived from Welborn, David M., "Conjoint Federalism and Environmental Regulation in the United States," Publius: The Journal of Federalism 18, (Winter 1988).

We suggest that given federal and state environmental laws, a conjoint form of ocean regional decision making would evolve. The conjoint form, as depicted in the PFMC, is grounded in a hierarchical, vertical relationship between the states and the federal government. The federal government is the dominant force within a conjoint form of interstate regionalism and as an active participant and member of the compact would pursue its own interest. The local governments may not be given representation in such an ocean compact. But, the authors suggest that some means of encompassing the interests of industry, the public and the local governments should be developed into any regional form. The barriers to participation should be kept low throughout decision making. If not, the ocean regional planners may face the same problems facing state-level decision makers.

AN ASSESSMENT OF TWO INTEGRATING MECHANISM AS ENCOMPASSING ORGANIZATIONS

As shown in figure 1.2 below, the characteristics of ad-hoc organization and the regional compact vary greatly, making each particularly well-suited to application as a mechanism to integrate interests in coastal zone disputes.

Figure 1.2 Comparison of Ad-Hoc and Regional Mechanisms

Characteristic	*Ad-Hoc*	*Regional*
Problem	Localized	Widespread
Jurisdiction	Intrastate or Interstate	Interstate
Duration	Short-term	Long-Term
Policy Phase	Formulation	Formulation and Implementation
Purpose	Task Specific	Sector Specific
Authorization	Interagency Agreement	Formal Legislation

Ad-Hoc Ocean Organizations

Ad-hoc organizations, such as JRPs, used to address coastal zone issues appear to be most appropriate to well-defined, geographically localized situations. Though commonly composed of political entities within a state, the organization could conceivably be interstate in nature for transboundary problems. (However, variations in state environmental law, the extent of empowerment of local government and the potentially large size of the group could be fatal to the *task* of an interstate JRP.) Ad-hoc organizations are time-constrained organizations, they must accomplish their well-defined task in a specified period of time. As such, there are milestones to measure the groups performance. Simplicity enhances the attractiveness of this type of organization. While an informal agreement could structure group operation, a simple interagency agreement though more formal should unambiguously specify group relationships.

Task forces and task groups will most likely be the dominant form of ad-hoc organizations used to address management questions. The ultimate matrix organization is more complex and permanent than task forces or groups, making it an organization of last resort. A pure matrix, with its inherent problems of balanced power and dual authority, may not be appropriate to address the constantly changing and uncertain problems which arise from the coastal zone.

Ocean Regionalism as an Integrating Approach

There are two ways in which an ocean regional administrative mechanism could be formed. First, if the necessary incentives are offered, each state could voluntarily join an interstate agency. The issue of whether or not such a interstate agreement would require Congressional consent remains unclear. Second, in the event that Congress passed legislation to create interstate compacts for the regional management of the ocean and coastal zone, each state could be coerced to join a regional compact.

Given the complexity of a potential ocean regional administration, we have identified several concerns pertaining to the maintenance of the organization.

With respect to a potential ocean regional agency, the essential issue is whether the agency has autonomous decision making authority or not. Authority matters more in situations with difficult cost/benefit tradeoffs such as those found in ocean use conflict. In such situations, the agency itself will find it difficult to make compensation payments and compel agreement. With regards to the level of discretionary authority, the efficacy of an ocean regional administration involves three potentially separable issues. First, can the participants in the agency make a final decision that cannot be appealed to another governmental level (i.e., the federal government)? Second, does the agency possess any capacity to implement its decisions? Third, are other actors required by law to acknowledge the decisions reached in the agency and regard them as binding?

Different patterns of costs and benefits arising from the substantive problems under consideration are also likely to affect how ocean regional agencies work (this is consistent with a wide range of work on bureaucracy. See Wilson, 1974). Some costs receive special political standing because of the high perceived risk associated with the cost, e.g., potential offshore oil development. Perceived costs are often related to perceived risks. Perceived risks do have an impact on policy making. In general, when risks are perceived to be high, (i.e., there is perceived significant cost to social welfare), the regional organization will *act* rather than continue to bargain in the pursuit of consensus between participants. When risks are perceived to be low (i.e., there is a perceived insignificant cost to social welfare), the *no-action presumption* (doing nothing is better than doing something) is acceptable and the bargaining process continues. In many ocean and coastal policy conflicts, perceived risks may force the regional agency to act.

The role of a potential *policy fixer* (Bardach 1975) may enhance a potential ocean regional agency's ability to effectively administrate. There are two types of policy fixers--the patron

and leader. The patron operates outside of the regional agency and is not a member of the regional agency while the leader acts within the organization to help maintain the organization. The presence or absence of either policy fixer may have an impact on the ability of the regional agency to effectively achieve formal and informal goals. Note, interest groups and officials in other government bodies not represented in the regional agency may have an impact on planning.

Few regional agencies provide for their own operating revenues and must rely on external financial support. In light of New Federalism, we suggest that federal funding would have a significant impact on ocean regionalism and believe that the "power of the purse" can constrain or induce effective administrative behavior.

Size of the regional agency is of fundamental importance. Large, multiple purpose forms of regionalism would need to encompass more interests and internalize more externalities than single purpose administrations. Local governments might be provided with the authority of "consultation and concurrence" as depicted in the Nuclear Waste Policy Act of 1982 (states have the authority to veto the federal government's proposed plan to develop a high level nuclear waste repository within their jurisdiction). Local governments could also be given such authority in multiple use ocean management regimes. Local governments could also be given representation within the regional compact (see, for example, McGinnis 1991 on intrastate regional compacts).

SUMMARY

In California, there is the need to develop an administrative mechanism which would allow the various interests and users of its precious natural resources to be integrated. We have reviewed two major mechanisms for encompassing externalities and have elaborated on both. Several key forms of the ad-hoc and regional organizations were characterized. Given such a characterization, we have hypothesized that different forms of either the ad-hoc or regional administration would develop in light of current state and environmental laws. Obviously, neither mechanism can completely represent the interests of all the users of coastal and ocean space. Nor does using either structure guarantee that interests will be integrated. However, each offers the potential to improve the existing hierarchical decision making structures.

CHAPTER 2. TRENDS AND CYCLES IN SANTA BARBARA REGULATION OF OIL DEVELOPMENT: SANTA BARBARA COUNTY AND OFFSHORE ENERGY DEVELOPMENT[3]

Abstract. This paper examines the Santa Barbara County, California government response to state and federal offshore energy development from 1955 to 1990. Over this period, the scope and character of issues confronting the County changed from one of limited development in largely rural areas to large scale development which conflicted with several locally important scenic, social, economic, and ecological values. As development progressed, the desired outcomes of local decision makers became less aligned with those of state and federal decision makers. To support local decision makers, the capacity of county staff evolved from an ad-hoc arrangement which utilized expertise from different county departments to the creation of a permanent, land use bureau which exclusively addressed offshore energy development.

INTRODUCTION

Creating public policy, administering and enforcing that policy, and adjudicating claims made within the public policy framework are the three essential functions of government which in the United States is a discontinuous activity involving multiple participants multiple participants (Herson, 1984). In this system, the authority (the right to act) and power (the ability to act) to formulate and execute policy are diffused among several institutions and the different levels of government (Anton, 1989, 101).

Many federal policies and programs, although not directly aimed at local governments, nonetheless may have profound effects on local government. However unintended the consequence, local governments must bear considerable costs associated with these federal programs and policies. One often overlooked aspect of the intergovernmental response is the effect on the structure and functioning of local government.

Santa Barbara County, California, approximately 90 miles "up the coast" from Los Angeles, has confronted the impacts caused by state- and federally-initiated offshore energy development (i.e., oil and gas). In deciding how to respond to offshore energy development, local government decision makers relied on the expertise of County staff.

AUTHORITY OVER OFFSHORE DEVELOPMENT

Authority over coastal and offshore areas has been partitioned in a number of different ways . Very often, the purpose for the division of authority has been to specify which political unit has control over an economic resource (i.e., fisheries, oil and gas, shipping) rather than the holistic management of the coastal and offshore area as a natural unit (Knight, 1971; Wade,

[3] This Chapter was presented as a paper at the Southern Political Science Association annual meeting in Tampa, Florida, November 1995.

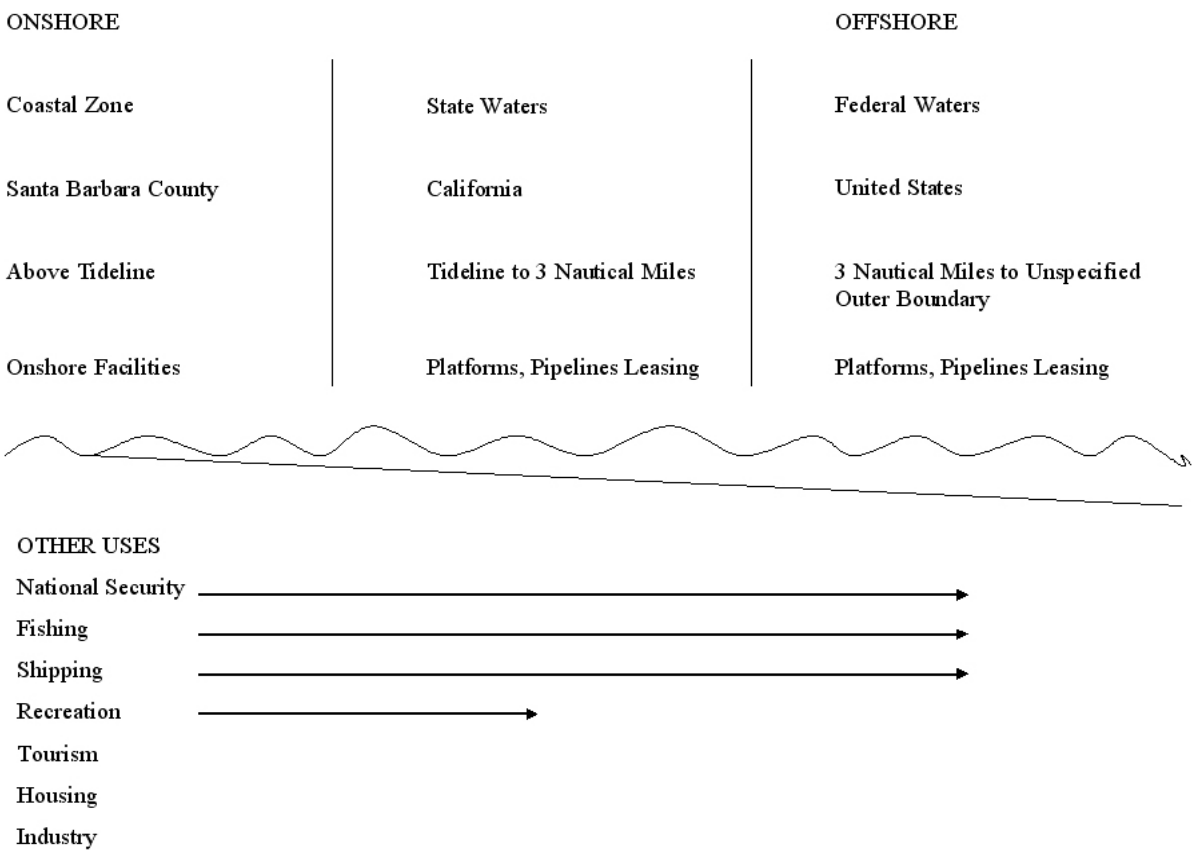
1988). The various divisions of authority often leads to narrow perceptions of the role of each level of government in management of these areas.

Geographic Division of Authority

The regime for offshore energy development partitions California coastal waters into three areas. The most precisely demarcated boundary separates areas of state and federal authority. Many of the disputes between state and federal government stem from the precise location of this boundary line, especially when the dividing line partitions offshore oil lands (Lima, 1994). The activities associated with offshore energy development, such as exploration, drilling and production occur in these offshore zones.

As shown in figure 2.1, the state government zone extends from the mean tide line seaward three nautical miles. The federal government zone extends indefinitely beyond this area. This borderline in the sea has created a "geographic dual federalism" a perception which confers near absolute authority of each government in its respective zones, regardless of the consequences of their actions to other levels of government (Lee, 1975; Warren, 1978; Miller, 1984).

Figure 2.1 Jurisdiction and Multiple Use of the California Coastal Area



Local government authority is exercised in an area which is landward of the mean (average) tide line. This upland area is often the site of processing plants, supply and crew bases, and other facilities needed to support offshore energy development.

For a number of reasons, local authority in this onshore zone is conditional, by no means as absolute as state and federal authority for over their respective zones. First, under the classic dual federalism concept espoused by "Dillon's rule" local government, especially a general law county, exercises only those powers specifically delegated to it by the state, although this discretionary authority varies considerably from state to state (Wright, 1988, 310-312; Christensen, 1995, 87-90). Second, even where local government has been delegated discretionary authority by the state, authority over the coastal zone may be limited by state legislation. As such, a government which has a measure of autonomy outside the coastal zone may find its authority constrained inside the legislatively defined coastal zone (MacGilvary, 1987).

Historically, local governments in California have exercised considerable authority over land use and zoning under a grant of general discretionary authority by the state (Koehler, 1983). In the early 1970s, California's coastal management legislation, approved by popular initiative, initially restricted local government actions in the coastal zone and centralized authority in several regional boards and a single state board. However, subsequent legislation allowed local government to reclaim jurisdiction after it enacted special coastal zone land use plans and ordinances that were consistent with state law. The result of this return of authority furnished local governments with a strong role in managing the local coastal zone (Lima and Woolley, 1991).

Functional Division of Authority

Functionally, because of the grants of conditional authority to local government, no single level or institution of government is solely responsible for offshore development. Rather, as shown in figure 2.2, the governance of offshore energy development is an amalgam of different levels and institutions of government, with considerable fragmentation of authority over development within each level of government. Within each level, a few agencies play key roles.

Figure 2.2 Level and Government Institutions Involved in Offshore Energy Development

INSTITUTION	LEVEL LOCAL	STATE	FEDERAL
Bureaucracy 1955	Planning Department	State Lands Commission	United States Geological Survey
	District Attorney	Department of Fish and Game	Bureau of Land Management
	Oil Well Inspector		Army Corp of Engineers
Bureaucracy 1984	Energy Division	State Lands Commission	Minerals Management Service
	County Counsel	California Coastal Commission	
Executive	County Board of Supervisors	Governor	President
Legislative	County Board of Supervisors	Assembly	House of Representatives
		Senate	Senate
Judicial		Superior	District
		Appeals	Appeals
		Supreme	Supreme
Direct Democracy	Initiative	Initiative	
	Referendum	Referendum	

The multiple jurisdiction of offshore development derives, in part, from the nature of offshore production. A complete offshore energy production system requires platforms, pipelines to move the product from platform to onshore processing plants and facilities to transport the product to market, such as pipelines and marine terminals. These facilities are located in all three zones. It is highly unlikely, although not impossible, that these facilities will be co-located in a single zone.

Furthermore, offshore industrial activity potentially impacts a number of other uses of the coastal area. As shown in figure 2.1, a number of non-energy related activities are common to the three zones, such as national security uses, recreation, commercial fishing, tourism, coastwise and international trade, and industrial development. Management of these competing, coastal-dependent uses is seldom within the purview of an agency or level of

government which has authority over offshore development. None-the-less, the other uses influence the character of offshore energy development. Moreover, the impacts of offshore energy development, such as air pollution, often crosses jurisdictional and administrative boundaries.

Finally, offshore energy development is characterized by an imbalance between the highly-localized impacts of development, such as land-use conflicts, borne primarily by local governments and the highly diffused benefits, such as lease and royalty payments, realized by the state and federal government. This distribution of costs and benefits is the opposite of most development programs which have highly localized benefits and diffuse costs (Mead, et. al., 1985; Cicin-Sain, 1986; U.S. Department of Interior, 1989, 162-164; Kahoe, 1986; Holing, 1991).

Local Government and the Division of Authority

The essential character of this configuration of interests is captured by the overlapping authority model which posits that all three levels of government operate simultaneously in a substantial number of policy areas, with very few single-jurisdiction or full-discretion areas. As a result, the power and influence of any one level of government is substantially limited and bargaining between governments is dominant strategy in executing intergovernmental programs (Wright, 1988, 49).

The problems of governance are often attributed to the non-coincidental interests of the various levels and institutions of government which, combined with shared programmatic responsibilities, make relationships between the levels of government inherently unstable (Anton, 1990, 5). These non-coincidental interests are present in the offshore energy issues. For example, Warren (1978) concluded that while the placement of onshore facilities underscored the need for local participation, federal and state officials formulated policies as if local governments constituted a "residual category." However, the local governments, by use of their land use and zoning authority, normally posses vetos over facilities within their boundaries, which if exercised could significantly modify the cost of development (Lima and Woolley, 1990). Yet, a trio of scholars concluded that even if interests of the various levels of government were complimentary, the vertical and horizontal government stratification would complicate management of offshore development (Nash, et al. 1972, 51).

One of the complications in governance is caused by the different capacity of the various levels of government. Capacity is broadly characterized as the ability to anticipate and influence change; make informed, intelligent decisions about policy; develop programs to implement policy; attract and absorb resources; manage resources; and evaluate current activities in order to guide future actions (Hondale, 1981, 577). The autonomy of local government is established by its demonstrable ability meaningful policy choices, allocate resources, and resolve conflicts with the other units of government (Danielson, et al., 1977). Yet, limits on discretionary authority of local government is perceived to be a detriment to the ability to develop capacity (Waugh and Strieb, 1993, 47).

Furthermore, programs which expand the capacity of local government through grants-in-aid create a paradox. While local governments become more dependent on the state and federal government for fiscal support, that support has "created more programmatic autonomy and goal independence at the state and local level despite the national attempts at national regulation of state and local behavior" (Ripley and Franklin, 1983, 68).

The greatest conflict over offshore development occurs when local interests perceive the potential environmental risk from development as being more serious than local socioeconomic benefit provided by offshore energy (Willard, 1987). Luke (1980) found that local attitudes toward development are crucial to the success of facility siting. He noted that few corporations anticipated the development of debate over onshore socioeconomic effects that have received the attention of local regulatory bodies. His research identified the level of expertise of local regulatory bodies (i.e., capacity) as a prime factor determining whether or not a company was able to obtain the necessary permits for a facility. He concluded that:

> (F)or local communities...major facilities and major projects to develop natural resources represent totally new and previously unexperienced phenomena. They represent not routine regulatory decisions, but major policy decisions--decisions for which in many cases there are no precedents (Luke, 1980, 291).

In the multijurisdictional environment of offshore energy, if all levels of government favor the activity and if development is not incompatible with local values (or can be made to be so), development will normally be allowed. Often, the resulting permission to proceed with the onshore facilities will be granted with conditions imposed by the governments which will affect the location of the activity, the technology used, or the cost of the activity. Yet, if any level of government is opposed to development, approval will not be as straightforward.

The rejection of development by local government may lead the developer to challenge the decision to a more supportive level of government or to move essential elements outside of the opposing government's jurisdiction. Similarly, even if all governments approve of development, but the activity is not compatible with local social and economic conditions, opponents of the activity may challenge the decision in other forums, such as those provided by the judiciary or by direct democracy. In any event, this expansion of conflict among the various levels of government delays the permission to undertake development, essentially halting the activity until the conflict is resolved (Lima, 1994).

Decision Making in Santa Barbara County

Offshore energy project approval in Santa Barbara County is a multiple-stage process. As such, each institution in the chain of decisions requires a different type of expertise. The foundation of the process rests with the land use management department (i.e., planning) that reviews applications for permits and development plans and makes recommendations to the five-members appointed to the County Planning Commission. The Commission determines whether or not the proposed project was in compliance with County ordinances and policies. Projects are seldom rejected or approved outright. Rather, approval of the project is

conditioned on the developer agreeing to an number of measures placed on the project to bring it into compliance. Indeed, Exxon has described the conditions imposed on one of its development projects by the Planning Commission to be among the most stringent it had encountered anywhere in the world (Hvoboll. 1982, 82).

Decisions by the Commission can appealed by the applicant or project opponents to the Board of Supervisors for final decision. The controversial nature of the offshore development and County land use regulations which required Board approval for major zoning changes that normally accompany offshore energy development, ensured that almost every offshore energy decision by the Commission would be reviewed by the Supervisors. Often, this action has been "oriented toward tinkering with individual proposals and adjusting each to fit local conditions, rather than considering difficult questions" (Cicin-Sain, 1986, 10).

OFFSHORE ENERGY DEVELOPMENT IN SANTA BARBARA COUNTY[4]

Modern offshore energy development, i.e., from stand-alone offshore platforms or subsurface production units, began in the mid-1950s. The development has gone through a series of stages. Total offshore development at any time is the sum of all previous offshore development less development that was abandoned. Only recently, have the first offshore platforms been removed as sustained production from the fields was no longer economical.

First Period of Development: 1955 to 1965

Santa Barbara County capacity for dealing with offshore energy development has been evolving since 1955 when the state's offshore leasing law was enacted. The law largely restricted development to southern California, with a large portion of the County's coastline eligible for leasing and development.

The Tidelands Act, as the leasing law is commonly known, required the agency responsible for leasing, the State Lands Commission to inform local governments of the intent to lease submerged lands and allow local governments to request a hearing prior to leasing. The law created structural access for local governments to raise issues and suggest mitigations for the Commission's deliberations. But, local governments had to develop technical expertise and administrative routines to formulate a rapid response.

Santa Barbara County had a measure of capacity to address these issues because of an extensive onshore and nearshore petroleum industry that had grown steadily since the 1930s. As a result, the Planning Department was familiar with facility siting issues, the district attorney was considered an expert on the legal aspects of offshore energy, and the County's oil well inspection department provided needed technical expertise to County decision makers.

The Board of Supervisors relied heavily on this ad-hoc, multi-department expertise and adopted a cautious approach to offshore activities. Initially, County staff closely scrutinized the actions of the State Lands Commission and other agencies which governed offshore

[4]The information in this section, unless otherwise attributed, comes from Lima, 1994.

development, including the U.S. Army Corp of Engineers. Thereafter, as both staff and elected officials gained expertise, the response became more routinized and bureaucratic. For example, the County rapidly developed a list of standard conditions for offshore exploration permits. As long as these conditions were included in state permits, the County reaction was unremarkable. However, any activity which did not comply with the conditions was actively opposed.

In addition to responding to state actions, the local governments had to prepare for actions that tended to be within their sole purview--the approval of onshore production and processing facilities. In 1956 for example, county ordinances were amended in anticipation of offshore development to regulate oil drilling near the coastline; regulate movement of hazardous materials used in offshore exploration; prohibit oil drilling piers; approve facilities, such as supply piers, needed to support a growing offshore industry; and annex offshore lands to the local school districts thereby expanding the tax base of the respective school district.

At this point, the county could only establish general policy through its zoning ordinances and creating the framework to manage offshore development. Specific application of these policies to each project occurred in the post-lease period, as the project requirements became more-well defined.

The siting of onshore facilities for the first offshore platform was somewhat contentious as residents in the area expressed reservations about the proposed facilities. Still, working with the developer, the County was able to approve a facilities at a site that was acceptable to the community, the oil company, and County government. Thereafter, the approval of the facilities which were primarily located in sparsely populated rural areas was highly routine. The rural isolation of the area where most development occurred contributed to the lack of large-scale opposition that might otherwise have caused the Board to act in a less routine fashion. Still, local opposition emerged when local social and economic values were threatened.

Second Period of Development: 1965-1975

By 1965, all of the areas eligible for leasing along the Santa Barbara coastline had been leased by the state. Several factors combined to force elected officials to re-examine the adequacy of staff capacity and policy that had served the county well during the first decade of development.

First, the leasing of the area seaward of state waters by the federal government promised to rapidly accelerate offshore development and greatly expand the attendant industrialization of the coastline by onshore facilities. Second, while County government had considerable political skill and influence in dealing with the state's legislature and executive agencies, they were less successful when dealing with the national government institutions. Third, most of these new facilities encroached on the rapidly expanding urban areas rather than in rural areas, increasing citizen opposition. Quite simply, land use and politics were changing faster than County government's ability to manage either of them. County administrative arrangements,

ordinances, and policy that had effectively functioned for ten years were now inadequate. Finally, the cumulative development was approaching locally unacceptable levels.

To deal with the rapidly emerging land use issues, the County sought to develop a comprehensive onshore facility siting policy. To provide the necessary expertise and input policy, industry representatives joined County bureaucrats and appointed and elected officials to develop the draft policy. After a nearly two-year effort, a comprehensive policy was developed by the group and approved Planning Commission before final action by the Board of Supervisors. The new policy and other changes which established a special zoning designation for onshore facilities "afforded the County a great deal of discretion and control when approving oil related facilities" (California Office of Planning and Research, 1977, 151).

While developing the policy and to give planners more time to study and prepare for the new development, the Board sought a one-year moratorium on leasing and development by the federal government. Instead, the County was given a 60 day delay during which time the County Oil Well Inspection office prepared a study on the impacts of offshore energy development on the community. Acting on the report, the County Board of Supervisors promised to withdraw its objection to further federal leasing if certain recommendations which reduced the area offered for leasing and the number of onshore facilities were adopted by the Interior Department. The recommendations, which were presented to Interior Department officials in Washington D.C. by two County Supervisors, were not accepted and the lease sale went forward.

Despite this rejection, County officials were willing to approve facilities which complied with the comprehensive siting policy. However, local citizens were not as accommodating and in a ballot referendum in November 1968 rejected Board approval of a onshore processing site.

Shortly thereafter, in January 1969, an oil well blowout from an offshore platform on a federal lease resulted in the Santa Barbara oil spill. The oil spill and the legislation passed in its aftermath fundamentally altered the politics of offshore oil development. Quite simply, County government which had previously tried to accommodate offshore development now sought to permanently ban development. However, despite an extensive lobbing effort, the County was only able to secure a temporary cessation of offshore activities. When development resumed in 1976 followed by renewed leasing, it did so in a transformed political environment.

Third Period of Development: 1976 to 1990

Offshore energy activities in the mid-1970s were rooted in two separate sources. The first resumption of on-going development of existing leases that had been suspended or curtailed in the aftermath of the 1969 oil spill. The second was new leasing efforts, partially motivated in response to the energy crisis. The total level of development from the continuing and new development was unprecedented in Santa Barbara County experience. Yet, the futile attempt to stop offshore energy development in the aftermath of the oil spill taught the County that offshore energy development was a reality it had to deal with.

Federal leasing of offshore lands for exploration and development accelerated in the early 1980s. Five separate lease sales were held from May 1981 to October of 1984. Overall, fully 41 percent of the tracts leased in the Southern California OCS were leased in the early 1980s (Lima and Woolley, 1990). As a result of these successive lease sales, a journalist noted:

> Santa Barbara County is faced with a task that would be a major planning effort for most states - trying to accommodate nine big oil industrial projects simultaneously....As the planning work mounts, federal and state funds once available for this staff work are diminishing (Sollen, 1983, C-1 and C-2).

General environmental legislation enacted in the 1970s, such as the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) gave the County a role in the comprehensive identification, analysis, and mitigation of environmental impacts created by offshore energy development.

These laws also forced the county to develop the capacity to conduct complex environmental assessment. The environmental review process determines the environmental impacts of a proposed action, examines feasible alternatives to the action, and identifies mitigation measures that can reduce the impacts. Environmental review does not permit the project to be undertaken. Rather, the review provides information needed by decision makers to understand the environmental consequences of their actions (Jain, et. al., 1993, 57-60).

Confronted with the requirement to conduct an environmental assessment of major development projects subject to the County permitting process, the County created the Office of Environmental Quality which later recieved full department status. At the same time, the County responded to the environmental assessments and decisions conducted by federal agencies In both cases, the county was forced to develop the capacity to undertake these activities.

Besides environmental review, changes in legislation facilitated the participation of local government in the intergovernmental decision making. The Coastal Zone Management Act of 1972 and the California Coastal Act of 1976 forced local governments to adopt special zoning and land use plans for the coastal area--the area where the onshore support facilities would be sited. The Outer Continental Shelf Lands Act Amendments of 1978 provided local government a number of opportunities for input in the multi-step federal offshore energy development process (Holing, 1990, 89-93).

The County had to develop the capacity to analyze and respond to these state and federal policy initiatives. The adoption of local coastal policies and implementing ordinances, while financed primarily by grant-in-aid, required a great deal staff, Planning Commission and Board of Supervisors time and the development of expertise.

However, this capacity had to be developed in an era of fiscal constraints. Tax revolt legislation, such as the property tax reduction initiative, Proposition 13, passed by California

voters in 1978, reduced the traditional sources of local government revenue and limited the expenditures of local government (Patton, 1989). These actions forced the development of alternative strategies to fund local government operations, including offshore energy planning.

As a result of the need to identify and develop new sources of revenues, the County implemented a policy which called for the developer to underwrite the entire cost of environmental assessment, permitting, and enforcement. Essentially, the county made cost recovery from the developer a condition on the approval of development plans for onshore facilities.

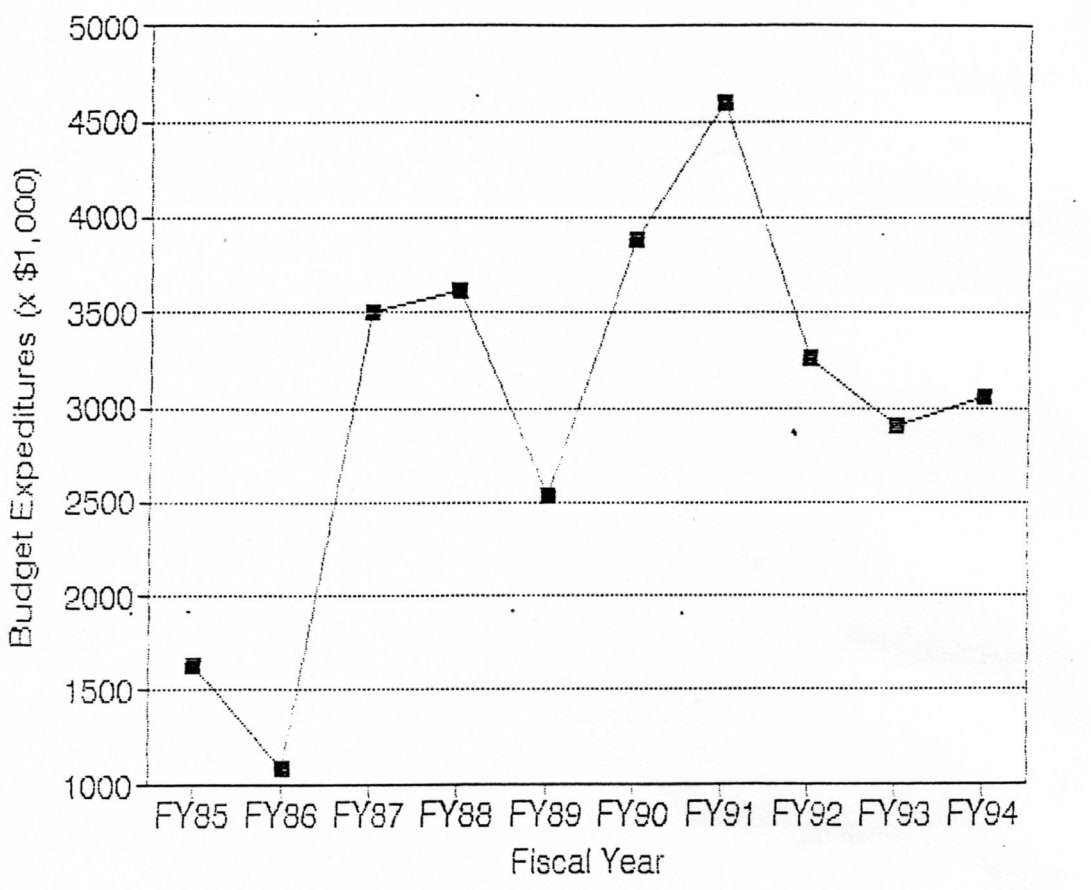
Coastal zone management legislation forced the County to temporarily surrender autonomy over permitting in the coastal zone to the California Coastal Commission. The legislation gave special status to coastal-dependent uses, which included energy facility siting. However, the Commission provided grants and technical assistance for capacity-building activities by local government, such as drawing up special land use plans for the coastal zone. Once these plans were approved, local government could reclaim its permitting authority, subject to limited review by the Commission. Santa Barbara County was one of the first counties to reclaim its permitting authority and quickly formed a reciprocal relationship with Commission staff by providing expertise in some aspects of offshore energy development and onshore energy facility siting (Lima and Woolley, 1990, 1992)

Initially, grants from the California Coastal Commission allowed the County to dedicate a single planner to address items arising from offshore energy. The projected level of development moved the County to expand the specialized staff and create a special land use agency, the Energy Division, within the Resource Management Department to address the special and highly unique land use planning issues created by offshore energy facilities. This agency provided services to the Santa Barbara County Planning Commission and the Santa Barbara County Board of Supervisors.

The County was able to participate in the number and diversity of activities related to offshore energy development because of the high level of funding the Energy Division was able to maintain. Figure 2.3 shows the Energy Division budget expenditures from fiscal year 1985 to 1995.[5] While the budget fluctuated throughout the period, the general trend was one of growth. The budget peaked in the early 1990s when many of the major offshore energy projects were in ending the construction phase and entering the production phase. Energy Division actions generally decline once a project enters the production phase. Also in this period because of increasing costs (in part due to stringent regulation) and declining prices for crude petroleum, the industry cooled to offshore energy development in general and offshore California development in particular.

[5]The Energy Division is not the only County agency which faced rapid growth from offshore energy development. The air pollution control district justified an increase in staff from 20 to 31 positions in large part to deal with "the rapidly increasing number of pre-application investigations for energy related projects. The Board of Supervisor's was assured that "sufficient revenues will be available from energy permits to fund the positions (Parrish, 1985).

Figure 2.3 Santa Barbara County Energy Division Budget, Fiscal Years 1985-94



Source: Santa Barbara County, California, Board of Supervisors, Final Budget

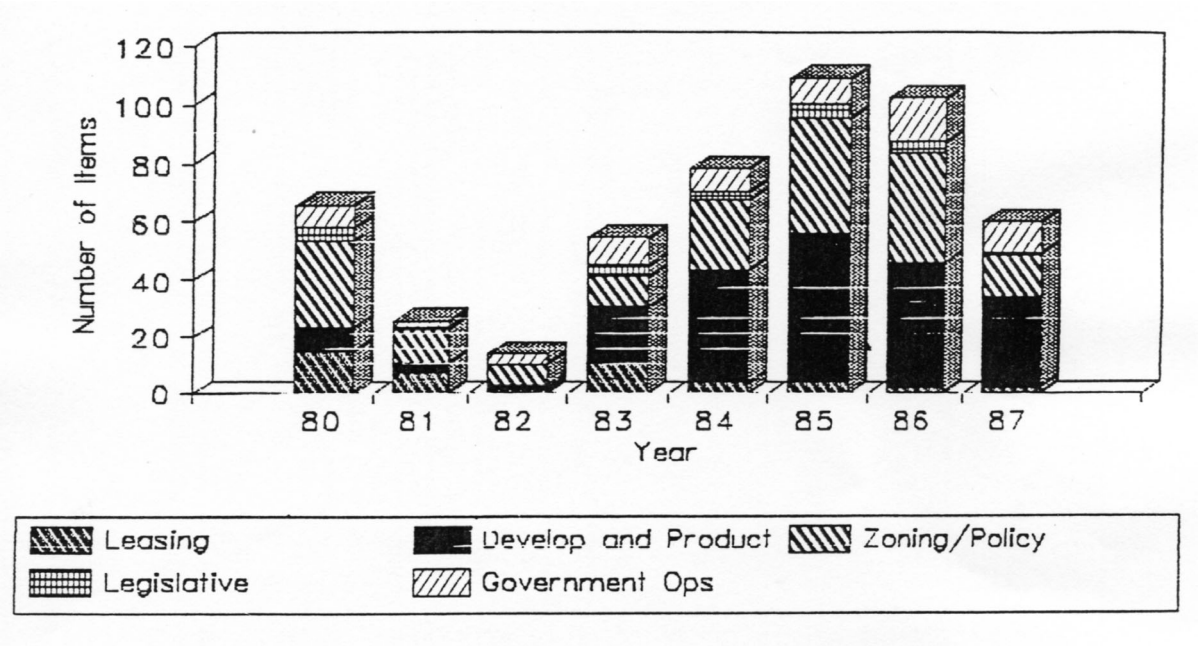
Prior to accepting permit application for an onshore facility, Santa Barbara County enters into a contractual agreement with the applicant for 100 percent reimbursement of costs associated with permit processing and monitoring. Permit conditions require full reimbursement for County regulatory actions. In addition, significant portions of the cost of consultants who prepare complex environmental impact assessments and engineering studies are recovered by the County from the project applicant[6] (Guzman, 1983; Cantle, Craig, Scott, 1987; Callahan, Margerum, and Maves, 1987; Almy, Vrat, and Johnson, 1991; Vrat and Almy, 1991; Vrat, Almy, Drude, and Daily, 1991). When specialized studies affecting the industry are undertaken by the County, the costs of the study, reports, and public hearings are prorated among the various offshore producers (Callahan, Margerum, and Maves 1987).

[6]For example, in funding the 1986 Air Quality Attainment Plan, 70 percent of emissions were attributable to project stationary sources and 30 percent of the emissions were attributable to general sources. Permit fees on stationary sources recovered the 70 percent of the cost of the program. The balance came from a General Fund appropriation (SBC Minutes, January 21, 1986).

Thus, an important aspect of the Energy Division budget is the ability of the division to generate revenue to cover the majority of its operational costs through fees primarily from licenses, permits, franchises and by charging users for services rendered. According to the Santa Barbara County adopted budget, in fiscal year 1992, 1993, and 1994, the division was able to generate more in revenue than its budgeted expenditures. The capacity of the division to generate revenue of this magnitude is somewhat unique. By comparison, in the same fiscal years, the Energy Division's parent agency, the Resource Management Department was able to generate 53.4%, 38.8%, and 36.4% of its budgeted expenditures, respectively. This ability to generate revenue has been critical to the County's efforts to regulate development (Garcia, 1989).

Figure 2.4 shows that in the early to mid-1980s, offshore energy related items achieved near permanent standing on the Board of Supervisors weekly agenda. Many weekly meetings featured multiple offshore energy related items. During a number of meetings, up to a one-half hour was allocated for the Board to received staff input on the status of various projects. Figure 4 also indicates the types of issues that came before the Board from 1980 to 1987. In 1980, leasing and zoning and policy issues most frequently came before the Board. As leasing declined, zoning and policy issues, which govern the placement of onshore facilities to support the anticipated development and production that predictably follows leasing, began to come before the Board with greater frequency. As the decade progressed, constant zoning and policy development ensured that these issues were continually addressed by staff and the Board. These complicated issues often were addressed in multiple-day hearings.

Figure 2.4 Santa Barbara County Board of Supervisors, Agenda Items Addressing Offshore Energy Issues, 1980-87



Source: Santa Barbara County, California, Board of Supervisors, Minutes of the Board

Figure 2.4 (Continued) Santa Barbara County Board of Supervisors, Agenda Items Addressing Offshore Energy Issues

> **Leasing**. Items related directly to a specific state or federal lease sale including responding to requests for information, participation in lease sale EIRs, public hearings, legislative actions related to lease sales, etc.
>
> **Legislative**. Items related to federal or state legislation, lobbying of state or federal legislative or executive branch officials, and appearances before legislative oversight committees.
>
> **Development and Production**. Items related to offshore and onshore facility approval, placement, construction, and operation including efforts of local government to approve onshore components (i.e., pipelines, processing plants, etc.) of a specific project.
>
> **Zoning and Policy**. Items related to land use planning, regulation, and policy not attributable to a specific project or lease such as general policy on the siting of onshore processing plants, coastal zone land use plans and regulations, etc.
>
> **Government Operations**. Department operations in support of energy related activities not attributable to a specific project, policy, or zoning (i.e., staffing and budget for County oil well inspector, specialized planning staff).

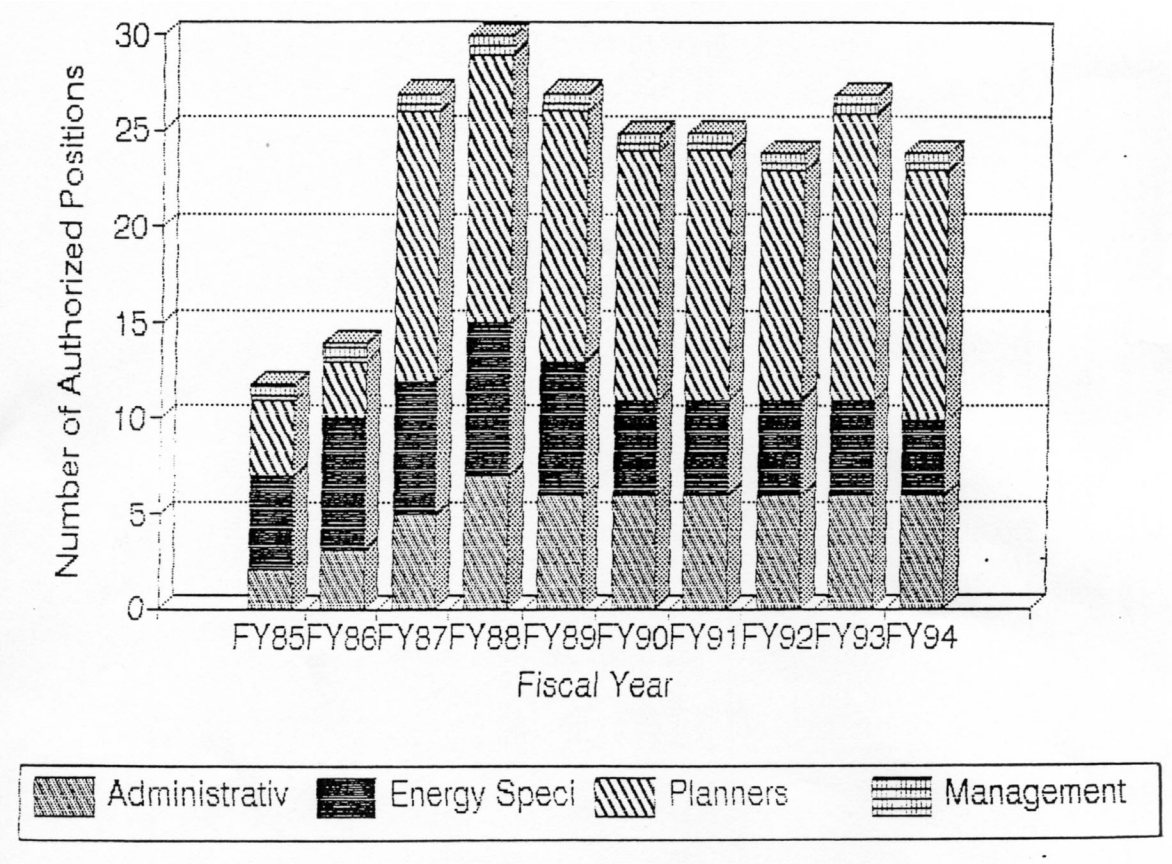
By 1983, development and production issues appear on the Board agenda. Since offshore energy field development is a multi-decade undertaking and a number of fields were developed from prior federal leasing activities, these items regularly continue to come before the Board for the next several years. Not all issues that come before the Board deal with land use and permits. The Board also approved administrative actions (i.e., management of the Energy Division) as offshore energy issues increase.

As shown in figure 2.5, employment in the Energy Division from fiscal year 1985 through fiscal year 1994 remained relatively stable after doubling in size between fiscal year 1986 and 1987. As noted above, the Energy Division relied on consultants and private contractors to perform much of the work of from preparing environmental assessments to conducting field surveillance to ensure compliance with permit conditions during facility construction. Indeed, a sizable proportion of the budgeted expenditures (i.e., services and supplies) go to outside contractors. For example, in fiscal year 1984/85 and 1985/86 approximately $3 million dollars and $2 million dollars, respectively was expended for consultants(Almy, Vrat, Johnson, 1991). as such, approximately 78.5 percent and 61 percent of the division's total budget in that year was expended on consultants.[7] Reliance on contractors decreased over time. The County's adopted budget for fiscal year 1993 and 1994 shows that approximately

[7]Prior to fiscal year 1986/1987, fees paid to consultants by the County but billed to the developer were not reflected in the Energy Division's budget.

48 percent of the Energy Division's budget was expended on "services and supplies," (i.e., consultants).[8]

Figure 2.5 Santa Barbara County Energy Division Employment, Fiscal Years 1985-94



Source: Santa Barbara County, California, Board of Supervisors, Final Budget.

Figure 2.5 shows the allocation of positions over the last several years. When project permitting was the primary focus of the division (approximately 1985 through 1989), each major project was overseen by an energy specialist, who was assisted by a number of planners. This ensured that specialist-as-project-coordinator was familiar with the unique characteristics of their project. In addition, a single energy specialist assisted by a planner acted as policy analyst. As the projects moved from the permitting through construction and production, the emphasis of the Division expanded to include compliance. Two specialists assisted by planners addressed permit processing, while two specialists assisted by a number of planners monitored project compliance. Policy matters were still addressed by a single specialist

[8]Relying on outside contractors for service delivery frees the is the hallmark of the new governance advocated under the rubric of "reinventing government." These so-called steering organizations "make more policy decisions. They put more social and economic institutions into motions. Some even do more regulating. Rather than hiring more public employees, they make sure other institutions are delivering services and meeting the communities needs (Osborne and Gaebler, 1992, 33).

assisted by planners. Clerical support and management remained constant throughout the period (Almy, Vrat, Johnson, 1991).

The reaction of Santa Barbara County government to renewed offshore energy development in this period has been to accommodate offshore energy development with stringent regulation of impacts through the imposition of conditions on the siting, construction and operation of crucial onshore facilities (Lima and Woolley, 1990). Yet, aggressive regulation of facilities by local government within its jurisdiction has been a continuing controversy in offshore development, often confounding the realization of federal policy goals, making continuing offshore development less attractive (Earney, 1990; Rawl, 1991; Oil and Gas Journal, 1993; Lima, 1994; United States Department of Interior, 1994). In rare instances, County decisions have been overridden by state authorities (USDOI, 1994, 20) or regulation has exceed the County's legitimate authority, and the County was be forced by superior level of government to modify its regulatory strategy (Santa Barbara County, 1992, 2-30).

ANALYSIS

Santa Barbara County was forced to develop a expertise-based self sufficiency in dealing with offshore energy development initiated by the state and Federal government. Traditional county capacity in planning and zoning undergirded this effort which has expanded well beyond these traditional land use functions.

In the first period of offshore energy development, the County's existing capacity was sufficient to address issues related to development. Ad-hoc administrative arrangement and routine management by political authorities were characteristic of this period. There is little indication that the management of offshore energy development placed an fiscal burden on the County. Quite to the contrary, development was generally perceived to being fiscally advantageous to local government. The county sought to make onshore facilities compatible with the character of the surrounding community. State government favored the timely development of offshore energy resources. To these ends, general zoning was adopted and the plans for specific projects were approved. The county proceeded cautiously with initial development or on issues it was unfamiliar with. In most cases, the approval process was straightforward and unremarkable. Since the policy preferences of the intergovernmental actors were compatible and would be for some time, relationships were generally harmonious and stable. Overall, the county was able to influence state policy to the satisfaction of all the parties involved.

In the second period, the level of development overwhelmed the County's administrative capacity and political capacity to manage the process. Land use plans and regulations prove inadequate to manage the urban encroachment that characterizes the second period of development. Clearly, the policy preferences of the local government are quite different from the rapid development outcome favored by the federal government. Faced with new land use issues, the County desires to proceed slowly in order to build its administrative capacity to manage the process. It is at this point the crucial link between political capacity and administrative capacity exists and which in this case fails. The county needs time to develop

the capacity, yet the County Supervisors are unable to secure forbearance by the federal government. Policy failure in this period is a failure of capacity.

In the third period of development, the County's administrative capacity is developed primarily through grants-in-aid from state and federal agencies which are intended to nurture local capacity. Only by quick action by the County does acceleration of leasing in this period not overwhelm the county's ability to make meaningful decisions. It does initially limit the scope of those decisions to project by project actions. For a short period of time the County is constrained from developing long-range, comprehensive plans.

The Santa Barbara county experience illustrates the paradox using grants to develop local capacity. Grants-in-aid from the state provide the County with the opportunity to create a cadre of energy specialists. As these specialists became more competent, they were able to participate in the various decision making opportunities. But because the interests of local government were different than those at the national level, the County was able to thwart national efforts.

Capacity building in the third period culminated in the creation of the Energy Division which had the responsibility for managing offshore energy permitting, compliance and policy development for the county. Generally, the likelihood of successful implementation increased when the implementing institutions are supportive of new programs and suggests that creating new agencies as a specific strategy (Mazmanian and Sabatier, 1983; Sabatier, 1986). Implementation is successful from the point that the county is recognized as a participant with a potential veto. Ad-hoc arrangements had proven insufficient in the second period and rapidly proved to be inadequate in the third period.

However, a new organization faces many threats from other agencies which perform similar functions or for which it must compete for resources. This threat causes the newly created organization to immediately seek external support. To garner this support, the organization must continually demonstrate that its services performed are worthwhile to some group with influence over sufficient resources to keep it alive (Downs, 1968). In this case, the Energy Division was able to garner external support from the Board of Supervisors, the very body which governed the agency's operation. The Energy Division rapidly gained the confidence, and a measure of protection, from the local political establishment they were called upon to serve.

Overall, the Energy Division appears to have developed the capacity needed to function in the chaotic environment of overlapping authority. Ironically, in fostering the development of such a high level of capacity, superior government created in a "subordinate" government the ability to respond to and significantly affect the character of state and federal programs.

CHAPTER 3. THE SANTA BARBARA COUNTY RESPONSE TO OFFSHORE OIL DEVELOPMENT[9]

INTRODUCTION

This chapter examines the regulation of the onshore segments offshore oil development projects by Santa Barbara County, with special reference to the period since 1980. Counties are usually not thought of as powerful actors in industrial regulation, particularly when they confront a multi-national industry and backed by generally supportive national regulators.

However, of six major oil development projects proposed for the Santa Barbara area since 1975, five have been halted, delayed, or subjected to significant redesign. Only one project has moved from development all the way to production. One very major project was halted on the very eve of production in order to reconsider issues relating to oil transportation safety. In addition to the very large indirect costs of regulations, there have been nontrivial direct costs imposed on oil companies doing business in Santa Barbara. Oil companies involved in Santa Barbara County projects have collectively made millions of dollars of mitigation payments to the County. They have paid all the direct costs of administering county regulation of oil development; again, this represents several millions of dollars. While Santa Barbara County has by no means caused all the delays and design changes on its own, in all cases it has been an important, central, and supportive actor.

This chapter describes developments in Santa Barbara County. We characterize the set of circumstances that have made a county-level regulatory response seem necessary, and the conditions that seem to explain why Santa Barbara regulation has been so effective. To understand the developments in Santa Barbara, we must understand much about the sources of regulatory authority for local governments, and the local politics that have shaped the use of that authority in Santa Barbara.

This analysis consists of three major parts. Following a general discussion of the authority of local governments with respect to industrial development projects such as oil, there is an overview of oil development in the Santa Barbara Channel of the reaction to that development in County regulatory policy. Next, we discuss in more detail the sources of County regulatory authority actions in California law. Finally, we analyze Santa Barbara County regulation using the implementation framework outlined by Mazmanian and Sabatier.

LOCAL COMMUNITIES AND OIL DEVELOPMENT

Central in controversies about oil development is the distribution of benefits and costs of oil development. While most of the benefits accruing from offshore oil development are realized at a state and national level (such as revenues from leasing and production), most of the adverse impacts (air pollution, oil spills, aesthetics, etc.) are borne locally. Regulation is the local response to the imbalance.

[9]This chapter was presented as a paper to the 1990 Annual Meetings of the American Political Science Association Meetings, The San Francisco Hilton, August 30 - September 2, 1990.

Local communities have extensive, but not absolute, control over land use decisions relating to the siting of industrial facilities needed to support offshore oil development. The present distribution of power in the federal system gives state and local governments substantial authority over any onshore support systems required for offshore development. Local governments normally can veto proposals to locate facilities within their boundaries. These vetoes may significantly increase the cost of development by requiring routes or means of transportation from offshore wells to onshore destinations that are not the best in economic terms (Warren, 1978, 121). More importantly, the fact that onshore support facilities are essential for many offshore operations gives the local government a structurally powerful bargaining position. Indeed, as one Federal government report notes "development of OCS resources in much of the Pacific Outer Continental Shelf Region require defacto approval by Santa Barbara County" (U.S. Department of Interior, 1989a, 108).

However, many communities are not versed in the nuances of oil development and regulation. The projects are "totally new and previously unexperienced phenomena" from the point of view of local government, for which policy-makers have no relevant precedents to draw on (Luke, 1980, 291). Not surprisingly, when choices are poorly structured by prior precedent, local responses vary considerably, and are highly influenced by local political circumstances.

A local government lacking the skilled personnel to evaluate often complicated and technical projects may adopt a "go slow" approach to onshore development or may be generally opposed to development. This presents an opportunity for opposition to mobilize and to bring enormous political pressure to bear on local decision makers. Instead of enlarging the scope of conflict over offshore development, activists may seek to localize the scope of conflict, concentrating on apparently mundane land use decisions, rather than on major offshore development policy decisions at the federal level. This is more likely insofar as legislation and regulations require public participation in the decision making process and as more groups are able to participate in the process.

Independent of local government delays, industry observers estimate that 10 to 12 years elapse between initial exploration for oil and the start of production (Sainz, 1990). Unless all regulatory decisions are firmly in place at the time of initial exploration, this allows substantial opportunity for attitudes of support or indifference toward projects to change to active opposition. This kind of development has been amply evident in California generally (Earney, 1990, 328-330).

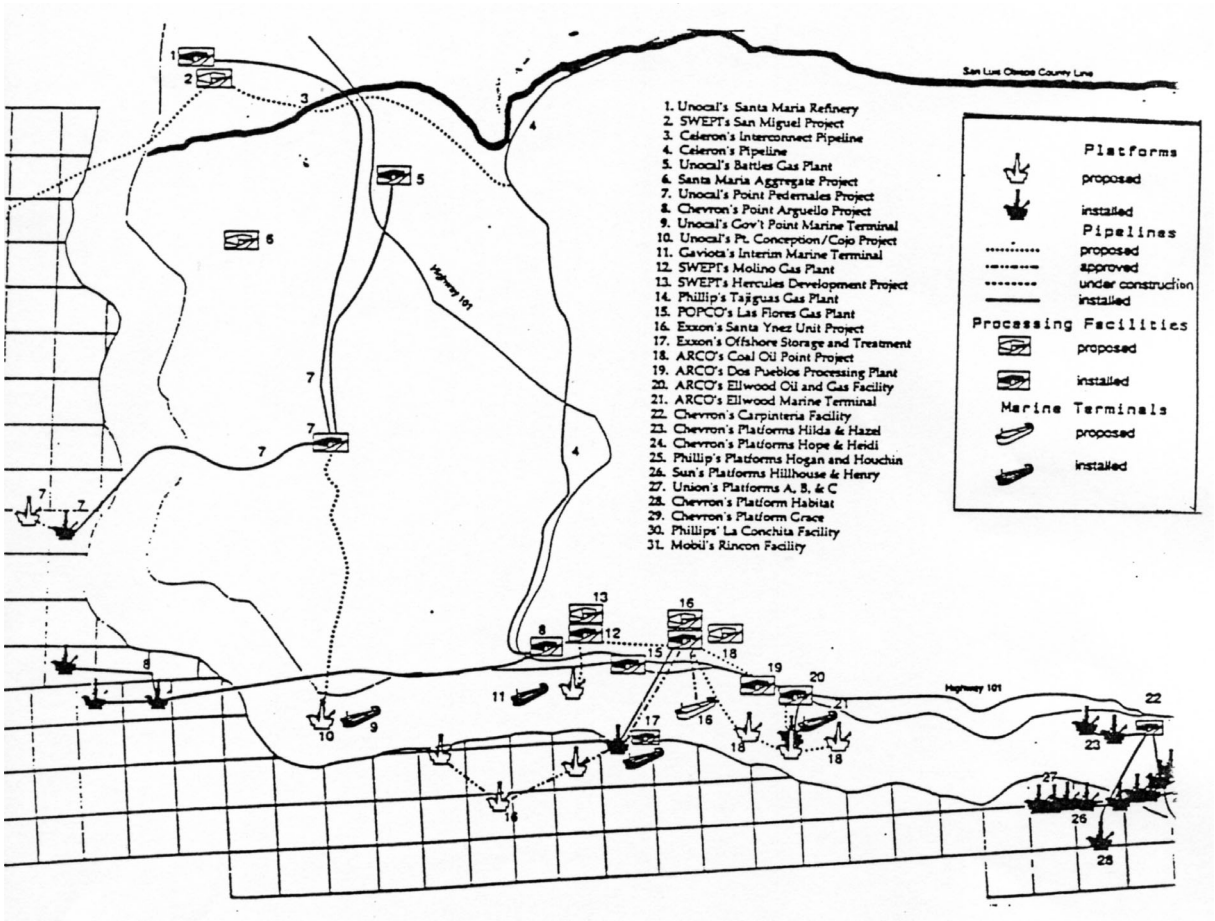
OVERVIEW OF OFFSHORE ENERGY DEVELOPMENT IN SANTA BARBARA COUNTY

In the early stages of oil development, there was little regulation of the industry by Santa Barbara government, although concerns were expressed very early about the potential conflict between development and other uses of the coastal area. As offshore operations expanded and became more complex, so did the regulation of the onshore components of development.

Creating the Statutory Framework

Extraction of oil offshore from Santa Barbara initially began as an extension of technology used in terrestrial oil fields. In the late 1890s, approximately 400 wells were drilled from piers extending up to 1500 feet from the shore along the Summerland area of Santa Barbara County, about ten miles south of the City of Santa Barbara (See map, Figure 3.1; U.S. Interior Department, 1987, 3). There was little regulation of this activity by County government. Eventually, the fields played out and were abandoned around 1920.[10]

Figure 3.1 Offshore Oil and Gas Projects and Related Facilities in the Santa Barbara County Region, 1989.



Source: Santa Barbara County, California. Resource Management Department. Offshore Oil and Gas Status Report, August 1989.

[10]Because no authority existed which required the restoration of abandoned sites, remnants of the once thriving fields were still present in 1970 when the County ordered property owners to remove the remaining fixtures. The State Lands Commission eventually removed remnants of the oil operations from the intertidal zone (Kallman and Wheeler, 1984, 32).

Additional oil fields were developed in the Ellwood area of the County, about ten miles "north" (actually west) of the City of Santa Barbara, near Coal Oil Point in the 1930s. Similar to the Summerland development, this field was tapped by drilling from rigs built on piers extending from shore.[11] During this time, Santa Barbara County successfully opposed tideland oil exploration and other industrial development in State tidelands on the grounds that it conflicted with the scenic and recreational values of County beaches (Hvolboll, 1982, 14). Development of nearshore oil sources continued for the next two decades until technological advances in the 1950s allowed free standing oil platforms to be placed in deeper water, without any need for the rigs to be tied to the mainland by the umbilical causeways. Consequently development moved further offshore. This marked the beginning of the modern offshore oil industry.

California's Shell-Cunningham Act of 1955 authorized the State Lands Commission[12] to negotiate offshore oil leases on a royalty basis, but also established a 16-mile long sanctuary from oil drilling in State tidelands adjacent to the City of Santa Barbara (Kallman and Wheeler, 1984, 47; Dye, 1971, 26). The first freestanding offshore production platform in the Santa Barbara Channel, Platform Hazel, was installed in 1958 off Summerland. Federal leasing in California began in 1963, and the first tract in the Channel was offered for lease in 1966. Additional tracts were leased in 1968. Platform A and Platform Hogan, placed on these tracts later in 1968, were the first production platforms on a federal leases in the Channel (U.S. Department of Interior, 1989a, 56 and 89).

Establishing Local Policy

The Santa Barbara County Planning Commission recognized the expanding offshore oil development in the Channel would increase the industrialization of the coastal area of the County. In the mid-1960s the Commission began to develop a policy to balance the needs of industry with the scenic and recreational values of the County. In 1967, the Commission adopted policy applying to onshore facilities in the County. The policy specified that:

- All onshore facilities must be compatible with present and future scenic and recreational resources and residential character of the area.
- Only one additional marine terminal for shipping processed petroleum would be allowed.
- Refining would not be permitted.
- Consolidated facilities (those shared by several developers) and expansion of existing facilities would be favored.

[11]Unlike the Summerland fields, as the wells were abandoned the piers were removed. Eventually, technological advances allowed the subtidal oil pools to be tapped from wells on shore, eliminating the need for piers (Kallman and Wheeler, 1984, 41).

[12]The State Lands Commission has exclusive jurisdiction to administer and control ungranted tidelands and submerged lands of the state and may lease those lands in accordance with California law (State Lands Commission, 1988, 1).

- Consideration of an application for facilities would be based on several project characteristics and environmental impacts, such as appearance, vibration, odor, air pollution, traffic, land and water pollution, and land use compatibility. (Hvoboll, 1982, 70 and Hershman, et al, 1988, 116).

Environmentalism and the Rise of Regulation

On January 28, 1969, a blowout at Unocal's Platform A spilled 77,000 barrels of oil (U.S. Department of Interior, 1989b, 97). In the aftermath of the blowout, exploration and development activities in the Federal OCS were suspended until 1973; lease sales resumed in 1975. The State Lands Commission suspended any further drilling on existing state leases until 1973 and did not consider resuming leasing in state waters until 1983 (U.S. Interior Department, 1989a, 54; Hershman, et al., 1988, 115; Kallman and Wheeler, 1984, 74). When leasing and development did resume, it was in a transformed regulatory environment characterized in part by a public mobilized to oppose development and a more precisely defined role for local government.

Locally, the spill had aroused the citizenry and led to the formation of citizen groups such as "Get Oil Out" (known, of course, as GOO). These groups became highly visible participants not only in the national debate over the development of offshore petroleum resources but in local decisions over the siting of onshore facilities needed to support the development (Feniger, 1990). The County decided in late 1974 and early 1975 to allow Exxon to build and operate onshore processing facilities in Los Flores Canyon to support wells on Platform Hondo in the company's offshore Santa Ynez Unit. Although the project was subject to stringent permit conditions intended to protect the environment, the permit was immediately challenged politically. A petition drive by a consortium of local environmental groups resulted in a ballot referendum to overturn the County's decision. The referendum was defeated narrowly by slightly more than 800 votes (Graves and Simon, 1980, 184-194; Hershman, et al, 1989, 243; Hvoboll, 1982, 82-84).

The spill has been credited with coalescing the environmental movement nationally, and providing a strong impetus for enactment of landmark environmental legislation such as the National Environmental Policy Act of 1969 (NEPA) and the California Environmental Quality Act of 1970 (CEQA). These laws and subsequent State and Federal court rulings established much of the substantive and procedural framework for assessing and mitigating the environmental impacts of oil exploration and development in the 1970s and 1980s.

NEPA subjected all oil and gas leases in the OCS to environmental review. The United States Geological Survey (USGS) was charged with issuing permits for OCS development and was required by NEPA to develop an Environmental Impact Statement for each project. Initially, CEQA mandated environmental review for major public projects in California. At the inception of CEQA,

> [Santa Barbara] County reviewed public projects on an ad-hoc basis and made no provisions for any comprehensive form of environmental review...(T)he

> County had no established procedure for making use of either outside or County expertise to more adequately inform decision makers of the environmental impact of proposed developments (Graves and Simon, 1980, 28).

In 1972, the California Supreme Court, in Friends of Mammoth v. Board of Supervisors of Mono County, expanded the list of projects requiring environmental review under CEQA to include almost all private as well as public projects. At the time of the decision, the capacity to fulfill this expanded role did not exist in Santa Barbara County government--no one employed by the County knew how to process an environmental impact report (EIR) for a private project or what constituted an acceptable EIR. As a result of County experience in the aftermath of the Mammoth decision, a permanent environmental review agency, the Office of Environmental Quality (OEQ), was established by the Board of Supervisors in January 1973. However, the independent OEQ proved to be quite controversial as it struggled to prepare EIRs (rather than relying on reports prepared by the developers) while implementing the still-evolving provisions of environmental review contained in CEQA. After a period of conflict including investigations by two separate County Grand Juries, OEQ was elevated to full department status in 1977. This Department of Environmental Review (DER) was given responsibility for assessing the effects of oil development in the Channel and for coordinating County response to renewed leasing of tracts in the Channel (Graves and Simon, 1980, 29-51).

In the mid-to-late 1970s, four oil companies planned expansion of operations in the Santa Barbara coastal area. With the expansion of oil development in the Channel, the DER found it difficult to cope with petroleum development in addition to reviewing private projects. Consequently, in 1979 the DER sought and obtained a grant from federal and state sources to hire a full-time staff "energy specialist" dedicated to dealing with oil and gas development.

In 1976, a joint industry/government working group was formed under the auspices of DER with the objective of ensuring safe oil transportation with the eventual elimination of tankering of petroleum products out of the County in favor of pipeline transportation.

Overall, while by no means free of controversy, the 1970s brought increasing specialization and expertise for County government in dealing with the nuances of environmental review in general and oil development in particular. A statement favoring pipeline transportation of petroleum products where feasible was added to the 1967 policy stating the objectives guiding the oil development along the coast.

Maturation of Local Regulation

Federal leasing of Southern California OCS tracts for oil exploration accelerated in the early 1980s. Five separate lease sales were held between May 1981 and October 1984 resulting in the leasing of 130 tracts (U.S. Interior Department, 1989a, 54). Overall, fully 41 percent of the tracts leased in the Southern California OCS area were leased in the early 1980s. As a result of these successive lease sales, a journalist noted:

> Santa Barbara County is faced with a task that would be a major planning efforts for most states - trying to accommodate nine big oil industrial projects simultaneously.... As the planning work mounts, federal and state funds once available for this staff work are diminishing (Sollen, 1983, C-1 and C-2).

The increased number of oil-related facilities required for these projects made portions of the County's coastal plan obsolete. Concurrent with these developments, the County reorganized its planning system by merging the Planning Department and Department of Environmental Review into the Resource Management Department (RMD). A special bureau within RMD, the Energy Division, was created in 1982 to process oil-related projects (Sollen, 1985, B-1). The Division was intended to secure in a single agency all the expertise necessary to issue development permits for large-scale energy projects; to provide continuity over time in permitting the projects; and to allow recovery of costs of department operation from the project applicants (i.e., oil companies) rather than from the County's general fund (Alarcon, et al, 1987, 3742-3743).

By 1984, the Energy Division had a staff of 12--a director, five energy specialists (who functioned as program managers for individual projects), four planners, and two support staff (Santa Barbara County, 1984a, 7). Much of the technical expertise was provided by consultants and environmental contractors selected either by the applicant or the County to generate the required documentation and plans. Initially, the Division was seen as a temporary "one-stop-shop" for energy projects. The Division is now seen as a "permanent energy planning and management department" (Hershman, et al, 1988, 117).

Major projects proposed for the area included the ARCO Coal Oil Point, Chevron Point Arguello, Exxon Santa Ynez Unit, Shell San Miguel, and Unocal Pt. Pedernales. Initial applications for these projects were filed in the early 1980s, and many were subsequently approved. The ARCO application to drill in State waters was rejected by the State Lands Commission and Santa Barbara County over concerns about water pollution and air quality impacts. The Shell project was suspended after voters in neighboring San Luis Obispo County rejected the onshore components needed for the project. The Exxon Santa Ynez Unit, which was scheduled for completion in 1986, has been delayed due to conflict over a series of permit conditions and may be completed by 1993 (Lev, 1990, A-12). Chevron, which has invested a reported $2.2 billion in the completed onshore and offshore components of its project, is unable to start operations because of a dispute over the transport oil by tanker prior to completion of overland pipelines. A permit for the Gaviota interim marine terminal to ship the crude by tanker, was approved by the County, but the decision was overturned on appeal to the California Coastal Commission.[13] Estimates place the cost of the delay to the Company as high as $500,000 per day (Harris, 1990). Of the major projects outlined above, only the Unocal Point Pedernales project is currently producing.

[13]Some industry observers perceive little evidence of County objection to being overturned by the Coastal Commission (Harris, 1990 and Hughes, 1990).

Declining crude oil prices in the mid 1980s made the projects less economically viable independent of county and state regulatory efforts. However, in those circumstances, the additional costs imposed by county permit conditions loomed larger and larger from the perspective of the oil producers as determinants of the economic viability of the projects.

BASIS OF LOCAL REGULATION

The local regulation of industrial development, including County regulation of the onshore facilities needed to support offshore oil development finds its legal and philosophical basis in the concept of police power which is as broad and extensive as the need for safeguarding the public interest and

> may encompass all governmental power for the public good...(but) is usually defined to mean the authority to preserve and promote the health, safety, morals, and welfare of the people and to legislate so as to increase the industries of the state, develop its resources and add to its wealth and prosperity (Rhyne, 1980, 447-448).

Planning and zoning activities exemplify the use of police power by local governments. Zoning is a legal restraint on the use of land "to promote proper development by confining specified uses and classes of buildings to certain defined areas" (Rhyne, 1980, 721). Koehler (1983, 182) contends that planning and implementing of land use controls and related policy are among the most controversial functions of local government. The State of California has delegated most of the responsibility for planning and zoning to County governments. However, zoning authority, as with much police power, is not absolutely delegated to subordinate governments by the State and may be limited or superseded at the discretion of the State.

While California officials say in interviews that it is unlikely the State would assume direct permitting authority for onshore oil processing facilities, in fact, the state of California has in the past preempted local zoning authority over energy-related facilities in the coastal zone. In 1977, legislation gave the Public Utilities Commission sole authority for siting a Liquefied Natural Gas Marine Terminal. The legislation effectively removed local government (including Santa Barbara County) from the decision making process (Ahern, 1980). In general, projects in the "coastal zone"[14] are subject to approval by the California Coastal Commission unless the Commission has previously approved local government coastal plans and ordinances (i.e., zoning for the coastal area). These plans must comply with State policy governing development in the coastal zone. Once Commission approves local coastal plans, permitting authority returns to local decision makers, subject to limited appeal to the Coastal Commission (California Coastal Commission, 1988, 8-9).

[14]The coastal zone is the strip of land from the mean high tide mark to, generally 1000 yards inland.

Santa Barbara County has vigorously used its zoning authority to regulate the placement and design of oil processing facilities.[15] Many of the development policies of the County are reflected in ordinance provisions that outline conditions under which oil processing plants, marine terminals, and oil and gas pipelines will be permitted.

The ordinances allow development but sharply restrict alternatives available to the developers. An example is the ordinance governing expansion or construction of processing facilities within the "South Coast" area of the County. Prior to approval, the Planning Commission must make certain findings, including:

- Processing capacity at existing sites is insufficient to accommodate new production,
- Physical characteristics of the resource would render development technically infeasible unless specialized units can be built, though modifications or additions to existing facilities will be favored.
- Commingling the production in existing or approved consolidated sites is environmentally unacceptable.
- In order to restrict industrialization of the area, processing will occur at the County-designated consolidated site at Gaviota or Las Flores Canyon.
- Permits require shipping by pipeline from the facility and from the County as soon as refineries at the oil-refining center of choice is served by a pipeline.

In summary, all oil and gas facilities within the Santa Barbara County coastal zone must be in specially zoned areas (Coastal Dependent Industry), and require Planning Commission review and approval project development plans. Ordinances reinforce County policy on consolidation of facilities, limitations on marine terminals, and transportation of processed production by pipeline. The development standards for each facility specified in the ordinance are reflected in permit conditions attached to specific projects, and in the conditions proposed by the Energy Division of the County Resource Management Department.

ENVIRONMENTAL REVIEW AND CEQA

Project-specific permit conditions not only reflect County policy, they provide a basis for enforcement to ensure that impacts identified in the environmental review process are mitigated. All public or private projects with significant environmental impacts must undergo environmental review in accordance with the California Environmental Quality Act (CEQA). As discussed above, evolving environmental law during the 1970s and County efforts to implement the law set the stage for the review of offshore projects in the 1980s. In fact, CEQA is cited as one of the factors which allowed Santa Barbara County to influence oil development in the 1980s (US Congress, 1987, 28-29). The EIR must provide full disclosure

[15]The placement of onshore facilities is guided by County Zoning Ordinance Section 35-154 "Onshore Processing Facilities" and the County Coastal Zoning Ordinance (Santa Barbara County, 1982).

of a project's environmental impacts and suggest ways of dealing with the impacts. The environmental review process affords many opportunities for public participation.

In a far-reaching provision, CEQA prohibits agencies from approving projects with significant adverse impacts when feasible alternatives or feasible mitigation measures can substantially lessen those impacts. (These impacts and suggested mitigations are identified in the Environmental Impact Report.) However, under CEQA a project with significant impacts may be approved after all feasible mitigation measures are adopted, if permitting agencies are able to find the perceived benefits of the project outweigh the impacts. (Remy, et al, 1989, 10-18).

Under CEQA, the environmental review process holds the potential for modifying the project by revising the project proposal; imposing conditions on project approval; choosing an environmentally superior project alternative; or disapproving the project (Remy, 1989, 28-29). Each of the major projects in Santa Barbara County had been subjected to one or all of these elements as a result of environmental review and the related project permit decisions. Yet, with all the above options oil facility projects have had unavoidable significant impacts. The County has, in part, approved these projects on the grounds that only a denial of the project would completely eliminate the impacts and finds

> (B)y permitting the project within its jurisdiction, the ability to monitor, impose, and enforce conditions is maximized. This action minimizes the environmental impacts of offshore production. (Santa Barbara County, 1985c, VII-16)

In a wry comment, an oil industry official has compared CEQA to the Bible: "you can prove anything through the process, depending on who does the interpretation."[16] He asserts that under CEQA, "the worst possible scenarios are considered normal" and the result is a set of mitigation measures that the industry regards as "somewhat excessive." (U.S. Congress, 1987, 35)

USE OF PERMIT CONDITIONS IN SANTA BARBARA COUNTY

The Environmental Impact Report developed as part of a larger CEQA-mandated environmental review identifies impacts and suggest a range of feasible mitigation alternatives. However, permit conditions contain statements of general county policy as well as specifying mitigations for project specific impacts, some of which are in addition to those identified in the EIR. As such, permit conditions can be seen as providing an overarching framework which provides overall regulation of industry on a project by project basis.[17]

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[16]Richard Gillen, Regional Offshore Construction Manager for the Unocal Pt. Pedernales project.

[17]Use of permit conditions as a vehicle for regulation is not unique to local government. For example, the Minerals Management Service, the agency with the U.S. Department of Interior responsible for oil and gas operations in Federally-regulated waters, imposes permit conditions ranging from "administrative matters, such as the required frequency and number of reports to technical or environmental conditions such as requirements for the disposal of drilling mud" (U.S. Department of Interior, 1986, 8).

Table 3.1 shows the number of permit conditions initially imposed by the County on the Chevron Point Arguello project, the Unocal Point Pedernales project, the Gaviota Marine Terminal, and the Celeron Pipeline. Analysis of the text of the conditions reveals that most of the conditions are substantially similar. The number of conditions without a close analog in any other project ("unique" in table 3.1) is a small proportion of total conditions. Where differences exist between similar conditions, changes in the later permits refine and expand on language and concepts established in the earlier permits. This reflects a process of learning and adjustment by County staff and project applicants as experience has been accrued.

Table 3.1 Santa Barbara County Permit Conditions for Various Offshore Oil Development Projects

Permit Conditions (Total/Unique)	**Pt. Ped 1986**	**Gaviota 1986**	**Celeron 1987**	**Pt. Arg 1985**
General	24/5	29/7	22/0	21/2
Permit Review	5/2	5/2	9/4	3/0
Management	3/0	4/1	3/0	3/0
Geology	5/0	2/0	7/2	3/0
Air Quality	11/2	14/6	8/0	10/2
Onshore Water Quality	6/0	5/0	10/3	8/1
Marine Biology and Water Resources	3/1	3/0	1/0	2/0
Terrestrial and Freshwater Biology	22/8	9/2	20/6	15/5
Cultural Resources	8/1	7/3	7/0	7/0
Noise	5/0	5/1	6/0	8/1
Visual Resources	10/4	6/0	6/1	9/2
Commercial Fishing	9/0	10/0	0/0	11/0
Recreation	1/0	3/1	0/0	4/2
Transportation	7/0	3/2	5/0	10/3
System Safety and Reliability	18/1	22/9	17/2	16/1
Facility Design	8/0	7/0	5/0	10/0
Abandonment	2/0	3/1	1/0	2/0
Land Use	9/2	1/0	10/0	11/2
Socioeconomics	14/4	5/0	6/0	9/0
Totals	170/30	143/35	143/18	162/21

Pt. Ped = Point Pedernales Project
Gaviota = Gaviota Interim Marine Terminal
Celeron = Celeron Pipeline
Pt. Arg = Point Arguello Project

Note: Total permit conditions are the number of permit conditions in each area listed. Point Pedernales Project conditions were used to establish the framework. Unique conditions are those conditions the substantiative provisions of which are not shared with the permit conditions for at least one other project.

Sources: Santa Barbara County Permit Conditions for: Celeron Pipeline Project Final Development Plan Conditions, November 23, 1987; Chevron Point Arguello Permit Conditions, 1985; Union Point Pedernales Project Conditions, October 1986; Gaviota Interim Marine Terminal Final Development Plan Permit Conditions, May 27, 1987.

Living Permits

Permit conditions are written in a manner which allow additional mitigation measures to be imposed if the original conditions prove insufficient to mitigate the impacts. This creates a potentially open-ended regulatory process.

Table 3.2 describes four conditions from the Unocal Point Pedernales project which allows additional mitigation measures to be imposed. All subsequent permits have included similar conditions. Condition B-2 allows an open ended review of all permit conditions. Condition B-3 and M-1 allow the County to impose additional mitigation measures and conditions if other agencies fail to do so. Finally, condition H-20 allows imposition of additional measures to mitigate impacts to cultural resources during facility construction. This condition can actually minimize construction delays by establishing the ground work for regulation prior to construction.

Table 3.2 Point Pedernales Permit Conditions Which Allow Imposition of Additional Mitigation Measures

Condition B-2
Description: A comprehensive review to determine that permit conditions are adequate to mitigate impacts. Additional mitigation measures may be developed as a result of the review.

Condition B-3
Description: County must determine that mitigation measures under jurisdiction of another agency are being implemented or have been found to be infeasible. If feasible measure is not being implemented, County may impose the measures within its jurisdiction.

Condition H-20
Description: Additional reasonable and feasible conditions of mitigation that may be identified during the archaeological mitigation program.

Condition M-1
Description: Santa Barbara County may impose conditions designed to mitigate impacts to commercial fishing (Conditions M-2 through M-9) in the event California Coastal Commission does not impose similar conditions when Coastal Development Permit (CDP) is issued. See Condition B-3.

Source: Permit Condition Database, Ocean and Coastal Policy Center, Marine Science Institute, University of California, Santa Barbara.

Permits are also "open-ended" in that they require subsequent approval of a number of plans and establishment of a number of monitoring programs. Table 3.3 lists 15 plans and programs contained in the permit conditions for the Point Pedernales project. While many of these plans contain the technical details needed to implement mitigation measures or show compliance with permit conditions, each represents an opportunity for the County to regulate the project. If the plans are not approved and compliance with their provisions demonstrated at the required interval, the project can be delayed until approval is received or compliance demonstrated.

Table 3.3 Plans and Reports Required by Point Pedernales Permit Conditions

CONDITION	PLAN
C-1	Environmental Quality Assurance Plan
D-1	Geological Investigation, Design, and Mitigation Program
D-5	Final Grading, Drainage, and Erosion Control Plan
E-11	Construction Air Quality Impact Mitigation Plan
G-2	Marine Biological Resource Protection Plan
H-1	Restoration, Erosion Control, and Revegetation Plan
I-2	Cultural Resource Mitigation Plan
J-1	Socioeconomic Mitigation Impact Program
J-2	Housing Plan for Temporary Workers
K-1	Noise Monitoring and Control Plan
P-2	Safety Inspection, Maintenance, and Quality Assurance Program
P-3	Emergency Response Plan
P-5	Hazardous Material and Waste Management Plan
P-7	Site Security Plan
P-13	Oil Spill Contingency Plan

Source: Permit Condition Database, Ocean and Coastal Policy Center, Marine Science Institute, University of California, Santa Barbara.

These conditions are the basis for characterizing the Santa Barbara oil development permits as "living permits:" permit conditions were initially designed to accommodate events which might arise and which could affect the project. This flexibility has been an important element in the political formula that allows oil development in as apparently inhospitable an environment as Santa Barbara County. Without the assurance that issues could be reexamined in the future, and that new, safer technology could be required once available, opposition to oil development in the Planning Commission and the County Board would have been stronger than it has been.

The open-ended quality of some of the conditions can actually allow a project to go forward even when there is a question on the actual impacts. For example, the Socioeconomic Monitoring Program established by Condition J-1 attempts to identify and quantify the socioeconomic impacts associated with offshore oil development in Ventura, Santa Barbara, and San Luis Obispo County and develop specific measures to mitigate any adverse impacts. This condition was developed because these impacts are especially difficult to identify and quantify prior to actual development. If concerns over socioeconomic impacts had been insufficiently examined, lack of credible mitigations for the impacts could have conceivably complicated project approval.

Industry Perspectives

For the oil project developers, the open-ended nature of the Santa Barbara permitting process is increasingly becoming a source of frustration. While many permit conditions are merely restatements of County policy, in many other cases, permits required the development of monitoring programs that were not well-defined in advance and obliged the oil companies to pay for the implementation of these programs. "Things that look like black and white condition are really a 'to be determined'" (Hughes, 1990).

An Exxon official testified before the County Planning Commission that "most of the conditions appear substantially similar" to the conditions places on the Santa Ynez Unit and other facilities approved by the County.[18] However, as a potential user of the Point Pedernales project's processing facility Exxon objected to a proposed permit condition (A-18) which imposed Unocal permit conditions on all users of the Unocal facilities. Exxon objected that this tactic was an attempt to extend the County's air quality provisions to cover Exxon's (federally regulated) activities on the outer continental shelf. The company also objected to conditions requiring a standard of mitigation exceeding both state and federal law. Draft conditions required complete mitigation of all impacts, while CEQA requires only that significant impacts be mitigated to the extent feasible (the California Coastal Act requires mitigation "to the maximum extent feasible")(Santa Barbara County, 1985b, 46-48).

The permit conditions initially proposed by the County for the Chevron Point Arguello project were not entirely acceptable to Chevron which initiated negotiations to try to "establish a level of regulation both sides could agree to." The resulting permit conditions were reviewed by the parties involved and found mutually acceptable. To Chevron, this agreement implied a kind of partnership between the developer and the County to allow the project to go forward (Harris, 1990). Although the project has been approved and the facilities constructed, start-up has been delayed by a number of challenges.

For Chevron, the County regulatory process has not been satisfactory because the "living permit" process fails to provide the applicant with sufficient certainty that it can expect, in a reasonable period of time, to produce and process oil. Chevron notes that a permitting process may have become regarded too much an "academic exercise" under which the parties involved "learn a great deal about oil development while treating as irrelevant whether a project comes on line" (Hughes, 1990).

After recently dealing with 19 separate proposals, one petroleum industry member and former Santa Barbara County Planning Commissioner, characterized County regulatory action as "the ordinance of the week." While finding the Energy Division staff to be very competent, he believes this competency allows the staff to be attuned to the opportunity to impose further conditions or restrict projects, sometimes to the point of dictating plant design and operation or even affecting the economic viability of the plant. For example, the Unocal operation at Cojo in Santa Barbara County consists of two wells, storage facilities, and a marine terminal. When the storage facilities are full, the crude is transferred from storage to a barge via the

[18]Don Cornett, testifying about the Unocal Point Pedernales project.

marine terminal for shipment to refineries. Because of the low rate of production by the wells, there has been no transfer of products from the site since 1986. Requirements imposed on the operator of the terminal by the draft financial liability ordinance for marine terminals under consideration by the County could render the operation at Cojo economically infeasible (Sainz, 1990).

IMPLEMENTATION OF COUNTY REGULATORY POLICY

The Santa Barbara experience indicates that under the proper circumstances, a general purpose government in relatively rural county can implement a very intricate regulatory regime of large scale industrial development that is wrought with conflict. If success of a regulatory program is defined by how well it achieves the government's objectives while allowing development and production to go forward, the results of the County program of regulation is uneven. While development has been allowed to proceed, the ultimate goal of the development, production of oil and gas from offshore wells has yet to be realized on a majority of the projects proposed in the early 1980s. At the same time, the regulatory regime has defined a kind of model of open-ended regulatory decisions that may be essential in reassuring local citizens who are anxious and fearful about the consequences of potentially disruptive industrial development. Before the output of the regulators can be examined, the variables which influence establishment of the regulatory regime must be explored.

Mazmanian and Sabatier have sketched a framework to analyze the effects of several variables on the implementation of statutes and policies by government. While the framework is by no means without problems (Sabatier, 1986), it is nonetheless helpful in understanding the conditions that have produced the remarkable regulatory output of Santa Barbara County in dealing with offshore oil. The independent "variables" (or clusters of variables) in this framework can be broadly characterized as: the tractability of the problem; the ability of the statute or policy to structure implementation; and non-statutory variables.

Tractability of the Problem

Problems are viewed as tractable if 1) there is a valid causal theory connecting behavioral change and problem amelioration, requisite technology exists, and measurement of the seriousness of the problem is inexpensive; 2) there is minimum variation in the behavioral practices which cause the problem; 3) the target group constitutes an easily identifiable minority of the population within the political jurisdiction, 4) the amount of behavioral change required by the policy is modest (Mazmanian and Sabatier, 1983, 9).

Conditions in Santa Barbara County exhibit a high degree of "problem tractability." The legal theory underlying regulation through environmental review was well established through trial and error in the 1970s with NEPA and CEQA, and a variety of energy and non-energy projects. In fact, a testament to the validity of the theory is the track record of environmental review in the County. None of the initial environmental impact reports for oil and gas projects in Santa Barbara County in the early 1980s were successfully challenged in court.

The technology used to mitigate most of the impacts, such as electrification of platforms, use of pipelines to transport products, etc. are readily available and well known. While the specific technologies or combination of remedies favored by Santa Barbara County may not be the individual developer's technology of choice, the technology is in widespread use in the industry.

The seriousness of the problem is evident in the extensive and complex analysis which goes into the multi-volume environmental impact analysis. While there have been debates over the appropriateness of one method of measurement over another (such as the methodology to measure air emissions and model the impacts), these problems have usually been rectified. Where measurement of impacts is more complex or uncertain, such as socioeconomic impacts, extensive monitoring programs have been established to quantify the impacts and mitigate their effects. In all cases, cost of these programs is apportioned among the projects rather than the general public through taxes. Thus, the cost of measurement to the public is low, as is the cost to the applicant when measured against the cost of the project.

While attitudes about the appropriateness of some regulations and the degree of willingness to work with regulators varies from company to company (or even within companies), the industry's behavior is on the whole both stable and readily understood. There are several aspects which contribute to this characteristic. The first is attitudinal, the general orientation of the companies toward compliance with regulations and conditions. The oil industry is historically highly regulated, and of late, closely watched; making it difficult to escape a clearly drawn law--but important differences do exist in the degree to which they have been prepared to fight over details.

Since shared technology results in similar operating procedures throughout the industry, it is not, in principle, difficult to develop generalizations about the behavior that needs to be changed. Similarly, the target group is readily identifiable, its operations and facilities concentrated (especially in light of County facility consolidation policies) and limited as a percentage of the industrial population making surveillance to ascertain compliance with permit conditions easier than an equivalent level for another industry, such as agriculture. Finally, because the companies are accustomed to the having to comply with permit conditions, the behavior change required for compliance with County-level conditions is modest at a cognitive level.

Statutory and Policy Variables

The framework highlights the importance of the statute to affect which of its objectives are attained, although they have recently conceded this variable is difficult to operationalize (Sabatier, 1986). The regulatory regime of the County was not implemented as a single statute, but rather as a series of ordinances, County policies, and state legislation. Notable are the California Environmental Quality Act and the Coastal Act. The framework predicts that policy seeking to significantly change target group behavior is more likely to succeed if 1) its objectives are precise and clearly ranked; 2) it incorporates a valid causal theory; 3) it provides adequate funds for the implementing agencies; 4) the number of veto points is

minimized and there are inducements to overcome resistance; 5) decision rules of implementing agencies are biased toward achieving objectives, 6) implementation is assigned to an agency that supports objectives and will give it a high priority 7) provisions for outsider participation are similarly biased through liberalized rules of standing and by centralizing oversight in the hands of supporters (Mazmanian and Sabatier, 1983, 14).

Many of these elements are present in the Santa Barbara County regulatory regime. Objectives of the County in terms of environmental protection, allowable land use, and project configurations are well known, if not precisely ranked. Since their initial development in 1967, County policies have been incorporated into zoning ordinances and specific project permit conditions. These policies, such as use of consolidated facilities to minimize impacts, have been among the preferred mitigation measures identified in the project environmental impact reports. Incorporation of the theory of environmental review and mitigation of impacts is not only a matter of policy, under CEQA it is a matter of California law. Inadequate review can result in challenges to the project on grounds of the adequacy of the EIR.

Adequate funding for implementation of the policies has been secured by the practice of making the main implementing agency, the Energy Division, self-sufficient through imposition of user fees on the applicant and industry. Prior to creation of the Division, adequate funding could not have been assured for adequate implementation. This was the case in the early 1980s when the County planning staff would not have been able to respond to the explosion in the number of applications for onshore facilities. Maintaining the current level of regulation or growth of regulation will, however, be dependent on having a sufficient number of projects over which to spread the cost of regulation, a willingness on the part of the industry to bear the costs of financing its regulators, and an ability by the Energy Division to avoid capture or the perception of a conflict of regulatory interest.

While the number of veto points within the County is minimal, the multi-jurisdictional nature of regulation allows the State or Federal government to influence the extent of regulation. County policies must conform to Coastal Commission policies. A County decision to allow the Gaviota Marine Terminal to begin operation was overturned on appeal to the California Coastal Commission. Disagreement over air pollution standards between Exxon and the County resulted in Federal approval of the processing facilities being placed on a vessel offshore beyond County and State jurisdiction. Finally, land use and policy decisions may be the subject of ballot referendum and popular vote. The provision for popular referendum on the issues and the increasing number of anti-petroleum development and anti-growth ballot proposals may yet prove to be the ultimate veto point. While the overturning of land use decisions related to oil and gas facilities by referendum has enjoyed little success in the County, experience in other California jurisdictions indicates this device is being used aggressively by actors to limit the options and authority of local government decision makers in industrial development decisions (U.S. Congress, 1988 and Santa Barbara County, 1986a). Since oil development offers little perceived benefit to the local area, it is unlikely inducements will be strong enough to overcome resistance from this quarter.

Implementation of oil and gas related policies has, for the most part, been assigned to an agency that supports the objectives and will give it a high priority. Prior to 1980s, the Department of Environmental Review and planning staff were sufficient to handle the tasks of oil related development. While steps were taken to secure special expertise for this regulation, the regulators were part of general land use departments. By the early 1980s budget constraints within the County and the increase in number of project applications forced the County to create a specialized energy project land use group, the Energy Division. Creation of the Division resulted in a source of specialized expertise, secure funding, and assignment of implementation of policy to an agency the sole objective of which was the implementation of the policy. Additionally, isolating controversial and staff-resource intense energy project applications to a special purpose agency limited the chance for spillover of conflict to the general purpose land use agency.

Provisions for outsider participation in the formulation and implementation of oil development in the County is not only a matter of public law through the public hearing requirements of CEQA, it is a matter of practice. The County has been aggressive in conducting public workshops on an entire range of energy development issues. The level of sophistication of testimony by citizens at various public hearings has been noted (Kahoe, 1990). In the Point Pedernales project, voluntary public briefings by the applicant on the project were seen as playing an important role in public acceptance and ultimate approval of the project (Sainz, 1990). However, the liberalized rules of standing also allow groups to bring challenges to project decisions before the State courts and cognizant State agencies, such as the Coastal Commission. Depending on the circumstances, liberalized public participation may assist or hinder implementation.

Non-Statutory Variables

Mazmanian and Sabatier recognize that while statutory variables establish the basic legal structure of implementation, non statutory variables exogenous to the legal process greatly affect implementation. These non-statutory variables include (1) changes in socioeconomic conditions and technology; (2) media attention to the problem; (3) public support; (4) attitudes and resources of constituency groups; (5) support from sovereigns; and (6) commitment and leadership skills of implementing officials (Mazmanian and Sabatier, 1983, 7).

> Changes in socioeconomic conditions over time include
> - Changes in perception of relative importance of the problem resulting in less willingness to allocate scarce resources to the problem.
> - Variations in local conditions which lead to pressure for flexible regulation from local units.
> - Economic viability of target groups and their relative importance in the total economy. (Mazmanian and Sabatier, 1983, 16)

The first two elements do not appear to greatly influence County regulation. Because of the independent applicant-borne funding of the regulators, allocation of scare resources to regulate development has not been a political problem. Because the regulation is essentially

locally developed and implemented, there is, by definition, no local variation in conditions. The third factor seems critical in explaining implementation and outcomes. Mazmanian and Sabatier surmise "the more diverse an economy and the more prosperous the target groups, the more probable the effective implementation of statutes imposing non-productive costs on them." (Mazmanian and Sabatier, 1983, 16)

Oil and gas development account for approximately 4.0 percent of the diverse gross regional product of the County, contributing the least of any of the other sectors of tourism (5.4%), retail sales (5.8%), agriculture (7.8%), government (8.9%), high technology (14.7%), real estate and construction (17.3%), services (17.9%) and manufacturing (18.2%).(Schneipp, 1990, 2-3) As such, the relatively small contribution of the oil and gas industry to the County economy makes local regulation of this sector's operations more palatable. In the early 1980s, the price of petroleum products indicated the decade could be a very prosperous for the developers. Interviews with industry, government, and public actors indicated the industry's willingness to agree to an increased level of regulation was in part based on a desire to get the projects approved and producing. Also, the ultimate cost of the regulation and compliance, while unclear, was thought to be manageable. Because of the steady decline of the oil prices in the period, the profit potential of the projects have not been realized. While the regulatory regime may have provided a unique learning situation for all parties, the developers have learned the open-ended regulation process can be very expensive in the light of the prospect of greatly diminished project profitability.

Local press coverage during the period, while extensive, does not appear to have greatly influenced public interest in either regulation or development. Given the importance of the issue among local citizens, the issue-attention span alluded to by Mazmanian and Sabatier can be overcome by institutions and actions other than the media. While press coverage provided an information function, it did not act as a stimuli moving the public to action. However, the importance of the issue to local citizens and well organized local groups have led to little variation over time for support of the County's regulatory program. In fact, there are indications that a certain segment of the attentive public perceives County regulation as being inadequate.

Resources and attitudes of the constituency groups over the period have remained relatively constant. Local environmental groups oppose wide-spread large scale development of facilities and favor an activist role on the part of government to achieve these objectives. Yet, having supported the legislation which frames the regulatory scheme, such as CEQA, these groups are willing, active, and articulate participants in the environmental review and policy making process. Attitudes among the regulated seem to have changed from the beginning of the decade to the end of the decade. Initially, industry was willing to submit to an agreed upon level of regulation (although this willingness varies from company to company) embodied in permit conditions which are, in essence, negotiated regulations. Failure of the process to result in operating projects has resulted in disillusion with the process among a number of individual actors within the industry.

Support from the sovereigns involved in the process of regulation has, if anything, increased. Because the regime is essentially local, the problem in intergovernmental programs of conflicting allegiance and objectives of the agencies implementing the program is not a factor. Oversight of the programs are routinized in reviews before the Planning Commission and Board of Supervisors. The evaluation and review procedures contained in the permit conditions, such as B-2, ensure that relatively comprehensive review and evaluation will occur periodically. In actuality, permit conditions structure oversight of the regulatory process by mandating certain reviews.

The last non-statutory variable is the commitment and skill of the implementing officials in realizing the objectives. Commitment to objectives has a temporal quality, declining over time as the most committed people leave the agency. Skill, although an elusive concept, is a combination of both political and managerial elements. Political elements include the ability to develop working relationships with sovereigns in the agency subsystem and convince target groups and opponents they are being treated fairly. Managerial elements include developing adequate controls to preclude charges of fiscal mismanagement and maintaining high morale. (Mazmanian and Sabatier, 1983, 20)

The perception of County officials as skilled, professional implementors was revealed during interviews of government and industry actors and generally supported in the limited literature on Santa Barbara County regulation. However, this skill was not immediately evident in the early stages of County regulation, and the County continues to be highly reliant on paid consultants for a wide range of activities, including permit compliance monitoring. Development of the relevant skills partially due to the number and timing of projects reviewed by the County in the early 1980s and the availability of numerous expert contractors and consultants. The process of regulation is largely contractor driven with the requirement and funding of these specialists the subject of various permit conditions. Under these conditions, managerial skill is partially defined by developing a system to ensure there is no conflict of interest by the contractors and consultants. Because of the magnitude of development projects in the County, contractors may be concurrently in the employ of one of the developers and the County. Related to this is developing a sufficient pool of qualified contractors to ensure competitive bidding for contracts. Conversely, in an industry where contractor talent is shared by the regulated and regulator, safeguards must be developed to forestall charges of agency capture in a "hydrocarbon triangle".

One criticism of County regulation among the industry is that the staff is now so familiar with petroleum operations and permit conditions, that they seek new opportunities to impose regulations or conditions. One developer questioned the County's commitment to allow projects to go forward in the politically charged environment after the grounding of the Exxon Valdez. Regardless of their basis in fact, these perceptions indicate a certain disillusionment among the developers. Success of the regulatory regime until recently can be partially attributed to the acquiescence of the developers to regulation in anticipation of future returns. If these returns fail to materialize, the foundation of the regulatory system could be undermined if developers become more intransigent and litigious in an effort to avoid the more than inconsequential expenses associated with the perceived unfair regulation.

SUMMARY AND CONCLUSIONS

The circumstances of offshore energy development in Southern California, which requires extensive onshore processing and support facilities, places Santa Barbara County in a position to potentially exercise substantial influence over the development. This influence derives from a function inherent in many local governments, that of land use planning and regulation. While Santa Barbara is hardly unique as an area of extensive offshore energy development or as an area using land use authority to regulate industrial facilities, the proximity of the development to the extensively used coastal zone is a situation not often duplicated. As such, the County is often cited as a model of local governments response to offshore development. Before the model can be generalized to other jurisdictions, the variables which influence the mechanics of the model must be described in greater detail to allow comparison between conditions in other areas to those of Santa Barbara.

For example, the political situation of the County makes it possible for the County to take advantage of its position to move aggressively in regulation of the developers. Quite simply, there are few competing alternatives to County regulatory regime that are available to the developers. Petroleum products are extracted and processed where they are found. The price exacted for siting of facilities within the County to accomplish this is acceptance of County regulation by the developers.

The County regulatory strategy, especially with the "living permit", as well as the opportunity to deal with several large projects gradually over several years, has allowed the County to amass the necessary level of expertise while providing flexibility to achieve its regulatory objectives later in the process, if necessary. The living permit allows certain issues to be reexamined at the County's discretion, while the number of large projects ensures recurring opportunities to achieve and enlarge regulatory objectives. However, if compliance with the conditions of regulation by the developers is secured because of an expectation on their part of ultimate production with a reasonable degree of certainty, then the County regulatory scheme has not yet achieved its objective.

CHAPTER 4. THE ENVIRONMENTAL QUALITY ASSURANCE PROGRAM OF SANTA BARBARA COUNTY[19]

Environmental impact assessment of major projects can be conceptually described as a four stage process. These stages are 1) identification of impacts and possible mitigation strategies; 2) adoption of mitigation measures by decision makers; 3) implementation of those measures, and 4) evaluation of the measures' effectiveness in mitigating the impacts.

Ultimate success of the process in alleviating environmental impacts will in large part be determined by the strength of the linkages between the phases. These linkages also affect the overall credibility of the process in the eyes of the public. Thus, if impact identification is inadequate, the strategies selected in phase two will provide less-than-acceptable mitigation of impacts. Similarly, a public interest group in an analysis of small, non-energy development projects concludes a system without implementation and evaluation is not complete and self-correcting for deficiencies (Chester, 1987, 4).

In the third phase, implementation of measures, steps are taken to ensure that the mitigation techniques adopted during the preceding phases are indeed instituted. These processes are defined by construction practices and plant operating procedures. It is at this phase where the linkages will normally be the weakest. Activities in phase 1 and 2 are legislatively defined, take place in the public arena, and are subject to judicial review. This is not the case in phase 3 activities which tend to take place outside of the public scrutiny. As a result, the public is forced to rely on the thoroughness of government agency surveillance and the good faith of project proponents or operators for assurance that measures are indeed being implemented (Feniger, 1990). In fact, it has been noted with some consternation that many measures are not implemented because of lack of inspection.

While a sizable body of literature exists on the implementation of policy in general and design of inspection systems in protective regulation in particular, little analysis has been done on the actual implementation of inspection programs to ensure conditions are complied with.

Experience has shown that environmental impact reports and project permit conditions alone do little to ensure impact mitigation without some type of positive action carry out the measures. This action has variously been described as "monitoring" "surveillance" "enforcement" and "regulation".

One analyst defines monitoring as "a commitment of resources to checking up on whether those covered by the law or regulations are doing (or not doing) what is required of (or forbidden to) them". Enforcement is defined as "taking actions that force violators to mend their ways and that provide visible examples to encourage others in the regulated population to maintain the desired behavior to avoid a similar fate" (Russell, 1990, 243). In a narrower sense, monitoring is perceived as "repetitive measurement of environmental variables to

[19] Portions of this chapter were presented as a paper to 73rd Annual Meeting of the Alabama Academy of Science. March 8, 1996.

detect changes caused by external influences" the results of which lead to regulation or control of the changes. This is contrasted with surveillance and supervision which are more intermittent activities for determining compliance with terms and conditions of the project permits (Maclaren, 1983, 118-119).

To avoid becoming entangled in this semantic we regard monitoring as encompassing those activities for determining compliance with terms and conditions of the project permits as a means of ensuring that those covered by the law or regulations are doing (or not doing) what is required of (or forbidden to) them. Monitoring links environmental assessment and compliance with mitigation measures and integrates "environmental commitments" from a variety of permits and plans. A monitoring program provides a vehicle for response to conditions which may not have been recognized during the initial environmental assessment.

Traditional monitoring and enforcement programs generally consist of periodic inspections and notification of non-compliance by agency employees. Continued non-compliance results in an escalating enforcement process of further notification, administrative orders or civil action to compel compliance. These programs are characterized as relying heavily on self-monitoring, infrequent auditing of self-reporting, lack of a rigorous enforcement effort, ad-hoc definition of violations, and penalties which are insignificant (Russell, 1990, 244-252; Bardach, 1982, 31-35).

While this type of enforcement may be sufficient for ensuring compliance with the requirements for the initial installation of certain pollution control devices (Russell, 1990, 248), it does little to detect and correct the more subtle or less obvious circumstances of non-compliance which may require certain behavior on the part of self-monitors. For example, in one case, falsification of blowout preventer tests on an offshore oil platforms may have gone undetected had not an ex-employee on the platform reported the incident to the press (Dalton, 1988, 125). However, problems in detection are not attributable solely to fraud. Rather, simple every day routines, such as refueling construction vehicles, may constitute a violation of permit conditions if the activity occurs in sensitive habitats. Thus, deviations may result from acts of intention or unintentional omission or commission.

While definition of effective monitoring and enforcement programs are elusive, this obviously has not and cannot be a reason for failing to try to design relevant programs. As Eugene Bardach (1982, 303) noted:

> the absence of a strong theory about what regulatory strategy works best under what conditions need not impede policy planning and political actions. There are few enough strategic options that a policy designer can check each one in turn in the context of the problem being addressed.

An analyst may consider a "short-list" of factors which have been found to contribute to the success of monitoring and enforcement programs. Mazmanian and Sabatier (1982, 8-9) find implementation will be more successful when indicators can be inexpensively measured, valid

solutions have been previously identified, and the degree of behavioral change required is modest.

Other factors posited as influencing the effectiveness of a program include:

- maximizing probability of detection;
- assuring that monitors have sufficient skill, commitment of superiors, sufficient resources and are insulated from conflicts of interest.
- adequately communicating the parameters of the program to those being monitored, including the nature of any available sanctions
- demonstrating through actions the severity and certainty of a punishment that can be imposed
- demonstrating the commitment to the program by officials at every level of the organization

Compliance is usually achieved when the costs of non-compliance exceed the benefits of non-compliance. This assessment goes beyond simple monetary considerations, as benefits and costs are also perceived in terms of their effect on organizational goals. (Di Mento, 1989, 116; Chester, 1987, 22) Monitoring and enforcement perceived as being continuous, that is, not subject to change in shifts in the economy and agency personnel, enhances the likelihood of compliance. Under these conditions, "regulatory programs become a cost of doing business--equivalent to complying with a well-known although thoroughly disliked, tax law" (Di Mento, 1989, 116).

When the requirement for environmental impact reviews (identification and specification) were first established, questions of whether conduct of the reviews were a private sector or public sector responsibility were unresolved (Graves and Simon, 1980). Presently, the same questions are unresolved concerning monitoring and evaluation.

Monitoring may be carried out by public agencies, third parties under contract to public agencies, or by the project applicant with public agency review. (Enforcement, which is an exercise of public police power is seldom delegated to private parties.)

Periodic inspections by public agencies is probably the most common form of monitoring. Bardach and Kagan (1982) have noted regulatory excess and unreasonableness as well as circumstances of too lax enforcement by public agencies and have outlined the advantages and disadvantages of private monitoring. Third party contacting is one method that some agencies find attractive but problems of conflict of interest between industry and the third party must be resolved. External environmental audits conducted by corporate staff of local plants have been helpful in determining compliance with environmental regulations and highlighting deficiencies (Bastain, 1981, 5-6). Fabrick and O'Rourke (1982) have designed a comprehensive monitoring system, implemented by the developer, which is part of every phase of the project's life cycle. One public interest group advocates local government responsibility for post-specification monitoring but recognizes the efficacy of self-monitoring. The latter is perceived to delegate accountability to the developer to ensure on-going

compliance and assessment of mitigation effectiveness by requiring an annual statement of compliance (Chester, 1987, 22).

Selection of the monitoring arrangement may ultimately be a matter of the possible extent of environmental degradation and the political environment in which the development takes place. For example, Santa Barbara County has experienced construction of an extensive energy infrastructure as a result of the politically-charged offshore oil development. There are sizable environmental impacts associated with this development, especially during construction. The County has opted for continuous monitoring by County staff and third party contractors during the construction phase while relying on traditional and self-monitoring programs once operations begin. While this system has been adopted on other large scale non-energy programs within the County, smaller projects are monitored by the traditional process which has been described as inadequate.

What is the Santa Barbara County Environmental Quality Monitoring Program?

The Environmental Impact Report/Statement identifies the project's potential environmental impacts and proposes a range of measures to mitigate the impacts. Using this and other information, government decision makers in various agencies select appropriate mitigation measures. The project permits issued by the agencies incorporate these measures as conditions as well as general requirements contained in various laws, regulations, ordinances, etc. For example, Minerals Management Service notes conditions of approval often attached to approved permits range from the "administrative matters, such as the required frequency and number of reports to technical or environmental conditions such as requirements for the disposal of drilling mud. In all cases , they are specific conditions that amplify or explain a requirement in the regulations, lease stipulations or OCS Orders." (US Department of Interior, 1986, 8) In Santa Barbara County, failure to comply with any permit condition constitutes grounds for modification or revocation of the permit. (Santa Barbara County, 1985, VI-1)

Although the permit conditions may mandate implementation of mitigation measures, there are projects were these measures have been disregarded. Although compliance is ultimately the responsibility of the of the project developer, monitoring programs conducted under the auspices of involved governments are viewed as a method of enhancing compliance during project implementation. As of January 1, 1989, all California state and local agencies must establish reporting or monitoring programs for projects approved through the environmental review process. The program is "intended to ensure the implementation of measures that public agencies impose to mitigate or avoid the significant adverse impacts identified in an environmental document." (California Office of Planning and Research, 1989, 1)

For each offshore-energy project, County permit condition C-1, mandates establishment of an Environmental Quality Assurance Program by the project developer. The plan which structures program is generally intended to describe the steps which the developer takes to ensure that permit conditions are observed and complied with. The plan describes two key features of the program--the use of on-site environmental monitors during project construction and the periodic submission of status reports.

Alarcon, Fleisher and Margerum (1987, 3750) note that assuring that large energy projects are constructed and operated in a manner consistent with the conditions of approval requires "resources beyond the of existing permit enforcement efforts." As a result, the Energy Division created the Environmental Quality Assurance Program to "monitor construction of approved projects and verify that construction is performed in accordance with permit conditions." The authors note that the program has expanded the Energy Division's role to include coordination of all permit conditions whether or not they were prepared by the Energy Division. They conclude that EQAP is an important part of the permitting process and expanding the County's ability to ensure that project conditions are complied with during construction.

In addition to the compliance function, EQAP serves an evaluative role . At the end of the construction phase of the project, the monitor submits a comprehensive report which assesses the effectiveness of the project's mitigation measures. The results of this report may then be used to design mitigation measures for new projects. (Almy, Scott, Strachan, 1987, 3761).

Cantle, Craig and Scott (1987, 3774) note that the EQAP's primary purpose is to ensure compliance with the project conditions during construction. This is achieved through the use of full-time on-site monitors, hired by and responsible to County. The cost of monitoring, including monitor and staff time, is collected from the developer by the County. Thus, the developer bears full reasonable costs of monitoring program development and implementation.

However, the program eventually had to be expanded to include formal approval of a plan for monitoring permit compliance after construction, that is, during the operations phase. On July 23, the Santa Barbara Planning Commission changed the condition which mandates EQAP, condition C-1, to include a plan for monitoring during the operations phase of the program. (URS Corporation, 1987, 2) Find out why, check Planning Commission Minutes.

In a meeting at the Energy Division on January 24, 1990, Mary Meany Reichel related during the construction phase of the project, the Environmental Quality Monitoring Program (EQAP), with its detailed plan and onsite monitors serves a primary compliance and detection role. In the operational phase, EQAP is not intended to be the primary vehicle for ensuring compliance with various plans and permit conditions. This is left to the individual departments which have functional responsibility and expertise. The operational EQAP is an annual report submitted by the project operator which summarizes and documents compliance with plans and conditions and enforcement actions which occurred in the prior year. (For example, examination of the report reveals that it summarizes compliance with the air quality conditions and policies of the Santa Barbara County Air Pollution Control District. The actual demonstration of compliance is submitted directly to the APCD, which has the primary enforcement responsibility for air quality issues.)

Environmental Quality Assurance Program Plan

In essence, the EQAP plan governs operation of the surveillance program to verify that individual plan provisions are being observed. There are a variety of control plans and programs developed by the project applicant to comply with various permit conditions. These individual plans, which are reviewed and approved by the cognizant agencies, delineate specific protocols and actions taken by the applicant during project construction and operation to ensure compliance with permit conditions. The EQAP plan provides a comprehensive framework to verify and enforce individual plan provisions. To avoid duplication, individual plans are incorporated into the EQAP plan by reference. Where individual plans do not exist, the EQAP plan contains the provisions for compliance.

Generally, the plan outlines program management, procedures, lists individual plans, and structures field monitoring and compliance determination by relating project activity to tasks in each plan. The management section identifies the project applicant's point of contact for communications, outlines the duties of the monitoring team. The procedures section describes the environmental training and familiarization for monitoring and construction personnel, development of field monitoring plans and outlines steps for monitoring and documenting of construction activities as well as steps for the resolving disputes which may arise from monitoring activities. The associated plans and monitoring section shows the relationship between construction of each project component, the resource impacted, the mitigation measure, county permit condition and specific plan. Thus, activity can be linked to the criteria which determines permit compliance. For example, this section shows that during onshore pipeline trenching (activity), in order mitigate biological resource impacts and as required by County permit condition H-1(a), topsoil must be stockpiled and replaced as specified in accordance with the provisions of the Restoration, Erosion Control, and Revegetation plan (criteria). (URS Corporation, 1986, 5-11)

On-Site Monitoring Program.

The purpose of the on-site monitoring program is to provide proper implementation of the assurance program and to ensure the developer's compliance with specific final development plan permit conditions for the construction of the project.

While the Environmental Quality Assurance Program plan is written by the project developer and approved by the County, the on-site monitor is hired by and is responsible to the County. The project developer is then billed by the County for any costs incurred in implementing the plan.

The County selects the EQAP contractor through competitive bidding initiated by a request for proposal (RFP) issued by the County. The RFP outlines the County's criteria for the monitoring program and invites qualified contractors to design a program which meets those requirements. Information included in the RFP is a project description, the list of permit conditions, and the developer's EQAP plan. Using this material, the competitors:

Consultant's Responsibilities.

As outlined in the RFP, the consultant will be expected to

1. Prepare a Final Management Plan,
2. Refine Environmental Monitoring criteria.
3. Define tasks of the monitoring program.
4. Present briefing and training sessions for construction.
5. Implement the monitoring program.
6. Prepare periodic status reports and participate in public briefings.
7. Prepare the final construction report.
8. Monitor post-construction efforts, as required.

The final management plan, which is an update of the plan submitted with the contractor's proposal, indicates the key personnel in the EQAP process, their role in the overall implementation of the program and the lines of communication and authority among EQAP staff, the County, and the project developer. The management plan also details the logistics of scheduling monitor's and activities. (Santa Barbara County, 1988, 2) This is a detailing of the general framework for the program established by the developer's EQAP plan which outlines authority and lines of communication between the County, developer and contractor. It in essence "fleshes out" the framework established by the County and the contractor.

The contractor refines the Environmental Monitoring criteria contained in the approved EQAP plan in consultation with the County and the developer. The object of the refinement is to reduce the subjective judgment in field decisions on whether or not permit conditions are being complied with. (Santa Barbara County, 1988, 3) The various plans on which EQAP is derived from can contain ambiguous or non-specific criteria. For example, Chevron's Grading and Erosion control plan, to prevent storm-induced erosion, called for personnel to be on the construction site 24-hours a day in the event a major storm was predicted. In February 1986 a storm occurred resulting in erosion at the construction site. A forecast Obtained by Chevron did not predict a major storm, thus personnel were not at the site as required by the plan. Enforcement action against the company by the district attorney was declined because the plan neither defined "major storm" nor the particulars of how the forecast was to be obtained. (Cantle, Craig, Scott, 1987, 3781-3782)

The consultant, in conjunction with the County and the developer, defines the discrete tasks needed to implement the conditions. (Santa Barbara County, 1988, 3) From the permit conditions, the developer compiles "environmental criteria" in the EQAP plan. In this step, the contractor defines the actions and steps, for each criteria, that the monitors will take to determine if the conditions are being complied with. Thus, these are procedures which the monitors will use to ensure that the developer is taking steps they derived from the criteria.

Prior to the start of construction, the EQAP contractor briefs the construction personnel regarding the requirements of the EQAP and the responsibilities and authority of the EQAP team members (Santa Barbara County, 1988, 3). (How well received was this and how critical is it to effective operations? Interviews, etc.)

Implementing the actual monitoring program is the central task of the assurance program. It is field observation that assess the developer's compliance with permit conditions. It is compliance with permit conditions that ultimately determines the effectiveness of the mitigation measures. In the Santa Barbara County EQAP organization the onsite environmental coordinator plays a key role. The onsite coordinator directs the activities of both the onsite monitors and the environmental specialists and acts as the nexus of communication to the County and the project developer. The County-approved EQAP plan for each project lists the specific duties, qualifications and capabilities of each position.

There are limits to the responsibility and authority of the monitoring team. Except in emergency situations, as defined in the EQAP plan, team members can not direct construction crews or communicate directly with them. County permit conditions and policies allow the on-site environmental coordinator to halt construction activity under certain emergency situations. However, outside of emergency situations, the coordinator issues instructions through the developer's on-site coordinator. This communication arrangement originates with project developers over concerns that monitor-directed construction could potentially interfere with developer contractor agreements. (Cantle, Craig, Scott, 1987, 3777-3778)

A framework in the EQAP plan enables the monitor to classify the infraction as fitting one of three categories. These categories then define the action the monitor may take to correct or report the infraction. These guidelines show that the greater the risk is of environmental impact the greater the authority of the monitor to act. For example, a monitor is authorized only to stop a task in the event of an infraction which might potentially be threatening to life or health; result in loss or damage to sensitive habitats; or which threatens an action which must be completed prior to the next stage of construction. (Santa Barbara County, 1986, C-1-8)

CHAPTER 5. OIL DEVELOPMENT AND THE SANTA BARBARA COUNTY LEGISLATIVE PROCESS: LOSS OF AGENDA CONTROL

Abstract. Offshore energy development has pronounced effects on local communities. One effect which has been given little notice is the impact on local government processes and resources. Using a unique data set, this note describes the effects of oil-development on County Board agenda-setting over a three-decade period.

INTRODUCTION

Many federal programs, although not directly aimed at local governments, may nonetheless have profound effects on local government (Christensen, 1995, 91-92). However unintended the consequence, local governments must bear the costs associated with these federal programs and policies. The potential extent of the impact of such federal programs is illustrated in the development of offshore energy resources. This case is characterized by an imbalance between the highly-localized impacts of development, such as land-use planning, pollution, and risk of costly accidents, borne by local governments and the highly diffused benefits, such as lease and royalty payments, realized by the state and federal government. This pattern is opposite of most development programs which have highly localized benefits and diffuse costs (Mead, et. al., 1985; Cicin-Sain, 1986; US Department of Interior, 1989, 162-164; Kahoe, 1987; Holing, 1991). Local government response to this negative imbalance of costs and benefits has been regulation of onshore facilities crucial to the success of offshore development (Lima and Woolley, 1990, 1992). In fact, aggressive regulation of facilities by local government within a local government's jurisdiction has itself been a continuing controversy in offshore oil development, often confounding the realization of federal policy goals (Earney, 1990; Rawl, 1991; Lima, 1994).

The ability of local government to influence offshore energy development decisions stems from the unique pattern of authority that is characteristic of the United States federal system. At one time, local government in the United States was considered subordinate to state and federal governments. This configuration of authority posited that national and state government operate autonomously, with local governments subordinate to the state, exercising only those powers expressly granted (Wright, 1988, 40). This conception of the general role of local government has been supplanted the analogy "overlapping authority" typified by the fact that:

1. Substantial areas of government operations involve national, state, and local units simultaneously.
2. The areas of autonomy, independence, or full discretion of a single-jurisdiction are comparatively small.
3. The power and influence available to any one jurisdiction is significantly limited.

These limits produce a federal system with an authority pattern best described as bargaining (Wright, 1988, 49).

Offshore energy development has influenced the economic and social landscape of Santa Barbara County, California. Numerous environmental and planning documents describe the socioeconomic impacts caused by offshore development. These include the net marginal costs borne by area governments to satisfy the demand for additional government-provided goods and services induced by offshore development activities. Most offshore-related activity in the area occurs outside of the incorporated municipalities and, as such, is within the jurisdiction of County government.

One impact that has received little attention is that on the basic processes of government itself, specifically, the control over the government agenda. The five-member Santa Barbara County Board of Supervisors, as the ultimate local political authority, have exerted considerable influence over offshore energy development. However, they have been very ambivalent toward offshore development, and their influence has by no means been automatic. Their influence has come at a cost--part of which has been that they have had to allocate much of their available time for deliberation to consider issues related to offshore energy development.

HYPOTHESIS

As the development of offshore energy progresses from prelease activities toward development and production, related onshore developments will become more important (in proportion to the magnitude of offshore development). These onshore developments constitute impacts on local government and increase the likelihood government action will be necessary. Consequently, permanent, large-scale offshore oil production will significantly affect the local government agenda by occupying the available "agenda space" thereby threatening to displace other important business that would otherwise receive more attention.

NATURE OF LOCAL GOVERNMENT ACTIONS

Local government in California, as embodied in the County Board of Supervisors, combines the executive and the legislative in a single body. The local legislative function within the state has been described as "efforts to satisfy the irritated without irritating the satisfied; satisfaction is sought through passage of acceptable legislation, irritation is ameliorated or eliminated through remedial or corrective legislation" (Blair and Flournoy, 1967, 60). Through the legislative powers, the Board sets public policy by making ordinances, while the administrative powers allow control over policy implementation (Blair and Flournoy, 1967, 63-64, 90). Yet, lack of a unitary executive is perceived as a weakness of County government. This allows little central direction of administration because authority is diffused throughout a large number of sub-board commissions and officials (Zimmerman, 1962, 144).

Many California counties, including Santa Barbara, utilize an appointed executive (County Administrative Officer) who manages the administrative staff in order to achieve policy goals set by the Board of Supervisors. The Supervisors exercise control over the administrator through power of appointment and dismissal, power to pass all ordinances without the threat of veto and the power to oversee and audit administration (Koehler, 1983, 31-38). While the management of their governments has been identified as the primary role of Boards of

Supervisors in California counties (and elsewhere), policy innovation and intergovernmental relations have become more important and prominent in recent years (Sokolow, 1993).

LOCAL GOVERNMENT AND OFFSHORE ENERGY DEVELOPMENT

Local government can influence the character of federal offshore energy development, but seldom can it significantly alter or veto the basic policy to develop offshore energy resources. Lee (1975) concluded that decisions to lease an area offshore could be modified, but not basically changed, in response to the anticipated coastal zone and environmental impacts of the development. Warren (1978) posited that while the placement of onshore facilities underscored the need for local participation, federal and state officials formulated policies as if local governments constituted a "residual category."

Legal precedents give California counties very little direct regulatory authority over offshore activities. The county role in state- and federal-level decision making was formalized by laws allowing local government a consultative role (i.e., the right to request a hearing and present testimony on development) but which furnished local government with no veto over state development. Regulation of offshore activities were been reserved to the state and federal agencies, subject to the action of state and national legislatures. The county, in essence, responded to initiatives controlled by those outside of county government and the local area.

However, by use of their land use and zoning authority, the local governments normally hold an effective veto over facilities within their boundaries. If that veto is exercised, it can significantly raise the cost of development to firms.

Luke (1980) found that local attitudes toward development are crucial to the success of facility siting. He noted that few of the major oil corporations anticipated the development of debate over onshore socioeconomic effects that have received the attention of local regulatory bodies. His research identified the level of expertise of local regulatory bodies as a prime factor determining whether or not a company was able to obtain the necessary permits for a facility. He concluded that:

> (F)or local communities...major facilities and major projects to develop natural resources represent totally new and previously unexperienced phenomena. They represent not routine regulatory decisions, but major policy decisions--decisions for which in many cases there are no precedents (Luke, 1980, 291).

Project approval in Santa Barbara County is a multiple-stage process. Initial decisions on the developer's proposal are made by the five-member County Planning Commission which determines whether or not the proposed project is in compliance with County ordinances and policies. Projects are seldom rejected or approved outright. Rather, approval of the project is usually conditioned on the developer agreeing to an number of restrictions placed on the project to bring it into compliance. Exxon described the conditions imposed on one of its development projects by the Santa Barbara County Planning Commission to be among the most stringent it had encountered anywhere in the world (Hvoboll, 1982, 82).

Yet the Board of Supervisors, not the Planning Commission is the final authority for project decisions. As one Supervisor noted:

> At the Board of Supervisors level, conflicts or disputes between the project applicant and the Planning Commission are resolved. This is where the controversies, whether entirely technical or purely policy application or interpretation, are highlighted and oftentimes become politicized. This is where the essential issues are brought to the scrutiny of the larger community, where details fade into the background, as basic decisions of great import to present and future policies are debated and made. Yet, this is where there is less time for thorough examination, as competing quality of life issues--of health, human services, housing--are dealt with Tuesday after Tuesday (Ochoa, 1991, 65).

Supervisor Ochoa's observation identifies the problem we wish to investigate here. The Board of Supervisors has the ultimate authority and obligation to make the decisions that affect offshore oil. To do at all is costly in terms of time and pressure. To do so with seriousness requires trading off how much time and energy can be devoted to the other issues that must also occupy the Board.

At one extreme, the Board could choose simply to rubber-stamp the conclusions and recommendations of the Planning Commission, and otherwise to do everything feasible, within their discretion, to reap the local benefits of offshore oil by facilitating oil development. A naive interpretation of the idea that local governments are "growth machines" might lead to such an expectation. To take any other course, however, means that local government "agenda space" will necessarily be taken up by divisive battles that have essentially been thrust on the local government unit by the actions of the national government.

RESEARCH DESIGN

We examine the relationship between offshore energy development and local response and influence through an analysis of the minutes of the weekly meetings of the Santa Barbara County Board of Supervisors for each year from 1955 through 1987. The year 1955 marks the beginning of modern offshore energy development under the state offshore leasing law enacted that year. The year 1987 marks the first production from a series of federal lease sales--the final sales--held in the area in the early 1980s. The thirty-two year record provides an essential element of political/administrative history of offshore development in the Santa Barbara Channel and the California coast.

We examined the weekly minutes of the Board of Supervisors for items related to offshore energy development. Each oil-related item was classified in the mutually exclusive categories described in table 5.1. Tabulation of the results of the census of the minutes is contained in

table 5.2.[20] The data not only reflect local government response to state and federal actions, they show the type and frequency of issues that come before the Board over time.

Table 5.1 Categories and Rules for Categorizing Santa Barbara County Board of Supervisors Agenda Items.

Category	Description
No	Number of weekly meetings where oil and gas items were discussed.
Onsh	Onshore oil activities. Items which result all phases of onshore energy production from leasing through abandonment, including legislation, zoning, and government operations.
Uncl	Unclassified and Miscellaneous. Items which do not satisfy the description or decision rules of other categories (i.e., natural oil seeps). This is a residual category.
Pre	Prelease. Items which occur prior to consideration of tracts for leasing by the state or federal government including geophysical surveys, etc.
Lease	Leasing. Items related directly to a specific state or federal lease sale including responding to requests for information, participation in lease sale EIRs, public hearings, legislative actions related to lease sales, etc.
Expl	Exploration. Items related to exploratory drilling on a state or federal lease tract.
D&P	Development and Production. Items related to offshore and onshore facility approval, placement, construction, and operation including efforts of local government to approve onshore components (i.e., pipelines, processing plants, etc.) of a specific project.
Aban	Abandonment. Items related to the permanent cessation of project-specific operations, removal of facilities, and restoration of sites in conjunction with state or federal leases.
Leg	Legislation. Items related to federal or state legislation, lobbying of state or federal legislative or executive branch officials, and appearances before legislative oversight committees.
Z&P	Zoning and Policy. Items related to land use planning, regulation, and policy not attributable to a specific project or lease such as general policy on the siting of onshore processing plants, coastal zone land use plans and regulations, etc.
government	Government Operations. Department operations in support of energy related activities not attributable to a specific project, policy, or zoning (i.e., staffing and budget for County oil well inspector, specialized planning staff).

[20] It is our hope that the work can be replicated in other settings or perhaps with respect to other kinds of industrial and economic development. We present the data in table 2 partly in hopes that other researchers will find this a useful baseline for their work.

Table 5.2 Incidence of Offshore Energy Related Items at Santa Barbara County Board of Supervisor's Weekly Meetings.

Year	No	Uncl	Onsh	Pre	Lease	Expl	D&P	Aban	Leg	Z&P	Govt	Total
1955	14	-	1	-	2	1	-	-	4	3	2	13
1956	19	-	1	3	8	1	3	2	1	9	-	28
1957	20	-	5	2	1	4	3	1	7	16	-	39
1958	12	-	7	-	-	1	5	-	-	-	1	14
1959	12	-	4	1	-	-	4	-	3	-	-	12
1960	20	2	7	1	2	-	6	-	-	-	2	20
1961	25	-	8	1	2	-	15	-	-	1	3	30
1962	26	-	8	4	-	-	13	-	1	3	1	30
1963	29	-	3	2	3	-	22	-	2	7	4	43
1964	14	1	1	-	-	1	8	-	-	3	1	15
1965	26	-	3	5	-	-	26	1	1	2	-	38
1966	24	4	2	-	6	-	10	-	3	6	5	36
1967	44	12	4	3	13	-	19	-	13	16	5	85
1968	41	3	-	1	5	2	30	-	7	21	11	80
1969	38	13	4	-	-	5	26	-	9	12	2	71
1970	23	2	6	-	-	4	5	-	5	8	4	34
1971	15	1	1	1	-	3	4	-	-	5	1	16
1972	10	1	2	-	-	1	2	3	1	-	-	10
1973	25	4	2	1	-	2	7	1	-	8	7	32
1974	18	1	-	-	2	-	11	4	-	2	3	23
1975	39	2	5	-	15	-	21	-	2	3	5	53
1976	33	3	9	-	5	1	16	2	1	15	4	56
1977	43	9	8	-	4	-	17	-	2	20	13	73
1978	42	11	14	-	18	-	8	5	4	8	2	70
1979	44	8	6	-	14	1	10	-	1	19	10	69
1980	45	6	4	-	17	1	16	-	10	30	8	92
1981	27	-	7	-	7	2	5	-	2	12	2	37
1982	24	1	7	-	4	2	3	-	0	8	4	29
1983	36	4	6	-	16	-	21	-	5	11	10	73
1984	44	2	5	-	4	2	44	-	5	24	8	94
1985	46	-	6	-	4	3	57	-	9	40	9	128
1986	46	2	3	-	2	0	47	-	6	38	15	113
1987	40	-	-	-	2	0	42	-	1	15	11	71
Total		92	149	25	156	37	526	19	105	365	153	1627
Percent		5.6	9.1	1.5	9.5	2.7	32.3	1.1	6.4	22.4	9.4	100

Source: Minutes and Action Summaries of the Santa Barbara County Board of Supervisors. Clerk of the Board. Santa Barbara County. Santa Barbara, CA

THREE PERIODS OF DEVELOPMENT

Offshore development during the period of the study can be usefully divided into three time periods. The first period, which started in 1955 and culminated approximately 10 years later, covers the period of state-initiated offshore development. The 1955 California Shell-

Cunningham Tidelands Act authorized offshore energy leasing and development along portions of the Southern California coast and established several closed areas or "oil drilling sanctuaries" including a 16-mile zone which corresponded to urban environs of the Santa Barbara coastline.

Local government aggressively lobbied for the sanctuary--a political compromise which allowed exploration and development of areas outside of the sanctuary (Lima, 1994). State leasing occurred episodically from 1956 until 1968, at which time all eligible offshore parcels contiguous to the County's coastline had been leased. By the end of the first period, state initiated development was largely complete; development and production was well underway on most of the leases. Petroleum production from these state-granted leases continued for the entire period of the study.

The second period begins with the transition from state-initiated development to federally-initiated development. Federal involvement began with a one-tract federal lease sale in 1966 following the 1965 US Supreme Court decision which delimited state and federal zones in the Channel.[21] Large scale federal leasing across a large portion of the offshore area followed in 1968.

The oil spill from platform A in January 1969, an event credited with coalescing the embryonic environmental movement, fundamentally changed the nature of offshore energy politics. State and federal governments imposed moratoria on leasing and new development in the immediate aftermath of the 1969 oil spill. The efforts of local governments to make the moratoria permanent failed. The second period closes in 1975. In 1975, approval by the Board of Supervisors of a major processing plant to support production from the giant fields of the Santa Ynez Unit survived a ballot referendum to overturn the Board decision.

The third period of the study starts in 1976 and continues to 1987, and includes a series of lease sales in the Channel area. Many new fields were discovered along the County coastline as a result of these sales. Several new onshore processing facilities were proposed to support the anticipated offshore development.

Period 1: 1955 to 1968

Starting with California's Shell-Cunningham Tidelands Act of 1955 offshore activity in the Santa Barbara Channel increased steadily until the large increase in development with the burst of federal leasing activity in 1968. A drilling sanctuary adjacent to the City of Santa Barbara was part of the 1965 Shell-Cunningham Act. That sanctuary ensured that offshore development took place beyond the City of Santa Barbara's municipal limits. Consequently, related essential onshore facilities were sited within unincorporated areas under county government jurisdiction.

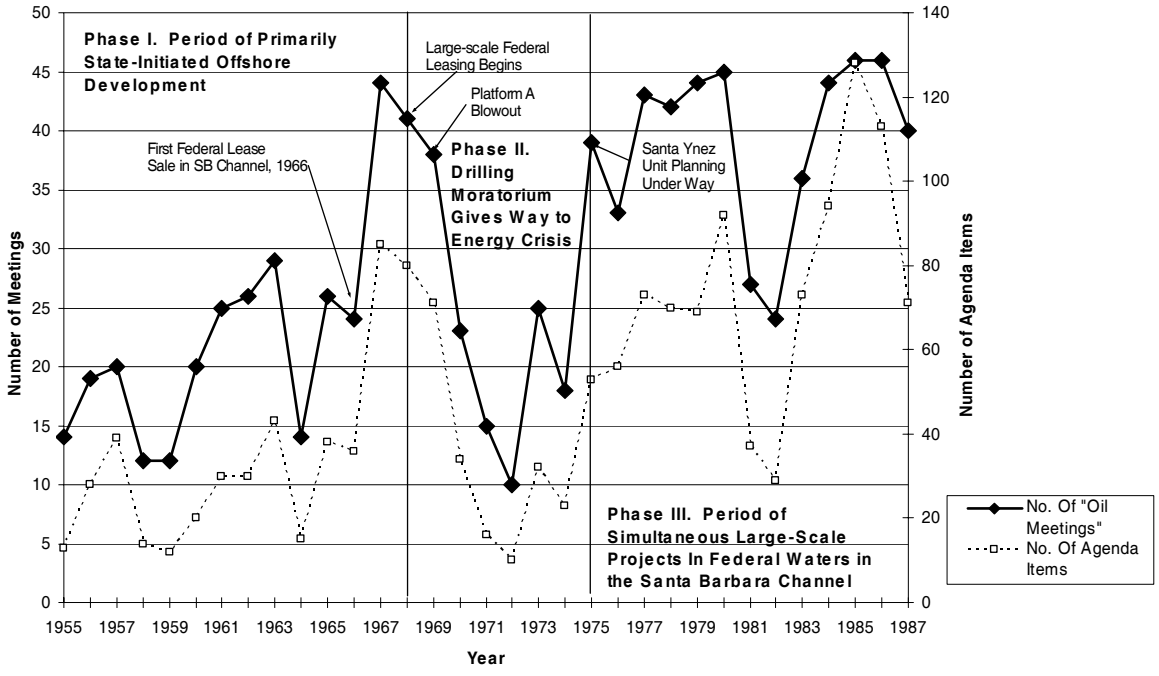
[21] USA vs State of California, 381 US 139. The case resolved a dispute between the State and the Federal Government that dated from 1945 and interpreted the Submerged Lands Act of 1953.

During this period, there was a gradual expansion of development activity that affected the operations of local government. The long duration of the periodic leases allowed the county to routinely assimilate offshore development items. Initial development caused a number of items to come before the Supervisors. After the spurt of initial development, disposition of items became more incremental and routine, seldom approaching the threshold of public controversy.

Federal activity, by comparison, developed over a much shorter period, was more intense and occurred at a time when offshore development was gaining salience as a political issue. The advent of federal activity, with its potential threats of industrialization of the coastline and threat to the sanctuary, only made controversy before the Board more acute.

As shown in figure 5.1, annual total numbers of agenda items related to offshore oil came before the Board of Supervisors steadily until 1967, the year immediately following the first Federal lease. Even prior to 1967, there appears to be an upward trend in the number of meetings at which offshore issues were on the agenda. But prior to 1967, oil issues appeared on fewer than half the meeting agendas in most years. As the reality of federal leasing becomes apparent in 1967, we observe a doubling of the number of agenda items that deal with offshore oil, and a near-doubling of the number of meetings at which oil issues are raised.

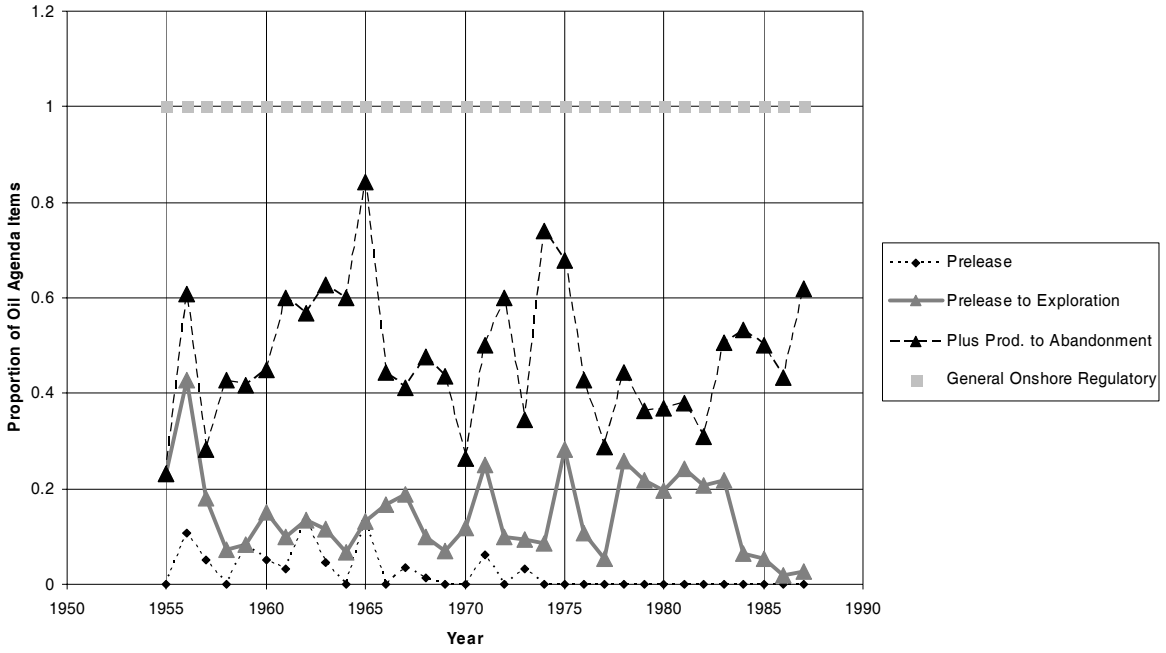
FIGURE 5.1. Number of Weekly Meeting Agendas Considering Offshore Oil Issues, Santa Barbara County Board of Supervisors, 1955-87



From 1955 until 1964, agenda items came almost exclusively in response to state-authorized offshore development. At the time, Federal leasing was forestalled in areas of disputed jurisdiction such as the Santa Barbara Channel pending the final determination of the dividing line between state and federal waters by the Supreme Court in 1965 in US vs California.

As is illustrated in Figure 5.2, relatively few oil-related items dealt with preleasing, leasing, and exploration, and a much higher proportion with development and production. Items related to development and production in state waters actually declined dramatically in 1966 and 1967. Board action regarding the structure of county government increased after 1965 when advisory bodies were created to develop comprehensive siting policies and to study potential effects of federal offshore development.

FIGURE 5.2. Cumulative Proportion of Oil-Related Agenda Items By Development Stage and by Generally, Santa Barbara County Board Of Supervisors, 1955-1987 (Proportions add up to 1.00 moving vertically for any year.)



In this period, as more generally, a very large proportion of the items involve general zoning and policy actions by the Board related to general regulation of onshore activities not necessarily tied to a specific production phase.

Thus, the Board was most occupied with items which (1) established general policy and zoning for facilities, especially in response to the onset of state and federal leasing, and (2) the project-by-project application of the policy in development and production which occurs in the aftermath of leasing.

Period II--1969 to 1975

As is evident in figures 2 and 3, the number and composition of offshore oil items on the agenda of the Santa Barbara County Board of Supervisors were remarkably different in the post-oil spill period, compared to the pre-oil spill. The items also reflected the events which defined the politics of offshore development in the period.

As shown in figure 5.1, the number of meetings at which offshore oil items were addressed by the Board declined precipitously in the years immediately following the oil spill, as did the total number of oil items each year. However, the reaction against oil development dramatically reversed starting in 1973 as fear of pollution gave way to alarm about the energy crisis in the early 1970s.

As figure 5.2 shows, prelease-related agenda items almost vanished after 1968--partly because these activities are overwhelmingly federally administered. The proportion of agenda items comprised of various on-shore general regulatory matters reached a near-peak in 1970 (exceeded in this time series only by the year 1955). However, as attention turned back to the problem of oil supply in the 1970s, the Santa Barbara Board's agenda was dominated by items dealing with "development and production" stages.

Oil agenda items in 1969 involving exploration were largely the result of operations that had been planned prior to the oil spill on tracts leased in the 1968 lease sale. However, these agenda items reflected the desire of developers to resume operations. The Board recognized the relationship between exploratory drilling and follow-on development, and actively sought an end to exploratory drilling in the Channel as part of an overall drilling ban.

Period III: 1976 through 1987

Period III marks the beginning of the final and current period of offshore energy development along the Santa Barbara coast. Oil fields developed from the lease sales during this period are currently in production or are currently experiencing suspensions of production until industry economic conditions improve and local opposition to additional energy development projects change.

As shown in table 5.2, the offshore energy items coming before the Board of Supervisors during this period are quantitatively and qualitatively different than the items during the initial development and transition period. The differences arise from three factors. First, the rate at which agenda items coming before the Board across all categories is greater than in previous period. Second, the items coming before the Board are largely the result of federally-initiated activities rather than state-initiated activities. Third, offshore energy items appear to achieve a measure of permanence on the Board's agenda. Nearly every Board meeting involves a number of offshore energy items, many continued from previous meetings. This characteristic suggests that offshore energy items becoming increasingly intractable and linger before the Board before being resolved.

The number of meetings at which offshore energy items came before the Board increased in this period such that oil items appeared on nearly every weekly meeting agenda. From 1976 to 1980, the number of agendas containing offshore energy related items was, in large part, attributable to local reaction to increased federal offshore leasing. The decrease in the number of items that followed in 1981 and 1982 reflected the maturation of the leasing process as the leasing related items left the agenda. However, the number of meetings rebounded and eventually exceeds even the peak number reached in 1980. This upsurge was largely the result of development and production items which follow from the lease sales of a few years before (see figure 5.2).

Leasing continued to be a major source of items before the Board during the period (table 5.2 and figure 5.2). Our further investigation shows that a limited number of lease sales generated the lease-related agenda items which came before the Board in this period. The paradox of these items is that while the Board was responding to federal leasing plans, it was simultaneously engaged in actions to postpone or cancel the leases. Challenges to the lease sales during this period delayed leasing and ultimately led to annually renewed Congressionally-imposed moratoria on the appropriation of funds to conduct leasing activities (API, 1984).

As a proportion of all agenda items, development and production items increased dramatically after the mid-point of the period when onshore processing and transportation facilities needed to support planned offshore production come before the Board for approval. These items achieve a prominence not seen on the Board's agenda since the previous peak in the late 1960s.

Contributing to the overall number of development and production items were a continuing facility permitting disputes between Exxon and the County dating from the beginning of the period. Unlike the previous periods, when the Board would have approved an onshore processing facility in a single meeting, facility permitting in this era became a protracted and often contentious activity.

The sizable absolute increase in zoning and policy items (see table 5.2) throughout the period are attributable to the need to update County policy to accommodate onshore facilities as well as the need to manage the overall character of offshore production. The former items addressed County efforts to regulate development on a case-by-case basis while the latter items address County efforts to comprehensively regulate offshore development.

Items coming before the Board early in the period established general policy and zoning requirements in light of forecast offshore energy activity. The resulting amended or newly adopted ordinances addressed the conceptual design and location of onshore facilities. For example, early in the period the Board determined the changes needed to bring existing land use plans into conformance with state regulations regarding onshore facilities, the relationship between anticipated energy production and the control of air pollution mandated by federal and state regulations, and the use of tankers and pipelines that would be needed to transport. As such, the actions were antecedents of actual development and production but nonetheless

circumscribed future development by specifying general policy which would later be applied on a facility-by-facility basis.

Items in the later years of the period addressed policies and programs designed to manage the impacts from development that were not attributable to any single project. For example, these items include the design and implementation of a region-wide program to determine the socioeconomic impacts of development, the development of a comprehensive oil and gas policy, and the management of vessel traffic safety to prevent tanker and shipping accidents.

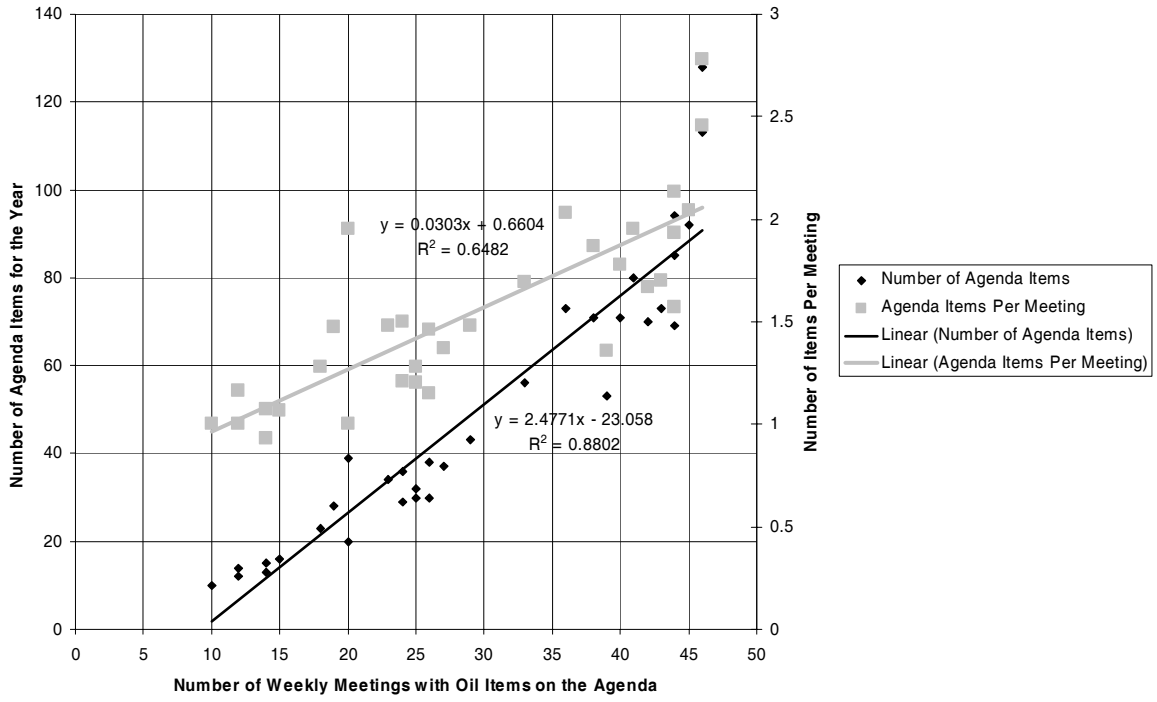
Government operations items during the period reflect the response of the County public administration apparatus to the increasing level of offshore activity. Initially, ad-hoc arrangements were utilized to deal with offshore development. Existing employees within the County Planning Department and allied departments were designated to address offshore issues. The increasing workload on these individual employees, specialized knowledge required to address the issues, and the information- and labor- intense review of offshore leasing and development proposals led to the creation of a dedicated bureau staffed by specialists who worked exclusively on offshore development.

CONCLUSIONS

Offshore energy development initiated by the state and federal government had profound impacts on the deliberations of the Santa Barbara County Board of Supervisors. While many of the decisions were within the jurisdiction of the Board, this jurisdiction was often shared with state and federal agencies. Nearly all local government actions dealing with offshore energy development were in response to state or federal government initiatives. During much of the period of study, local response reacted to specific actions taken by other governments, it did not anticipate the actions of other political actors. Indeed, only when development approached a locally unacceptable "critical mass" did local government begin to develop comprehensive policies that anticipated rather than responded to problems.

In Santa Barbara, this reaction had an important effect that has been almost unnoticed in the standard literature on environmental impacts. Oil development transformed the agenda of local county government. At the peak levels of oil development, issues concerning offshore oil appeared on virtually every meeting of the Santa Barbara County Board. Moreover, as figure 5.3 shows, as the frequency of oil issues increased, so did the average number of items on each meeting's agenda. Oil occupied more agendas and more agenda space. This is a remarkable and highly significant effect.

FIGURE 5.3. As the Number of Meetings Dealing with Oil Increased, the Number of Agenda Items Per Meeting Also Increased, Santa Barbara County Board of Supervisors, 1955-87



Despite its reactive stance, Santa Barbara County government became an influential player in the game of offshore energy development. While its jurisdiction is far from absolute, County government enjoys a great deal of autonomy in one important area, local land use decisions. The production of offshore energy development, the ultimate goal of the process, is all but impossible without onshore processing facilities. While this authority vested in local government does not provide a veto over offshore decisions in the state or federal spheres, it places local decision makers in a powerful bargaining position, from which they are able to extract concessions which address the imbalance between the benefits of offshore production and the costs of offshore production.

The twenty-two year record provided by the weekly minutes of deliberation represents the administrative history of offshore development in the Santa Barbara Channel and the California coast. The preponderance of Board deliberations address activities, namely the siting and operation of onshore facilities, over which it can exercise the traditional land use and public health and safety authority inherent in California's local governments. Throughout the period of 1955-87, offshore energy issues have assumed greater and greater status in the deliberations of local decision makers.

While this chapter has examined broad longitudinal trends, it is possible to examine trends within the period, such as similarities and differences between activities in state waters which largely occurred prior to the oil spill when County policy was more accommodative of

offshore development and activities in federal waters occurred just prior to and after the 1969 oil spill, when local policy seeks to limit development before it occurs and extensively regulate development when it occurs. Systematic examination of local government actions offer a rich yet largely under-utilized data source to understand the dynamics of development within a federal system where local governments wield considerable authority.

CHAPTER 6. ELITE REACTIONS TO OIL DEVELOPMENT AND EVALUATIONS OF SANTA BARBARA COUNTY OIL PROGRAMS OVER TIME: RESULTS OF A SMALL TWO-WAVE ELITE SURVEY

An element in the original research plan was to survey by mail a sample of local elites, selected to provide reasonable representation of those active in the oil policy making process in Santa Barbara County. The relevant populations are quite small--in many categories (e.g., local government) we could approach virtually the entire population. The surveys were designed to reveal different degrees of awareness of, and perceptions of the success of, different elements of the Santa Barbara County programs. A follow-up survey would approach the same initial sample five years later with identical questions in order to gauge whether there were significant changes in general perceptions of problems, programs, and program successes. Thus, we would have information on "long-run" success and implementation effects by means of the two surveys.

SURVEY DESIGN

The idea was to survey a number of individuals in different categories regarding their perception of the seriousness of the impacts from offshore energy development. Our hope was that we would identify a large enough sample in each relevant category (e.g., tourism, fishing, oil business, etc.) that we could make comparisons between different key interests as to their view of the County's projects.

The selection of the respondents for the survey was purposeful. The individuals surveyed were selected because of their involvement in some aspect of offshore development, either as individuals or as representatives of groups or companies. As such, they were selected because of a reasonable expectation on our part that they would have a degree of familiarity with offshore energy development beyond that of the average citizen. That is, the goal was not simply to discover what elite opinion was about oil development, but to discover what elite opinion was about the effectiveness of various County programs.

Respondents were asked about their familiarity with the various offshore energy projects in the vicinity of Santa Barbara County. Furthermore, the respondents were asked for their evaluation of various programs that had been established to deal with the impacts of these problems. The survey instrument is appended.

The pool of possible respondents was developed from a variety of sources, such as environmental impact reports, records of public hearings and meetings on offshore energy issues, and civic directories. For example, environmental impact reports (EIR), especially the public comment and response section, provided a rich source of names, addresses, and affiliations. In addition, the substance of the comments submitted by the individuals in the EIRs allowed us to determine the level of familiarity that each possible respondent had with offshore energy development. Examination of multiple EIRs allowed us to develop a list of names and organizations that were continuously involved with offshore energy development. Over time, a number of individuals and organizations emerged as being attentive to offshore

development. However, it proved to be much more difficult than we had hoped to identify large number of plausible respondents in some categories.

The environmental impact reviews were not the only source used to identify prospective respondents. The attendance records of public meetings regarding offshore energy development, such as the Minerals Management Service's annual Information Transfer Meeting, were canvassed and potential respondents identified.

The first survey was administered in the Spring of 1989. While the surveys were addressed to specific individuals, the completed surveys were returned anonymously in an effort to encourage responses. That is, the identity of the individual returning the survey could not be ascertained. Three weeks after the survey was mailed, a follow-up letter was sent to all respondents requesting that they complete and return the survey if they had not already done so.

The second survey was administered in the Spring of 1994. The instrument used in the 1994 survey was identical to the instrument used in the 1989 survey.. In order maximize continuity and comparability between the two surveys, the survey was sent to the same persons and/or organizations as the 1989 survey. Prior to sending the survey, the mailing list was updated to reflect changes since the 1989 survey. In most cases, there was no change in persons and their function within the organization they represented. However, some substitutions were necessary. In a few cases, the people were no longer with the organization and the survey was sent to the person who now served in that function. For example, electoral changes in local governments resulted in the survey being sent to the elected official who was in office, not the individual who occupied the office in 1989. In very few cases, the whereabouts of the person could not be established and the organization no longer existed. In these cases, equivalent organizations were identified and contacted. For example, some of the ad-hoc community groups polled in 1989 survey no longer existed in 1994 and replacements for these respondents were identified and contacted.

The completed surveys were returned completely anonymously. As a result, it is not possible to match the responses of individuals participating in the 1989 survey with their responses in the 1994 survey.

RESPONDENTS

Questionnaires were mailed to 89 representatives of 10 different groups. The response rate varied among groups within and between the surveys. The response rates of 35 percent and 21 percent in 1989 and 1994 were disappointingly low (see table 1). However, we think the responses are do suggest some useful conclusions, and where it is possible to judge, the responses appear to be reasonably consistent with expectations.

Table 6.1 Summary of Survey Sample and Returns

	Total Sample	1989 Returns	1994 Returns
Number of Surveys	87	31	19
Percent of Surveys by Category:			
Civic Group Leader	8.00	3.83	16.67
Consultant on Oil	17.24	16.67	11.11
County or City Government	20.69	20.00	22.22
Environmental Activist	9.20	16.00	11.11
Fishing Industry	12.64	6.67	5.50
General Local Business	11.50	10.00	16.67
Native American	3.45	0.00	0.00
Petroleum Industry	13.80	13.33	5.55
Tourism	3.45	6.67	11.11
Other	0.00	6.67	0.00

Some follow-up inquiries suggests that the low response rate reflects the highly controversial nature of oil issues in the County, and a possible lack of confidence on the part of some of those surveyed that their responses would truly be anonymous. For example, on the first round, the staff of one elected politician called to say that the official would be happy to respond, but would have to wait until after the election. Of course, such a lone, late response might have been fairly obvious, which may explain why no such return was ever received.

The 1994 survey returns was adversely affected by the fact that the research schedule called for distributing the questionnaire at almost precisely the time that Mobil Oil's large and highly controversial Clearview project was first proposed—a project that directly involved the University which housed the unit administering the survey.

SURVEY RESULTS

General Attitudes Toward Oil Development

Taking the two surveys together (N=50; virtually identical results flow from separate analysis), we find that overall 46 percent of respondents said they favor off-shore oil development; 30 percent said they oppose it, 20 percent said "it depends" and 4 percent reported "don't know." Given the general reputation of Santa Barbara as a location hostile to oil development, the strong plurality in favor of oil development among the respondents is interesting to note.

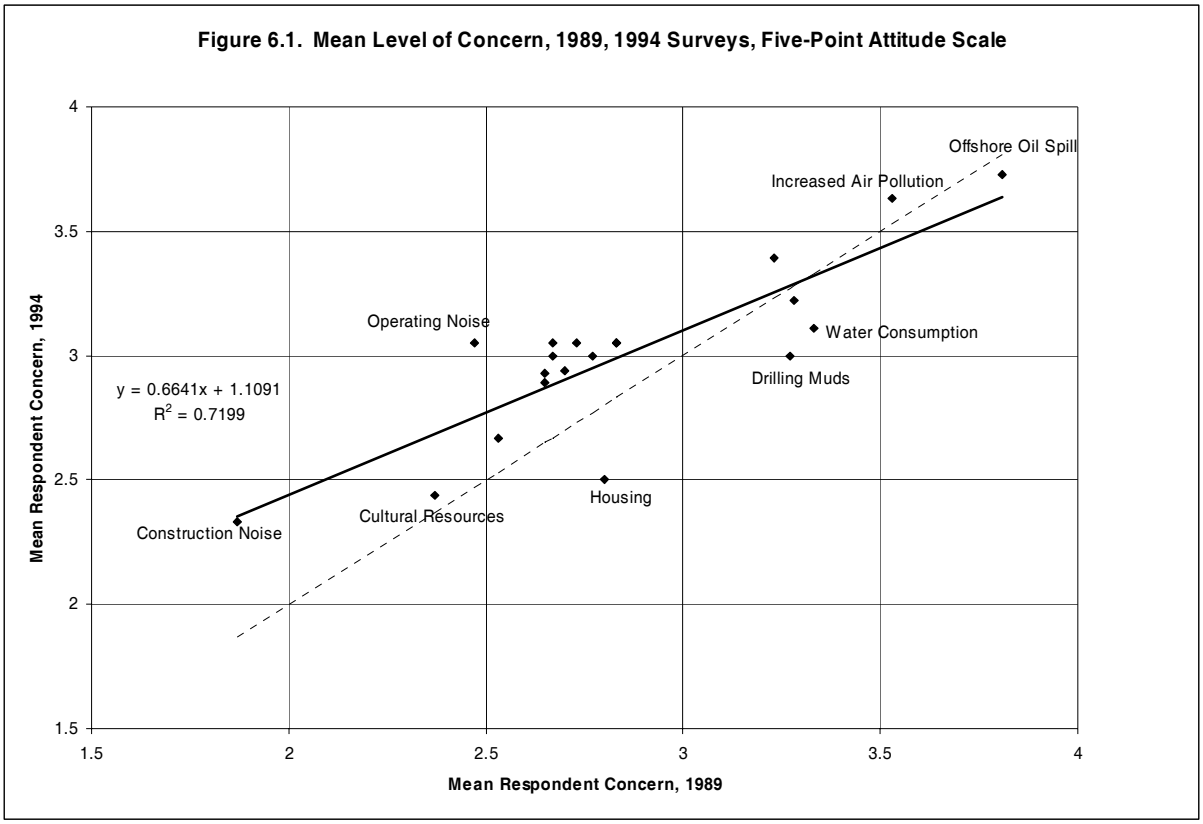
Perceived Problems

Based on our inventory of environmental impact statements and other documents, we constructed a list of 19 potential adverse impacts of offshore oil developments. Survey respondents were asked to rate those impacts in terms of their own personal concern for them.

A striking result of the two separate surveys is the relative stability of concern for particular potential problems of oil development over time. Five years of continued debate about offshore oil and dissemination of scientific information had little impact on the relative rankings of the problems according to the respondents in 1994 and 1989.

The relevant data are displayed in figure 6.1. Two trendlines are plotted in the figure. The solid, heavier line is the actual regression line showing how the 1989 mean problem evaluations relate to the 1994 problem evaluations. The lighter dashed line shows the regression line that would have been expected if the evaluation of the problems had been identical in 1989 and 1994. The pie-shaped rotation of the regression line relative to the line of equality indicates primarily that respondents were on average more concerned about the lower-ranked impacts in 1994 than they had been in 1989. That is, average levels of expressed concerns about all problems increased.

Figure 6.1. Mean Level of Concern, 1989, 1994 Surveys, Five-Point Attitude Scale



Problems and Subgroups of Respondents

On virtually every issue the self-categorized opponents and the supporters are significantly different in their judgments (the following analysis combines respondents from both surveys). For example, in a series of responses indicating their degree of personal concern about potential adverse impacts of offshore oil development, the opponents mean level of concern

for each impact was 1.6 points greater on a 5 point scale than the mean level of concern of those favoring oil development.

For every suggested adverse impact except "construction noise," the opponents' mean level of concern was above the midpoint of the 5-point scale, and for nearly half (8) the mean level of concern was over 4 on the scale. For supporters, the results were the opposite. For every single impact, their mean level of concern was below 3 points on the 5-point scale.

We can think of the "depends" respondents as occupying an intermediate ground between the supporters and opponents of offshore oil. For specific adverse impacts we can ask whether the mean response of the "depends" respondents is closer to the position of the opponents or the supporters of oil development. This helps to suggest what impacts are likely to generate the strongest opposition to oil development, and may reveal something about what are the most important lines of division concerning oil development.

In these surveys, the "depends" group is closer to the supporters of development in their (relative lack of) concern about: accidental sour gas (hydrogen sulfide) leaks; possible increased demand for housing; possible increased demand for water; construction noise; operations noise; odors and smoke due to ongoing operations; cumulative harmful effects of produced water; possible major accidents at onshore processing facilities; visual impacts of offshore oil wells; and visual impacts of onshore processing facilities.

They are almost exactly half-way between the two groups in their level of concern for: disruption to cultural resources; erosion, gullying or landslides during construction; and increased burden on public facilities like schools, sewer, fire, etc.

The "depends" group lines up with the opponents in their concern for: possible accidental oil spills both onshore and offshore; increased air pollution; disruption or destruction of plantlife and animal habitats during construction; disturbance to commercial fishing and kelp harvest; incompatibility with existing land use plans; and possible cumulative harmful effects of drilling muds.

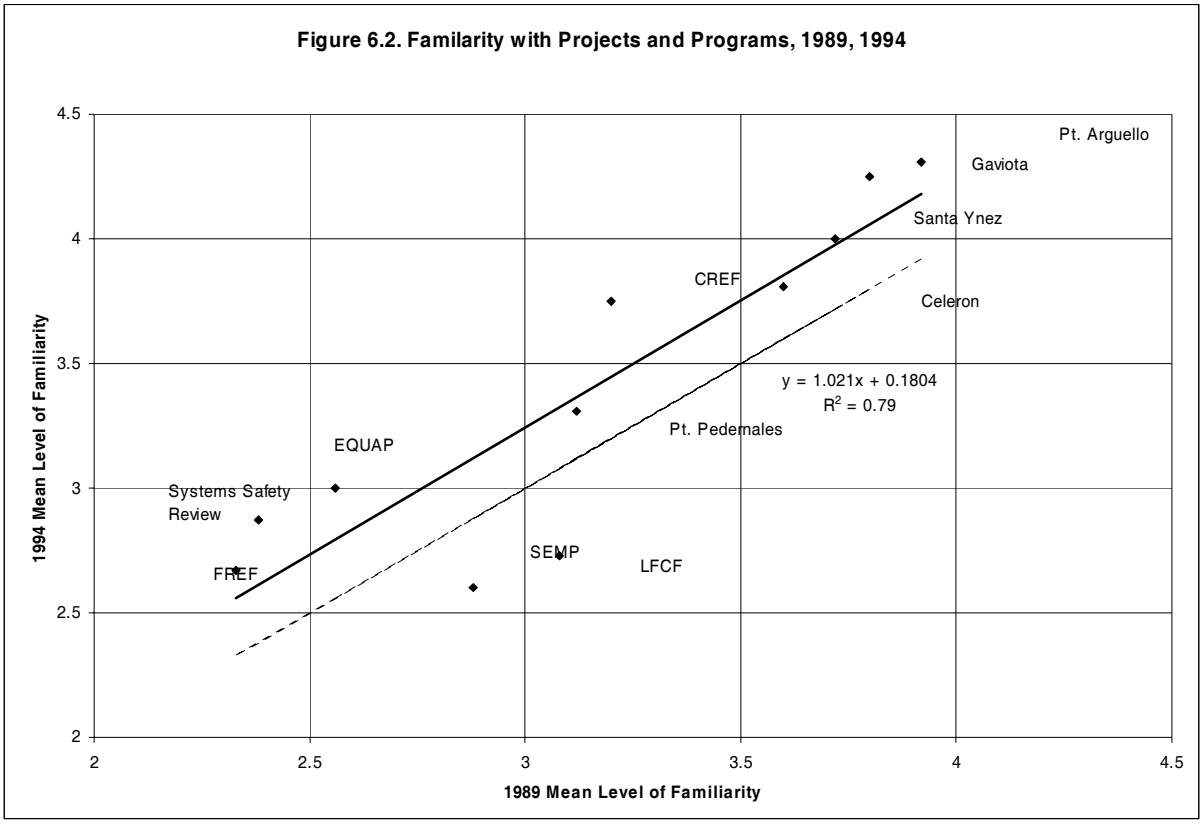
One interesting result of the surveys is that respondents' perception of Santa Barbara County oil regulatory programs was more favorable among those opposed to oil development than among those favoring oil development. Supporters of development generally evaluated the job of the Federal government in regulating offshore oil much more favorably than local government. Respondents in the "oppose" and "depends" categories responded in the reverse, evaluating the job done by local government much more favorably than that by the Federal government. However, those responding "depends" in general had a more favorable evaluation of the performance of all levels of government than did the oil opponents.

These differences are consistent with a logic that distinguishes between relatively risks that are well-documented, higher-probability or permanent, and risks that are less well-known, less likely, or more transitory.

Evaluation of Santa Barbara Program Implementation

Respondents were asked about their familiarity with eleven Santa Barbara County oil development projects and mitigation programs. They were also asked to evaluate the success of both projects and programs. The responses for familiarity are displayed in figure 6.2, where again the heavier dark line is the actual estimated regression line, and the lighter dashed line is the line we would observe if levels of familiarity were unchanged.

Figure 6.2. Familarity with Projects and Programs, 1989, 1994



Many respondents claimed a high degree of familiarity with Santa Barbara County government efforts. Approximately 90 percent of the respondents in both surveys self-classified as "very familiar" or "somewhat familiar" with at least some of the efforts of the County to regulate oil production and processing. This level of familiarity is what we expected given that the research design purposely selected individuals and organizations that had been involved in offshore energy issues in the Santa Barbara area.

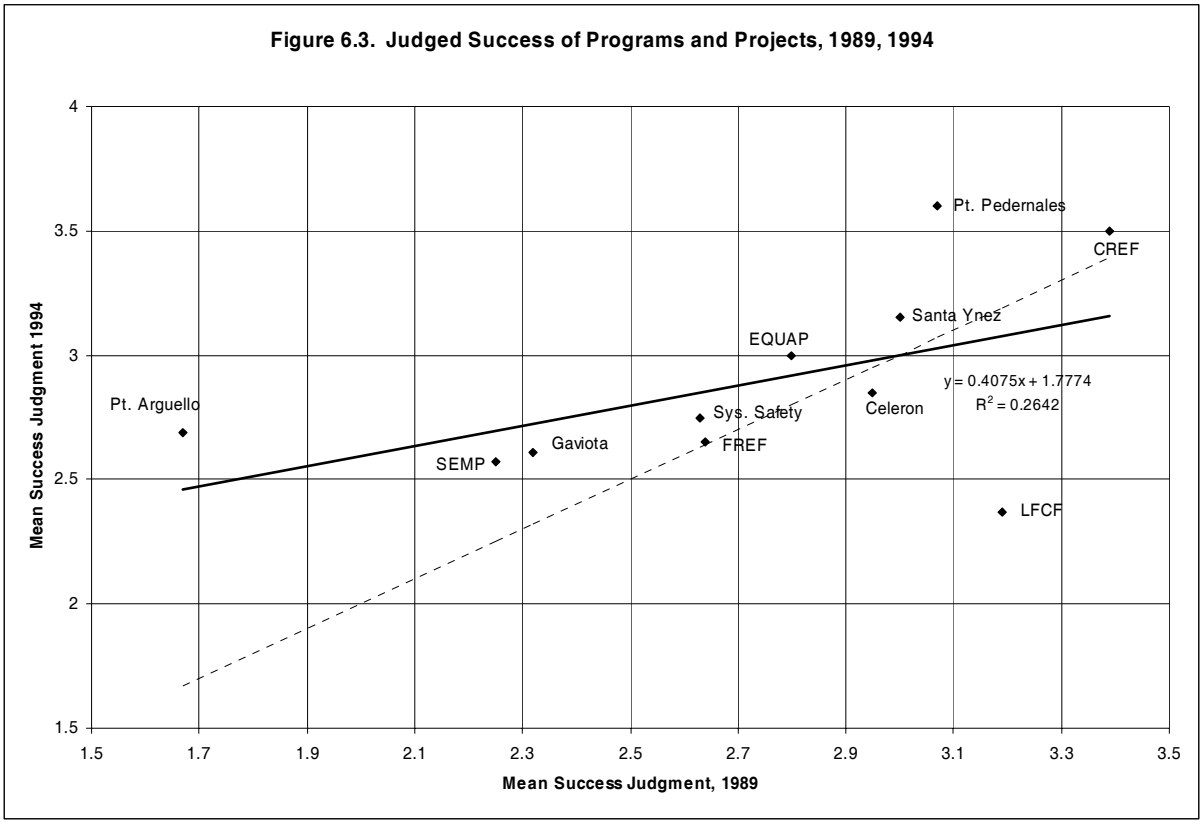
Figure 6.2 shows that 1994 respondents felt more familiar with almost all projects than respondents in 1989. This is what we expected, and so therefore the result is gratifying. Levels of perceived familiarity fell only for two programs, the Socioeconomic Monitoring and Mitigation Program (SEMP) and the Local Fisherman's Contingency Fund (LFCF). The

LFCF is a very specialized and somewhat obscure program, while SEMP is technically rather complex (see Molotch and Woolley 1994).

In another important result of these surveys, we see that even this select group of respondents did not feel highly familiar with many of the elaborate array of specialized implementation programs that have been so important in Santa Barbara County. The highest level of familiarity in both surveys is not with mitigation and implementation programs per se but with specific development projects--Pt. Arguello, Gaviota, Santa Ynez, Celeron Pipeline, and Pt. Pedernales. Only the relatively politicized Coastal Resources Enhancement Fund, which has developed some "pork barrel" characteristics, achieved the same level of familiarity among respondents.

Interestingly, oil development opponents self-evaluated their familiarity with the various projects and programs 0.6 points higher than the supporters on the available 5 point scale. The biggest margin in perceived familiarity (at least .9 or greater) concerned The Coastal Resources Enhancement Fund (CREF), The Socioeconomic Monitoring and Mitigation Program (SEMP), and Gaviota Marine Terminal Project. The smallest margins of perceived familiarity (less than 0.1) were for the Local Fisherman's Contingency Fund (LCFC), the Environmental Quality Assurance Program (EQAP), and the Point Pedernales Project.

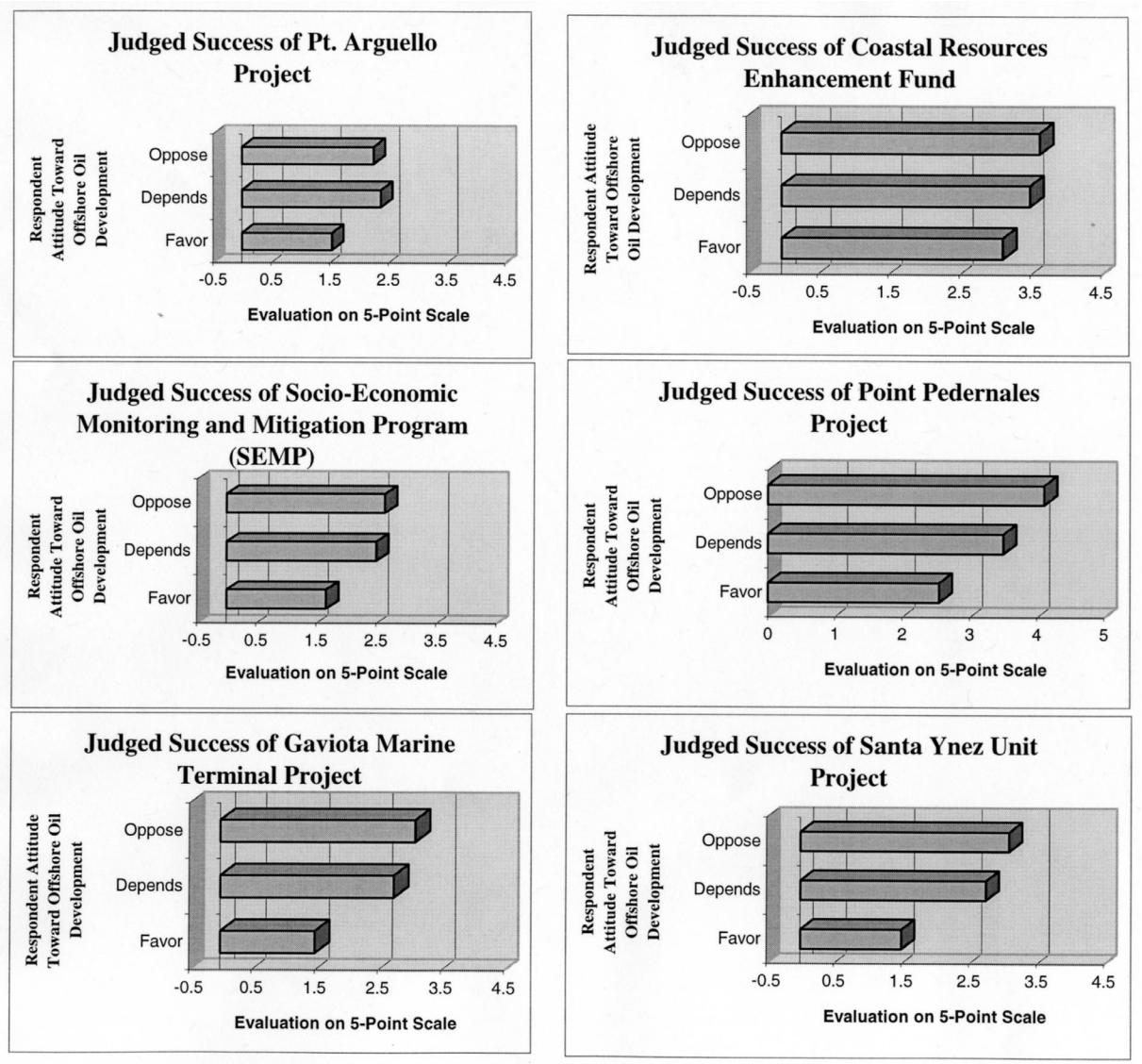
Respondents who rated themselves as being at least "somewhat familiar" with particular programs were asked further to evaluate the success of the programs. The overall relationship between judgments of success in 1989 and 1994 are plotted in figure 6.3. In figure 6.3, off-centered clockwise rotation of the regression line again represents a general increase in the judged success of most programs over time. Indeed, again we can see that virtually all programs were evaluated in 1994 higher than their mean evaluation in 1989 with the greatest increases for those that received low ratings in 1989. The most noticeable exception is the Local Fisherman's Contingency Fund which dropped significantly.



This favorable development in judged success is by no means a change that was clearly expected. Moreover, it is at best an ambiguous indicator of actual performance. On the one hand, the findings suggest that during a relatively extended period of close scrutiny and heightened awareness, well-informed respondents' average level of judged success for the programs increased. This suggests a desirable increase in approval and acceptance in the local community. However, it is also true that the strongest judgments of success came from the opponents of offshore oil development. One may infer from this, consistent with the other survey responses, that the county's programs are seen as an effective brake on the pace of oil development and in that sense, increasing judgments of success suggests increasing confidence in the effectiveness of Santa Barbara programs in slowing or delaying oil development.

The differential judgments of programmatic success on the part of those who support and oppose offshore oil development is illustrated in figure 6.4 which contrasts the three programs judged least successful and the three judged most successful in 1989 and 1994. In these particular examples one can see illustrated the general point that those respondents most favorable to offshore oil development were least likely to judge specific programs to be a success.

Figure 6.4 Projects Judged Most and Least Successful; Respondents Ordered by Support for Oil Development; 1989 and 1994.



Concluding Observations

The research program concentrated on the effect that offshore energy had on local government, specifically Santa Barbara County government. The Impact Summary tables contained in the Environmental Impact Statement/Reports for various offshore energy projects clearly demonstrate that local government is expected to play a substantial role in ensuring the implementation of mitigation measures for the significant impacts. Through the survey, we hoped to draw systematically on informed elite opinion to ascertain the degree to which Santa Barbara County programs had achieved visibility ("familiarity"); the degree to which they were a success; and the degree to which their acceptance varied over time.

In practice, we encountered resistance on the part of respondents largely, we believe, because of the highly controversial nature of the issue. To the extent that we can judge by information requested within the survey, although our return rates are lower than we had hoped for, our overall samples still are fairly accurate reflections of the initial survey pool.

While the ordering of potential adverse impacts remained quite consistent from survey to survey, most impacts were assigned higher levels of concern in 1994 as compared to 1989. Familiarity with Santa Barbara County oil projects increased modestly across the board, and evaluators increased significantly their judgment of the success of programs previously rated poorly.

SANTA BARBARA COUNTY REGULATION OF OIL DEVELOPMENT: A QUESTIONNAIRE

The survey begins with some general questions about Santa Barbara County. Then a series of questions addresses regulation of oil development in Santa Barbara County. Finally, there are some standard survey questions that will allow us to compare our overall results to results from other surveys. If you wish to expand on the limited range of options you will sometimes be given, please feel free to do so.

PART I. SANTA BARBARA COUNTY GENERALLY.

1. In your opinion what are the most important problems facing Santa Barbara County today? [You may indicate three problems; the question is NOT LIMITED TO OIL-RELATED PROBLEMS.]

Problem 1:

Problem 2:

Problem 3:

1A. Which <u>one</u> of the above problems do you think is <u>most</u> important?

___ Problem 1
___ Problem 2
___ Problem 3

2. What do you consider to be the most important <u>environmental problems</u> facing Santa Barbara County today? [You may list three problems.]

Problem 1:

Problem 2:

Problem 3:

2A. Which <u>one</u> of the above environmental problems do you think is <u>most</u> important?

___ Problem 1
___ Problem 2
___ Problem 3

PART II: OIL DEVELOPMENT

3. Do you favor or oppose drilling for oil off the coast of southern California?

_____ Favor	PLEASE GO TO QUESTION 4
_____ Oppose	PLEASE GO TO QUESTION 4
_____ Don't know	PLEASE GO TO QUESTION 4
_____ Depends	PLEASE GO TO QUESTION 3A

3A. [IF DEPENDS]
I would favor if:

I would oppose if:

4. On the whole, which level(s) of government do you think is (are) the most appropriate level(s) to supervise oil development?

_____ Federal
_____ State
_____ Local
_____ Federal and State only
_____ State and Local only
_____ All three

5. Using a scale of 1 to 5 (where 5 indicates "exellent" and 1 indicates "unsatisfactory"), please indicate your evaluation of the job each level of government has done in recent years in regulating offshore oil development. Please enter the relevant number in the space provided.

1 unsatisfactory _____ 3 passable (mixed) _____ 5 excellent

_____ Federal
_____ State
_____ Local
_____ Don't know enough to judge about: _____Federal _____ State _____Local

- 3 -

6. Using a scale of 1 to 5 (where 5 indicates great concern and 1 indicates relatively little concern), please indicate the extent to which you are personally concerned about potential adverse impacts of oil development in and near Santa Barbara County. Please enter the relevant number in the space provided.

1	3	5
relatively unconcerned	moderately concerned	very concerned

_____ Accidental "sour gas" (hydrogen sulfide) leak
_____ Accidental oil spills
_____offshore
_____onshore (e.g., pipeline spill)
_____ Increased air pollution
_____ Disruption or destruction of plantlife and animal habitats during construction
_____ Disruption to cultural resources (e.g., Native American sites)
_____ Disturbance to commercial fishing and kelp harvest
_____ Erosion, gullying or landslides during construction
_____ Incompatibility with existing land use plans
_____ Increased burden on public facilities like schools, sewer, fire, etc.
_____ Increased demand for housing
_____ Increased water consumption
_____ Noise impacts due to construction
_____ Noise impacts due to ongoing operations
_____ Odors and smoke due to ongoing operations
_____ Possible cumulative harmful effects of "produced water" (waste water from oil production)
_____ Possible cumulative harmful effects of "drilling muds" (drilling fluid used for cooling, lubrication, etc. in drilling)
_____ Possible major accidents at onshore processing facilities
_____ Visual impacts of offshore oil wells
_____ Visual impacts of onshore processing facilities
_____ OTHER:_____

7. How familiar would you say you are OVERALL with the efforts of Santa Barbara county to regulate oil production and processing?

_____ Very familiar	PLEASE GO TO QUESTION 7A
_____ Somewhat familiar	PLEASE GO TO QUESTION 7A
_____ Not very familiar	PLEASE GO TO QUESTION 8
_____ Not familiar at all	PLEASE GO TO QUESTION 8

7A. From <u>your</u> perspective, how would you evaluate the County programs to deal with oil development OVERALL?

_____ Highly successful
_____ Moderately successful
_____ Occasionally successful
_____ Rarely successful

What has been especially good about the County programs?

What has been especially unsatisfactory about the County programs?

8. Here is a list of some of the development projects Santa Barbara County has supervised and some of the special mitigation funds the County oversees.

8A. On a scale of 1 to 5, indicate for each one how familiar you are with this project or activity. Let 5 indicate most familiarity, let 1 indicate little or no familiarity. Please enter your score in the blank provided on the left.

1	3	5
Not Familiar	Somewhat Familiar	Very Familiar

8B. [ONLY IF YOU ARE AT LEAST SOMEWHAT FAMILIAR WITH SOME OF THE ITEMS EXAMINED IN 8A:] On a scale of 1 to 5, please indicate for each project or activity **for which you have some familiarity** how successful you believe the County's activities have been from your personal perspective. Let 5 indicate greatest success and 1 indicate little or no success. Please enter your score in the blank provided on the right.

1	3	5
Rarely Successful	Moderately Successful	Highly Successful

Familiarity		Success
8a_____	Local Fishermen's Contingency Fund	_____
8b_____	Coastal Resources Enhancement Fund	_____
8c_____	Fishery's Resources Enhancement Fund	_____
8d_____	Environmental Quality Assurance Program	_____
8e_____	Socioeconomic Monitoring Program	_____
8f_____	Chevron Point Arguello Project	_____
8g_____	Unocal Point Pedernales Project	_____
8h_____	Exxon/Santa Ynez Unit	_____
8i_____	Gaviota Marine Terminal	_____
8j_____	Celeron Pipeline	_____
8k_____	System Safety Review	_____

9. [IF YOU ARE NOT AT LEAST SOMEWHAT FAMILIAR WITH ANY OF THE SPECIFIC ITEMS IN THE LIST ON THE PREVIOUS PAGE, PLEASE SKIP THIS QUESTION] For the two items in question 8 that you are most familiar with, please indicate what has helped make the program a success or has detracted from its success.

9A. FIRST ITEM _____(item number, 8a-8k).

What has helped make this program a success?

What has detracted from the success of this program?

9B. SECOND ITEM _____(item number, 8a-8k).

What has helped make this program a success?

What has detracted from the success of this program?

PART III. GENERAL BACKGROUND QUESTIONS

10. You have been included in this survey because you are a member of group d listed below. Is this correct? _____Yes _____No

10A. Would any of the following categories be more (or equally) accurate?

a._____Civic group leadership
b. _____Consultant on oil development issues
c. _____County or City Government
d. _____Environmental Activist
e. _____Fishing Industry
f. _____General local business representative
g. _____Native American
h. _____Oil Industry
i. _____Tourism Industry
j. _____Other _____

11. Do you live in Santa Barbara County?
_____YES _____NO

11A. IF YES:
_____North County
_____South County, NOT City of Santa Barbara
_____City of Santa Barbara

11B. How long have you lived in Santa Barbara County?
_____Years

12. What is the highest grade or year of school that you have finished?

_____ High school or less
_____ Trade-Vocational school
_____ 1-2 yrs. college
_____ 3-4 yrs. college
_____ Bachelors Degree
_____ 5-6 yrs. college (but no degree)
_____ Masters degree
_____ Past Masters but no degree
_____ Professional Degree (e.g., MBA, JD, LLD, MPH, MD)
_____ Doctorate

13. Generally speaking, in politics do you consider yourself as conservative, liberal, middle-of-the-road, or don't you think of yourself in these terms?

_____ Conservative	PLEASE GO TO 13C
_____ Liberal	PLEASE GO TO 13C
_____ Middle of the road	PLEASE GO TO 13B
_____ Don't think in these terms	PLEASE GO TO 13A

13A. [IF DON'T THINK OF SELF IN THOSE TERMS] If you had to choose, would you consider yourself as being conservative, liberal, or middle-of-the-road?

_____ Conservative	PLEASE GO TO QUESTION 14.
_____ Liberal	PLEASE GO TO QUESTION 14.
_____ Middle of road	PLEASE GO TO QUESTION 14.

13B. [IF MIDDLE OF ROAD] Do you think of yourself as closer to conservatives or liberals?

_____ Closer to conservative	PLEASE GO TO QUESTION 14.
_____ Closer to liberal	PLEASE GO TO QUESTION 14.
_____ Neither	PLEASE GO TO QUESTION 14.

13C. [IF LIBERAL OR CONSERVATIVE]: Do you consider yourself a strong or not very strong liberal/conservative?

_____ Strong conservative	PLEASE GO TO QUESTION 14
_____ Not very strong conservative	PLEASE GO TO QUESTION 14
_____ Not very strong liberal	PLEASE GO TO QUESTION 14
_____ Strong liberal	PLEASE GO TO QUESTION 14

14. Generally speaking, do you usually think of yourself as a Republican, a Democrat, an independent, or what?

_____ Republican	PLEASE GO TO 14B
_____ Democrat	PLEASE GO TO 14B
_____ Independent	PLEASE GO TO 14A
_____ No preference	PLEASE GO TO 14A
_____ Other:_____	PLEASE GO TO 14A

14A. [IF INDEPENDENT, OR NO PREFERENCE, OR OTHER:] If you had to choose, would you consider yourself to be closer to the Republican or to the Democratic party?

_____ Republican	PLEASE GO TO QUESTION 15
_____ Democrat	PLEASE GO TO QUESTION 15
_____ Neither	PLEASE GO TO QUESTION 15

14B. [IF DEMOCRAT OR REPUBLICAN] Would you call yourself a strong or not very strong Republican/Democrat?

_____ Strong Republican	PLEASE GO TO QUESTION 15
_____ Not very strong Republican	PLEASE GO TO QUESTION 15
_____ Strong Democrat	PLEASE GO TO QUESTION 15
_____ Not very strong Democrat	PLEASE GO TO QUESTION 15

15. Please indicate roughly the level of your annual household income before taxes.

_____ Less than $20,000
_____ $20-40,000
_____ $40-60,000
_____ More than $60,000

15A. Approximately what percent of your annual household income is generated from the identification given in question 10 above?

_____ Percent.

If you would like to receive a copy of our research report please enter your name and address here. We will remove this sheet from the questionnaire prior to data entry. You may also indicate if you would be willing (or would like) to be interviewed in person about oil development in Santa Barbara County.

NAME: _____

MAILING ADDRESS: _____

_____

_____

___ I am willing to be interviewed in person

___ Please arrange an interview, I want to expand on my answers

I am particularly familiar with the following aspects of oil development in and around Santa Barbara County:

CHAPTER 7. LESSONS FROM SANTA BARBARA FOR OTHER LOCAL JURISDICTIONS[22]

Abstract. Using Santa Barbara County government as a case study, this paper examines how the role of local government in offshore energy development is shaped by coastal management legislation, the offshore energy development process, local government skill and expertise, and public opinion and interest group action.

INTRODUCTION

Santa Barbara County is often cited as a model of effective community response to offshore energy development. Both outsiders and County policy-makers hold out the Santa Barbara County experience as one that could be exported to other settings. However, a number of factors have produced the effective Santa Barbara County response, and many of these factors are not under the direct control of County policy-makers. Some critical factors may not be present in similarly situated communities. Thus, the Santa Barbara experience may not be directly applicable to other jurisdictions.

Among the key factors that have shaped Santa Barbara County's role in offshore development are:

1. Legislation, especially coastal zone management statutes, which structure institutional relationships and processes and from which local government derives much of its authority.
2. Scale and intensity of development
3. County institutional skill and expertise.
4. Public opinion and interest group action, which in turn is closely linked to local geography and the economic base.

The degree to which the approach of Santa Barbara County can be adopted by other local governments will be determined by these factors.

THE SANTA BARBARA COUNTY RESPONSE

The outer continental shelf (OCS) energy process may be viewed as occurring in five stages: prelease, lease, exploration, development and production, and decommissioning (National Research Council, 1989, 59; Schweithelm and McPhee, 1983). As the process moves from prelease toward development and production, impacts on local governments become more tangible and the potential for local government influence increases.

Reaction of local governments to OCS development varies between geographical areas and development phases. Some reactions are already evident in California. Responses in the **pre-lease** phase appear to vary the most widely. Commonly, demands increase on local planning

[22] This chapter was pesented as a paper at the Coastal Zone '91 Conference in Long Beach, California.

staff and decision makers begin an intensive search for information. Government begins to mobilize to prepare for the possibility of oil and gas development.

The outcomes of this mobilization are not identical. For example, three reactions can be observed from California's experience with offshore energy development. The "Mendocino reaction" involves immediate mobilization of local citizens to actively oppose development. One manifestation of this reaction is local government lobbying to press for congressionally-imposed leasing moratoria. The "Eureka reaction" involves a gradual change from attempting to accommodate development to actively opposing development (Southern California Educational Initiative, 1990, B-11). In the "Santa Barbara reaction," development is regarded as inevitable, and efforts are made to exploit the unique position of local government to influence outcomes of development (Alarcon, et al, 1987; Lima and Woolley, 1990).

During **leasing**, local government participation is largely structured by the legal framework governing the process. Local government may have input during the environmental review scoping process; during public hearings on the lease sale environmental impact statement; or as part of the state governor's comments on size, timing, and location of the proposed lease sale (U.S. Interior Department, 1987, 19-25; Kahoe, 1987, 1926). In California, local comments have been transmitted as part of the governor's response as a matter of standard practice (Kahoe, 1990).

During **exploration**, the local impacts and the ability of local governments to directly influence the outcomes vary with the location and intensity of exploratory activity. Because California's continental shelf is very narrow, exploratory drilling occurs in close proximity to other users of the near-coast area (e.g., commercial fishing, recreation, tourism), increasing the potential for conflict. However, little exploration activity comes within the direct regulatory jurisdiction of local government except as it affects port facilities and on-shore support activities. While local governments may be concerned about the exploratory impacts on other users, lack of jurisdiction requires their action to be facilitated by other regulatory authorities or to be in the nature of mediation of conflicts.

For example, the exploration plan submitted by the developer is subject to state consistency certification. In this process, the state coastal management agency certifies that the plan complies with provisions of the state's coastal zone program (US Department of Interior, 1986, 17). In California, Coastal Commission consistency findings may impose conditions on the developer (California Coastal Commission, 1981, 56). Local government input during this consistency determination, thus provides governments an opportunity to influence activities beyond their own jurisdiction. Mediation of fishing/oil industry conflicts in the Santa Barbara Channel have largely involved non-governmental organizations (Hershman, et al, 1989, 157-152).

If exploration indicates that there are commercially recoverable petroleum resources, **development and production** of the resource will follow. It is during this phase that local government can exert the greatest direct influence over the process. If offshore development requires supporting onshore facilities, then local government not only can regulate activity at

the onshore sites within their jurisdictions, but may also acquire de facto control of some offshore activities. Local intergovernmental structures may emerge when impacts transcend political boundaries.

Santa Barbara County has been particularly aggressive in asserting influence during this stage of the process. It energetically exploits opportunities presented through the structure of the California Environmental Quality Act (CEQA; see more below). The County has been creative and thorough in devising permit conditions imposed during construction and operation. The County's approach has been to create a "living permit" whose conditions are subject to review and amendment throughout the life of the project. While the results of this approach are mixed, as measured by project start-up and operation, it has proven to be a powerful tool for the regulation of oil development by local government. While the County's permitting approach is grounded in the state's legal system, creative application of the approach by County project managers has been a fundamental element of regulation of oil development touching on the County's jurisdiction (Lima and Woolley, 1990).

California and Santa Barbara County governments have relatively little experience with the **decommissioning** of modern (post-1953) offshore energy facilities. The haphazard (by current standards) abandonment of near-shore oil development projects in the 1920s continues to plague the County. Abandonment is defined by the County in project permits requiring approval of abandonment plans, but impacts from decommissioning are difficult to estimate. Analogs from the termination of Western United States energy projects in the 1980s or decline in oil related activities in the Gulf of Mexico coastal areas in the mid-1980s do not appear to be directly applicable to Santa Barbara County area because of the diversity of the regional economy and other demographic factors.

THE STATUTORY CONTEXT AND SANTA BARBARA EFFECTIVENESS

Coastal zone management authority has greatly contributed to the county's influence over the siting of energy facilities needed to support offshore development. Yet, facility siting by the county is structured by an interlocking hierarchy of legislation and policies.

The 1972 U.S. Coastal Zone Management Act (CZMA), specifies loose national policy for managing the coastal zones including the siting of energy facilities. State legislation provides more stringent controls, tailoring coastal zone management to both region and project. Local regulations, such as county permitting requirements and local zoning ordinances, address specific area needs (Halstead, et al, 1987, 80). In essence, CZMA requires states to consider the national interest in meeting energy needs. The Act requires state planning for energy facilities within the coastal zone, but leaves actual siting decisions and mitigation measures to be determined by the state (Miller, 1984; Brower and Carol, 1984, 4-8). As a consequence of this hierarchical arrangement, issues are given precise definition only at the state-local level. Local concerns are much more likely to be considered at the state than at the federal level. State coastal management statutes are paramount in determining the form and extent of local influence.

California's coastal activities are regulated within the framework of the California Coastal Act. Under provisions of the Coastal Act, the California Coastal Commission assumed direct regulation of development within the state's coastal zone until authority is delegated back to the local government. One method for local government to reclaim this authority is by developing a local coastal plan (i.e., a land use plan and implementing ordinances). If the Commission determines that the local plan is consistent with policies of the Coastal Act (including energy facility siting policies), permitting authority is returned to the local government. Thereafter, the Commission retains only limited review authority over local government decisions about development in the coastal zone (California Coastal Commission, 1988, 1-3).

However, the Coastal Act calls for special consideration of the siting of energy facilities. While the Act encourages expansion of existing energy facilities, facility expansion or new construction may be permitted by the Coastal Commission even if such development is not consistent with other policies in the Act, subject to certain conditions and restrictions (California Public Resources Code, Section 30260 and 30263).

Santa Barbara has taken full advantage of the opportunities afforded it under the California Coastal Act. Its plan sets forth an extensive policies for regulating energy development. For example, Santa Barbara County has developed a special zoning designation for coastal dependent energy facilities. However, some other jurisdictions have found it difficult to reach a community consensus on a coastal plan. There have also been problems in producing a plan that grasps the complexities of coastal development issues and complies with Commission staff interpretations of Coastal Act policies. Some local governments have been reluctant to enter this often-controversial area at all (California Office of Planning and Research, 1985, 13-23; California Legislative Analyst, 1988, 384).

As mentioned above, California Environmental Quality Act (CEQA) requires comprehensive project review, mitigation of environmental impacts identified through the review process, and, where necessary, preparation of environmental impact review documents. Developers usually make simultaneous but separate application to the cognizant federal, state, and local governments for offshore and onshore project component permits. Federal, state and local environmental reviews of these applications are similar in scope and timing. In turn, this has prompted the joint preparation of environmental review documents by federal, state, and local authorities. Santa Barbara County has been especially assertive in establishing its role in the joint review process that brings together all the agencies with primary permitting authority (Alarcon, et al, 1987, 3744; Callahan, et al, 1987, 3726; Pickford, 1987, 714).

California experience with coastal zone management indicates that energy facility development can be locally regulated as a matter of land use policy. The statutory framework has played an essential role in enabling Santa Barbara's regulatory regime. Only seven states besides California have a system of local implementation and a limited state role which results in strong state/local coastal management regimes (McGilvary, 1987, 2778-2781). It is not clear whether other statutory frameworks will allow a strong local role in coastal zone regulation.

It is important also to recognize that the permissive structure of California coastal legislation allows variation between local jurisdictions within the state. While Santa Barbara County is cited as an exemplar of coastal land use planning, it is only one of several successful programs. But even in the California context, some county jurisdictions have not been able or willing to exploit these legal opportunities. Thus the legal structure is only part of the explanation for Santa Barbara's regulatory effectiveness.

INTENSITY OF DEVELOPMENT

In some areas of extensive offshore development, such as the Santa Barbara Channel, the various stages of OCS development occur simultaneously. This results from essentially historical accidents in the timing of lease sales and the differential amount of delay implied by federal and state regulatory regimes.

A concatenation of development phases, as in Santa Barbara County, contributes to amassing local expertise (see below). But even more importantly, it permits a gradual process of discovery of, and response to, localized impacts and concerns that might not have been fully anticipated in the EIS/EIR process. Such impacts could not be effectively addressed in a more compressed, rapid development sequence.

EXPERTISE AND FINANCIAL CAPACITY

Even though the local government may have the legal mandate and opportunity to participate in decision making, effective decision-making requires expertise to act. Organization theory suggests that expertise is a source of authority, and as expertise increases, so does influence (Barnard, 1986, 172-173; Simon, 1957, 126-128). To be a credible partner in the decision-making process, expertise of the local government must be established. Acquiring expertise typically requires substantial financial resources.

By the late 1980s, Santa Barbara County was generally perceived to have amassed the requisite expertise and organizational capacity. The building of this capacity was initially incremental, reactive, and dependent on the largesse of either state or federal seed money. Because of the County's extensive terrestrial petroleum industry, personnel were already familiar with the rudiments of petroleum operations. Skill in environmental review and coastal zone management occurred on a learn-as-you-go basis in the 1970s.

Up until the mid-1960s, offshore oil development in the Santa Barbara Channel was limited to state-controlled submerged lands. In the late 1960s, it became apparent that new state and federal leasing would expand offshore oil development in the Channel. Faced with this expectation, Santa Barbara County in 1967 formulated policies governing the placement of onshore processing facilities. Similarly, with the enactment in the 1970s of the California Environmental Quality Act and the Coastal Act, the County began to grapple with the problem of how to conduct environmental reviews and how to develop a local coastal plan acceptable

to state authorities. Eventually, the County developed both individual and institutional capacity in these areas (Lima and Woolley, 1990).

Further proposed offshore development in the early 1980s led to expanded County use of land use authority, air pollution permit authority and environmental review (US Congress, 1987, 29). A specialized land use agency, the Santa Barbara County Energy Division, was established to deal exclusively with the onshore components of offshore energy projects. The agency was created to increase efficiency in permitting the projects, to develop necessary expertise, and to secure a separate funding mechanism for the administrative costs attributable to offshore energy projects (Alarcon, et al, 1987, 3743).

A similar expansion occurred in the County's Air Pollution Control District because of the air quality impacts associated with offshore and onshore development. The Major Source Evaluation unit was created within the Engineering Section of APCD to perform in-depth evaluations of proposed large oil and gas development projects (Santa Barbara County, 1985, I-2). In the three-year period from 1985 to 1987, offshore development accounted for 40 to 50 percent of the projects reviewed by the unit (Santa Barbara County, 1985, 1986, 1987).

As indicated in table 7.1, the Energy Division and APCD staff and budgets have grown dramatically as the County faced the challenge of responding to offshore development (note that APCD data are for the entire district operations, not just those attributable to oil and gas development).

Table 7.1 Size and Growth of Santa Barbara County Departments Regulating Energy Development

	Employment (Positions)			Budget ($ thousands)		
Department	1984	1990	Change	1984	1988	Change
Energy	12	25	108%	1,630	3,619	122%
APCD	17	110	547%	255	1,141	390%

Source: Santa Barbara County, 1985, 1990 County Docs.

The nature of County capacity changed as the decade progressed. Initially, County expertise was concentrated on the relatively narrow issues associated with project approval and issuance of project permits with little opportunity to examine more difficult issues such as cumulative impacts (Cicin-Sain, 1986, 10). However, as the decade progressed, this changed (Sainz, 1990). In the latter 1980s the County began to address issues of marine transportation safety, the economics of pipeline versus marine tanker transportation, and financial liability requirements for facility operators. In many cases, County expertise has been augmented by outside consultants hired by the County (a process with its own set of special complexities).

For example, each project permit issued in the 1980s establishes an Environmental Quality Assurance Program (EQAP). This program places monitors in the field daily during facility construction to ensure permit conditions are being complied with. Services of the monitors are contracted by the County, directed by the County Energy Division project manager, with costs recovered from the developer.

Adequate funding of government planning activities is critical for successfully managing the impacts of energy development projects. Given the limits of local government revenues, resources must sometimes be provided by a higher level of government (Halstead, et al, 1984, 79; Murdock and Leistritz, 1979, 317-335; Adams and McCreary, 1989, 2565). Initial funding for County capacity-building came from outside sources. One source, the federal Coastal Energy Impact Program, was established in the 1976 amendments to the Coastal Zone Management Act and authorized use of funds in local planning activities. Through CEIP, the Coastal Commission was able to provide funds for local energy planners in each County affected by lease sale 53 to assess resulting issues and needs (Coastal Commission, 1981, 51). CEIP funds allowed Santa Barbara County to hire a full-time energy specialist in the Planning Department in the late 1970s (Graves and Simon, 1980, 69).

Another source of funding was the Coastal Resources and Energy Assistance Program. Established at the state level in 1985, this program provided grants to local governments impacted by offshore energy development to assist in planning and other activities (California Environmental Affairs Agency, 1989, 1).

Currently, in almost all circumstances, County expenses associated with regulation of offshore oil development are recovered from the specific project operator or on a pro rata basis from all operators in the area. Altogether, County oil regulation programs expend hundreds of thousands of dollars each year.

The County's administrative system for regulating offshore oil development can certainly be duplicated by other local governments facing offshore oil development. But as we have shown, this process requires time and substantial resources to build. Building the requisite expert capacity in a different jurisdiction may be difficult without appropriate funding sources. The extensive organizations developed in Santa Barbara the 1980s, and the heavy reliance on consultant-produced enforcement such as the EQAP, can be sustained only as a result of the number of projects in the County and the County's ability to extract the cost of regulation from the project operators. Where development is limited to a few projects or the County is unable to recover costs through user charges, it will be very difficult to reproduce the Santa Barbara County regulatory regime.

INTEREST GROUP INFLUENCE

Private groups and the general public influence the implementation of governmental decisions in several ways, often intervening directly and indirectly in the implementation process. Well-organized groups with financial resources and expertise can be effective in presenting cases

before administrative agencies. If the groups are displeased with administrative decisions, they can seek redress through legislative or judicial processes or by an appeal to public opinion (Mazmanian and Sabatier, 1983, 20). Public groups in Santa Barbara County have influenced the regulation of oil development in all of these ways.

Public opinion in the local area concerning offshore oil drilling is mixed. A public opinion survey conducted in early 1972 revealed that County-wide, 53 percent of the respondents viewed offshore oil drilling in the Channel as a "serious problem." Only 26 percent favored a halt in offshore drilling while 56 percent favored tightening regulation of offshore drilling. There were significant differences between public opinion in the less-populated "North County," where there was already substantial onshore oil development, and in the "South Coast" area immediately adjacent to the Channel, where tourism is important (Hetrick, 1973, 72 and 74).

Over the years of greatest exploration and development activity, opposition to offshore drilling seems to have solidified in Santa Barbara County. A 1988 poll of county opinion revealed that approximately 53 percent of the population opposed offshore drilling while 38 percent favored it. Roughly the same proportions were found in a 1990 poll asking whether respondents favored or opposed additional oil drilling off the Santa Barbara coast (Langford, 1990, A-1 and A-8).

The north-county/south-county division was documented in both polls. The persistent difference between the north and south county responses illustrate how economic and geographic differences affect public response to oil development. It is conventionally argued that significant increases in offshore production along the South Coast make the development obvious and inescapable, while the extensive terrestrial oil fields in the North County have generally been hidden from major population centers (Graves and Simon, 1980, 14). Also, oil development is more familiar in the north county, and there are important differences in income and occupational structure in the two regions.

Alone, public opinion rarely determines public policy outcomes. The public must be mobilized to take action in order to have an effect on policy. A number of local Santa Barbara interest groups actively take part in the public debate over offshore oil development--indeed, Santa Barbara may be unique in having an active single-issue interest group devoted solely to the oil issue. Local grass-root groups which play a continual role in the review of oil projects include the local chapter of the League of Women Voters, the Citizens Planning Association of Santa Barbara County, and Get Oil Out.

Get Oil Out, Inc. (GOO), a non-profit group formed in the aftermath of the 1969 Santa Barbara oil spill has been highly visible and influential in offshore development issues. While the group's general objective is to prevent offshore oil development, it favors maximum mitigation of impacts when development is permitted. The group has collaborated with other local groups to influence the decision making process (Feniger, 1990). For example, not only does GOO favor the movement of processed oil by pipeline instead of tanker, in conjunction with the League of Women Voters, GOO successfully initiated an appeal to the California

Coastal Commission which overturned a County decision to allow interim tankering of Chevron Pt. Arguello Project processed crude (Santa Barbara County, 1990, 6). GOO was also a party to the lawsuit in Federal District Court in 1975 which sought to overturn Army Corps of Engineers and Department of Interior approval of Exxon's Platform Hondo (Graves and Simon, 1980, 194).

The California Constitution allows the use of initiative and referendum to obtain a direct popular vote on specific local issues. Essentially, the initiative process is used to adopt ordinances or resolutions and the referendum process is used to repeal them (Curtain, 1989, 147). Both processes have been used to shape the decision making process concerning offshore oil in California.

In 1968, the Santa Barbara County Planning Commission and Board of Supervisors approved the rezoning of a parcel near Carpenteria for onshore oil processing. However, the decision was overturned by referendum (Hvolboll, 1982, 70). In 1975, the Board of Supervisors approved rezoning for Las Flores Canyon to allow onshore processing facilities to support the Exxon Santa Ynez Unit development. This decision was upheld when a referendum to overturn the decision was defeated by a narrow margin (attributed to a strong pro-oil vote in North County precincts; Graves, 1980, 194).

In 1985, Measure A, an initiative sponsored by Citizens for Local Control, sought to amend the County Local Coastal Plan, to restrict onshore facilities, consolidate all onshore facilities, mandate pipeline transportation to refineries, and cease marine tankering. The measure was defeated by a margin of over 60 percent. An advisory measure on the same ballot, Measure B, supporting continuation of current Board of Supervisor oil regulation policies was overwhelmingly approved (Santa Barbara County, 1986, 6-8). Many of those policies were similar to the proposals of Measure A.

Santa Barbara County is one of the few coastal communities in California that does not have some type of ordinance banning or limiting onshore facilities (Hershman, et. al., 1988, 18). As of May 1987, 17 California coastal communities had enacted onshore facility ordinances that either banned the facilities outright (7) or made facilities subject to a referendum (10). Of these 17 ordinances, 12 were instituted after ballot referenda (US Congress, 1988, 136).

Interest group activism, while generally supporting an activist orientation on the part of local government, has resulted in disillusionment among some individual industry actors who agree to the compromises as part of the permit process, only to find the agreement overturned by ballot measures (California Legislature, 1985, 138-139; Earney, 1990, 328-332). This disillusionment is more often being translated into the industry seeking legal redress.

CONCLUSION

Santa Barbara County influence over offshore energy development derives from a number of diverse, but often interrelated, factors. While local conditions in other jurisdictions probably will not allow the duplication of the Santa Barbara County structure of policies and programs,

many of the lessons and techniques are adaptable to other local situations. The likelihood of this adaptation successfully taking place will depend critically on the legal environment, the political environment, the costly acquisition of local expertise, and gradual development (to facilitate local learning).

APPENDIX A

Front matter and abstract of doctoral dissertation by James T. Lima.
Much of the detailed data gathered and analysis conducted as part of this research project was made available in this doctoral dissertation.

APPENDIX B

Mitigating the Impact of Offshore Oil Development: Implementation Issues
Detailed studies prepared for this project by John T. Woolley and James T. Lima

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The Department of the Interior Mission

As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering sound use of our land and water resources; protecting our fish, wildlife, and biological diversity; preserving the environmental and cultural values of our national parks and historical places; and providing for the enjoyment of life through outdoor recreation. The Department assesses our energy and mineral resources and works to ensure that their development is in the best interests of all our people by encouraging stewardship and citizen participation in their care. The Department also has a major responsibility for American Indian reservation communities and for people who live in island territories under U.S. administration.

The Minerals Management Service Mission

As a bureau of the Department of the Interior, the Minerals Management Service's (MMS) primary responsibilities are to manage the mineral resources located on the Nation's Outer Continental Shelf (OCS), collect revenue from the Federal OCS and onshore Federal and Indian lands, and distribute those revenues.

Moreover, in working to meet its responsibilities, the **Offshore Minerals Management Program** administers the OCS competitive leasing program and oversees the safe and environmentally sound exploration and production of our Nation's offshore natural gas, oil and other mineral resources. The MMS **Royalty Management Program** meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

The MMS strives to fulfill its responsibilities through the general guiding principles of: (1) being responsive to the public's concerns and interests by maintaining a dialogue with all potentially affected parties and (2) carrying out its programs with an emphasis on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.