GOVERNOR ARNOLD SCHWARZENEGGER

June 3, 2004

Admiral James D. Watkins, USN (Ret.)
Chairman
U.S. Commission on Ocean Policy
1120 20th Street, NW, Suite 200 North
Washington, DC 20036

Re: Preliminary Report of the U.S. Commission on Ocean Policy

Dear Admiral Watkins,

Thank you for the opportunity to provide the U.S. Commission on Ocean Policy with California's vision for protecting and managing the nation's oceans and coastal resources. Your report is a wake-up call that our oceans are in trouble and in need of help. In response to this need, actions must take place at the international, national, state, regional and local levels, as these issues are just as important globally as they are to concerned citizens trying to protect the waters off a local beach.

The Commission's Preliminary Report identifies the challenges we face and the inefficiencies of current ocean management mechanisms. The blueprint for change advocated in this document suggests a phased approach for making our national system of governance more effective, efficient and less cumbersome. I concur with the need for this reform and will vigorously support efforts to make it a reality.

I do offer a note of caution. It is difficult to assess at this early stage whether the on-the-ground application of the nearly 200 recommendations will avoid the historical tendency to create more government, unnecessary provisions, or duplication. Therefore, as we move toward the specifics of implementation, I plan to work with Californians, members of your commission, Congress, and the Bush Administration to ensure that we avoid pitfalls of the past. I am optimistic that working together we can be successful in this historic effort to improve ocean management.

**A Call for Action**

The Commission's Preliminary Report is an important call for action. As you know, California is a leader in ocean and coastal management. We have developed innovative processes which address the management of fisheries, marine protected areas, shoreline change, water quality and myriad other issues. These processes provide valuable models for use by other states and encourage new national approaches. It is critical for California and other coastal states to join

the call made by the U.S. Commission on Ocean Policy to move forward with a comprehensive plan of action.

With that spirit in mind, I am directing my Secretary for Resources, Mike Chrisman, California's lead cabinet level official for ocean and coastal management, to work with the Secretary of the California Environmental Protection Agency, Terry Tamminen, who oversees California's regulatory programs for air, water, toxics and solid waste management, to develop a plan of action for ocean and coastal management in California. Our last comprehensive assessment and strategy for action on the ocean was completed in 1997.

The implementation plan will assess what has changed since our 1997 analysis and will reflect the improvements and national reforms suggested in the Commission's Preliminary Report. I have requested that this implementation plan explore important actions that can be taken by my administration, the legislature, or by partners in industry, academia, public interest groups, and philanthropic interests. I have further requested that it be completed within 90 days. At a minimum, this plan shall include:

- **Governance.** Actions that can be taken to improve the ocean and coastal governance structure in California and to institute a new era in protecting and managing our ocean and coastal resources with measurable results.

- **Economic Assessment and Funding.** Actions that can be taken to support adequate funding from a variety of sources for ocean and coastal management activities, and ways in which ocean and coastal dependent industries can function more efficiently.

- **Research, Education and Technology Development.** Actions that can be taken to support increased funding for a more robust system of research, education and technology (including the development and implementation of a national integrated ocean observing system).

- **Stewardship.** Actions that can be taken to apply the evolving expertise and experience with ecosystem management to all matters dealing with ocean and coastal management in California.

The action plan will be prepared with close consideration of the findings of the Commission's Preliminary Report, which provides a comprehensive treatment of ocean issues from inland watersheds to the deep ocean waters off this nation's coasts. My comments on the Preliminary Report focus more on the tools that will guide the treatment of these issues (using the principles of governance; economics; research, education and technology; and stewardship) than on the specific findings and recommendations, as these will be subject to extensive discussion and debate in the weeks, months and years ahead. Attached you will find additional and more detailed comments on subjects ranging from clarifying the roles of federal agencies and ecosystem management to public education and non-point source water pollution.

**Ocean Governance**
The Preliminary Report provides clear findings regarding the fragmentation, duplication and confusion that is present in the federal system of ocean and coastal governance. These findings and associated recommendations to elevate ocean governance issues, and to provide the most effective and efficient ways to coordinate agency actions, are necessary and warranted. I believe, however, that immediate steps should be taken to enact a national ocean policy and measurable management goals associated with this policy. I also believe that coastal states should have representation on both the National Ocean Council and on the Presidential Council of Advisors on Ocean Policy because of our critical role in ocean and coastal management.

As part of that effort, I believe that we need to focus on making our existing systems of governance work better, rather than simply inventing new ones. I support the need to clarify the role and functions of the National Oceanic and Atmospheric Administration and to conduct the same level of analysis for the many other federal agencies with ocean management responsibilities. I also concur with the need for additional attention to regional issues, which could be addressed by the recommended system of regional councils. I would only support such councils, however, if they serve to enhance existing efforts at regional (or sub-regional) scales without duplication. I believe you should consider recommending that these councils be established by statute if accompanied by sufficient flexibility in their design and implementation and with sufficient funding to help address the unique needs of each region. In the meantime, the Commission should recommend that the federal government provide incentives to encourage initial regional meetings to identify needs and working relationships.

In addition, it is time for this nation to re-authorize the Coastal Zone Management Act to strengthen provisions for addressing non-point source pollution and to maintain the federal consistency provisions that allow California to address the adverse impacts of federally approved activities, such as oil and gas development off our coast. At the international level, I join with the members of the U.S. Commission in calling for the United States to ratify the Law of the Sea Convention to keep this nation fully engaged in management and commerce matters.

**Economic Assessment and Funding**
There is no national accounting system in place in the United States to regularly assess the economic benefits derived from the ocean. Other sectors of the economy, such as agriculture, have accounting systems which annually report on the economic value and benefit from these industries. Although an accounting system is recommended in the Preliminary Report, it should be brought forward as one of the major structural recommendations.

The Preliminary Report appropriately recognizes the need for increased investment to support ocean and coastal management. I support the establishment of an Ocean Policy Trust Fund as well as a thorough evaluation of all available funding sources and partnership opportunities, but would insist that no incentives for additional offshore oil and gas development be created through the use of funds from these revenue sources.

**Research, Education and Technology Development**
The Preliminary Report makes a compelling case for supporting and strengthening the United States' commitment to ocean and coastal research, education programs and technology development. I concur that we must renew our commitment and double the federal ocean and coastal research budget. Because coastal states are critical to carrying out national ocean and coastal management objectives, there should be greater emphasis on assessing state needs and developing management oriented research to address these needs. I also strongly support the recommendation to develop a national Integrated Ocean Observation System and believe that California will serve as a leader in this effort, having already invested $21 million to develop one component of such a system.

**Stewardship**
The Commission's Preliminary Report recommends that ecosystem management be a guiding principle for ocean and coastal management. I applaud this approach, particularly the emphasis on the need to address the connections between land and sea. California has been a leader in developing and implementing ecosystem management approaches to fisheries, water quality, habitats, shorelines and other coastal and ocean resources. I support using such approaches throughout the nation.

The Preliminary Report makes some recommendations supporting a greater emphasis on ecosystem management, yet it could go much further. For example, the Preliminary Report's section on fisheries does not address specific recommendations for implementing ecosystem-based management found in California processes, such as the Marine Life Management Act. California's approach to ecosystem management should be considered a national model in the final commission report. In addition, the Commission should consider the leadership provided by California through the Marine Life Protection Act and Marine Managed Areas Improvement Act, which together provide a clear mandate for evaluating and designing an understandable and scientifically-based system of marine protected areas. In contrast, there is little procedural guidance at the federal level and no clear process for designating no-take reserves in federal waters.

In addition, the Preliminary Report recognizes the importance of reducing land-based sources of polluted storm water and non-point pollution to our waterways and, ultimately, our oceans. I concur with the high priority need to address this issue. At this time, however, I disagree with the recommendation to transfer the coastal non-point source pollution control program from the National Oceanic and Atmospheric Administration to the U.S. Environmental Protection Agency. California had the first non-point source pollution control program in the nation to receive full federal approval and we are making significant progress with implementation. I also believe that we should exercise caution regarding the movement of other programs such as the recommendation to move the National Estuary Program from the U.S. Environmental Protection Agency to the National Oceanic and Atmospheric Administration. As stated earlier, my preference is to improve existing programs rather than create new approaches unless problems are identified that make such actions absolutely necessary.

Once again I applaud you and the members of the U.S. Commission on Ocean Policy on this excellent effort. I believe it is a significant statement, and not by chance, that both your commission and the independent Pew Oceans Commission came to similar conclusions about the state of our nation's oceans and the need for action. You have my commitment to work with you as you take steps to implement important and necessary changes.

Sincerely,

Arnold Schwarzenegger

cc. Members, U.S. Commission on Ocean Policy

AS: mc/resources