

Impacts & Action: Strategic Responses to the BP Oil Drilling Disaster

Tuesday, May 25th, 2010
Ashe Cultural Center
1712 Oretha Castle Haley Blvd.
New Orleans, Louisiana

Hosted by The Urban Conservancy and the New Orleans Institute @ City-Works, with support from the Tulane Center for Water Resources Law and Policy, The New Orleans Institute at City-Works, The United Houma Nation, the New Orleans Food and Farm Network, Gulf Restoration Network, The Center for the Study of New Orleans at Loyola University, National Wildlife Federation, People's Environmental Center

Summary of Findings

A multi-stakeholder forum and discussion to brief on the status and impacts of the disaster, and what a comprehensive strategy of response must include.

Context: What's at Stake

Southeast Louisiana's topography, economy, and communities are shaped by the fact that it lies on a delta plain-- not solid rock but sediment-- dominated by a major river. Flooding has always been part of the reality of life in Southeast Louisiana, and flood infrastructure has been a shaper of its destiny since the first levee was constructed between the French Quarter and the Mississippi River in the 17th century. There have been multiple Mississippi River floods, and after the particularly devastating flood of 1927 that ran from Illinois to Louisiana, the Army Corps of Engineers was charged with building a comprehensive levee system and "fixing" the course of the Mississippi River, thereby compromising the natural process of land creation.

Key late 20th century innovations such as the Carnarvon Diversion and the Davis Pond -- designed to divert river water to the wetlands -- and other 20th century innovations such as the Mississippi River Gulf Outlet (MRGO) to provide shorter shipping routes for port and industry interests, have increased salinity in freshwater marshes and led to rapidly accelerating land loss. The people inhabiting the coastal areas have borne witness to the serious degradation of the natural environment, both in terms of this land loss, and the introduction of hazardous industrial waste, which has in turn affected their health and the health of the natural environment that provides their livelihoods.

The wetlands were in trouble before the BP Oil Drilling Disaster (BPODD). Remediating actions had not been undertaken soon enough, so some populations had already been pushed to the brink. The scale of the BPODD could have been better contained, had mitigation measures appropriate for the level of risk been required of government, and enforced. Government at state, regional and federal levels has been complicit in suggesting the risks of off shore drilling

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were minimal. The risks that were known weren't acknowledged, and the risks that were acknowledged weren't addressed.

There are legal, social, environmental, and economic aspects to consider, but the legal landscape appears to be the most dominant. The extraction industry's management priorities are different from those most directly affected by the disaster. We must recognize that we are all in this together but for very different reasons and with different agendas. We need to understand the legal framework in order to work within it and as necessary to change it. In the post-rupture environment, this may in fact be possible. The Minerals Management Services (MMS) had convinced themselves there was minimal risk, but the BPODD has proven them wrong.

If the impacts on cultural, human and environmental values-- the loss of coastal communities' historically significant heritages--are not adequately taken into consideration in a litigious, damage claims process, the default is the Valdez model, where fishermen waited 15 years for an average payout of \$15,000 each. By the time those settlements were determined and distributed, nearly 30% of the claimants were deceased.

This is not a natural disaster, nor is it the result of the folly of building below sea level. State and federal agencies, together with BP, gambled and shifted the burden of risk to the people living along the Gulf Coast. We are all connected to this and our dependence on oil makes us all complicit. New Orleans and other urban coastal areas now more than ever recognize the critical importance of the coast, America's Gulf Coast, as it affects their protection from hurricanes and storm surge, the energy supply, the port through which 30% of the countries imports and exports travel and the natural systems that feed the food chain. New Orleans, after all, has its own coast, Bayou Bienvenue, on the edge of the Lower Ninth Ward.

At the same time, gas and oil's major, if paradoxical, role in shaping Southeast Louisiana since the mid-20th century must be clearly understood. In fact this region subsidizes the process of meeting the country's oil and gas demands, with all sorts of true costs (like the potential of disasters like this one, and their clean up) being absorbed within the region, obscuring the true, real costs of oil and gas production. The State is dependent on this industry and all its spin-offs: a Faustian bargain Louisiana made with these extraction industries, more than 40 years ago.

There are three points to consider in order to create an effective response.

First, statistics suggest that deepwater drilling is much less likely to result in spills than other methods. Prior to the BP disaster, tanker spills accounted for 76% of all spilled oil in the US, while pipe ruptures account for 3%. The BP disaster has shifted the balance considerably over the last 5 weeks; with pipe ruptures now accounting for 19% of US oil spilled as of May 28, but tankers continue to be the major source of spills in the US. If drilling and producing oil to shore through pipelines has a lower risk than transporting onboard tankers, then substituting tanker traffic for drilling may actually have the perverse outcome of increasing the composite risk of a spill in US waters.

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Second, the gas and oil industry is the #2 economic driver (after tourism) in the region, and provides wages on average three times higher than wages in tourism. Many coastal families rely on income from the gas and oil industry to supplement the seasonal nature of work in tourism (like charter fishing boats) or seafood industries (like fishing).

Third, the Wetlands Conservation and Restoration Fund relies on revenues from state mineral leases and other sources to pay for the ongoing and expensive work of coastal restoration as well as Outer Continental Shelf (OCS) federal oil and gas revenue. So this depends on deep water drilling as it is only the new wells that are subject to the 37.5% royalty rebate from the Federal Government to the State trust fund. No drilling means no oil which means no royalties and therefore no trust fund.

We need to think regionally and consider the urban-coastal "vascular system" in its totality. Questions we must ask ourselves include:

How much oil will reach the coast?

What is the spatial distribution of that oil?

What is the rate at which it will break down?

What are the long term effects of the dispersants on marine life and life cycles?

And then we must ask ourselves:

What are we investing in? The answer must be life, and people. On the Dutch stock exchange is this inscription: "the costs come before the benefits". We need to be serious about **building the political will to invest in the long-term resilience** of the region's ecosystem.

If resilience is the ability of a system to return to its natural state after a disruption, how do we build resilience into a system that is by its very nature ephemeral?

Resilience for this region must mean creating the capacity to adapt to change in a productive, constructive way, **making the region stronger** and more able to withstand these kinds of shocks.

Unlike the heavily managed Mississippi River, the wetlands are not so heavily managed and as a result we have a dynamic system that changes on a human scale. Currently, we are losing land at a rapid rate, but we can add resilience. We can build land and can do so almost on a human time scale. We've built tens of thousands of acres over the last 40 years. We build resilience by:

- Providing physical structure. As tragic as the devastating loss of biological populations is, biological populations crash and grow all the time and can rebound but need food and habitat to do so.
- Restoring transport pathways to bring sediment from one area to another.
- Fostering biological diversity.
- Creating chemical steady-states. A dynamic coast requires an ongoing exchange.

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But it will take a generation before any significant land will be built, and centuries for full restoration. Currently NGOs are taking care of an acute emergency. Once the patient is stabilized, what do we do? **We need to prepare for issues and opportunities coming our way three months from now.** Where do we want this to end up? What will success look like? How do we get our expertise into the game to ensure that success? Our approach must be long-term and anticipate at the outset what is coming up ahead.

Impacts: Economic, social, and environmental

Fishermen: The market is falling daily. Concerns about safety of seafood on the market aren't helping. But this is not just a livelihood; it's a way of life, a heritage. The cost of not being able to pass that heritage on to the next generation is inestimable. If the industry is gone for generations, do you move and do something else, or go somewhere else where you can continue to do what you've always done? Loss of income over time and the historically significant nature of this community must be part of the talking points.

Business: Charter fishing is off by 80-90%. Coastal restaurant businesses in affected areas are enjoying a bump-up from journalists and volunteers in the area supplanting usual customers, but that's recognized as a short-term effect. The "worst environmental disaster in this country's history" affects not only fishermen but netmakers, charter fishermen, daycares, car and boat dealers, electricians, truckers, refrigeration businesses, and fuel shops. These businesses are dependent on both the fishing industry **and** the oil and gas exploration industries.

Environmental: Impacts not clear as long term effects are hard to predict. We need data collection to be happening now. Fouled wildlife collection is needed. Very hard to get clear information about where the effluent is and what is in it. Some concerns that BP is hiring untrained workers to do reconnaissance and frustration because there are trained HAZMAT workers available (training by the Deep South Center) that are not being utilized. In addition to concerns about the oil and gas, there are serious concerns about unseen and untold damage as a result of the dispersants being used.

Cultural: Over the last four and half years the United Houma Nation (UHN) and other coastal populations have been hit by Katrina, Rita, Gustav, Ike, and now this. UHN is dealing with immediate financial needs and secure resources for the community to make fundamental decisions about how to secure their way of life and livelihoods. Because UHN lacks federal recognition, they feel unprotected and left at the mercy of BP, dependent on BP and how much compensation they'll receive from them. Kindergartners in the community recently overwhelmingly identified the oil spill as their #1 concern. As infuriated as many are over the loss of income, even more distressing is the realization that this may mean the end of a way of life; that today's youth will not be able to learn the fishing trade from their elders as they have for generations.

Seafood Industry: The biggest challenge as of the May 25th gathering was misinformation about the current state of the supply, which is still available. Thirty percent (30%) of the

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country's seafood comes from our region, so if this supply chain is contaminated it will have a very dramatic effect on the supply to the whole country. We are monitoring vigilantly but also trying to stave off rumors and false panic.

Gas and Oil Industry: Currently offshore drilling is contributing \$10B to the national treasury annually. While there is frustration with BP's progress to contain the oil, there is also concern that if they cut corners they may end up with more blowouts. The only long-term cure is drilling a relief well, and that will not be complete until mid-August. That is the soonest that we can expect a permanent fix to the immediate disaster.

In terms of long-term changes as to how leases are authorized, regulatory enforcement is the best way forward. For example, currently MMS has 30 days to file a decision on a lease application. If no action is taken in 30 days, the lease is automatically approved. In such an instance, passing stiffer regulations without increasing the budget for enforcement will not improve the permitting process. The permitting and enforcement processes must both be funded.

Responses and Action

Multi-stakeholder groups like this one are working together to combine the energies of the academic, advocacy, business, industry, community and public sectors to address this enormous challenge. These are just a few examples of how NGOs are responding:

The **National Wildlife Federation** is currently working with the Coalition to Restore Coastal Louisiana to work with volunteers. NWF recognizes its niche as wildlife impact. They are training birdwatchers, boaters, public and private land managers and others to conduct and share daily surveillance. They are also engaged in legislative advocacy, calling for:

1. Removal of the \$75M liability cap
2. Financial incentives to employ best technology in the oil industry
3. Creating a Citizen's oversight group like what was formed in Prince William Sound after the Exxon Valdez
4. Passage of an alternative energy law

Global Green is identifying mechanisms to coordinate a volunteer network and researching the Citizen Advisory Council model from the Prince William Sound, putting crisis issues at the top of the agenda as soon as possible.

Seedco Financial is providing regularly updated hard copies of a "Gulf Oil Spill Resource Guide" listing resources provided by local governments, non-profit organizations, corporations, and charities for those who have been affected by the recent oil spill in the Gulf. They have established a physical location in Belle Chasse -- the Southeast Louisiana Fisheries Assistance Center -- staffed by business consultants from Seedco Financial and Small Business Development Center- Greater New Orleans Region to answer questions and help affected fishers

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and others navigate assistance applications and other paperwork. SBA currently has several staff on site to answer requests regarding relief for outstanding SBA loans and new loan opportunities.

The **Gulf Restoration Network** has a [blog](#) tracking inconsistencies between BP's narrative and on-the-ground observations. GRN sees the Unified Command as an obstructionist "Cone of Silence". GRN are gathering information by flying and boating over affected areas. BP said they had 1100 boats on the water; GRN observed 2 skimmers. GRN has serious concerns about the environmental impact of the dispersants being used (the company manufacturing the dispersants is owned by BP). GRN emphasizes:

- Language must be "DISASTER"-- not "leak" or "spill". This is an oil industry disaster. BP, Shell, Exxon, all lack the necessary safety plans and are not sufficiently regulated;
- Track health impact over time. The fishermen in Alaska went out to clean up without protection, and have grown sick over time. Same is true for Coast Guard and others working on clean up;
- Legally, we have to question the likelihood of payment by BP, especially if it bankrupts them. We need to build legal strategies to support peoples' legal claims including Gulf Coast restoration.

The **Louisiana Bucket Brigade** is equipping local communities with monitoring devices to measure their air quality. Further, they have set up a [user-generated map](#) that allows people to report a wide range of impacts.

Levees.org It is critical to mobilize a large public awareness campaign through email and other means-- to motivate the public to take action. Once we've crafted our course of action and message we must be able to:

1. In one sentence, tell why the action item is important;
2. Make the action item crystal clear;
3. Give a deadline for response.

Roles, Next Steps and Resources

The group identified three major next steps:

1. BUILD A CREDIBLE NARRATIVE

This story is a complicated and far reaching and touches on local, regional, national and international challenges. Can we construct a narrative that reflects the complexity of these issues?

- oil dependency is a national reality
- traditional livelihoods matter
- broader impact of ecological degradation
- perilous economic impacts to food chain

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- effects of inadequate and/or not enforced regulation
- need for more balance between environmental and economic interests in Louisiana law
- jurisdictional conflicts can't continue to prevent us from acting
- short, medium and long term action needed
- litigation important but not the only action needed
- need to build our coastal literacy: of why this matters to everyone
- this industry is economically critical to these regions and the state but can we create incentives to better minimize risk while continuing to fund investment in alternatives

Further, we need to develop a narrative that can successfully play out in the current angry, paranoid, anti-incumbent national environment.

We must also think through and be prepared to respond to charges of inconsistencies and hypocrisies within Louisiana; as evidenced by the Louisiana Chemical Association going after Tulane's pro bono program at the Environmental Law Clinic.

Possible narratives might be:

- The private market screwed up.
- This is another government failure by allowing massive private de-regulation. Politically, Jindal, Landrieu and Vitter will pay a price if they side with Big Oil against us.
- Once again we've been victimized by both government and private industry.
- We need oil. Sometimes accidents happen. This is the price we pay.
- Consumption must be reduced; radically higher energy prices are required to incentivize reduced consumption, to develop sustainable energy innovations, and to finance adequate regulation and mitigation measures.

The importance of careful, deliberate language is key to keeping the issues relevant on a national level. Everything from word choice (eg. using "disaster" or "rupture" rather than the more passive "spill" or "leak"; referring to the Coast as the "American Southern Gulf Coast") to broader narrative themes that key into current national sentiments.

The clear and compelling narrative is key to the public awareness campaign a response to this disaster requires.

2. DATA COLLECTION AND MONITORING

This is a battle of proof, a battle of evidence. BP is training people through Job 1 workforce training and controlling the documentation of that. BP is strategically giving out its money to the seafood industry and tourism, encouraging the message, "Come on down. Everything is fine."

Positions like that--- that the state is taking now in order to contain panic-- may undermine their claims later on. By the same token, lawyers filing claims now should be careful to label them as

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"interim payments" rather than "partial settlements" so that the possibility of future settlements are not jeopardized.

The issues are not just land-based, but also ocean-based. Hard and soft data are critical for establishing a baseline, to create a record both to establish damages and ensure fair compensation in communities facing the impact and also to shape policy in the long term. We need to create a bridge between the environmental and local business community, and put a dollar value on the cultural and economic devastation. We need to design good data collection to inform strategies.

We need to ask:

What do we know?
What don't we know?
What do we need?
Who is doing what?

We need to translate that data into greater coastal literacy (understanding elevation, where seafood comes from saltwater vs. freshwater systems, etc.)

3. GET TO THE DECISION-MAKING TABLES

Identified tables include:

- 1. Ecosystem (Policy and Science)**
- 2. Cultural (Socio-economic and Arts/Civic)**
- 3. Legal (Claims and Policy/Legal Changes)**

Next steps depend on our internally coherent agenda of objectives.

Could include:

- Strengthen state-level coastal restoration, perhaps uncoupling it with offshore drilling royalties.
- At the Federal (NOAA, White House) call for additional financial support. If we are to have federal leasing, we must create funding to deal specifically with these kinds of liability problems.;
- Go for a moratorium on the oil industry, or move to true-cost accounting that reflects the real costs --short, mid-term and long term ---of this industry;
- Reduce energy consumption; increase investment in alternatives.

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Regardless of our course of action, we must consider our durability as force demanding greater transparency and accountability, perhaps consider a structure of 3-4 organizations rather than 1 umbrella organization, so that some may take a more radical position than others. We must identify and propose the models for involvement and advocacy; e.g. the Prince Williams Sound Citizen Advisory Council, levees.org

And we must prepare to play the litigation game, with litigation strategies. We need to build legal strategies to support peoples' legal claims including Gulf Coast restoration. This includes identifying all claims as "partial payments" so as not to preclude future settlements; bifurcating the issues of environmental and economic impact for legal purposes to keep claims clear.

The role of philanthropy. Philanthropy recognizes the need for hard and soft data and for clear messaging. Smaller family foundations across the country are concerned, but are thinking in terms of direct assistance, not long-term. Realistically, there is not enough private sector/ foundation money to fix this problem, but foundation support can be used strategically-- to support a public interest campaign, for example-- to attract the public sector investment that is necessary. Local foundations recognize that American communities need preparedness to deal with disasters, and the need to structure a strategy to communicate long-term that a) has short-term effectiveness; b) builds the necessary infrastructure to respond to lessons learned; and c) recognizes the importance of equity and inclusion of all communities in any successful response. We need to develop a framework for funders that allows them to support the kinds of initiatives that fit their mission.

WHAT WILL SUCCESS LOOK LIKE?

- Not just hitting the pre-spill baseline: we need to do better
- Our actions have an impact that is relevant for communities and local economies now
- No more externalizing the costs of developing energy
- Adoption of safety standard ethic as proactive piece, not just reactively in response to disaster
- National prioritization of coastal restoration
- People, environment, economy presented as integrated whole (though at the legal claims level, may be better to take a bifurcated economy/ environment approach)
- A regenerated ecosystem, and movement toward a sustainable energy future
- Reduced consumption as a national priority

RESOURCES

[AIRNow: Air Quality](#)

[Coalition to Restore Coastal Louisiana](#)

[Gulf Coast Oil Spill Fund](#)

[Gulf Restoration Network Letter to Leadership Campaign](#)

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[Images from The Times-Picayune](#)
[Louisiana Disaster Relief Foundation](#)
[Local, National NPR News](#)
[Louisiana Bucket Brigade Oil Spill Interactive Map](#)
[Louisiana Environmental Action Network](#)
[NOAA's Gulf Spill Trajectory Forecasts](#)
[Report Oiled Wildlife, Make Claims](#)
[Voice of the Wetlands](#)

PEOPLE WHO ATTENDED

Aaron Ahlquist, Attorney
Alex Kolker, The Louisiana Universities Marine Consortium
Allison Plyer, The Greater New Orleans Community Data Center
Ama Rogan, A Studio in the Wood
Amanda Moore, National Wildlife Federation
Amy Lesen, Division of Natural Sciences and Public Health, Dillard
Ana Yoachim, Tulane Institute for Water Law and Policy
Beth Galante, Global Green
Brenda DarDar Robichaud, United Houma Nation
Byron Marenovich, Plaquemines Parish seafood restaurateur & community leader
Camille Lopez, Global Green
Catherine I. Koppel
Charles Allen
Christian Roselund, Journalist
Cindy Brown, The Nature Conservancy Louisiana Chapter
Cynthia Sartou, Gulf Restoration Network
Dallon Weathers, UNO-Pontchartrain Center for Environmental Sciences
Dana Eness, Urban Conservancy
Daphne Derven, Emeril Legasse Foundation
David Aman, Filmmaker
David Baker, Stay Local
David Waggoner, Waggoner and Ball/Dutch Dialogues
Don Blancher, Sustainable Ecosystem Restoration, LLC
Don Downey, Filmmaker
Doug Daigle, CREST Program (Coastal Restoration & Enhancement Through Science & Technology)
Eliot Barron
Elizabeth Underwood Director, AORTA Projects
Eric Smith, Tulane School of Business
Flozell Daniels, Louisiana Disaster Recovery Foundation
Gretchen Bonfert

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Heather Emnert
Jakob Rozensweig, Cartographer
Jared Roche, New Orleans Food and Farm Network
Jessica Halem, The New Orleans Institute @ City-Works
Jill Mastrototaro, Sierra Club
Joe Evans, Futureproof
John Clark, Professor of Philosophy, Loyola
John Costonis, LSU Law Center
John McLachlan, Tulane/Xavier Center for Bioenvironmental Research
Jordan Macha, Sierra Club
Julie Hernandez, Tulane University, Earth & Environmental Sciences
Kelly Butler, Juelich Consulting, LLC
Leslie Parr, Center for the Study of New Orleans
Lexie Montgomery, National Audubon Society
Lolis Elie, Journalist
LoriAnn Girvan, Common Ground NYC
Lovell Agwaramgbo, People's Environmental Center/Professor of Chemistry, Dillard University
Mark Davis, Tulane Center for Water Law and Policy
Mary Rowe, The New Orleans Institute @ City-Works
Mary Williams, Deep South Center for Environmental Justice at Dillard University
Matt Wilson, The Urban Conservancy
Megan Roniger, Longue Vue House and Gardens
Michael Cusack, Small Business Development Center, Loyola
Michael Noah, JDSM
Millen Zemm, Tulane Center for Water Law and Policy
Mollie Day, Environmental Journalist
Monique Verdin, Photographer
Myra Lewis, Deep South Center for Environmental Justice at Dillard University
Pam Russell, Mc-Graw Hill
Pamela Tyler, University of Southern Mississippi
Paul Kemp, Gulf Coast Initiative
Peter Gerica, Commercial Fisherman
R.M. "Iray" Nabatoff Community Center of St. Bernard
Rachel Arons, edible magazine
Rebecca Martin, St. Bernard Economic Development Foundation
Richard Campanella, Tulane Department of Earth & Environmental Sciences
Robin Barnes, Seedco Financial
Rosanne Haggerty, Common Ground NYC
Sandy Rosenthal, Levees.org
Sean Gerowin, The Urban Conservancy
Virginia Brisky, Seedco Financial
Wendy Waren, LA Restaurant Association

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