

DEPARTMENT OF THE INTERIOR

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LANDMARK PROTECTIONS ANNOUNCED FOR
FRAGILE OFFSHORE RESOURCES

Calling it "a landmark event for the protection of some of America's most fragile offshore resources," Secretary of the Interior Bruce Babbitt today announced an agreement to settle litigation that would result in the surrender of all remaining Outer Continental Shelf (OCS) leases in southwest Florida and Bristol Bay, Alaska.

These leases involve nine petroleum companies that had purchased leases prior to Presidential and Congressional moratoria on offshore oil and gas development in the two areas.

"This Administration strongly opposes offshore development in environmentally-sensitive areas," Babbitt said. "This settlement with the nine companies closes the door for oil and gas development offshore the Everglades and in Bristol Bay, now and for the foreseeable future."

"This is a tremendous victory for the people of Florida and for our environment," Governor Lawton Chiles said. "Our pristine coastline is a great asset to Florida's quality of life. That's why we will continue to fight to protect it so we can preserve it for future Florida generations."

"Prudent management of our resources means striking a balance, but in Bristol Bay it just wasn't there," Alaska's Governor Tony Knowles said. "The prospect of discovering oil was slight and it was far outweighed by the value of Bristol Bay's fisheries. The environmental values of the Bristol Bay region are incalculable. The risks were too great, and we have better places to look for oil. Everyone wins with this resolution."

Conoco Inc. initially brought a 1992 lawsuit against the government for breach of OCS leases purchased in the 1980s in

Bristol Bay, Alaska, offshore southwest Florida and offshore North Carolina. The litigation arose after several years of annual budget moratoria and other government actions preventing exploration and development in these three areas. Later that year, other oil companies joined the litigation seeking compensation on similar claims.

Under these settlements, Amoco, Chevron, Conoco, Mobil, Murphy, Pennzoil, Shell, Union, and Texaco will drop their claims and surrender all existing leases in Bristol Bay, Alaska and southwest Florida. In addition, Conoco will drop all of its claims on federal leases offshore North Carolina; although it may retain its lease interests there. Previously, the Interior Department's Minerals Management Service (MMS) settled with Shell Oil Company and OXY USA, Inc. on claims in all three areas.

"MMS and the Justice Department have worked very hard on very contentious litigation," Babbitt explained. "Today's result is a fitting testimony to their efforts and allows them to continue to work with the remaining seven plaintiffs who still have claims for North Carolina leases."

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 31, 1995

STATEMENT BY THE PRESIDENT

The government today has reached an agreement protecting sensitive coastal areas off Florida and Alaska from oil drilling, which has been prohibited since 1988, through Democratic and Republican presidencies.

Concern for our coasts is part of the common ground we share as Americans, not only in the areas protected today, but in places as different as California, Massachusetts, Oregon, New Jersey and Washington. Once sensitive areas are damaged - beaches, the fishing industry, tourism - our natural heritage suffers greatly.

This settlement is good for the environment, good for taxpayers, good for the economy and fair to the oil companies.

I am pleased that Secretary Babbitt and Attorney General Reno reached this agreement with the oil companies. We celebrate today with the citizens of Florida and Alaska and I pledge continued protection of our coasts.

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