

Testimony of Lieutenant Governor Jennifer Carroll
January 30, 2012
Subcommittee on Coast Guard and Maritime Transportation

Mr. Chairman and Members thank you for the opportunity to speak to the Committee today to outline the State of Florida's concerns and preparedness to respond to oil spills in light of looming oil drilling off of the Cuban coast.

The Communist government of Cuba and its leader Raul Castro, according to the Department of State, continues to hamper private sector growth with tight restrictions on the supply of goods and labor, high taxation that discourages hiring and profits, a ban on professional entrepreneurs, limited access to transportation and credit, a monopoly on importation, legal uncertainty and lack of transparency, and a host of other disincentives and restrictions. With this track record, Cuba cannot be trusted to provide even the bare essentials to its own citizens and it certainly can't be trusted to oversee safe and environmentally sound oil drilling only 90 miles off of our pristine Florida coast. With these facts in mind, over the past year, under the direction of Governor Rick Scott, the State of Florida has endeavored to be prepared for any drilling related disaster that may impact Florida's shores.

Florida's preparedness plan has three main aspects: emergency management led by Brian Koon, Director of the Division of Emergency Management, economic led by Gray Swoope, Secretary of Commerce/President, Enterprise Florida, and environmental, led by Herschel Vineyard, Secretary of the Department of Environmental Protection.

The Deepwater Horizon (DWH) incident in 2010 has shown us that a spill that poses even a potential of impacting Florida's water or land causes a huge negative impact on the economy.

Florida's two largest industries are agriculture -- including aquaculture and fisheries -- and tourism. Real or even perceived negative impacts to these industries, which may be caused by direct harm or the appearance of harm to the marine environment, reduces tourism by discouraging people from visiting Florida beaches and attractions and sends economic shock waves throughout the state.

The Panhandle of Florida is still recovering from the negative economic impacts resulting from the DWH spill. Florida's coastline was spared from a more severe oil spill impact because weather conditions directed most of the oil away from the state. However, many people throughout the state, as well as potential out-of-state and international visitors, cancelled trips to: Florida vacation spots, fishing excursions and beach visits because of a perception that our shoreline wasn't safe. News coverage of the spill contributed to cancel visits because it created the impression that the spill effects were evident and widespread throughout the state.

I would like to take this opportunity to remind the Committee and the American public that Florida's beaches are as clean and beautiful as ever. Tourism is on the rise and there are many great bargains for families to come and visit Florida.

One of the reasons Florida has been able to adequately respond to the DWH spill is because our State and our businesses were protected by federal laws such as the Oil Pollution Act of 1990 (OPA 90). OPA has been a key component in Florida's recovery efforts.

Chairman and Members Florida is greatly concerned about the uncertainty of the application of OPA to drilling in foreign waters. OPA 90 identifies a responsible party that is held accountable financially for response, recovery, remediation, economic and natural resource damages. Without the protection afforded by this federal law, all costs would be borne by federal, state and local governments. Furthermore, Florida is very concerned with the ability to have funding for third party claims in the event of a spill.

Florida had more third party claims than any other state as a result of the Deepwater Horizon incident despite the less than expected oil which reached its shores. Much of this effect was due to the large negative impact to the vital tourism industry throughout the state.

There is uncertainty in a scenario with a foreign source of spilled oil, on the funding and processing for third party claims and the associated timeline for such claims. A tremendous number of Florida's citizens depend on a vibrant tourism industry to sustain their livelihood and they would be devastated economically by a major foreign oil spill, even if oil does not reach our shores.

Florida strongly urges the federal government to develop and market a plan to address how our citizens can be compensated for damages created by a foreign oil spill. It is imperative that the federal government develop an international agreement that will give clear direction and guidelines for financial responsibility, recovery, remediation, economic and natural resource damages in the event of an oil spill, like those outlined in OPA 90.

Working with our federal, local and private sector partners, Florida believes that we have positioned ourselves to be as ready as possible in the event of a spill. In addition, we have been assured that the Coast Guard has worked with REPSOL YPF, the company conducting initial, exploratory drilling off Cuba, to develop a good relationship and specific plans should a response ever be necessary. Unfortunately, response plans does not provide legal remedies to make injured parties whole or assume responsibility for restoring Florida's natural environment that may be harmed.

Florida is also heartened that multi-lateral discussions are ongoing with all of the nations drilling in the North Caribbean Basin or those potentially impacted by offshore oil exploration. These talks need to continue in order to ensure the federal government has the necessary authority and relationships to respond swiftly and effectively in the offshore environment to minimize the amount of spilled oil which may reach Florida's shoreline.

There were many lessons learned from Florida's experience with the DWH incident, and several organizations, including the U.S. Coast Guard, spent many hours developing a thorough analysis of this issue. As a follow up to that analysis, the State of Florida Department Environmental Protection and Division of Emergency Management have worked diligently with

the Coast Guard and local governments to apply the lessons learned and ensure that more specific protection plans are developed for coastal counties. In addition, on November 17, 2011, major federal, state, local and corporate parties who would be involved in a potential Cuban oil response performed a “tabletop” exercise to ensure that everyone understood their roles and responsibilities in the event of a spill and to identify any gaps in the response planning to date.

In conclusion Mr. Chairman, the State of Florida has been preparing for the eventuality of oil drilling off the Cuban coast. We have been working with the U.S. Coast Guard and organizing our State agencies. Additionally, we have applied the lessons learned from the Deepwater Horizon incident and we are determined to keep Florida’s beaches, coral reefs, waterways and fisheries clean and open. We are also aware of the type of government that we are dealing with in Cuba – their dubious track record only focuses Florida and our private and public sector partners on being even more prepared.

On behalf of Governor Scott and the people of Florida, I thank the Committee for its leadership in taking the initiative to address this critical issue and we look forward to working with you on this and the many other issues that the Transportation and Infrastructure Committee has before it that can help us continue Florida’s strong economic recovery.