

POSITION ON OFF SHORE DRILLING

Submitted to Bureau of Ocean Energy Management
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The League of Women Voters of the Lower Cape Fear joins more than 30 North Carolina (NC) coastal municipalities and Governor Roy Cooper in opposing the proposed 2019-2024 National Outer Continental Shelf Oil and Gas Leasing Program MAA104000. We believe that the risks outweigh the benefits to the Lower Cape Fear, NC and the country as a whole. The estimated small quantity of oil and gas does not justify the threat to the coastal waters and shoreline, which supports a highly diverse animal and plant life necessary to thriving tourism and fishery industries.

Issue: Why Drill in the Atlantic?

The BOEM Undiscovered Technical Recoverable Resources (UTRR) estimates of the oil and gas in the Outer Continental Shelf (OCS) would supply the US with only 122 days of oil and 327 days of natural gas (1, 2, 11). The U.S. already produces an abundance of natural gas. We do import oil, but increasingly (41%) from friendly Canada (3).

Oil from the OCS would not come on line for 8-10 years (4). What will the mix of energy sources be in 10-20 years? Technology will make other more sustainable sources more efficient, cleaner and desirable than off shore oil. Expanding drilling into the OCS will only exacerbate climate change by locking in decades of carbon pollution.

If the issue is energy self sufficiency, the United States would better concentrate efforts on cleaner and more sustainable energy rather than continuing our dependence on oil. Our dependence on undesirable countries for oil has already decreased as we import more of our oil from Canada.

Issue: Pollution Concerns Specific to the OCS

Experience demonstrates that oil spills do happen and, in most cases, are due to human error. Small oil spills come from minor rigs and shipping and involve hundreds of barrels of oil. Large spills are devastating. Movement of oil to land whether by pipeline or ship presents further spill risks, and pipeline ruptures have been significant in the Gulf Coast. In consequence, special consideration of multiple issues is required prior to authorizing OSC drilling. These issues should disqualify drilling OCS.

- Hurricanes and the strong, fast Gulf Stream will require adequate modeling for construction of drill platforms and rigs.

- The Gulf Stream with its many gyres and eddies could move pollution into shorelines, large sounds, and offshore. Polluting oil reaching salt marsh areas and Pamlico Sound would create significant problems. Removing oil from low energy marshes and mud is much more difficult than from a beach. The salt marshes are critical to the ecology of the Atlantic Coast.
- The Point (40 miles off Kitty Hawk) is one of the earth's most biodiversity rich zones. It requires especial and careful conservation.
- The Atlantic Right whale numbering less than 500 uses the coastal waters as a migratory path, feeding and nursing area. There are seven species of baleen whales, 23 species of toothed whales and four species of sea turtles in the proposed drill area. Of these 34 species 10 are either threatened or endangered. (5, 6, 7, 10)
- Hardground zones offshore are rich in sea life. We need to know the impact of pipelines when/if they would be laid.
- The BOEM inventory of numbers of marine life, habitats, and migratory patterns of mammals, turtles, fisheries and birds is not complete. Establishment of better baseline data prior to drilling would make development of effective mitigation strategies more likely. (7)
- There is an increasing set of data indicating interference in cetacean communications including feeding and nursing habits. (8)

Issue: Economy

The 2015 Quest Report commissioned by the American Petroleum Institute (9) predicted many new jobs on the East Coast, and new private investment. It is not clear what oil price was used for their projections, and it is difficult to justify their numbers with the price of oil at less than \$50 per barrel. North Carolina would not profit from many of these projected economic benefits. Currently, given the location of the most likely drilled areas, infrastructure development would probably go to Virginia. Furthermore, states, which will be responsible for any negative consequences, will not receive any revenue from leasing or royalties as no revenue sharing is proposed at this time. Because of its long coastline, NC will be exposed to more risk.

The economic risks lie in threats to the Tourism and Commercial/ Recreational Fishery Industries. These are flourishing industries composed primarily of small, local business that depend completely on a viable, thriving beach and ocean habitat. For example, in just New Hanover, Brunswick and Pender Counties, NC, tourism accounted for \$1120.94 million in expenditures, \$234.98 million in payroll, \$28.45 million in State tax receipts, \$57.15 million in local tax receipts and employed 11,990 people directly. Three of the top tourism counties in NC (Dare, New Hanover and Brunswick) are located on the coast with total revenues of over 2 billion dollars. Fisheries were a \$2.3 billion industry in 2013 and employed 43,385 people. (10, 11)

Oil spills could destroy these businesses. Persons employed in tourism and fisheries likely would not be reemployed in the oil industry. Job creation, as demonstrated in

other mineral extraction areas such as Marcellus Shale natural gas play, would occur primarily for people brought in to do the job. Combine job creation for outsiders, with the risk of loss of jobs for locals due to oil spill damage, and you have a scenario for major social disruption and displacement of individuals and families from these small coastal communities rich in history and tradition.

Economically it comes down to this. Do we, as a nation, want to support one big industry (oil) in favor of a conglomeration of small businesses already established in the tourism and fishery industries? The League of Women Voters of the Lower Cape Fear says no. The argument for more oil jobs fails in the presence of the possibility of a loss of established jobs. The case for energy sustainability fails in the presence of: 1) established large natural gas deposits in the US, 2) projected small quantity of oil in the OCS, 3) the case for cleaner, sustainable energy, 4) the clear and ominous warming of the globe, and 5) Canada as the source of much of our imported oil.

The growth in the US and NC economy can occur with less risk to our coastal communities, our oceans and our planet. 1) Special environmental issues protecting OCS and coastal biota have not been resolved to either eliminate or mitigate the polluting effects of off shore drilling. 2) Economic benefits of OCS drilling have been exaggerated using high oil prices. 3) The loss of fisheries and tourism threatens the economic and social underpinnings of our coastal communities. The US and NC economy will be better stimulated by a long term strategy to reduce dependence on carbon based fuels to slow global warming.

For the amount of available gas, the payoff seems extraordinarily risky. The loss of a clean, productive, bio diverse ocean, and coastline is not worth the available carbon based energy source on the OCS. The League of Women Voters of the Lower Cape Fear strongly opposes any drilling in the Atlantic Off Shore Continental Shelf.

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