



## Testimony to the South Carolina House Environmental Affairs Subcommittee

Peg Howell, Spokesperson for SODA – Stop Offshore Drilling in the Atlantic

April 25, 2018

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Chairwoman Dillard and Honorable Committee Members, thank you for the opportunity to speak with you today.

My name is Peg Howell. I have a Bachelor of Science degree in Petroleum Engineering and graduated at the top of my engineering class. I was also the first female “Company Man” in the Gulf of Mexico. The Company Man is the person on the rig who is in charge of the drilling operation, something like a plant manager. I have worked for Mobil, Marathon, and Chevron oil companies in the US and in the North Sea. I also hold an MBA from Harvard Business School and have run my own consulting business for 24 years. Because I have seen firsthand the impact of the oil and gas industry, I have been asked to be the SODA spokesperson.

**SODA – Stop Offshore Drilling in the Atlantic** - was formed in February 2015 as an all-volunteer, non-partisan, self-funded, grassroots effort of over 2000 citizens along the South Carolina coast and across the state who share a mission to STOP seismic testing and offshore drilling in the South Atlantic.

SODA is not an environmental group; our sole focus is this one issue. We do not receive monies from any organization or company. No one on the core team is paid for the work they do for SODA.

Our purpose is to provide the facts about the potentially disastrous impact seismic airgun surveys, offshore drilling and its accompanying onshore industrialization will have on our coastal & state economy, health, property, and way of life.

We have presented the facts about the Federal seismic and leasing processes to thousands of citizens and elected officials via small- and large-scale meetings and public events from Pawleys Island to Washington, DC and from Atlanta to Columbia and Greenville.

Today we just want to highlight the **3 primary reasons** we **support H.4896** and **oppose H.4887**.

- 1) It's a terrible economic decision for South Carolina
- 2) Our country doesn't need Atlantic oil and gas.
- 3) It's a “forever” decision.

### **1) It's a terrible economic decision for South Carolina**

One of the most important analyzes SODA has done is a study called **Tourism vs. Oil** (TVO), developed by three of our experts.

This analysis compares the overly optimistic projections for state revenues included in the Quest/Calash Report (the \$3.7 Billion) against a very conservative estimate of the South Carolina's state and local tax revenues from the coastal tourism economy over the same time period. Even with this unbalanced estimate, tourism easily wins by 25 to 1.  
<http://www.drilldownsc.com/#!tvo/c1sav>

Even if the *drilling* could be conducted safely (and that's a BIG IF given that the Administration is looking to withdraw some post Deepwater Horizon regulations), there are other aspects of the process that are as dangerous, if not more dangerous, than the drilling itself.

For example, pipelines leak (Santa Barbara, Memorial Day 2015), transporting by tanker has its problems (Galveston, ExxonValdez), and trains carrying oil have derailed (Lac-Megantic disaster in 2013). Just last week a transfer pipeline in Lake Ponchartrain, LA caught on fire killing one and seriously injuring others. And last fall, a subsea pipeline spill dumped 670,000 gallons of oil into the GOM, making it the largest single spill since the Deepwater Horizon catastrophe. *Everywhere they drill, they spill. It only takes one spill to devastate our tourism economy.*

The TVO analysis shows, in indelibly stark numbers, that *it is not in the economic interest of the State of South Carolina or its residents to support drilling in the Atlantic.*

## **2) Our country doesn't need Atlantic oil and gas to be "Energy Dominant"**

The President has said that his goal is "energy dominance." But aren't we already "energy dominant?"

**The "shale revolution" or, the growth of onshore oil & gas** began in earnest across the US onshore oil patch back roughly in 2008. This is the combination of hydraulic fracturing ("fracking") and horizontal drilling that enabled the United States to significantly increase its production of oil and natural gas.

Since 2008 the US has increased crude oil production by >90 percent and since 2005, natural gas production has grown by >50 percent.

Because of this abundance, in December 2015, Congress passed a law allowing crude oil exports for the first time since the Arab Oil Embargos of the 1970s. The US now exports roughly 1.7 million barrels of oil per day (bopd), and is expected to export over 2.25 million bopd by 2020. That's more than the 1.7 million bopd we currently produce from the GOM.

Because of the growth in LNG (Liquified Natural Gas), the US has also become a net exporter of natural gas -- for the first time in 60 years.

We are now exporting both crude oil and natural gas. Chances are very good that any oil and gas found off SC's coast will be exported.

This is not a short-term phenomenon but will continue well into the future.

The US Energy Information Agency forecasts that between 2016 and 2040, **US consumption will increase only 5% while US production will grow by more than 20%, and the EIA** expects the US to be a **net energy exporter** by 2024, but it appears it could happen sooner than that.

So we are already Energy Dominant.

The U.S. is:

- World's largest natural gas producer (overtaking Russia)
- ...and the world's largest global oil producer (overtaking Saudi Arabia).
- The US doesn't need the Atlantic's oil and gas to achieve or maintain our energy dominance.
- We have such abundance onshore, we are exporting record amounts and will do so into the future.
- So, drilling in the Atlantic is not about energy dominance -- it's about oil companies having access to potential oil and natural gas reserves so they can increase their revenues and profits via exports

### **3) It's a "forever" decision.**

It's a "FOREVER decision" because once oil companies obtain leases and find commercial quantities of oil and gas, *by law*, they are entitled to produce from those leases, drill more wells, or sell the property to another operator.

*When the oil business comes to town, it is very slow to leave, if ever. And the state cannot make the Feds end the leases.*

**In conclusion, SODA opposes Atlantic offshore oil and gas exploration and development because:**

1. It's a high risk/no reward decision for South Carolina
2. The U.S. doesn't need it
3. It's a FOREVER decision
  - made by the Feds
  - our precious reserves are exported to foreign countries
  - profits go to the oil and gas industry
  - harms our coast, our health & our economy

*They get all the benefits and we take all the risk!*

So, it all comes down to thinking about *who those offshore reserves and this decision belongs to – us or our children and their children?*

*Let's work together to preserve and protect the Atlantic Ocean and our coast so it will still be as magnificent for future generations as it is today. And let's hope that future generations will be inspired by our legacy.*

Thank you for the opportunity to speak with you today. I'm happy to take your questions.

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## Coastal Opposition Continues to Grow

Let's begin by looking at the entire Atlantic coast economy, nearly 1.4 million jobs and over \$95 billion in gross domestic product rely on a healthy coast and ocean ecosystems, mainly through fishing, tourism and recreation. To expose the Atlantic to offshore drilling and seismic testing is, as our Governor says, "killing the goose that laid the golden egg."

The opposition to seismic airgun surveys and offshore drilling in the Atlantic is enormous and continues to grow. We have resolutions and letters opposing seismic testing and drilling from:

- More than 200 East Coast municipalities
- Over 1,200 local, state and federal elected officials
- An alliance representing over 41,000 businesses and 500,000 fishing families from Florida to Maine
- Fishery Management Councils and other commercial and recreational fishing interests, as well as
- Numerous chambers of commerce, tourism boards, and homeowners, restaurant and hotel associations from New Jersey to Florida

You may recognize many in these pictures: Governor Henry McMaster, Horry and Georgetown County Councils (my husband is a Georgetown County Councilman) and a few of the dozen+ coastal mayors who actively oppose offshore oil and gas development. *They are Republican and Democrat alike; protecting our coast is not a partisan issue.*

The binder in front of me includes resolutions from these organizations as well as comments from South Carolina Congressmen and other elected officials, the US Dept of Defense, and others.

EVERY MUNICIPALITY ALONG THE ENTIRE SOUTH CAROLINA COAST as well as our state capital, COLUMBIA, and the coastal counties of HORRY, GEORGETOWN AND CHARLESTON, HAS PASSED A RESOLUTION OPPOSING OFFSHORE DRILLING AND SEISMIC AIRGUN SURVEYS.

### SC Municipalities & Counties opposing offshore drilling and/or seismic airgun surveys

- Atlantic Beach, SC: Passed 9/14/2015 (offshore drilling and seismic blasting)
- Beaufort, SC: Passed 2/10/2015 (offshore drilling and seismic blasting)
- Briarcliffe Acres, SC: Passed 10/19/2015 (offshore drilling and seismic blasting)
- Charleston, SC: Passed 3/24/2015 (offshore drilling and seismic blasting)
- Charleston County, SC: Passed 5/5/2015 (offshore drilling and seismic blasting)
- Columbia, SC: Passed 5/5/2015 (offshore drilling and seismic blasting)
- Edisto Beach, SC: Passed 5/8/2014 (seismic blasting)
- Folly Beach, SC: Passed 3/10/15 (offshore drilling and seismic blasting)
- Greenville, SC: Passed April 9, 2018 (offshore drilling and seismic blasting)
- Georgetown, SC: Passed 4/16/2015 (offshore drilling and seismic blasting)
- Georgetown County, SC: Passed 7/25/2017 (offshore drilling and seismic blasting)

- Hilton Head, SC: Voted to send letter to BOEM 3/25/2015 (offshore drilling); Voted to send letter to SCDHEC 3/19/2015 (seismic blasting)*
- Horry County, SC: Passed 8/22/2017 (offshore drilling and seismic blasting)*
- Isle of Palms, SC: Passed 2/17/2015 (offshore drilling and seismic blasting)*
- James Island, SC: Passed 3/19/2015 (offshore drilling and seismic blasting)*
- Kiawah Island, SC: Passed 5/5/15 (offshore drilling and seismic blasting)*
- McClellanville, SC: Passed 5/4/2015 (offshore drilling and seismic blasting)*
- Mt. Pleasant, SC: Passed 5/13/2015 (offshore drilling and seismic blasting)*
- Myrtle Beach, SC: Passed 8/11/2015 (offshore drilling and seismic blasting)*
- North Myrtle Beach, SC: Passed 8/17/2015 (offshore drilling)*
- Pawleys Island, SC: Passed 9/14/2015 (offshore drilling, proclamation)*
- Port Royal, SC: Passed 2/11/2015 (offshore drilling and seismic blasting)*
- Rockville, SC: Passed 4/20/2015 (offshore drilling and seismic blasting)*
- Seabrook Island, SC Mayor and Councilmembers: Voted to send letter 4/28/2015 (Offshore drilling and seismic blasting)*
- Sullivan's Island, SC: Passed 3/17/2015 (offshore drilling and seismic blasting)*
- Surfside Beach, SC: Passed 9/22/2015 (offshore drilling and seismic blasting)*

#### **Opposition from business interests**

- Business Alliance for Protecting the Atlantic Coast: Sent letter to Interior Secretary Zinke on behalf of more than 41,000 businesses and 500,200 commercial fishing families, urging them not to reconsider the 2017-2022 plan, and opposing offshore drilling and seismic blasting 4/28/17*
- Business Alliance for Protecting the Atlantic Coast: Sent letter to President Obama on behalf of more than 35,000 businesses and 500,200 commercial fishing families from Maine to Florida, urging him to permanently protect the Atlantic from offshore oil and gas drilling, and to deny all Atlantic seismic airgun blasting permits 12/13/2016 (offshore drilling and seismic blasting)*
- 66 East Coast businesses: Signed letter to President Obama 12/12/2016 (offshore drilling)*
- Business Alliance for Protecting the Atlantic Coast: Sent letter to President Obama on behalf of more than 12,000 businesses and 400,000 commercial fishing families 10/27/2016 (offshore drilling and seismic blasting)*
- 280 East Coast Businesses: Signed letter to President Obama 2/3/2016 (offshore drilling and seismic blasting)*
- 440+ South Carolina Businesses: Signed letter to Governor Haley 12/16/2015 (offshore drilling and seismic blasting)*
- 360+ East Coast Businesses: Signed letter to President Obama 2/16/2016 (offshore drilling)*
- South Carolina Small Business Chamber of Commerce: Passed Resolution 1/12/2015 (offshore drilling and seismic blasting)*

## **Opposition from fishing groups**

- Snook and Gamefish Foundation: Sent letter to BOEM opposing offshore oil exploration in the Atlantic 8/30/2016 (seismic blasting)*
- Southern Shrimp Alliance: Sent letter to BOEM opposing offshore oil exploration in the Atlantic 6/24/2016 (seismic blasting)*
- 36 commercial and recreational fishing interests in the Mid-Atlantic: Sent letter to the governors of Delaware, Maryland and Virginia, expressing their concerns with offshore drilling and proposed seismic airgun blasting 3/29/2016 (offshore drilling and seismic blasting)*
- Mid-Atlantic Fishery Management Council: Updated and strengthened its policies to increase protection for fisheries and fish habitat from energy exploration and development activities for the species and areas the Council is charged with managing 2/17/2016 (Read the full policy)*
- South Atlantic Fishery Management Council: Updated and strengthened its policies to increase protection for fisheries and fish habitat from energy exploration and development activities for the species and areas the Council is charged with managing 12/14/2015*
- Fisheries Survival Fund: Sent letter to the Mid-Atlantic Fishery Management Council expressing concern 8/7/2015 (offshore drilling and seismic blasting)*
- South Atlantic Fishery Management Council: Sent letter to BOEM 4/30/2015 (seismic blasting)*
- Gullah/Geechee Fishing Association: Submitted comments to BOEM 3/30/2015 (offshore drilling and seismic blasting)*
- Southeastern Fisheries Association: Sent letter to President Obama 12/3/2014 (seismic blasting)*
- Billfish Foundation: Sent letter to BOEM 5/7/2014 (seismic blasting)*
- International Game Fish Association: Sent letter to BOEM 5/1/2014 (seismic blasting)*
- Mid-Atlantic Fishery Management Council: Sent letter to BOEM 5/2/2014 (seismic blasting)*

## **Where things stand now – Seismic**

The first step in offshore exploration is running seismic surveys. BOEM issues seismic permits via this Atlantic Geologic and Geophysical process.

We are waiting to hear if the Incidental Hazard Authorizations (IHAs) are going to be issued by National Marine Fisheries Service (NOAA). Then BOEM will decide whether or not to issue the seismic permits.

## **We oppose seismic airgun surveys**

SODA opposes seismic airgun surveys. The risk to marine life is not worth the data, for 4 reasons:

- 1) We don't get to see the results
- 2) An unprecedented amount of seismic is being requested, and it is not harmless
- 3) It doesn't definitely find oil and gas deposits
- 4) It is the first step toward drilling.

## **Expedited Seismic Airgun Blasting Permits**

### **1) We don't get to see the results**

There are 5 permit applications currently under review off the SC coast. Only the seismic companies that collect the data, the oil companies which buy the data, and BOEM, get to see the proprietary results. So, people who say we need to run seismic and *then* we'll decide whether or not to support drilling along our coast don't understand how the process works.

The SC state government, our Governor, and Members of Congress do NOT receive the seismic information. Therefore, they can't make an accurate cost-benefit analysis.

## **Unprecedented amount of noise**

### **2) The amount of noise that will be introduced into the ocean is unprecedented, and it is not harmless...**

The airgun blasts -- one of the loudest manmade noises in the ocean -- are discharged every 10-12 seconds, 24 hrs/day for months at a time. The noise can be heard more than 2,500 miles from the source, approximately the distance from New York to Las Vegas. For marine life, there is no escaping the noise -- like a smoke alarm going off in your house continuously for a year or more.



The seismic companies will be running over 90,000 miles of seismic lines across all the Mid- and South Atlantic Planning Areas. Combined, they will run a total of 906 days of seismic within a one-year permit period. This is an unprecedented amount of noise.

When comparing this amount of seismic to all the seismic run from 1968 through 1997, there is no other year in any federal OCS area that ran this much seismic.

### **Seismic interpretation will NOT “tell you what’s out there”**

#### **3) It doesn’t definitely find oil and gas deposits...**

It is very important to understand that seismic surveys alone do NOT definitively tell us what is out there. The 5 applications under review are to run 2D seismic. Historically, 2D seismic alone is only successful in finding oil and gas approximately 20-25% of the time. After the requested 2D surveys, seismic companies will be back here asking for permits to run 3D seismic, a second blast of non-stop airgun noise in our ocean. And 3D seismic only increases the odds of finding oil and gas to 40-50% of the time, in true “wildcat” exploration.

If seismic surveys were able to definitively find oil and gas, Royal Dutch Shell would not have spent \$7 billion on a dry hole in the Arctic two years ago.

In order to find oil and gas, you will not "know what's out there" *until you drill*.

### **What about drilling leases?**

The second requirement to explore offshore is to obtain drilling leases from BOEM. This process is underway at the same time as the seismic permitting process.

### **Expedited BOEM leasing program: 2019-2024**

We are waiting for the PP (Proposed Program) – expect it to be made available this fall.

The Atlantic may be included or excluded in the PP. There will be one more public comment period. The opportunity to pull the Atlantic from the proposed program ends at the red square, then plans for the lease sale begins.

### **So what’s in it for South Carolina?**

The question you probably most want to know the answer to is, “What’s in it for SC?”

## Offshore drilling advocates claim...

The 3 claims you have already heard from various sources are:

1. **\$3.7 Billion in new revenues** will come to South Carolina
2. **Over 35,000 new jobs will come to South Carolina**
3. The Port of Georgetown can be the hub for servicing related OCS development.

The estimates of revenues and jobs come from this report that was paid for by the API and the National Ocean Industries Assn (NOIA): **The Economic Benefits of Increasing U.S. Access to Offshore Oil and Natural Gas Resources in the Atlantic** authored by Quest Offshore Resources, commonly called “the Quest Report.”

The third claim has been disseminated by people associated with the Consumer Energy Alliance and the American Petroleum Institute.

## The API/Quest Offshore Report

- Published December 2013
- Economics based on \$100/bbl oil and \$7/mcf natural gas vs. current prices of \$50/bbl and \$3/mcf
- Leasing begins in 2018, with 350 leases sold; Production begins in 2026
- 75% of drilling will be in deep water (current breakeven is ~\$90/bbl.)
- 690 wells to be drilled between 2018-2035
- The Atlantic contains very small amounts of estimated oil and gas relative to opportunities in the GOM:

	Oil (Bbo)	Gas (Tcf)
Mid-Atlantic	2.42	23.38
South Atlantic	0.55	2.18

The analysis and claims contained in the Quest report have been refuted for several years, but since you continue to hear them, let me explain the problems with the revenue and jobs numbers:

- Published December 2013
  - As you’ve seen, a lot has happened in the oil and gas industry these last 4 years.
- The Quest Report economics are based on \$100/bbl oil and \$7/mcf natural gas vs. current prices of \$50/bbl and \$3/mcf
  - Most significant is the price of oil and gas is less than half what it was when these numbers were calculated
- Quest Report begins leasing in 2018, with 350 leases sold; Production begins in 2026

- However, the earliest leasing can begin is 2020, and that's very ambitious, so production wouldn't likely begin until after 2030.
- Quest Report indicates that 75% of drilling will be in deep water
  - However, it's highly unlikely that oil companies will be interested in these deep-water leases until the price of oil again reaches ~\$100/bbl.
- Quest Report estimates 690 wells to be drilled between 2018-2035
  - This is an unprecedented amount of exploration drilling – at any oil price
- BOEM has estimated very small amounts of oil and gas
  - Which reduces the likelihood of this amount of drilling activity

Look at the map – *SC IS EXPECTED TO HOLD VERY LITTLE oil and gas.* NC is expected to have much more oil and gas. Their Governor Roy Cooper, has already told BOEM, “not off our coast.”

### **No offshore revenues to SC**

The Quest Report says that \$3.7 Billion in New revenues (cumulative to 2035) will come to South Carolina via “Revenue-sharing”

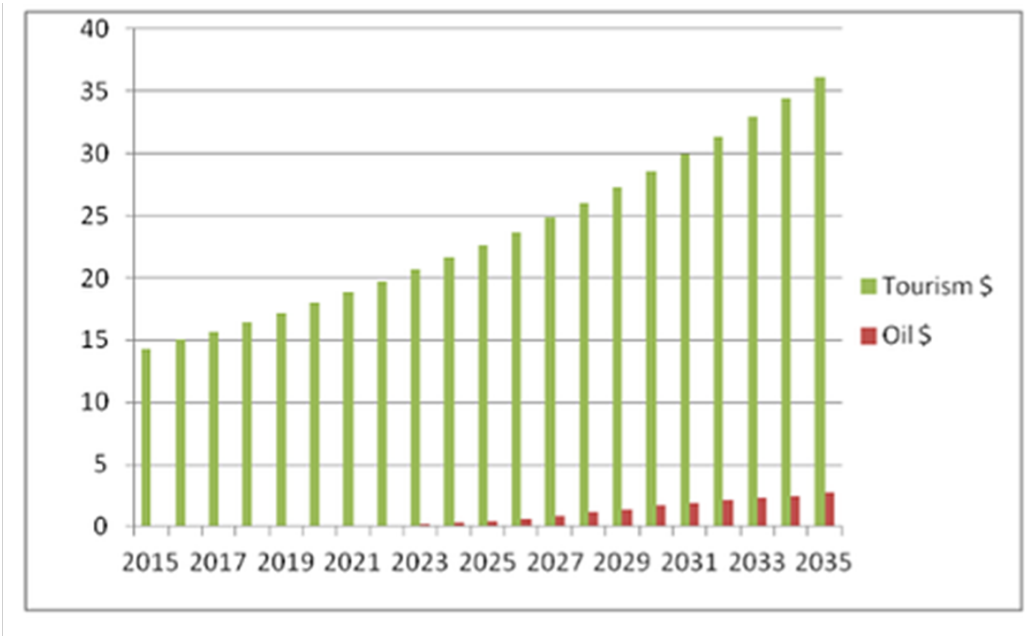
- BUT Pres. Trump has said NO to revenue sharing. With the tax cuts he has proposed, he will need all revenues obtained from the OCS rents, royalties & bonuses to go to the US Treasury.
- Again, these revenues are significantly inflated, based on those assumptions of 690 wells, \$100/bbl. oil, etc.

### **SC Economic Impact: Tourism vs. Oil**

One of the most important analyzes SODA has done is a study called **Tourism vs. Oil** (TVO), developed by three of our experts.

This analysis compares the overly optimistic projections for state revenues included in the Quest Report (the \$3.7 Billion) against a very conservative estimate of the South Carolina's state and local tax revenues from the coastal tourism economy over the same time period. Even with this unbalanced estimate, tourism easily wins by 10 to 1. <http://www.drilldownsc.com/#!tvo/c1sav>

The TVO analysis shows, in indelibly stark numbers, that *it is not in the economic interest of the State of South Carolina or its residents to support drilling in the Atlantic.*



**Projected contributions to SC's Economy from Oil Drilling vs. Tourism Revenues. [\$ Billions]**  
 in Horry, Georgetown, Charleston & Beaufort counties

Source: Munson, McLaren, Stickler, **Offshore Drilling vs. Tourism: Projected Revenue for South Carolina**, Sept. 7, 2015

Some have said that oil and gas drilling is safe and can co-exist with tourism, but the records don't show that...

**Everywhere they drill, they spill**

Even if the *drilling* could be conducted safely (and that's a BIG IF given that the Administration is looking to withdraw some post Deepwater Horizon regulations), there are other aspects of the process that are as dangerous, if not more dangerous, than the drilling itself.

For example, pipelines leak (Santa Barbara, Memorial Day 2015), transporting by tanker has its problems (Galveston, ExxonValdez), and trains carrying oil have derailed (Lac-Megantic disaster in 2013). Just last week a transfer pipeline in Lake Ponchartrain, LA caught on fire killing one and seriously injuring others. And 2 weeks ago, a subsea pipeline spill dumped 670,000 gallons of oil into the GOM, making it the largest single spill since the Deepwater Horizon catastrophe. *Everywhere they drill, they spill.*

**Jobs, jobs, jobs...?**

So, if the state doesn't benefit from revenues, advocates claim the industry will still bring over 35,000 new jobs in South Carolina by 2035 -- right?

There are a lot of problems with this estimate, but the most important one is that

the oil patch is unique in that the workers are highly trained and very experienced “nomads” who work on rotational schedules. They fly in and work for 2 weeks, then fly home for 2 weeks off. They will not move to SC and not contribute to the local economy on their time off. *These will not be “local” jobs.*

### **Infrastructure will ruin our coastline**

And finally, the people of Georgetown City and County do NOT want the Port to become the next Port Fourchon.

- Making the Port of Georgetown the next Port Fourchon will create *industrialization and harm* to tourism, fishing, health, and the productivity of our coastline
- Georgetown County has passed a resolution against offshore drilling & seismic airgun surveys

### **Port of Georgetown doesn't want to be the next Port Fourchon, LA**

This is what Port Fourchon looks like. It's located over 100 miles from Louisiana's tourism center, New Orleans. The Louisiana coast is not a vacation destination.

### **Port Fourchon**

- Port Fourchon has been in the making for 50+ years
- 1300 acre port - now adding another 4000 acres
- 250 oil field-related companies and LOOP (Louisiana Offshore Oil Port) pipeline

One thing we have in common with Port Fourchon is hurricanes. Hurricanes Katrina and Rita wreaked havoc on the Louisiana coast:

- More than 9 million gallons of oil spilled from damaged offshore and coastal infrastructure
- Over 100 offshore platforms were totally destroyed
- More than 450 seafloor pipeline breaks.
- Six weeks after Rita, Tank Barge *DBL 152* struck the unmarked ruins of an offshore oil platform that Rita had demolished. ~2 million gallons of "slurry oil" were dumped. Only 5% of this oil was recovered. The oil footprint covered over 70 square miles.

### **What's in it for South Carolina??**

1. It's a terrible economic decision
2. The good jobs won't go to South Carolinians

3. It's extremely risky to our coastal economy, our health, our children's futures and our way of life
4. It's a FOREVER decision

It's a "FOREVER decision" because once oil companies obtain leases and find commercial quantities of oil and gas, *by law*, they are entitled to produce from those leases, drill more wells, or sell the property to another operator.

*When the oil business comes to town, it is very slow to leave, if ever. And the state cannot make the Feds end the leases.*

### **A "Forever Decision" case example: California's offshore oil & gas history...**

The first Federal OCS lease sale offshore CA was held in 1963. Six years later the first Santa Barbara spill occurred which caused such an uproar against drilling that the US Secretary of the Interior removed federal tracts near Santa Barbara from oil and gas leasing. The state passed immediately instituted a moratorium on drilling in state waters. However, the federal government quickly resumed offshore leasing and continued to hold sales through 1982, when the US Congress finally halted *new* Federal leasing off California.

A second large Santa Barbara oil spill happened just before Memorial Day weekend 2015, when an underground pipeline that transports oil from an offshore platform to refineries ruptured, spilling 142,000 gallons of crude oil into a coastal state park. The spill, caused by corrosion in a pipeline that did not have automatic shutoff valves, closed nearby beaches for two months, killed hundreds of animals, including birds, sea lions, and dolphins, and cost \$96 million to clean up.

Despite the long-term ban on new leasing in federal waters, *drilling and production have continued on these leases - from 26 platforms and approx. 200 miles of pipelines*. By law, as long as federal OCS wells are producing commercial quantities of petroleum, oil companies may continue to produce from those leases, drill more wells, or sell the property to another operator.

In the California OCS waters, oil companies have produced – and spilled - from these OCS leases and pipelines for over 50 years – more than 40 years after the Santa Barbara spill.

The point of reviewing this history is to emphasize that *when the oil business comes to town, it is very slow to leave, if ever. And the state cannot make the Feds end the leases.*

### **Why oppose Atlantic offshore oil and gas exploration and development?**

4. The U.S. doesn't need it
5. It's a high risk/no reward decision for South Carolina

6. It's a FOREVER decision

- made by the Feds
- our precious reserves are exported to foreign countries
- profits go to the oil and gas industry
- harms our coast, our health & our economy

*They get all the benefits and we take all the risk!*

### **Our requests**

We need your help. These are our requests of the Committee and the House:

- Recommend the **General Assembly pass a state-wide resolution** against offshore drilling and seismic airgun surveying in the Atlantic
- Recommend that **proposed state legislation relating to offshore drilling, seismic surveys and infrastructure be put aside**
- Request that **Governor McMaster, Senators Graham and Scott, and our Congressmen submit comments to BOEM and to DOI Secretary Zinke** indicating that the state of SC does not want to participate in offshore drilling or seismic surveys off our coast
- Recommend to the Governor that **DHEC deny coastal zone consistency certifications** for seismic surveys off our coast and deny permits for onshore infrastructure which supports offshore drilling and seismic surveys along our coast
- Use this turning point in SC's energy policy to **move away from fossil fuel and accelerate development of clean, renewable energy that won't harm our coastal or upstate economy**

We don't need the reserves in the Atlantic now and for the foreseeable future. So, it all comes down to thinking about *who those reserves and this decision belongs to – us or our children and their children?*

Let's take the time and resources we would have spent to fight or promote offshore drilling and put it instead into developing cleaner, renewable energy supplies.

*Let's work together to preserve and protect the Atlantic Ocean and our coast so it will still be as magnificent for future generations as it is today.* And let's hope that future generations will be inspired by our legacy.

Thank you for the opportunity to speak with you today. I'm happy to take your questions.