



Testimony provided to Governor Perdue's Science Advisory Panel on January 19, 2011 in Wilmington, North Carolina.

Hello, my name is Toni Reale. I am the Coastal Program Coordinator for the Southern Alliance for Clean Energy, a regional organization that promotes responsible energy choices that create climate change solutions and ensure clean, safe and healthy communities throughout the Southeast. The Southern Alliance for Clean Energy welcomes this opportunity to engage in a thoughtful offshore energy discussion and we would like to thank Governor Perdue for her willingness to put these public task force meetings together.

The Deepwater Horizon oil rig explosion on April 20<sup>th</sup>, 2010 should provide a vivid image to the citizens of North Carolina that offshore oil and natural gas drilling is a dangerous prospect for the state. The economic and environmental tolls from the Gulf oil disaster are still being tallied, and we may never know the full extent of the damage we have caused because of our addiction to oil. North Carolina should devote time and resources to developing clean energy resources, like offshore wind energy, instead of focusing on the miniscule oil and natural gas resources offshore. Why risk North Carolina's coastal tourism economy that creates thousands of jobs and generates millions of dollars for the state. Why sacrifice miles of breathtaking coastline and put our natural resources in harms way for a resource that will do nothing for real energy independence.

The Southern Alliance for Clean Energy would like to challenge North Carolina, along with the rest of the Atlantic coast, to fully weigh the impacts of offshore oil and natural gas development when determining whether or not to allow those resources to be extracted.

The Deepwater Horizon oil explosion was not an isolated incident. The Bureau of Ocean Energy Management, Regulation and Enforcement, the National Oceanic and Atmospheric Administration and the National Response Center all keep statistics and data on offshore oil spills, and every year, hundreds of oil spills are reported. A few of these spills can be tracked to their source, but many go unreported and unsolved.

Associated with the development of offshore oil and gas resources are seismic study impacts, exploratory impacts, extraction and transportation impacts, end-use impacts and impacts to tourism.

No doubt, developing oil and natural gas resources off of North Carolina's coast will create jobs. However, many thousands more jobs and many billions of dollars of state revenue rely on a clean coast, free from the risks associated with seismic testing, exploration, drilling, production, refineries and coastal infrastructure.

According to North Carolina State University, tourism is North Carolina's largest service industry. According to the North Carolina Department of Commerce, in 2005:

- The travel and tourism industry employs more than 185,000 North Carolinians.
- The tourism industry generated a total of more than \$2.3 billion in tax revenues, including \$1.1 billion in federal taxes.
- State tax revenue totaled more than \$747 million through state sales and excise taxes, and taxes on personal and corporate income.
- More than \$461 million in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses.

This task force and the state needs to evaluate not if, but how these jobs and sources of revenue are going to be impacted by oil and natural gas development. Particularly with tourism, even the perception by tourists of spoiled or oiled beaches can deter vacationers. Many Gulf communities saw a precipitous decline in tourism during the summer months while the Deepwater Horizon oil spill was occurring even if those communities had not been impacted directly by the oil spill.

The risks of offshore oil and natural gas development outweigh the reported benefits. In assessing whether or not North Carolina should allow offshore oil and gas development, this panel must evaluate the worst case scenarios associated with the oil and gas industry to a level on par with the Deepwater Horizon disaster. The environmental, economic and national security implications of allowing petroleum production off North Carolina clearly outweigh any reported benefits by the oil industry. Offshore oil drilling will not make us energy independent, will not create many jobs and will not be a Golden Goose for state budgets. The Southern Alliance for Clean Energy recommends to this panel and Governor Perdue that the state not allow offshore oil or offshore natural gas development and strongly recommends that proposed seismic testing be cancelled.

Despite the insignificant offshore oil and natural gas resources in North Carolina, the state has vast offshore wind resources. Unlike oil rigs, the environmental effects of offshore wind farms are manageable and mostly beneficial to the marine environment. The Southern Alliance for Clean Energy encourages this panel and Governor Perdue to aggressively develop the offshore wind resource. North Carolina should adopt a stronger renewable portfolio standard and provide incentives for offshore wind energy development and wind turbine manufacturing in order encourage clean energy generation and job creation.