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Ms. Kelly Hammerle
National Program Manager
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Re: Request for Information and Comments on the Preparation of the 2019–2024 National Outer Continental Shelf Oil and Gas Leasing Program (Docket ID: BOEM 2017–0050)

Dear Ms. Hammerle,

The Southern Alliance for Clean Energy (SACE) is a regional organization that promotes responsible energy choices that create global climate change solutions and ensure clean, safe and healthy communities throughout the Southeast. We welcome this opportunity to engage in a thoughtful discussion on offshore energy and thank you for your willingness to accept comments and incorporate feedback in the formulation of the 2019-2024 Outer Continental Shelf (OCS) Five Year Program.

On behalf of SACE and our more than 20,000 supporters throughout the Southeast, I wish to submit the following information to help inform the 2019-2024 program. Upon examining the economic, social, and environmental factors that the program will affect, the evidence points to the conclusion that the expansion of leasing for oil and gas in the Atlantic and Gulf does much more harm to our country and its citizens than good.

For the reasons outlined below, we request that the Bureau of Ocean Energy Management (BOEM) and U.S. Department of the Interior (DOI) adhere to the lease schedule in the 2017-2022 program in the Atlantic and cancel the remaining scheduled lease sales for the Gulf of Mexico.

COASTAL COMMUNITIES, BUSINESSES, AND LEADERS HAVE SPOKEN LOUDLY: "NO OFFSHORE DRILLING IN THE ATLANTIC"

Tens of thousands of citizens, 125 East Coast local governments, more than 1,200 elected officials, and an alliance representing over 41,000 businesses and 500,200 fishing families have officially and publicly called for no offshore drilling and/or seismic testing in the Atlantic.[i] Insofar as BOEM must incorporate local public opinion into the decision on where leases are offered, coastal stakeholders adjacent to the Mid- and South Atlantic planning areas have been nearly unanimous in strongly opposing offshore oil and gas activity at this time.

ECONOMIC REALITIES OVERRULE WEAK ATLANTIC OIL & GAS PROSPECTS

Several economic realities indicate that the harm from offering Atlantic leases and eventual development would greatly outweigh the potential monetary and sociopolitical benefits. Realistic scenarios of Atlantic oil & gas production would not generate much economic gain for the nation's citizens, let alone those of the impacted Southeast region, in that Atlantic oil & gas production will not lower the price of fuel for the average person, nor will it boost energy security or independence. Meanwhile, an offshore oil and gas industry in the Southeast would intrinsically jeopardize key drivers of our region's economy, namely the coastal tourism industry.

Drilling in the Atlantic will not lower the price of fuel

The Atlantic region doesn't contain enough oil to affect prices. The Atlantic contains less than 1 percent of the total technically recoverable oil and gas resources in the U.S. Under current economic conditions, the proven oil and gas resources in the Atlantic are 0 percent of national total.[ii] When the Obama administration proposed drilling in the Atlantic in 2015, the Interior Department estimated that Atlantic drilling could account for just 0.1 percent of national oil production and 0.06 percent of national natural gas production.[iii] Under President George W. Bush, the Energy Information Administration concluded that opening all off-limits areas to offshore drilling in the Atlantic, Pacific, and Eastern Gulf of Mexico might result in a savings of up to 3 cents per gallon of gasoline no sooner than 2030.[iv]

Furthermore, oil prices are set on the international market. The United States produces 15 percent of the world's petroleum, leaving the other 85 percent of pricing to be determined overseas.[v]

Drilling the Atlantic will not increase energy security or independence

The Atlantic contains less than 1% of the U.S. total technically recoverable oil and gas resources, which is a terribly inadequate amount to increase U.S. energy security or independence.[vi]

Meanwhile, U.S. energy security has grown greatly in recent years in the absence of Atlantic drilling, particularly because of technological advances in drilling such as fracking. Between 2008 and 2015, domestic crude oil production nearly doubled,[vii] natural gas production increased by a third,[viii] while oil imports declined substantially.[ix]

U.S. energy security is already strong, and will remain so without exposing us to the risks of drilling in the Atlantic.

Furthermore, it is doubtful that increasing leased acreage would even boost near or medium term production. Oil companies do not need more offshore acreage to increase oil production. A 2012 report found that of the acres already leased to oil companies, seven out of every 10 offshore acres and 56 percent of onshore acres are sitting idle without active development or exploration. In the Gulf of Mexico alone, the already-leased area is estimated to contain over 7 times as much oil as what may be found in the Atlantic.[x]

While Atlantic drilling would not increase our nation's energy security, developing domestic renewable energy sources like wind and solar would. As such, the Department of Defense is working to source 25 percent of its energy from renewable sources by 2025, while the Department of the Navy is seeking 50

percent by 2020. At the same time DoD is seeking to reduce its use of petroleum fuel in non-combat vehicles by 30 percent and the Navy is seeking to reduce by 50 percent.[xi] [xii]

Drilling the Atlantic will jeopardize our coastal economy, not enhance it

The Atlantic coast has a thriving economy based on tourism, which would be threatened by offshore drilling. Coastal areas in the seven states adjacent to the Mid- and South Atlantic Planning Areas generate over $19 billion per year and employ more than 335,000 individuals in coastal tourism and fishing.[xiii] [xiv] [xv] Any potential economic gains from the offshore oil industry must be considered against the robust economic engine of coastal tourism that we already have.

Major oil spills, like the Deepwater Horizon disaster, while not frequent, are catastrophic when they occur. On the Gulf following the Deepwater Horizon tragedy, some oystermen and shrimpers reported catch rates of 25 percent or less than normal.[xvi] Many tourism-based businesses, such as hotels, restaurants, and tour companies reported extreme difficulty getting by in 2010, for example:[xvii]

- Gulf Shores, AL and Orange Beach, AL reported a 41 percent decline in tourists in 2010
- Baldwin County, AL lodging revenue dropped 33 percent ($58 million)
- Walton County, FL's hotel occupancy levels in May 2010 were down 6 percent, food and beverage revenue was down 16 percent, and revenue from additional tourism-related products and services sold was down 32 percent.

Moreover, industrial infrastructure that accompanies offshore drilling, such as pipelines and refineries, blights the coast and deters tourism. Analysis shows that coastal counties on the Gulf coast without such infrastructure generate twice as much tourism revenue per capita as counties that host such infrastructure.[xviii]

INDUSTRY ASSURANCES DO NOT PREVENT DISASTER

The oil industry implies that locating offshore drilling platforms far enough away from shore would protect coastal communities from adverse economic impacts; however, in the event of a major spill, even a substantial buffer may not mean a lot. The Deepwater Horizon was situated about 42 miles from shore and it scattered oil along 1,313 miles of shoreline, heavily oiling beaches as far as 288 miles to the west (Marsh Island, LA) and 155 miles to the east (Fort Walton Beach, FL).[xix] If oil from an Atlantic spill were to travel that far, the rig would need to be well outside of the 200-mile U.S. exclusive economic zone to prevent beaches from being oiled.

While the oil and gas industry says that safety measures have been incorporated since the Deepwater Horizon tragedy, the fact remains that the vast majority of significant offshore drilling accidents occur due to human error—about 80 percent according to one major oil company's director of engineering and technology. Regardless of technological or regulatory improvements, human error remains the greatest cause for major accidents and may supersede any institutionalized operational improvements.[xx]

Since the easiest-to-extract oil has already been tapped, offshore drilling sites are moving to deeper, higher-pressure, more complex areas, with more potential for accidents than ever before.[xxi] The risk assessment for potential failures in offshore development needs to be prospective in assessing future risks rather than retrospective in merely projecting into the future what historical risks have been.

OIL SPILLS SEVERELY THREATEN PUBLIC HEALTH

More than 50,000 workers cleaning up the Deepwater Horizon disaster were exposed to hazardous chemicals daily, resulting in chronic debilitating conditions, and possibly increased risks of cancer and other life-threatening diseases.[xxii]

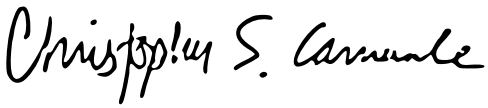
Gulf residents suffered considerable mental health degradation, with sharp increases in anxiety and clinical depression, largely related to the loss of income from the spill. For the first year after the spill, between one-third and a half of the population of Baldwin County, AL and Franklin County, FL met the criteria for clinical depression (compared to a 10-11 percent baseline). A year later, about 20 percent of the population was still depressed.[xxiii]

EXPLORATION IS NOT HARMLESS. EXPLORING TO "JUST SEE WHAT'S OUT THERE" COULD BE CATASTROPHIC.

Contrary to industry claims of harmlessness, the exploration phase of offshore oil and gas development can be in itself catastrophic. The Deepwater Horizon disaster resulted from drilling an exploratory well, not production itself. Drilling such exploration wells is an intrinsic part of the exploration process of new areas before oil production begins and as such should be prevented to the greatest extent possible in the 2019-2024 program. Even before exploratory drilling takes place, seismic geologic and geophysical characterization surveys pose significant threats to the marine environment. Seismic exploration has been attributed to 40-80 percent declines in local fish catches and can severely impact marine mammals, like whales, that rely heavily on their sense of sound to navigate, feed, and communicate.[xxiv] New and emerging scientific literature on the impacts of seismic exploration—for example new research on krill mortality—has not been adequately weighed by BOEM or DOI and must be looked at in the formation of a new OCS program.[xxv] Furthermore, seismic surveys must be considered for their cumulative impacts, rather than on simply an individual basis. Evaluating each seismic permit application in isolation from the others is inadequate.

Thank you for this opportunity to comment.

Sincerely,



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[ii] Energy Information Administration. *Annual Energy Outlook 2016* Assumptions Report. Pages 132-3. https://www.eia.gov/outlooks/aeo/assumptions/pdf/oilgas.pdf
[iii] Bureau of Ocean Energy Management. *2017-2022 Outer Continental Shelf Oil and Gas Leasing Proposed Program*. March 2016. Page S-10. https://www.boem.gov/2017-2022-Proposed-Program-Decision/

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https://web.archive.org/web/20121017214824/http://www.eia.gov/oiaf/aeo/otheranalysis/aeo_2009analysispapers/aongr.html
[v] According to 2016 EIA data, the U.S. produces 14,827 thousand barrels per day of petroleum and other liquids production compared to 97,166 globally. https://www.eia.gov/beta/international/
[vi] Energy Information Administration. *Annual Energy Outlook 2016* Assumptions Report. Pages 132-3.
https://www.eia.gov/outlooks/aeo/assumptions/pdf/oilgas.pdf
[vii] 2,281,919 thousand barrels of crude oil were produced in the U.S. in 2008 compared to 3,436,515 thousand barrels in 2015. Source: Energy Information Administration. https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPUS1&f=A
[viii] 25,636,257 million cubic feet of natural gas were produced in the U.S. in 2008, compared to 32,894,727 million cubic feet in 2015. Source: Energy Information Administration. https://www.eia.gov/dnav/ng/hist/n9010us2A.htm
[ix] 4,871 thousand barrels per day of crude oil and petroleum products were net imported in 2015 compared to 11,114 thousand barrels per day in 2008. Source, Energy Information Admnistration.
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