



Foundation for NC Future

**100 North Tryon Street
Suite B220-106
Charlotte, NC 28202-6038
704.307.6160
www.ncfuture.org**

Foundation for NC Future – October 2005 - www.ncfuture.org

Continental Outer Shelf Gas Exploration vs. Environmental Hyperbole

As North Carolinians already know, we pay one of the highest state gas taxes in the country. This, of course, explains why Charlotte enjoyed mention in various national newspapers after Hurricanes Katrina and Rita devastated the Gulf Coast as having the highest cost gasoline in the United States. We're Number 1! Unfortunately this distinction is not one that any of us can appreciate. Already we are hearing the dire predictions of an upcoming cold winter and much higher prices for the natural gas we need to keep us warm.

As bad as this past hurricane season was, it may have helped us realize how dependent we are on the pipeline running to North Carolina from the Gulf that carries most of our gasoline and natural gas remaining perfectly operable and continually pumping. When the pipeline supply was disrupted, gas prices went sky-high. If we aren't able to address this supply/disruption issue quickly and effectively, there may come a day when we look back on the summer of 2005 and the winter of 2006 as the "good old days." I shudder at that prospect – no pun intended.

Fortunately we have an opportunity to possibly get out in front of a problem before it becomes a catastrophe. Government is notoriously famous for reacting to problems after they become disasters and rarely famous for solving problems before they reach that catastrophic stage. We now know what happens to the businesses, farmers, truckers, and office workers in our state when gas supplies are disrupted. Costs go up; uncertainty reigns; crops don't get tended. Not a pretty picture.

A second issue we are continually dealing with in state and local governments is economic development, i.e., how to provide more and better jobs to the people of North Carolina. The Piedmont area of North Carolina has grown and prospered in the last 30 years. It is equally as important for us to bring real economic growth to both eastern and western North Carolina. But what if we had an opportunity to relieve both our natural gas supply problem as well as provide a sustained, meaningful long term economic future for the eastern third of our state? Could we do it? More importantly, would we do it?

Well, we will be given the opportunity. Off the coast of the southeastern United States (Virginia, South Carolina, Florida, and North Carolina) lies an apparent treasure trove of

natural gas. Enough natural gas to lessen our dependency on pipelines we have no control over. It is called the Outer Continental Shelf, and it is just sitting there waiting for us to tap into it. The states of Virginia and South Carolina have expressed interest in exploring the possibilities of allowing drilling to occur in this vast oil and gas field. There have been estimates of as many as 600 new gas-fired power plants being needed over the next ten years because gas is cheaper, cleaner, and more plentiful domestically than oil. It would be a tremendous boost to North Carolina's economy if we could be a supplier for the natural gas demands those new plants will need.

The issue will be coming up for debate soon in North Carolina. Already the state has received major indications of interest from qualified drillers. "Great!" you may say. "Go for it!" A plan that would create a major new source of energy for our state and bring in long-standing, well paid jobs, and huge investments. Sounds like a winner, doesn't it? Not so fast. Earlier attempts at opening this field up for exploration never materialized because the permit process was stopped by a public perception that providing energy from our own offshore area was too risky. In the recent Gulf hurricanes, however, there were little or no reported leaks of oil or natural gas from the drilling rigs. There have been few problems with the Trans Alaska Pipeline since it opened under a cloud of mass environmental hysteria and dire ecological predictions. Technology has improved to the point where the risks of such drilling have been significantly mitigated. Of course there is a trade off...letting little Jimmy watch TV if he'll do his homework is a trade off. Drilling for clean-burning natural gas to reduce our energy dependency on far away supplies, providing great paying jobs in an area that desperately needs them, and bringing in billions of dollars of investment into our state is a trade off with the diminishing risk of a deleterious environmental event.

There has always been a lot of environmental opposition whenever and wherever exploration opportunities occur. We could be drilling in the Arctic National Wildlife Refuge now if the folks who write all-knowing editorials while riding around New York, San Francisco, and Washington in their limousines would evoke a rational debate instead of an emotional one. It is really getting to the point where the man or woman on the street can't afford their effete musings anymore while waiting in line to buy overpriced gas for their cars so they can get to work. Yes, there are major questions and details to be debated and worked out, but one of the biggest is that the proposed facilities would be 40 miles off shore – way beyond the horizon and totally out of view. An underground pipeline would carry the natural gas to the shore where major infrastructure will refine and distribute it (think jobs). And, in the end, this project would bring energy security to both our state and this region. A no-brainer, right? Hmmm...

As always there will likely be opposition from the environmental groups who will drive to their protest rallies in their cars burning fossil fuels and thereby contributing even further to potential air pollution...oh wait, that's a debate for another day. And there will be opposition from the private islands off the coast of North Carolina. The reason folks can afford houses on these private islands is because they have lots of money and can afford both the expensive lot and house, as well as the high cost of the gas to drive their SUV's there. As a result they may use that money to pitch a fit against this idea. Of

course these are the same folks that demand our tax dollars to refurbish the beaches on their private islands when a storm erodes them. But we may have a carrot to offer these folks. Because of the tremendous economic windfall this project would create, there would be money to renourish and protect those beaches, dredge the inlets and intra-coastal waterways to allow fishermen and weekend sailors an easier passage, and to create man-made reefs that have been proven to attract new and different species of fish.

The key to this debate is to force the discussion to be held on the merits and not the emotional distortions. The environmental groups are not alone in tugging at people's emotions with half-truths and disingenuous statements. It is interesting to note that back in the late 1990's, the Sierra Club filed suit to stop building the levees in New Orleans to handle a Class 5 hurricane rather than just a Class 3 hurricane. The process became bogged down in environmental impact statements and lawsuits (Human Events Online, "Greens Blocked Plan That May Have Saved New Orleans, September 16, 2005). We are all, now, painfully aware of the result of that debate and delay. Former Vice President Al Gore, however, while speaking to an environmental conference in San Francisco on September 9, advocated people being held accountable for the inactions that caused so many problems in New Orleans. There were many members of the Sierra Club in the audience, apparently clapping wildly. The irony, obviously, was lost on them.

We need to go forward with exploring how we can safely implement drilling in our part of the Outer Continental Shelf. We can find ways to work out our differences if we enter into the discussion in good will. We can't afford the arguments that by doing nothing we win. We don't. We lose. It is as simple as that. Please contact the governor and your state house and senate members and ask them how to explore finding ways to help make this project doable and not stick their heads in the (eroding beach) sands.

Robert Pittenger
NC Senate – District 39
704-365-0065