

Fish, Game and Forestry Committee

GEORGE E. "CHIP" CAMPSEN III
CHAIRMAN

THE SENATE OF SOUTH CAROLINA
305 GRESSETTE OFFICE BUILDING
P.O. BOX 142
COLUMBIA, SOUTH CAROLINA 29202



BRIAN COHL
DIRECTOR OF RESEARCH
BRIANCOHL@SCSENATE.GOV

JULIE BOWERS
ADMINISTRATIVE ASSISTANT

TEL: (803) 212-6340
FAX: (803) 212-6356
EMAIL: SFG@SCSENATE.GOV

August 10, 2017

Ms. Kelly Hammerle
National Program Manager
Bureau of Ocean Energy Management
45600 Woodland Road VAM-LD
Sterling, Virginia 20166

Re: Scoping Comments for the 2019-2024 Proposed Oil and Gas Leasing Program

Dear Ms. Hammerle:

I am a life-long resident of the Isle of Palms, a barrier island in Charleston County, South Carolina. I represent Senate District 43 in the South Carolina Senate. District 43 is a long coastal district covering 85 miles of South Carolina's coast. It runs from Bulls Bay in Charleston County, to Port Royal Sound in Beaufort County. Having extensively navigated the Atlantic coast from Virginia Beach, Virginia to Dry Tortugas, Florida, I can personally attest my coastal senate district encompasses one of the most magnificent coastlines on the eastern seaboard. It is uniquely blessed with pristine and protected natural resources, world-class resorts and a rich history.

My service in the South Carolina Senate is part-time. In the private sector I am an attorney, own a passenger vessel company, and hold a US Coast Guard 100-ton Captain's License. Several of my passenger vessels were constructed in Louisiana and the Florida panhandle. I spent many months in the Gulf of Mexico during construction, and delivered the vessels to Charleston by transiting the Gulf of Mexico and cruising up the east coast.

I do not support drilling for oil and gas off South Carolina's coast. I share the concern most often raised, namely the risk of damage to the environment and our vibrant tourism industry in the event of an oil spill. However, I wish to offer an additional perspective as well. This concern is rarely raised and is not contingent upon a catastrophic oil spill before it impacts our coast. If we embrace offshore drilling in South Carolina this factor will negatively impact our coast definitively and continuously. Let me explain.

During my time in the Gulf of Mexico I observed first-hand the land-based infrastructure necessary to support offshore drilling. It is not a pretty sight. It is extensive, dirty and highly industrial. There simply is no place in my senate district or anywhere else along South Carolina's coast where this kind of industrialization is appropriate. Our coast is dominated by residential and resort development, wildlife refuges and extensive protected ecosystems such as the ACE Basin and Santee Delta. Offshore oil's land-based infrastructure would not mix well with current coastal land uses.

I suspect much of the support for offshore oil drilling would fade away if citizens were confronted with the realities of coastal industrialization associated with offshore oil. Just look at Google Earth shots of Port Fourchon, LA; Morgan City, LA; Deer Park, TX and Beaumont, TX. I am confident there would be outrage and intensive opposition to the platform construction yards, refineries, drilling operations, staging yards, boat yards and other infrastructure necessary to support offshore oil.

Which portions of South Carolina's coast would we industrialize? Little River in the tourism mecca of Myrtle Beach; Murrells Inlet dominated by beach and vacation homes; pristine Winyah Bay surrounded by tens of thousands of acres of protected wildlife refuges; McClellanville next to Cape Romain National Wildlife Refuge; historic Charleston Harbor, the number one tourist destination in the nation; Stono Inlet overlooking Folly Beach and the world-renowned Ocean Course on Kiawah Island; the North or South Edisto Rivers impacting Seabrook Island and Edisto Beach; St.

Helena Sound and the protected ACE Basin ecosystem with its wildlife refuges and antebellum plantations; the Beaufort River, Port Royal Sound and historic City of Beaufort with magnificent homes, working farms, and the Parris Island Marine Corps Recruit Depot; the historic Town of Port Royal, site of the first settlement in the New World; or, Calibogue Sound adjacent to the resort town of Hilton Head Island?

Protected ecosystems, wildlife refuges, beach resorts, spectacular homes and historic cities dominate our coastal land use patterns. In fact, approximately one-third of South Carolina's coastline is protected through conservation easements or public ownership. These existing uses are wholly incompatible with the onshore industrialization necessary to support offshore oil. It is too late for that. The die has already been cast. Our coastal land use patterns have matured into residential, resort, historic and wildlife refuge uses. The coastal industrialization offshore oil would bring is wholly incompatible with these uses.

As for our coastal economy, it is based upon our unique quality of life. Travel and tourism, beaches, resort and real estate development, fishing, hunting, watersports, agriculture, mariculture, forestry, the Port of Charleston and some of the most historic sites in North America form the backbone of our coastal economy. My hometown of Charleston is repeatedly rated as the number one travel destination in the United States, and at times the world. Offshore oil would place these established drivers of our economy at risk.

Finally, since I burn a lot of diesel fuel in my passenger vessel business, I keep close tabs on oil prices and the oil industry. The industry has undergone a transformation in recent years. Shale oil extraction technology has revolutionized land-based North American oil production. Jeff Currie, Head of Commodities Research at Goldman Sachs, recently described it as a paradigm shift. He calls it the New Oil Order. Since 2011 these new technologies have transformed North American production from a long lead-time, high fixed cost endeavor; to a short lead-time, variable cost endeavor. He draws an analogy to a manufacturing process that can be quickly dialed up and down depending on supply and demand factors. This New Oil Order will likely keep downward pressure on prices since land-based production is now easily ramped up in response to pricing signals.

Quite frankly I fail to see how new offshore oil production, which requires sustained high oil prices to break even, is economically viable for the foreseeable future. The New Oil Order favors lower and variable cost shale oil under North American soil. Shale oil can be quickly extracted and profitable at oil prices far below the break-even point of new offshore operations.

Almost one-half of South Carolina's coast lies in my senate district. Each of the twelve coastal municipalities in the district has adopted resolutions opposing offshore drilling. The sentiment is very strong. We see offshore oil as wholly incompatible with our current land use patterns, and a threat to current drivers of our economic growth. It will forever impair our unsurpassed quality of life, economic prosperity, natural resources, historic landmarks and cultural treasures.

We are blessed with a magnificent coastline of unsurpassed beauty. One-third of it has been protected through cooperative public-private initiatives over the course of several decades. We all share stewardship responsibilities for the resources God has blessed us with. As one of those stewards I implore the Bureau of Ocean Energy Management. Don't permit drilling for oil off our coast.

Thank you for consideration of my comments.

Respectfully submitted,



George E. "Chip" Campsen, III
South Carolina Senate, District 43
Beaufort, Charleston and Colleton Counties