

THE DRILLING DEBATE

Is offshore drilling the best chance for America to solve its energy crisis?

Or would it simply create more problems?



TEN REASONS VIRGINIA SHOULD PREVENT OFFSHORE DRILLING

By EILEEN LEVANDOSKI

- 1. Drilling now would have no effect on fuel prices until 2030 and provide little return on investment. If natural gas production in the Atlantic region started in 2011, as proposed, it would have no impact on domestic crude oil and natural gas production or prices until 2030 definitely not a timely source of revenue for solving Virginia's current transportation crisis or a source for heating our homes this winter. Prices for drill ships/rigs are about \$500 million each, and currently there is a 5-year waiting list for new rigs. Starting in 2020, total natural gas production from the Outer Continental Shelf off the lower 48 states is projected to decline thus providing very little return on heavy investment.
- 2. Drilling for gas or oil off the coast of Virginia would be harmful to U.S. national security. Approximately 72 percent of Virginia's offshore drilling zone is within the U.S. Navy's Virginia Capes Operating Area, the principal training area for air, surface and submarine units as well as a testing area for new vessels, aircraft and weapon systems.
- 3. We could drill everywhere in the U.S. and not meet our energy needs or reduce prices. The U.S. contains only 3 or 4 percent of the world's proven oil and gas reserves. As the U.S. Department of Interior has indicated, at the most, only 4 billion barrels of oil reserves lie off the entire Atlantic coast about a 200-day supply based on current U.S. consumption of 20 million barrels a day. In a July 2006 addendum to its OCS assessment, the Minerals Management Service determined that the potential oil and natural gas reserves off Virginia's coast constitutes a tiny percentage of the U.S.'s small percentage of total world oil and gas reserves. That's hardly worth the tremendous risk to our environment, our local economy and our national defense.
- 4. We do not need to open new areas for drilling. Four times more natural gas is available in areas already open to drilling than in waters protected by the moratorium, and the industry is using only 18 to 20 percent of what it already has access to. These unused areas could produce an additional 4.8 million barrels of oil and 44.7 billion cubic feet of natural gas each day, nearly double current domestic oil production.
- 5. There is no leasing scenario or regulatory framework that would allow development of natural gas and not simultaneously promote the development of offshore oil. Historically, the industry has always removed both gas and oil before capping a productive well.

- 6. The energy infrastructure supporting offshore drilling is ugly, smelly and spews pollutants. The heavy industrial infrastructure needed to support offshore drilling must be located near offshore drilling rigs. As a result, our beaches and coastal zones will be cluttered with miles of pipelines, refineries, smokestacks, terminals, tankers, storage facilities, ports, helipads and dorms hardly the attractive infrastructure greeting tourists to Hampton Roads, where they spent more than \$890 million last year alone. The two industries, offshore drilling and tourism, are mutually exclusive, thus forcing communities such as Virginia Beach to choose between being an oil- and gas-producing city or being a tourist destination.
- 7. Investment in dirty offshore drilling means money isn't being spent on clean energy solutions. Imagine the same dollars being invested in offshore wind . A wind farm with a footprint the size of Virginia Beach - about 3 percent of Virginia's continental shelf - could supply the equivalent of 20 percent of the commonwealth's current electricity needs. These farms do not require the extensive infrastructure onshore, just a compact, clean electrical connection that would have no negative impact on scenic beauty and tourism. According to the Virginia Coastal Energy Research Consortium, offshore wind and wind-wave hybrid technologies could meet 20 percent of current U.S. electricity demand using 8 percent of the OCS area between 5 and 20 miles offshore and 17 percent of the OCS area between 20 and 50 miles offshore. Thus, other mid-Atlantic coastal states also facing issues of limited budgets and a need to provide energy to its citizens have chosen wisely and are investing heavily in offshore wind resources. Delaware already has a contract to provide wind energy; New Jersey and Rhode Island are close to signing similar contracts. Meanwhile, Virginia has done very little to promote efficiency or renewable energy development. A report commissioned by labor and conservation groups found that in Virginia, more than 336,000 existing jobs in employment fields could see job growth or wage increases by putting global warming solutions to work.
- 8. There is a huge environmental cost to just exploring for natural gas. Once exploratory drilling commences, the toxic drilling discharges and other routine drilling impacts are similar for either oil or gas exploration and eventual oil or gas development. Normal drilling operations generate an average of 180,000 gallons per well of waste mud containing toxic metals such as mercury and lead with most being dumped into surrounding waters. Each drilling platform also normally discharges hundreds of thousands of gallons of toxic "produced" water every day containing benzene, arsenic, lead and other pollutants. The eventual development of natural gas also carries tremendous risk as tankers transport gas in liquid form to port terminals where it's converted back to gas. A University of Houston study counted 170 deaths from 25 spills, explosions and other big incidents at natural gas ports and tankers from 1944 to 2002. Virginia is also prone to hurricanes and nor'easters, which pose great risk to siting any offshore drilling infrastructure here. According to the Coast Guard, more than 7.1 million gallons of crude oil were spilled in at least nine major incidents and 35 smaller incidents as a direct result of Hurricane Katrina.
- 9. Virginia is being targeted for offshore drilling because it is viewed as the "weakest link" on the East Coast the state most likely to cave in to industry lobbying and enable the eventual lifting of the moratorium off the entire Atlantic coast. The oil industry views Virginia as a "loss leader" to get to the reserves off other Atlantic coast states, especially North Carolina, industry's real target. The governors of North Carolina, Maryland and New Jersey continue to oppose lifting the moratorium. Any environmental damage would spread far beyond Virginia's coast, affecting those states
- 10. Virginia needs to accept responsibility for global warming pollution that we generate. Drilling off our coast only prolongs and expands our dependence on fossil fuels, increasing global warming pollution and sea level rise. With sea level rise projected at as much as a meter or more over the next century and the significant costs associated with addressing expected flooding and inundation of our low-lying coastal areas, Virginia needs to explore how we will meet our energy needs while decreasing our reliance on fossil fuels. The U.S. is home to five of the top 10 global cities (Virginia Beach ranking No. 10 in the world) in terms of assets exposed to coastal flooding and vulnerability to climate extremes. According to an Ernst & Young survey of global leaders on strategic business risk, the top insurance risk in 2008 is climate change. Already more than 55 percent of the private insurance markets in the mid-Atlantic region have stopped writing new policies.

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