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A Hollow Groundswell: Debunking the Myth of Widespread Opposition to Offshore Energy

Executive Summary

In June 2014, the U.S. government initiated the process to develop the next program that will determine the timing and location of potential offshore oil and gas lease sales in federal waters from 2017 to 2022. Shortly thereafter, the Interior Department (DOI) approved an environmental review framework that allowed companies to apply for permits to update decades-old oil and gas seismic data in the Mid- and South Atlantic.

In a pivotal step toward further securing the nation's long-term energy and economic security, in January 2015, the Interior Department (DOI) released a 2017-2022 Draft Proposed Program for offshore leasing that includes a potential sale in 2021 for an offshore area extending from Georgia to Virginia, as well as potential Arctic offshore lease sales in Alaska's Beaufort and Chukchi Seas. DOI is now on the cusp of deciding which areas to keep open for leasing consideration in the next phase of this process known as the "Proposed Program."

Over the course of the development of the 2017-2022 leasing program, hundreds of thousands of citizens have been joined by consumer groups, governors, state legislators, and Members of Congress in voicing support for increased access to the nation's offshore conventional energy resources, including in the U.S. Mid- and South Atlantic and Alaskan Arctic.

This support has been reinforced by public

polling demonstrating that significant majorities in every Atlantic state under consideration for potential future offshore oil and gas leasing support offshore energy development, as well as continued strong support for Arctic development. During this time, anti-energy groups have been urging Atlantic coastal state communities to pass resolutions against offshore seismic surveys and/or drilling. These groups have subsequently highlighted the passage of such resolutions as evidence of widespread opposition to offshore energy.

As this analysis by Consumer Energy Alliance shows, however, the collective population of those residing in municipalities that have – at the urging of anti-energy organizations -- passed resolutions against offshore Atlantic energy activity makes up only **7.2%** of the population of all Atlantic states combined (including Washington, D.C.).

More specifically, when only considering resolution activity in the four Atlantic states where DOI has proposed offshore leasing in adjacent federal waters, the population of those residing in municipalities that have passed such anti-energy organization-proposed resolutions falls to just **3.8%** of those states' combined population. Thus, the supposed groundswell against future Atlantic offshore energy activity is far more rhetoric than reality.

Introduction

The Bureau of Ocean Energy Management (BOEM) is currently in the final stages of determining which areas will be included in its Proposed Program for potential future offshore oil and gas leasing between 2017 and 2022.

The current Draft Proposed Program includes a potential lease sale in 2021 for an offshore region extending from Georgia to Virginia, as well as one potential lease sale each in Alaska's Beaufort (2020) and Chukchi Seas (2022).¹

Based on decades-old seismic data, the federal government estimates that the proposed Atlantic leasing region is home to more than 5 billion barrels of oil equivalent. Furthermore, it has been estimated that Atlantic-wide development could create almost 280,000 jobs, generate up to \$23.5 billion in annual GDP, and produce over \$51 billion in federal and state revenue.²

In Alaska, federal waters contain an estimated ~27 billion barrels of oil and 132 trillion cubic feet of natural gas, most of which is located in the U.S. Arctic in the Beaufort and Chukchi Seas. It has been estimated that development of U.S. Arctic energy resources could generate an annual average of 54,700 jobs nationwide, an estimated cumulative payroll of \$145 billion, and \$193 billion in federal, state, and local revenues.³

Support

Public

Public polling continues to show that broad majorities of voters in the Atlantic states where DOI has proposed a potential future offshore lease sale in adjacent federal waters continue to consistently and overwhelmingly support offshore oil and gas development.

Democratic polling firm Hickman Analytics last year found that support among registered voters for expanded drilling stood at 61% in Virginia, and 55% in North Carolina. A Harris Poll conducted in 2015 found that 77% of registered voters in Georgia support offshore oil and gas drilling.

1 See Draft Proposed 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program U.S. Bureau of Ocean Energy Management, January 2015, available at <http://www.boem.gov/2017-2022-DPP/>.

2 See "The Economic Benefits of Increasing U.S. Access to Offshore Oil and Natural Gas Resources in the Atlantic," Prepared by Quest Offshore, December 2013, available at <http://www.noia.org/wp-content/uploads/2013/12/The-Economic-Benefits-of-Increasing-US-Access-to-Offshore-Oil-and-Natura....pdf>.

3 See "Potential National-Level Benefits of Alaska OCS Development," Prepared by Northern Economics In association with University of Alaska Anchorage's Institute of Social and Economic Research, February 2011, available at <http://arcticenergycenter.com/wp-content/uploads/2015/08/National-Effects-Report-FINAL.pdf>.

Public (cont'd)

Just earlier this month, a new Harris Poll was released that found support among registered voters for offshore drilling stood at 65% in Virginia, 64% in North Carolina, and 67% in South Carolina.

In Alaska, in 2014 and 2015 Hickman Analytics similarly found extremely high levels of support for offshore drilling, with 73% of registered voters voicing support for drilling in the Arctic and 72% in support of expanded offshore drilling in general. Support for Arctic offshore drilling extends to Louisiana (66%), Georgia, (59%), Iowa (52%), New Hampshire (54%), and South Carolina (63%).

State Leadership

In addition to the support of state legislators and other elected officials in the region, as DOI highlighted in announcing its decision to propose a potential lease sale in 2021 for a portion of the Mid- and South Atlantic, Virginia, North Carolina, South Carolina, and Georgia - represented by Republican and Democrat Governors alike - each conveyed support for including federal waters off their coasts in the 2017-2022 leasing program.⁴

In Alaska, both current Independent Gov. Bill Walker and former Republican Gov. Sean Parnell and other elected officials in the state have supported inclusion of the U.S. Arctic in the federal offshore leasing program.

Consumer Groups/Business Leaders

Consumer groups and business leaders across the Mid- and South Atlantic and in Alaska have also voiced strong support for including their regions in the 2017-2022 federal offshore leasing program. These supporters include chambers of commerce, farm bureaus and agricultural groups, trucking associations, and manufacturing organizations, among others.⁵

The “Rebellion”

Media reports and activists have focused on the supposed rebellion against Atlantic offshore energy activity.⁶

⁴See Draft Proposed 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program, U.S. Bureau of Ocean Energy Management, January 2015, available at <http://www.boem.gov/2017-2022-DPP/>.

⁵See Comments on the Preparation of the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program, available at <http://www.regulations.gov/#!docketBrowser;rpp=25;po=0;dct=PS;D=BOEM-2014-0059>, and Comments on the Draft Proposed 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program, available at <http://www.regulations.gov/#!docketBrowser;rpp=25;po=0;dct=PS;D=BOEM-2014-0096>.

⁶See “Coastal cities rising up against Atlantic offshore drilling plans,” McClatchyDC, November 25, 2015, available at <http://www.mcclatchydc.com/news/nation-world/national/economy/article46454220.html>.

The Groundswell (cont'd)

As evidence, they often cite the passage of Atlantic coastal state community resolutions against offshore seismic surveys and/or drilling.

The resolutions might make for good headlines. But do they tell the whole story?

The Whole Story

The current narrative about opposition to Atlantic offshore energy activity is misleading.

In truth, only a fraction of the population of Atlantic coastal states actually resides in communities where local governments have voted to oppose offshore energy activity.

Using the same markers for opposition as is touted by opposition groups and utilizing the most recent official U.S. Census data,⁷ Consumer Energy Alliance analyzed the populations of the Atlantic communities that have passed resolutions against offshore seismic and/or drilling activity in comparison with the overall population of all Atlantic coastal states and the overall population of the four states within the proposed Atlantic leasing region. The results are telling.

- *As of Mar. 10, 2016, across all Atlantic states, communities representing only ~7.2% of the region's combined overall population have passed an anti-drilling and/or seismic resolution.*
- *As of Mar. 10, 2016, in Virginia, North Carolina, South Carolina, and Georgia, communities representing only ~3.8% of that region's combined overall population have passed anti-drilling and/or seismic resolutions.*

This means that less than 10% of the population of the Atlantic Coast states is represented by communities whose local governments have, at the urging of anti-energy organizations and often basing decisions on flawed information – voted against Atlantic offshore energy activity, with less than 4% of the population of the states within the proposed Atlantic leasing region residing in such communities. Significantly, these percentages depict the population of areas where local governments have voted to approve anti-drilling/seismic resolutions, not the population of those opposed to offshore drilling/seismic activity.

⁷See Oceana list of "Municipalities Opposing Offshore Oil Exploration and/or Development" (as of Mar. 10, 2016), available at <http://usa.oceana.org/seismic-airgun-testing/grassroots-opposition-atlantic-drilling>, and U.S. Census 2010 Total Population Numbers, available at http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml.



Conclusion

The results of CEA's analysis underscore the public's understanding that we can and must have BOTH energy development and environmental protection in order to ensure the nation's long-term energy and economic security.

A rational dialogue is critical to securing such an outcome, and by necessity that requires a discussion based on facts. In this case, the facts show that, as in the case of Alaska, the vast majority of individuals residing in the Atlantic states where oil and gas leasing has been proposed in adjacent federal waters support offshore energy development.