

U.S. House of Representatives - The Committee on Natural Resources
Oversight Hearing: "PERSPECTIVES ON THE OUTER CONTINENTAL SHELF"
February 11, 2009 10:00 a.m. 1324 Longworth House Office Building, Washington D.C.

Name: Carolyn Esther McCormick
Professional Title: Managing Director, Outer Banks Visitors Bureau
Organization: Travel and Tourism Industry

INTRODUCTION:

Mr. Chairman and members of the committee, thank you for this opportunity to testify at the Committee on Natural Resources oversight hearing; "Perspectives on the Outer Continental Shelf".

My name is Carolyn Esther McCormick, and I have been serving the public as a tourism and travel professional since 1987. My public service experience began in Lake County: Gary, Indiana then to The State of Indiana as Deputy Director of Tourism in Indianapolis; to Lubbock, Texas, (1993) as Director of Culture, Leisure and Recreational Services and now serve as the Managing Director (since late 1997), of the Outer Banks Visitors Bureau, Dare County Tourism Board. a North Carolina Public Authority. I am a resident of Nags Head, North Carolina; which is located along the Outer Banks and a mother of two girls.

You and I are here today to help preserve and protect one of America's national treasures, our pristine beaches. We must encourage thoughtful and responsible discourse that recognizes the importance of our coastal tourism centers and our nation's economic needs.

The tourism industry generates trillions of dollars in income and provides memorable experiences to individuals and families worldwide. Tourism brings people and families together outdoors. Working families use the beaches of North Carolina's Outer Banks for vacations with children and grand children. Half of all leisure travelers' emphasize the importance of natural settings in deciding their family vacations.

In North Carolina tourism is a \$15.4 billion industry with employment at 184,000, and North Carolina's Outer Banks accounts for expenditures of over 1 billion dollars and 20,000 jobs. Dare County's Outer Banks host over 5 million visitors to our National Seashore, and National parks. The Outer Banks Visitor's bureau staff and I speak with thousands of visitors and their families every year. In overwhelming numbers they tell us that the natural, cultural and historic resources; primarily the 130 mile stretch of beaches of the Outer Banks are the main reason they visit us.

The Outer Banks are truly America's Beach; a free and open access chain of barrier islands off the northeastern coast of North Carolina. The birth place of English speaking America in 1587 - Ft. Raleigh National Historic Site; home of man's first powered flight

in 1903 – Wright Brothers National Memorial; Cape Hatteras National Seashore Recreation Area, the Nation’s first national seashore established in 1953; Pea Island National Wildlife Refuge, and Alligator River National Wildlife Refuge. Seventy percent, (70%) of our dynamic barrier islands are owned by the people of the United States and managed by the United States Department of the Interior.

Oil and gas development threatens coastlines, harms ecosystems, and directly impacts our tourism, fishing and real estate economies. The people of Dare County have a history of strongly opposing drilling along the Outer Continental Shelf. The Towns of Nags Head, Kill Devil Hills, Kitty Hawk, Southern Shores, Duck, Manteo, the County of Dare and the Dare County Tourism Board have filed resolutions opposing drilling. The well-documented soci-economic and environmental risks outweigh the rewards.

The Outer Banks is particularly vulnerable to storms, beach erosion near our homes, and loss of our fish habitat. It is clear to us that a changing climate and a rising sea level could have a tremendous impact on tourism in all coastal communities. Researchers, businesses, and government agencies in the Outer Banks and throughout North Carolina are cooperating to develop solutions to the effects of climate change including storm severity. We need policies that help us cope with climate change on the nation’s coastline.

On January 29, 2009 the *Winston Salem Journal*, editorial staff printed an op-ed on the issue of drilling along the coast of North Carolina, The paper stated:

“The Interior Department has issued a detailed proposal for oil and gas drilling off both the Pacific and Atlantic coasts -- including the fragile, already-threatened North Carolina coast. Efforts and human ingenuity should concentrate on making the country more energy independent thus seeking alternative fuels that do not in fact increase levels of green house gas emissions.”

“There's been talk for years about drilling off the North Carolina coast. Most of the state's top leaders have resisted such proposals, fearing that drilling could hurt the tourism this state increasingly depends upon. But when gas prices shot up to record highs last year, some of our elected leaders, like their counterparts nationwide, relaxed their resistance.”

“The Interior Department issued its proposal in the last days of the Bush administration, which had pushed for more drilling off America's coasts. The draft plan would allow drilling from New England to Florida and off the California coast, The Associated Press reported last week. These areas were recently declared off limits by Congress. Ken Salazar, the new Interior secretary, indicated to The Associated Press that he likely would be receptive to scaling back his department's proposal for more oil drilling.

“The N.C. legislature announced last week the formation of a committee to study the effects of drilling off our coast. One can't imagine a scenario in which the economic

benefits of such a plan could outweigh the damage to the environment and scenery -- and, consequently, tourism.”

“Drilling rigs would require nearby refineries and storage facilities, and create increased traffic between the rigs and refineries. The rigs would threaten the environment, especially if one was knocked over in a hurricane. With our Outer Banks jutting right out into the path of so many storms, that danger would be very real.”
Winston Salem Journal, North Carolina

In January 2009 the State of North Carolina legislative body appointed a group to examine economic and environmental impacts of gas and oil exploration off the coast of North Carolina. “The Offshore Energy Exploration Study Committee will be co-chaired by Dr. James Leutze, former University of North Carolina at Wilmington chancellor, and Dr. Doug Rader, chief oceans scientist for the Environmental Defense Fund. The committee – comprised of university researchers, industry and environmental representatives, coastal residents and other members of the public. North Carolina Senate President Pro Tempore Marc Basnight and Speaker of the House Joe Hackney will name a legislative panel that will review the study committee’s findings and develop any legislation that might be needed as a result of the committee’s work “In our nation’s effort to move toward energy independence, we must take a long, careful look at how energy exploration off our shores could affect our coastal economy as well as our environment,” Basnight said. “This study will be thorough and balanced reviews that will help us better understand all possible risks and benefits that might be associated with drilling off our coast.”

“People on both sides of this issue have already declared what they believe the right thing to do is, but there has been only a limited scientific examination of what the true benefits and dangers would be,” Speaker Hackney said. “We cannot head down this path halfway. Drilling along the coast is irreversible and we must fully appreciate what we’re doing before we take such a step.”

The North Carolina Committee shall study the following and the review is expected to be completed in 6 to 8 months:

The implications of leasing federal waters off North Carolina's coast in the Atlantic Outer Continental Shelf to energy companies for oil and natural gas exploration.

- ❖ Relevant federal law and the legal authority of the State of North Carolina with regard to offshore drilling.
- ❖ The potential impacts on the nation's energy supply, including documenting the best-unbiased estimates available for what oil and natural gas might exist.
- ❖ The potential financial impact of proposed exploration on the State of North Carolina, including effects on the economy, tourism, the commercial fishing industry, the impacts of a more industrial coastline, and ensuring a share of state profits.

- ❖ The environmental impacts of exploration on North Carolina's coastline, including possibilities of spills, effects on water quality, air quality, marine life, and contributions to global climate change.
- ❖ The environmental impacts of the infrastructure that would be associated with exploration and drilling for oil and natural gas.

The industrial character of offshore oil and gas development is often at odds with the existing economic base of the affected coastal communities, many of which rely on tourism, coastal recreation and fishing. In Dare County, NC, the Outer Banks Visitors Bureau has been fighting efforts to lift the ban on coastal drilling precisely because it realizes what a crushing effect coastal drilling could have on the Outer Banks' 1 billion dollar tourist and fishing economy. If there's one spill or one disaster, the Outer Banks could be devastated for a long time. The powerful hurricanes that battered the gulf coast have destroyed drilling platforms, underwater pipelines and coastal storage tanks, dumping millions of gallons of oil. Drilling in hurricane and storm-plagued waters has proven to be disastrous.

In addition to potentially catastrophic effects on the tourism industry, drilling for gas and oil off our coasts could have significant negative impacts on commercial and recreational fishing, our fisheries, marshlands, and marine habitat. Jobs and the environment are not mutually exclusive. A balanced economy is based on a clean healthy marine environment and efforts need to be focused on restoring our marine environment and sustaining our fisheries.

The U.S. tourism industry is one of America's major retail industries employing 7.7 million people. Tourism creates jobs, adds to income, spurs economic development, promotes economic diversification, introduces additional products, spawns new businesses, increases tax revenue, and contributes to economic integration. Global tourism, \$7.1 trillion industry, is a large fast growing industry that employs more than 232 million people. According to the US Travel Association, tourism in America is a 1.7 trillion dollar industry with coastal communities representing over 700 billion dollars annually. Last year travel and tourism generated over 100 billion dollars in tax revenues for state, local and federal governments.

The world tourism industry has identified climate change as key to future strategic planning. United Nations World Tourism Organization's Secretary General, Francesco Frangialli, addressing climate change said: "We (tourism industry) are part of the problem (global warming) and we will be part of the solution". Social scientists recognize the need to create innovative responses to projected impacts of climate change on tourism. Climate change presents a special challenge to the Atlantic Ocean coastline of the Outer Banks of North Carolina. Stakeholders along this dynamic chain of barrier islands are planning strategies now to mitigate future negative climate change impact. The beautiful environmental coastline is a major reason why five million visitors from more than 50 countries visit the Outer Banks each year.

It is incumbent upon all industries, governments and non-governmental organizations to work together to find solutions to our current energy needs and place a higher emphasis on seeking alternative fuels, reintroducing efficient railway systems throughout the entire United States, encouraging smarter more fuel efficient transport vehicles while reducing green house gas emissions. We must create real incentives that motivate and drive the ingenuity of all to find a cure not just a treatment that will keep America working, traveling and living.

Thank you for this opportunity today and I respect each of the committee's efforts to identify solutions to our energy needs during these very challenging times.

Respectfully submitted by Carolyn E. McCormick



