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NEWS RELEASE

**New Report Finds SC Poised to Benefit Big from Offshore Resource Development**

Columbia, S.C. – Today, Palmetto Policy Forum (PPF) released a new report titled [\*SC's Offshore Opportunity: Economic & Environmental Impacts of Atlantic Energy Exploration\*](#).

On July 18, 2014 the Bureau of Ocean Energy Management (BOEM), a division of the U.S. Department of the Interior, announced that it would allow for modern surveys of the Mid- and South-Atlantic coast to update 40-year old data on offshore petroleum resources. This type of advanced seismic mapping will yield a far more accurate picture of offshore oil and natural gas reserves than what is currently available. The BOEM announcement could present significant opportunity for South Carolina, perhaps as soon as 2018.

Forum President Ellen Weaver said, *"Palmetto Policy Forum exists to offer well-researched information for South Carolina citizens and decision-makers. Our new report balances both possible economic and environmental impacts and concludes that South Carolina could be **the 2<sup>nd</sup> biggest state beneficiary of a potential Atlantic-based energy production boom**. It's hard to overstate the tremendous opportunity this presents for our State."* Key report findings include:

- At peak production in 2035, capital investment could reach \$2.7 billion annually with up to nearly 46,000 new jobs
- Lease and royalty payments to the state could exceed \$1 billion dollars in 2035 with \$163 million generated in state and local taxes.
- Accounting for the cost of carbon impacts and the unlikely event of a spill, the ratio of benefits to costs is 2:1.
- As home to major manufacturers like BMW, Honda, Daimler, Boeing, Bosch and others, the structure of South Carolina's economy is likely to foster the development of oilfield equipment manufacturing as well as other supplies for the energy industry. South Carolina's manufacturing workforce would also be an attractive factor in decisions to build or expand this manufacturing capacity within the state.
- South Carolina has two major ports that would likely play a prominent role in offshore oil and gas production. Using the multipliers for economic impacts on ports implies that offshore oil and gas development would create more than 1,174 jobs for the Georgetown and Charleston ports in 2035 under the high production scenario. Additional employment would be created as these ports invest in new capacity and handle larger volumes of equipment and materials for an offshore oil and gas industry.

The report accounts for the current uncertainty (*pending new seismic mapping*) of the volume of energy resources present in the OCS by making outcome projections for low, medium and high production scenarios. It also goes a step further than prior studies, performing a cost/benefit analysis of potential environmental impacts such as emissions, and the cost of spills or other environmental hazards, key considerations for policy makers given our beautiful, tourism-rich coast.

Based on a [larger study](#) of the Atlantic coast authored by Dr. Timothy J. Considine, a specialist in economic forecasting in the area of energy exploration, the report was produced in collaboration with the Interstate Policy Alliance (IPA) and a coalition of state-based think tanks in Delaware, Maryland, Virginia, North Carolina and Georgia.

Several key South Carolina leaders offered thoughts on the significance of the Forum's report:

*"Advanced seismic mapping of the Mid- and South-Atlantic will better inform any potential options for energy production throughout the region and Dr. Considine's report provides a detailed cost-benefit analysis to consider," said U.S. Senator Tim Scott, "Today's report underscores that through responsible, science-based offshore energy exploration and production, South Carolina can help grow America's economy, create thousands of new jobs locally, generate billions in economic activity and state revenue and lessen our dependence on foreign oil from dangerous parts of the world. The offshore oil and natural gas development process requires close coordination and consultation between the federal government, state and local officials and stakeholders to effectively balance both economic and environmental impacts for South Carolina, an important part that I included in my SEA Jobs Act. I believe this report shows how we can proceed to benefit all of South Carolina." – U.S. Senator Tim Scott (SC), member of the U.S. Senate Energy and Natural Resources Committee and sponsor of the [SEA Jobs Act](#) (S. 2202)*

*"South Carolina is tremendously blessed to have an abundance of energy resources off our coast that could not only trigger economic growth, but also help reduce America's dependence on foreign oil. This report highlights the benefits that are right at our fingertips if allowed to explore these resources. I commend Palmetto Policy on its efforts to outline why moving forward with energy exploration is so imperative to our State." – U.S. Representative Joe Wilson (SC-02)*

*The reasons for developing our energy resources in the Atlantic expand well beyond the thousands of jobs that could be created within the industry itself and the supporting industries. More production in our own backyard is not only safer than relying on Middle Eastern sources of oil, it can also protect Americans from volatile changes to the price of gas caused by turmoil there. Today a billion people in our world still don't have electricity, but by pursuing North American energy independence we can not only continue driving our cars, charging our phones, or turning on the lights at home, we can also export our abundant natural resources to other countries and promote safety and prosperity abroad. Ultimately, when Americans are as free as our founders intended to dream and innovate, they will always find cheaper, cleaner, safer, and more efficient ways to use and produce energy. The next step for us is opening the Atlantic OCS." – U.S. Representative Jeff Duncan (SC-03), member of the House Natural Resources Committee, joined us on a conference call previewing the report. [AUDIO](#) of the conference call with Rep. Duncan and Dr. Considine will be available upon request.*

*"Energy independence is a key ingredient for our country's competitiveness and in order to achieve this, we must explore all of our energy resources. Palmetto Policy Forum's study concludes that our state has the potential to be a key beneficiary of an Atlantic Seaboard energy boom, which would result in billions of dollars in capital investment, tens of thousands of new jobs, and relief in household energy costs for South Carolina families. If we can safely harness energy off our shores and coastal states are guaranteed input, this is something we should carefully consider." – U.S. Representative Tom Rice (SC-07)*

*As one who has worked at the state legislative level to see that we have the energy resources our nation needs, I welcome the findings of this groundbreaking report. South Carolina taxpayers and our Palmetto State economy will be the winners when we finally have full access to these resources. – SC Representative Alan Clemmons (SC House of Representatives, Horry County)*

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