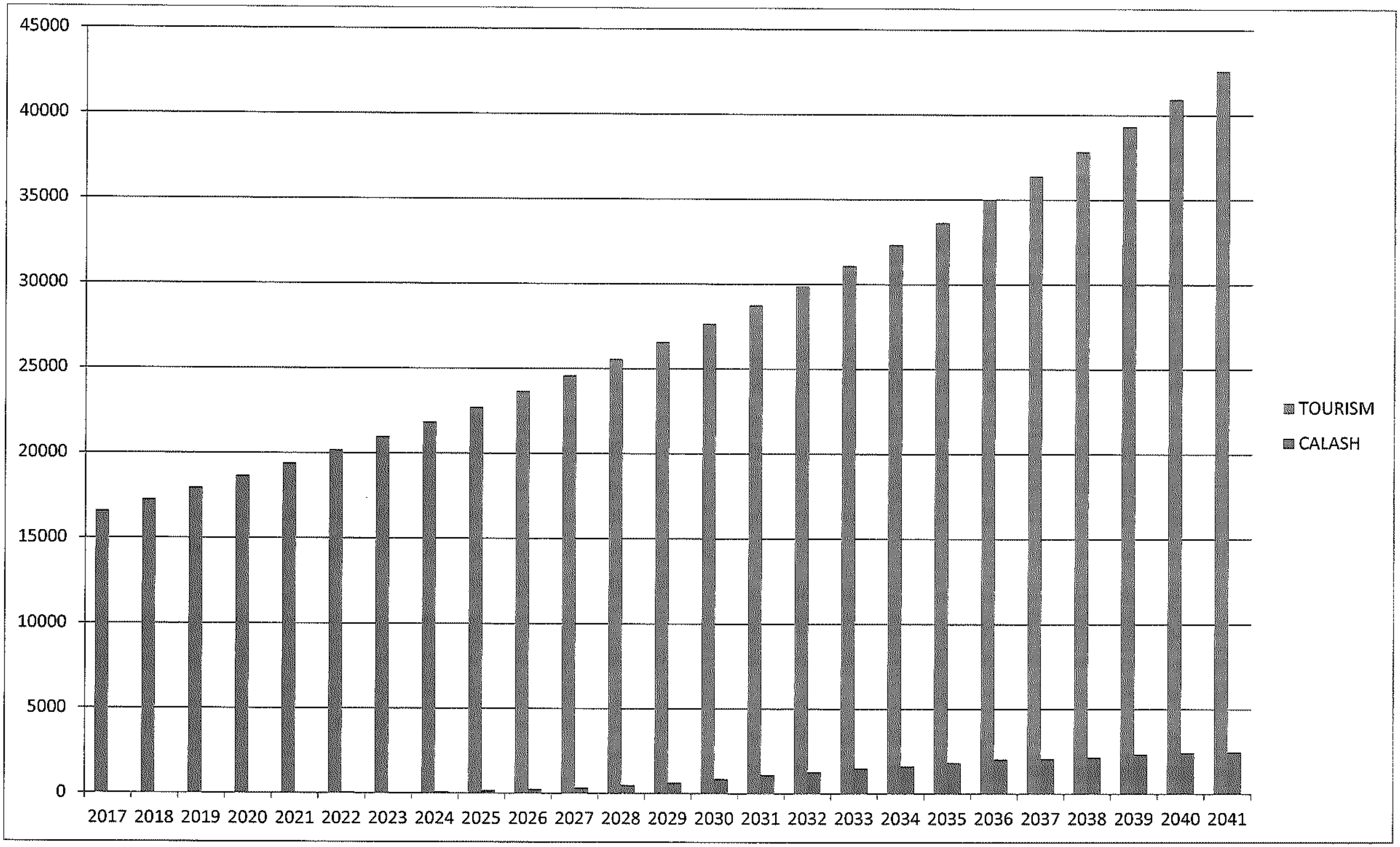
TOURISM vs. OIL



TOURISM SPENDING IN HORRY, GEORGETOWN, CHARLESTON & BEAUFORT COUNTIES IN MILLIONS OF DOLLARS ANNUALLY @4% GROWTH

OFFSHORE DRILLING CONTRIBUTION TO SOUTH CAROLINA GDP IN MILLIONS OF DOLLARS ANNUALLY PER CALASH FOR API April 2018

IS OFFSHORE OIL DRILLING WORTH THE RISK?

The American Petroleum Institute (API) published the **Quest Report** in December 2013 estimating the potential for local jobs and revenue sharing from offshore drilling leases and extraction royalties. A comparison of that estimated economic impact on South Carolina to the known economic impact of coastal tourism showed that the tourism revenues endangered by potential oil spills was 27 times greater than the estimates from jobs and royalties over twenty years of drilling.

When the Obama Administration proposed opening the Atlantic offshore of South Carolina to drilling for oil and gas, virtually every municipality on South Carolina's coast resolved to oppose this plan. After considering the comments submitted, the Obama Administration withdrew the Atlantic from the proposed lease sales. At a later date, seismic testing in the Atlantic was also withdrawn.

The Trump Administration in January 2018 proposed opening offshore drilling in all US coastal areas. The API has now published a new **Calash Report** to again make jobs and revenue projections from offshore drilling.

What could be at risk from drilling accidents is a known quantity. Governor Henry McMaster has referred to the coastal counties of **Horry, Georgetown, Charleston and Beaufort** as the "Goose that lays the golden egg" of tourism revenue.

According to a report by the U.S. Travel Association for the S.C. Department of Parks, Recreation and Tourism, $21.2 billion was directly spent in South Carolina on travel and tourism in 2016, a 4.7% increase over 2015. Accommodation Tax (A-Tax) receipts in the four "Golden Goose" coastal counties were at least 71% of statewide receipts over the last eight years. Coastal A-Tax collections increased another 10.2% in 2017. Based on that, $16,600,000,000 was spent by tourists on South Carolina's coast in 2017.

If such spending continues to grow at the more conservative rate of 4% per year, the cumulative economic impact of coastal tourism spending from 2022 (when the first oil wells under the current leasing program could be drilled) through 2041 could amount to more than **$601,800,000,000.** This does not include the wages and taxes of workers whose livelihood depends on tourism, since we are looking *only at tourism direct spending.*

The **$24,111,000,000** contribution to SC's economy in the **Calash Report** -- never more than 6% of tourism spending in any given year, and just 4% over 20 years -- is "chump change", and we would be chumps if we accepted drilling off our coast.

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