June 20, 2012

The Honorable Bev Perdue,
Governor of North Carolina
20301 Mail Service Center
Raleigh, NC 27699-0301

Dear Governor Perdue:

We write as business leaders to urge you to veto S820, Clean Energy and Economic Security Act. Far from promoting economic development or energy security, S820 threatens the shared prosperity and quality of life our businesses are working to sustain every day in North Carolina, and we hope you will block this unwise legislation.

In early April, several of us sent a joint letter to the Department of Environment & Natural Resources, commenting on the Department of Environment & Natural Resources' (DENR) draft report on the potential impacts of shale gas development ('fracking') in North Carolina. That letter noted that shale gas development offers little prospect of real economic gain here, and could threaten existing, homegrown business. We recommended that, rather than squander limited resources on a shale gas fantasy, North Carolina prioritize support for sustainable businesses that create permanent jobs and invest in our communities for the long haul.

Recent events have reinforced our concerns. Even as the legislature rushed to enact S820, the U.S. Geological Survey confirmed that North Carolina's gas resource is small: perhaps five years of 'technically recoverable' gas if someone were willing to lose money to extract it. No estimate has suggested when any level of extraction might be economically viable. Meanwhile, investments in infrastructure, energy efficiency, and renewable energy could create jobs starting today, and would help build genuine energy independence.

If shale gas must remain on the table, the state deserves a better regulatory framework than S820. We appreciated your statement, expressed in Executive Order 118, that shale gas legislation should at least follow the recommendations of the DENR shale gas study. S820 falls short of that standard:

- S820 bill legalizes fracking without waiting for the results of key studies recommended by the DENR report, including a study of the unusual geology of North Carolina's resource, and another assessing whether gas extraction has any real economic viability in the state. Without these studies, the state cannot hope to protect groundwater from contamination, or to know whether the expense of legalizing fracking and building a regulatory program will ever have a payoff.

- Your Executive Order calls for environmental managers to retain authority over environmental rules. Instead, S820 puts a new Mining and Energy Commission, with heavy representation by the gas industry, in charge of writing and enforcing key rules for shale gas development. That's a recipe for trouble.

- S820 calls for revenue studies, but does not establish royalties or impact fees to fund regulatory programs or pay for damaging impacts to roads, bridges, and other infrastructure. Our businesses need strong infrastructure to stay competitive. Writing a blank check allowing a single out-of-state industry to degrade that infrastructure is not a business-friendly move.

As we said in comments to DENR, shale gas is the antithesis of sustainable development. The industry offers few local benefits: drilling companies hail from out of state; profits flow out of state; rig workers are imported from out of state. At the end of a short period of drilling, the industry departs, leaving a legacy of contaminated groundwater, wastes that must be managed indefinitely, and shuttered local business. North Carolina deserves better, and we are disappointed that the legislature has sent you S820, a bill that does so little to protect and sustain the businesses that are already building a better future for this state.

We urge you to veto S820.

Sincerely,

Jane Adams, Owner
Crystal Clear Cleaning
Chapel Hill, NC

Jennifer Albright, Owner
Adult Care Solutions, LLC
Chapel Hill, NC

Vicki Ashley, Co-Owner
The Organic Bedroom
Raleigh, NC

Laura Balance, Co-Owner
Merge Records
Durham, NC

Mike Benson, Owner
Southern Rail Restaurant
Carrboro, NC

Amy Brooks, Owner
Brooks Contractor
Goldston, NC

Judith Brooks, Owner
Health Touch Meridian
Durham, NC

Rick Clemenzi, Owner
Asheville Geothermal, Inc.
Asheville, NC

Alan Cohen, Owner
Office Supplies and More
Chapel Hill, NC

Thomas Crowder, President
ARCHITEKTURPA
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Nick Davis, Owner
Nick Davis Contracting
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Susan Draughon, Owner
Susan Draughon Sculptures
Pittsboro, NC

Lyle Estill, President
Piedmont Biofuels
Pittsboro, NC

Homa Jahannia, Owner
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Michele Zapple, Owner
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