

29 March 2005

Hon. Michael J. Schewel
Secretary of Commerce and Trade
Commonwealth of Virginia
Ninth Street Office Building, Suite 723
Richmond, Virginia 23219

Subject: **Support for Offshore Exploration**

Dear Secretary Schewel:

This letter voices my support for the pending bill to lift the ban on offshore drilling along Virginia's coast.

The Hon. Whitt Clement and Hon. Matt Erskine suggested that I write to you with my comments.

While project manager of offshore and petroleum projects in Norway and the United Kingdom, I have personally seen the balance that can be obtained from competing interests for the environment: fishing, tourism, economics, and energy. Though the discussion often gets a bit rowdy, with a workable political balance based on accurate, timely, fair, and unbiased technical information, proper and appropriate decisions can be made.

However, a key to achieving a workable political balance is having accurate and timely technical information that is fair and unbiased. Only then can a proper resolution and decision be made.

The future of Virginia depends on energy. It also depends on a pleasant environment and a viable economy. Based on my experience, these need not be mutually exclusive.

While employed by a major petroleum company, I was involved in obtaining deepwater exploration, drilling, and production leases offshore Norway. Although Norway's population is about 3,000,000 less than Virginia's, nevertheless, Norway is a world leader in offshore petroleum technology. The foundation for this remarkable achievement was laid in the late 1970s and early 1980s when Norway encouraged interested petroleum companies to invest in Norwegian infrastructure such as university research, infrastructure projects, fishing impact studies, environmental studies, technical studies, etc. This investment was in addition to the production royalty payments, taxes, and other funds to the government.

Hence, through ingenuity and planning, the coexistence of various competing groups in Norway was eventually obtained.

Virginia is at a similar crossroads. One path leads to an open and progressive discussion of the merits and impacts of offshore drilling, production, and transportation, while the other path impacts our economic interests and future growth potential. It may take many years, i.e., 5-10-15 years, for first recovery of petroleum resources. These projects are lengthy and very capital intensive. Unless, we start laying the groundwork now, we are going to be forced to contend with possibly other unpleasant options such as LNG imports, oil tanker traffic, associated environmental risks, and high costs due to energy uncertainty and risk.

I believe that some petroleum companies and other organisations may also be “encouraged” to invest now in Virginia’s process and discussion about offshore exploration. Our research universities would be the first to benefit.

If your office, or others, wishes to obtain more information about my 35 years experience in worldwide offshore petroleum projects, please feel free to contact me anytime. Note, I am actively engaged in the offshore business at this time.

As a Richmond resident, as are our children and grandchildren, I urge the Governor to approve this bill.

Thank you for your consideration.

Respectfully,

Robert M. Sexton