



For Immediate Release
March 5, 2013

Lori LeBlanc
985-209-7932
lori@gulfeconomicsurvival.org

GULF ENERGY WORKERS TESTIFY BEFORE CONGRESS ON NEED FOR ROBUST LEASE SALES TO SUPPORT INDUSTRY GROWTH

Two members of the Gulf Economic Survival Team – Chett Chiasson, Executive Director of the Greater Lafourche Port Commission and Cory Kief, Director of Business Development for Crosby Tugs – testified on behalf of the offshore industry today at a hearing held by the House Natural Resources Subcommittee on Energy and Mineral Resources Oversight. The hearing examined the economic importance and energy contribution of the industry, as well as the need to support industry growth through appropriate policies, including robust lease sales.

Port Fourchon director Chiasson testified about the importance of lease sales for industry growth: “For Port Fourchon to continue to grow and have a successful future creating jobs throughout the economy and facilitating development for our community, Gulf of Mexico lease sales are critically important. That is the future of the oil and gas industry. Robust lease sales have the ability to energize oil and gas service companies, their suppliers, and their suppliers’ suppliers throughout the country planning for future development. That facilitates critically needed investment by entities that service these offshore activities, which has a positive ripple effect throughout the national economy.”

In his testimony, Cory Kief of Crosby Tugs described the multiple layers of jobs directly connected to the offshore industry: “Drilling is just the beginning. Following drilling, infrastructure such as pipelines and platforms must be developed to support production. The fabrication of these items are constructed in fabrication yards throughout the country, and then loaded onto barges that are towed to the drilling locations to be installed. These installations require services to support their task once they have been completed. Companies like ours support these activities and depend on them for our vitality. Needless to say, a robust lease sale would definitely be encouraging for our stability and potential growth.”

“It’s important to remember the economic impact as well as the enormous revenue that a healthy offshore industry can generate,” said Lori LeBlanc, Executive Director of the Gulf Economic Survival Team. “Between 2008 and 2010, Gulf oil production increased by approximately 35% -- but then declined by 25% between 2010 and 2012. This comes at a high cost. In 2008, Gulf lease sale revenues amounted to \$9.5 billion – a figure that shrank to just \$663 million last year. Similarly, royalty revenue from the Gulf, which added up to \$7.5 billion in 2008, was \$2 billion lower last year. Policymakers need to connect the dots and actively support the economic and revenue drivers that we have in hand here in the Gulf by fostering smarter, more robust energy policy for the offshore.”

###

GEST is an independent, non-profit group acting as a liaison between industry, local communities and the federal government to resolve continuing regulatory issues that are delaying a return to drilling in the Gulf. For more information on GEST, visit www.GulfEconomicSurvival.org.