



Office: 985.448.4485
P.O. Box 2048-NSU Thibodaux, LA 70310
www.gulfeconomicssurvival.org

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Contact:
Lori LeBlanc, Executive Director
985-448-4485/ lori@gulfeconomicssurvival.org

GEST Releases Statement on Final Well Control Rule

Rule could harm U.S. energy security and deal a devastating blow to Gulf communities

The Gulf Economic Survival Team is currently reviewing the final Well Control Rule issued by the Bureau of Safety and Environmental Enforcement (BSEE) to determine what changes BSEE has made and whether industry's recommendations were incorporated into the final rule.

"GEST shares BSEE's intent of adopting a rule that enhances safety and environmental protection and we hope that this final rule will have addressed those technical flaws that would have resulted in unintended consequences and could have made offshore operations less safe," said GEST Executive Director Lori LeBlanc.

"We are very disappointed to see the Interior Department release such a major rule without resubmitting it for public comment and consultation. Given how far off the mark the previous version was, the sheer complexity of the issues at hand, and the lack of substantive dialogue with industry experts during this process, we are concerned that this rule may not be ready for prime time.

"Furthermore, we remain concerned about the economic impacts of the rule if several of the provisions have not been corrected. This could result in Gulf energy companies that operate globally deciding to shift investment and jobs to other parts of the world. The stakes are huge: as Wood Mackenzie found, the impact of the rule as proposed could reduce industry investment in the Gulf by up to \$11 billion annually; reduce government tax revenues up to \$5 billion annually through 2030, jeopardizing coastal restoration efforts; and place over 100,000 jobs at risk by 2030.

"We are concerned that Interior's decision to go forward with this rule will lead to stranded assets in the Gulf, harming U.S. energy security while dealing a potentially devastating blow to Gulf communities stung by the industry downturn," said LeBlanc.

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GEST is a Louisiana-based, grassroots advocacy organization advocating for safe and robust offshore oil and gas development in the Gulf of Mexico. Visit our web site at www.GulfEconomicSurvival.org, follow us on Facebook at www.facebook.com/gulfeconomicssurvivalteam and on Twitter @GESTNews.