



April 15, 2021

The Honorable Deb Haaland
Secretary
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Via: energyreview@ios.doi.gov

Re: Department of Interior's comprehensive review of the federal oil and gas program called for in Executive Order 14008

Dear Secretary Haaland:

Thank you for the opportunity to comment on the Department of Interior (the Department) comprehensive review of the federal oil and gas program as called for in Executive Order 14008. We look forward to working with you and your Agency to "Build Back Better" in a way that can achieve President Biden's climate change and environmental goals while also maintaining our nation's energy independence, preserving our much-needed jobs and protecting our coastal communities.

The ***Gulf Economic Survival Team (GEST)*** is a grassroots advocacy organization that promotes the significance of Gulf coast energy to the United States and local economies, small service companies, and middle-class Americans throughout our great nation. We represent the service companies who support the oil and gas industry, the regional and statewide business and industry associations as well as the local communities who depend on a robust offshore industry to support hundreds of thousands of high-wage jobs, revenues to fund vital community services as well as critical wetland restoration and levee protection projects that protect our environment and our people.

While the Department's Forum on March 25th provided valuable insight regarding the Bureau of Ocean Energy Management (BOEM) leasing process and other stakeholders, GEST was immensely disappointed that Gulf Coast community stakeholders were not invited to participate in the Forum. As such, throughout the Department's leasing program evaluation, we strongly urge the Department to engage and collaborate with state and local community leaders in Gulf Coast states who are directly impacted by the current offshore leasing ban and could incur additional impacts if federal offshore leasing policy changes negatively impact the offshore industry.

The Gulf of Mexico offshore oil and natural gas industry is an economic engine for our nation contributing \$5-8 billion per year to the federal treasury. In fact, Gulf oil and gas revenues fund 60% of total federal energy funding. The U.S. depends on the offshore oil and natural gas industry to produce nearly 20% of our nation's energy supply and with a robust offshore industry comes critically important jobs and livelihoods. Over 11 million jobs are associated with the U.S. energy industry, including nearly 500,000 jobs directly tied to energy production in the Gulf of Mexico. Our offshore workers and the service workers proudly produce the energy that literally fuels America. Furthermore, the offshore

industry is also responsible for the indirect and induced jobs, from boat companies, fabrications shops, engineering firms, grocery stores, and car dealerships throughout the Gulf Coast and extending throughout the country.

According to economist Dr. Loren C. Scott's latest study, "***The Energy Sector: Still A Giant Economic Engine for the Louisiana Economy***", Lafourche and Terrebonne parishes have more than 5,400 energy employees working at an average annual wage of \$81,402 and a contribution of more than \$24 million in local property taxes. The energy industry supports more than \$440.5 million in annual wages for employees in Lafourche and Terrebonne Parishes. It is clear that the energy industry is critical to the area's employment, budget and economic success.

Louisiana is also home to Port Fourchon, which is an intermodal and supply port located on the Gulf of Mexico near the mouth of Bayou Lafourche and is the only Louisiana port directly on the Gulf of Mexico. More than 200 companies utilize Port Fourchon in servicing offshore rigs in the Gulf of Mexico, carrying equipment, supplies and personnel to offshore locations. In terms of service, Port Fourchon's tenants provide services to more than 90% of all deepwater rigs in the Gulf of Mexico, and roughly 45% of all shallow water rigs in the Gulf. An estimated 15,000 people per month are flown to offshore locations supported by Port Fourchon. The Port plays a key role in our nation's offshore energy supply and will continue to do so for many years to come.

The long-term sustainability of our communities not only depends on the offshore industry for the jobs and the tax revenues; we also depend on offshore industry revenues for our vital coastal restoration and levee protection projects. The Gulf Coast has experienced an increased number of hurricanes threatening our coastal communities and these projects are critical for our survival and for future generations. Under the Gulf of Mexico Energy Security Act (GOMESA), Gulf producing States split 37.5% of qualified OCS Revenues and the Land and Water Conservation Fund gets 12.5%. GOMESA shares two primary sources of revenue.

1. Bonus bids that come from new lease sales in the Gulf of Mexico. These have fluctuated between approximately \$160 million and \$407 million over the past five years.
2. Royalties that come from actual oil and gas production in the Gulf of Mexico.

In Louisiana, the State is projecting to receive \$389 million of GOMESA revenues over the next 3 years to fund the State Coastal Master Plan. These investments will provide flood protection for specific projects. Projects such as the Bayou Lafourche Pump Station, which provides safe drinking water for over 300,000 residents in a four-parish area, the Bayou Chene flood gate, which protects residents in six parishes, as well as investments in levee system improvements to enhance the climate resilience of coastal communities are all funded by these revenues.

The suspension of offshore lease sales in the Gulf of Mexico directly impacts this funding and ultimately jeopardizes construction of critical coastal projects which puts coastal communities at an increased risk from tropical storms and hurricanes.

GEST recognizes that climate change poses a significant threat due to the impacts of sea level rise on our coastal communities. However, eliminating offshore oil and natural gas production in an effort to reduce global carbon emissions is counter-productive to what is a global problem and will only hurt America's small businesses, communities and the people along the Gulf Coast. In fact, a 2016 Department of Interior [report](#) concluded America's greenhouse gas emissions would increase absent new OCS leasing, because foreign sources of crude oil actually emit *more* emissions.

Gulf coast energy workers stand ready to work with this Administration to "Build Back Better" through an energy transition; however, it needs to be accomplished through smart strategic policies. Notably, while the Gulf holds vast potential for development of renewable resources like offshore wind production, it's the infrastructure and workforce related to our historic and sustainable offshore oil and gas production that will make this potential a reality.

GEST urges the Administration and the Department to resume offshore oil and natural leasing in the Gulf of Mexico immediately and work collaboratively with the States, the communities, and the industry to develop science-based climate change solutions that will allow our energy workers to continue to produce American energy for many generations to come.

If you have any questions or would like to discuss further, please contact Lori LeBlanc at lori@gulfeconomicsurvival.org or 985.209.7932.

Sincerely,



Lori LeBlanc
Executive Director
Gulf Economic Survival Team