

## **Senate Hearing**

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Terrebonne Parish Government  
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## **Written Testimony**

### **U.S. Senate Committee on Small Business & Entrepreneurship “The Deepwater Drilling Moratorium: An Economic Disaster for Louisiana’s Small Businesses”**

“Good morning, Senator Landrieu I am bid greetings to you and your esteemed committee from the “Good Earth” Terrebonne Parish, where I am currently the council chairwoman”.

The French words Terre Bonne meaning the Good Earth is more than fitting as the citizens of our parish have supported themselves and their families with the blessings of nature; our unique geography that creates abundant fisheries, beautiful landscapes, and a warm culture that draws many visitors each year.

Our parish symbol the oil rig and a fishing vessel represent the importance of the oil and gas industry and the seafood industry to the economy of this great parish, with approximately 60% of our workforce directly or indirectly related to the oilfield and approximately 20% directly or indirectly related to the seafood industry. The explosion of the Deepwater Horizon caused devastation to 11 families who lost fathers, sons, brothers, or friends something many of us probably have never experienced a death with no proper closure. The events after the explosion caused detriment to thousands along the Gulf Coast, a reality some of us never thought we would be faced with.

Although, I understand and respect the federal government's position on safety, a 6 month moratorium would destroy parishes and counties along the Gulf Coast that rely heavily on oil and gas as a way of revenue. In our case, 6 months is the equivalent of two to four years. When a company that installs and dismantles offshore platforms in the Gulf of Mexico ties up a derrick barge, that act ripples through the region and state's economies. It results in employee layoffs (approximately a crew of 100 people) and the subsequent reduction of their income, impacting their abilities to pay mortgages, household bills, tuition, fewer dinners out, shopping trips, and other dollars spent in the local economy. My parish depends more or less on services related to the oilfield industry thus when one company reduces its spending with numerous other companies who supply that operation- groceries, welding supplies, pipe, sheet metal, safety supplies, chemicals and cleaning fluids, fuel, truck transportation, water, driving companies, even the scrap yard that would buy the scrapped materials- and as those suppliers lose their business, they lose their ability to spend dollars on their supplies and services and can be forced to lay off employees. This is just from on derrick barge that services the shallower waters, where permits are also not being issued.

In Terrebonne Parish all of this reduced disposable income has hurt a local restaurateur Al Mahler, who owns a long-established seafood restaurant, and had to close one location in Houma. The closure was the result of a decrease in income of \$15k to \$20k a month for the last 90 days and the difficulty in buying seafood to prepare and sell. While this means no purchases a being made from seafood suppliers, neither are purchases being made from suppliers of other ingredients, supplies, utilities, etc. Those workers have lost their jobs and no longer have the ability to spend money as freely as they previously did.

The effect of the moratorium will have for more lasting affects than any one can even conceive. “Social Strain”,a theory used in Criminal Justice to describe increased criminal activity in certain offenders, is the inability to live the quality of life you are accustomed to, thus an increase in criminal activity. The Terrebonne Parish School District went into **Reduction in Force**, for the 2010-2011 school year highly related to a 9 million dollar sales tax decrease, a drop in child enrollment causing the MFP to decline to 1.6 million dollars because of migration out of the parish. The school system receives 46.22% of sales tax revenue and will began the year in need of \$11,346,904 to balance the general fund budget, before the effects of the moratorium truly began. These numbers are expected to increase as a result of the moratorium and put a burden on already financially burdened school system. The basis for which this country’s future lies, our children are the sacrificial lambs in this whole situation. Many students in the parochial school system will transfer into the public school systems due to layoffs in the oil and gas industry and the inability for those in the seafood industry to get beyond the negative image the rest of the country has for Louisiana seafood, causing overcrowded classrooms mixed with all types of behavioral patterns. Yet, there will be no increase in sales tax, so to increase teaching staffs will not be attainable, thus making no child behind become a generation left behind.

Am I my brothers, keeper? Not if you along lower reaches in Terrebonne Parish in a community called Pointe-Aux- Chenes a community built on the seafood industry, a community rich in faith and hope, a community strong enough to weather every catastrophic storm that has touched the Louisiana gulf coast and another disaster has taken

a way the very industry they need to survive and man is threatening to take away the industry they rely upon as a back up? The moratorium's effects will reach from the oldest to the youngest and at the end of the day what will it prove? How many moratoriums have been put in place since 1947 when the first deepwater rig was placed in the gulf? This is this result of human error, and I don't think that one man's greed should cause another man to need!!!

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